

CITY OF TOLEDO, OHIO

Single Audit Reports

Year Ended December 31, 2013



Dave Yost • Auditor of State

Mayor and Members of Council
City of Toledo
One Government Center, Suite 2050
Toledo, Ohio 43604-2284

We have reviewed the *Independent Auditor's Report* of the City of Toledo, Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2013 through December 31, 2013. 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 cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 20, 2014

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CITY OF TOLEDO, OHIO
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2013

<u>Federal Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Urban and Community Forestry Program	G10394/G10395	10.675	\$ 73,038
Soil and Water Conservation	UG1410	10.902	1,433
Total U.S. Department of Agriculture			74,471
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
CDBG Entitlement Grants:			
Community Development Block Grants/Entitlement Grants			
36th Year CDBG Grant	G36000	14.218	37,004
37th Year CDBG Grant	G37000	14.218	279,920
38th Year CDBG Grant	G38000	14.218	3,852,891
39th Year CDBG Grant	G39000	14.218	3,155,403
2008 Neighborhood Stabilization	GNSP08	14.218	811,183
2010 Neighborhood Stabilization	GNSP10	14.218	782,790
<i>(Passed through Lucas Metropolitan Housing Authority):</i>			
LMHA 2013	G05573	14.218	256,936
Total CDBG Entitlement Grants			9,176,127
Emergency Solutions Grants Program			
25th Year Emergency Shelter	GE2502	14.231	117,325
26th Year Emergency Shelter	GE2602	14.231	490,661
27th Year Emergency Shelter	GE2702	14.231	123,222
			731,208
HOME Investment Partnerships Program	GH1702-GH2202	14.239	1,642,594
HOME Investment Partnerships Program	Outstanding Loans	14.239	2,395,627
			4,038,221
Brownfield Economic Development Initiative	GED600	14.246	14,195
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	G10325	14.251	47,200
ARRA - Neighborhood Stabilization Program	G9NSP2	14.256	641,964
Lead-Based Paint Hazard Control in Privately-Owned Housing	GL7006	14.900	144,523
Total U.S. Department of Housing and Urban Development			14,793,438
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
<i>(Passed through Ohio Department of Natural Resources):</i>			
Great Lakes Restoration Program	G10390	15.662	8,596
Total U.S. Department of the Interior			8,596
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Bulletproof Vest Partnership Program	G07440	16.607	7,497
ARRA - Public Safety Partnership and Community Policing Grants	GS7110/GS7111	16.710	201,053
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program:			
2013 Presecutor Grant	G13203	16.738	2,135
2013 COVAW Grant	G13233	16.738	5,564
<i>(Passed through Ohio Department of Public Safety):</i>			
TCIRV Grant Grant	G07012	16.738	42,654
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant	G07012	16.803	12,200
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant	GF7109	16.804	31,710
Total JAG Program Cluster			94,263
<i>(Passed through Ohio's Office of Criminal Justice):</i>			
ARRA - Violence Against Women Formula Grants	G07332/G07333	16.588	30,278

(Continued)

CITY OF TOLEDO, OHIO
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2013

<u>Federal Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<i>(Passed through Ohio Department of Public Safety):</i>			
Community Capacity Development Office	G05612/G05613	16.595	33,185
Total U.S. Department of Justice			<u>366,276</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>(Passed through Ohio Department of Transportation):</i>			
Highway Planning and Construction:			
SECOR ROAD WIDENING	75579/G07649	20.205	139,247
GLENDALE - REYN TO EASTGA	90694/GA6712	20.205	21,656
SYLVANIA ODOT TIP	89079/GA6501	20.205	385,405
MONROE-CENTRAL TO CRARY	81792/GA6722	20.205	28,508
SOUTHWYCK-REYN TO REYN	90675/GA6702	20.205	29,402
SUMMIT/FRONT BIKE PATH, PHASE 1	90691/GA6732	20.205	219,000
REYNOLDS ROAD BIOSWALE	90692/GA6742	20.205	653,636
WOODVILLE HIGH LVL -CORP	91349/GA6782	20.205	70,715
WOODVILLE HIGH LVL -CORP	91138/GA6792	20.205	120,373
BROADWAY/SUMMIT WSTRN -LA	91131/GA6822	20.205	25,937
COLLINGWOOD-MONROE TO CENTRAL	90676/GA6802	20.205	1,522,037
SECOR ROAD ODOT-TMACOG	85098/GA6823	20.205	3,617,790
MONROE - PROMEDICA	90259/GA8541	20.205	554,142
Total Highway Planning and Construction			<u>7,387,848</u>
Community Highway Safety:			
<i>(Passed through Ohio Department of Highway Safety):</i>			
State and Community Highway Safety	G06706	20.600	32,375
State and Community Highway Safety	G06752	20.600	56,184
State and Community Highway Safety	G06753	20.600	9,642
Total Community Highway Safety			<u>98,201</u>
Total U.S. Department of Transportation			<u>7,486,049</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Great Lakes Program	G10399	66.469	72,757
<i>(Passed through Ohio Environmental Protection Agency):</i>			
Air Pollution Control Program Support:			
2012 Title V	G2013V	66.001	191,636
2013 Title V	G2014V	66.001	59,147
			<u>250,783</u>
ARRA - Environmental Workforce Development and Job Training Cooperative Agreements	G10410	66.815	84,802
ARRA - Brownfields Assessment and Cleanup Cooperative Agreements			
ARRA - Brownfield Revolving	G10220	66.818	1,989
ARRA- 2004 Hazardous Substance RLF	G10222	66.818	1,055,243
ARRA- 2009 Brownfield Suppl Grant	G10223	66.818	359,786
ARRA- ODOD Madison Cleanup	G10224	66.818	200,000
ARRA- 2012 Pretroleum Assessment Grant	G10401	66.818	78,840
ARRA- 2012 Hazardous Assessment Grant	G10402	66.818	228,678
			<u>1,924,536</u>
Total U.S. Environmental Protection Agency			<u>2,332,878</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>			
High Intensity Drug Trafficking Area (HIDTA) Grants - 2012	G04862	95.001	115,925
Total Executive Office of the President			<u>115,925</u>

(Continued)

CITY OF TOLEDO, OHIO
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2013

<u>Federal Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>(Passed through Ohio Emergency Management Agency):</i>			
Emergency Management Performance Grants	G04541	97.042	14,509
Emergency Management Performance Grants	G04551	97.042	285,497
Emergency Management Performance Grants	G04552	97.042	133,577
Emergency Management Performance Grants	G04548	97.042	4,400
Emergency Management Performance Grants	G04547	97.042	455
			<u>438,438</u>
 <i>(Passed through Toledo-Lucas County Port Authority):</i>			
Port Security Grant Program	G04531	97.056	48,378
Homeland Security Grant Program	GP1201	97.067	41,500
Homeland Security Grant Program	GP1305	97.067	45,457
			<u>86,957</u>
Total U.S. Department of Homeland Security			<u>573,773</u>
Total Federal Awards			<u>\$ 25,751,406</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	\$ 3,508,952
Emergency Shelter Grants Program	14.231	<u>731,208</u>
		<u>\$ 4,240,160</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**

INDEPENDENT AUDITORS' REPORT

To the Honorable D. Michael Collins, Mayor, Members of City Council and the Audit Committee
City of Toledo, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, 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, 2013 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency listed as item 2013-001.

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Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
June 30, 2014

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITORS' REPORT

To the Honorable D. Michael Collins, Mayor, Members of City Council and the Audit Committee
City of Toledo, Ohio:

Report on Compliance for Each Major Federal Program

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, 2013. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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Basis for Qualified Opinions on CDBG Cluster (CFDA 14.218) and HOME Investment Partnerships Program (CFDA 14.239)

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the CDBG Cluster (CFDA 14.218) and HOME Investment Partnerships Program (CFDA 14.239) as described in finding 2013-002 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to those programs.

Qualified Opinions on CDBG Cluster (CFDA 14.218) and HOME Investment Partnerships Program (CFDA 14.239)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the CDBG Cluster (CFDA 14.218) and HOME Investment Partnerships Program (CFDA 14.239) for the year ended December 31, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-003. Our opinion on each major federal program is not modified with respect to this matter.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of compliance requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2013-002 to be a material weakness.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2013-003 to be a significant deficiency.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the City as of and for the year ended December 31, 2013, and have issued our report thereon dated June 30, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
June 30, 2014

CITY OF TOLEDO, OHIO
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2013

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• 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:	Unmodified for all major programs except for CDBG Cluster (CFDA 14.218) and HOME (CFDA 14.239) which were qualified.
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	Yes
Identification of major programs:	
• CFDA 14.218 – CDBG Entitlement Grants	
• CFDA 14.231 – Emergency Shelter Solutions Grants	
• CFDA 14.239 – HOME Investment Partnerships Program	
• CFDA 20.205 – Highway Planning and Construction	
• CFDA 66.818 – ARRA – Brownfields Assessment and Cleanup Grants	
Dollar threshold to distinguish between Type A and Type B Programs:	\$772,542
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2013-001 – Audit Adjustments

During the course of our audit, we identified misstatements in the financial statements for the year ended December 31, 2013, not initially identified by the City's internal control over financial reporting. Audit adjustments were necessary to correct errors which related to estate tax receivable and related deferred inflows as well as proper cutoff of accounts payable.

Management Response: Management concurs.

Section III – Federal Award Findings and Questioned Costs

Finding 2013-002 – Allowable Costs

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CDBG – Entitlement Grants Cluster – CFDA Nos. 14.218 and HOME Investment Partnerships Program – CFDA No. 14.239

- Criteria:** 2 CFR 225, Appendix B requires where employees work on multiple activities or cost objectives, a distribution of their salaries and wages to be supported by personnel activity reports or equivalent documentation. Personnel activity reports are required under various circumstances, including when employees work on more than one federal award. Personnel activity reports must reflect after-the-fact distribution of actual activity of each employee, must account for the total activity for which each employee is compensated, must be prepared at least monthly and must be signed by the employee. 2 CFR 225, Appendix B goes on to state, budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards.
- Condition:** We performed tests to determine if the City was in compliance with time and effort documentation requirements for payroll charged to the federal program. The City allocates payroll and benefits for certain employees working on the federal program. Employees spending less than 100% of their time on the program do not track actual time spent on the program, and instead their time is charged based on a budget estimate.
- Context:** The timesheets were completed using budgeted hours instead of actual for the period from January 1, 2013 to June 30, 2013. Total payroll of \$1,449,022 for that period was charged to CDBG. Of this amount \$681,903 was charged by employees that were 100% assigned to CDBG. The Department of Neighborhoods subsequently had these employees complete forms certifying that they worked 100% on CDBG funded activities. Thus payroll of \$767,119 was charged to CDBG using budgeted hours rather than actual.
- Total payroll of \$53,152 was charged to HOME. The timesheets were completed using budgeted hours instead of actual.
- Cause:** The Department of Neighborhoods was unaware of time and effort documentation requirements for employees charging less than 100% to the program.

Effect: Unallowable costs may have been charged to these programs due to the lack of tracking actual time instead of budgeted. As noted above, payroll costs charged to the programs were not properly 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 2013-003 – Reporting

U.S. ENVIRONMENTAL PROTECTION AGENCY

Brownfields Assessment and Cleanup – CFDA No. 66.818

Criteria: The City must file annual reports as required with the Brownfields Revolving Loan Fund (“RLF”) program. 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 2011, 2012 and 2013 reports were not filed until after we made inquiries during the audit related to Brownfields RLF expenditures.

Cause: The City did not timely file the annual reports.

Effect: The City was not in compliance with reporting requirements of this grant.

Recommendation: The City should establish controls to ensure all reports are submitted timely.

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

Financial Statement Prior Audit Findings

Finding 2012-1 – 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.

Status: *Corrected in 2013.*

Federal Award Prior Audit Findings

Finding 2012-2 – Allowable Costs for CDBG (14.218, 14.253), HOME (CFDA 14.239), NSP (14.256) and HPRP (14.257)

The Department of Neighborhoods was unaware of time and effort documentation requirements for employees charging less than 100% to the program. Unallowable costs may have been charged to these programs due to the lack of tracking actual time instead of budgeted. As noted above, payroll costs charged to the programs were not properly supported and thus are considered questioned costs.

Status: *Repeated as Finding 2013-002.*

Finding 2012-3 – Reporting for HPRP (CFDA 14.257)

The City did not maintain accurate supporting disbursement documentation for the 1512 and performance reports.

Status: *Corrected in 2013.*

Finding 2012-4 – Allowable Costs for HOME (CFDA 14.239)

The City approved a transaction which exceeded the maximum allowable DPA.

Status: *Corrected in 2013.*

Finding 2012-5 – Period of Availability for CDBG (14.218, 14.253)

The Department of Neighborhoods stated that they routinely run and review the timeliness report to ensure the amount of entitlement grant funds available to the recipient under grant agreements but undisbursed by the U.S. Treasury was less than 1.5 times the entitlement grant amount for its current program year; however, they did not retain this documentation. Therefore, no testing was able to be performed.

Status: *Corrected in 2013.*

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CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013



PREPARED BY:

DEPARTMENT OF FINANCE

GEORGE E. SARANTOU, FINANCE DIRECTOR

INTRODUCTORY SECTION

**City of Toledo, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013**

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Comprehensive Annual Financial Report
For the Year Ended December 31, 2013**

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City of Toledo, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013

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CITY OF TOLEDO



D. Michael Collins
Mayor

George E. Sarantou
Director of Finance

June 30, 2014

Honorable Mayor D. Michael Collins, Paula Hicks-Hudson, President
and Members of City Council and Citizens of the City of Toledo, Ohio

As Director of Finance for the City of Toledo, Ohio, I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2013.

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

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

As part of the annual preparation of the CAFR, the City is subject to an annual independent audit of its basic financial statements, which serves to strengthen the City's accounting, budgetary, and internal control of its financial and operational systems. The firm of Clark, Schaefer, Hackett & Co. located in the City of Toledo, Ohio has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2013. 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. 61, the Financial Reporting Entity, all governmental departments, agencies, institutions, commissions, public authorities and other governmental organizations for which the City has significant accountability. Financial accountability is determined by the City's financial interdependence. The reporting entity of the City includes the following services as authorized by its charter: public safety, highways and street, water and sanitation, health and social services, culture and recreation, public improvements, planning and zoning and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

The City and the Toledo Metropolitan Statistical Area (MSA) have diverse economies in both their manufacturing and their increasingly important service sectors. 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 2013 Fortune 500 corporation, has its headquarters in the City, and two other of the 2013 Fortune 500 corporations, Dana Holding Corporation and Owens-Illinois, Inc., have their corporate headquarters in the Toledo MSA.

The ProMedica Health System still remains the largest employer in the Toledo MSA. The system includes a health education and research center, health maintenance organization, nursing homes, a local business network of private practices and several hospitals.

University of Toledo; including its Medical Center, is the second largest employer in the Toledo MSA. Both the University's Main Campus and its Medical Campus are located within the City. In addition to the training and education provided to students, University of Toledo is one of the leading research institutions in the State of Ohio. Both University of Toledo Medical Center and ProMedica Toledo Hospital were named among the best hospitals in Ohio by U.S. News and World Report magazine. Following very closely as the

third largest employer in the Toledo MSA, is Mercy Health Partners who was awarded the 2013 Ohio Excellence Award from the US Institute for Excellence in Commerce (USIEC).

Chrysler Group LLC, one of the largest manufacturing employers in the City, is completing improvements and expansions of its Toledo North Plant in the City and its Toledo Machining Plant in nearby Perrysburg Township. These represent the fourth and fifth major investments in the company's Toledo area manufacturing facilities in the past 15 years. The new investments include an estimated \$500 million at the Toledo North Plant to expand, retool and equip the portion of the Plant formerly used to produce the Jeep Liberty and Dodge Nitro sports utility vehicles. Also, to expand the Plant's paint shop to increase the Plant's manufacturing capacity to 327,000 vehicles per year. And to enable the Plant's production to be adapted to different vehicles enjoying market demand from time to time. Production of the Cherokee Limited, a new sport utility vehicle model that officially debuted at the New York International Auto show in March, commenced in May 2013. The company has announced that a second shift with 1,100 workers will be added at the Toledo North Plant in 2013, and began taking applications for those positions in August 2012.

Also, Chrysler is completing a \$72 million project to improve, remodel and retool its Toledo Machining Plant, to prepare it for production of a new generation of front-wheel and rear-wheel drive torque converters and steering columns.

In April 2013, General Motors announced that it plans an additional \$55.7 million investment in its GM Powertrain Division's Alexis Road transmission plant in the City, to support production of fuel-efficient eight-speed transmissions and front-wheel drive six-speed transmissions. This will be the fifth major investment General Motors has made in that plant in the past seven years. The company recently completed two investments announced in 2011: a \$204 million project to prepare the plant for production of the eight-speed transmissions and an \$83 million project to upgrade that plant's assembly line for the front-wheel drive six-speed transmissions. 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 2012, Penn National Gaming, Inc. completed construction of the \$250 million "Hollywood Casino Toledo", a 290,000 square foot facility that includes a parking structure, five restaurants and lounges and entertainment space as well as the casino. The casino features 2,000 slot machines and 80 table games and officials are planning for up to 10 summer concerts in a space with seating for 2,500 people. An estimated 1,000 temporary jobs were created during the construction of the facility; the Casino now employs approximately 1,200. In the first six months of operations the Casino reported 1.9 million guest visits with approximately one-third of these customers coming from southeast Michigan. Other guests traveled from areas such as Cleveland, Lima and Fort Wayne, Indiana, and the area has begun to experience an increase in convention business as the casino is now being selected as a host destination. Gross revenues of the casino are taxed by the State at a rate of 33%, with the proceeds distributed to local governments. The City received \$5.693 million in revenue from that tax in 2013.
- In September 2012, construction began on the new National Museum of the Great Lakes that will be located in the City's Marina district. The Great Lakes Historical Society is responsible for the design of the new Museum, which is to be housed in the Toledo Maritime Center, a facility owned by the Port Authority that is to be renovated to feature more than 50 interactive exhibits as well as displays of original artifacts in up to 10,000 feet of exhibit space. The Museum will be adjacent to a City-owned 77 boat slip known as the Toledo Skyway Marina. Most of the construction work will involve dredging in preparation for the arrival of the museum ship, the Col. James M. Schoonmaker. In addition, land along the new slip is being to be prepared for a maritime park with outdoor exhibits. The project cost is \$8.535 million and is to be funded in part by an Ohio Cultural Facilities Commission grant of \$ 6.1 million and private fundraising.
- In August 2012, Libbey, Inc.; a long-time corporate resident of the City, announced that it had signed a new lease to remain in the City for an additional 15 years at its headquarters on Madison Avenue. Libbey, which employs 200 at those headquarters, is being aided by \$1.2 million in grants from the State

and tax abatement from the City to assist in financing leasehold improvements and worker training. Additionally, Libbey has signed a new five-year lease for its Libbey Glass factory outlet store at the City's Erie Street Market.

- 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, which is branded as the Overland Industrial Park, will make available 125 acres suitable for future industrial development. The site is located near Chrysler's Toledo North Plant and South Plant manufacturing complex, with ready access to Interstate Highways and other important transportation facilities. The Port Authority and a private developer have announced plans to build six buildings with 650,000 square feet of manufacturing space on the site. Groundbreaking for the first building on this site is scheduled for May 15, 2014 and will consist of 100,000 square feet of speculative industrial space. While no tenant has been officially identified, there have been several interested parties that are willing to make a commitment once the building nears completion. In addition, Airgas has committed to consolidating its operations at this site. This project will locate approximately 25 jobs from northwest Ohio and southeast Michigan.
- In 2011, Dashing Pacific Group, LLC purchased from the City for \$5.95 million a six-acre commercial property known as "The Docks" along the east bank of the Maumee River and an additional 69 acres in the adjacent Marina District which it plans to redevelopment. The purchase agreement between the City and Dashing Pacific for the latter parcel also provided Dashing Pacific a two-year option to purchase an additional 22.75 acres at \$55,000 per acre and the City an option to repurchase the property at \$55,000 an acre if it is not developed within five years. Dashing Pacific is currently soliciting and negotiating with potential tenants. Dashing Pacific is in the final stages of developing its master site plan and the City expects that to be presented by late 2014.
- Promedica announced that it was relocating its administrative offices to the downtown Toledo area. This anticipated \$40M project will relocate more than 700 people when it is built out. The expected completion date is 2017. This announcement by Promedica furthers a number of other developments in the downtown area.
- The Toledo MudHens are in the midst of planning an \$18M expansion to their current facilities. The development is designed to further the MudHen's model of providing a true entertainment experience for their clients in addition to the ball game. Once completed, the project will consist of a much larger event space that will be centered on a park like setting as well as several renovated buildings.

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 2011, Norfolk Southern Railway completed a \$12.76 million project to improve facilities at its intermodal transportation yard in the City, known as "Airline Junction". The City 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 provided \$4.0 million toward the project. 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.
- The County completed construction of the \$105 million "Huntington Center", a 8,000 seat multi-purpose arena located in the Downtown area of the City near the County's SeaGate Convention Center and Fifth Third Field. It is used for a variety of events each year including concerts, athletic events including minor league hockey games and upcoming women's football league and to attract visitors and promote

additional development in the Downtown area. The Huntington Center continues to rank top Midwest Venue in the nation for the third consecutive year based on the highest gross in ticket sales.

- 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 FINANCIAL 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, 2012. This is the thirtieth 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.

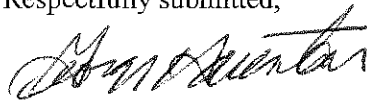
A Certificate of Achievement is valid for a period of one year only. We believe that our current year Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



George E. Sarantou
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Toledo
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

City of Toledo, Ohio
List of Principal Officials

Mayor

D. Michael Collins

Members of Council

	<u>Length of Service</u>
<u>At-Large Seats</u>	
Theresa Gabriel	One Year
Jack Ford	One Year
Rob Ludeman	Five Years
Sandy Spang	One Year
Larry Sykes	One Year
Steven Steel	Five Years
<u>District Seats</u>	
Tyrone Riley (West-Central)	Three Years
Matt Cherry (South-West)	One Year
Michael Craig (East Toledo-Historic South)	Eight Years
Paula Hicks-Hudson (Central City) President	Three Years
Tom Waniewski (North-West)	Six Years
Lindsay Webb (North Toledo-Point Place)	Six Years

Clerk of Council

Gerald Dendinger

Director of Finance

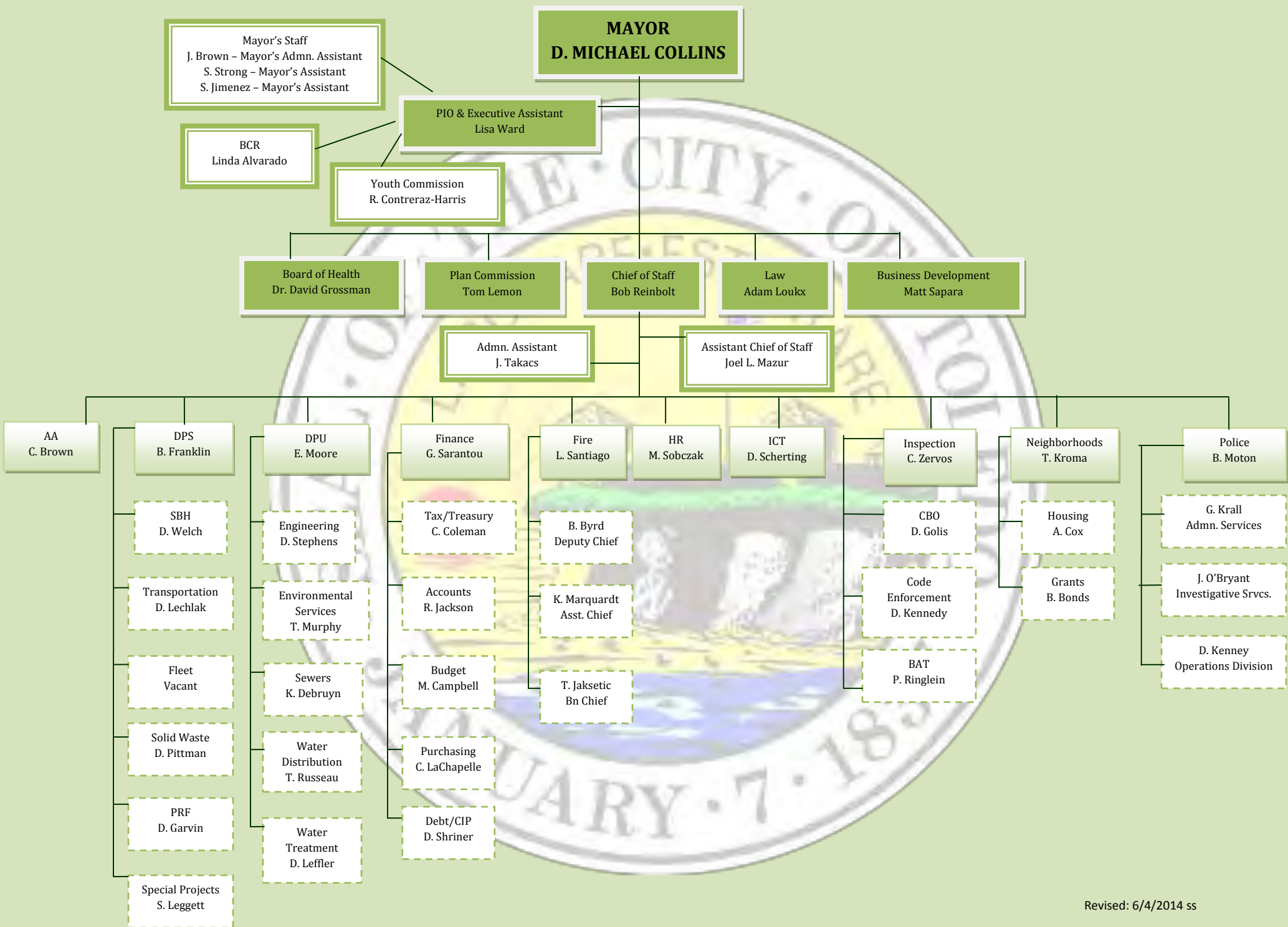
George E. Sarantou

City Treasurer

Clarence Coleman

City Auditor

D. Scott Wheelock



Revised: 6/4/2014 ss

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable D. Michael Collins, Mayor, Members of City Council and the Audit Committee
City of Toledo, Ohio:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio (the "City") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 21 through 34 and 107 through 110, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
June 30, 2014

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City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

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, 2013. 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 2013 are as follow:

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of 2013 by \$930.9 million. Of this amount \$31.4 million is considered unrestricted. The unrestricted net position of the City's business-type activities are \$5.2 million and may be used to meet the on-going obligations of the business-type activities, including water, sewer, utilities administrative services, and seven nonmajor enterprise funds including storm water, property management, small business development, municipal tow lot, marina operations, Erie Street Market and Toledo Public Power. The unrestricted net position of the governmental activities is \$26.6 million.
- The City's total net position increased \$24.2 million or 2.7 percent in 2013. Net position of the governmental activities decreased \$3.5 million, which represents a 0.8 percent decrease from 2012. Net position of the business-type activities increased \$27.7 million or 6.3 percent from 2012.
- The total cost of the City's programs decreased \$3.3 million or 0.8 percent. The cost of governmental activities increased \$4.2 million or 1.4 percent, while the cost of business-type activities decreased \$7.5 million or 5.9 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$14.0 million. The combined fund balance of the governmental funds decreased \$15.9 million from the prior year's ending fund balance.

Overview of the Financial Statements

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

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

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

The government-wide financial statements can be found on pages 37 and 38 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, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm sewer, and utility administration services as well as property management, small business development, tow lot, marina operation, Toledo Public Power and Erie Street Market. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions including municipal garage, capital replacement, facility operations, storeroom and printshop, 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 provide separate information for water, sanitary sewer operations, and utility administration; all of which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 43 through 45 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 46 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 49 through 102 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund and special assessment services budgets. The City adopts an annual appropriation budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 107 through 110 of this report.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and agency funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 115 through 149 of this report.

The City has included a special budgetary comparison section for the governmental funds. This includes the general fund, capital improvements fund, special assessment services fund, and the nonmajor governmental funds broken out individually to report revenues for the fund as well as expenditures reported by major service area and funds center. The special budgetary comparison section can be found on pages 153 through 188.

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

Government-Wide Financial Analysis

The Statement of Net Position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2013 compared to December 31, 2012.

	Net Position					
	(Amounts in Thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and Other Assets	\$ 201,350	\$ 229,563	\$ 352,345	\$ 153,772	\$ 553,695	\$ 383,335
Capital Assets	571,219	553,536	799,263	755,335	1,370,482	1,308,871
Total Assets	<u>772,569</u>	<u>783,099</u>	<u>1,151,608</u>	<u>909,107</u>	<u>1,924,177</u>	<u>1,692,206</u>
Deferred Outflow of Resources	-	-	178	-	178	-
Liabilities						
Long-Term Liabilities Outstanding	203,093	201,196	639,158	430,813	842,251	632,009
Other Liabilities	93,230	114,124	45,976	39,362	139,206	153,486
Total Liabilities	<u>296,323</u>	<u>315,320</u>	<u>685,134</u>	<u>470,175</u>	<u>981,457</u>	<u>785,495</u>
Deferred Inflow of Resources	11,976	-	-	-	11,976	-
Net Position						
Net Investment in Capital Assets	379,066	368,093	372,533	388,287	751,599	756,380
Restricted	59,009	81,257	88,952	33,221	147,961	114,478
Unrestricted	26,195	18,429	5,167	17,424	31,362	35,853
Total Net Position	<u>\$ 464,270</u>	<u>\$ 467,779</u>	<u>\$ 466,652</u>	<u>\$ 438,932</u>	<u>\$ 930,922</u>	<u>\$ 906,711</u>

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$930.9 million at the close of the most recent fiscal year.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

The largest portion of the City's net position (80.7 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. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these assets.

An additional portion of the City's net position (15.9 percent) represents resources that are subject to use restrictions. The remaining balance of the unrestricted net position (3.4 percent) may be used to meet the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net position is \$31.4 million; the unrestricted net position of the City's business-type activities, \$5.2 million, may not be used to fund governmental activities. As of the end of the current fiscal year, the City has unrestricted net position related to government type activities of \$26.2 million.

The overall net position of the City increased \$24.2 million or 2.7 percent in 2013. The net position for governmental activities decreased \$3.5 million or 0.8 percent, while the net position of business-type activities increased by \$27.7 million or 6.3 percent. The increase of net position in business-type activities is primarily comprised of water operations and sewer operations, which provided an increase of \$6.4 million and \$19.0 million, respectively. Storm utilities experienced an increase in net position of \$2.8 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

The following table provides a summary of the change in net position for 2013 compared to 2012.

	Changes in Net Position					
	(Amounts in Thousands)					
	Governmental activities		Business type activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for Services and Sales	\$ 94,761	\$ 101,695	\$ 145,030	\$ 135,771	\$ 239,791	\$ 237,466
Operating Grants	20,492	29,533	-	-	20,492	29,533
Capital Grants	10,630	16,590	640	1,448	11,270	18,038
Total Program Revenues	125,883	147,818	145,670	137,219	271,553	285,037
General Revenue:						
Income Taxes	158,176	158,128	-	-	158,176	158,128
Property Taxes	9,708	11,361	-	-	9,708	11,361
Investment Earnings	508	1,017	1,132	937	1,640	1,954
Intergovernmental Services	2,215	5,272	-	-	2,215	5,272
Sale of Capital Assets	87	-	-	-	87	-
Other	8,728	4,789	-	-	8,728	4,789
Total General Revenues	179,422	180,567	1,132	937	180,554	181,504
Total Revenues	305,305	328,385	146,802	138,156	452,107	466,541
Expenses						
General Government	35,031	28,807	-	-	35,031	28,807
Public Service	55,070	34,715	-	-	55,070	34,715
Public Safety	173,274	165,810	-	-	173,274	165,810
Public Utilities	1,876	1,268	-	-	1,876	1,268
Community Environment	20,090	37,867	-	-	20,090	37,867
Health	9,265	19,197	-	-	9,265	19,197
Parks and Recreation	6,443	5,419	-	-	6,443	5,419
Interest on Fiscal Charges	8,003	11,762	-	-	8,003	11,762
Water	-	-	46,912	42,000	46,912	42,000
Sewer	-	-	51,310	63,937	51,310	63,937
Other	-	-	20,622	20,390	20,622	20,390
Total Expenses	309,052	304,845	118,844	126,327	427,896	431,172
Increase (Decrease) in Net Position						
Before Transfers	(3,747)	23,540	27,958	11,829	24,211	35,369
Transfers	238	(289)	(238)	289	-	-
Change in Net Position	(3,509)	23,251	27,720	12,118	24,211	35,369
Net Position - Beginning, as restated	467,779	444,528	438,932	426,814	906,711	871,342
Net Position - Ending	\$ 464,270	\$ 467,779	\$ 466,652	\$ 438,932	\$ 930,922	\$ 906,711

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Governmental Activities: Governmental activities decreased the City's net position by \$3.5 million. Key elements of the changes in net position are as follows:

- Income tax revenue, which represents 51.8 percent of the City's governmental revenue, was flat versus the previous year when taken on a full accrual basis. The employment withholding continues to trend well, particularly moving forward as employment statistics improve.
- Operating grants decreased by \$9 million or 31 percent due to ARRA projects being phased out. These ARRA projects affect Division of Neighborhoods and Police projects. In addition, the Division of Neighborhoods received less funding from HUD for CDBG grant and HOME grant. Capital grants revenue experienced a decrease as well, due to an ARRA project administered by the Fire and Rescue Department being completed. Also, less funding has been received from both the Ohio Department of Transportation (ODOT) and the Ohio Public Works Commission (OPWC).
- Governmental activities expenses increased \$4.2 million over the previous year. Continued changes in the allocation of internal services resulted in the General government increasing by \$6.2 million or 21.6 percent. Allocation of internal services as well as a dramatic increase in project initiatives contributed to public services increasing by \$20.4 million or 58.6 percent. Public safety costs increased by \$7.5 million or 4.5 percent over prior year due primarily to new projects in 2013.

Business-Type Activities: Net position of the City's Business-type activities increased \$27.7 million. Key elements of the changes in net position are as follows:

- Charges for services increased \$9.3 million or 6.8 percent in 2013, this relates primarily to the scheduled utility user rate increases approved by city council in 2011.
- The City saw its program revenues from capital grants decrease again in 2013, as evidenced by a total of \$640 thousand as compared to \$1.4 million in 2012, a decrease of 55.8 percent due to a continuing of reductions in total grant funding available from the State and Federal Governments.
- Expenses in 2013 decreased by \$7.5 million versus 2012, or 5.9 percent. This was primarily due to reductions in administrative services versus the prior year, as well as reductions in expenses relating to engineering analysis and design.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

As of December 31, 2013, the City's governmental funds reported a combined ending fund balance of \$14.0 million; a decrease of \$15.9 million in comparison with the prior year. There is an *unassigned fund deficit* of \$(55.4) million. The *nonspendable fund balance* of \$5.0 million represents the City's investment in inventory. The \$50.1 million *restricted fund balance* is not available for new spending because it has already been restricted by parties outside of the City or pursuant to enabling legislation. There is a *committed fund balance* of \$14.3 million.

A schedule of governmental funds revenues and expenditures for the last ten fiscal years has been provided in the Statistical Section of this CAFR – see Table 4 on page 198.

General Fund: The general fund is the chief operating fund of the City. At December 31, 2013, the total fund balance of the general fund was \$8 million. The fund balance of the City's general fund increased \$3.0 million during 2013. The City's income tax revenue increased slightly by \$252 thousand or .2 percent due to improved local employment conditions. Expenditures increased by \$4.7 million or 2.4 percent as public safety labor increased due to the police and fire classes.

Capital Improvement Fund: The capital improvement fund is used to account for construction, acquisition, and major improvements of the City's buildings, infrastructure and parklands. The operating transfers of funds received herein are derived from the income taxes that are earmarked by voters for capital improvement, construction grants and bond sales. At December 31, 2013, total fund balance of the capital improvements fund is \$19.3 million. The fund balance of the capital improvements fund decreased \$24.9 million during 2013. The City continues to dedicate new debt to road construction which had an increase of \$4.9 million on capital outlay.

Special Assessment Services Fund: The special assessment services fund is used to account for the proceeds of special assessments levied against property owners benefiting from street cleaning, street lighting, surface treatment, weed cutting, snow removal and tree and ditch maintenance. At December 31, 2013, total fund balance of the special assessment services funds was a deficit of \$50.8 million. The fund balance deficit of the special assessments services fund decreased by \$583 thousand during 2013.

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Water: The total net position of the water fund at the end of the year amounted to \$157.2 million. The net position of the water fund increased \$6.4 million or 4.2 percent in 2013. Operating revenues for fiscal year 2013 increased by \$8.4 million or 19.0 percent over comparable revenue in 2012, due to a rate increase as part of the four year rate plan approved by City Council. Operating expenses for fiscal year 2013 decreased \$1.9 million or 5.0 percent under comparable expenses in 2012.

Sewer: The total net position of the sewer fund at the end of the year amounted to \$270.4 million of which \$15.7 million is unrestricted. The net position of the sewer fund increased \$19 million or 7.6 percent. Operating revenues for fiscal year 2013 increased by \$3.1 million or 4.7 percent over comparable revenue in 2012, as revenue remains relatively stable. The increase relates to the mix of business and consumer usage. Operating expenses for fiscal year 2013 decreased \$14.0 million or 24.3 percent under comparable expenses in 2012, due to a decrease in volume and associated costs of production and decreased maintenance costs on aging infrastructure. This fund also received revenue from capital contributions in 2013 of \$640 thousand for the construction projects related to the sewer facilities.

Utility Administration Services: The total net position of the utility administration services fund at the end of the year amounted to \$1.3 million of which \$1.1 million is unrestricted. The net position of the utility administration services fund decreased by \$1.2 million or 48.9 percent. Operating revenues for fiscal year 2013 decreased by \$2.5 million or 20.2 percent. Operating expenses for fiscal year 2013 decreased by \$6 thousand or .06 percent.

Nonmajor: The total net position of the nonmajor enterprise funds at the end of the year amounted to \$37.7 million of which (\$12.3) million is a fund deficit. The net position of the nonmajor enterprise funds increased \$3.6 million. Operating revenues for fiscal year 2013 increased slightly by \$301 thousand or 2.4 percent over comparable revenue in 2012, partially due to increased consumer consumption. Operating expenses for fiscal year 2013 increased \$122 thousand or 1.5 percent over comparable expenses in 2012.

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

General Fund Budgetary Highlights

The 2013 final general fund total revenue budget was \$228 million, similar to the original budget of \$228 million.

The following schedule is a summary of general fund revenues for 2013 over comparable revenue for 2012:

Revenues and Other Financing Sources
(Amounts in Thousands)

	2013	% of Total	Increase (Decrease) from 2012	% Change from 2012
Income Taxes	\$ 158,775	66.6%	\$ 252	0.2%
Property Taxes	9,598	4.0%	(1,783)	-15.7%
Licenses and Permits	2,408	1.0%	144	6.4%
Intergovernmental Services	21,044	8.8%	216	1.0%
Charges for Services	26,296	11.0%	164	0.6%
Investment Earnings	135	0.1%	(225)	-62.5%
Fines and Forfeitures	7,118	3.0%	403	6.0%
Other Revenue	620	0.3%	270	77.1%
Gain on Sale of Capital Assets	25	0.0%	25	100.0%
Transfers In	12,477	5.2%	2,021	19.3%
Total	\$ 238,496	100%	\$ 1,487	0.6%

Key elements of the changes in revenues are as follows:

- Property tax revenue decreased \$1.8 million or 15.7 percent under comparable revenue from 2012. 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 \$225 thousand or 62.5 percent over comparable revenue from 2012. The decrease is a direct result of the fluctuation and downward trend in interest rates.
- Other revenue increased \$270 thousand or 77.1 percent over comparable revenue from 2012. The increase is primarily attributable to a shared revenue agreement with the Downtown Toledo Parking Authority.
- Transfers in were \$2.0 million or 19.3 percent over comparable transfers from 2012. The increase is attributable to the close out of the Municipal Tow Lot and transfers related to normal City operations.

The 2013 final general fund total expense budget was \$208.1 million, similar to the original budget of \$208.1 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

The following schedule is a summary of general fund expenditures for 2013 over comparable expenditures from 2012:

	<u>2013</u>	<u>% of Total</u>	<u>Increase (Decrease) from 2012</u>	<u>% change from 2012</u>
General Government	\$ 27,112	11.5%	\$ 12,948	91.4%
Public Service	1,674	0.7%	(254)	-13.2%
Public Safety	159,264	67.5%	285	0.2%
Public Utilities	1	0.0%	1	100.0%
Community Environment	4,671	2.0%	316	7.3%
Health	4,767	2.0%	(8,744)	-64.7%
Parks and Recreation	2,947	1.2%	197	7.2%
Capital Outlay	1	0.0%	(52)	98.1%
Principal Retirement	526	0.2%	21	4.2%
Interest and Fiscal Charges	200	0.1%	(21)	-9.5%
Transfers Out	34,657	14.7%	(1,342)	-3.7%
Total	<u>\$ 235,820</u>	<u>100.0%</u>	<u>\$ 3,355</u>	<u>1.5%</u>

Key elements of the changes in expenditures are as follows:

- General government increased \$12.9 million or 91.4 percent over comparable expenditures from 2012. This is attributable primarily to an increase in labor costs and contractual services.
- Health decreased \$8.7 million or 64.7 percent over comparable expenditures from 2012. The decrease is attributable primarily to landfill operations such as treatment of water runoff, maintenance of equipment, and the monitoring of gas wells.

General Fund Equity: Total equity in the general fund was a surplus of \$8 million. Of that amount \$1.1 million is related to inventory which is regarded as nonspendable. The City has committed resources in the amount of \$326 thousand. The General Fund has restricted \$5.4 million which can only be spent for a specific purpose stipulated by external resource providers or through enabling legislation. The remaining \$1.1 million is unassigned.

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 2013. On December 18, 2012 City Council passed ordinance 568-12 which committed \$326 thousand to the Budget Stabilization Designation.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Capital Asset and Debt Administration

Capital Assets: The City's net investment in capital assets for governmental and business-type activities as of December 31, 2013, amounts to \$1.4 billion. This investment in capital assets includes land, buildings, water and sewer distribution systems, improvements, machinery and equipment, park facilities, roads, curbs, gutters, streets, sidewalks, and drainage systems.

Capital Assets (Net of Depreciation)
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012 (restated)	2013	2012 (restated)	2013	2012 (restated)
Land	\$ 24,641	\$ 25,002	\$ 4,322	\$ 4,322	\$ 28,963	\$ 29,324
Construction in Progress	100,289	84,159	181,602	154,468	281,891	238,627
Building	37,267	38,664	24,149	24,998	61,416	63,662
Furniture and Fixtures	4,268	4,770	526	634	4,794	5,404
Improvements	50,311	40,291	68,320	46,414	118,631	86,705
Infrastructure	307,752	322,251	478,158	477,422	785,910	799,673
Machinery and Equipment	46,691	38,399	42,186	47,077	88,877	85,476
Total	<u>\$ 571,219</u>	<u>\$ 553,536</u>	<u>\$ 799,263</u>	<u>\$ 755,335</u>	<u>\$ 1,370,482</u>	<u>\$ 1,308,871</u>

Major capital asset events during 2013 included the following:

- Total net investment in capital assets increased \$61.6 million or 4.7 percent.
- Business-type capital assets increased by \$43.9 million or 5.8 percent net of \$21.3 million in current year depreciation expense. The City's aging water system and the EPA mandate necessitated continued investment into infrastructure totaling \$27.1 million.
- Governmental capital assets increased by \$17.7 million or 3.2 percent net of \$39.2 million in current year depreciation expense.

Additional information on the City's capital assets can be found in Note 6 on pages 73 through 75 of this report.

Bonds, Loans, Notes and Other Obligations: At December 31, 2013, the City had \$914.1 million of bonds, loans, notes 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 \$75 thousand in assessment bonds and \$35.8 million in assessment notes all related to governmental activities outstanding at December 31, 2013. The revenue bonds of the City represent bonds secured solely by specified revenue sources.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Long-Term Debt Outstanding

(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds and Notes	\$ 124,461	\$ 127,109	\$ 19,192	\$ 25,303	\$ 143,653	\$ 152,412
Revenue Bonds and Notes	35,800	35,600	318,847	136,097	354,647	171,697
Loans Outstanding	39,237	43,187	320,954	286,834	360,191	330,021
Capital Lease Obligations	5,543	4,453	555	815	6,098	5,268
Other Obligations	46,177	39,489	6,090	4,896	52,267	44,385
Total	\$ 251,218	\$ 249,838	\$ 665,638	\$ 453,945	\$ 916,856	\$ 703,783

Total bonds, loans, notes and other obligations outstanding at December 31, 2013 increased \$213.1 million or 30.3 percent as compared to the amount outstanding at December 31, 2012.

On December 31 2013, 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 nonvoted debt of a city, excluding certain "exempt debt", may not exceed 10.5 percent of the total tax valuation of all property in the city as listed and assessed for taxation.
- The net principal amount of the nonvoted debt of a city, excluding exempt debt, may not exceed 5.5 percent of that valuation.

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, 2013, as well as current assessed valuation, the City's voted and nonvoted nonexempt debt capacities within the direct debt limitations were:

	Limitation	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation
10.50%	\$ 339,388	\$ 141,120	\$ 36,655
5.50%	\$ 177,775	\$ 141,120	\$ 198,268

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Nonvoted general obligation debt issued by the City is also subject to an indirect debt limitation, commonly referred to as the "ten-mill limitation," imposed by a combination of provisions of the Ohio Constitution and the Ohio Revised Code. Under that limitation, nonvoted debt may not be issued unless the ad valorem property tax for the payment of debt service on (a) the bonds (or the bonds in anticipation of which notes are issued), and (b) all outstanding nonvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax required for such debt service, in any year is 10 mills or less per \$1.00 of assessed valuation. As of December 31, 2013, the total millage theoretically required by the City and the combination of overlapping taxing subdivisions was estimated to be 8.3750 mills down from prior year at 7.5933 mills for the year of the highest potential debt service. The City and the overlapping taxing subdivisions had the highest millage requirements for debt service on nonvoted general obligation debt in any year for their outstanding nonvoted general obligation debt. The remaining 1.625 mills within the ten-mill limitation was yet to be allocated to debt service and that was available to the City and overlapping subdivisions in connection with the issuance of additional nonvoted general obligation debt.

Additional information regarding the City's bonds, loans, notes and other obligations can be found in Notes 7, 8 and 9 on pages 75 through 85 of this report.

Economic Factors and 2014 Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal 2014 budget. Both the national economy and the City are slowly recovering from a depressed economic situation. Our 2013 income tax revenues, which are the largest source of revenue for our general fund, have increased by 0.2 percent over the previous year.

The City is committed to controlling costs, putting the highest premium on safety for our citizens and adopting a budget designed to promote long-term fiscal stability and maintain budget reserves. Increasing productivity and reducing personnel costs will provide the most benefit to the current year budget and future budgets. To this end, the City is in process of reviewing several service areas. The City and County are in discussions concerning areas of shared services ranging from vehicle maintenance to communication services. The City of Toledo and Lucas County are working with the Regional Growth Partnership and the Toledo-Lucas County Port Authority, as well as all surrounding municipalities and townships to promote economic development programs. In addition, the City will continue its investment in job creation in order to continue to grow our local economy. The total general fund budget for 2014 is \$245.3 million.

Request for Information

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

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

BASIC FINANCIAL STATEMENTS

City of Toledo, Ohio
Statement of Net Position
December 31, 2013
(Amounts in Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents with Treasurer	\$ 8,463	\$ 10,773	\$ 19,236
Cash and Cash Equivalents Held by Escrow Agent	-	21,093	21,093
Cash and Cash Equivalents Other	12	3	15
Investments	34,038	68,206	102,244
Restricted Investments	18,295	225,087	243,382
Receivables (Net of Allowance)	100,069	35,070	135,139
Due From Other Governments	21,213	-	21,213
Internal Balances	12,963	(12,963)	-
Inventory	6,297	5,076	11,373
Capital Assets:	-		
Land and Construction in Progress	124,930	185,924	310,854
Other Capital Assets, net of Accumulated Depreciation	446,289	613,339	1,059,628
Total Assets	772,569	1,151,608	1,924,177
DEFERRED OUTFLOWS OF RESOURCES			
Debt Insurance Costs	-	178	178
LIABILITIES			
Accounts Payable	9,095	4,669	13,764
Customer Deposits	3,043	4,846	7,889
Accrued Wages and Benefits	11,269	2,313	13,582
Accrued Interest Payable	852	5,960	6,812
Retainages	687	1,708	2,395
Other Current Liabilities	20,508	-	20,508
Current Portion of Long-Term Liabilities:			
Compensated Absences	1,172	368	1,540
Bonds, Notes, Loans and Other Obligations	46,604	26,112	72,716
Long-Term Liabilities:			
Compensated Absences	29,749	5,722	35,471
Bonds, Notes, Loans and Other Obligations	173,344	633,436	806,780
Total Liabilities	296,323	685,134	981,457
DEFERRED INFLOWS OF RESOURCES			
Revenues Levied for the Next Year	11,976	-	11,976
NET POSITION			
Net Investment in Capital Assets	379,066	372,533	751,599
Restricted For:			
Debt Service	-	33,580	33,580
Replacement	-	40,398	40,443
Capital Improvement	32,266	14,876	47,195
Community Programs	21,384	-	21,384
Other Purposes	5,359	-	5,359
Unrestricted	26,195	5,265	31,362
Total Net Position	\$ 464,270	\$ 466,652	\$ 930,922

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

City of Toledo, Ohio
Statement of Activities
For the Year Ended December 31, 2013
(Amounts in Thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants	Capital Grants	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 35,031	\$ 37,121	\$ -	\$ -	\$ 2,090	\$ -	\$ 2,090
Public Service	55,070	26,198	-	-	(28,872)	-	(28,872)
Public Safety	173,274	17,042	1,303	167	(154,762)	-	(154,762)
Public Utilities	1,876	-	-	10,103	8,227	-	8,227
Community Environment	20,090	2,527	16,598	-	(965)	-	(965)
Health	9,265	11,709	2,591	360	5,395	-	5,395
Parks and Recreation	6,443	164	-	-	(6,279)	-	(6,279)
Interest and Fiscal Charges	8,003	-	-	-	(8,003)	-	(8,003)
Total Governmental Activities	309,052	94,761	20,492	10,630	(183,169)	-	(183,169)
Business-Type Activities:							
Water	46,912	52,476	-	-	-	5,564	5,564
Sewer	51,310	69,719	-	640	-	19,049	19,049
Storm Utility	6,801	9,620	-	-	-	2,819	2,819
Utilities Administration	11,285	9,945	-	-	-	(1,340)	(1,340)
Property Management	895	-	-	-	-	(895)	(895)
Small Business Development	63	-	-	-	-	(63)	(63)
Municipal Tow Lot	963	2,536	-	-	-	1,573	1,573
Erie Street Market	48	146	-	-	-	98	98
Toledo Public Power	567	588	-	-	-	21	21
Total Business-Type Activities	118,844	145,030	-	640	-	26,826	26,826
Total	\$ 427,896	\$ 239,791	\$ 20,492	\$ 11,270	\$ (183,169)	\$ 26,826	\$ (156,343)
General Revenues:							
					158,176	-	158,176
					9,708	-	9,708
					508	1,132	1,640
					2,215	-	2,215
					87	-	87
					8,728	-	8,728
					238	(238)	-
					179,660	894	180,554
					(3,509)	27,720	24,211
					467,779	438,932	906,711
					\$ 464,270	\$ 466,652	\$ 930,922

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

City of Toledo, Ohio
Balance Sheet
Governmental Funds
December 31, 2013
(Amounts in Thousands)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessments Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Equivalents:					
Cash and Equivalents with Treasurer	\$ 8,463	\$ -	\$ -	\$ -	\$ 8,463
Cash and Equivalents Held by Escrow Agent	-	-	-	-	-
Cash and Equivalents Other	10	-	-	2	12
Investments	32,912	164	-	79	33,155
Restricted Investments	5,420	10,663	1,509	1,571	19,163
Receivables (Net of Allowance)	41,222	4,798	48,777	4,740	99,537
Due From Other:					
Funds	-	9,749	-	35,594	45,343
Governments	3,501	2,356	99	15,257	21,213
Inventory of Supplies	1,143	1,239	1,743	889	5,014
Total Assets	<u>92,671</u>	<u>28,969</u>	<u>52,128</u>	<u>58,132</u>	<u>231,900</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,553	5,000	285	1,487	8,325
Deposits	530	207	-	1,989	2,726
Retainage	-	676	-	11	687
Due To Other:					
Funds	44,484	-	17,762	232	62,478
Accrued Wages and Benefits	10,197	87	316	365	10,965
Other Current Liabilities	-	2,750	-	-	2,750
Compensated Absences Payable	955	14	75	96	1,140
Notes Payable	-	574	35,800	3,760	40,134
Total Liabilities	<u>57,719</u>	<u>9,308</u>	<u>54,238</u>	<u>7,940</u>	<u>129,205</u>
Deferred Inflows of Resources:					
Revenues Levied for the Next Year and Unavailable Revenue	26,975	360	48,684	12,677	88,696
Fund Balances:					
Nonspendable	1,143	1,239	1,743	889	5,014
Restricted	5,420	18,062	1,509	25,080	50,071
Committed	326	-	-	13,993	14,319
Unassigned	1,088	-	(54,046)	(2,447)	(55,405)
Total Fund Balances	<u>7,977</u>	<u>19,301</u>	<u>(50,794)</u>	<u>37,515</u>	<u>13,999</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 92,671</u>	<u>\$ 28,969</u>	<u>\$ 52,128</u>	<u>\$ 58,132</u>	<u>\$ 231,900</u>

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

City of Toledo, Ohio
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
December 31, 2013
(Amounts in Thousands)

Total **fund balances** for governmental funds \$ 13,999

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

Capital assets used in governmental activities (excluding internal services funds capital assets) are not financial resources and therefore are not reported in the funds 548,319

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

Special Assessments	\$ 49,608	
Income Taxes	8,208	
Delinquent Property Taxes	2,778	
Capital Grants	360	
Operating Grants	9,170	
Reimbursements From Other Governments	<u>6,596</u>	76,720

Internal services funds are used by the City to account for the financing of goods or services provided by one department or agency to the other City departments or agencies, generally on a cost reimbursement basis. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 32,117

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position. Balances at December 31, 2013 are as follows:

General Obligation Bonds	(116,598)	
Compensated Absences	(29,749)	
Loans Outstanding From Federal Agencies	(20,652)	
Loans Outstanding From State Agencies	(18,235)	
Accrued Interest	(852)	
Landfill Closure	(15,256)	
Capital Leases	<u>(5,543)</u>	(206,885)

Total **net position** of governmental activities \$ 464,270

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

City of Toledo, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Income Taxes	\$ 158,775	\$ -	\$ -	\$ -	\$ 158,775
Property Taxes	9,598	-	-	-	9,598
Special Assessments	-	-	25,165	285	25,450
Licenses and Permits	2,408	-	-	6	2,414
Intergovernmental Services	21,044	4,592	-	12,384	38,020
Charges for Services	26,296	-	861	973	28,130
Investment Earnings	135	364	4	5	508
Fines and Forfeitures	7,118	-	-	1,472	8,590
Grants	-	10,270	-	17,229	27,499
Other Revenue	620	2	54	7,829	8,505
Total Revenues	<u>225,994</u>	<u>15,228</u>	<u>26,084</u>	<u>40,183</u>	<u>307,489</u>
EXPENDITURES					
Current:					
General Government	27,112	779	283	291	28,465
Public Service	1,674	-	23,978	9,410	35,062
Public Safety	159,264	-	-	4,301	163,565
Public Utilities	1	-	-	-	1
Community Environment	4,671	-	-	14,602	19,273
Health	4,767	-	515	2,658	7,940
Parks and Recreation	2,947	-	178	362	3,487
Capital Outlay	1	52,428	9	736	53,174
Debt Service:					
Principal Retirement	526	6,095	-	16,686	23,307
Interest and Fiscal Charges	200	1,580	583	4,761	7,124
Total Expenditures	<u>201,163</u>	<u>60,882</u>	<u>25,546</u>	<u>53,807</u>	<u>341,398</u>
Excess (Deficiency) of Revenues over (under) Expenditures	24,831	(45,654)	538	(13,624)	(33,909)
OTHER FINANCING SOURCES (USES)					
Transfers In	12,477	35,795	-	21,868	70,140
Transfers (Out)	(34,657)	(33,636)	-	(1,609)	(69,902)
Capital Lease Inception	-	3,386	-	-	3,386
Issuance of Bonds	-	14,046	-	-	14,046
Premium on Bonds	-	884	-	-	884
Proceeds from Sale of Capital Assets	25	50	-	12	87
Total Other Financing Sources (Uses)	<u>(22,155)</u>	<u>20,525</u>	<u>-</u>	<u>20,271</u>	<u>18,641</u>
Net Change in Fund Balance	2,676	(25,129)	538	6,647	(15,268)
Fund Balance (Deficit) at Beginning of Year	5,008	44,196	(50,211)	30,891	29,884
Increase (Decrease) for Inventory	293	234	(1,121)	(23)	(617)
Fund Balance (Deficit) at Year End	<u>\$ 7,977</u>	<u>\$ 19,301</u>	<u>\$ (50,794)</u>	<u>\$ 37,515</u>	<u>\$ 13,999</u>

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

City of Toledo, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2013
(Amounts in Thousands)

Net change in **fund balances** - total governmental funds \$ (15,268)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets, which meet the capitalization requirement, is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ 53,455	
Depreciation Expense	<u>(36,710)</u>	16,745

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	(7,843)	
Income Taxes	(599)	
Delinquent Property Taxes	110	
Capital Grants	360	
Operating Grants	3,263	
Reimbursements From Other Governments	<u>2,215</u>	(2,494)

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. (5,864)

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. (172)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. This amount is the amount by which repayment of principal exceeds proceeds from issuance not reported as notes payable in the governmental funds. 5,814

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

Change in Inventory	<u>(617)</u>	(617)
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Changes in net position of internal service funds reported with governmental activities. (1,653)

Changes in **net position** of governmental activities \$ (3,509)

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

City of Toledo, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2013
(Amounts in Thousands)

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise	Total Enterprise Funds	Internal Service Funds
ASSETS						
<u>Current:</u>						
Cash and Equivalents with Treasury	\$ 518	\$ 1,016	\$ 9,210	\$ 29	\$ 10,773	\$ -
Cash and Equivalents Held by Escrow	18,276	2,814	-	3	21,093	-
Cash and Equivalents Other	2	-	-	1	3	-
Investments	3,829	1,011	52,567	10,799	68,206	-
Restricted Investments	222,962	1,756	-	369	225,087	15
Receivables (Net of Allowance)	9,713	16,701	41	8,615	35,070	532
Due From Other:						
Funds	72	40,528	-	6,143	46,743	30,098
Inventory of Supplies	4,416	585	75	-	5,076	1,283
Total Current Assets	259,788	64,411	61,893	25,959	412,051	31,928
<u>Noncurrent:</u>						
Land and Construction in Progress	37,986	146,196	-	1,742	185,924	465
Other Capital Assets, net of Accumulated Depreciation	176,862	403,153	173	33,151	613,339	22,435
Total Noncurrent Assets	214,848	549,349	173	34,893	799,263	22,900
Total Assets	474,636	613,760	62,066	60,852	1,211,314	54,828
DEFERRED OUTFLOWS OF RESOURCES						
Debt Insurance Costs	158	20	-	-	178	-
LIABILITIES						
<u>Current:</u>						
Accounts Payable	2,447	2,040	62	120	4,669	770
Customer Deposits	3,410	690	328	418	4,846	317
Retainage	273	1,358	-	77	1,708	-
Due to Other:						
Funds	-	-	58,874	832	59,706	-
Other Current Liabilities	-	-	-	-	-	17,758
Accrued Interest Payable	1,897	3,989	-	74	5,960	-
Accrued Wages and Benefits	737	961	407	208	2,313	304
Current Portion of:						
Compensated Absences Payable	102	157	84	25	368	32
Bonds, Loans and Notes Payable, net	7,575	17,275	-	1,230	26,080	3,530
Total Current Liabilities	16,441	26,470	59,755	2,984	105,650	22,711
<u>Noncurrent:</u>						
Compensated Absences Payable	1,765	2,523	1,010	424	5,722	-
Bonds, Loans and Notes Payable, net	299,393	314,379	-	19,696	633,468	-
Total Noncurrent Liabilities	301,158	316,902	1,010	20,120	639,190	-
Total Liabilities	317,599	343,372	60,765	23,104	744,840	22,711
NET POSITION						
Net Investment in Capital Assets	116,513	223,942	173	31,905	372,533	19,385
Restricted:						
Debt Service	30,901	2,665	-	14	33,580	-
Replacement	8,500	16,371	-	15,527	40,398	-
Improvement	530	11,695	-	2,651	14,876	-
Unrestricted	751	15,735	1,128	(12,349)	5,265	12,732
Total Net Position	\$ 157,195	\$ 270,408	\$ 1,301	\$ 37,748	\$ 466,652	\$ 32,117

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

City of Toledo, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended December 31, 2013
(Amounts in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for Services	\$ 52,413	\$ 69,522	\$ 9,945	\$ 12,384	\$ 144,264	\$ 23,249
Other Revenue	63	197	-	506	766	223
Total Operating Revenue	<u>52,476</u>	<u>69,719</u>	<u>9,945</u>	<u>12,890</u>	<u>145,030</u>	<u>23,472</u>
OPERATING EXPENSES						
Personnel Services	13,192	18,484	7,248	3,475	42,399	6,716
Contractual Services	7,017	4,605	3,329	2,238	17,189	8,211
Materials and Supplies	7,797	3,036	604	480	11,917	6,756
Utilities	2,713	3,196	33	552	6,494	970
Depreciation	5,109	14,395	71	1,722	21,297	2,445
Total Operating Expenses	<u>35,828</u>	<u>43,716</u>	<u>11,285</u>	<u>8,467</u>	<u>99,296</u>	<u>25,098</u>
Operating Income (Loss)	16,648	26,003	(1,340)	4,423	45,734	(1,626)
NONOPERATING REVENUES (EXPENSES)						
Investment Earnings	873	8	95	156	1,132	-
Interest Expense and Fiscal Charges	(11,084)	(7,594)	-	(870)	(19,548)	(27)
Total Nonoperating Revenues (Expenses)	<u>(10,211)</u>	<u>(7,586)</u>	<u>95</u>	<u>(714)</u>	<u>(18,416)</u>	<u>(27)</u>
Income (Loss) Before Transfers and Contributions	6,437	18,417	(1,245)	3,709	27,318	(1,653)
Capital Contributions	-	640	-	-	640	-
Transfers In	-	-	-	1,558	1,558	-
Transfers Out	(75)	(75)	-	(1,646)	(1,796)	-
Change in Net Position	6,362	18,982	(1,245)	3,621	27,720	(1,653)
Net Position at January 1, as restated	<u>150,833</u>	<u>251,426</u>	<u>2,546</u>	<u>34,127</u>	<u>438,932</u>	<u>33,770</u>
Net Position at December 31	<u>\$ 157,195</u>	<u>\$ 270,408</u>	<u>\$ 1,301</u>	<u>\$ 37,748</u>	<u>\$ 466,652</u>	<u>\$ 32,117</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, 2013
(Amounts 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	\$ 49,158	\$ 69,842	\$ 24,165	\$ 13,168	\$ 156,333	\$ 23,065
Cash Paid to Employees	(12,762)	(17,714)	(7,163)	(3,404)	(41,043)	(6,975)
Cash Paid to Suppliers	(14,247)	(33,309)	(3,667)	(7,152)	(58,375)	(12,747)
Other Receipts	63	197	-	506	766	223
Net Cash Provided by (Used by) Operating Activities	<u>22,212</u>	<u>19,016</u>	<u>13,335</u>	<u>3,118</u>	<u>57,681</u>	<u>3,566</u>
Noncapital Financial Activities:						
Transfers In	-	-	-	1,558	1,558	-
Transfers Out	(75)	(75)	-	(1,646)	(1,796)	-
Net Cash Provided by (Used by) Noncapital Financing Activities	<u>(75)</u>	<u>(75)</u>	<u>-</u>	<u>(88)</u>	<u>(238)</u>	<u>-</u>
Capital and Related Financing Activities:						
Proceeds from Capital Grants and Contributions	-	640	-	-	640	-
Proceeds from the Sales of Assets	-	-	1	-	1	-
Purchases of Property, Plant and Equipment	(15,641)	(47,782)	-	(1,803)	(65,226)	(3,299)
Principal Payments on Bonds and Loans	(35,249)	(28,703)	-	(9,501)	(73,453)	(3,770)
Proceeds from the Issuance of Bonds, Loans, and Notes	219,989	60,850	-	3,113	283,952	3,530
Interest and Fiscal Charges Paid on Bonds, Loans and Notes	(7,815)	(6,876)	-	(861)	(15,552)	(27)
Net Cash Provided by (Used by) Capital and Related Financing Activities	<u>161,284</u>	<u>(21,871)</u>	<u>1</u>	<u>(9,052)</u>	<u>130,362</u>	<u>(3,566)</u>
Investing Activities:						
Proceeds from Sales and Maturities of Investments	120,077	6,108	40,319	17,592	184,096	-
Purchase of Investments	(292,810)	(3,000)	(46,140)	(11,795)	(353,745)	-
Investment Income Received on Investments	548	15	135	156	854	-
Net Cash Provided by (Used by) Investing Activities	<u>(172,185)</u>	<u>3,123</u>	<u>(5,686)</u>	<u>5,953</u>	<u>(168,795)</u>	<u>-</u>
Increase (Decrease) in Cash and Cash Equivalents	11,236	193	7,650	(69)	19,010	-
Cash and Cash Equivalents at Beginning of Year	7,560	3,637	1,560	102	12,859	-
Cash and Cash Equivalents at End of Year	<u>\$ 18,796</u>	<u>\$ 3,830</u>	<u>\$ 9,210</u>	<u>\$ 33</u>	<u>\$ 31,869</u>	<u>\$ -</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities:						
Operating Income (Loss)	\$ 16,648	\$ 26,003	\$ (1,340)	\$ 4,423	\$ 45,734	\$ (1,626)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities:						
Depreciation	5,109	14,395	71	1,722	21,297	2,445
Increase (Decrease) in Allowance for Doubtful Accounts	1,168	1,258	-	695	3,121	-
Changes in Assets and Liabilities:						
Receivables	(4,423)	(938)	4,710	86	(565)	(211)
Due To (From) Other:						
Funds	1,071	(20,960)	9,510	(3,943)	(14,322)	5,517
Governments	(15)	(152)	-	4	(163)	-
Inventory of Supplies	(406)	(71)	(45)	-	(522)	(644)
Accounts Payable	2,413	983	16	64	3,476	49
Customer Deposits	122	(1,407)	328	(2)	(959)	27
Retainage	95	(865)	-	(3)	(773)	-
Deferred and Other Liabilities	-	-	-	-	-	(1,732)
Accrued Wages and Benefits	54	66	21	22	163	(156)
Compensated Absences Payable	376	704	64	50	1,194	(103)
Net Cash Provided by (Used by) Operating Activities	<u>\$ 22,212</u>	<u>\$ 19,016</u>	<u>\$ 13,335</u>	<u>\$ 3,118</u>	<u>\$ 57,681</u>	<u>\$ 3,566</u>

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

City of Toledo, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2013
(Amounts in Thousands)

	Agency Funds
ASSETS	
Cash and Equivalents:	
Cash and Equivalents Other	\$ 1,076
Receivables (Net of Allowance)	2,649
Total Assets	3,725
LIABILITIES	
Accounts Payable	66
Deposits	3,659
Total Liabilities	\$ 3,725

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, 2013
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the Financial Statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. The reporting entity of the City 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

City of Toledo-City of Rossford

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

The zone has helped foster successful retail and other developments in the zone. The agreement results in an income tax that shall be imposed based on the City of Rossford's Municipal Code at a rate of 2.25%. The City will receive approximately 27.33% of the net revenues generated by this agreement. The City received \$16 in revenues from the JEDZ in 2013.

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 \$304 in revenues from the JEDZ in 2013.

City of Toledo-City of Sylvania

In July 2008, the City entered into a revenue sharing contract with the City of Sylvania. The purpose of this contract is to facilitate new and expanded commercial growth or economic development in the State and the City of Sylvania. The agreement results in an income tax that shall be imposed based on the City of Sylvania's Municipal Code at a rate of 1.5%. The City will receive 40% of the net revenues in excess of the baseline revenues established yearly generated by this agreement. The City received \$12 in revenues from this agreement in 2013.

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 \$13 in revenues from the JEDD in 2013.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

City of Toledo-Lake Township

In August 2009, the City entered into a contract with Lake Township to create a 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 did not receive revenues from the JEDD in 2013.

City of Toledo-Troy Township

In September 2010, the City 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 \$43 in revenues from the JEDD in 2013.

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, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

Corrections Commission of Northwest Ohio (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 \$ 4,998 for the operation of the Commission in 2013. Financial information can be obtained from the Commission’s administrative office located at 3151 County Road 2425, Stryker, OH 43557-9418.

Basis of Presentation

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

Government-Wide Financial Statements:

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

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

Fund Financial Statements:

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

Fund Accounting

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

Governmental Funds:

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

The following are the City's major Governmental Funds:

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

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

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

Proprietary Funds:

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

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

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts 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, deferred outflows, liabilities and deferred inflows associated with the operation of the City are included on the Statement of Net Position, except within Fiduciary Funds. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in net position.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus (continued)

Fund Financial Statements:

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

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

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

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

Basis of Accounting

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from Exchange Transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities for the current fiscal year. For the City, available means expected to be received within sixty days after year-end.

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

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

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

Deferred Outflows/Inflows of Resources

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

The statement of financial position will sometimes report a section separate from liabilities for *deferred inflows of resources*. This separate element of the financial statement represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until then. Property taxes for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as Deferred Inflows. In addition, income taxes, special assessments, and receivables not received within the available period; as well as grants and entitlements received before the eligibility requirements are met have been reported on the governmental funds report as Deferred Inflows.

Expenses/Expenditures

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

Budgetary Information

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

Cash and Cash Equivalents

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents (continued)

STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments with the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2013.

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

Inventory of Supplies

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

Restricted Assets

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

Capital Assets

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

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

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

Interfund Balances

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

Compensated Absences

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

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

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.

Premiums, Discounts and Deferred Amount on Refunding

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 a deferred outflow.

Interfund Activity

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Activity (continued)

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in Proprietary Funds.

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

Fund Balance Classifications

Fund Balances 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 Balances 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 enabling legislation. Committed Fund Balance describes the portion of the Fund Balance that has been limited to use by approval of City Council. City Council is the City’s highest level of decision making. Fund balance commitments are established, modified, or rescinded by City Council action through passage of an ordinance. Assigned Fund Balance includes amounts that have been intended use by City Council. City Council demonstrates its intent for use of assigned amounts through passage of appropriation legislation, or resolution. The Unassigned Fund Balance represents the residual net resources in the General Fund and deficits in other Governmental Funds.

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

Net Position

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

1. Direct obligations of the United States which include, but are not limited to, Treasury certificates, bills, bonds, notes as well as United States Treasury obligations, State and Local Government Series;
2. Bonds, notes, debentures, or any other obligation or securities issued by the following Federal Government agencies or instrumentalities: Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement is at least equal to 100% of the price at which the repurchase securities are to be repurchased from the City, or such greater percentage as is agreed upon by the seller and the City prior to or upon entering into a particular transaction;
4. Bonds, notes, and other negotiable instruments evidencing the obligation of the City to pay money;
5. Bonds, notes and other negotiable instruments of political entities other than the City which are rated at the time of acquisition by Moody's or Standard and Poor's in at least the third highest category when rated with a long term rating or in the highest category when rated with a short term rating;

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

6. The State Treasurer's investment pool (STAR Ohio).
7. Demand deposits which are deposited with an institution having all of the qualifications of a depository except that it needs only have an office located in the State 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.
9. Negotiable or non-negotiable interest-bearing time certificates of deposit representing deposits of the City placed in an institution having all of the qualifications of a Depository except that it need only have an office located in the State rather than in the City.
10. Federally insured certificates of deposit initiated through a Federal Deposit Insurance Corporation member bank or savings and loan association having an office in Lucas County and under an arrangement whereby the full amount of the deposit is allocated among a reciprocal network of participating Federal Deposit Insurance Corporation member banks or savings and loan associations, wherever located, such that the full amount of the City's deposit is covered by federal deposit insurance.
11. The STAR Plus Federally Insured Cash Account, an investment program offered in conjunction with STAR Ohio under which funds invested through the program are deposited in various federally insured banks, savings banks or savings and loan associations located anywhere in the United States in such a manner that the full amount of the public moneys deposited is covered by federal deposit insurance.

A qualified depository is a bank, trust company or savings and loan association organized under the laws of the State 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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

3. Has Equity Capital in excess of \$50 million or has been approved by an ordinance of City Council following completion of the appeal process
4. Carries a holding company Long Term Issuer Default Rating by Fitch of BBB or better
5. Provides collateralization as required by the 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, 2013, the carrying amount of the City's deposits was \$19,236 and the bank balance was \$21,887. Of the bank balance, the Federal Depository Insurance will cover up to \$250 per account. The City also has un-invested cash in the amount of \$21,093 being held by a third party trustee. This amount is greater than the previous year due to the sale of additional City bonds and the resulting requirement for additional reserves. The City also has petty cash funds of \$13 held by departments that are not covered by Federal Depository Insurance or collateralized.

At December 31, 2013, the carrying amount of the Toledo Municipal Court, an agency fund of the City, was \$1,076 and the bank balance was \$1,294. Of the bank balance, the Federal Depository Insurance will cover up to \$250 per account.

Cash and cash equivalents other

At December 31, 2013, the carrying amount of the City's other cash and cash equivalents were \$15 representing a fiduciary deposit in transit.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments

Investments are reported at fair value. As of December 31, 2013, the City had the following investments:

	Maturity		Total
	Within One Year	More than One Year but Less than Three Years	
Federal Farm Credit Bank	\$ 2,000	\$ 82,375	\$ 84,375
Federal Home Loan Bank	-	58,021	58,021
Federal Home Loan Mortgage Corp	-	77,810	77,810
Federal National Mortgage Association	838	85,614	86,452
STAR Ohio	27,098	-	27,098
Certificates of Deposit/Savings	13	-	13
US Treasury	11,857	-	11,857
Total Portfolio	\$ 41,806	\$ 303,820	\$ 345,626

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

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

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

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

1. City funds either invested in certificates of deposit or deposited in non-demand savings accounts with any one depository shall not exceed 10 percent of the aggregate principal amount of the City's investment portfolio.
2. City funds invested in certificates of deposits in a depository may not exceed 10 percent of the equity capital of the depository at any one time.
3. No more than \$10 million may be invested at any one time through repurchase agreements with any one institution.
4. No more than 40 percent of the aggregate principal amount of the City's investment portfolio shall be invested at any one time in STAR Ohio. Within this 40 percent, up to \$15,000,000 may be further invested through a STAR Plus Federally Insured Cash Account.
5. No obligation of any of the government agencies or instrumentalities shall be purchased if such purchase would cause more than 25 percent of the aggregate principal amount of the City's investment portfolio as of the settlement date to be invested in the obligations of that individual government agency or instrumentality.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

6. The maximum aggregate amount that may be invested for a period longer than 3 years for any one fund shall be 25 percent of the lowest total of all outstanding investments for that fund which occurred during the 12 months immediately prior to the purchase of any security with maturity longer than 3 years. Compliance with this limitation shall be determined as of the settlement date only.

7. City securities shall not exceed 10 percent of the aggregate principal amount of the City's investment portfolio, calculated only as of the date of purchase of such City securities. Unless otherwise specified in the ordinance authorizing their issuance, sale and purchase by the City; these securities shall only be purchased to provide interim financing in anticipation of the sale of City debt in the outside market.

The following is the City's allocation as of December 31, 2013:

	<u>Fair Value</u>	<u>% of Total</u>
Federal Farm Credit Bank	\$ 84,375	24.41
Federal Home Loan Bank	58,021	16.79
Federal Home Loan Mortgage Corp	77,810	22.51
Federal National Mortgage Association	86,452	25.01
STAROhio	27,098	7.84
Certificates of Deposit/Savings	13	0.00
US Treasury	11,857	3.43
	<u>11,857</u>	<u>3.43</u>
Total Portfolio	<u>\$ 345,626</u>	<u>100.00</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 3 – RECEIVABLES

Receivables at December 31, 2013 consist of the following:

	Taxes	Customer and Other	Special Assessments	Notes Receivable	Interest Receivable	Gross Receivables	Less: Allowance for Receivables Uncollectibles	Net
Governmental Activities:								
General Fund	\$ 38,433	\$ 16,133	\$ -	\$ -	\$ 34	\$ 54,600	\$ (13,378)	\$ 41,222
Capital Improvement	-	5,504	-	2,750	-	8,254	(3,456)	4,798
Special Assessment	-	93	48,684	-	-	48,777	-	48,777
Other Governmental Funds	-	2,726	924	30,614	-	34,264	(29,524)	4,740
Total Governmental Funds	38,433	24,456	49,608	33,364	34	145,895	(46,358)	99,537
Business-Type Activities:								
Water	-	13,591	-	-	383	13,974	(4,261)	9,713
Sewer	-	24,765	-	-	3	24,768	(8,067)	16,701
Utility Administrative Services	-	2	-	-	39	41	-	41
Other Business-Type Activities	-	5,599	-	22,914	16	28,529	(19,914)	8,615
Total Business-Type Activities	-	43,957	-	22,914	441	67,312	(32,242)	35,070
Internal Service	-	879	-	-	-	879	(346)	532
Total	\$ 38,433	\$ 69,292	\$ 49,608	\$ 56,278	\$ 475	\$ 214,086	\$ (78,946)	\$ 135,139

NOTE 4 – INCOME TAXES

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 4 – INCOME TAXES (continued)

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

NOTE 5 – PROPERTY TAX

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

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined at December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 34.4 percent of true value. The 2013 public utility property taxes became a lien on December 31, 2012, were levied on October 1, 2013 and will be collected in 2014 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes.

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, 2013 and for which there is an enforceable legal claim. In the Government Funds, the current portion receivable has been offset by deferred inflow of resources since the current taxes were not levied to finance 2013 operations and the collection of delinquent taxes has been offset by a deferred inflow 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 represented as a deferred inflow.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 5 – PROPERTY TAX (continued)

The full tax rate for all City operations for the year ended December 31, 2013 was \$4.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2013 property tax receipts were based are as follows:

Public Utility Real and Tangible Personal Property	\$	150,560
Real Property (Other than Public Utility)		3,060,991
Total Assessed Value	\$	3,211,551

Special Assessment Services, Improvements and Bond Retirement

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the Governmental Activities for the year ended December 31, 2013, was as follows:

	Balance 1/1/2013 as Restated	Additions	Deletions	Balance 12/31/2013
<i>Governmental Activities:</i>				
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 25,002	\$ -	\$ (361)	\$ 24,641
Construction in Progress	84,159	16,130	-	100,289
Total Capital Assets not being Depreciated	109,161	16,130	(361)	124,930
<i>Capital Assets being Depreciated:</i>				
Buildings	68,946	-	-	68,946
Furniture & Fixtures	9,735	5	-	9,740
Improvements	60,666	13,556	-	74,222
Infrastructure	820,153	8,941	-	829,094
Machinery & Equipment	148,128	18,567	-	166,695
Total Capital Assets being Depreciated	1,107,628	41,069	-	1,148,697
<i>Less: Accumulated Depreciation</i>				
Buildings	30,282	1,397	-	31,679
Furniture & Fixtures	4,965	507	-	5,472
Improvements	20,375	3,536	-	23,911
Infrastructure	497,902	23,440	-	521,342
Machinery & Equipment	109,729	10,275	-	120,004
Total Accumulated Depreciation	663,253	39,155	-	702,408
Total Capital Assets being Depreciated, net	444,375	1,914	-	446,289
Governmental Type Activities Capital Assets, net	\$ 553,536	\$ 18,044	\$ (361)	\$ 571,219

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

General Government	\$ 4,758
Public Service	21,218
Public Safety	6,608
Public Utility	1,993
Community Environment	401
Health	1,033
Parks and Recreation	3,144
Total Depreciation Expense - Governmental Activities	<u>\$ 39,155</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 6 – CAPITAL ASSETS (continued)

The Department of Housing and Neighborhood Revitalization has purchased land and buildings using Block Grant Funds. The intent of such purchases ultimately is to resell the property for a nominal amount to adjacent property owners or developers for redevelopment purposes. As of December 31, 2013, the Department owned approximately 161 parcels at an estimated historical cost of \$4,158. Due to the uncertainty of the market value or the ability to locate developers, the purchase costs have been recorded as program expenditures in the Block Grant Funds in the year of purchase and revenues from the sale of properties are recorded as Program Revenue in the year of sale.

Capital asset activity for the Business-Type Activities for the year ended December 31, 2013, was as follows:

<i>Business-Type Activities:</i>	Balance 1/1/2013 as Restated	Additions	Deletions	Balance 12/31/2013
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 4,322	\$ -	\$ -	\$ 4,322
Construction in Progress	154,468	27,134	-	181,602
Total Capital Assets not being Depreciated	158,790	27,134	-	185,924
<i>Capital Assets being Depreciated:</i>				
Buildings	51,437	498	-	51,935
Furniture & Fixtures	1,993	-	-	1,993
Improvements	71,266	25,035	-	96,301
Infrastructure	790,596	9,804	-	800,400
Machinery & Equipment	117,437	2,754	-	120,191
Total Capital Assets being Depreciated	1,032,729	38,091	-	1,070,820
<i>Less: Accumulated Depreciation</i>				
Buildings	26,439	1,347	-	27,786
Furniture & Fixtures	1,359	108	-	1,467
Improvements	24,852	3,129	-	27,981
Infrastructure	313,174	9,068	-	322,242
Machinery & Equipment	70,360	7,645	-	78,005
Total Accumulated Depreciation	436,184	21,297	-	457,481
Total Capital Assets being Depreciated, net	596,545	16,794	-	613,339
Business-Type Activities Capital Assets, net	\$ 755,335	\$ 43,928	\$ -	\$ 799,263

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 6 – CAPITAL ASSETS (continued)

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

Water	\$ 5,109
Sewer	14,395
Utility Administrative Services	71
Non-Major	<u>1,722</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 21,297</u></u>

NOTE 7 – NOTES PAYABLE

The City's Governmental Activities Notes Payable obligations at December 31, 2013 and a schedule of current year activity are as follows:

	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2013	Increase	Decrease	Balance 12/31/2013	Amount Due In One Year
General Obligations:								
Capital Projects	2014	1.375	\$ 574	\$ 655	\$ 574	\$ (655)	\$ 574	\$ 574
Special Assessments	2014	1.375	3,760	3,930	3,760	(3,930)	3,760	3,760
Internal Service Funds	2014	1.375	275	520	275	(520)	275	275
Building	2014	1.00	3,255	3,250	3,255	(3,250)	3,255	3,255
Revenue Obligations:								
Assessed Services 2011	2013	1.88	19,600	19,600	-	(19,600)	-	-
Assessed Services 2012	2014	1.36	16,000	16,000	-	-	16,000	16,000
Assessed Services 2013	2015	1.25	19,800	-	19,800	-	19,800	-
				<u>\$ 43,955</u>	<u>\$ 27,664</u>	<u>\$ (27,955)</u>	<u>\$ 43,664</u>	<u>\$ 23,864</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS

The City's Governmental Activities Long-Term Obligations at December 31, 2013 and a schedule of current year activity are as follows:

Government Activities:	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2013	Increase	Decrease	Balance 12/31/2013	Amount Due In One Year
General Obligation Bonds:									
Capital Projects	Various	Various	1.5 - 6.08	\$ 169,979	\$ 118,654	\$ 14,529	\$ (16,661)	\$ 116,522	\$ 16,191
Special Assessments	Various	Various	1.55 - 5.0	235	100	-	(25)	75	10
Loans Outstanding:									
State Agencies:									
Ohio Public Works Commission									
Capital Projects	Various	Various	0	9,539	5,019	15	(719)	4,315	686
Ohio Water Dev Authority									
Capital Projects	Various	Various	4.02 - 4.12	9,843	5,016	-	(526)	4,490	548
ODOD Chapter 166									
Capital Projects	1998	2018	4	10,000	4,217	-	(655)	3,562	682
Economic Development	2010	2020	1.00	2,750	2,750	-	-	2,750	-
State Infrastructure Bank									
Capital Projects	2009	2019	3	4,095	2,731	386	-	3,117	-
Federal Agencies:									
HUD 108									
Capital Projects	Various	Various	6.56 - 7.96	24,140	10,825	-	(1,535)	9,290	1,620
Other Loans:									
Capital Projects	Various	Various	0 - 6.55	18,201	12,629	-	(916)	11,713	735
Capital Lease Obligations:									
Fire Trucks	2009	2013	4.638	2,923	622	-	(622)	-	-
Fire Ambulances II	2010	2015	3.428	1,185	727	-	(234)	493	242
Police Vehicles	2013	2015	1.15	3,386	-	3,386	(677)	2,709	1,354
Fire Inspector Vehicles	2011	2013	3	231	77	-	(77)	-	-
Ambulance	2012	2017	1.66	1,413	1,413	-	(273)	1,140	278
Landfill Vehicles	2012	2016	1.60	1,588	1,588	-	(387)	1,201	394
Other Obligations:									
Landfill Closure					15,084	172	-	15,256	-
Compensated Absences					24,405	9,142	(2,626)	30,921	1,172
Total Governmental Activities					\$ 205,857	\$ 27,630	\$ (25,933)	\$ 207,554	\$ 23,912

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding and Notes Payable at December 31, 2013 for the City’s Governmental Activities:

Year	General Obligation Bonds		General Obligation Notes		Revenue Obligation Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 16,201	\$ 4,706	\$ 7,864	\$ 83	\$ 16,000	\$ 301
2015	12,530	4,112	-	-	19,800	301
2016	10,417	3,661	-	-	-	-
2017	10,187	3,272	-	-	-	-
2018	9,720	3,420	-	-	-	-
2019-2023	37,025	9,952	-	-	-	-
2024-2028	19,988	3,181	-	-	-	-
2029-2033	529	25	-	-	-	-
Total	<u>\$ 116,597</u>	<u>\$ 32,329</u>	<u>\$ 7,864</u>	<u>\$ 83</u>	<u>\$ 35,800</u>	<u>\$ 602</u>

Year	State Agency Loans		Federal and Other Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 1,916	\$ 469	\$ 2,355	\$ 853	\$ 44,336	\$ 6,412
2015	2,395	414	2,483	775	37,208	5,602
2016	2,332	346	2,637	709	15,386	4,716
2017	2,318	275	2,625	635	15,130	4,182
2018	2,124	203	3,493	564	15,337	4,187
2019-2023	5,126	406	2,889	2,073	45,040	12,431
2024-2028	1,921	15	2,375	1,256	24,284	4,452
2029-2033	102	-	2,146	388	2,777	413
Total	<u>\$ 18,234</u>	<u>\$ 2,128</u>	<u>\$ 21,003</u>	<u>\$ 7,253</u>	<u>\$ 199,498</u>	<u>\$ 42,395</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

Landfill Closure and Post-closure Care Costs

The City operates the Hoffman Road landfill and accounts for this activity in the General Fund. State and federal regulations require the City to place a final cover on the Hoffman Road site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. The closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste. The City records a liability in the Government-Wide Statement of Net Position for the closure and post-closure care costs based on landfill capacity used as of each balance sheet date. A new cell was constructed in 2005 resulting in an increase in capacity; therefore, the landfill can continue to accept solid waste and increase its capacity. Based on the remaining air space and estimated annual tonnage to be taken in, the estimated remaining life of the landfill is 55 years. The \$15,256 reported as landfill closure and post-closure care liability at December 31, 2013 represents the cumulative amount reported to date based on the use of 57.99% of the used capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$11,052 as the remaining used capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2013 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, 2013
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

The City's Business-Type Activities Long-Term Obligations at December 31, 2013 and a schedule of current year activity are as follows:

Business-Type Activities	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2013	Increase	Decrease	Balance 12/31/2013	Amount Due In One Year
General Obligation Bonds:									
TowLot	2006	2024	4.0 - 5.0	\$ 2,835	\$ 1,875	\$ -	(160)	\$ 1,715	\$ 160
Property Management	Various	Various	2.0 - 7.0	22,971	23,428	3,113	(9,064)	17,477	797
Revenue Obligation Bonds:									
Water System	Various	Various	1.25 - 6.20	359,929	110,086	219,989	(34,613)	295,462	6,924
Sanitary Sewer System	Various	Various	2.0 - 6.45	50,835	26,011	14,610	(17,236)	23,385	2,802
Loans Outstanding:									
State Agencies:									
Ohio Public Works Commission									
Water System	Various	Various	0	1,704	1,232	-	(85)	1,147	81
Sanitary Sewer System	Various	Various	0	7,924	6,100	347	(310)	6,137	310
Storm Water System	Various	Various	0	2,084	1,390	-	(117)	1,273	107
Ohio Water Dev Authority									
Water System	2006	2028	3.25	16,012	10,910	-	(551)	10,359	570
Sanitary Sewer System	Various	Various	2.38-4.8	443,842	266,581	45,893	(10,897)	301,577	13,890
OOD Chapter 166									
Property Management	2000	2016	4	1,500	621	-	(160)	461	167
Capital Lease Obligations:									
Sewer Cleaners II	2011	2015	4.99	1,389	815	-	(260)	555	272
Other Obligations:									
Compensated Absences					4,896	1,577	(383)	6,090	368
Total Business-Type Activities					\$ 453,945	\$ 285,529	\$ (73,836)	\$ 665,638	\$ 26,448

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding at December 31, 2013 for the City’s Business-Type Activities:

Year	General Obligation Bonds		Revenue Obligation Bonds	
	Principal	Interest	Principal	Interest
2014	957	891	9,726	14,773
2015	1,204	858	9,912	14,494
2016	1,235	819	11,182	13,135
2017	1,305	776	10,637	12,828
2018	1,370	719	8,827	12,212
2019-2023	7,154	2,606	50,625	55,436
2024-2028	5,967	797	62,057	43,576
2029-2033	-	46	69,680	29,563
2034-2038	-	-	86,201	9,881
Total	\$ 19,192	\$ 7,512	\$ 318,847	\$ 205,898

Year	State Agency Loans		Total	
	Principal	Interest	Principal	Interest
2014	15,125	8,065	25,808	23,729
2015	15,990	8,084	27,106	23,436
2016	17,594	8,950	30,011	22,904
2017	18,028	8,403	29,970	22,007
2018	18,727	7,339	28,924	20,270
2019-2023	98,014	27,608	155,793	85,650
2024-2028	90,352	12,782	158,376	57,155
2029-2033	29,105	2,991	98,785	32,600
2034-2036	18,019	186	104,220	10,067
Total	\$ 320,954	\$ 84,408	\$ 658,993	\$ 297,818

New Issues and Advanced Refunding

As interest rates continue to remain at historic lows, the City of Toledo refinanced several bond issues and issued new debt. The following list of new issues and advanced refunding occurred in 2013;

In 2013, the City issued \$4,609 of General Obligation Notes for funding the construction of certain sidewalk improvements and the acquisition of certain motor vehicles and equipment.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

New Issues and Advanced Refunding (continued)

In 2013, the City issued \$13,645 of General Obligation Bonds, with a bond premium of \$885 for the purpose of funding certain permanent improvements and refunding existing obligations with a lower net interest cost.

In 2013, the City issued \$3,100 of General Obligation Bonds, with a bond premium of \$13, for the purpose of refunding at a lower net interest cost the principal balance of the City's 1995 Housing Improvement Bonds. The refinanced debt provides future cash flow savings of \$474 and economic gains of \$375 over the life of the bond.

In 2013, the City issued \$197,130, with a bond premium of \$17,714, for the purpose of refunding certain maturities of outstanding Water System Revenue Bonds and paying the cost of improvements to the treatment and distribution facilities of the Water System. The Water Bonds are special obligations that have been secured by a pledge of and a lien on certain funds and net revenues of the System, all as provided in the trust indenture securing the Water Bonds.

As part of the \$197,130, the City issued \$10,475 of Water Refunding Bonds to provide resources for the purchase of US Government Securities. Of that amount, \$10,855 was placed in an escrow account for the purpose of retiring debt service obligations in November 2015. As a result, the \$10,855 is considered to be defeased and the liability has been removed from the Enterprise activities in the statement of net position. The refinanced debt provides future cash flow savings of \$711 and economic gains of \$572 over the life of the bond.

In August of 2013, the City issued \$5,145 of Water System Refunding Bonds for the purpose of refunding certain maturities of outstanding Water System Revenue Bonds at a lower interest cost. The refinanced debt provides future cash flow savings of \$398 and economic gains of \$355 over the life of the bond.

In 2013, The City issued \$13,620, with a bond premium of \$990 of Sewer System Revenue Refunding Bonds for the purpose of refunding at a lower net interest cost certain maturities of outstanding Sewer System Revenue Refunding Bonds. The refinanced debt provides future cash flow savings of \$1,871 and economic gains of \$1,494 over the life of the bond.

In 2013, the City issued \$19,800 in Special Assessment Notes for City Services. These notes mature on June 1 and December 1 of 2015.

In 2013, the City renewed \$3,255 of Building Acquisition Notes to mature in April of 2014.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

State Infrastructure Bank Loans

The City has entered into State Infrastructure Bank loan agreements with the Ohio Department of Transportation (ODOT) pursuant to which ODOT provided to the City loans totaling \$3,194 to pay costs of certain street improvements in the City's Marina District and a loan totaling \$901 to pay the City's portion of the cost of improvements to the Martin Luther King Bridge. The aggregate outstanding principal amount of the City's obligations under those ODOT loan agreements was \$3,117 as of December 31, 2013.

Ohio Public Works Commission

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

Ohio Water Development Authority

Loans payable to the Ohio Water Development Authority (OWDA) are authorized by the Clean Water Act and authorized by the administration of the Environmental Protection Agency (EPA) to make grants to States to establish a state water pollution control revolving loan program. The amount of these loans outstanding at December 31, 2013 was \$316,426. Of this amount, \$10,359 is obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. Obligations of \$301,577 were incurred to help finance the sanitary sewage facilities and are to be repaid from charges from sanitary sewer services. The remaining amount of \$4,490 is obligations incurred to help finance the water pollution control related to the landfill remediation projects at the Stickney/Tyler and Dura locations are to be repaid from general receipts of the City.

NOTE 9 – LEASES AND OTHER COMMITMENTS

Operating Leases

In 1983, the City entered into a non-cancelable long-term lease with the Ohio Building Authority for the office space it occupies in One Government Center. The 30 year lease, expired on August 1, 2013 and currently operating on a month-to-month basis, is classified as an operating lease. The City made quarterly rental payments totaling \$386 for the year.

The City also leases various facilities and equipment under various operating leases. Rental expense relating to these leases amounts to \$1,094 in 2013.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

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 2009, the City entered into a non-cancelable 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 \$1,218.

In 2010, the City entered into a non-cancelable long-term master equipment lease with Wells Fargo Equipment Finance for the lease of ambulances. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$1,185 less accumulated depreciation of \$415.

In 2011, the City entered into a non-cancelable long-term master equipment lease with Key Government Finance, Inc. for the lease of sewer cleaners. This lease replaced an existing lease in place from 2009. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Sewer Enterprise Fund at \$1,389 less accumulated depreciation of \$578.

In 2011, the City entered into a non-cancelable 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 less accumulated depreciation of \$66.

In 2012, the City entered into a non-cancelable long-term master equipment lease with PNC Equipment Finance for the lease of ambulances. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$1,413 less accumulated depreciation of \$165.

In 2012, the City entered into a non-cancelable long-term master equipment lease with PNC Equipment Finance for the lease of landfill equipment. The 4 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$1,588 less accumulated depreciation of \$185.

In 2013, the City entered into a non-cancelable-long term lease with PNC Equipment Finance, LLC for the lease of police vehicles. The 3 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$3,386 less accumulated depreciation of \$339.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

Future minimum lease payments on these capital leases together with the present value of the net minimum lease payments as of December 31, 2013 are as follows:

Year Ending	Governmental Activities	Business-Type Activities	Total
2014	\$ 2,356	\$ 296	\$ 2,652
2015	2,356	296	2,652
2016	710	-	710
2017	297	-	297
Total Minimum Lease Payments	5,719	592	6,311
Less: Amount Representing Interest	(176)	(37)	(213)
Present Value of net Minimum Lease Payments	<u>\$ 5,543</u>	<u>\$ 555</u>	<u>\$ 6,098</u>

Other Commitments

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

The initial funding for those energy efficiency improvements is being provided by bonds issued by the Port Authority in the approximate amount of \$5.3 million. Those funds will be loaned to the Corporation for purpose of paying the contractors doing the work and paying the other costs of the various improvements.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 9 – LEASES AND OTHER COMMITMENTS (continued)

Other Commitments (continued)

Outstanding encumbrances for the Year Ended December 31, 2013 were as follows:

Governmental Activities:

General	\$ 3,944
Capital Improvements	205
Special Assessments	92
Nonmajor Governmental	31

Business-Type Activities:

Water - Operating Fund	8,540
Water - Improvement Fund	4
Water - Bond Improvement	580
Water - Replacement Fund	24
Sewer - Operating Fund	1,467
Sewer - Bond Improvement F	20
Sewer - Replacement Fund	120
Sewer - Utility Administrative	279
Nonmajor Enterprise	69
Internal Service Funds	38
	<u>\$ 15,413</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 10 - INTERFUND ACTIVITY

Interfund balances are a function of 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, 2013 the interfund balances consist of the following individual balances due from other funds and due to other funds as reported on the Fund Statements:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<i>Governmental Activities:</i>		
General Fund	\$ -	\$ 44,484
Capital Improvement Fund	9,749	-
Special Assessment Fund	-	17,762
Nonmajor Governmental Funds	35,594	232
Internal Service Funds	30,098	-
Total Governmental Activities	<u>75,441</u>	<u>62,478</u>
<i>Business-Type Activities:</i>		
Water	72	-
Sewer	40,528	-
Utility Administrative Services	-	58,874
Nonmajor Enterprise Activities	6,143	832
Total Business-Type Activities	<u>46,743</u>	<u>59,706</u>
Total	<u>\$ 122,184</u>	<u>\$ 122,184</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 10 - INTERFUND ACTIVITY (continued)

Interfund transfers for the Year Ended December 31, 2013, consisted of the following, as reported on the Fund Statements:

Transfer Out	Transfer In				Total
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
Governmental Activities:					
General Fund	\$ -	\$ 34,657	\$ -	\$ -	\$ 34,657
Capital Improvement Fund	10,660	-	21,418	1,558	33,636
Nonmajor Governmental Funds	246	1,138	225	-	1,609
Total Governmental Activities	10,906	35,795	21,643	1,558	69,902
Business-Type Activities:					
Water	-	-	75	-	75
Sewer	-	-	75	-	75
Nonmajor Enterprise Funds	1,571	-	75	-	1,646
Total Business-Type Activities	1,571	-	225	-	1,796
Total	\$ 12,477	\$ 35,795	\$ 21,868	\$ 1,558	\$ 71,698

In 2013, the General Fund transferred \$34,657 into the Capital Improvement Fund. This amount is a percentage of the income tax collections in 2013 that is authorized by Toledo City Council and the Mayor for transfer.

In 2013, The Capital Improvement Fund transferred \$10,660 to the General Fund. City of Toledo voters approved a portion of the City income tax transferred to the Capital Improvement Fund to be reallocated to the General Fund for operating expenses.

In 2013, the Capital Improvement fund transferred \$21,418 to various nonmajor governmental funds for the purpose of debt management.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 11 – FUND BALANCE

A summary of Fund Balances as of December 31, 2013 by category with specific purpose information follows:

	General Fund	Capital Improvements	Special Assessment Services	Nonmajor Governmental Funds	Total
<i>Fund Balances:</i>					
Nonspendable:					
Inventory	\$ 1,143	\$ 1,239	\$ 1,743	\$ 889	\$ 5,014
Total Nonspendable	<u>1,143</u>	<u>1,239</u>	<u>1,743</u>	<u>889</u>	<u>5,014</u>
Restricted for:					
General Government	5,420	-	1,509	230	7,159
Public Service	-	18,062	-	11,034	29,096
Public Safety	-	-	-	-	-
Community Environment	-	-	-	13,816	13,816
Total Restricted	<u>5,420</u>	<u>18,062</u>	<u>1,509</u>	<u>25,080</u>	<u>50,071</u>
Committed to:					
General Government	326	-	-	12,756	13,082
Community Environment	-	-	-	1,237	1,237
Total Committed	<u>326</u>	<u>-</u>	<u>-</u>	<u>13,993</u>	<u>14,319</u>
Unassigned	<u>1,088</u>	<u>-</u>	<u>(54,046)</u>	<u>(2,447)</u>	<u>(55,405)</u>
Total Fund Balances	<u>\$ 7,977</u>	<u>\$ 19,301</u>	<u>\$ (50,794)</u>	<u>\$ 37,515</u>	<u>\$ 13,999</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 2013, 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.

NOTE 12 – PENSION PLANS

Ohio Public Employees Retirement System

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

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

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, 2013
(Amounts 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 retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

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

The ORC provides statutory authority for member and employer contributions. For 2013 member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. The 2013 member contribution rates were 10.00% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 12.00% and 12.60%, respectively. The 2013 employer contribution rate for state and local employers was 14.00% of covered payroll. The law enforcement and public safety division employer contribution rate was 18.10% of covered payroll.

The City's required contributions for all plans for years ended December 31, 2013, 2012, and 2011 were \$10,204, \$9,969 and \$12,653 respectively, or 95.0% of the required contribution for 2013 and equal to the required contributions for 2012 and 2011. The remaining employer contributions for 2013 were paid in the first quarter 2014.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This accounting standard replaces GASB Statement 27, and it is effective for employer fiscal years beginning after June 15, 2014.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 12 – PENSION PLANS (continued)

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the 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.

From January 1 through July 1, 2013, plan members were required to contribute 10% of their annual salary. From July 2 through December 31, 2013, plan members are required to contribute 10.75% of their annual salary. However, employers are required to contribute 19.5% and 24% respectively for police officers and firefighters. The City contributions to OP&F for the years ending December 31, 2013, 2012 and 2011 approximated \$16,728, \$16,103 and \$16,135 respectively, or 75% of the required contribution for 2013 and equal to the required contributions for 2012 and 2011. The remaining employer contributions for 2013 were paid in the first quarter 2014.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 13 – POSTRETIREMENT BENEFIT PLANS (continued)

Ohio Public Employees Retirement System (continued)

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 post-employment 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 Plan to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code. OPERS issue a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care coverage 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 coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, the City contributed at a rate of 14% of covered payroll and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. 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, 2013
(Amounts 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 Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 1.0% during the calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0% during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2013, 2012, and 2011 approximated \$729, \$2,848 and \$5,661 respectively.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 13 – POSTRETIREMENT BENEFIT PLANS (continued)

Ohio Police and Fire Pension Fund (continued)

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) accounts as the employer contribution for retiree health care benefits. For the year ended December 31, 2013, the employer contributions allocated to the health care plan was 4.69% of covered payroll from January 1, 2013 through May 31, 2013 and 2.85% of covered payroll from June 1, 2013 through December 31, 2013. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provision of Section 115 and 401(h).

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, 2013, 2012 and 2011 approximated \$16,728, \$16,103 and \$16,135 respectively, of which \$5,863, \$5,046 and \$5,041 respectively, was allocated to the healthcare plan.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 14 – RISK MANAGEMENT

Property and Liability

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

The City is fully insured through premium-based insurance policies for all other types of insurance. In 2013, the City contracted with various insurance companies to provide the following coverage:

	<u>Coverage</u> (in Whole Dollars)	<u>Deductible</u> (in Whole Dollars)
Property Policy for the City	\$ 500,000,000	\$ 250,000
Professional Liability for TMC	10,000,000	-
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
Hull/Liability Policy for Helicopter	1,000,000	-
Ocean Marine Policy	1,000,000	1,000
Employee Tool Insurance	211,000	500
BUSTR/Cleanup for Underground Fuel Tanks	50,000	-
Community Probation Program	25,000	-

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 14 – RISK MANAGEMENT (continued)

Changes in the funds' claim liability amount in 2011, 2012 and 2013 were:

Year	Balance at Beginning of Year	Current Year Claims and Change in Estimate	Claims Payments	Balance at End of Year
2011	\$ 1,560	\$ 1,340	\$ 1,340	\$ 1,560
2012	1,560	1,234	1,234	1,560
2013	1,560	1,306	1,306	1,560

Workers' Compensation

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

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 \$16,198 reported at December 31, 2013, as estimated by the third party administrator, is based on the requirement of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling claims. The liability is reported as a current liability in the Statement of Net Position for the Internal Service Funds. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustments expenses.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 14 – RISK MANAGEMENT (continued)

Workers' Compensation (continued)

Changes in the funds' claim liability amount in 2011, 2012 and 2013 were:

Year	Balance at Beginning of Year	Current Year Claims and Change in Estimate	Claims Payments	Balance at End of Year
2011	\$ 19,331	\$ 8,597	\$ 7,833	\$ 20,095
2012	20,095	3,894	6,059	17,930
2013	17,930	4,289	6,021	16,198

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, 2012 and 2013 were:

Year	Balance at Beginning of Year	Current Year Claims and Change in Estimate	Claims Payments	Balance at End of Year
2011	\$ 1,597	\$ 22,557	\$ 21,952	\$ 2,202
2012	2,202	18,540	18,090	2,652
2013	2,652	17,305	17,197	2,760

NOTE 15 – ACCOUNTABILITY AND COMPLIANCE

Fund Balance Deficits

The following deficit fund balances existed at December 31, 2013:

<i>Governmental Funds:</i>	
Special Assessment Services Fund	\$ 50,794
Non-Major Governmental Funds:	
Special Assessment Improvements Fund	1,570
<i>Proprietary Funds:</i>	
Property Management	13,338
Storeroom and Printshop	72

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 15 – ACCOUNTABILITY AND COMPLIANCE (continued)

Fund Balance Deficits (continued)

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

Change in Accounting Principles

For 2013, the City has implemented the following standards of the Governmental Accounting Standards Board (GASB):

GASB Statement No. 61, *“The Financial Reporting Entity: Omnibus”*, GASB Statement No. 65, *“Items Previously Reported as Assets and Liabilities”* and GASB Statement No. 66, *“Technical Corrections-2012- an amendment of GASB Statements No. 10 and No. 62”*.

GASB Statement No. 61 requires governments to perform a re-evaluation of current and potential component units. Some of the significant changes that could impact the determinations include: new financial benefit or burden criteria was added to the discretely presented component unit determination; there was clarification on the component unit inclusion based on the misleading to exclude determination; for blended components there were additional requirements added to the substantively same governing body; and added criteria to blend if component unit debt is expected to be repaid by the primary government

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

GASB Statement No. 66 improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity’s risk financing activities to the general fund and the internal service fund type.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 16 - CONTINGENCIES

Litigation

In 2011, Bradley Walker filed a class action lawsuit in the Lucas County Court of Common Pleas against the City of Toledo and RedFlex Traffic Systems, Inc. The lawsuit challenged the constitutionality of Toledo's photo-enforcement traffic program that assessed civil penalties against certain types of traffic offenders. The suit sought, amongst other things, that the civil penalties be refunded to persons who had paid a civil fine during the life of the program. Before a class was certified, the trial court dismissed Walker's claim. Walker appealed and in 2013 the Court of Appeals reversed and found Toledo's program was unconstitutional. Toledo appealed to the Ohio Supreme Court and the matter is pending in that court.

The City is currently a defendant in several other lawsuits as well. Except as mentioned above, it is the opinion of legal counsel that none of the other litigation has the potential to have a material adverse affect on the financial condition of the City. Additionally, there are many known unasserted claims, the results of which, if asserted would not have a material effect on the financial statements at December 31, 2013.

Grants

In 2013, the City received Federal, State and Local grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 17 – SUBSEQUENT EVENTS

In March 27, 2014, the City's Council passed an agreement authorizing the acceptance of loan proceeds from the Ohio Environmental Protection Water Pollution Loan Fund (WPCLF) and the Ohio Water Authority (OWDA) not to exceed \$93.6 million. The loan proceeds will designated to the Ottawa River Storage Facility Phase II Consent Decree Project, which is for the design and constructions of an underground 36.3 million gallons combined sewer overflow (CSO) storage basin and above ground pumping station in Joe E. Brown Park; connecting structures and pipelines in Manhattan, Lagrange and Windermere areas. The project includes complete restoration of the park facilities.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 17 – SUBSEQUENT EVENTS (continued)

In March 27, 2014, the City’s Council passed an agreement to accept grant proceeds of \$8.1 million from the State of Ohio Department of Transportation (ODOT) for multiple Capital Improvement Projects. The Projects includes the reconstruction of Bancroft Street from Glenwood to Ashland, and improvements to the “Thousand Islands” area including new roundabouts at the Detroit/Berdan and Cherry Manhattan intersections, restoration work on the Boyer/Schoonmaker Museum Ship, and for construction of the Summit/Front Bike Path Phase 2 from Jamie Farr Park to Manhattan, and reconstruction of Collingwood Boulevard from Monroe to Central.

In March 11, 2014, the City’s Council agreed to the issuance and sale of general obligation bond anticipation notes in the aggregate principal amount of \$3.2 million. The anticipation notes will pay for the costs of acquiring a building, adjacent real estate, office space, and other facilities to use in carrying out functions of the Department of Public Services.

In March 25, 2014, the City’s Council passed an agreement authorizing the acceptance of loan proceeds from the Ohio Environmental Protection Agency Water Pollution Loan Fund (WPCLF) and the Ohio Water Authority (OWDA) not to exceed \$18.3 million. The loan proceeds will be deposited into the Sanitary Sewer Replacement Fund for the Long Term Control Plan 2C Design Consent Decree Project. The project is to upgrade wastewater treatment and sanitary facilities as specified in the Clean Water Act consent decree negotiated with the State of Ohio and the United States.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 18 – PRIOR PERIOD ADJUSTMENT

The beginning balance (1/1/2013) of capital asset activity for Governmental Activities (Note 6) has been restated due to incorrect settlement of capital asset activity in prior years.

<i>Governmental Activities:</i>	Balance 1/1/2013	Adjustment	Adjusted Balance 1/1/2013
<i>Capital Assets not being Depreciated:</i>			
Land	\$ 20,905	\$ 4,097	\$ 25,002
Construction in Progress	103,012	(18,853)	84,159
Total Capital Assets not being Depreciated	<u>123,917</u>	<u>(14,756)</u>	<u>109,161</u>
<i>Capital Assets being Depreciated:</i>			
Buildings	65,722	3,224	68,946
Furniture & Fixtures	6,907	2,828	9,735
Improvements	60,666	-	60,666
Infrastructure	807,634	12,519	820,153
Machinery & Equipment	139,845	8,283	148,128
Total Capital Assets being Depreciated	<u>1,080,774</u>	<u>26,854</u>	<u>1,107,628</u>
<i>Less: Accumulated Depreciation</i>			
Buildings	29,716	566	30,282
Furniture & Fixtures	4,281	684	4,965
Improvements	20,023	352	20,375
Infrastructure	498,442	(540)	497,902
Machinery & Equipment	98,693	11,036	109,729
Total Accumulated Depreciation	<u>651,155</u>	<u>12,098</u>	<u>663,253</u>
Total Capital Assets being Depreciated, net	<u>429,619</u>	<u>14,756</u>	<u>444,375</u>
Governmental Type Activities Capital Assets, net	<u>\$ 553,536</u>	<u>\$ -</u>	<u>\$ 553,536</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 18 – PRIOR PERIOD ADJUSTMENT (continued)

The beginning balance (1/1/2013) of capital asset activity for Business-Type Activities (Note 6) has been restated due to incorrect settlement of capital asset activity in prior years.

<i>Business-Type Activities:</i>	Balance 1/1/2013	Adjustment	Adjusted Balance 1/1/2013
<i>Capital Assets not being Depreciated:</i>			
Land	\$ 1,964	\$ 2,358	\$ 4,322
Construction in Progress	159,719	(5,251)	154,468
Total Capital Assets not being Depreciated	161,683	(2,893)	158,790
<i>Capital Assets being Depreciated:</i>			
Buildings	51,935	(498)	51,437
Furniture & Fixtures	1,993	-	1,993
Improvements	71,266	-	71,266
Infrastructure	787,812	2,784	790,596
Machinery & Equipment	117,347	90	117,437
Total Capital Assets being Depreciated	1,030,353	2,376	1,032,729
<i>Less: Accumulated Depreciation</i>			
Buildings	43,475	(17,036)	26,439
Furniture & Fixtures	1,550	(191)	1,359
Improvements	47,034	(22,182)	24,852
Infrastructure	273,697	39,477	313,174
Machinery & Equipment	83,157	(12,797)	70,360
Total Accumulated Depreciation	448,913	(12,729)	436,184
Total Capital Assets being Depreciated, net	581,440	15,105	596,545
Business-Type Activities Capital Assets, net	\$ 743,123	\$ 12,212	\$ 755,335

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

NOTE 18 – PRIOR PERIOD ADJUSTMENT (continued)

The Enterprise Water, Sewer, and Storm Sewer funds' beginning balance has been restated due to incorrect depreciation for capital assets relating to the City's distribution system in prior years.

	<u>Water</u>	<u>Sewer</u>	<u>Storm Sewer</u>	<u>Business-Type Activities</u>
Fund Balance/Net Position, as Previously Reported	\$ 150,844	\$ 240,717	\$ 46,054	\$ 426,720
Capital Asset Reclassification	<u>(11)</u>	<u>10,709</u>	<u>1,514</u>	<u>12,212</u>
Fund Balance/Net Position, Restated	<u>\$ 150,833</u>	<u>\$ 251,426</u>	<u>\$ 47,568</u>	<u>\$ 438,932</u>

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**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Toledo, Ohio

General Fund and Special Assessment Services Fund

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

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

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2013
(Amounts in Thousands)

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Income Taxes	\$ 163,879	\$ 163,879	\$ 158,775	\$ (5,104)
Property Taxes	10,897	10,897	9,598	(1,299)
Licenses and Permits	2,482	2,482	2,408	(74)
Intergovernmental Services	10,060	10,060	21,044	10,984
Charges for Services	26,978	26,978	26,296	(682)
Investment Earnings	220	220	135	(85)
Fines and Forfeitures	8,133	8,133	7,118	(1,015)
Other Revenue	5,356	5,356	620	(4,736)
Total Revenues	228,005	228,005	225,994	(2,011)
EXPENDITURES				
Current:				
General Government	27,804	27,791	27,112	679
Public Service	1,978	1,941	1,674	267
Public Safety	164,777	164,474	159,264	5,210
Public Utilities	-	-	1	(1)
Community Environment	4,588	4,680	4,671	9
Health	5,488	5,515	4,767	748
Parks and Recreation	2,729	2,922	2,947	(25)
Capital Outlay	-	-	1	(1)
Debt Service:				
Principal Retirement	526	526	526	-
Interest And Fiscal Charges	200	200	200	-
Debt Issuance Costs	-	24	-	24
Total Expenditures	208,090	208,073	201,163	6,910
Excess (Deficiency) of Revenues over (under) Expenditures	19,915	19,932	24,831	4,899
OTHER FINANCING SOURCES (USES)				
Transfers In	15,895	15,895	12,477	(3,418)
Transfers Out	(35,885)	(35,885)	(34,657)	1,228
Proceeds from Sale of Capital Assets	87	87	25	(62)
Total Other Financing Sources (Uses)	(19,903)	(19,903)	(22,155)	(2,252)
Net Change in Fund Balance	\$ 12	\$ 29	2,676	\$ 2,647
Fund Balance (Deficit) at Beginning of Year			5,008	
Increase (Decrease) for Inventory			293	
Fund Balance (Deficit) at Year End			\$ 7,977	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Assessment Services
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Special Assesments	\$ 25,454	\$ 25,454	\$ 25,165	\$ (289)
Charges for Services	754	754	861	107
Investment Earnings	9	9	4	(5)
Other Revenue	4	4	54	50
Total Revenues	<u>26,221</u>	<u>26,221</u>	<u>26,084</u>	<u>(137)</u>
EXPENDITURES				
Current:				
General Government	337	334	283	51
Public Service	28,539	28,428	23,978	4,450
Health	752	741	515	226
Parks and Recreation	333	330	178	152
Capital Outlay	-	-	9	(9)
Debt Service:				
Principal Retirement	19,600	19,600	-	19,600
Interest And Fiscal Charges	897	897	583	314
Total Expenditures	<u>50,458</u>	<u>50,330</u>	<u>25,546</u>	<u>24,784</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(24,237)	(24,109)	538	24,647
OTHER FINANCING SOURCES (USES)				
Issuance Of Debt	20,700	20,700	-	(20,700)
Total Other Financing Sources (Uses)	<u>20,700</u>	<u>20,700</u>	<u>-</u>	<u>(20,700)</u>
Net Change in Fund Balance	<u>\$ (3,537)</u>	<u>\$ (3,409)</u>	538	<u>\$ 3,947</u>
Fund Balance (Deficit) at Beginning of Year			(50,211)	
Increase (Decrease) for Inventory			<u>(1,121)</u>	
Fund Balance (Deficit) at Year End			<u>\$ (50,794)</u>	

City of Toledo, Ohio
Notes to the Required Supplementary Information
December 31, 2013

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, 2013

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, 2013
(Amounts in Thousands)

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total Nonmajor Funds
ASSETS					
Cash and Equivalents:					
Cash and Equivalents Other	\$ 2	\$ -	\$ -	\$ -	\$ 2
Investments	79	-	-	-	79
Restricted Investments	-	-	688	883	1,571
Receivables (Net of Allowance)	3,816	171	753	-	4,740
Due From Other:					
Funds	25,746	8,271	1,514	63	35,594
Governments	15,257	-	-	-	15,257
Inventory of Supplies	889	-	-	-	889
Total Assets	45,789	8,442	2,955	946	58,132
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,487	-	-	-	1,487
Deposits	1,737	-	-	252	1,989
Retainage	-	-	11	-	11
Due To Other:					
Funds	232	-	-	-	232
Accrued Wages and Benefits	365	-	-	-	365
Compensated Absences Payable	95	-	1	-	96
Notes Payable	-	-	3,760	-	3,760
Total Liabilities	3,916	-	3,772	252	7,940
Deferred Inflows of Resources:					
Revenues Levied for the Next Year and Unavailable Revenue	11,753	171	753	-	12,677
Fund Balances:					
Nonspendable	889	-	-	-	889
Restricted	23,345	164	688	883	25,080
Committed	5,886	8,107	-	-	13,993
Unassigned	-	-	(2,258)	(189)	(2,447)
Total Fund Balances	30,120	8,271	(1,570)	694	37,515
Total Liabilities, Deferred Inflows and Fund Balances	\$ 45,789	\$ 8,442	\$ 2,955	\$ 946	\$ 58,132

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013
(Amounts in Thousands)

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total Nonmajor Funds
REVENUES					
Special Assessments	\$ -	\$ 26	\$ 259	\$ -	\$ 285
Licenses and Permits	6	-	-	-	6
Intergovernmental Services	12,384	-	-	-	12,384
Charges for Services	973	-	-	-	973
Investment Earnings	5	-	-	-	5
Fines and Forfeitures	1,472	-	-	-	1,472
Grants	17,229	-	-	-	17,229
Other Revenue	7,829	-	-	-	7,829
Total Revenues	<u>39,898</u>	<u>26</u>	<u>259</u>	<u>-</u>	<u>40,183</u>
EXPENDITURES					
Current					
General Government	290	-	1	-	291
Public Service	9,410	-	-	-	9,410
Public Safety	4,301	-	-	-	4,301
Community Environment	14,602	-	-	-	14,602
Health	2,658	-	-	-	2,658
Parks and Recreation	362	-	-	-	362
Capital Outlay	444	-	292	-	736
Debt Service:					
Principal Retirement	-	16,686	-	-	16,686
Interest and Fiscal Charges	-	4,761	-	-	4,761
Total Expenditures	<u>32,067</u>	<u>21,447</u>	<u>293</u>	<u>-</u>	<u>53,807</u>
Excess (Deficiency) of Revenues over (under) Expenditures	7,831	(21,421)	(34)	-	(13,624)
OTHER FINANCING SOURCES (USES)					
Transfers In	450	21,418	-	-	21,868
Transfers (Out)	(1,609)	-	-	-	(1,609)
Proceeds from Sale of Capital Assets	12	-	-	-	12
Total Other Financing Sources (Uses)	<u>(1,147)</u>	<u>21,418</u>	<u>-</u>	<u>-</u>	<u>20,271</u>
Net Change in Fund Balance	6,684	(3)	(34)	-	6,647
Fund Balance (Deficit) at Beginning of Year	23,459	8,274	(1,536)	694	30,891
Increase (Decrease) for Inventory	(23)	-	-	-	(23)
Fund Balance (Deficit) at Year End	<u>\$ 30,120</u>	<u>\$ 8,271</u>	<u>\$ (1,570)</u>	<u>\$ 694</u>	<u>\$ 37,515</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 committed by City Council for major non-capital golf course maintenance.

Parkland Replacement - To account for those proceeds from parkland sales committed 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 restricted 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, 2013
(Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements	Parkland Replacement
ASSETS							
Cash and Equivalents:							
Cash and Equivalents Other	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	13	-	-	-	-
Receivables (Net of Allowance)	441	341	-	82	-	-	16
Due From Other:							
Funds	-	11,578	675	9,333	27	445	252
Governments	8,810	1,008	-	3,703	-	-	-
Inventory of Supplies	-	-	-	889	-	-	-
Total Assets	<u>9,252</u>	<u>12,927</u>	<u>688</u>	<u>14,007</u>	<u>27</u>	<u>445</u>	<u>268</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts Payable	576	432	-	135	-	-	11
Deposits	756	140	-	-	-	-	-
Due To Other:							
Funds	232	-	-	-	-	-	-
Accrued Wages and Benefits	115	49	-	186	-	-	-
Compensated Absences Payable	28	3	-	63	-	-	-
Total Liabilities	<u>1,707</u>	<u>624</u>	<u>-</u>	<u>384</u>	<u>-</u>	<u>-</u>	<u>11</u>
Deferred Inflows of Resources:							
Revenues Levied for the Next Year	6,673	853	-	2,583	-	-	-
Fund Balances:							
Nonspendable	-	-	-	889	-	-	-
Restricted	872	11,450	688	10,151	-	-	-
Committed	-	-	-	-	27	445	257
Total Fund Balances	<u>872</u>	<u>11,450</u>	<u>688</u>	<u>11,040</u>	<u>27</u>	<u>445</u>	<u>257</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 9,252</u>	<u>\$ 12,927</u>	<u>\$ 688</u>	<u>\$ 14,007</u>	<u>\$ 27</u>	<u>\$ 445</u>	<u>\$ 268</u>

(Continued)

City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2013
(Amounts in Thousands)

(Continued)	Cemeteries Property Acquisition Site Development	Marina Development	Expendable Trusts	Toledo City Parks	Toledo Home Program	Right Of Way	Total Special Revenue Funds
ASSETS							
Cash and Equivalents:							
Cash and Equivalents Other	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 2
Investments	-	-	66	-	-	-	79
Receivables (Net of Allowance)	3	16	2,912	-	5	-	3,816
Due From Other:							
Funds	694	41	2,495	99	104	3	25,746
Governments	-	-	-	-	1,736	-	15,257
Inventory of Supplies	-	-	-	-	-	-	889
Total Assets	697	58	5,473	99	1,845	3	45,789
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts Payable	-	10	246	-	77	-	1,487
Deposits	337	-	504	-	-	-	1,737
Due To Other:							
Funds	-	-	-	-	-	-	232
Accrued Wages and Benefits	-	2	8	-	5	-	365
Compensated Absences Payable	-	-	-	-	1	-	95
Total Liabilities	337	12	758	-	83	-	3,916
Deferred Inflows of Resources:							
Revenues Levied for the Next Year	-	-	-	-	1,644	-	11,753
Fund Balances:							
Nonspendable	-	-	-	-	-	-	889
Restricted	-	-	66	-	118	-	23,345
Committed	360	46	4,649	99	-	3	5,886
Total Fund Balances	360	46	4,715	99	118	3	30,120
Total Liabilities, Deferred Inflows and Fund Balances	\$ 697	\$ 58	\$ 5,473	\$ 99	\$ 1,845	\$ 3	\$ 45,789

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended December 31, 2013
(Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements	Parkland Replacement
REVENUES							
Licenses and Permits	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	12,384	-	-	-
Charges for Services	3	-	-	5	-	246	-
Investment Earnings	-	-	-	-	3	-	-
Fines and Forfeitures	-	-	-	1	-	-	-
Grants	8,972	6,361	-	-	-	-	-
Other Revenue	1,007	2,783	-	21	-	-	27
Total Revenues	9,982	9,144	-	12,417	3	246	27
EXPENDITURES							
Current							
General Government	28	20	-	240	-	-	-
Public Service	-	12	-	9,398	-	-	-
Public Safety	-	2,372	-	69	-	-	-
Community Environment	8,950	1,753	-	11	-	-	-
Health	-	2,501	-	-	18	-	-
Parks and Recreation	-	-	-	-	-	-	110
Capital Outlay	-	281	-	135	-	-	-
Total Expenditures	8,978	6,939	-	9,853	18	-	110
Excess (Deficiency) of Revenues over (under) Expenditures	1,004	2,205	-	2,564	(15)	246	(83)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	225	-	-	-
Transfers (Out)	(13)	-	-	(1,125)	-	(246)	-
Proceeds from Sale of Capital Assets	12	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1)	-	-	(900)	-	(246)	-
Net Change in Fund Balance	1,003	2,205	-	1,664	(15)	-	(83)
Fund Balance (Deficit) at Beginning of Year	(131)	9,245	688	9,399	42	445	340
Increase (Decrease) for Inventory	-	-	-	(23)	-	-	-
Fund Balance (Deficit) at Year End	\$ 872	\$ 11,450	\$ 688	\$ 11,040	\$ 27	\$ 445	\$ 257

(Continued)

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended December 31, 2013
(Amounts in Thousands)

(Continued)	Cemeteries Property Acquisition Site Development	Marina Development	Expendable Trusts	Toledo City Parks	Toledo Home Program	Right Of Way	Total Special Revenue Funds
REVENUES							
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6
Intergovernmental Services	-	-	-	-	-	-	12,384
Charges for Services	47	69	603	-	-	-	973
Investment Earnings	-	-	2	-	-	-	5
Fines and Forfeitures	-	-	1,471	-	-	-	1,472
Grants	-	-	17	-	1,879	-	17,229
Other Revenue	-	-	3,943	-	48	-	7,829
Total Revenues	47	69	6,036	-	1,927	-	39,898
EXPENDITURES							
Current							
General Government	-	-	1	-	1	-	290
Public Service	-	-	-	-	-	-	9,410
Public Safety	-	-	1,860	-	-	-	4,301
Community Environment	-	-	2,243	-	1,645	-	14,602
Health	-	-	139	-	-	-	2,658
Parks and Recreation	-	132	120	-	-	-	362
Capital Outlay	-	-	28	-	-	-	444
Total Expenditures	-	132	4,391	-	1,646	-	32,067
Excess (Deficiency) of Revenues over (under) Expenditures	47	(63)	1,645	-	281	-	7,831
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	225	450
Transfers (Out)	-	-	-	-	-	(225)	(1,609)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	12
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(1,147)
Net Change in Fund Balance	47	(63)	1,645	-	281	-	6,684
Fund Balance (Deficit) at Beginning of Year	313	109	3,070	99	(163)	3	23,459
Increase (Decrease) for Inventory	-	-	-	-	-	-	(23)
Fund Balance (Deficit) at Year End	\$ 360	\$ 46	\$ 4,715	\$ 99	\$ 118	\$ 3	\$ 30,120

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, 2013
(Amounts in Thousands)

	<u>General Obligation</u>	<u>Special Assessment</u>	<u>Total Debt Service Funds</u>
ASSETS			
Receivables (Net of Allowance)	\$ -	\$ 171	\$ 171
Due From Other: Funds	<u>8,107</u>	<u>164</u>	<u>8,271</u>
Total Assets	<u><u>8,107</u></u>	<u><u>335</u></u>	<u><u>8,442</u></u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:			
Revenues Levied for the Next Year	-	171	171
Fund Balances:			
Restricted	-	164	164
Committed	<u>8,107</u>	<u>-</u>	<u>8,107</u>
Total Fund Balances	<u>8,107</u>	<u>164</u>	<u>8,271</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u><u>\$ 8,107</u></u>	<u><u>\$ 335</u></u>	<u><u>\$ 8,442</u></u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Debt Service Funds
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>General Obligation</u>	<u>Special Assessment</u>	<u>Total Debt service Funds</u>
REVENUES			
Special Assessments	\$ -	\$ 26	\$ 26
Total Revenues	<u>-</u>	<u>26</u>	<u>26</u>
EXPENDITURES			
Debt Service:			
Principal Retirement	16,661	25	16,686
Interest and Fiscal Charges	<u>4,757</u>	<u>4</u>	<u>4,761</u>
Total Expenditures	<u>21,418</u>	<u>29</u>	<u>21,447</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(21,418)	(3)	(21,421)
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>21,418</u>	<u>-</u>	<u>21,418</u>
Total Other Financing Sources (Uses)	<u>21,418</u>	<u>-</u>	<u>21,418</u>
Net Change in Fund Balance	-	(3)	(3)
Fund Balance (Deficit) at Beginning of Year	<u>8,107</u>	<u>167</u>	<u>8,274</u>
Fund Balance (Deficit) at Year End	<u>\$ 8,107</u>	<u>\$ 164</u>	<u>\$ 8,271</u>

City of Toledo, Ohio

Nonmajor Capital Projects Funds

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Fund
December 31, 2013
(Amounts in Thousands)

	Special Assessment Improvements
ASSETS	
Restricted Investments	\$ 688
Receivables (Net of Allowance)	753
Due From Other:	
Funds	1,514
Total Assets	2,955
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Retainage	11
Compensated Absences Payable	1
Notes Payable	3,760
Total Liabilities	3,772
 Deferred Inflows of Resources:	
Revenues Levied for the Next Year	753
 Fund Balances:	
Restricted	688
Unassigned	(2,258)
Total Fund Balances	(1,570)
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,955

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Fund
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Special Assessment Improvements</u>
REVENUES	
Special Assessments	<u>\$ 259</u>
Total Revenues	<u>259</u>
EXPENDITURES	
Current	
General Government	1
Capital Outlay	<u>292</u>
Total Expenditures	<u>293</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(34)</u>
Net Change in Fund Balance	(34)
Fund Balance (Deficit) at Beginning of Year	<u>(1,536)</u>
Fund Balance (Deficit) at Year End	<u><u>\$ (1,570)</u></u>

City of Toledo, Ohio

Nonmajor Permanent Funds

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Permanent Fund
December 31, 2013
(Amounts in Thousands)

	Cemetery Perpetual Care Fund
ASSETS	
Restricted Investments	\$ 883
Receivables (Net of Allowance)	-
Due From Other:	
Funds	63
Total Assets	946
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Deposits	252
Total Liabilities	252
 Fund Balances:	
Restricted	883
Unassigned	(189)
Total Fund Balances	694
Total Liabilities, Deferred Inflows and Fund Balances	\$ 946

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Permanent Fund
For the Year Ended December 31, 2013
(Amounts in Thousands)

	Cemetery Perpetual Care Fund
REVENUES	
Total Revenues	\$ -
EXPENDITURES	
Total Expenditures	-
Excess (Deficiency) of Revenues over (under) Expenditures	-
Net Change in Fund Balance	-
Fund Balance (Deficit) at Beginning of Year	694
Fund Balance (Deficit) at Year End	\$ 694

City of Toledo, Ohio

Nonmajor Enterprise Funds

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

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

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

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

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

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

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

City of Toledo, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2013
(Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot	Marina Operations Fund	Erie St Market	Toledo Public Power	Total Nonmajor Enterprise
ASSETS								
<u>Current:</u>								
Cash and Equivalents with Treasury	\$ 29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29
Cash and Equivalents Held by Escrow	-	3	-	-	-	-	-	3
Cash and Equivalents Other	-	-	-	-	-	1	-	1
Investments	10,783	-	16	-	-	-	-	10,799
Restricted Investments	-	2	-	-	-	-	367	369
Receivables (Net of Allowance)	2,790	5,395	-	357	-	-	73	8,615
Due From Other:								
Funds	5,769	-	-	26	1	181	166	6,143
Total Current Assets	19,371	5,400	16	383	1	182	606	25,959
<u>Noncurrent:</u>								
Land and Construction in Progress	827	-	218	697	-	-	-	1,742
Other Capital Assets, net of Accumulated Depreciation	32,171	-	323	648	-	-	9	33,151
Total Noncurrent Assets	32,998	-	541	1,345	-	-	9	34,893
Total assets	52,369	5,400	557	1,728	1	182	615	60,852
LIABILITIES								
<u>Current:</u>								
Accounts Payable	21	-	-	5	1	-	93	120
Customer Deposits	-	-	-	-	-	3	415	418
Retainage	77	-	-	-	-	-	-	77
Due to Other:								
Funds	-	732	100	-	-	-	-	832
Accrued Interest Payable	-	68	-	6	-	-	-	74
Accrued Wages and Benefits	208	-	-	-	-	-	-	208
Current Portion of:								
Compensated Absences Payable	25	-	-	-	-	-	-	25
Bonds, Loans and Notes Payable, net	-	1,070	-	160	-	-	-	1,230
Total Current Liabilities	331	1,870	100	171	1	3	508	2,984
<u>Noncurrent:</u>								
Compensated Absences Payable	424	-	-	-	-	-	-	424
Bonds, Loans and Notes Payable, net	1,273	16,868	-	1,555	-	-	-	19,696
Total Noncurrent Liabilities	1,697	16,868	-	1,555	-	-	-	20,120
Total Liabilities	2,028	18,738	100	1,726	1	3	508	23,104
NET POSITION								
Net Investment in Capital Assets	31,725	-	541	(370)	-	-	9	31,905
Restricted:								
Debt Service	12	2	-	-	-	-	-	14
Replacement	15,527	-	-	-	-	-	-	15,527
Improvement	2,651	-	-	-	-	-	-	2,651
Unrestricted	426	(13,340)	(84)	372	-	179	98	(12,349)
Total Net Position	\$ 50,341	\$ (13,338)	\$ 457	\$ 2	\$ -	\$ 179	\$ 107	\$ 37,748

City of Toledo, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the year ended December 31, 2013
(Amounts in Thousands)

	<u>Storm Sewer</u>	<u>Property Management</u>	<u>Small Business Development</u>	<u>Municipal Tow Lot</u>	<u>Marina Operations Fund</u>	<u>Erie St Market</u>	<u>Toledo Public Power</u>	<u>Total Nonmajor Enterprise</u>
OPERATING REVENUES								
Charges for Services	\$ 9,605	\$ -	\$ -	\$ 2,191	\$ -	\$ -	\$ 588	\$ 12,384
Other Revenue	15	-	-	345	-	146	-	506
Total Operating Revenue	<u>9,620</u>	<u>-</u>	<u>-</u>	<u>2,536</u>	<u>-</u>	<u>146</u>	<u>588</u>	<u>12,890</u>
OPERATING EXPENSES								
Personnel Services	3,476	-	-	-	-	-	-	3,476
Contractual Services	1,347	119	12	699	-	48	12	2,237
Materials and Supplies	464	-	-	16	-	-	-	480
Utilities	-	-	6	2	-	-	544	552
Depreciation	1,514	-	45	163	-	-	-	1,722
Total Operating Expenses	<u>6,801</u>	<u>119</u>	<u>63</u>	<u>880</u>	<u>-</u>	<u>48</u>	<u>556</u>	<u>8,467</u>
Operating Income (Loss)	2,819	(119)	(63)	1,656	-	98	32	4,423
NONOPERATING REVENUES (EXPENSES)								
Investment Earnings	29	125	-	-	-	-	2	156
Interest Expense and Fiscal Charges	-	(776)	-	(83)	-	-	(11)	(870)
Total Nonoperating Revenues (Expenses)	<u>29</u>	<u>(651)</u>	<u>-</u>	<u>(83)</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>(714)</u>
Income (Loss) Before Transfers	2,848	(770)	(63)	1,573	-	98	23	3,709
Transfers In	-	1,558	-	-	-	-	-	1,558
Transfers Out	(75)	-	-	(1,571)	-	-	-	(1,646)
Change in Net Position	2,773	788	(63)	2	-	98	23	3,621
Net Position at January 1, as restated	<u>47,568</u>	<u>(14,126)</u>	<u>520</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>84</u>	<u>34,127</u>
Net Position at December 31	<u>\$ 50,341</u>	<u>\$ (13,338)</u>	<u>\$ 457</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 179</u>	<u>\$ 107</u>	<u>\$ 37,748</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Non Major Enterprise Funds
For the Year Ended December 31, 2013
(Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot	Marina Operations Fund	Erie St Market	Toledo Public Power	Total Nonmajor Enterprise
Operating Activities:								
Cash Received from Customers	\$ 9,828	\$ 275	\$ -	\$ 2,442	\$ -	\$ -	\$ 623	\$ 13,168
Cash Paid to Employees	(3,404)	-	-	-	-	-	-	(3,404)
Cash Paid to Suppliers	(4,881)	(538)	-	(974)	-	(146)	(613)	(7,152)
Other Receipts	15	-	-	345	-	146	-	506
Net Cash Provided by (Used by) Operating Activities	<u>1,558</u>	<u>(263)</u>	<u>-</u>	<u>1,813</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>3,118</u>
Noncapital Financial Activities:								
Transfers In	-	1,558	-	-	-	-	-	1,558
Transfers Out	(75)	-	-	(1,571)	-	-	-	(1,646)
Net Cash Provided by (Used by) Noncapital Financing Activities	<u>(75)</u>	<u>1,558</u>	<u>-</u>	<u>(1,571)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88)</u>
Capital and Related Financing Activities:								
Purchases of Property, Plant and Equipment	(1,803)	-	-	-	-	-	-	(1,803)
Principal Payments on Bonds and Loans	(117)	(9,224)	-	(160)	-	-	-	(9,501)
Proceeds from the Issuance of Bonds, Loans, and Notes	-	3,113	-	-	-	-	-	3,113
Interest and Fiscal Charges Paid on Bonds, Loans and Notes	-	(768)	-	(82)	-	-	(11)	(861)
Net Cash Provided by (Used by) Capital and Related Financing Activities	<u>(1,920)</u>	<u>(6,879)</u>	<u>-</u>	<u>(242)</u>	<u>-</u>	<u>-</u>	<u>(11)</u>	<u>(9,052)</u>
Investing Activities:								
Proceeds from Sales and Maturities of Investments	12,133	5,459	-	-	-	-	-	17,592
Purchase of Investments	(11,794)	-	-	-	-	-	(1)	(11,795)
Investment Income Received on Investments	29	125	-	-	-	-	2	156
Net Cash Provided by (Used by) Investing Activities	<u>368</u>	<u>5,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>5,953</u>
Increase (Decrease) in Cash and Cash Equivalents	(69)	-	-	-	-	-	-	(69)
Cash and Cash Equivalents at Beginning of Year	98	3	-	-	-	1	-	102
Cash and Cash Equivalents at End of Year	<u>\$ 29</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 33</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities:								
Operating Income (Loss)	\$ 2,819	\$ (119)	\$ (63)	\$ 1,656	\$ -	\$ 98	\$ 32	\$ 4,423
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities:								
Depreciation	1,514	-	45	163	-	-	-	1,722
Increase (Decrease) in Allowance for Doubtful Accounts	695	-	-	-	-	-	-	695
Changes in Assets and Liabilities:								
Receivables	(476)	275	-	251	-	-	36	86
Due To (From) Other:								
Funds	(3,056)	(419)	18	(262)	-	(97)	(127)	(3,943)
Governments	4	-	-	-	-	-	-	4
Accounts Payable	(11)	-	-	5	-	-	70	64
Customer Deposits	-	-	-	-	-	(1)	(1)	(2)
Retainage	(3)	-	-	-	-	-	-	(3)
Accrued Wages and Benefits	22	-	-	-	-	-	-	22
Compensated Absences Payable	50	-	-	-	-	-	-	50
Net Cash Provided by (Used by) Operating Activities	<u>\$ 1,558</u>	<u>\$ (263)</u>	<u>\$ -</u>	<u>\$ 1,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 3,118</u>

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City of Toledo, Ohio

Internal Service Funds

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

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

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

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

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

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

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

City of Toledo, Ohio
Combining Statement of Net Position
Internal Service Funds
December 31, 2013
(Amounts in Thousands)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>	<u>Risk Management</u>	<u>Facility Operations</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
ASSETS								
<u>Current:</u>								
Restricted Investments	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15
Receivables (Net of Allowance)	271	-	2	207	1	29	22	532
Due From Other:								
Funds	4,869	667	80	723	5,306	408	18,045	30,098
Inventory of Supplies	1,275	-	8	-	-	-	-	1,283
Total Current Assets	<u>6,415</u>	<u>682</u>	<u>90</u>	<u>930</u>	<u>5,307</u>	<u>437</u>	<u>18,067</u>	<u>31,928</u>
<u>Noncurrent:</u>								
Land and Construction in Progress	350	115	-	-	-	-	-	465
Other Capital Assets, net of Accumulated Depreciation	10,978	8,202	-	-	2	3,253	-	22,435
Total Noncurrent Assets	<u>11,328</u>	<u>8,317</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>3,253</u>	<u>-</u>	<u>22,900</u>
Total assets	<u>17,743</u>	<u>8,999</u>	<u>90</u>	<u>930</u>	<u>5,309</u>	<u>3,690</u>	<u>18,067</u>	<u>54,828</u>
LIABILITIES								
<u>Current:</u>								
Accounts Payable	324	-	160	143	35	29	79	770
Customer Deposits	291	-	-	25	-	1	-	317
Other Current Liabilities	-	-	-	-	1,560	-	16,198	17,758
Accrued Wages and Benefits	118	-	2	130	2	44	8	304
Current Portion of:								
Compensated Absences Payable	18	-	-	8	-	6	-	32
Bonds, Loans and Notes Payable, net	-	275	-	-	-	3,255	-	3,530
Total Current Liabilities	<u>751</u>	<u>275</u>	<u>162</u>	<u>306</u>	<u>1,597</u>	<u>3,335</u>	<u>16,285</u>	<u>22,711</u>
Total Liabilities	<u>751</u>	<u>275</u>	<u>162</u>	<u>306</u>	<u>1,597</u>	<u>3,335</u>	<u>16,285</u>	<u>22,711</u>
NET POSITION								
Net Investment in Capital Asssets	11,328	8,057	-	-	2	(2)	-	19,385
Unrestricted	5,664	667	(72)	624	3,710	357	1,782	12,732
Total Net Position	<u>\$ 16,992</u>	<u>\$ 8,724</u>	<u>\$ (72)</u>	<u>\$ 624</u>	<u>\$ 3,712</u>	<u>\$ 355</u>	<u>\$ 1,782</u>	<u>\$ 32,117</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the year ended December 31, 2013
(Amounts in Thousands)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>	<u>Risk Management</u>	<u>Facility Operations</u>	<u>Workers' Compensation</u>	<u>Total Internal Service</u>
OPERATING REVENUES								
Charges for Services	\$ 11,411	\$ -	\$ 521	\$ 2,869	\$ 1,306	\$ 2,924	\$ 4,218	\$ 23,249
Other Revenue	131	-	-	-	-	-	92	223
Total Operating Revenue	<u>11,542</u>	<u>-</u>	<u>521</u>	<u>2,869</u>	<u>1,306</u>	<u>2,924</u>	<u>4,310</u>	<u>23,472</u>
OPERATING EXPENSES								
Personnel Services	4,046	-	56	931	115	1,317	251	6,716
Contractual Services	598	-	412	936	742	1,036	4,487	8,211
Materials and Supplies	6,073	-	181	134	-	367	1	6,756
Utilities	19	-	-	868	-	83	-	970
Depreciation	1,371	979	-	-	1	94	-	2,445
Total Operating Expenses	<u>12,107</u>	<u>979</u>	<u>649</u>	<u>2,869</u>	<u>858</u>	<u>2,897</u>	<u>4,739</u>	<u>25,098</u>
Operating Income (Loss)	(565)	(979)	(128)	-	448	27	(429)	(1,626)
NONOPERATING REVENUES (EXPENSES)								
Interest Expense and Fiscal Charges	-	-	-	-	-	(27)	-	(27)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27)</u>	<u>-</u>	<u>(27)</u>
Change in Net Position	(565)	(979)	(128)	-	448	-	(429)	(1,653)
Net Position at January 1	<u>17,557</u>	<u>9,703</u>	<u>56</u>	<u>624</u>	<u>3,264</u>	<u>355</u>	<u>2,211</u>	<u>33,770</u>
Net Position at December 31	<u>\$ 16,992</u>	<u>\$ 8,724</u>	<u>\$ (72)</u>	<u>\$ 624</u>	<u>\$ 3,712</u>	<u>\$ 355</u>	<u>\$ 1,782</u>	<u>\$ 32,117</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Internal Service Enterprise Funds
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>	<u>Risk Management</u>	<u>Facility Operations</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating Activities:								
Cash Received from Customers	\$ 11,346	\$ -	\$ 521	\$ 2,687	\$ 1,306	\$ 2,925	\$ 4,280	\$ 23,065
Cash Paid to Employees	(4,162)	-	(57)	(959)	(119)	(1,425)	(253)	(6,975)
Cash Paid to Suppliers	(7,218)	3,425	(464)	(1,728)	(1,187)	(1,456)	(4,119)	(12,747)
Other Receipts	131	-	-	-	-	-	92	223
Net Cash Provided by (Used by) Operating Activities	<u>97</u>	<u>3,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>	<u>-</u>	<u>3,566</u>
Capital and Related Financing Activities:								
Purchases of Property, Plant and Equipment	(97)	(3,180)	-	-	-	(22)	-	(3,299)
Principal Payments on Bonds and Loans	-	(520)	-	-	-	(3,250)	-	(3,770)
Proceeds from the Issuance of Bonds, Loans, and Notes	-	275	-	-	-	3,255	-	3,530
Interest and Fiscal Charges Paid on Bonds, Loans and Notes	-	-	-	-	-	(27)	-	(27)
Net Cash Provided by (Used by) Capital and Related Financing Activities	<u>(97)</u>	<u>(3,425)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44)</u>	<u>-</u>	<u>(3,566)</u>
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)	\$ (565)	\$ (979)	\$ (128)	\$ -	\$ 448	\$ 27	\$ (429)	\$ (1,626)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities:								
Depreciation	1,371	979	-	-	1	94	-	2,445
Changes in Assets and Liabilities:								
Receivables	(66)	-	-	(207)	-	-	62	(211)
Due To (From) Other:								
Funds	227	3,425	15	73	(446)	154	2,069	5,517
Inventory of Supplies	(640)	-	(4)	-	-	-	-	(644)
Accounts Payable	(115)	-	118	137	1	(124)	32	49
Deferred and Other Liabilities							(1,732)	(1,732)
Customer Deposits	1	-	-	25	-	1	-	27
Accrued Wages and Benefits	(93)	-	(1)	(20)	(4)	(36)	(2)	(156)
Compensated Absences Payable	(23)	-	-	(8)	-	(72)	-	(103)
Net Cash Provided by (Used by) Operating Activities	<u>\$ 97</u>	<u>\$ 3,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 3,566</u>

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City of Toledo, Ohio

Fiduciary Funds - Agency Funds

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

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

City of Toledo, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds - Individual Fund Groupings
For the Year Ended December 31, 2013
(Amounts in Thousands)

	Assets					Liabilities			
	Balance 1/1/2013	Additions	Deductions	Balance 12/31/2013		Balance 1/1/2013	Additions	Deductions	Balance 12/31/2013
General Agency					General Agency				
Receivables	\$ 2,209	\$ 5,159	\$ 4,719	\$ 2,649	Accounts payable	\$ 60	\$ 1,215	\$ 1,209	\$ 66
					Customer deposit	2,149	1,860	1,426	2,583
Municipal Court					Municipal Court				
Cash and cash equivalents other	1,152	412	488	1,076	Customer deposit	1,152	488	564	1,076
Total Agency funds					Total Agency funds				
Cash and cash equivalents other	1,152	412	488	1,076	Accounts payable	60	1,215	1,209	66
Receivables	2,209	5,159	4,719	2,649	Customer deposit	3,301	2,348	1,990	3,659
	<u>\$ 3,361</u>	<u>\$ 5,571</u>	<u>\$ 5,207</u>	<u>\$ 3,725</u>		<u>\$ 3,361</u>	<u>\$ 3,563</u>	<u>\$ 3,199</u>	<u>\$ 3,725</u>

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City of Toledo, Ohio

Special Budgetary Comparison

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds
General Fund
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Income Taxes	\$ 163,879	\$ 163,879	\$ 158,775	\$ (5,104)
Property Taxes	10,897	10,897	9,598	(1,299)
Licenses and Permits	2,482	2,482	2,408	(74)
Intergovernmental Services	10,060	10,060	21,044	10,984
Charges for Services	26,978	26,978	26,296	(682)
Investment Earnings	220	220	135	(85)
Fines and Forfeitures	8,133	8,133	7,118	(1,015)
Other Revenue	5,356	5,356	620	(4,736)
Total Revenues	<u>228,005</u>	<u>228,005</u>	<u>225,994</u>	<u>(2,011)</u>
EXPENDITURES				
Current:				
General Government				
Accounts				
Personnel Services	1,423	1,408	1,164	244
Materials and Supplies	38	39	14	25
Contractual Services	345	343	269	74
Accounts Total	<u>1,806</u>	<u>1,790</u>	<u>1,447</u>	<u>343</u>
Affirmative Action/Contract Compliance				
Personnel Services	435	430	396	34
Materials and Supplies	1	1	1	-
Contractual Services	15	37	37	-
Affirmative Action/Contract Compliance Total	<u>451</u>	<u>468</u>	<u>434</u>	<u>34</u>
Beautification Action Committee				
Personnel Services	258	227	174	53
Materials and Supplies	48	53	49	4
Contractual Services	383	373	421	(48)
Beautification Action Committee Total	<u>689</u>	<u>653</u>	<u>644</u>	<u>9</u>
Board of Community Relations				
Personnel Services	85	84	81	3
Materials and Supplies	8	7	1	6
Contractual Services	13	14	10	4
Board of Community Relations Total	<u>106</u>	<u>105</u>	<u>92</u>	<u>13</u>
General Government continues on next page				

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government (continued)				
City Auditor				
Personnel Services	106	105	102	3
Materials and Supplies	1	1	-	1
Contractual Services	11	11	10	1
City Auditor Total	118	117	112	5
City Council				
Personnel Services	1,208	1,195	1,143	52
Materials and Supplies	23	23	12	11
Contractual Services	281	281	75	206
Debt and Other	-	50	-	50
City Council Total	1,512	1,549	1,230	319
Facility Operations				
Contractual Services	346	384	437	(53)
Facility Operations Total	346	384	437	(53)
Finance Administration				
Personnel Services	255	252	256	(4)
Materials and Supplies	13	15	4	11
Contractual Services	254	231	205	26
Finance Administration Total	522	498	465	33
Finance Enterprise Resource Planning				
Personnel Services	236	181	174	7
Materials and Supplies	1	1	1	-
Contractual Services	364	416	386	30
Finance Enterprise Resource Planning Total	601	598	561	37
Financial Analysis				
Personnel Services	522	516	480	36
Materials and Supplies	9	9	-	9
Contractual Services	85	81	10	71
Financial Analysis Total	616	606	490	116
General Fund Utilities				
Contractual Services	1,149	1,198	1,644	(446)
General Fund Utilities Total	1,149	1,198	1,644	(446)
General Non-Departmental Services				
Personnel Services	90	90	786	(696)
Contractual Services	10,998	10,998	11,296	(298)
General Non-Departmental Services Total	11,088	11,088	12,082	(994)
Human Resources				
Personnel Services	1,210	1,076	1,020	56
Materials and Supplies	47	48	16	32
Contractual Services	593	713	345	368
Human Resources Total	1,850	1,837	1,381	456
General Government continues on next page				

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government (continued)				
Law				
Personnel Services	1,985	1,963	1,795	168
Materials and Supplies	26	29	24	5
Contractual Services	278	280	244	36
Law Total	2,289	2,272	2,063	209
Natural Resources Administration				
Personnel Services	20	20	5	15
Contractual Services	55	55	44	11
Natural Resources Administration Total	75	75	49	26
Office of the Mayor				
Personnel Services	653	646	634	12
Materials and Supplies	29	25	21	4
Contractual Services	146	157	153	4
Debt and Other	-	20	20	-
Office of the Mayor Total	828	848	828	20
Parks and Forestry				
Contractual Services	-	-	24	(24)
Parks and Forestry Total	-	-	24	(24)
Purchasing				
Personnel Services	471	466	468	(2)
Materials and Supplies	25	26	18	8
Contractual Services	53	48	37	11
Purchasing Total	549	540	523	17
Recreation				
Contractual Services	1	1	1	-
Recreation Total	1	1	1	-
Safety Administration				
Personnel Services	124	122	119	3
Contractual Services	154	162	167	(5)
Safety Administration Total	278	284	286	(2)
Streets, Bridges and Harbor				
Personnel Services	40	40	39	1
Streets, Bridges and Harbor Total	40	40	39	1
Taxation				
Personnel Services	1,758	1,740	1,455	285
Materials and Supplies	178	153	135	18
Contractual Services	228	252	138	114
Taxation Total	2,164	2,145	1,728	417
Treasury				
Personnel Services	355	351	297	54
Materials and Supplies	30	30	21	9
Contractual Services	85	61	48	13
Treasury Total	470	442	366	76

General Government continues on next page

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government (continued)				
Water Distribution				
Personnel Services	96	95	56	39
Water Distribution Total	96	95	56	39
Youth Commission				
Personnel Services	80	79	77	2
Materials and Supplies	4	4	2	2
Contractual Services	66	66	42	24
Debt and Other	10	9	9	-
Youth Commission Total	160	158	130	28
General Government Total	27,804	27,791	27,112	679
Public Service				
General Fund Utilities				
Contractual Services	1,650	1,601	1,298	303
General Fund Utilities Total	1,650	1,601	1,298	303
Parks and Forestry				
Personnel Services	33	33	53	(20)
Materials and Supplies	1	1	1	-
Contractual Services	294	306	322	(16)
Parks and Forestry Total	328	340	376	(36)
Public Service Total	1,978	1,941	1,674	267
Public Safety				
Clerk of Municipal Court				
Personnel Services	5,078	5,030	4,690	340
Materials and Supplies	406	411	397	14
Contractual Services	367	361	350	11
Clerk of Municipal Court Total	5,851	5,802	5,437	365
Facility Operations				
Contractual Services	-	-	35	(35)
Facility Operations Total	-	-	35	(35)
Fire				
Personnel Services	57,552	57,647	55,728	1,919
Materials and Supplies	816	923	820	103
Contractual Services	3,541	3,403	3,229	174
Fire Total	61,909	61,973	59,777	2,196
General Non-Departmental Services				
Contractual Services	75	75	77	(2)
General Non-Departmental Services Total	75	75	77	(2)

Public Safety continues on next page

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Safety (continued)				
Law				
Personnel Services	655	648	714	(66)
Contractual Services	23	18	14	4
Law Total	678	666	728	(62)
Municipal Court Judges				
Personnel Services	5,619	5,463	4,767	696
Materials and Supplies	138	171	151	20
Contractual Services	2,233	2,297	2,168	129
Municipal Court Judges Total	7,990	7,931	7,086	845
Police				
Personnel Services	69,340	68,960	67,873	1,087
Materials and Supplies	1,515	1,762	1,553	209
Contractual Services	4,571	4,564	4,396	168
Debt and Other	100	100	-	100
Police Total	75,526	75,386	73,822	1,564
Real Estate				
Contractual Services	-	-	1	(1)
Real Estate Total	-	-	1	(1)
Safety Administration				
Contractual Services	12,748	12,641	12,301	340
Safety Administration Total	12,748	12,641	12,301	340
Public Safety Total	164,777	164,474	159,264	5,210
Public Utilities				
Water Distribution				
Personnel Services	-	-	1	(1)
Water Distribution Total	-	-	1	(1)
Public Utilities Total	-	-	1	(1)
Community Environment				
Building Inspection				
Personnel Services	1,306	1,292	1,327	(35)
Materials and Supplies	35	23	20	3
Contractual Services	358	434	407	27
Debt and Other	-	-	-	-
Building Inspection Total	1,699	1,749	1,754	(5)
Code Enforcement				
Personnel Services	575	496	457	39
Materials and Supplies	29	31	22	9
Contractual Services	35	46	124	(78)
Code Enforcement Total	639	573	603	(30)

Community Environment continues on next page

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community Environment (continued)				
Economic Development				
Personnel Services	332	328	342	(14)
Materials and Supplies	16	15	2	13
Contractual Services	1,008	1,039	1,027	12
Economic Development Total	1,356	1,382	1,371	11
Engineering Services				
Personnel Services	96	95	94	1
Materials and Supplies	1	1	-	1
Contractual Services	13	13	13	-
Engineering Services Total	110	109	107	2
General Fund Utilities				
Contractual Services	141	141	120	21
General Fund Utilities Total	141	141	120	21
Housing Division				
Personnel Services	83	82	72	10
Debt and Other	-	4	4	-
Housing Division Total	83	86	76	10
Planning Commission				
Personnel Services	462	457	448	9
Materials and Supplies	19	19	18	1
Contractual Services	43	43	33	10
Planning Commission Total	524	519	499	20
Police				
Contractual Services	-	-	45	(45)
Police Total	-	-	45	(45)
Real Estate				
Contractual Services	30	30	17	13
Real Estate Total	30	30	17	13
Waste Disposal				
Contractual Services	6	91	79	12
Waste Disposal Total	6	91	79	12
Community Environment Total	4,588	4,680	4,671	9
Health				
Environmental Services				
Personnel Services	155	154	142	12
Contractual Services	49	49	49	-
Environmental Services Total	204	203	191	12

Health continues on next page

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health (continued)				
Municipal Court Judges				
Personnel Services	338	334	254	80
Materials and Supplies	1	1	-	1
Contractual Services	4	4	3	1
Municipal Court Judges Total	343	339	257	82
Parks and Forestry				
Personnel Services	208	206	168	38
Materials and Supplies	10	30	26	4
Contractual Services	240	360	295	65
Parks and Forestry Total	458	596	489	107
Waste Disposal				
Personnel Services	1,066	1,011	899	112
Materials and Supplies	139	117	74	43
Contractual Services	3,278	3,249	2,857	392
Waste Disposal Total	4,483	4,377	3,830	547
Health Total	5,488	5,515	4,767	748
Parks and Recreation				
Natural Resources Administration				
Contractual Services	7	3	21	(18)
Natural Resources Administration Total	7	3	21	(18)
Parks and Forestry				
Personnel Services	118	117	126	(9)
Materials and Supplies	51	52	54	(2)
Contractual Services	1,055	1,302	1,339	(37)
Parks and Forestry Total	1,224	1,471	1,519	(48)
Recreation				
Personnel Services	567	510	428	82
Materials and Supplies	76	56	53	3
Contractual Services	855	882	926	(44)
Recreation Total	1,498	1,448	1,407	41
Parks and Recreation Total	2,729	2,922	2,947	(25)
Capital Outlay	-	-	1	(1)
Debt Service:				
Principal Retirement	526	526	526	-
Interest And Fiscal Charges	200	200	200	-
Debt Issuance Costs	-	24	-	24
Total Expenditures	208,090	208,073	201,163	6,910

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actuals</u>
Excess (Deficiency) of Revenues over (under) Expenditures	19,915	19,932	24,831	4,899
OTHER FINANCING SOURCES (USES)				
Transfers In	15,895	15,895	12,477	(3,418)
Transfers Out	(35,885)	(35,885)	(34,657)	1,228
Proceeds from Sale of Capital Assets	87	87	25	(62)
Total Other Financing Sources (Uses)	<u>(19,903)</u>	<u>(19,903)</u>	<u>(22,155)</u>	<u>(2,252)</u>
Net Change in Fund Balance	<u>\$ 12</u>	<u>\$ 29</u>	2,676	<u>\$ 2,647</u>
Fund Balance (Deficit) at Beginning of Year			5,008	
Increase (Decrease) for Inventory			<u>293</u>	
Fund Balance (Deficit) at Year End			<u>\$ 7,977</u>	

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, 2013
(Amounts in Thousands)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals	
REVENUES				
Intergovernmental Services	\$ 5,451	\$ 5,451	\$ 4,592	\$ (859)
Charges for Services	822	822	-	(822)
Investment Earnings	210	210	364	154
Grants	43,218	29,974	10,270	(19,704)
Other Revenue	30	28	2	(26)
Total Revenues	49,731	36,485	15,228	(21,257)
EXPENDITURES				
Current:				
General Government				
Affirmative Action/Contract Compliance				
Personnel Services	21	21	21	-
Affirmative Action/Contract Compliance Total	21	21	21	-
Debt Management				
Personnel Services	71	71	66	5
Materials and Supplies	4	4	-	4
Contractual Services	6	495	206	289
Debt Management Total	81	570	272	298
Facility Operations				
Contractual Services	551	551	460	91
Facility Operations Total	551	551	460	91
General Non-Departmental Services				
Personnel Services	-	-	14	(14)
General Non-Departmental Services Total	-	-	14	(14)
Office of the Mayor				
Personnel Services	12	12	12	-
Office of the Mayor Total	12	12	12	-
General Government Total	665	1,154	779	375
Health				
Office of the Mayor				
Contractual Services	336	91	-	91
Office of the Mayor Total	336	91	-	91
Health Total	336	91	-	91
Capital Outlay				
Beautification Action Committee				
Capital Outlay	-	-	19	(19)
Beautification Action Committee Total	-	-	19	(19)
Building Inspection				
Contractual Services	-	561	183	378
Building Inspection Total	-	561	183	378

Capital Outlay continues on next page

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital Outlay (continued)				
City Council				
Contractual Services	-	75	6	69
City Council Total	-	75	6	69
Economic Development				
Contractual Services	175	122	122	-
Economic Development Total	175	122	122	-
Engineering Services				
Personnel Services	2,065	2,018	1,579	439
Materials and Supplies	97	91	47	44
Contractual Services	44,476	66,173	39,838	26,335
Engineering Services Total	46,638	68,282	41,464	(26,818)
Environmental Services				
Contractual Services	64	(1)	(1)	-
Environmental Services Total	64	(1)	(1)	-
Facility Operations				
Contractual Services	845	1,383	611	772
Capital Outlay	-	-	80	(80)
Facility Operations Total	845	1,383	691	692
Finance Enterprise Resource Planning				
Personnel Services	422	401	385	16
Contractual Services	577	599	606	(7)
Capital Outlay	-	-	346	(346)
Finance Enterprise Resource Planning Total	999	1,000	1,337	(337)
Fire				
Materials and Supplies	1	-	-	-
Contractual Services	5,011	7,526	3,334	4,192
Debt and Other	1	-	-	-
Fire Total	5,013	7,526	3,334	4,192
Human Resources				
Contractual Services	-	170	135	35
Human Resources Total	-	170	135	35
Information and Communication Technology				
Materials and Supplies	9	204	162	42
Contractual Services	97	255	155	100
Information and Communication Technology Total	106	459	317	142
Office of the Mayor				
Contractual Services	226	226	-	226
Office of the Mayor Total	226	226	-	226

Capital Outlay continues on next page

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Capital Outlay (continued)				
Parks and Forestry				
Materials and Supplies	58	124	66	58
Contractual Services	775	760	510	250
Parks and Forestry Total	833	884	576	308
Planning Commission				
Personnel Services	79	78	73	5
Planning Commission Total	79	78	73	5
Police				
Materials and Supplies	176	521	209	312
Contractual Services	467	1,251	296	955
Capital Outlay	-	-	1	(1)
Police Total	643	1,772	506	1,266
Recreation				
Materials and Supplies	10	239	114	125
Contractual Services	159	467	63	404
Debt and Other	311	311	311	-
Recreation Total	480	1,017	488	529
Streets, Bridges and Harbor				
Personnel Services	224	224	197	27
Materials and Supplies	159	77	72	5
Contractual Services	2,473	2,161	741	1,420
Capital Outlay	-	-	69	(69)
Streets, Bridges and Harbor Total	2,855	2,462	1,079	1,383
Transportation				
Personnel Services	643	637	514	123
Materials and Supplies	18	114	109	5
Contractual Services	35	11	5	6
Capital Outlay	-	-	138	(138)
Transportation Total	696	762	766	(4)
Waste Disposal				
Contractual Services	1,200	1,562	2,343	(781)
Waste Disposal Total	1,200	1,562	2,343	(781)
Capital Outlay Total	57,997	85,878	52,428	(20,186)
Debt Service:				
Principal Retirement	5,535	5,419	6,095	(676)
Interest And Fiscal Charges	5,145	2,146	1,580	566
Total Expenditures	69,678	94,688	60,882	(19,830)
Excess (Deficiency) of Revenues over (under) Expenditures	(19,947)	(58,203)	(45,654)	(1,427)

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers In	36,237	36,237	35,795	(442)
Transfers Out	(33,768)	(36,796)	(33,636)	3,160
Capital Lease Issuance	-	3,001	3,386	385
Issuance Of Debt	3,950	22,672	14,046	(8,626)
Premium (Discount) on Bonds	-	-	884	884
Proceeds from Sale of Capital Assets	-	581	50	(531)
Total Other Financing Sources (Uses)	<u>6,419</u>	<u>25,695</u>	<u>20,525</u>	<u>(5,170)</u>
Net Change in Fund Balance	<u>\$ (13,528)</u>	<u>\$ (32,508)</u>	(25,129)	<u>\$ (6,597)</u>
Fund Balance (Deficit) at Beginning of Year			44,196	
Increase (Decrease) for Inventory			<u>234</u>	
Fund Balance (Deficit) at Year End			<u>\$ 19,301</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, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Special Assesments	\$ 25,454	\$ 25,454	\$ 25,165	\$ (289)
Charges for Services	754	754	861	107
Investment Earnings	9	9	4	(5)
Other Revenue	4	4	54	50
Total Revenues	<u>26,221</u>	<u>26,221</u>	<u>26,084</u>	<u>(137)</u>
EXPENDITURES				
Current:				
General Government				
Debt Management				
Personnel Services	35	35	33	2
Contractual Services	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
Debt Management Total	37	37	35	2
General Non-Departmental Services				
Personnel Services	<u>-</u>	<u>-</u>	18	(18)
General Non-Departmental Services Total	-	-	18	(18)
Human Resources				
Personnel Services	<u>9</u>	<u>9</u>	5	4
Human Resources Total	9	9	5	4
Office of the Mayor				
Personnel Services	<u>12</u>	<u>12</u>	12	-
Office of the Mayor Total	12	12	12	-
Streets, Bridges and Harbor				
Personnel Services	233	230	174	56
Contractual Services	<u>46</u>	<u>46</u>	<u>39</u>	<u>7</u>
Streets, Bridges and Harbor Total	<u>279</u>	<u>276</u>	<u>213</u>	<u>63</u>
General Government Total	<u>337</u>	<u>334</u>	<u>283</u>	<u>51</u>
Public Service				
Engineering Services				
Personnel Services	119	118	54	64
Materials and Supplies	5	5	-	5
Contractual Services	<u>94</u>	<u>94</u>	<u>42</u>	<u>52</u>
Engineering Services Total	218	217	96	121
General Fund Utilities				
Contractual Services	<u>3,850</u>	<u>3,850</u>	<u>3,338</u>	<u>512</u>
General Fund Utilities Total	3,850	3,850	3,338	512
Natural Resources Administration				
Personnel Services	27	26	5	21
Contractual Services	<u>14</u>	<u>14</u>	<u>12</u>	<u>2</u>
Natural Resources Administration Total	41	40	17	23

Public Service continues on next page

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
Public Service (continued)				
Parks and Forestry				
Personnel Services	4,420	4,361	3,520	841
Materials and Supplies	94	204	40	164
Contractual Services	2,894	2,801	2,931	(130)
Parks and Forestry Total	7,408	7,366	6,491	875
Streets, Bridges and Harbor				
Personnel Services	7,158	7,014	5,964	1,050
Materials and Supplies	2,600	2,600	1,615	985
Contractual Services	5,512	5,594	4,948	646
Streets, Bridges and Harbor Total	15,270	15,208	12,527	2,681
Treasury				
Personnel Services	159	157	87	70
Materials and Supplies	51	51	47	4
Contractual Services	442	442	304	138
Debt and Other	812	812	809	3
Treasury Total	1,464	1,462	1,247	215
Utilities Administration Services				
Personnel Services	-	-	2	(2)
Utilities Administration Services Total	-	-	2	(2)
Water Distribution				
Personnel Services	288	285	260	25
Water Distribution Total	288	285	260	25
Public Service Total	28,539	28,428	23,978	4,450
Health				
Parks and Forestry				
Personnel Services	306	303	173	130
Materials and Supplies	28	40	11	29
Contractual Services	418	398	331	67
Parks and Forestry Total	752	741	515	226
Health Total	752	741	515	226
Parks and Recreation				
Parks and Forestry				
Personnel Services	6	6	9	(3)
Materials and Supplies	8	87	84	3
Contractual Services	319	237	85	152
Parks and Forestry Total	333	330	178	152
Parks and Recreation Total	333	330	178	152

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, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital Outlay				
Parks and Forestry				
Capital Outlay	-	-	9	(9)
Parks and Forestry Total	-	-	9	(9)
Capital Outlay Total	-	-	9	(9)
Debt Service:				
Principal Retirement	19,600	19,600	-	19,600
Interest And Fiscal Charges	897	897	583	314
Total Expenditures	50,458	50,330	25,546	24,784
Excess (Deficiency) of Revenues over (under) Expenditures	(24,237)	(24,109)	538	24,647
OTHER FINANCING SOURCES (USES)				
Issuance Of Debt	20,700	20,700	-	(20,700)
Total Other Financing Sources (Uses)	20,700	20,700	-	(20,700)
Net Change in Fund Balance	<u>\$ (3,537)</u>	<u>\$ (3,409)</u>	538	<u>\$ 3,947</u>
Fund Balance (Deficit) at Beginning of Year			(50,211)	
Increase (Decrease) for Inventory			(1,121)	
Fund Balance (Deficit) at Year End			<u>\$ (50,794)</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Federal Block Grants
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Charges for Services	\$ 25	\$ 42	\$ 3	\$ (39)
Grants	13,063	22,210	8,972	(13,238)
Other Revenue	1,576	2,013	1,007	(1,006)
Total Revenues	<u>14,664</u>	<u>24,265</u>	<u>9,982</u>	<u>(14,283)</u>
EXPENDITURES				
Current:				
General Government				
General Non-Departmental Services				
Personnel Services	-	-	28	(28)
General Non-Departmental Services Total	-	-	28	(28)
General Government Total	-	-	28	(28)
Community Environment				
Beautification Action Committee				
Personnel Services	8	215	228	(13)
Materials and Supplies	6	6	1	5
Contractual Services	79	614	584	30
Debt and Other	-	198	-	198
Beautification Action Committee Total	93	1,033	813	220
Code Enforcement				
Personnel Services	628	1,039	767	272
Materials and Supplies	11	3	-	3
Contractual Services	187	122	116	6
Debt and Other	-	457	-	457
Code Enforcement Total	826	1,621	883	738
Economic Development				
Personnel Services	451	(48)	49	(97)
Materials and Supplies	20	1	-	1
Contractual Services	73	-	-	-
Debt and Other	388	1,264	-	1,264
Economic Development Total	932	1,217	49	1,168
Housing Division				
Personnel Services	937	3,040	1,253	1,787
Materials and Supplies	41	104	12	92
Contractual Services	778	1,163	94	1,069
Debt and Other	30	1,734	1,463	271
Housing Division Total	1,786	6,041	2,822	3,219
Law				
Personnel Services	30	67	45	22
Debt and Other	-	18	-	18
Law Total	30	85	45	40
Municipal Court Judges				
Debt and Other	80	80	-	80
Municipal Court Judges Total	80	80	-	80

Community Environment continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Federal Block Grants
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community Environment (continued)				
Neighborhoods Administration				
Personnel Services	1,471	2,008	1,236	772
Materials and Supplies	34	46	13	33
Contractual Services	206	1,537	680	857
Debt and Other	-	792	47	745
Neighborhoods Administration Total	1,711	4,383	1,976	2,407
Planning Commission				
Personnel Services	37	111	66	45
Debt and Other	-	32	-	32
Planning Commission Total	37	143	66	77
Real Estate				
Personnel Services	146	247	119	128
Materials and Supplies	2	-	-	-
Contractual Services	67	-	-	-
Debt and Other	-	138	-	138
Real Estate Total	215	385	119	266
Third Party Partners				
Debt and Other	2,377	4,612	2,177	2,435
Third Party Partners Total	2,377	4,612	2,177	2,435
Community Environment Total	8,087	19,600	8,950	10,650
Debt Service:				
Principal Retirement	220	-	-	-
Interest And Fiscal Charges	66	-	-	-
Total Expenditures	8,373	19,600	8,978	10,622
Excess (Deficiency) of Revenues over (under) Expenditures	6,291	4,665	1,004	(3,661)
OTHER FINANCING SOURCES (USES)				
Transfers In	(120)	268	-	(268)
Transfers Out	(13)	(13)	(13)	-
Proceeds from Sale of Capital Assets	8	8	12	4
Total Other Financing Sources (Uses)	(125)	263	(1)	(264)
Net Change in Fund Balance	<u>\$ 6,166</u>	<u>\$ 4,928</u>	1,003	<u>\$ (3,925)</u>
Fund Balance (Deficit) at Beginning of Year			(131)	
Increase (Decrease) for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ 872</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Operation Grants
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Grants	\$ 13,774	\$ 23,817	\$ 6,361	\$ (17,456)
Other Revenue	16	2,532	2,783	251
Total Revenues	<u>13,790</u>	<u>26,349</u>	<u>9,144</u>	<u>(17,205)</u>
EXPENDITURES				
Current:				
General Government				
Building Inspection				
Contractual Services	50	17	17	-
Building Inspection Total	50	17	17	-
General Non-Departmental Services				
Personnel Services	-	-	3	(3)
General Non-Departmental Services Total	-	-	3	(3)
General Government Total	<u>50</u>	<u>17</u>	<u>20</u>	<u>(3)</u>
Public Service				
Streets, Bridges and Harbor				
Personnel Services	18	-	-	-
Contractual Services	82	100	12	88
Streets, Bridges and Harbor Total	100	100	12	88
Public Service Total	<u>100</u>	<u>100</u>	<u>12</u>	<u>88</u>
Public Safety				
Fire				
Personnel Services	93	72	47	25
Materials and Supplies	417	552	383	169
Contractual Services	386	247	57	190
Fire Total	896	871	487	384
Law				
Personnel Services	-	(10)	(10)	-
Law Total	-	(10)	(10)	-
Municipal Court Judges				
Personnel Services	340	520	185	335
Materials and Supplies	1	1	-	1
Contractual Services	282	916	246	670
Municipal Court Judges Total	623	1,437	431	1,006
Police				
Personnel Services	2,535	4,888	1,280	3,608
Materials and Supplies	244	243	63	180
Contractual Services	207	265	121	144
Debt and Other	1,875	-	-	-
Police Total	<u>4,861</u>	<u>5,396</u>	<u>1,464</u>	<u>3,932</u>
Public Safety Total	<u>6,380</u>	<u>7,694</u>	<u>2,372</u>	<u>5,322</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Operation Grants
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Community Environment				
Building Inspection				
Personnel Services	1	1	-	1
Materials and Supplies	1	1	-	1
Contractual Services	2	2	-	2
Building Inspection Total	4	4	-	4
Code Enforcement				
Personnel Services	45	48	3	45
Contractual Services	485	473	-	473
Code Enforcement Total	530	521	3	518
Economic Development				
Contractual Services	-	28	5	23
Debt and Other	101	-	-	-
Economic Development Total	101	28	5	23
Environmental Services				
Contractual Services	475	475	47	428
Environmental Services Total	475	475	47	428
Housing Division				
Personnel Services	200	489	228	261
Materials and Supplies	61	119	2	117
Contractual Services	108	263	17	246
Debt and Other	919	5,121	432	4,689
Housing Division Total	1,288	5,992	679	5,313
Neighborhoods Administration				
Personnel Services	53	62	50	12
Materials and Supplies	12	1	-	1
Contractual Services	263	325	55	270
Debt and Other	636	1,335	745	590
Neighborhoods Administration Total	964	1,723	850	873
Office of the Mayor				
Contractual Services	10	-	-	-
Office of the Mayor Total	10	-	-	-
Planning Commission				
Personnel Services	68	281	156	125
Materials and Supplies	3	9	3	6
Contractual Services	4	18	10	8
Planning Commission Total	75	308	169	139
Refuse Collection				
Materials and Supplies	5	-	-	-
Contractual Services	73	-	-	-
Refuse Collection Total	78	-	-	-
Community Environment Total	3,525	9,051	1,753	7,298

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Operation Grants
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health				
Environmental Services				
Personnel Services	774	2,513	808	1,705
Materials and Supplies	85	116	25	91
Contractual Services	5,680	5,607	1,661	3,946
Debt and Other	12	12	7	5
Environmental Services Total	<u>6,551</u>	<u>8,248</u>	<u>2,501</u>	<u>5,747</u>
Health Total	<u>6,551</u>	<u>8,248</u>	<u>2,501</u>	<u>5,747</u>
Parks and Recreation				
Parks and Forestry				
Materials and Supplies	23	21	-	21
Parks and Forestry Total	<u>23</u>	<u>21</u>	<u>-</u>	<u>21</u>
Parks and Recreation Total	<u>23</u>	<u>21</u>	<u>-</u>	<u>21</u>
Capital Outlay	-	-	281	(281)
Total Expenditures	<u>16,629</u>	<u>25,131</u>	<u>6,939</u>	<u>18,192</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(2,839)	1,218	2,205	987
OTHER FINANCING SOURCES (USES)				
Transfers In	35	7	-	(7)
Total Other Financing Sources (Uses)	<u>35</u>	<u>7</u>	<u>-</u>	<u>(7)</u>
Net Change in Fund Balance	<u>\$ (2,804)</u>	<u>\$ 1,225</u>	<u>2,205</u>	<u>\$ 980</u>
Fund Balance (Deficit) at Beginning of Year			9,245	
Increase (Decrease) for Inventory			<u>-</u>	
Fund Balance (Deficit) at Year End			<u>\$ 11,450</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Street Construction Maintenance and Repair
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Licenses And Permits	\$ -	\$ -	\$ 6	\$ 6
Intergovernmental Services	12,450	12,450	12,384	(66)
Charges for Services	2	2	5	3
Fines and Forfeitures	2	2	1	(1)
Other Revenue	12	12	21	9
Total Revenues	<u>12,466</u>	<u>12,466</u>	<u>12,417</u>	<u>(49)</u>
EXPENDITURES				
Current:				
General Government				
General Non-Departmental Services				
Personnel Services	-	-	56	(56)
General Non-Departmental Services Total	-	-	56	(56)
Human Resources				
Personnel Services	18	18	11	7
Human Resources Total	18	18	11	7
Streets, Bridges and Harbor				
Personnel Services	185	183	172	11
Materials and Supplies	3	3	-	3
Contractual Services	2	2	1	1
Streets, Bridges and Harbor Total	<u>190</u>	<u>188</u>	<u>173</u>	<u>15</u>
General Government Total	<u>208</u>	<u>206</u>	<u>240</u>	<u>(34)</u>
Public Service				
Engineering Services				
Personnel Services	686	679	473	206
Materials and Supplies	36	36	22	14
Contractual Services	442	442	311	131
Engineering Services Total	<u>1,164</u>	<u>1,157</u>	<u>806</u>	<u>351</u>
General Fund Utilities				
Contractual Services	310	310	461	(151)
General Fund Utilities Total	<u>310</u>	<u>310</u>	<u>461</u>	<u>(151)</u>
Streets, Bridges and Harbor				
Personnel Services	3,154	3,124	2,593	531
Materials and Supplies	1,214	1,212	555	657
Contractual Services	1,576	1,579	1,045	534
Streets, Bridges and Harbor Total	<u>5,944</u>	<u>5,915</u>	<u>4,193</u>	<u>1,722</u>
Transportation				
Personnel Services	3,033	3,002	2,558	444
Materials and Supplies	526	520	303	217
Contractual Services	1,551	1,557	1,077	480
Transportation Total	<u>5,110</u>	<u>5,079</u>	<u>3,938</u>	<u>1,141</u>
Public Service Total	<u>12,528</u>	<u>12,461</u>	<u>9,398</u>	<u>3,063</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Street Construction Maintenance and Repair
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Safety				
Police				
Personnel Services	104	103	64	39
Contractual Services	5	5	5	-
Police Total	<u>109</u>	<u>108</u>	<u>69</u>	<u>39</u>
Public Safety Total	<u>109</u>	<u>108</u>	<u>69</u>	<u>39</u>
Community Environment				
Building Inspection				
Personnel Services	11	11	11	-
Building Inspection Total	<u>11</u>	<u>11</u>	<u>11</u>	<u>-</u>
Community Environment Total	<u>11</u>	<u>11</u>	<u>11</u>	<u>-</u>
Capital Outlay				
Streets, Bridges and Harbor				
Materials and Supplies	-	269	128	141
Streets, Bridges and Harbor Total	<u>-</u>	<u>269</u>	<u>128</u>	<u>141</u>
Transportation				
Materials and Supplies	-	-	7	(7)
Transportation Total	<u>-</u>	<u>-</u>	<u>7</u>	<u>(7)</u>
Capital Outlay Total	<u>-</u>	<u>269</u>	<u>135</u>	<u>134</u>
Total Expenditures	<u>12,856</u>	<u>13,055</u>	<u>9,853</u>	<u>3,202</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(390)	(589)	2,564	3,153
OTHER FINANCING SOURCES (USES)				
Transfers In	480	480	225	(255)
Transfers Out	(1,157)	(1,157)	(1,125)	32
Total Other Financing Sources (Uses)	<u>(677)</u>	<u>(677)</u>	<u>(900)</u>	<u>(223)</u>
Net Change in Fund Balance	<u>\$ (1,067)</u>	<u>\$ (1,266)</u>	1,664	<u>\$ 2,930</u>
Fund Balance (Deficit) at Beginning of Year			9,399	
Increase (Decrease) for Inventory			<u>(23)</u>	
Fund Balance (Deficit) at Year End			<u>\$ 11,040</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Cemetery Maintenance
For the Year Ended December 31, 2013
(Amounts in Thousands)

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ 4	\$ 4	\$ 3	\$ (1)
Total Revenues	4	4	3	(1)
EXPENDITURES				
Current:				
Health				
Parks and Forestry				
Contractual Services	18	18	18	-
Parks and Forestry Total	18	18	18	-
Health Total	18	18	18	-
Total Expenditures	18	18	18	-
Net Change in Fund Balance	\$ (14)	\$ (14)	(15)	\$ (1)
Fund Balance (Deficit) at Beginning of Year			42	
Increase (Decrease) for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 27	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Golf Improvements
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ 246	\$ 246	\$ 246	\$ -
Total Revenues	<u>246</u>	<u>246</u>	<u>246</u>	<u>-</u>
EXPENDITURES				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	246	246	246	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(261)</u>	<u>(261)</u>	<u>(246)</u>	<u>15</u>
Total Other Financing Sources (Uses)	<u>(261)</u>	<u>(261)</u>	<u>(246)</u>	<u>15</u>
Net Change in Fund Balance	<u>\$ (15)</u>	<u>\$ (15)</u>	-	<u>\$ 15</u>
Fund Balance (Deficit) at Beginning of Year			445	
Increase (Decrease) for Inventory			<u>-</u>	
Fund Balance (Deficit) at Year End			<u>\$ 445</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Parkland Replacement
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other Revenue	\$ 28	\$ 28	\$ 27	\$ (1)
Total Revenues	<u>28</u>	<u>28</u>	<u>27</u>	<u>(1)</u>
EXPENDITURES				
Current:				
Parks and Recreation				
Recreation				
Contractual Services	-	125	110	15
Recreation Total	-	125	110	15
Parks and Recreation Total	-	125	110	15
Total Expenditures	-	125	110	15
Net Change in Fund Balance	<u>\$ 28</u>	<u>\$ (97)</u>	(83)	<u>\$ 14</u>
Fund Balance (Deficit) at Beginning of Year			340	
Increase (Decrease) for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ 257</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Cemeteries Property Acquisition Site Development
For the Year Ended December 31, 2013
(Amounts in Thousands)

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 52	\$ 52	\$ 47	\$ (5)
Total Revenues	52	52	47	(5)
EXPENDITURES				
Total Expenditures	-	-	-	-
Net Change in Fund Balance	\$ 52	\$ 52	47	\$ (5)
Fund Balance (Deficit) at Beginning of Year			313	
Increase (Decrease) for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 360	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Marina Development
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ 78	\$ 78	\$ 69	\$ (9)
Total Revenues	<u>78</u>	<u>78</u>	<u>69</u>	<u>(9)</u>
EXPENDITURES				
Current:				
Parks and Recreation				
Parks and Forestry				
Personnel Services	-	-	2	(2)
Parks and Forestry Total	-	-	2	(2)
Recreation				
Personnel Services	135	133	96	37
Materials and Supplies	17	17	-	17
Contractual Services	125	118	34	84
Recreation Total	<u>277</u>	<u>268</u>	<u>130</u>	<u>138</u>
Parks and Recreation Total	<u>277</u>	<u>268</u>	<u>132</u>	<u>136</u>
Total Expenditures	<u>277</u>	<u>268</u>	<u>132</u>	<u>136</u>
Net Change in Fund Balance	<u>\$ (199)</u>	<u>\$ (190)</u>	(63)	<u>\$ 127</u>
Fund Balance (Deficit) at Beginning of Year			109	
Increase (Decrease) for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ 46</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Charges for Services	\$ -	\$ 603	\$ 603	\$ -
Investment Earnings	-	-	2	2
Fines and Forfeitures	-	1,471	1,471	-
Grants	-	17	17	-
Other Revenue	-	4,316	3,943	(373)
Total Revenues	-	6,407	6,036	(371)
EXPENDITURES				
Current:				
General Government				
City Council				
Debt and Other	29	29	-	29
City Council Total	29	29	-	29
Environmental Services				
Debt and Other	(6)	(6)	-	(6)
Environmental Services Total	(6)	(6)	-	(6)
Municipal Court Judges				
Debt and Other	3	8	1	7
Municipal Court Judges Total	3	8	1	7
Office of the Mayor				
Debt and Other	66	67	-	67
Office of the Mayor Total	66	67	-	67
Treasury				
Debt and Other	505	537	-	537
Treasury Total	505	537	-	537
General Government Total	597	635	1	634
Public Safety				
Clerk of Municipal Court				
Debt and Other	218	168	-	168
Clerk of Municipal Court Total	218	168	-	168
Fire				
Materials and Supplies	19	59	36	23
Contractual Services	-	4	3	1
Debt and Other	31	96	-	96
Fire Total	50	159	39	120
Law				
Contractual Services	24	182	147	35
Debt and Other	14	-	-	-
Law Total	38	182	147	35

Public Safety continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Public Safety (continued)				
Municipal Court Judges				
Personnel Services	26	103	95	8
Materials and Supplies	260	555	430	125
Contractual Services	369	861	534	327
Debt and Other	5,098	5,951	10	5,941
Municipal Court Judges Total	5,753	7,470	1,069	6,401
Police				
Materials and Supplies	340	783	447	336
Contractual Services	38	225	175	50
Debt and Other	584	483	(17)	500
Police Total	962	1,491	605	886
Public Safety Total	7,021	9,470	1,860	7,610
Community Environment				
Clerk of Municipal Court				
Contractual Services	5	5	-	5
Clerk of Municipal Court Total	5	5	-	5
Housing Division				
Debt and Other	1	1	-	1
Housing Division Total	1	1	-	1
Municipal Court Judges				
Materials and Supplies	6	10	4	6
Contractual Services	64	114	10	104
Debt and Other	65	40	-	40
Municipal Court Judges Total	135	164	14	150
Neighborhoods Administration				
Materials and Supplies	40	40	-	40
Contractual Services	12	13	9	4
Debt and Other	362	685	103	582
Neighborhoods Administration Total	414	738	112	626
Recreation				
Materials and Supplies	-	25	20	5
Contractual Services	-	13	7	6
Debt and Other	18	166	3	163
Recreation Total	18	204	30	174
Streets, Bridges and Harbor				
Personnel Services	-	543	529	14
Materials and Supplies	13	148	116	32
Contractual Services	364	1,332	1,231	101
Debt and Other	2	1,079	211	868
Streets, Bridges and Harbor Total	379	3,102	2,087	1,015
Community Environment Total	952	4,214	2,243	1,971

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Health				
Environmental Services				
Contractual Services	34	64	40	24
Debt and Other	67	83	16	67
Environmental Services Total	101	147	56	91
Waste Disposal				
Contractual Services	19	186	-	186
Debt and Other	680	684	83	601
Waste Disposal Total	699	870	83	787
Health Total	800	1,017	139	878
Parks and Recreation				
Natural Resources Administration				
Materials and Supplies	3	4	4	-
Contractual Services	-	6	6	-
Debt and Other	12	3	3	-
Natural Resources Administration Total	15	13	13	-
Parks and Forestry				
Materials and Supplies	17	94	83	11
Contractual Services	9	14	8	6
Debt and Other	248	320	-	320
Parks and Forestry Total	274	428	91	337
Recreation				
Materials and Supplies	-	5	4	1
Contractual Services	17	16	16	-
Debt and Other	131	(4)	(4)	-
Recreation Total	148	17	16	1
Youth Commission				
Debt and Other	1	1	-	1
Youth Commission Total	1	1	-	1
Parks and Recreation Total	438	459	120	339
Capital Outlay				
Municipal Court Judges				
Capital Outlay	-	-	23	(23)
Municipal Court Judges Total	-	-	23	(23)
Waste Disposal				
Capital Outlay	-	-	5	(5)
Waste Disposal Total	-	-	5	(5)
Capital Outlay Total	-	-	28	(28)
Total Expenditures	9,808	15,795	4,391	11,404
Excess (Deficiency) of Revenues over (under) Expenditures	(9,808)	(9,388)	1,645	11,033

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2013
(Amounts in Thousands)
(continued)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers Out	(11)	(10)	-	
Total Other Financing Sources (Uses)	(11)	(10)	-	-
Net Change in Fund Balance	<u>\$ (9,797)</u>	<u>\$ (9,378)</u>	1,645	<u>\$ 11,033</u>
Fund Balance (Deficit) at Beginning of Year			3,070	
Increase (Decrease) for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ 4,715</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Toledo Home Program
For the Year Ended December 31, 2013
(Amounts in Thousands)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals	
REVENUES				
Grants	\$ 6,320	\$ 7,958	\$ 1,879	\$ (6,079)
Other Revenue	(37)	(36)	48	84
Total Revenues	<u>6,283</u>	<u>7,922</u>	<u>1,927</u>	<u>(5,995)</u>
EXPENDITURES				
Current:				
General Government				
General Non-Departmental Services				
Personnel Services	-	-	1	1
General Non-Departmental Services Total	-	-	1	1
General Government Total	-	-	1	1
Community Environment				
Housing Division				
Personnel Services	220	358	108	(250)
Materials and Supplies	40	38	-	(38)
Contractual Services	44	88	(63)	(151)
Debt and Other	2,539	5,869	1,600	(4,269)
Housing Division Total	<u>2,843</u>	<u>6,353</u>	<u>1,645</u>	<u>(4,708)</u>
Neighborhoods Administration				
Personnel Services	17	17	-	(17)
Neighborhoods Administration Total	<u>17</u>	<u>17</u>	<u>-</u>	<u>(17)</u>
Community Environment Total	<u>2,860</u>	<u>6,370</u>	<u>1,645</u>	<u>(4,725)</u>
Total Expenditures	<u>2,860</u>	<u>6,370</u>	<u>1,646</u>	<u>(4,724)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	3,423	1,552	281	(1,271)
OTHER FINANCING SOURCES (USES)				
Transfers In	54	54	-	(54)
Total Other Financing Sources (Uses)	<u>54</u>	<u>54</u>	<u>-</u>	<u>(54)</u>
Net Change in Fund Balance	<u>\$ 3,477</u>	<u>\$ 1,606</u>	281	<u>\$ (1,325)</u>
Fund Balance (Deficit) at Beginning of Year			(163)	
Increase (Decrease) for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ 118</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Right of Way
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	230	230	225	(5)
Transfers Out	(225)	(225)	(225)	-
Total Other Financing Sources (Uses)	5	5	-	(5)
Net Change in Fund Balance	<u>\$ 5</u>	<u>\$ 5</u>	-	<u>\$ (5)</u>
Fund Balance (Deficit) at Beginning of Year			3	
Increase (Decrease) for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ 3</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Debt Service:
General Obligation
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	11,600	13,938	16,661	(2,723)
Interest And Fiscal Charges	4,242	4,932	4,757	175
Total Expenditures	<u>15,842</u>	<u>18,870</u>	<u>21,418</u>	<u>(2,548)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(15,842)	(18,870)	(21,418)	(2,548)
OTHER FINANCING SOURCES (USES)				
Transfers In	18,605	21,632	21,418	(214)
Total Other Financing Sources (Uses)	<u>18,605</u>	<u>21,632</u>	<u>21,418</u>	<u>(214)</u>
Net Change in Fund Balance	<u>\$ 2,763</u>	<u>\$ 2,762</u>	-	<u>\$ (2,762)</u>
Fund Balance (Deficit) at Beginning of Year			8,107	
Increase (Decrease) for Inventory			<u>-</u>	
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 Assessments
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special Assesments	\$ 44	\$ 44	\$ 26	\$ (18)
Total Revenues	<u>44</u>	<u>44</u>	<u>26</u>	<u>(18)</u>
EXPENDITURES				
Current:				
Principal Retirement	25	22	25	(3)
Interest And Fiscal Charges	<u>1</u>	<u>4</u>	<u>4</u>	<u>-</u>
Total Expenditures	<u>26</u>	<u>26</u>	<u>29</u>	<u>(3)</u>
Net Change in Fund Balance	<u>\$ 18</u>	<u>\$ 18</u>	(3)	<u>\$ (21)</u>
Fund Balance (Deficit) at Beginning of Year			167	
Increase (Decrease) for Inventory			<u>-</u>	
Fund Balance (Deficit) at Year End			<u>\$ 164</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Capital Projects
Special Assessments
For the Year Ended December 31, 2013
(Amounts in Thousands)

	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Special Assesments	\$ 323	\$ 323	\$ 259	\$ (64)
Total Revenues	<u>323</u>	<u>323</u>	<u>259</u>	<u>(64)</u>
EXPENDITURES				
Current:				
General Non-Departmental Services				
Personnel Services	-	-	1	(1)
General Non-Departmental Services Total	-	-	1	(1)
General Government Total	-	-	1	(1)
Capital Outlay				
Accounts				
Contractual Services	-	-	24	(24)
Accounts Total	-	-	24	(24)
Engineering Services				
Personnel Services	72	71	9	62
Contractual Services	166	491	259	232
Engineering Services Total	<u>238</u>	<u>562</u>	<u>268</u>	<u>294</u>
Capital Outlay Total	<u>238</u>	<u>562</u>	<u>292</u>	<u>270</u>
Debt Service:				
Principal Retirement	220	220	-	220
Interest and Fiscal Charges	25	25	-	25
Total Expenditures	<u>483</u>	<u>807</u>	<u>293</u>	<u>514</u>
Net Change in Fund Balance	<u>\$ (160)</u>	<u>\$ (484)</u>	(34)	<u>\$ 450</u>
Fund Balance (Deficit) at Beginning of Year			(1,536)	
Increase (Decrease) for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ (1,570)</u>	

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*.

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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.

Table 1
City of Toledo, Ohio
Net Position by Component
Last Ten Years
(Accrual Basis of Accounting)
(Amounts in Thousands)

	Net Position									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 243,683	\$ 280,486	\$ 300,779	\$ 329,962	\$ 338,428	\$ 333,510	\$ 343,145	\$ 342,304	\$ 368,093	\$ 379,066
Restricted	59,138	47,957	50,555	52,822	52,032	83,098	73,630	65,509	81,257	59,009
Unrestricted	-	-	2,278	-	-	(14,200)	5,002	31,418	18,429	26,195
Total Governmental Activities	<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>439,231</u>	<u>467,779</u>	<u>464,270</u>
Business-Type Activities:										
Net Investment in Capital Assets	229,170	224,105	253,730	280,940	305,182	327,984	388,160	383,122	388,287	372,533
Restricted	143,156	169,220	95,084	60,000	41,367	36,259	31,760	7,476	33,221	88,854
Unrestricted	(8,264)	(12,298)	41,289	53,529	59,097	47,785	6,676	29,078	17,424	5,265
Total Business-Type Activities	<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>419,676</u>	<u>438,932</u>	<u>466,652</u>
Primary Government Activities:										
Net Investment in Capital Assets	472,853	504,591	554,509	610,902	643,610	661,494	731,305	725,426	756,380	751,599
Restricted	202,294	217,177	145,639	112,822	93,399	119,357	105,390	72,985	114,478	147,863
Unrestricted	(8,264)	(12,298)	43,567	53,529	59,097	33,585	11,678	60,496	35,853	31,460
Total Primary Government Activities	<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>\$ 858,907</u>	<u>\$ 906,711</u>	<u>\$ 930,922</u>

Table 2
City of Toledo, Ohio
Changes in Net Position by Component
Last Ten Years
(Accrual Basis of Accounting)
(Amounts in Thousands)

	Revenues									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities										
Charges for Services:										
General Government	\$ 23,982	\$ 28,584	\$ 28,338	\$ 30,165	\$ 59,916	\$ 72,777	\$ 46,960	\$ 41,828	\$ 72,061	\$ 37,121
Public Service	130	19	-	-	-	-	26,003	25,381	-	26,198
Public Safety	8,460	9,436	8,524	8,814	9,408	8,103	9,363	12,748	15,907	17,042
Public Utilities	-	158	-	1,199	-	-	-	-	351	-
Community Environment	5,267	6,727	7,052	6,563	7,464	6,364	5,421	8,044	2,928	2,527
Health	1,175	1,377	704	2,632	5,580	5,853	11,184	11,221	9,813	11,709
Parks and Recreation	474	421	122	101	116	111	200	206	635	164
Operating Grants	51,604	49,406	55,734	65,423	33,081	40,689	12,675	35,731	29,533	20,492
Capital Grants	12,236	25,779	25,689	21,082	15,537	18,348	33,739	4,509	16,590	10,630
Total Governmental Activities Program Revenues	<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>139,668</u>	<u>147,818</u>	<u>125,883</u>
Business-Type Activities:										
Charges for Services:										
Water	34,258	37,326	34,790	38,627	38,070	35,913	42,487	43,250	44,112	52,476
Sewer	39,919	43,551	44,377	48,901	56,064	54,189	57,354	65,608	66,608	69,719
Storm Utility	7,710	8,637	8,132	8,620	9,034	10,069	9,798	10,234	10,331	9,620
Utilities Administration	7,829	10,288	7,802	9,676	10,564	8,696	10,071	11,323	12,462	9,945
Parking	1,382	1,435	1,486	1,403	1,509	1,459	1,383	1,887	-	-
Toledo Public Power	-	-	-	-	-	-	-	-	136	588
Property Management	277	264	(688)	266	262	208	470	24	-	-
Erie Street Market	77	38	(2)	-	-	-	177	197	115	146
Tow Lot	-	527	2,225	2,315	2,549	1,418	1,911	1,929	2,007	2,536
Capital Grants	-	-	-	-	-	-	5,423	2,709	1,448	640
Total Business-Type Activities Program Revenues	<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>	<u>137,219</u>	<u>145,670</u>
Total Primary Governmental Revenues	<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>\$ 276,829</u>	<u>\$ 285,037</u>	<u>\$ 271,553</u>

(Continued)

Table 2 (continued)
City of Toledo, Ohio
Changes in Net Position by Component
Last Ten Years
(Accrual Basis of Accounting)
(Amounts in Thousands)

	Expenses									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Government-Type Activities										
General Government	\$ 26,721	\$ 25,960	\$ 27,250	\$ 27,059	\$ 28,673	\$ 28,464	\$ 25,421	21,651	\$ 28,807	\$ 35,031
Public Service	48,204	52,706	52,891	53,562	57,508	56,085	54,469	48,606	34,715	55,070
Public Safety	151,217	153,085	158,499	163,334	170,767	157,024	157,436	164,396	165,810	173,274
Public Utilities	808	-	46	106	167	139	2	493	1,268	1,876
Community Environment	17,918	14,895	20,589	20,230	18,915	19,634	32,543	27,058	37,867	20,090
Health	17,030	17,638	18,207	16,773	19,104	17,569	16,966	18,012	19,197	9,265
Parks and Recreation	7,765	7,345	7,563	15,047	7,397	6,933	6,139	5,396	5,419	6,443
Capital Outlay	9,408	8,973	7,833	10,368	14,731	12,442	12,060	14,332	11,762	8,003
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	<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>	<u>304,845</u>	<u>309,052</u>
Business-Type Activities										
Water	30,356	34,369	34,324	38,388	36,708	36,556	39,138	41,495	41,997	46,912
Sewer	38,334	41,217	44,464	47,329	50,484	49,974	56,888	64,705	67,507	51,310
Storm Utility	6,122	7,018	6,883	6,168	5,331	5,191	4,968	8,005	11,291	6,801
Utility Administration	7,922	8,099	9,898	10,647	10,048	10,185	9,876	10,608	7,067	11,285
Parking	1,154	1,100	1,040	946	962	934	820	644	-	-
Property Management	2,596	2,640	2,010	1,930	5,111	1,949	1,691	1,691	1,286	895
Small Business Development	43	47	77	41	42	76	380	380	78	63
Toledo Public Power	-	-	-	-	-	-	-	-	138	567
Tow Lot	-	314	1,169	1,087	1,141	1,229	986	986	911	963
Erie Street Market									124	48
Total Business-Type Activities Expenses	<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>128,514</u>	<u>130,399</u>	<u>118,844</u>
Total Primary Government Expenses	<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>\$ 428,458</u>	<u>\$ 435,244</u>	<u>\$ 427,896</u>

(Continued)

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

	Net Revenue (Expenses)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities	\$ (175,743)	\$ (158,695)	\$ (166,715)	\$ (170,500)	\$ (186,160)	\$ (146,045)	\$ (159,491)	\$ (163,464)	\$ (157,027)	\$ (183,169)
Business-type activities	4,925	7,262	(1,743)	3,272	8,225	5,858	14,327	8,647	6,820	26,826
Total primary governmental expenses	(170,818)	(151,433)	(168,458)	(167,228)	(177,935)	(140,187)	(145,164)	(154,817)	(150,207)	(156,343)
General revenues and other changes in net position:										
Governmental activities:										
Income taxes	155,243	160,683	164,718	169,689	154,475	138,474	146,886	152,864	158,128	158,176
Property taxes	21,444	20,136	17,330	19,424	18,078	15,518	12,465	12,168	11,361	9,708
Unrestricted investments earnings	2,570	4,153	7,194	8,553	5,582	2,483	1,605	1,240	1,017	508
Grants and entitlements not restricted to specific programs	-	-	-	-	-	-	-	-	5,272	-
Intergovernmental services	-	-	-	-	-	-	-	-	-	2,215
Gain on sale of capital assets	-	-	-	-	-	-	-	859	-	87
Other revenue grants	2,702	273	2,190	2,297	14,469	6,928	4,572	4,707	4,789	8,728
Transfers	462	(927)	451	(291)	1,232	655	534	10,244	(289)	238
Total government activities	182,421	184,318	191,883	199,672	193,836	164,058	166,062	182,082	180,278	179,660
Business-type activities:										
Unrestricted investments earnings	2,248	3,282	6,488	6,460	4,064	899	781	1,092	937	1,132
Gain on sale of capital assets and										
Other revenue grants	1,102	5,494	4,782	(5,657)	120	280	(6)	(6,836)	-	-
Transfers	(462)	927	(451)	291	(1,232)	(655)	(534)	(10,244)	289	(238)
Total business-type activities	2,888	9,703	10,819	1,094	2,952	524	241	(15,988)	1,226	894
Total primary governmental general revenues and other changes in net position	185,309	194,021	202,702	200,766	196,788	164,582	166,303	166,094	181,504	180,554
Changes in Net Position										
Governmental activities	6,678	25,623	25,168	29,172	7,676	18,013	6,571	18,618	23,251	(3,509)
Business-type activities	7,813	16,965	9,076	4,366	11,177	6,382	14,568	(7,341)	8,046	27,720
Total primary governmental net change	\$ 14,491	\$ 42,588	\$ 34,244	\$ 33,538	\$ 18,853	\$ 24,395	\$ 21,139	\$ 11,277	\$ 31,297	\$ 24,211

Table 3
City of Toledo, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(Amounts in Thousands)

Fund Balances, Governmental Funds										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 697	\$ 712	\$ 850	\$ 1,143
Restricted	-	-	-	-	-	-	5,320	5,376	5,406	5,420
Reserved	4,395	4,358	1,974	5,485	8,187	8,263	-	-	-	-
Unreserved	4,905	6,413	8,818	7,148	(3,796)	(16,283)	-	-	-	-
Unrestricted:										
Committed	-	-	-	-	-	-	-	-	326	326
Unassigned	-	-	-	-	-	-	(19,729)	(5,762)	(1,574)	1,088
Total General Fund	<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>(13,712)</u>	<u>326</u>	<u>5,008</u>	<u>7,977</u>
Capital Improvement Fund										
Nonspendable	-	-	-	-	-	-	856	782	1,005	1,239
Restricted	-	-	-	-	-	-	23,379	34,896	43,191	18,062
Reserved	64,282	61,353	45,542	37,148	35,289	28,449	-	-	-	-
Unreserved	(21,267)	(29,617)	(9,615)	(7,385)	(8,220)	18,882	-	-	-	-
Unrestricted:										
Committed	-	-	-	-	-	-	-	-	-	-
Total Capital Improvement Fund	<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>24,235</u>	<u>35,678</u>	<u>44,196</u>	<u>19,301</u>
Special Assessment Services Fund										
Nonspendable	-	-	-	-	-	-	1,807	1,438	2,864	1,743
Restricted	-	-	-	-	-	-	4,977	384	218	1,509
Reserved	2,444	2,304	2,578	2,039	2,784	2,827	-	-	-	-
Unreserved	(41,760)	(44,905)	(48,228)	(48,017)	(51,764)	(53,450)	-	-	-	-
Unrestricted:										
Unassigned	-	-	-	-	-	-	(56,328)	(53,153)	(53,293)	(54,046)
Total Special Assessment Services Fund	<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>	<u>(50,211)</u>	<u>(50,794)</u>
Nonmajor Governmental Funds										
Nonspendable	-	-	-	-	-	-	1,417	623	912	889
Restricted	-	-	-	-	-	-	8,961	18,699	19,876	25,080
Reserved	7,900	8,389	10,819	7,730	8,868	8,129	-	-	-	-
Unreserved	7,596	7,350	6,820	13,821	13,486	19,423	-	-	-	-
Unrestricted:										
Committed	-	-	-	-	-	-	13,179	12,542	12,462	13,993
Unassigned	-	-	-	-	-	-	(9,097)	(1,996)	(2,359)	(2,447)
Total Nonmajor Governmental Funds	<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>	<u>30,891</u>	<u>37,515</u>
Total Fund Balance Governmental Funds	<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>\$ (24,561)</u>	<u>\$ 14,541</u>	<u>\$ 29,884</u>	<u>\$ 13,999</u>

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

Table 4
City of Toledo, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(Amounts in Thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Income Taxes	\$ 155,243	\$ 160,683	\$ 164,718	\$ 169,689	\$ 154,475	\$ 141,554	\$ 144,581	\$ 153,581	\$ 158,523	\$ 158,775
Property Taxes	17,206	17,231	17,330	19,424	18,078	13,612	11,936	11,845	11,381	9,598
Special Assessments	17,435	20,684	21,788	24,601	24,737	23,965	26,592	25,691	23,925	25,450
Licenses and Permits	2,567	3,071	3,012	2,830	2,541	2,103	2,363	2,303	2,283	2,414
Intergovernmental Services	63,840	75,186	79,957	78,710	72,285	89,942	76,659	38,861	37,589	38,020
Charges for Services	14,088	14,003	15,081	17,364	21,104	21,516	24,347	27,987	27,249	28,130
Investment Earnings	2,570	4,153	7,194	8,553	5,582	2,483	1,605	1,240	1,007	508
Fines and Forfeitures	5,281	6,080	6,094	6,339	7,268	5,971	5,648	5,829	7,952	8,590
Grants	-	-	-	-	-	-	-	47,464	45,775	27,499
Other Revenue	2,773	2,882	1,475	3,325	2,521	8,653	4,277	4,544	4,538	8,505
Total Revenues	281,003	303,973	316,649	330,835	308,591	309,799	298,008	319,345	320,222	307,489
Expenditures:										
General Government	18,079	16,908	18,160	17,589	19,007	18,024	15,844	15,923	17,392	28,465
Public Services	30,930	34,235	34,216	33,788	37,589	35,432	34,834	36,599	34,660	35,062
Public Safety	146,536	150,182	158,575	164,128	170,803	155,040	159,374	172,055	165,245	163,565
Public Utilities	774	39	38	102	154	115	2	7	1	1
Community Environment	16,469	13,432	19,281	18,926	18,078	18,017	31,079	26,047	27,799	19,273
Health	15,960	16,600	17,403	17,915	18,199	16,473	13,727	17,344	18,019	7,940
Parks and Recreation	4,342	3,736	3,876	3,466	3,490	2,742	2,660	2,791	3,018	3,487
Capital Outlay	42,163	67,895	61,690	57,883	49,179	50,835	44,303	20,740	48,647	53,174
Debt Service:										
Principal	15,256	16,920	18,465	17,248	16,633	18,903	25,396	18,329	27,401	23,307
Interest	8,871	8,946	10,111	10,368	10,596	9,620	11,913	13,343	10,435	7,124
Total Expenditures	299,380	328,893	341,815	341,413	343,728	325,201	339,132	323,178	352,617	341,398
Excess (Deficiency) of Revenues over (under) Expenditures	(18,377)	(24,920)	(25,166)	(10,578)	(35,137)	(15,402)	(41,124)	(3,833)	(32,395)	(33,909)
Other Financing Sources (Uses):										
Transfers In	53,573	55,015	52,718	55,673	47,280	53,893	63,947	76,615	73,235	70,140
Transfers Out	(53,286)	(56,799)	(52,852)	(56,709)	(46,989)	(65,903)	(63,414)	(63,921)	(73,524)	(69,902)
Capital Lease Issuance	-	-	-	-	-	-	-	231	3,001	3,386
Issuance of Debt	8,052	13,613	27,551	10,923	20,528	34,277	19,933	763	41,455	14,046
Premium (Discount) on Bond	129	138	672	114	482	3,763	171	89	1,498	884
Gain (Loss) on Sale of Capital Assets	46	135	43	11	26	746	101	12,129	-	87
Total Other Financing Sources (Uses)	8,514	12,102	28,132	10,012	21,327	26,776	20,738	25,906	45,665	18,641
Net Change in Fund Balance	\$ (9,863)	\$ (12,818)	\$ 2,966	\$ (566)	\$ (13,810)	\$ 11,374	\$ (20,386)	\$ 22,073	\$ 13,270	\$ (15,268)
Debt Services as a Percentage of Noncapital Expenditures	10.4%	11.0%	11.4%	10.8%	10.2%	11.6%	14.5%	11.7%	12.3%	10.6%

Table 5
City of Toledo, Ohio
General Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts in Thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Income Taxes	\$ 155,243	\$ 160,683	\$ 164,718	\$ 169,689	\$ 154,475	\$ 141,554	\$ 144,581	\$ 153,581	\$ 158,523	\$ 158,775
Property Taxes	17,206	17,231	17,330	19,424	18,078	13,612	11,936	11,845	11,381	9,598
Special Assessments	17,435	20,684	21,788	24,601	24,737	23,965	26,592	25,691	23,925	25,450
Licenses and Permits	2,567	3,071	3,012	2,830	2,541	2,103	2,363	2,303	2,283	2,414
Intergovernmental Services	63,840	75,186	79,957	78,710	72,285	89,942	42,521	40,371	37,589	38,020
Charges for Services	14,088	14,003	15,081	17,364	21,104	21,516	24,347	27,987	27,249	28,130
Investment Earnings	2,570	4,153	7,194	8,553	5,582	2,483	1,605	856	1,007	508
Fines and Forfeitures	5,281	6,080	6,094	6,339	7,268	5,971	5,648	5,829	7,952	8,590
Grants	-	-	-	-	-	-	34,138	46,563	45,775	27,499
Other Revenue	2,773	2,882	1,475	3,325	2,521	8,660	4,277	5,101	4,538	8,505
Total	\$ 281,003	\$ 303,973	\$ 316,649	\$ 330,835	\$ 308,591	\$ 309,806	\$ 298,008	\$ 320,127	\$ 320,222	\$ 307,489

Table: 6
City of Toledo, Ohio
Income Tax Revenues
Last Ten Years
(Modified Accrual Basis of Accounting)
(Amounts in Thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Withholding	\$ 134,709	\$ 138,043	\$ 139,805	\$ 141,583	\$ 132,948	\$ 122,927	\$ 124,108	\$ 129,855	\$ 128,215	\$ 131,343
Utility	237	492	783	1,863	1,542	891	589	321	1,867	10
Business	14,120	15,747	17,443	19,331	14,353	11,872	13,051	15,468	19,956	19,710
Individuals	6,177	6,401	6,687	6,912	5,632	5,864	6,833	7,937	8,485	7,712
Total	<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>	<u>\$ 158,523</u>	<u>\$ 158,775</u>

Table 7
City of Toledo, Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years
(Amounts 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	
2013	\$ 3,060,991	\$ 8,745,689	\$ 150,560	\$ 602,241	\$ -	\$ -	\$ 3,211,551	\$ 9,347,930	34.4%
2012	3,629,878	10,371,080	123,218	492,972	-	-	3,753,096	10,864,052	34.6%
2011	3,687,360	10,535,314	118,417	338,334	-	-	3,805,777	10,873,648	35.0%
2010	3,741,678	10,690,509	112,681	450,724	8,483	1,022,045	3,862,842	12,163,278	31.8%
2009	4,171,406	11,918,303	107,551	430,204	18,638	1,242,206	4,297,595	13,590,713	31.6%
2008	4,197,056	11,991,589	155,080	620,320	239,911	959,644	4,592,047	13,571,553	33.8%
2007	4,315,322	12,329,491	154,646	618,584	343,264	1,373,056	4,813,232	14,321,131	33.6%
2006	3,772,059	10,777,311	155,248	620,992	442,309	1,769,236	4,369,616	13,167,539	33.2%
2005	3,789,811	10,828,031	165,221	660,884	468,208	1,872,832	4,423,240	13,361,747	33.1%
2004	3,752,847	10,722,242	171,574	686,296	487,172	1,948,688	4,411,593	13,357,226	33.0%

(1) Estimated actual values for Personal Property and Public Utilities have been calculated by the County Auditor. 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 Years
(Rate per \$1,000 of Assessed Value)

<u>City of Toledo</u>										
<u>Tax Collection Year</u>	<u>General Fund</u>	<u>Police Pension Fund</u>	<u>Fire Pension Fund</u>	<u>Total Toledo Rate</u>	<u>Transit Authority</u>	<u>Port Authority</u>	<u>Lucas County</u>	<u>Toledo School District</u>	<u>Metro Park District</u>	<u>Total</u>
2013	3.80	0.30	0.30	4.40	2.50	0.40	19.82	67.40	2.30	96.82
2012	3.80	0.30	0.30	4.40	2.50	0.40	16.07	65.90	1.70	90.97
2011	3.80	0.30	0.30	4.40	2.50	0.40	16.07	67.70	1.70	97.17
2010	3.80	0.30	0.30	4.40	2.50	0.40	16.07	67.70	1.70	92.77
2009	3.80	0.30	0.30	4.40	2.50	0.40	17.77	67.70	1.70	94.47
2008	3.80	0.30	0.30	4.40	2.50	0.40	15.90	62.80	1.70	87.70
2007	3.80	0.30	0.30	4.40	2.50	0.40	15.90	62.80	1.70	87.70
2006	3.80	0.30	0.30	4.40	2.50	0.40	15.90	62.80	1.70	87.70
2005	3.80	0.30	0.30	4.40	2.50	0.40	14.75	63.05	1.70	86.80
2004	3.80	0.30	0.30	4.40	2.50	0.40	15.90	63.05	1.70	87.95

Source: Lucas County Auditor.

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Nonprofit	\$ 10,178	\$ 10,159	\$ 10,013	\$ 10,040	\$ 14,174	\$ 14,825	\$ 14,092	\$ 13,405	\$ 14,674	\$ 12,870
Hospital	11,303	11,847	12,196	12,302	9,077	13,484	12,494	13,159	9,333	9,751
Manufacturing	23,613	23,595	22,702	20,101	15,934	11,706	15,211	16,576	14,887	18,242
Government	9,548	1,598	10,219	10,497	10,723	10,276	10,107	10,078	10,156	9,137
Services	9,491	1,598	10,408	14,672	10,984	8,140	6,872	9,960	13,071	13,897
Retail	1,749	1,598	1,750	1,027	943	1,375	1,184	1,266	1,452	1,166
Banking	1,345	1,300	1,263	1,207	1,009	907	911	969	1,080	1,212
Grocery	1,229	1,332	1,349	1,404	1,442	766	751	732	819	775
Transportation	360	773	328	356	367	563	348	385	548	392
Technology	-	-	-	-	1,447	411	356	343	-	-
Construction	336	228	413	225	-	-	-	-	-	-
Total	<u>\$ 69,152</u>	<u>\$ 54,028</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>	<u>\$ 66,020</u>	<u>\$ 67,442</u>

Table 10
City of Toledo, Ohio
Real and Public Utility Property Tax Levies and Collections
Last Ten Years
(Amounts 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
2013	14,262	12,461	87.4%	1,048	13,509	94.7%
2012	16,543	14,415	87.1%	1,135	15,550	94.0%
2011	16,781	14,835	88.4%	1,128	15,963	95.1%
2010	16,975	14,800	87.2%	1,094	15,894	93.6%
2009	18,806	16,703	88.8%	1,084	17,787	94.6%
2008	19,180	16,574	86.4%	1,326	17,900	93.3%
2007	19,693	17,782	90.3%	1,232	19,014	96.6%
2006	17,305	15,889	91.8%	986	16,875	97.5%
2005	16,954	16,702	98.5%	100	16,802	99.1%
2004	16,995	16,056	94.5%	753	16,809	98.9%

Source: Lucas County Auditor.

Table: 11
City of Toledo, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years
(Amounts in Thousands, Except Per Capita)

Fiscal Year	Governmental Activities			Business Type Activities					Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Assessed Services	General Fund Capital Projects Loans & Leases	Water Revenue Bonds	Sanitary Sewer Revenue Bonds	General Obligation Bonds	Capital Projects Loans	Other Loans			
2013	\$ 116,597	\$ 35,800	\$ 52,644	\$ 295,462	\$ 23,385	\$ 19,192	\$ 320,493	\$ 1,016	864,589	5.3%	1,990
2012	123,859	35,600	47,640	110,086	26,011	28,553	277,491	10,158	659,398	4.4%	1,549
2011	118,845	39,960	47,909	67,439	28,514	21,022	242,636	11,086	577,411	4.0%	1,408
2010	130,166	41,060	52,716	72,909	30,932	23,449	216,342	16,866	584,440	4.0%	1,406
2009	136,623	41,200	53,432	75,850	33,682	21,685	220,330	10,138	592,940	4.1%	1,399
2008	120,809	40,300	50,898	79,962	36,231	22,755	212,184	11,270	574,409	4.0%	1,383
2007	116,016	38,800	52,966	87,010	39,134	23,783	206,259	12,381	576,349	3.9%	1,359
2006	111,066	37,700	56,008	91,888	42,035	24,593	178,356	13,119	554,765	3.9%	1,256
2005	112,803	36,500	53,608	96,433	44,710	25,683	104,364	13,760	487,861	3.5%	1,087
2004	111,930	35,600	48,110	65,990	47,084	26,897	49,864	11,743	397,218	2.9%	871

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
Ratios of Net General Bonded Debt to Assesses Value
and Net Bonded Debt Per Capita
Last Ten Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross General Bonded Debt (2)</u>	<u>Less Balance in Debt Service Fund (2) & (3)</u>	<u>Net General Bonded Debt (2)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2013	287,208	\$ 3,211,552	\$ 141,120	\$ -	\$ 141,120	4.4%	\$ 491.35
2012	287,208	3,232,265	143,832	-	143,832	4.4%	500.79
2011	287,208	3,753,096	143,832	-	143,832	3.8%	500.79
2010	287,208	3,805,777	143,832	(190)	143,642	3.8%	500.13
2009	313,619	4,128,523	152,563	(118)	152,445	3.7%	486.08
2008	313,619	4,297,595	136,904	(90)	136,814	3.2%	436.24
2007	313,619	4,592,047	131,821	(58)	131,763	2.9%	420.14
2006	313,619	4,813,232	126,683	(45)	126,638	2.6%	403.80
2005	313,619	4,369,616	128,474	(38)	128,436	2.9%	409.53
2004	313,619	4,423,240	127,241	(38)	127,203	2.9%	405.60

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, 2013
(Amounts in Thousands)

	<u>Amount of Debt</u>	<u>Percent Applicable to City</u>	<u>City's Share</u>
Direct Debt: *			
City of Toledo	\$ 141,120	100.0%	\$ 141,120
Total Direct Debt	<u>141,120</u>		
Subdivision Overlapping Debt: **			
Toledo City School District	111,520	98.9%	110,339
Lucas County	17,578	45.8%	8,054
Sylvania City School District	94,423	7.6%	7,167
Maumee City School District	31,465	10.7%	3,357
Springfield Local School District	10,180	9.2%	936
Sylvania Area Joint Recreation District	8,485	7.6%	644
Ottawa Hills Local School District	990	0.1%	1
Total Subdivision Overlapping Debt	<u>274,641</u>		<u>130,498</u>
Total Direct and Overlapping Debt	<u>\$ 415,761</u>		<u>\$ 130,498</u>

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

* **Source:** Lucas County Auditor.

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

Table: 14
City of Toledo, Ohio
Legal Debt Margin Information
Last Ten Fiscal Years
(Amounts in Thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 464,440	\$ 458,810	\$ 505,389	\$ 482,165	\$ 451,247	\$ 405,598	\$ 399,607	\$ 394,075	\$ 339,388	\$ 356,648
Total net Debt Applicable to Limit	<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>	<u>145,180</u>	<u>141,120</u>
Legal Debt Margin	<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>	<u>\$ 194,208</u>	<u>\$ 215,528</u>
Total net Debt Applicable to Limit as a Percentage of Legal Debt Margin	37.64%	38.89%	33.45%	37.63%	43.55%	60.29%	56.23%	54.42%	74.75%	65.48%

Table: 15
City of Toledo, Ohio
Pledged-Revenue Coverage
Last Ten Years
(Amounts in Thousands)

Water Revenue Bonds								
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage	
				Principal	Interest			
2013	\$ 52,413	\$ 30,719	\$ 21,694	\$ 5,702	\$ 7,492	\$ 13,194	1.6	
2012	44,031	32,997	11,034	5,667	2,897	8,564	1.3	
2011	43,211	32,599	10,612	5,405	2,943	8,348	1.3	
2010	42,199	32,851	9,348	5,215	3,125	8,340	1.1	
2009	35,813	26,847	8,966	5,240	3,628	8,868	1.0	
2008	38,070	27,072	10,998	5,015	3,835	8,850	1.2	
2007	41,713	29,016	12,697	4,715	4,494	9,209	1.4	
2006	38,811	26,002	12,809	4,545	4,464	9,009	1.4	
2005	39,875	27,524	12,351	5,565	3,174	8,739	1.4	
2004	35,406	23,585	11,821	3,517	3,277	6,794	1.7	
Sewer Revenue Bonds								
2013	\$ 69,522	\$ 29,321	\$ 40,201	\$ 2,856	\$ 1,209	\$ 4,065	9.9	
2012	66,405	39,941	26,464	2,504	1,261	3,765	7.0	
2011	65,271	38,020	27,251	2,445	1,261	3,706	7.4	
2010	57,010	33,736	23,274	2,360	1,361	3,721	6.3	
2009	54,094	30,610	23,484	3,140	1,590	4,730	5.0	
2008	56,064	31,317	24,747	3,015	1,721	4,736	5.2	
2007	52,289	31,367	20,922	2,790	6,381	9,171	2.3	
2006	51,253	29,633	21,620	2,675	5,409	8,084	2.7	
2005	47,366	27,338	20,028	7,540	4,589	12,129	1.7	
2004	41,121	25,165	15,956	2,839	3,994	6,833	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
(Amounts in Thousands)						
2013	287,208	16,443,243	37,542	37.5	22,283	7.9%
2012	286,031	15,104,299	36,646	34.2	22,540	7.6%
2011	287,208	15,104,299	35,208	35.7	30,000	9.7%
2010	287,208	14,498,105	35,147	33.8	25,000	10.3%
2009	313,619	14,327,871	34,123	35.1	26,400	12.4%
2008	313,619	14,525,628	34,578	35.1	26,500	8.9%
2007	313,619	14,686,439	34,839	35.3	26,600	7.3%
2006	313,619	14,304,000	32,200	35.3	29,070	6.8%
2005	313,619	13,890,020	31,045	35.3	29,850	7.3%
2004	313,619	13,503,325	30,035	35.3	32,985	8.0%

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

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

* values are calculated using Lucas County statistics

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

Employer	2013			2003		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
Promedica Health Systems	12,414	1	3.78%	10,000	1	3.05%
Mercy Health Partners	6,533	3	1.99%	5,000	4	1.52%
The University of Toledo and Medical Center	6,538	2	1.99%	7,377	2	2.25%
Bowling Green State University	5,287	4	1.61%	2,119		0.65%
Lucas County	3,700	5	1.13%	5,000	4	1.52%
Toledo City School District	3,564	6	1.09%	4,510	5	1.37%
The Kroger Company	2,786	7	0.85%	2,983		0.91%
The City of Toledo	2,748	8	0.84%	2,895		0.88%
Wal-Mart	2,470	9	0.75%	-		0.00%
Chrysler LLC	2,120		0.65%	4,100	7	1.25%
Sauder Woodworking Co.	2,320	10	0.71%	6,432	3	1.96%
The Andersons	1,796		0.55%	3,600	9	1.10%
Seaway Foodtown, Inc.	-		0.00%	4,300	6	1.31%
General Motors Corp./GM Powertrain Division	1,950		0.59%	4,092	8	1.25%
State of Ohio	1,809		0.55%			
Medical College of Ohio (a)	-		0.00%	3,500	10	1.07%
Total	56,035		17.07%	65,908		20.08%

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Safety	1,350	1,323	1,345	1,326	1,270	1,191	1,152	1,160	1,138	1,518
Public Utilities	560	582	587	597	578	575	564	563	552	641
Public Service	431	447	447	436	430	427	377	381	374	236
General Government	342	336	342	350	343	327	423	428	420	263
Community Environment	90	88	86	85	84	81	79	82	80	101
Parks and Recreation	93	74	76	81	75	64	63	65	64	63
Total	<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> ⁰	<u>2,628</u> ⁰	<u>2,822</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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Building Permits	6,200	6,314	6,492	5,537	5,055	4,260	4,984	3,631	3,492	3,192
Value of Permits (in Thousands)	176,421	295,067	276,746	146,514	196,578	138,153	168,415	297,612	140,436	101,687
Total Board-Ups	465	586	931	664	710	704	748	774	1,594	1,152
Total Demolitions	237	222	285	312	300	300	325	412	382	726
Police										
Traffic Citations	48,790	48,504	52,331	60,786	55,694	21,966	23,895	41,990	50,418	59,345
Red Light Cameras	17,305	25,186	18,512	24,104	18,142	19,681	20,008	27,166	71,664	63,574
Number of Offenses	25,283	27,776	26,534	23,826	22,738	36,433	35,568	13,194	11,944	9,278
911 Call Volume	440,649	433,415	430,523	406,101	392,969	389,112	389,112	438,287	443,697	225,677
Non-Emergency Calls	101,838	108,961	114,065	111,755	101,882	87,412	87,412	91,373	93,843	87,298
Fire										
Emergency Runs	38,393	39,796	38,630	41,135	40,003	42,639	41,154	47,112	48,949	47,458
Fire Runs	7,397	7,175	7,550	7,533	10,346	6,812	6,958	7,274	6,930	6,307
Total Runs	45,790	46,971	46,180	48,668	50,349	49,451	48,112	54,386	55,879	53,765
Other Public Works										
Traffic Signs Manufactured/Installed	21,925	25,653	26,936	32,508	31,491	29,879	29,879	29,879	13,000	13,938
Energy Reduction (Traffic Signals)	7.5%	10.3%	13.1%	17.1%	17.8%	17.9%	17.9%	17.9%	88.0%	8.0%
Traffic Signals Replaced	59	79	81	122	458	386	324	358	301	320
Traffic Signal Calls	5,221	7,069	6,823	6,731	6,125	5,867	5,648	5,612	1,044	4,200
Energy										
Electric Customers - Toledo Edison Company	303,000	303,000	307,000	307,000	310,000	310,000	305,000	305,000	308,000	308,175
Natural Gas Customers - Columbia Gas of Ohio, Inc.	179,250	177,329	178,500	176,715	173,000	172,000	171,000	171,000	105,614	112,000
Toledo Lucas County Public Library										
Volumes in Collection	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,210,000	2,294,392
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	6,005,000	6,904,367
Water										
New Connections	1,721	1,404	791	584	622	618	725	715	220	257
Water Main Breaks	281	447	203	448	333	306	315	300	365	402
Average Daily Consumption (Millions of Gallons)	78.8	86.9	80.8	80.7	76.6	76.6	75.8	78.0	120.0	78
Wastewater										
Average Daily Treatment (Millions of Gallons)	64.0	90.7	76.4	70.9	75.9	71.4	70.7	71.0	70.0	62.1
Public Transit										
Toledo Area Regional Transit Authority Passengers	4,537,990	4,727,186	4,614,412	4,609,701	4,622,229	4,075,250	4,156,305	3,357,675	3,415,007	3,128,566

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Number of Stations	3	3	3	3	2	2	3	3	3	2
Number of Substations	3	3	3	3	3	2	1	2	2	1
Number of Employees with Arrest Power	686	673	688	667	637	583	566	578	582	648
Number of Neighborhood Offices	7	7	7	7	7	3	4	4	4	-
Fire Division										
Number of Stations	17	17	17	17	17	17	17	18	18	18
Number of Firefighters	510	498	525	484	478	462	482	489	502	541
Other Public Works										
Streets (in Miles)	1,122	1,122	1,122	1,122	1,122	1,122	1,123	1,123	1,139	1,139
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	20	19	19
Medical										
Number of Hospitals	4	4	4	4	4	4	4	4	4	4
Number of Beds	1,737	1,839	1,839	1,684	1,716	1,661	1,673	1,681	1,689	1,750
Parks and Recreation										
Acreage	2,368	2,368	2,368	2,368	2,368	2,368	2,368	2,368	2,687	2,177
Number of Parks	145	145	145	145	145	145	145	145	145	145
Public Pools	12	12	12	12	12	12	12	12	11	10
Golf Courses	16	16	16	16	16	16	16	16	16	16
Water										
Water Lines (in Miles)	1,140	1,150	1,150	1,165	1,165	1,165	1,165	1,165	1,188	1,165
Storage Capacity (in Millions of Gallons)	78	78	78	78	78	78	78	78	80	78
Plant Capacity (in Millions of Gallons)	150	150	150	150	150	150	150	150	150	150
Wastewater										
Sanitary Sewers (in Miles)	960	960	960	960	960	960	960	960	955	961
Treatment Capacity (in Millions of Gallons)	102	102	102	102	102	102	102	102	102	102

Sources: Various City Departments

Note: the City implemented GASB Statement 34 in 2002.



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
SEPTEMBER 02, 2014**