



CITY OF TOLEDO, OHIO

Single Audit Reports

Year Ended December 31, 2010



Dave Yost • Auditor of State

City Council
City of Toledo
One Government Center, Suite 2050
Toledo, Ohio 43604

We have reviewed the *Independent Auditors' Report* of the City of Toledo, Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

September 27, 2011

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CITY OF TOLEDO, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2010

<u>Federal Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
CDBG Entitlement Cluster:			
Community Development Block Grants/Entitlement Grants	G35000/G36000	14.218	\$ 19,220,030
ARRA - Community Development Block Grants ARRA Entitlement Grants	GNSP08/G9NSP2	14.253	<u>1,692,435</u>
Total CDBG Entitlement Cluster			20,912,465
Emergency Shelter Grants Program	GE2302/GE2402	14.231	574,082
Supportive Housing Program	G07870/G09966	14.235	179,901
HOME Investment Partnerships Program	Various	14.239	2,735,730
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	GSBG9/GSBG9A	14.251	357,000
ARRA - Homelessness Prevention and Rapid Re-Housing Program	GFTLC9/GHPF09	14.257	1,338,699
Lead-Based Paint Hazard Control in Privately-Owned Housing	GL7000	14.900	<u>1,345,845</u>
Total U.S. Department of Housing and Urban Development			<u>27,443,722</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Juvenile Justice and Delinquency Prevention - Allocation to States	G07729	16.540	14,282
Part E - Developing, Testing and Demonstrating Promising New Programs	G07618	16.541	120,887
ARRA - Public Safety Partnership and Community Policing Grants	G07739	16.710	2,292,568
Gang Resistance Education and Training	Various	16.737	4,845
Edward Byrne Memorial Justice Assistance Grant Program	G04887	16.738	589,311
<i>(Passed through Toledo-Lucas County Criminal Justice Coordinating Council):</i>			
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant	GF7109/GF7209	16.804	722,657
<i>(Passed through Ohio's Office of Criminal Justice):</i>			
Violence Against Women Formula Grants	G07327/G07331	16.588	28,762
Community Capacity Development Office	Various	16.595	124,405
<i>(Passed through State of Ohio, Attorney General's Office):</i>			
National Institute of Justice Research, Evaluation, and Development Project Grant	G05638	16.560	<u>86,317</u>
Total U.S. Department of Justice			<u>3,984,034</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>(Passed through Ohio Department of Transportation):</i>			
Highway Planning and Construction	GF0109	20.205	2,317,938
ARRA - Highway Planning and Construction	GA7226/GA7228	20.205	<u>6,114,958</u>
Total U.S. Department of Transportation			<u>8,432,896</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
ARRA - Brownfields Assessment and Cleanup Cooperative Agreements	Various	66.818	967,537
<i>(Passed through Ohio Environmental Protection Agency):</i>			
Air Pollution Control Program Support	Various	66.001	<u>981,159</u>
Total U.S. Environmental Protection Agency			<u>1,948,696</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
ARRA - Energy Efficiency and Conservation Block Grant Program	GEEC01	81.128	<u>2,533,443</u>
Total U.S. Department of Energy			<u>2,533,443</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>			
High Intensity Drug Trafficking Area (HIDTA) Grants	Various	95.001	<u>227,817</u>
Total Executive Office of the President			<u>227,817</u>
<u>U.S. Department of Homeland Security:</u>			
Assistance to Firefighters Grant	G04598	97.044	1,822
ARRA - Assistance to Firefighters Grant	G05439	97.115	37,857
<i>(Passed through Lucas County Emergency Management Agency):</i>			
State and Local Homeland Security National Training Program	G07240	97.005	15,745
<i>(Passed through Ohio Emergency Management Agency):</i>			
Emergency Management Performance Grants	Various	97.042	<u>180,202</u>
Total U.S. Department of Homeland Security			<u>235,626</u>
Total Federal Awards			<u>\$ 44,806,234</u>

CITY OF TOLEDO, OHIO

Notes To Schedule of Expenditures of Federal Awards
Year Ended December 31, 2010

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	\$ 3,568,365
Emergency Shelter Grants	14.231	574,082
U.S. Department of Energy		
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	<u>2,223,552</u>
		<u>\$ 6,365,999</u>

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio (the "City") as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 19, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies listed as items 2010-1 and 2010-3 and described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency listed as 2010-2 and described in the accompanying schedule of findings and questioned costs to be a significant deficiency.

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Compliance And Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated August 19, 2011.

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

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
August 19, 2011

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

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

Compliance

We have audited the City of Toledo, Ohio's (the "City") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

We were unable to obtain sufficient documentation supporting the compliance of the City with the CDBG Entitlement Cluster regarding earmarking and cash management and the HOME Investments Partnership Program regarding the Davis Bacon Act, matching and cash management nor were we able to satisfy ourselves as to the City's compliance with the requirements by other auditing procedures.

As described in items 2010-9 and 2010-10 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding allowable costs that are applicable to its CDBG Entitlement Cluster. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

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In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the City's compliance with the requirements of the CDBG Entitlement Cluster regarding earmarking and cash management and the HOME Investments Partnership Program regarding the Davis Bacon Act, matching and cash management and except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-4, 2010-6, and 2010-12.

Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-5, 2010-7, 2010-8, 2010-9, 2010-10 and 2010-11 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charge with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-4, 2010-6, and 2010-12 to be significant deficiencies.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2010, and have issued our report thereon dated August 19, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures

applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Clark, Schaefer, Harkett & Co.

Cincinnati, Ohio
August 19, 2011

CITY OF TOLEDO, OHIO
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2010

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Type of auditors’ report issued on compliance for major programs:	Unqualified for all major programs except for CDBG Cluster (CFDA 14.218/14.253) which was qualified and qualified for a scope limitation and HOME (CFDA 14.239), which was qualified for a scope limitation.
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	Yes

Identification of major programs:

- CDBG Entitlement Cluster:
 CFDA 14.218 – Community Development Grants/Entitlement Grants
 CFDA 14.253 – ARRA - Community Development Block Grant/Entitlement Grants
- CFDA 14.239 – HOME Investment Partnerships Program
- CFDA 14.257 – ARRA - Homelessness Prevention and Rapid Re-Housing Program
- CFDA 16.710 – ARRA - Public Safety Partnership and Community Policing Grants
- CFDA 20.205 – ARRA - Highway Planning and Construction
- CFDA 81.128 – ARRA - Energy Efficiency and Conservation Block Grant

Dollar threshold to distinguish between Type A and Type B Programs:	\$1,344,187
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2010-1 – Audit Adjustments

During the course of our audit, we identified misstatements in the financial statements for the year ended December 31, 2010 that were not initially identified by the City’s internal control over financial reporting. Audit adjustments were necessary to correct errors which primarily related to receivable and revenue recognition for non-exchange transactions. The adjustments related to income taxes receivable and property taxes resulted in increases in receivables of \$9.9 million and \$2.4 million, respectively. Other adjustments were needed to book receivables related to state entitlements, grants, and EMS revenues.

Management Response: *Having gained a better understanding of the GASB 33 requirements related to non-exchange transactions as cited by Clark Schaefer Hackett, and their interpretation of same, the Finance Department will implement procedures so that the appropriate receivable entries are made on an annual basis. In conjunction with the Department of Neighborhoods, procedures will also be implemented to appropriately record receivables related to grant revenue.*

Finding 2010-2 – Utilities IT System

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

Management Response: *There is one person responsible for security administration, production systems, and testing. This has proven unsustainable and has led to no segregation of duties for the Utilities System. As of June 2011, DPU has been approved to hire three Administrative Analysts to assist with security administration, production systems, and testing. This will provide the necessary segregation of duties for the utilities system.*

It is true that all DPU employees who have access to the SAP billing system and have authorization to reverse a penalty, change usage, or make billing adjustments could make changes on their own accounts; however, these "postings" would be time stamped with the user identification of who makes the change and very identifiable within the SAP system. With the added Administrative Analysts there will be the ability to more closely monitor the activity of these types of accounts.

Finding 2010-3 – Schedule of Expenditures of Federal Awards

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

Management Response: *The City will review the Federal program and award identification information will the available confirmation reports from the Federal program and cross reference those reports with SAP data as well as with the City's Divisions, as applicable. These corrective steps will be performed by the Division of Accounts with the cooperation of the all internal divisions receiving Federal grant funds.*

Section III – Federal Award Findings and Questioned Costs

Finding 2010-4 – Reporting

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

Criteria: For each grant over \$200,000 that involves housing rehabilitation, housing construction, or other public construction, the prime recipient must submit Form HUD 60002, *Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons* within ten days of the grant project completion or when the CAPER report is completed and submitted on an annual basis, whichever is sooner.

Condition: During our testing of these major federal programs, we noted that the City did not complete and submit this report during our audit period.

Cause: There appeared to be a lack of communication between divisions of who was responsible for the preparation of this form.

Effect: The City was not in compliance with the reporting requirements as established by the cognizant agency.

Recommendation: The City should establish controls to ensure all grants which exceed \$200,000 are documented in grant project control log. The grant project control log should be used to document and monitor the status of the project under the grant for the duration of the project. Once the grant project is completed, Form HUD 60002 should be completed and submitted to HUD within the required timeframe.

Views of Responsible

Officials: *Management concurs.*

Finding 2010-5 – Davis-Bacon Act

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOME Investment Partnerships Program – CFDA No. 14.239

Criteria: Non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of Davis-Bacon Act and the DOL regulations (29 CFR part 5, Labor Standards Provisions Applicable to Contacts Government Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6).

- Condition:* The City did not maintain any certified payrolls received with respect to HOME projects nor keep a record of them. Therefore, we could not select an adequate sample to test the related compliance requirement regarding submission of weekly certified payrolls.
- Cause:* There appeared to be a lack of communication between divisions of who was responsible for this monitoring.
- Effect:* The required weekly certified payrolls may not have been submitted or reviewed to ensure prevailing wages were being paid.
- Recommendation:* We recommend management create and utilize its master control log to identify projects that require certified payroll submissions. This log can also be used to track submissions for timeliness and document compliance with payment of prevailing wages.

Views of Responsible Officials: Management concurs.

Finding 2010-6 – Special Tests and Provisions

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOME Investment Partnerships Program – CFDA No. 14.239

- Criteria:* During the Period of Affordability for HOME-assessed rental housing, the participating jurisdiction (the City) must perform on-site inspections to determine compliance with property standards and verify the information submitted by the owners no less than: (a) every three years for projects containing 1 to 4 units, (b) every two years for projects containing 5 to 25 units, and (c) every year for projects containing 26 or more units.
- Condition:* The City created a master control log to keep track of the on-site housing quality standards inspections. However, it was not fully implemented during the audit period for the City to determine if the required inspections were performed within the appropriate time intervals.
- Effect:* The required inspections may not have been performed within the required inspection intervals, resulting in potential noncompliance with housing quality standards and HOME Program objectives.
- Recommendation:* We recommend management complete and utilize its master control log to identify and document when the required inspections are performed to assure that housing quality standards inspections are performed as required.

Views of Responsible Officials: Management concurs.

Finding 2010-7 – Earmarking

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CDBG – Entitlement Grants Cluster - CFDA Nos. 14.218 and 14.253 (ARRA)

- Criteria:** This program requires certain earmarking of the total grant. First, no less than 70% of the funds must be used over a period of up to 3 years for activities that benefit low-and moderate-income persons as set for the by criteria in 24 CFR Sections 570.200(a)(3) and 570.208(a). Second, no more than 20% of the total grant plus 20% of program income may be obligated during the year for planning and administration pursuant to 24 CFR Sections 570.205 and 570.206. In addition, the amount of funds obligated during the program year for public services must not exceed 15% of the grant amount received plus 15% of the program income; and at least 25% of NSP funds shall be used for the purpose and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individual or families whose incomes do not exceed 50% of the area median income.
- Condition:** The City performed calculations to demonstrate their compliance with the earmarking calculations but did not maintain supporting detail for the amounts used in each of the earmarking calculations. Therefore, we could not determine the accuracy of the calculations.
- Cause:** Procedures were not in place to ensure retention of supporting documentation.
- Effect:** The calculations may not have been calculated accurately resulting in potential noncompliance with the requirement.
- Recommendation:** The City should establish controls to ensure all earmarking calculations are supported by appropriate documentation.

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

Finding 2010-8 – Matching

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOME Investment Partnerships Program – CFDA No. 14.239

- Criteria:** The City must provide eligible matching contributions of 25% of HOME funds drawn during the fiscal year. Matching information is provided on the *HOME Match Report* (HUD-40107-A) (24 CFR sections 92.218 through 92.220, 92.222, and 92.508)
- Condition:** The City did not maintain supporting documentation for the amounts used in the matching calculation. Therefore, we could not determine the accuracy of the calculations.
- Cause:** Procedures were not in place to ensure retention of supporting documentation.
- Effect:** The calculations may not have been calculated accurately resulting in potential noncompliance with the requirement.

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

*Views of
Responsible
Officials:*

Management concurs.

Finding 2010-9 – Allowable Costs

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CDBG – Entitlement Grants Cluster - CFDA Nos. 14.218 and 14.253 (ARRA)

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

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

Context: A sample of costs charged to the grant totaling \$871,756 was selected from a population of \$16,957,530. The test found items totaling \$298,341 were not supported by documentation.

Cause: These items related to journal entry charges to the program which were not supported by appropriate cost documentation as the City did not retain supporting documentation.

Effect: The \$298,241 of costs charged to the program was not supported and thus, are considered questioned costs.

Recommendation: The City should establish procedures to ensure all supporting documentation is retained.

*Views of
Responsible
Officials:*

Management concurs.

Finding 2010-10 – Allowable Costs

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CDBG – Entitlement Grants Cluster - CFDA Nos. 14.218 and 14.253 (ARRA)

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

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

Context: A sample of costs charged to the grant totaling \$69,503 was selected from a population of \$3,954,935. The test found items totaling \$8,034 were not supported by documentation.

Cause: The City's procedures for charging payroll to the grant do not appear to be adequate. First, one employee's time was charged to the grant when it should have been charged to the General Fund. Second, differences were noted in time charged to the grant per review of actual time spent according to timesheets. Finally, certain employees were charging a percentage of their time to the grant as opposed to actual time spent on the grant as supported by personnel activity reports or periodic time studies.

Effect: The \$8,034 of payroll costs charged to the program was not supported and thus, are considered questioned costs.

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

*Views of
Responsible
Officials:* Management concurs.

Finding 2010-11 – Cash Management

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

Criteria: When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government as required by the U.S. Department of the Treasury regulations at 31 CFR part 205.

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

Cause: The City did not maintain the supporting detail expenditure documentation for each reimbursement request prior to the completion of the conversion to the new accounting system.

Effect: The City may not be in compliance with cash management compliance of these grants.

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

*Views of
Responsible
Officials:* Management concurs.

Finding 2010-12 – Subrecipient monitoring

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND
U.S. DEPARTMENT OF ENERGY

*CDBG – Entitlement Grants Cluster - CFDA Nos. 14.218 and 14.253 (ARRA) and
ARRA - Energy Efficiency and Conservation Block Grant CFDA No. 81.128*

- Criteria:* Pass-through entities should ensure that subrecipients expending \$500,000 or more of Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period
- Condition:* The City is not monitoring subrecipients to determine that subrecipients expending \$500,000 or more of Federal awards are receiving the audit required by OMB Circular A-133.
- Cause:* The City did not implement procedures to monitor subrecipient's compliance with audit requirements in accordance with OMB Circular A-133.
- Effect:* Subrecipients could be out of compliance with awards passed-through by the City as well as not following up or correcting audit findings.
- Recommendation:* The City should establish controls to ensure subrecipients expending \$500,000 or more of Federal awards are receiving the required audit per OMB Circular A-133 and that any audit findings are properly followed up on or corrected.

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

Financial Statement Prior Audit Findings

Finding 2009-1 – Audit Adjustments

During the prior audit, we identified misstatements in the financial statements for the year ended December 31, 2009 that were not initially identified by the City's internal control over financial reporting.

Status: *Repeated as Finding 2010-1.*

Finding 2009-2 – Reconciliations and Supervisory Review

During the prior audit, it was noted that various reconciliations were not being completed on a timely basis.

Status: *Corrected during 2010.*

Finding 2009-3 – Utilities System

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

Status: *Repeated as Finding 2010-2.*

Federal Award Prior Audit Findings

Finding 2009-4 – Schedule of Expenditures of Federal Awards

During the prior audit, it was noted that the City did not have effective controls to ensure the completeness and accuracy of the schedule of expenditures of federal awards.

Status: *Repeated as Finding 2010-3.*

Finding 2009-5 – Reporting for CDBG (14.218, 14.253) and HOME (CFDA 14.239)

During the prior audit, it was noted that HUD Form 60002 was not completed or submitted within the required timeframe.

Status: *Repeated as Finding 2010-4.*

Finding 2009-6 – Davis-Bacon for HOME (CFDA 14.239)

During the prior audit, it was noted that the City did not maintain any certified payrolls received with respect to HOME projects nor keep a record of them.

Status: *Repeated as Finding 2010-5.*

Finding 2009-7 – Special Tests and Provisions for HOME (CFDA 14.239)

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

Status: *Repeated as Finding 2010-6.*

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010



PREPARED BY:

DEPARTMENT OF FINANCE

PATRICK MCLEAN, FINANCE DIRECTOR

INTRODUCTORY SECTION

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

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INTRODUCTORY SECTION

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City of Toledo, Ohio

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CITY OF TOLEDO



Michael P. Bell
Mayor

Patrick A. McLean
Director of Finance

August 19, 2011

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

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

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

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

As part of the annual preparation of the CAFR, The City is subject to an annual independent audit of its basic financial statements, which serves to strengthen the City's accounting, budgetary, and internal control of its financial and operational systems. The firm of Clark, Schaefer, Hackett & Co. located in the City of Cincinnati, Ohio has issued an unqualified ("clean") opinion on the City's financial statements for the year ended December 31, 2010. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

Owens-Corning, a 2010 Fortune 500 corporation, has its headquarters in the City, and two other of the 2010 Fortune 500 corporations, Dana Holding Corporation and Owens-Illinois, Inc., have their corporate headquarters in the Toledo MSA.

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

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

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

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

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

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

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

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

MAJOR CITY INITIATIVES

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

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

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

ACCOUNTING SYSTEMS

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

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

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

INTERNAL CONTROLS

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

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

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FIANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2009. This is the twenty-seventh year since 1982 that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,

Patrick A McLean
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Toledo
Ohio

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

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



President

Executive Director

City of Toledo, Ohio
List of Principal Officials

Mayor

Michael P. Bell

Members of Council

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

Clerk of Council

Gerald Dendinger

Director of Finance

Patrick McLean

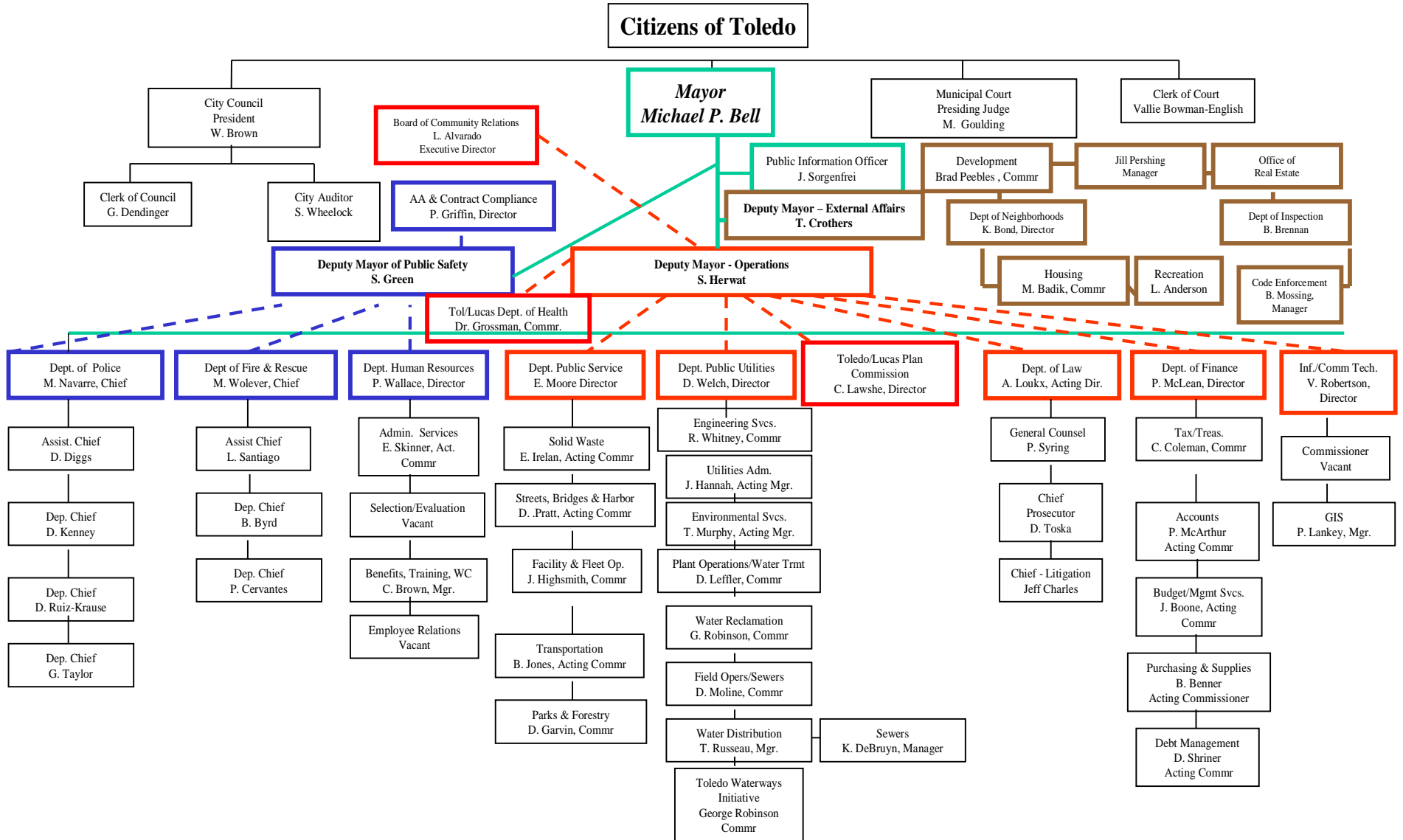
City Treasurer

Clarence Coleman

City Auditor

D. Scott Wheelock

City of Toledo Executive Management Team



City of Toledo, Ohio

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2011 on our consideration of the City of Toledo, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Clark, Schaefer, Harknett & Co.

Cincinnati, Ohio
August 19, 2011

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

As management of the City of Toledo (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

Key financial highlights for 2010 are as follow:

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

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

The government-wide financial statements can be found on pages 33 and 34 of this report.

Fund financial statements

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

Governmental funds

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

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

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

The basic governmental fund financial statements can be found on pages 35 through 38 of this report.

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Proprietary funds

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

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

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

Fiduciary funds

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

The basic fiduciary fund financial statements can be found on page 42 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 through 85 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund and special assessment services fund budget. The City adopts an annual appropriation budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 87 through 94 of this report.

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

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

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Government-Wide Financial Analysis

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

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

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

The largest portion of the City's net assets (86.2 percent) reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment and infrastructure); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these assets.

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

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

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

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

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

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

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

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

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

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

Financial Analysis of the Government's Funds

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

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

General Fund Budgetary Highlights

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

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

Revenues and Other Financing Sources
(amount expressed in thousands)

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

Key elements of the changes in revenues are as follows:

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

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

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

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

Expenditures and Other Uses
(amount expressed in thousands)

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

Key elements of the changes in expenses are as follows:

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

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

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

Capital Asset and Debt Administration

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

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

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

Major capital asset events during 2009 included the following:

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

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

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

Long -term Debt Outstanding
(amounts expressed in thousands)

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

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

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

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

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

These two limitations are referred to as "direct debt limitations." Without consideration of amounts in the City's bond retirement fund, and based on outstanding debt as of December 31, 2010, and then current assessed valuation, the City's voted and unvoted nonexempt debt capacities within the direct debt limitations were:

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

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

Unvoted general obligation debt issued by the City is also subject to an indirect debt limitation, commonly referred to as the "ten-mill limitation," imposed by a combination of provisions of Ohio Constitution and the Ohio Revised Code. Under that limitation, unvoted debt may not be issued unless the ad valorem property tax for the payment of debt service on (a) the bonds (or the bonds in anticipation of which notes are issued), and (b) all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax required for such debt service, in any year is 10 mills or less per \$1.00 of assessed valuation. As of December 31, 2010, the total millage theoretically required by the City and the combination of overlapping taxing subdivisions that, with the City, had the highest millage requirements for debt service on unvoted general obligation debt in any year for their outstanding unvoted general obligation debt was estimated to be 7.7893 mills for the year of the highest potential debt service. There thus remained 2.2107 mills within the ten-mill limitation that had yet to be allocated to debt service and that was available to the City and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

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

Economic Factors and 2011 Budgets and Rates

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

The City is committed to controlling costs, putting the highest premium on safety for our citizens and adopting a budget designed to promote long-term fiscal stability and maintain budget reserves. Increasing productivity and reducing personnel costs will provide the most benefit to the current year budget and future budgets. The City is in process of reviewing several areas of providing services. The City and County are in discussions concerning areas of shared services ranging from vehicle maintenance to communication services. The City and County along with several other municipalities and townships have agreed to participate in a County wide economic development program known as the Lucas County Investment Corporation which will provide county wide economic development initiatives. In addition, the City will continue its investment in job creation in order to continue to grow our economy. The total general fund budget for 2011 is \$ 234.8 million.

Request for Information

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

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

BASIC FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

City of Toledo, Ohio

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

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

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

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

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

Special assessments	\$ 55,190	
Income taxes	9,919	
Delinquent property taxes	2,365	
Capital grants	6,292	
Operating grants	6,590	
Reimbursements from other governments	<u>3,499</u>	83,855

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

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

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at December 31, 2010 are as follows:

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

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

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

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

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

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

City of Toledo, Ohio

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

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

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

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

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

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

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

The long-term liability for compensated absences is not recorded in the funds, but is reported in the statement of activities. This amount is the current year change in the liability, reported as an expense in the statement of activities. 4,710

The long-term liability for landfill closure is not recorded in the funds, but is reported in the statement of activities. This amount is the current year change in the liability, reported as an expense in the statement of activities. (1,730)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) as applied to local government units. The Government Accounts Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB guidance issued after November 30, 1989, to its business-type activities and enterprise funds. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The most significant of the City's accounting policies are described below.

Reporting Entity

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

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

Jointly Governed Organizations

Corrections Commission of Northwest Ohio

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Jointly Governed Organizations (continued)

The six member jurisdiction share in the cost of operation of the Commission based upon the number of beds each are allocated. The funding percentages to each jurisdiction are as follows: City of Toledo – 37.63%, Lucas County – 31.03%, Defiance County – 9.4%, Fulton County – 8.15%, Williams County – 8.15%, and Henry County – 5.64%. The six member jurisdictions each have three representatives (county commissioner/city manager, chief of police/sheriff, and a judge) to serve on the eighteen member board. The degree of control exercised over the Commission by each member jurisdiction is limited to budgeting and financing. The City contributed \$5,570 for the operation of the Commission in 2010. Financial information can be obtained from the Commission’s administrative office located at 03151 Road 2425, Stryker, OH 43557-9418.

City of Toledo-City of Sylvania

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

City of Toledo-Perrysburg Township

In October 2008, the City entered into a contract with Perrysburg Township to create a Joint Economic Development District (JEDD). The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in a payroll income tax that shall be imposed based on the City of Toledo’s Municipal Code at a rate of 2.25% paid by employees of businesses located in the District. The City will receive the first \$223 of revenues and 50% of the remaining revenues generated by this agreement. The City received \$44 in revenues from the JEDD in 2010.

City of Toledo-Lake Township

In August 2009, the City entered into a contract with Lake Township to create a Joint Economic Development District (JEDD). The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in an income tax that shall be imposed based on the City of Toledo’s Municipal Code at a rate of 2.25%. The City will receive 40% of the net revenues generated by this agreement. The City received \$0 in revenues from the JEDD in 2010.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Jointly Governed Organizations (continued)

City of Toledo-Troy Township

In September 2010, the City has entered into a contract with Troy Township to create a Joint Economic Development District (JEDD). The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in an income tax that shall be imposed based on the City of Toledo's Municipal Code at a rate of 2.25%. The City will receive 40% of the net revenues generated by this agreement. The City received \$0 in revenues from the JEDD in 2010.

City of Toledo-City of Rossford

In February 1992, the City has entered into a contract with City of Rossford to create a Joint Economic Development Zone (JEDZ). The purpose of this contract is to facilitate planned, orderly, new and expanded commercial and industrial growth within the region; creating retaining and enhancing employment opportunities for the benefit of Toledo and Rossford and their residents and all of the residents of the region. The agreement results in an income tax that shall be imposed based on the City of Rossford's Municipal Code at a rate of 2.25%. The City will receive approximately 27.33% of the net revenues generated by this agreement. The City received \$0 in revenues from the JEDZ in 2010.

City of Toledo-City of Maumee-Monclova Township

In October 2003 and amended in 2010, the City entered into a contract with City of Maumee and Monclova Township to create a Joint Economic Development Zone (JEDZ). The purpose of this contract is to facilitate planned, orderly, new and expanded commercial and industrial growth within the region; creating retaining and enhancing employment opportunities for the benefit of Toledo, Maumee and Monclova, and their residents and all of the residents of the region. The agreement results in an income tax that shall be imposed based on the City of Maumee's Municipal Code at a rate of 1.5%. The City will receive one fourth of the net revenues generated by this agreement. The City received \$921 in revenues from the JEDZ in 2010.

Basis of Presentation

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (continued)

Government-Wide Financial Statements:

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except fiduciary funds. The activity of the internal service funds are eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year end.

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

Fund Financial Statements:

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise funds financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (continued)

Governmental Funds:

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

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

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

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

Proprietary Funds:

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (continued)

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

Fiduciary Funds:

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

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

Measurement Focus

Government-Wide Financial Statements:

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

Fund Financial Statements:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (continued)

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

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

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

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

Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Under the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, state-levied local shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (continued)

Unearned and Deferred Revenues

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

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

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

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

Expenses/Expenditures

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

Budgetary Information

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (continued)

Cash balances of the City's funds are pooled and invested in order to provide improved cash management. Monies for all funds are maintained in this pool. All of the City's depository accounts are maintained by the general fund and reported on the statement of net assets as "cash and cash equivalents with treasurer".

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

STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments with the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2010.

For the purposes of the statement of cash flows, the Proprietary funds consider all highly liquid investments held by treasurer with an original maturity date of three months or less when purchased, to be cash equivalents. In addition, all cash with treasurer and other cash are also considered to be cash equivalents because they are available to the Proprietary fund on demand.

Inventory of Supplies

Inventories are valued at cost in utilizing the first-in, first out (FIFO) method for Governmental funds, and the lower of cost or market in Proprietary funds and are expensed when used.

Prepaid Items

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

Restricted Assets

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from the expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but not reported in the governmental fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statements of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$500. The City's infrastructure consists of bridges, curbs and gutters, lighting, sidewalks, roads, drainage systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Interest incurred during the construction of capital assets are capitalized in the proprietary funds.

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

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

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "due to/from". Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of assets.

Compensated Absences

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (continued)

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

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Interfund Activity

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

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

Fund Balance Classifications

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

Net Assets

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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

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

1. Has an office located in the City which is capable of providing services requested by the City
2. Has deposits which are insured by the Federal Deposit Insurance Corporation
3. Has Equity Capital in excess of \$50 million or has been approved by an ordinance of City Council following completion of the appeal process
4. Carries a holding company individual credit rating by Fitch of C or better or a credit rating by Highline Financial, LLC of 50 or better.
5. Provides collateralization as required by the Toledo Municipal Code.

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

Deposits

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

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments

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

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

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

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

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

Credit risk for investments is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types and investment and issuer. STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. All other investments of the city are registered and carry an AAA rating by Standard and Poor's.

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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

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

1. City funds either invested in certificates of deposit or deposited in non-demand savings accounts with any one depository shall not exceed 10 percent of the aggregate principal amount of the City's investment portfolio.
2. City funds invested in certificates of deposits in a depository may not exceed 10 percent of the equity capital of the depository at any one time.
3. No more than \$10 million may be invested at any one time through repurchase agreements with any one institution.
4. No more than 40 percent of the aggregate principal amount of the City's investment portfolio shall be invested at any one time in STAR Ohio.
5. No obligation of any of the government agencies or instrumentalities shall be purchased if such purchase would cause more than 25 percent of the aggregate principal amount of the City's investment portfolio as of the settlement date to be invested in the obligations of that individual government agency or instrumentality.
6. The maximum aggregate amount that may be invested for a period longer than 3 years for any one fund shall be 25 percent of the lowest total of all outstanding investments for that fund which occurred during the 12 months immediately prior to the purchase of any security with maturity longer than 3 years. Compliance with this limitation shall be determined as of the settlement date only.
7. City's securities shall not exceed 10 percent of the aggregate principal amount of the City's investment portfolio, calculated only as of the date of purchase of such City's securities. Unless otherwise specified in the ordinance authorizing their issuance, sale and purchase by the City, these securities shall only be purchased to provide interim financing in anticipation of the sale of City debt in the outside market.

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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

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

NOTE 3 – RECEIVABLES

Receivables at December 31, 2010 consist of the following:

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

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

NOTE 4 – INCOME TAXES

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

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

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

NOTE 5 – PROPERTY TAX

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

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined at December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes became a lien on December 31, 2009, are levied on October 1, 2010 are collected in 2011 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes.

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

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

NOTE 5 – PROPERTY TAX (Continued)

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

The County Treasurer collected property taxes on behalf of all taxing districts in the County, including the City of Toledo. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the government funds, the current portion receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

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

Real property (other than public utility)	\$ 3,741,678
Public utility real and tangible personal property	112,681
Tangible personal property	8,483
Total assessed value	<u><u>\$ 3,862,842</u></u>

Special Assessment Services, Improvements and Bond Retirement

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

Special assessment notes are issued for the interim financing of various improvements to be assessed from benefiting property owners. These improvements include streets, alleys, sanitary sewers, sidewalks, storm sewers and water lines. Upon completion of the approved projects, the notes are converted to long-term bonds, which are assessed over a 10 or 20 year period depending on the type and cost of the improvement.

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

NOTE 6 – CAPITAL ASSETS

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

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

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

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

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

NOTE 6 – CAPITAL ASSETS (Continued)

The Department of Housing and Neighborhood Revitalization has purchased land and buildings using Block Grant Funds. The intent of such purchases ultimately is to resell the property for a nominal amount to adjacent property owners or developers for redevelopment purposes. As of December 31, 2010, the Department owned approximately 161 parcels at an estimated historical cost of \$4,414. Due to the uncertainty of the market value or the ability to locate developers, the purchase costs have been recorded as program expenditures in the Block Grant funds in the year of purchase and revenues from the sale of properties are recorded as program revenue in the year of sale.

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

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

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

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

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

NOTE 7 – LONG-TERM OBLIGATIONS

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

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

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

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

The following is a schedule of future principal and interest payments to retire the long-term obligations outstanding at December 31, 2010 for the City’s governmental activities:

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

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

Landfill Closure and Postclosure Care Costs

The City operates the Hoffman Road landfill and accounts for this activity in the General Fund. State and federal regulations require the City to place a final cover on the Hoffman Road site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. The closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste. The City records a liability in the government-wide Statement of Net Assets for the closure and postclosure care costs based on landfill capacity used as of each balance sheet date. A new cell was constructed in 2005 resulting in an increase in capacity; therefore, the landfill can continue to accept solid waste and increase its capacity. Based on the remaining air space and estimated annual tonnage to be taken in, the estimated remaining life of the landfill is 51 years. The \$14,989 reported as landfill closure and postclosure care liability at December 31, 2010 represents the cumulative amount reported to date based on the use of 59.5% of the used capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$10,196 as the remaining used capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010 using the worst case scenario determined by the permit to install. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

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

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

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

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

The following is a schedule of future principal and interest payments to retire the long-term obligations outstanding at December 31, 2010 for the City’s business-type activities:

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

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

New Issues and Advanced Refunding

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

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

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

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

New Issues and Advanced Refunding (continued)

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

Build America and Recovery Zone Economic Development Bonds

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

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

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

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

State Infrastructure Bank

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

Ohio Public Works Commission

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

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

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

Ohio Water Development Authority

Loans payable to the Ohio Water Development Authority (OWDA) are authorized by the Clean Water Act and authorized the administration of the Environmental Protection Agency (EPA) to make grants to states to establish a state water pollution control revolving loan program. The amount of these loans outstanding at December 31, 2010 was \$222,348. Of this amount, \$11,700 is obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. Of this amount \$204,642 is obligations incurred to help finance the sanitary sewage facilities and are to be repaid from charges from sanitary sewer services. The remaining amount of \$6,006 is obligations incurred to help finance the water pollution control related to the landfill remediation projects at the Stickney/Tyler and Dura locations are to be repaid from general receipts of the City.

Arbitrage Regulations

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

NOTE 8 – LEASES AND OTHER COMMITMENTS

Operating Leases

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

Future minimum lease payments on the building are as follows:

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

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

Capital Leases

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and long-term debt liabilities in the governmental and business-type activities.

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

NOTE 8 – LEASES AND OTHER COMMITMENTS (Continued)

Capital Leases

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

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

In 2007, the City entered into a noncancelable long-term lease with Farmers Bank & Capital Trust Co. for the lease of fire trucks. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the government-wide financial statements at \$2,923 less accumulated depreciation of \$147 at December 31, 2010.

In 2007, the City entered into a noncancelable long-term lease with Leasing One Corp. for the lease of ambulances. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the government-wide financial statements at \$840 less accumulated depreciation of \$210 at December 31, 2010.

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

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

In 2010, the City entered into a noncancelable long-term master equipment lease with Wells Fargo Equipment Finance for the lease of ambulances. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the government-wide financial statements at \$1,185 less accumulated depreciation of \$119.

In 2010, the City entered into a noncancelable long-term master equipment lease with Ford Motor Credit for the lease of police cars. The 3 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the government-wide financial statements at \$2,125 less accumulated depreciation of \$110.

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

NOTE 8 – LEASES AND OTHER COMMITMENTS (Continued)

Capital Leases (continued)

Future minimum lease payments on these capital leases together with the present value of the net minimum lease payments as of December 31, 2010 are as follows:

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

Other Commitments

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

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

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

NOTE 9 - INTERFUND ACTIVITY

Interfund balances mainly resulting from the lag between the dates that interfund goods and services are provided, transactions are recorded in the accounting system, and payments between funds are made. At December 31, 2010 the interfund balances consist of the following individual interfund receivables and payables as reported on the fund statements:

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

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

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

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

NOTE 10 – FUND BALANCE

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

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

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

NOTE 11 – PENSION PLANS

Ohio Public Employees Retirement System

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

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

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

NOTE 11 – PENSION PLANS (Continued)

Ohio Public Employees Retirement System (continued)

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

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

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

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

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

Ohio Police and Fire Pension Fund

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

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

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

NOTE 11 – PENSION PLANS (Continued)

Deferred Compensation Plans

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

NOTE 12 – POSTRETIREMENT BENEFIT PLANS

Ohio Public Employees Retirement System

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

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

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

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employees to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, the City contributed at a rate of 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

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

NOTE 12 – POSTRETIREMENT BENEFIT PLANS (Continued)

Ohio Public Employees Retirement System (continued)

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

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

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

Ohio Police and Fire Pension Fund

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

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

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

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

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

NOTE 12 – POSTRETIREMENT BENEFIT PLANS (Continued)

Ohio Police and Fire Pension Fund (continued)

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

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

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

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

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

NOTE 13 – RISK MANAGEMENT

Property and Liability

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

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

NOTE 13 – RISK MANAGEMENT (Continued)

Property and Liability (continued)

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

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

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

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

Workers' Compensation

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

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

NOTE 13 – RISK MANAGEMENT (Continued)

Workers’ Compensation (continued)

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

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

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

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

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

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

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

NOTE 13 – RISK MANAGEMENT (Continued)

Health Insurance

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

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

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

NOTE 14 – ACCOUNTABILITY AND COMPLIANCE

New Pronouncements

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

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

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

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

NOTE 14 – ACCOUNTABILITY AND COMPLIANCE (Continued)

New Pronouncements (continued)

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

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

Fund Balance Deficits

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

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

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

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

NOTE 15 - CONTINGENCIES

Litigation

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

Grants

In 2010, the City received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 16 – RESTATEMENT OF BEGINNING NET ASSETS

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

NOTE 17 - SUBSEQUENT EVENTS

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

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

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

NOTE 17 - SUBSEQUENT EVENTS (Continued)

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

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

City of Toledo, Ohio

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REQUIRED SUPPLEMENTARY INFORMATION

General Fund and Major Special Revenue Fund

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

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

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

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

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

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

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

Annual Budget Process

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

The City's budgetary process is as follows:

Budget

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

Estimated Resources

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

Appropriations

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

Budgetary Level of Control

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

City of Toledo, Ohio

Notes to the Required Supplementary Information

December 31, 2010

Annual Budget Process (continued)

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

Encumbrances

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

Lapsing of Appropriations

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

SUPPLEMENTARY INFORMATION

Major Governmental Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Toledo, Ohio

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Other Governmental Funds

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

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

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

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

City of Toledo, Ohio

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Cemeteries Property Acquisition Site Development	Marina Development	Expendable Trusts	Toledo City Parks	Toledo Home Program	Right Of Way	Total Special Revenue Funds
ASSETS							
Cash and cash equivalents:							
Cash and cash equivalents with treasurer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents held by escrow agent	-	-	-	-	-	-	-
Cash and cash equivalents other	-	1	-	-	-	-	2
Investments	-	-	-	-	-	-	14
Restricted investments	-	-	66	2,449	-	-	2,515
Receivables (net of allowance)	-	10	1,016	16	1,326	-	5,869
Due from other:							
Funds	247	34	4,296	-	-	2	15,726
Governments	-	-	-	-	1,265	-	11,540
Inventory of supplies	-	-	-	-	-	-	721
Total assets	<u>\$ 247</u>	<u>\$ 45</u>	<u>\$ 5,378</u>	<u>\$ 2,465</u>	<u>\$ 2,591</u>	<u>\$ 2</u>	<u>\$ 36,387</u>
LIABILITIES							
Accounts payable	\$ -	\$ 3	\$ 153	\$ 18	\$ 77	\$ -	\$ 4,155
Deposits	-	-	271	-	-	-	430
Retainage	-	-	-	-	-	-	-
Due to other:							
Funds	-	-	-	1,430	2,095	-	5,986
Governments	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	1,265	-	10,170
Accrued wages and benefits	-	-	4	-	4	-	249
Compensated absences payable	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>3</u>	<u>428</u>	<u>1,448</u>	<u>3,441</u>	<u>-</u>	<u>20,990</u>
FUND BALANCES (DEFICIT)							
Nonspendable	-	1	-	-	-	-	723
Restricted	-	-	66	2,449	-	-	8,825
Committed	247	41	4,884	-	-	2	13,071
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	(1,432)	(850)	-	(7,222)
Total fund balance (deficit)	<u>247</u>	<u>42</u>	<u>4,950</u>	<u>1,017</u>	<u>(850)</u>	<u>2</u>	<u>15,397</u>
Total liabilities and fund balance (deficit)	<u>\$ 247</u>	<u>\$ 45</u>	<u>\$ 5,378</u>	<u>\$ 2,465</u>	<u>\$ 2,591</u>	<u>\$ 2</u>	<u>\$ 36,387</u>

City of Toledo, Ohio

Combing Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Special Revenue Funds

For the Year Ended December 31,2010

(amounts expressed in thousands)

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

City of Toledo, Ohio

Combing Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Special Revenue Funds

For the Year Ended December 31,2010

(amounts expressed in thousands)

(continued)

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

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

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

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

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

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

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

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

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

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

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

City of Toledo, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Special Revenue Funds

Golf Improvements

For the Year Ended December 31,2010

(amounts expressed in thousands)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Toledo, Ohio

Nonmajor Debt Service Funds

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

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

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

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

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

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

City of Toledo, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Debt Services Funds

General Obligation

For the Year Ended December 31,2010

(amounts expressed in thousands)

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

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

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

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

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

City of Toledo, Ohio

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Nonmajor Capital Projects Funds

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

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

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

City of Toledo, Ohio

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

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

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

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

City of Toledo, Ohio

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Nonmajor Permanent Funds

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

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

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

City of Toledo, Ohio

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

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

Nonmajor Enterprise Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Toledo, Ohio

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Internal Service Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Toledo, Ohio

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City of Toledo, Ohio

Fiduciary Funds - Agency Funds

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

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

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

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

City of Toledo, Ohio

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STATISTICAL SECTION

City of Toledo, Ohio

Statistical Section

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

Contents

Tables

Financial Trends

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

1 - 4

Revenue Capacity

These schedules contain information to help assess the City's most significant local revenue sources.

5 - 10

Debt Capacity

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

11 - 15

Demographic and Economic Information

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

16 - 18

Operating Information

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

19 - 20

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Source: Lucas County Auditor.

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

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

Source: Lucas County Auditor.

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

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

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

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

Source: Lucas County Auditor.

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

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

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

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

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

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

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

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

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

(amounts expressed in thousands)

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

Source: Lucas County Auditor.

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

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

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

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

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest, depreciation, or amortization expenses.

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

Fiscal Year	City of Toledo Population	Personal Income*	Per Capita Personal Income*	Median Age	Public School Enrollment	Unemployment Rate
		(expressed in thousands)				
2010	287,208	\$ 14,498,105	\$ 35,147	33.8	25,000	10.3%
2009	313,619	14,327,871	34,123	35.1	26,400	12.4%
2008	313,619	14,525,628	34,578	35.1	26,500	8.9%
2007	313,619	14,686,439	34,839	35.3	26,600	7.3%
2006	313,619	14,304,000	32,200	35.3	29,070	6.8%
2005	313,619	13,890,020	31,045	35.3	29,850	7.3%
2004	313,619	13,503,325	30,035	35.3	32,985	8.0%
2003	313,619	13,556,678	29,970	35.3	34,200	8.1%
2002	313,619	13,142,344	28,980	35.3	35,610	8.3%
2001	313,619	12,754,660	28,064	35.3	36,719	5.8%
2000	313,619	12,669,269	27,853	31.7	37,315	5.7%

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

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

* values are calculated using Lucas County statistics

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

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

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

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

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

Source: City of Toledo payroll office

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

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

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

Sources: various city departments

Note: the City implemented GASB Statement 34 in 2002.

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

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

Sources: various city departments

Note: the City implemented GASB Statement 34 in 2002.



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
OCTOBER 11, 2011