

CITY OF TOLEDO, OHIO

Single Audit Reports

Year Ended December 31, 2009



Mary Taylor, CPA
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, 2009 through December 31, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 4, 2010

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CITY OF TOLEDO, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2009

<u>Federal Grantor/Program Title</u>	<u>Grantor 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	various	14.218	\$ 9,545,854
ARRA - Community Development Block Grants ARRA Entitlement Grants	-	14.253	9,410
Total CDBG Entitlement Cluster			<u>9,555,264</u>
Emergency Shelter Grants Program	-	14.231	333,168
Supportive Housing Program	-	14.235	162,647
HOME Investment Partnerships Program	various	14.239	2,744,665
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	-	14.251	8,273
ARRA - Homelessness Prevention and Rapid Re-Housing Program	-	14.257	53,097
Lead-Based Paint Hazard Control in Privately-Owned Housing	-	14.900	1,227,908
Total U.S. Department of Housing and Urban Development			<u>14,085,022</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
High Intensity Drug Trafficking Area (HIDTA) Grants	-	16.000	263,508
Juvenile Justice and Delinquency Prevention - Allocation to States	-	16.540	3,163
Part E - Developing, Testing and Demonstrating Promising New Programs	-	16.541	522,583
ARRA - Public Safety Partnership and Community Policing Grants	-	16.710	958,509
Enforcing Underage Drinking Laws Program	-	16.727	3,112
Edward Byrne Memorial Justice Assistance Grant Program	various	16.738	615,894
Anti-Gang Initiative	-	16.744	59,520
<i>(Passed through Toledo-Lucas County Criminal Justice Coordinating Council):</i>			
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant	-	16.804	1,281,353
<i>(Passed through Ohio's Office of Criminal Justice):</i>			
Violence Against Women Formula Grants	various	16.588	76,747
Local Law Enforcement Block Grant Program	-	16.592	23,188
Community Capacity Development Office	-	16.595	355,953
<i>(Passed through State of Ohio, Attorney General's Office):</i>			
Forensic DNA Backlog Reduction Program	-	16.741	10,032
Total U.S. Department of Justice			<u>4,173,562</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>(Passed through Ohio Department of Transportation):</i>			
Highway Planning and Construction	-	20.205	6,262,519
<i>(Passed through Ohio Department of Highway Safety):</i>			
Safety Belt Performance Grants	-	20.609	13,500
Total U.S. Department of Transportation			<u>6,276,019</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Brownfields Assessment and Cleanup Cooperative Agreements	-	66.818	1,944,503
<i>(Passed through Ohio Environmental Protection Agency):</i>			
Air Pollution Control Program Support	-	66.001	692,290
Total U.S. Environmental Protection Agency			<u>2,636,793</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>(Passed through Ohio Emergency Management Agency):</i>			
Bioterrorism Training and Curriculum Development Program	-	93.996	9,582
Total U.S. Department of Health and Human Services			<u>9,582</u>
<u>U.S. Department of Homeland Security:</u>			
Assistance to Firefighters Grant	-	97.044	74,079
<i>(Passed through Ohio Emergency Management Agency):</i>			
Emergency Management Performance Grants	-	97.042	383,592
Total U.S. Department of Homeland Security			<u>457,671</u>
Total Federal Awards			<u>\$ 27,638,649</u>

CITY OF TOLEDO, OHIO

Notes To Schedule of Expenditures of Federal Awards
Year Ended December 31, 2009

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	\$ 2,065,826
Emergency Shelter Grants	14.231	333,168
Supportive Housing Grants	14.235	<u>70,824</u>
		<u>\$ 2,469,817</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 accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio (the "City") as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 31, 2010. 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 labeled as items 2009-1 and 2009-2 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 deficiencies labeled as 2009-3 and 2009-4 and described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

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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 September 17, 2010.

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

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
August 31, 2010

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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 compliance of the City of Toledo, Ohio (the "City") with the types of compliance requirements described in the U.S. OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. 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 HOME Investments Partnership Program regarding the Davis Bacon Act, nor were we able to satisfy ourselves as to the City's compliance with the requirements by other auditing procedures.

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the City's compliance with the requirements of the HOME Investments Partnership Program regarding the Davis Bacon Act, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of our audit procedures disclosed 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 2009-5, 2009-6, and 2009-7.

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Internal Control Over Compliance

The 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 in order to determine our 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 a certain deficiency in internal control over compliance that we consider to be a material weakness 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-6 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-5 and 2009-7 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, 2009, and have issued our report thereon dated August 31, 2010. 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, Hachett & Co.

Cincinnati, Ohio
September 17, 2010

CITY OF TOLEDO, OHIO
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2009

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 HOME (CFDA 14.239), which was a disclaimer.
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 – Community Development Block Grant/Entitlement Grants - ARRA	
• CFDA 14.239 – HOME Investment Partnerships Program	
• CFDA 14.900 – Lead-Based Paint Hazard Control in Privately-Owned Housing	
• CFDA 16.710 – Public Safety Partnership and Community Policing Grants - ARRA	
• CFDA 16.804 – Edward Bryne Memorial Justice Assistance Grant Program - ARRA	
• CFDA 66.818 – Brownfields Assessment and Cleanup Cooperative Agreements	
Dollar threshold to distinguish between Type A and Type B Programs:	\$829,159
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2009-1 – Audit Adjustments

During the course of our 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. Audit adjustments were necessary to correct errors which primarily related to receivable and revenue recognition for non-exchange transactions. The adjustments related to property taxes and income taxes that resulted in restatements to beginning governmental activities net assets of (\$16.8) million and \$10.7 million, respectively. Other adjustments were needed to book receivables as of December 31, 2009 related to state entitlements, grants, loans, and EMS revenue which approximated \$8.8 million.

Management Response: *With additional staffing beginning employment in 2010 and the implementation of the new SAP financial system, the City of Toledo is confident that internal control procedures will be strengthened and the number of adjustments necessary will be reduced. We have modified our accrual procedures for property taxes and income taxes so that these adjustments should not be necessary in future years.*

Finding 2009-2 – Reconciliations and Supervisory Review

During the course of our audit, we noted certain reconciliations were not being completed on a timely basis:

- A physical inventory of capital assets was taken during 2009, but the capital asset records were not fully reconciled and revised;
- For certain grant and loan programs, a reconciliation of year-to-date expenditures and the corresponding grant receivable or loan payable was not completed; and
- The outstanding debt per the year-end bond book was not reconciled to the general ledger balances for the enterprise funds.

Management Response: *The City of Toledo maintained a fixed asset tally via excel file which was reconciled on an annual basis to the Ross Financial System. With the implementation of the SAP financial system in 2010, the City began utilizing the physical inventory to establish a more detailed and thorough fixed asset record. The City of Toledo expects that future fixed asset records will be completed on a timely basis. With the addition of new accounting staff in the Division of Accounts and the SAP system's greater ability to store supplementary information, the City of Toledo expects to prepare grant and loan reconciliations on a much timelier basis in 2010.*

The City of Toledo Bond Book includes OWDA loans as they are approved. The amount in the Bond Book is the total amount authorized for the City to draw upon. The financial system reflects only the actual draws, which represents the actual liability owed to OWDA. Any variance between the Bond Book and The GL represents undrawn allowable credit. Another variance could include capitalized interest; whereby the financials may include capitalized interest, but the Bond Book does not.

Finding 2009-3 – 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. We continue to work towards a separation of duties, but it has proven extremely difficult due to staffing constraints especially due to the fact that several members of our financial staff have been moved to the ERP project for the City.*

Finding 2009-4 – 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 accuracy and completeness of schedule of expenditures of federal awards is accomplished by diligent and timely review of information received from those departments receiving the awards. This point is being made to all departments and divisions. With the implementation of the SAP financial system and proper staffing of the Division of Accounts, the accuracy will be verified and information properly recorded and reported.*

Section III – Federal Award Findings and Questioned Costs

Finding 2009-5 – 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. Due to significant turnover, 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.

Management Response:

As Affirmative Action/Contract Compliance is no longer providing Section 3 oversight, the Department of Neighborhoods began to require submission of a preliminary Section 3 report with submission of application for all HOME projects with funding request of \$200,000 or more in late spring 2010.

Additionally, submission of a final Section 3 report is now required prior to disbursement of final HOME payment. The submission of the final Section 3 report will be added to the project control log (finance checklist). Final payment will not be disbursed until the submission of a copy of the Section 3 report is received by the Department of Neighborhoods and filed by assigned Neighborhood Specialist and reviewed and approved by Housing Manager.

Finding 2009-6 – 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.

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.

Management Response:

As Affirmative Action/Contract Compliance is no longer providing Davis-Bacon oversight, the Department of Neighborhoods has now designated a Housing Administrator as the Davis-Bacon compliance officer. Upon execution of contracts note, a HOME project with 8 or more HOME-assisted units, the Housing Manager will note the applicability of the Davis-Bacon on the master control log and send notification to the Davis-Bacon compliance officer regarding the name of HOME projects with the 8 or more HOME-assisted project, the project location, and the projected construction start date.

The Davis-Bacon compliance officer will log the HOME project into the Davis-Bacon project log, and the Davis-Bacon compliance officer will notify the project owner and project general contractor by letter of the Davis-Bacon rules and regulations, including the requirement of weekly submission of payroll to the Davis-Bacon compliance officer. Weekly, the Davis-Bacon

compliance officer will receive and review individual Davis-Bacon payroll reports to ensure timely and accurate submission of reports. The Davis-Bacon coordinator will contact the non-compliant project owner, general contractor, Housing Manager, and assigned Neighborhood Development Specialist of any outstanding Davis-Bacon reports and inform them that no payments will be made until the non-compliant project owner has submitted accurate required Davis-Bacon reports. The Davis-Bacon compliance officer will provide the noncompliant project owner, general contractor, Housing Manager, and assigned Neighborhood Development Specialist after submission and successful review of any late Davis-Bacon reports.

Finding 2009-7 – 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.

Management Response:

Upon execution of HOME project contracts, the Housing Manager will add the compliance property standards period for each HOME-assisted rental project on the HOME master control log to identify and document when required inspection. In addition, the Housing Manager will also add the HOME project and relevant information to the property inspection master control log.

The Housing Manager will make assignments for on-site inspection no later than October 1st of each year. All onsite inspections will be completed by assigned staff and inspection monitoring reports returned no later than December 1st of the same year to the Housing Manager. The Housing Manager will review, modify and/or approve monitoring reports no later than December 15th. Corrected monitoring reports with any specific corrective actions and deadlines will be sent by December 31st of the same year.

Financial Statement Prior Audit Findings

Finding 2008-1 – Reconciliations and Supervisory Review

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

Status: Partially corrected during 2009-2.

Finding 2008-2 – Bank Reconciliations

During the prior audit, bank reconciliations for the regular active, payroll, accounts payable, tax refund and utility accounts were not completed timely throughout 2008. It was also noted that cash bail and civil court monthly bank reconciliations did not contain documentation of the preparer, the date prepared, and management's review of the reconciliation.

Status: Corrected.

Finding 2008-3 – Cash, Investments and Disbursements

During the prior audit, it was noted that the Administrative Services Officer had the ability to receive mail, make deposits, record deposits, and make transfers. This individual also could authorize investment transactions, access on-line investment accounts, record investment transactions, and execute electronic funds transfer arrangements. The Administrative Services Officer could prepare checks, sign checks or authorize a mechanical signature of checks, access mechanical signature plates, and mail the checks.

Status: During the current audit, we observed this lack of segregation. However, we also observed certain compensating controls to detect and mitigate the risk, and thus, we have reported in the management letter.

Finding 2008-4 – Capital Asset Management

During the prior audit, the City had not completed a physical inventory of capital assets, with the expectation of one not being performed until the Enterprise Resource Planning (ERP) Program implementation was complete. In addition, capital asset disposals were not properly tracked and accounted for in the City's capital asset detail.

Status: Repeated as part of Finding 2009-2.

Finding 2008-5 – Tax System

During the prior audit, the Security Administrator for the Taxation System (UTAX) had operator access capabilities and access to batches. Detective controls had been implemented which included review of system change logs. However, the situation presented a lack of segregation of duties.

Status: During the current audit, we observed this lack of segregation of duties. However, we also observed certain compensating controls to detect and mitigate the risk, and thus, we reported in the management letter.

Financial Statement Prior Audit Findings (continued)

Finding 2008-6 – 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 2009-3.

Finding 2008-7 – Accounts Payable Cut-off

During the prior audit, there were five out of fifty-three disbursements which were not recorded in the appropriate period.

Status: We noted similar unrecorded liabilities as of December 31, 2009. However, amounts were immaterial to the financial statements individually, and in the aggregate, and thus we reported in the management letter.

Federal Award Prior Audit Findings

Finding 2008-8 – 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 2009-4.

Finding 2008-9 – Activities Allowed or Unallowable for CDBG (CFDA 14.218)

During the prior audit, it was noted that the City's indirect cost allocation plan had not been updated to reflect current financial data since 2004.

Status: Corrected.

Finding 2008-10 – Program Income for CDBG (CFDA 14.218)

During the prior audit, one of the economic development loans that originated in 2008 with disbursement of funds to the borrower was not properly established as a receivable.

Status: Corrected.

Finding 2008-11 – Program Income for HOME (CFDA 14.239)

During the prior audit, it was noted that there was no reconciliation or record keeping process formally established regarding the mortgage loans originated, continued monitoring procedures and reduction of the receivable balance of the mortgage loans on an individual basis with HOME funds.

Status: Corrected.

Federal Award Prior Audit Findings (continued)

Finding 2008-12 – Reporting for 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 2009-5.

Finding 2008-13 – 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 2009-7.

Finding 2008-14 – Eligibility for the Lead-Based Paint Hazard Control Program (CFDA 14.900)

During the prior audit, in a sample of twenty-five transactions selected for testing, one rental housing project undertaken in which the income levels documented on the City's summary sheet was not substantiated by documentation used to make the determination.

Status: Corrected.

Finding 2008-15 – Special Tests and Provisions for the Lead-Based Paint Hazard Control Program (CFDA 14.900)

During the prior audit, in a sample of twenty-five transactions selected for testing, there were two projects which the lead blood testing was not completed within the designated time period and another project to where there was no supporting documentation on file for the blood testing levels documented.

Status: Corrected.

Finding 2008-16 – Reporting for the Assistance for Firefighters Grant Program (CFDA 97.044)

During the prior audit, the final performance report did not accurately depict the type of equipment purchased within the narrative and the equipment schedule detail section. Based on the testing performed, it was noted that all equipment purchased under the grant program was an allowable costs as approved within the initial grant agreement and the amendment filed by the City.

Status: Corrected.

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

DEPARTMENT OF FINANCE



CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

DEPARTMENT OF FINANCE



PREPARED BY:

THE DEPARTMENT OF FINANCE

PATRICK MCLEAN, FINANCE DIRECTOR

INTRODUCTORY SECTION

**CITY OF TOLEDO, OHIO
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CITY OF TOLEDO



Michael P. Bell
Mayor

Patrick A. McLean
Director of Finance

August 31, 2010

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

FORMAL TRANSMITTAL

We are pleased to submit the 2009 Comprehensive Annual Financial Report of the City of Toledo for the year ended December 31, 2009. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations including all disclosure rests with the City. We believe the data is presented in a manner which fairly presents in all material respects the financial position and results of operations of the City, with all the necessary disclosures. Furthermore, we believe the accompanying financial statements, which are presented in conformity with Generally Accepted Accounting Principles (GAAP) and the Ohio Revised Code, contain financial, operating and budgetary information for the year 2009 that will be informative to a variety of users, including taxpayers, citizens and other resource providers.

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

PROFILE OF THE GOVERNMENT

This report includes all the funds, agencies, boards and commissions over which the City is financially accountable. The City provides a full range of municipal services. These services include highways and streets, public safety, water and sanitation, culture and recreation, health and social services, public improvements and planning and zoning. General Administrative Services are not applicable to any particular program and are categorized as such in the financial statements. The City has included in its financial statements the operations of the Clerk of Courts. It has excluded various autonomous entities such as the Toledo City School District, the Toledo Area Regional Transit Authority, the Toledo-Lucas County Port Authority, the Toledo Zoo, the Toledo Hospital, the Toledo Metropolitan Park District and The University of Toledo.

INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC OUTLOOK

The City of Toledo is located in Lucas County in northwestern Ohio. It covers an area of 84 square miles. Toledo, with a population of approximately 316,000, is the fourth largest city in the state of Ohio. 133,100 people are employed within the City limits.

Toledo's economy has experienced the major changes that are typical of most large U.S. cities: Once dominant large manufacturers have felt the effect of global competition. As a result, the emphasis has shifted from very large manufacturing facilities toward small and medium-sized companies with less than 100 employees. Diversification within Toledo's industrial base is being realized through the attraction and development of high-tech, alternative energy and medical bio-tech companies. These companies, realizing their affordable access to Great Lakes shipping and international cargo flights, have directed their focus to international as well as domestic markets.

A successful new manufacturing project demands not only attention to high quality and exceptional service, but also a transportation network which benefits suppliers, manufacturers, and customers by providing a means of moving raw materials and finished product efficiently and effectively. Toledo is in the heartland of such production. Over three-fourths of North America's car and truck final assembly plants are within 500 miles of Toledo and 35 percent of these facilities are within 250 miles. Thirty-six (36) percent of U.S. and 19 percent of Canadian transportation equipment manufacturing are within a 250-mile radius of Toledo. In addition, over 93 million people, comprising 38 percent of the U.S. population and 37 percent of U.S. retail sales reside within 500 miles of Toledo. These statistics are not expected to change significantly in the next decade.

To move products to market efficiently requires a multiple-surface transportation system, including road, rail, water and air capacity. Toledo has an impressive and effective transportation network in place. Toledo ranks as one of the top five rail hubs in the United States. Four rail systems utilize more than 1,200 miles of track within the City. The Port of Toledo is one of the most diverse and productive ports on the Great Lakes/St. Lawrence Seaway system. Toledo Express Airport is the commercial airport serving Northwest Ohio and is the 15th busiest cargo airport in the nation (29th in the world) and is second only to Chicago O'Hare in the Great Lakes Region.

The Toledo MSA serves as a major transportation center. Transportation industry employers provide significant employment. Among those employers is BAX Global International (formerly Burlington Air Express), which operates a cargo distribution hub facility at Toledo Express Airport. BAX Global International now has approximately 900 regular employees at the hub facility.

The City's economy, historically associated with the glass and automotive industries, has become increasingly diversified. The Toledo area remains the home of four of the nation's largest glass manufacturing companies: Owens-Illinois, Inc., Owens-Corning, Pilkington North America, Inc., and Libbey, Inc. Chrysler Group LLC, General Motors Corporation and Dana Corporation also continue to be major employers in the Toledo MSA with approximately 5,500 employees. The Toledo MSA is also one of the larger oil refining centers between Chicago and the eastern seaboard, with BP Oil Co. and Sun Refining and Marketing each operating a major refinery in the MSA. In

recent years, private service industries and governmental employers have provided more than three-fourths of the total employment in the Toledo MSA.

The City 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. In addition, the City is addressing Brownfield redevelopment in a collaborative partnership with property owners.

Downtown Toledo has also seen an increase in economic activity, including the construction of a \$100 million new sports arena opened in Fall of 2009. Over 60 new downtown projects have occurred in the past three years including various retail, office and residential developments. The City of Toledo has provided the private sector with over \$2 million in financial assistance including loans, grants, and tax abatements. The private investment in downtown Toledo in the past few years is an estimated \$40 million.

Toledo has been named as a “City of the Future” in North America and received the No. 1 ranking for “Most Business Friendly” city by London-based fDi (Foreign Direct Investment) among 44 cities in the large-city category.

To compete effectively in a global marketplace, Toledo must continue to promote local, state and federal incentives as opportunities for success to companies outside of its jurisdiction as well as to those seeking to grow from within. Available incentives include the Enterprise Development Loan program offering low-interest loans for new construction, major renovation, fixed asset or inventory acquisition; the Neighborhood Economic Development Loan program for small community-based businesses; core and neighborhood façade grants, and the introduction of two new façade grant areas with the Dorr Street and Reynolds Road Façade Grant Programs; tax abatements in enterprise and community reinvestment areas; and municipal and downtown job creation employment incentive programs.

MAJOR INITIATIVES

Toledoans have a strong work ethic and a proud tradition of excellence in many industries including glassware and automotive. Our green spaces and parks are second to none. Without question, the Art Museum, the Toledo Zoo, Fifth Third Field, home of the Toledo Mud Hens, and the Huntington Center, which hosts a variety of public entertainment events in addition to Toledo Walleye hockey games, are venues of superior quality. Many other amenities grace the Toledo area.

A myriad of financial resources, entrepreneurial savvy, political leadership and a skilled workforce have bonded together to provide Toledo with the opportunity to begin an economic renaissance. The challenge is to attract vibrant new businesses while also offering creative solutions for maintaining our existing employment base. The City of Toledo has recently received a federal allocation of \$12 million for redevelopment of distressed neighborhoods and vacant commercial structures with the Neighborhood Stabilization Program I, and the City of Toledo is currently applying for several additional federal stimulus programs including a \$25 million Neighborhood Stabilization Program II request to HUD to further redevelop distressed neighborhoods and

abandoned commercial structures. Simultaneously, with a cooperative spirit, we labor to make the Toledo region a center for entertainment, sports, culture, education and technology. We continue to make progress toward this goal.

In 2007, Chrysler Group LLC, successor to DaimlerChrysler AG, 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 occur in the past ten years. 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 involved the construction of a bridge across Stickney Avenue and a 45-acre vehicle storage area at an estimated cost of \$9 million. The City, the State and the Port Authority all provided substantial incentives and assistance in connection with these projects. In support of the second project, the City agreed to provide certain property tax incentives, issued bonds to support this project, and constructed the bridge and a paved lot for the storage of new vehicles.

In 2007 General Motors Corporation completed a major capital improvement project at its GM Powertrain Division's Alexis Road transmission plant to prepare it for the production of a new six-speed, rear-wheel drive automatic transmission. The plant improvements 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. In addition, General Motors announced in May 2007 that it intended to produce a new six-speed front-wheel drive automatic transmission at that transmission plant and that it would make additional capital investments to that plant estimated to cost \$332 million to prepare it for that production which was projected to commence in 2010. The plant is expected to be the only General Motors transmission plant making both front-wheel and rear-wheel drive six-speed transmissions. Work on the new project, which includes equipment and tooling to support the new powertrain and related infrastructure improvements, will be completed in June 2010 when the plant becomes operational.

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, the State completed construction of a new bridge for the Interstate 280 crossing of the Maumee River. That bridge, a six-lane, cable-stayed structure with a signature design, is located near the Downtown area of the City and cost approximately \$220 million. In 2008, the City completed a \$48 million project for the improvement of its Martin Luther King Bridge over the Maumee River that joins the Marina District with the Downtown area of the City.

For the Future: The Toledo MSA tax base continued to improve throughout 2009. The Toledo MSA population is anticipated to remain through 2010 at an estimated 620,000.

Penn National Gaming, Inc. has announced that it is developing plans to construct and operate a \$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. A Penn National affiliate has acquired the 44-acre site for the casino and the company has announced that it intends to commence in July 2010 construction of the 125,000-square-foot-facility featuring 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. That facility is estimated to be completed in the second half of 2012. 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 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 get a share of the ad valorem property taxes on the new facility.

Norfolk Southern Railway announced plans for a \$12.76 million project to improve facilities at its intermodal transportation yard in the City and supporting infrastructure. The City obtained 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, while Norfolk Southern is to provide \$4.0 million. Construction is scheduled to begin in 2010 and to be completed by 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.

The City of Toledo has been awarded, through various organizations, more than \$72 million in ARRA Federal Stimulus funded projects in 2009. These projects include roadway improvement construction, retention of police personnel, neighborhood improvements and a wide variety of initiatives that strive to improve the community as a whole.

The Toledo region is a hot bed of solar project initiatives with Xunlight Corporation receiving a \$34.5 million tax credit in 2009 from the Department of Energy to produce lightweight flexible, solar panels. The University of Toledo has been a catalyst for establishing over \$50 million in funding for alternative energy companies in the area. Toledo is trying to reinvent itself from glass technology to solar energy production.

Many cultural and recreational opportunities are available in the City and County. The Toledo Museum of Art, located within the City, is a privately-endowed nonprofit institution noted for the quality of its permanent collection and art education programs, as well as for its displays of traveling exhibits. In the past four years, the Museum has completed a major renovation and restoration of its existing facilities, dedicated a new sculpture garden and opened the state-of-the-art 57,600 square foot Glass Pavilion, an architectural masterpiece that celebrates the City's history as a major center of glass production and houses the museum's vast collection of glass artwork

The City owns and operates 145 parks covering 2,368 acres and the MetroPark District of the Toledo Area operates twelve parks covering 10,500 acres in the county. The state's Maumee Bay State Park, a 1,860-acre park featuring both Lake Erie and inland lake beaches, a links-style public golf course, and a resort and conference center, is located within eight miles of the city. Sailing, boating and fishing are common activities on Lake Erie and the Maumee River, which flows through the City.

A total of 16 private and public golf courses are located in the county. One of these courses, Inverness Country Club, periodically hosts major USGA and PGA Championships and, in 2009, was scheduled to host the NCAA Golf Championship. An LPGA tournament is held in the area annually.

The City is the home to the Toledo Mud Hens, a Class AAA and International League professional baseball team whose parent club is the Detroit Tigers. In 2002, Fifth Third Field, a 10,000-seat County-owned baseball stadium for the Mud Hens, opened in the Warehouse District of the Downtown area of the City. The stadium's design is architecturally compatible with other buildings in that District.

In 2008, Lucas County completed construction of the Huntington Center in the Downtown area of the City near the Seagate Convention Center and Fifth Third Field. The Arena, which cost in excess of \$100 million, is expected to be used for more than 100 events each year, including concerts, minor league hockey and arena football games, and to attract visitors and promote additional development of the Downtown area. The Toledo Mud Hens have acquired the Toledo Walleye, an East Coast Hockey League professional hockey team affiliated with the Detroit Red Wings. The Toledo Walleye commenced playing in the Fall of 2009 in the new Huntington Center.

In addition to activities within the area, the City of Toledo continues to work with entities such as the Regional Growth Partnership in developing national and international ties. The City of Toledo has hosted business delegations from various foreign countries on several occasions.

Like many other state and local governments, the City has been affected by the downturn in the economy over the past several years. City officials have been and are continuing to monitor City spending and income tax collections and other revenues very closely and have taken steps in recent years to control the size and structure of the City's workforce. Officials have also limited expenditures for overtime, trimmed support costs and eliminated expenditures for inefficient and unnecessary contractual services to keep aggregate appropriations in balance with projected revenues.

FINANCIAL INFORMATION

Internal Control: One of the primary objectives of the City's Accounting System is the maintenance of adequate internal controls. The internal controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. Another goal is the reliability of the financial records for preparing financial statements in conformity with GAAP and maintaining accountability for assets. The City has developed the concept of reasonable assurance to recognize that the cost of controls should not exceed the benefits likely to be

derived. Finally, it recognizes that the evaluation of relative control costs and benefits requires management's judgment.

Budgetary Controls: The City of Toledo maintains budgetary controls in conformity with the Ohio Revised Code. The budgetary process commences with the submission of a Certificate of Estimated Revenue and Expenditures for the upcoming year to the County Budget Commission no later than October 31 of the current year.

The City uses the "Certificate" and departmental requests to prepare the Mayor's Estimates. This Executive Budget is presented to City Council as required by law every November. In December, City Council approves a temporary spending measure for the upcoming year, providing spending authority until an Annual Budget is approved but no later than March 31 of the ensuing year. The amount of the temporary spending measure is limited to 25% of the November Mayor's Estimate.

The Finance Committee of City Council immediately commences a review of the Mayor's Estimates upon approval of the temporary spending measure, conducts hearings with the various Divisions and makes various adjustments. These revised estimates are then presented by the Finance Committee to City Council which may make final changes that are incorporated into an Approved Budget.

Legislation summarizing these detailed budgets at the organizational level for personal service and other costs is then approved by City Council as required by law by March 31. Finally, the Approved Budget is submitted to the County Budget Commission to demonstrate compliance with the "Certificate of Estimated Resources."

Management exercises accounting and legal control over the budget process at various levels. Accounting control is maintained at a level of detail much greater than required by ordinance. Expenditures are controlled by organization at the line item account level. The control system is also designed to measure both expenditure and encumbrance activity and preclude approval of any activity that exceeds appropriations at the lowest managerial level of control. When these circumstances occur, management is required to either process necessary administrative budget adjustments, or present legislation as appropriate under the circumstances.

The City prepares a Special Budgetary Comparison Report that compares the level of appropriation authority to the County Budget Commission's "Certificate of Estimated Resources" to demonstrate its legal compliance. In addition, the "Certificate of Estimated Resources" is also compared on a regular and recurring basis to the estimated revenues of the City to identify additional estimated resources. When this occurs, the City prepares and submits an Amended Certificate of Estimated Resources to the County Budget Commission for approval to provide the necessary additional legal spending authority of these resources.

The Finance Department provides all user departments and divisions a monthly budget report for use in monitoring their revenue and expenditure activity. This report is also used to compare budgeted activity to actual for the purpose of periodically supplementing or reducing appropriations

based on proper legislative activity. The Finance Department gives City Council a monthly update on General Fund expense and revenue activity throughout the course of the year.

Debt Administration: The City of Toledo has followed a judicious policy of issuing debt for a variety of projects. Every effort is made to find the optimal funding source for each project. Cash is considered to be the primary choice. The City uses Grants, Loans, Lease Financing, Revenue Debt and General Obligation Debt when cash is not available. Although the full faith and credit of the City is pledged to repay General Obligation Debt, other revenues (from the funded project) are used when available.

At December 31, 2009, the City had a number of debt issues outstanding. These issues included \$159 million of General Obligation Bonds and Notes. Of this, \$6 million is taxable Police and Fire Pension debt owned by the City Treasury as an investment and supported by a property tax levy. In addition, the City also had outstanding \$108 million of Revenue Debt and \$41 million of Special Revenue Notes.

The City's General Obligation Note Program continued on a competitive bid basis for unenhanced and unrated notes. Currently, \$19 million of notes are outstanding bearing interest of 4.0%.

Under the Ohio Revised Code, the City's non-exempt debt issuances (that debt which cannot be excluded from the limits because funding is provided from other sources) are subject to certain legal limits based on assessed valuation. The City's non-exempt debt of \$159 million is well below the limits of \$213 million of unvoted direct debt and \$406 million of direct debt.

During 2009, the City's bond rating with Standard & Poor's was affirmed at "A," and with Moody's Investors Service at "Baa1." However, in May of 2010, the Standard & Poor's rating was reaffirmed at "A", with a negative outlook and Moody's was revised to "A2" with a stable outlook.

Cash Management: Cash temporarily idle during the year was invested in certificates of deposit, the State Treasurer's Investment Pool and securities issued by the U.S. Treasury, several Government Agencies/Instrumentalities and the City in compliance with the City's codified investment policy. The City's investment policy stresses minimizing credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, all funds on deposit with a financial institution were either insured by federal deposit insurance or collateralized. All collateral for deposits was held in the City of Toledo's name by a financial institution acting as the City's Custodian, or by a third party trustee in a collateral pool.

The average yield on investments for 2009 was 3.58%. The City's investment performance is comparable with the average yield on twelve month U.S. Treasury securities at 3.74%. The City earned interest income of \$3 million on all investments for the year ending December 31, 2009.

Risk Management: The City passed a resolution in 1984 to apply the risk management process to accidental and financial losses. It defined that process as a systematic and continuous identification of loss exposures and analysis for frequency and severity probabilities. Further, this process would include the application of sound risk control procedures and financing of risk

consistent with the City's available financial resources. The cost of financing risk internally through deductibles or self-insurance is then allocated to the appropriate funds and organizations within the City.

The Administration has implemented a risk management program through a part-time risk management administrator, workers' compensation manager, loss control specialists and the Joint Union and Management Safety and Health Committee. The responsibility of the risk management administrator includes the development, design, evaluation and review of the risk management process, while the responsibilities of the workers' compensation manager and loss control specialists focus on the area of employee safety and training. The Administration is cognizant of its responsibility in issues of safety and training. As a result, the Joint Union Management Safety and Health Committee (JUMSHC) was formed to review and address specific issues of employee safety and health and meets periodically to recommend safety policies, training and equipment. In addition, a T.E.A.M.S. Quality Circle program is established. T.E.A.M.S. is a name that identifies a Quality Circle program organized by department/divisions that meet weekly. The Administration, knowing that risk management is a "ground's-up" issue involving its employees, encourages participation and involvement. As with the JUMSHC, the T.E.A.M.S. approach provides employees a means to interact with the Administration on issues of safety while providing a forum to identify ways to reduce operational costs and enhance services to the citizens.

While the Ohio General Assembly passed several pieces of legislation to restore and afford limited sovereign immunity to political subdivisions and to provide for alternative financial payment in the form of annuity-type payments, the areas of particular concern to the city's risk management program are the liability exposures and utilization of various transfer techniques, civil rights and discrimination litigation, court judgments and claims settlements, and the availability of excess liability insurance coverage. The Administration continues its commitment to limiting exposures where possible and optimizing coverage when feasible in recognition of its stewardship responsibilities.

The City continued during 2009 to participate in the State "Retrospective Rated Workers' Compensation Plan" as authorized by City Council in 1990. For each individual year of participation, the City pays a basic portion of workers' compensation premium and thereafter the costs for employee claims as they are incurred, subject to the plan's individual claim cost limitation and the City premium limitation. At the end of each individual ten-year period, a determination of retrospective premium is made and payment remitted to the State and the plan for that year is terminated. Policy years 1990 through 1997 are now terminated and payment has been remitted to the State. During 2003 through 2009, the Administration retained an independent actuary to perform an actuarial analysis of the Workers' Compensation Fund to assure financial integrity of the Fund.

OTHER INFORMATION

Independent Audit: The City of Toledo, with the approval of the Auditor of the State of Ohio, engaged the accounting firm of Clark Schaefer Hackett & Co. to conduct its annual audit. The audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in government auditing standards. Additionally, for the eighteenth consecutive year, it also included the additional

procedures necessary to meet the requirements of the Single Audit Act of 1984, as amended in 1996, the related Office of Management and Budget Circular A-133, and the requirements of the Auditor of the State of Ohio for legal compliance purposes. The Auditor's report on the basic financial statements and combining statements and schedules is included in the financial section of this report. The Auditors have issued an unqualified report on the City's 2009 basic financial statements.

AWARDS AND ACKNOWLEDGEMENTS

Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Toledo for its comprehensive annual financial report for the year ended December 31, 2008. This is the twenty-sixth year since 1982 that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. 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.

Acknowledgements: 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,

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Patrick A McLean
Director of Finance

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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, 2008

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.



A stylized handwritten signature in black ink, appearing to read "JHR".

President

A handwritten signature in black ink that reads "Jeffrey R. Enner".

Executive Director

**CITY OF TOLEDO, OHIO
LIST OF PRINCIPAL CITY OFFICIALS**

MAYOR

MICHAEL P. BELL

MEMBERS OF COUNCIL

<u>NAME</u>	<u>LENGTH OF SERVICE</u>
<u>At-Large Seats</u>	
Philip Copeland	Five Years
Rob Ludeman	One Year
Joe McNamara	Four Years
George Sarantou	Eight Years
Adam Martinez	One Year
Steven Steel	One Year
<u>District Seats</u>	
1. Wilma D. Brown (West-Central), President	Ten Years
2. D. Michael Collins (South-West)	Two Years
3. Michael Craig (East Toledo-Historic South)	Four Years
4. Michael Ashford (Central City)	Eight Years
5. Tom Waniewski (North-West)	Two Years
6. Lindsey Webb (North Toledo-Point Place)	Two Years

CLERK OF COUNCIL

Gerald Dendinger

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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, 2009, which collectively comprise the City of Toledo, Ohio's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Toledo, Ohio'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, 2009, 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 31, 2010 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 information on pages F-5 through F-17 and F-88 through F-91, 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, Harshbarger & Co.

Cincinnati, Ohio
August 31, 2010

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CITY OF TOLEDO, OHIO

Management's Discussion and Analysis

As management of the City of Toledo, 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, 2009. 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

- The general fund reported a fund balance of \$(8) million at the end of the current fiscal year. There was a \$12 million decrease in the total general fund balance for the year ended December 31, 2009 from December 31, 2008.
- The assets of the City of Toledo exceeded its liabilities at the close of 2009 by \$814 million. Included in governmental activities liabilities in the Statement of Net Assets is Other Debt totaling \$304 million, is debt for pensions in the amount of \$6 million. This debt is supported by a separate property tax voted by the citizens of the City to fund the initial pension costs of the City's safety forces in the Ohio Police and Fire Pension Fund. The funds to be received for the debt on those pensions are sufficient to pay the net future debt payments but are not included in Taxes Receivable on the Statement of Net Assets.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$16 million. The combined governmental funds fund balance increased \$11 million from the prior year's ending fund balance. Approximately \$(31) million of the combined \$16 million fund balance is considered unreserved at December 31, 2009.
- The City's total debt (including premiums and accrued interest) increased by \$19 million during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements 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.

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 includes two enterprise activities: water and sewer funds.

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 of Toledo 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 non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Toledo adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements (including statement reconciliations) can be found on pages F-24 through F-28 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm sewer, and utility administrative services as well as parking, property management, small business development, tow lot, marina operating, erie street market and Toledo public power. *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. Because 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 F-30 through F-37 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 F-38 of this report.

Notes to the financial statements. The notes are an integral part of the financial statements and 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 F-39 through F-81 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 budget and special assessment service fund. The City adopts an annual appropriation budget for its general fund and special assessment service 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 F-85 through F-91 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major 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 F-95 through F-190 of this report.

Table 1:

City of Toledo						*Restated			
Net Assets									
(amounts expressed in thousands)									
	Government Activities			Business-type Activities			Total		Increase/ (Decrease)
	2009	2008*	Increase/ (Decrease)	2009	2008	Increase/ (Decrease)	2009	2008*	
Current and other assets	\$225,645	\$215,552	\$10,093	\$107,836	\$127,353	(\$19,517)	\$333,481	\$342,905	(\$9,424)
Capital assets	542,424	521,312	21,112	692,108	669,709	22,399	1,234,532	1,191,021	43,511
Total Assets	\$768,069	\$736,864	\$31,205	\$799,944	\$797,062	\$2,882	\$1,568,013	\$1,533,926	\$34,087
L-T liabilities Outstanding	232,377	213,322	19,055	343,142	345,540	(2,398)	575,519	558,862	16,657
Other liabilities	133,284	139,147	(5,863)	44,774	45,876	(1,102)	178,058	185,023	(6,965)
Total liabilities	\$365,661	\$352,469	\$13,192	\$387,916	\$391,416	(\$3,500)	\$753,577	\$743,885	\$9,692
Net assets	\$402,408	\$384,395	\$18,013	\$412,028	\$405,646	\$6,382	\$814,436	\$790,041	\$24,395
Invested in capital assets, net of related debt	\$333,510	\$332,363	\$1,147	\$327,984	\$305,182	\$22,802	\$661,494	\$637,545	\$23,949
Restricted	83,099	52,032	31,067	36,259	41,367	(5,108)	119,358	93,399	25,959
Unrestricted	(14,201)	-	(14,201)	47,785	59,097	(11,312)	33,584	59,097	(25,513)
Total net assets	\$402,408	\$384,395	\$18,013	\$412,028	\$405,646	\$6,382	\$814,436	\$790,041	\$24,395

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position (See Table 1). The City's assets exceeded liabilities by \$814 million at the close of the most recent fiscal year.

The largest portion of the City's net assets (79 %) reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. 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 liabilities.

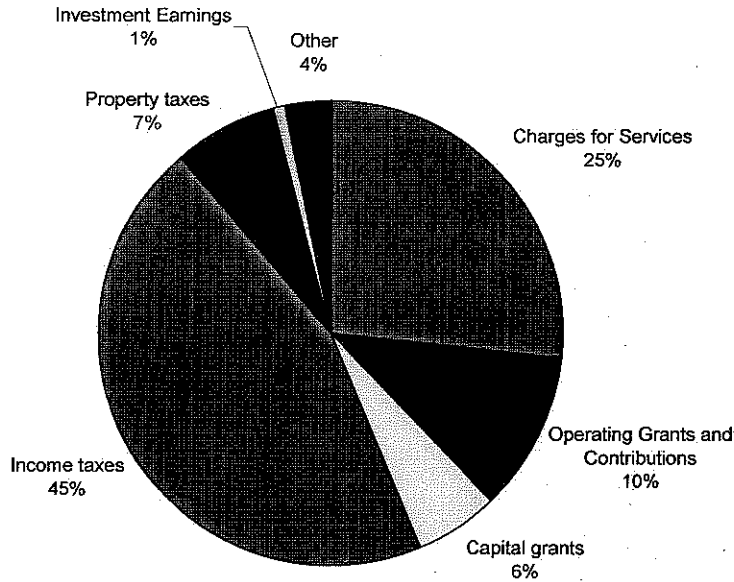
An additional portion of the City's net assets (.6 %) represents resources that are subject to restrictions as to how they may be used. The net assets of the City's business-type activities (\$412 million) may not be used to fund governmental activities. As stated earlier, property taxes to fund pension obligations of \$6 million are not included in Taxes Receivable.

Table 2 provides a summary of the changes in net assets for the year ended December 31, 2009. Comparison data for 2008 is provided for reference purposes. The City's financial position improved for both governmental-type and business-type activities.

Table 2:

City of Toledo							* Restated		
Changes in Net Assets									
(amounts expressed in thousands)									
	Governmental Activities		Increase/ (Decrease)	Business-type Activities		Increase/ (Decrease)	Total	Total	Increase/ (Decrease)
	2009	2008*		2009	2008		2009	2008*	
Revenues:									
Program Revenues:									
Charges for Services	\$93,208	\$82,484	\$10,724	\$111,952	\$118,052	(\$6,100)	\$205,160	\$200,536	\$4,624
Operating Grants and Contributions	40,689	33,081	7,608	-	-	-	40,689	33,081	7,608
Capital grants	18,348	15,537	2,811	-	-	-	18,348	15,537	2,811
General Revenues:									
Income taxes	138,474	154,475	(16,001)	-	-	-	138,474	154,475	(16,001)
Property taxes	15,518	18,078	(2,560)	-	-	-	15,518	18,078	(2,560)
Investment Earnings	2,483	5,582	(3,099)	899	4,064	(3,165)	3,382	9,646	(6,264)
Other	6,928	14,469	(7,541)	280	120	160	7,208	14,589	(7,381)
Total Revenues	\$315,648	\$323,706	(\$8,058)	\$113,131	\$122,236	(\$9,105)	\$428,779	\$445,942	(\$17,163)
Expenses									
General government	\$28,464	\$28,673	(\$209)	-	-	-	\$28,464	\$28,673	(\$209)
Public Service	56,085	57,508	(1,423)	-	-	-	56,085	57,508	(1,423)
Public Safety	157,024	170,767	(13,743)	-	-	-	157,024	170,767	(13,743)
Public Utilities	139	167	(28)	-	-	-	139	167	(28)
Community Environment	19,634	18,915	719	-	-	-	19,634	18,915	719
Health	17,569	19,104	(1,535)	-	-	-	17,569	19,104	(1,535)
Parks & Recreation	6,933	7,397	(464)	-	-	-	6,933	7,397	(464)
Interest on Fiscal Charges	12,442	14,731	(2,289)	-	-	-	12,442	14,731	(2,289)
Water	-	-	-	36,556	36,708	(152)	36,556	36,708	(152)
Sewer	-	-	-	49,974	50,484	(510)	49,974	50,484	(510)
Other	-	-	-	19,564	22,635	(3,071)	19,564	22,635	(3,071)
Total Expenses	\$298,290	\$317,262	(\$18,972)	\$106,094	\$109,827	(3,733)	\$404,384	\$427,089	(\$22,705)
Increase in net assets before transfers	17,358	6,444	10,914	7,037	12,409	(5,372)	24,395	18,853	5,542
Transfers	655	1,232	(577)	(655)	(1,232)	577	-	-	-
Increase in net assets	18,013	7,676	10,337	6,382	11,177	(4,795)	24,395	18,853	5,542
Net asset - January 1st	\$384,395	\$382,784	1,611	\$405,646	\$394,469	\$11,177	\$790,041	\$777,253	\$12,788
Net asset - December 31st	\$402,408	\$384,395	18,013	\$412,028	\$405,646	\$6,382	\$814,436	\$790,041	\$24,395

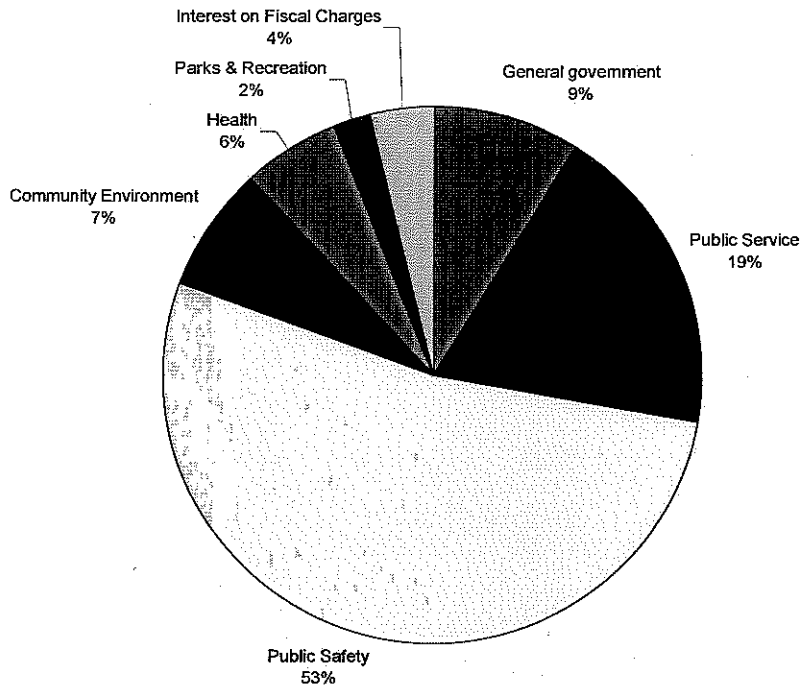
Revenues by Source - Governmental Activities



Governmental activities. Income tax revenue accounts for \$138 million of the \$310 million total revenue for governmental activities, or 45% of total revenue. Income tax collections decreased \$16 million due to the rapid and significant economic downturn in 2009. Property Taxes and Assessments account for \$15 million or 5% of total revenue and Operating Grants and Contributions of \$41 million account for 13% of total governmental revenue.

The City's Charges for Services made up \$93 million or 25% of total governmental revenue. These charges are for user fees, fines and forfeitures, and licenses and permits associated with governmental programs. Charges for services increased \$11 million from 2008 to 2009.

Expenses by Category - Governmental Activities



Public Safety accounts for \$157 million of the \$298 million total expenses for governmental activities, or 53% of total expenses. Public Safety costs decreased \$13 million in 2009 due to decreases in wages and fringe benefits based on retirements and furloughs. The next largest program is Public Service, accounting for \$56 million representing 19% of total governmental expenses. Public Service charges decreased slightly due to decreased costs of materials and equipment.

Business-type activities. The net assets for the business-type activities for the City increased by \$6 million during the year 2009. Much of this can be attributed to new construction and renovation at the City's Sewer Treatment Facilities to meet governmental regulations. Major revenue sources were charges for service of \$112 million which decreased approximately \$6 million. This was due to a decrease in fees to cover costs of new construction and replacement of existing Water and Sewer Facilities.

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, 2009, the City's governmental funds reported combined ending fund balances of \$16 million, an increase of \$11 million in comparison with the prior year. Approximately \$(31) million of this amount constitutes *unreserved fund balance* that is mainly due to interfund payable of notes payable liabilities. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period.

The general fund is the chief operating fund of the City. At December 31, 2008, total fund balance was \$(8) million. The fund balance of the City's general fund decreased \$12 million during 2009.

The capital improvement fund has a total fund balance of \$47 million. The net increase in fund balance during 2009 in this fund was approximately \$20 million. This is due to an issuance of bonds and notes.

The special assessment services fund increased to a deficit balance of \$51 million. Receivables of \$59 million for Special Assessments are offset by the same amount of Deferred Revenue.

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

Unrestricted net assets of the Water fund at the end of the year amounted to \$25 million and unrestricted net assets for the Sewer System was \$27 million. The decrease in the Water funds net assets was \$.4 million and the increase in the Sewer Systems net assets was \$4 million.

The Water fund maintained all significant ratios including a Current Ratio of 2.1, Debt to Net Worth of 4.8, Long Term Debt to Total Capitalization of .6, and Debt Service Coverage Ratio of 3.6. The Sewer fund maintained its significant ratios including Current Ratio of 1.9, Debt to Net Worth of 10.3, Long Term Debt to Total Capitalization of .2, and Debt Service Coverage Ratio of 1.7.

Water revenue decreased 6% to \$36 million. Operating expenses in the water utility remained stable throughout 2009. Operating expenses for the sewer utility decreased 1% due to increased controls on spending. Sewer revenue decreased 3% to \$54 million.

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

There was no significant difference in the grand total of the final general fund total revenue budget as compared to the final budget of \$251 million. The general fund budget was modified to reflect changing economic conditions through 2009. Decreases were made in the major service areas due to the elimination of positions, not filling vacancies, reduction in overtime, and other cost cutting measures.

The following schedule presents a summary of General Fund revenues for the year ended December 31, 2009, and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 3:

Revenues and Other Financing Sources (amounts expressed in thousands)	2009 Amount	% of Total	Increase (Decrease) from 2008	Percent Increase (Decrease)
Income Taxes	\$141,554	62.0	\$ (12,921)	(8.4)
Property Taxes	13,612	6.0	(4,466)	(24.6)
Licenses & Permits	2,079	0.9	(421)	(16.8)
Intergovernmental Services	24,376	10.7	1,029	.4
Charges for Services	19,401	8.5	(264)	(1.3)
Investment Earnings	1,037	0.5	(2,276)	(68.7)
Fines and Forfeitures	4,776	2.1	(1,213)	(20.3)
All Other Revenues	7,164	3.1	5,979	504.6
Other Financing Sources and Transfers In	14,145	6.2	11,898	529.5
Total Revenues & Other Financing Sources	\$228,144	100.0	(\$2,655)	(1.2)

Municipal Income Tax revenue decreased 8.4% in 2009 from 2008. The decrease can be attributed primarily to the fact that the economy contracted in 2009 resulting in lay-offs and furloughs that affected Municipal Income Tax collections.

The decrease in Investment Earnings is a direct result of the fluctuation and downward trend in interest rates. There were decreases in Charges for Services, Fines and Forfeitures, and Licenses & Permits due to slow economic recovery. The City has increased other sources of revenue to mitigate the loss of Income Tax Revenue during 2009.

The following schedule presents a summary of General Fund expenditures for the year ended December 31, 2009 and the percentage of increases and decreases in relation to prior year's amounts.

Table 4:

Expenditures and Other Uses (amounts expressed in thousands)	2009 Amount	% of Total	Increase (Decrease) from 2008	Percent Increase (Decrease)
General Government	\$14,399	5.9	\$ (2,029)	(12.4)
Public Service	1,862	0.8	55	3.0
Public Safety	148,863	62.0	(17,771)	(10.7)
Public Utilities	71	0.0	(45)	(38.8)
Community Environment	4,258	1.8	(1,007)	(19.1)
Health	14,145	5.9	(1,876)	(11.7)
Parks & Recreation	2,333	1.0	(704)	(23.2)
Capital Outlay	19,741	8.2	19,156	3,274.5
Principal Retirement	1,547	0.6	43	2.9
Interest & Fiscal Charges	880	0.4	(37)	(4.0)
Other Financing Uses and Transfers Out	32,269	13.4	5,572	20.9
Total	\$240,368	100.0	\$1,357	0.5

The decrease in General Government is due to decreased costs in personal services, supplies and professional services. The decrease in Public Safety relates to decreased costs in personal services, supplies and professional services. The increase in Capital Outlay is due to an increase in investment in equipment. The increase in Principal Retirement is due to the increase in the costs associated with Debt paid from General Fund. There were no significant variations between the final approved budget and final actual expenditures.

General Fund Equity: Total fund equity (expressed in thousands) in the general fund amounts to \$(8,020) of which \$2,982 is reserved for encumbrances, \$655 is reserved for inventories, \$465 is designated for Future Years' Expenditures, \$4,161 is reserved for landfill remediation, and \$(16,283) is unreserved.

The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. The City did utilize moneys in the Budget Stabilization Designation for expenditures in 2009, 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 decreased from \$2 million at December 31, 2008 to less than \$1 million at December 31, 2009.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for governmental and business-type activities as of December 31, 2009, amounts to \$1,235 million (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 2009 was 4 percent (a 4 percent increase for governmental activities and a 3 percent increase for business-type activities).

Table 5:

City of Toledo						
Capital Assets, net of depreciation.						
(amounts expressed in thousands)						
	Governmental activities includes Internal Service		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$25,131	\$25,131	\$10,874	\$10,874	\$36,005	\$36,005
Buildings	5,548	8,317	25,351	25,929	30,899	34,246
Improvements other than buildings	23,422	24,886	31,696	31,634	55,118	56,520
Machinery and equipment	56,435	34,817	53,202	48,843	109,637	83,660
Infrastructure	431,888	428,161	298,005	248,177	729,893	676,338
Construction in progress	-	-	272,980	304,252	272,980	304,252
Total	\$542,424	\$521,312	\$692,108	\$669,709	\$1,234,532	\$1,191,021

Major capital asset events during 2009 included the following:

- Total capital assets, net of accumulated depreciation, increased \$43 million.
- Business-type activity capital assets increased by \$22 million.
- Governmental activity capital assets increased by \$21 million.

Additional information on the City's capital assets can be found in Note 7 on pages F-60 through F-62 of this report.

Long-term debt. At December 31, 2009, the City, the primary government, had \$671 million of long-term bonds, notes, loans, and other obligations outstanding. General obligation bonds and notes outstanding equal \$144 million and \$16 million for governmental and business-type activities respectively. All assessment bonds issued by the City are also general obligation bonds and are included herein. The remainder of the City's debt represents bonds secured by specified revenue sources (i.e. revenue bonds) and other sources of the City.

Table 6:

City of Toledo						
General Obligation and Revenue Bonds Outstanding						
(amounts expressed in thousands)						
	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds and notes	\$138,703	\$120,809	\$21,960	\$22,755	\$160,663	\$143,564
Revenue bonds and notes	41,200	40,300	109,532	116,193	150,732	156,493
Total	\$179,903	\$161,109	\$131,492	\$138,948	\$311,395	\$300,057

Total long-term bonds and loans outstanding at December 31, 2009 increased over December 31, 2008 according to plan.

On December 31 2009 the City's Bond rating with Standard & Poor's Corporation was A and Moody's Investor Services rated the City Baa1.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2009 the City's total net debt amounted to 9 % of the total assessed value of all property within the City. Unvoted net debt amounted to 5 % of the total assessed value of all property within the City. The City had a legal debt margin for total debt of \$59,893 and a legal debt margin for unvoted debt of \$253,035. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Toledo lies, is limited to 10 mills. This millage is measured against the property values in each overlapping district.

Additional information regarding the City's long-term debt can be found in Note 8 on pages F-62 through F-71 of this report.

Economic Factors and Next Year's Budgets and Rates

The City of Toledo's elected and appointed officials considered many factors when setting the fiscal 2010 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, decreased by 8% during 2009. On a cash basis income tax revenues thru June 30, 2010 were down about 12% compared with the same period in 2009.

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 2010 is \$214 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 the Director of Finance at One Government Center, Suite 2050, Toledo, OH 43604.

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BASIC FINANCIAL STATEMENTS

CITY OF TOLEDO, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

Primary Government

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash	\$ 30,210	\$ 13,585	\$ 43,795
Other Cash	33	332	365
Investments	13,746	25,402	39,148
Restricted Investments	36,772	52,126	88,898
Receivables (Net of Allowance for Uncollectible Accounts)			
Taxes	42,588	---	42,588
Accounts	12,457	19,591	32,048
Special Assessments	60,696	---	60,696
Notes	---	6,110	6,110
Internal Balances	16,706	(16,706)	---
Deferred Debt Issuance Cost	246	2,668	2,914
Due from Other Governments	6,529	88	6,617
Prepaid Items and Expenses	---	34	34
Inventory of Supplies	5,662	4,606	10,268
Capital Assets Not Being Depreciated	25,131	283,854	308,986
Capital Assets Being Depreciated (Net)	<u>517,293</u>	<u>408,254</u>	<u>925,546</u>
Total Assets	<u>\$ 768,069</u>	<u>\$ 799,944</u>	<u>\$1,568,013</u>

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

CITY OF TOLEDO, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
LIABILITIES			
Accounts Payable	\$ 5,921	\$ 2,743	\$ 8,664
Deposits	740	5,885	6,625
Accrued Payroll	11,117	8,774	19,891
Retainages	361	989	1,350
Due to Other Governments	2	---	2
Unearned Revenue	16,688	---	16,688
Other Current Liabilities	26,900	5,402	32,302
Other Debt:			
Due within One Year	71,555	20,981	92,536
Due in More Than One Year	<u>232,377</u>	<u>343,142</u>	<u>575,519</u>
 Total Liabilities	 <u>365,661</u>	 <u>387,916</u>	 <u>753,577</u>
NET ASSETS			
Invested in capital assets, net of related debt	333,510	327,984	661,494
Restricted for:			
Special Assessments	6,215	---	6,215
Debt Service	---	5,177	5,177
Replacement	---	16,280	16,280
Capital Improvements	46,432	14,802	61,234
Other Purposes	30,451	---	30,451
Unrestricted	<u>(14,200)</u>	<u>47,785</u>	<u>33,585</u>
 Total Net Assets	 <u>\$ 402,408</u>	 <u>\$ 412,028</u>	 <u>\$ 814,436</u>

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

CITY OF TOLEDO, OHIO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 28,464	\$ 72,777	\$ 12,761	\$ 3,859	\$ 60,933	\$ ---	\$ 60,933
Public Service	56,085	---	14	2,036	(54,035)	---	(54,035)
Public Safety	157,024	8,103	4,439	594	(143,888)	---	(143,888)
Public Utilities	139	---	---	---	(139)	---	(139)
Community Environment	19,634	6,364	20,320	11,859	18,909	---	18,909
Health	17,569	5,853	2,926	---	(8,790)	---	(8,790)
Parks and Recreation	6,933	111	229	---	(6,593)	---	(6,593)
Interest and Fiscal Charges	12,442	---	---	---	(12,442)	---	(12,442)
Total Governmental Activities	\$ 298,290	\$ 93,208	\$ 40,689	\$ 18,348	\$ (146,045)	\$ ---	\$ (146,045)
Business-Type Activities:							
Water	36,556	35,913	---	---	---	(643)	(643)
Sewer	49,974	54,189	---	---	---	4,215	4,215
Storm Utility	5,191	10,069	---	---	---	4,878	4,878
Utilities Administration	10,185	8,696	---	---	---	(1,489)	(1,489)
Parking	934	1,459	---	---	---	525	525
Property Management	1,949	208	---	---	---	(1,741)	(1,741)
Small Business Development/Exp. Trust	76	---	---	---	---	(76)	(76)
Tow Lot	1,229	1,418	---	---	---	189	189
Total Business-Type Activities	106,094	111,952	---	---	---	5,858	5,858
Total Primary Government	\$ 404,384	\$ 205,160	\$ 40,689	\$ 18,348	\$ (146,045)	\$ 5,858	\$ (140,187)
General Revenues:							
Taxes:							
Income Taxes					138,474	---	138,474
Property Taxes					15,518	---	15,518
Unrestricted Investments Earnings					2,483	899	3,382
Other Revenue/Grants					6,928	280	7,208
Transfers					655	(655)	---
Total General Revenues and Transfers					164,058	524	164,582
Changes in Net Assets					18,013	6,382	24,395
Net Assets-Beginning, Restated					384,395	405,646	790,041
Net Assets-Ending					\$ 402,408	\$ 412,028	\$ 814,436

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

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CITY OF TOLEDO, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>
ASSETS			
Equity in Pooled Cash	\$ 122	\$ -	\$ -
Other Cash	31	-	-
Investments	756	9,297	2,688
Restricted Investments	12,950	16,443	4,197
Receivables (Net of Allowance for Uncollectible Accounts):			
Taxes	42,588	-	-
Accounts	4,994	533	36
Special Assessments	-	-	58,641
Interfund Receivable	9,406	23,741	664
Due From Other Governments	1,289	940	-
Inventory of Supplies	655	845	2,596
Total Assets	<u>\$ 72,791</u>	<u>\$ 51,799</u>	<u>\$ 68,822</u>
LIABILITIES			
Accounts Payable	1,181	2,732	171
Deposits	140	4	-
Accrued Payroll	9,406	260	664
Retainages	-	348	-
Interfund Payable	24,663	403	18,769
Due to Other Governments	-	-	-
Deferred Revenue	28,982	607	58,641
Other Current Liabilities	6,763	-	-
Debt:			
Notes Payable	9,676	114	41,200
Total Liabilities	<u>\$ 80,811</u>	<u>\$ 4,468</u>	<u>\$ 119,445</u>
FUND BALANCES			
Fund Balances (Deficit):			
Reserved for Encumbrances	2,982	14,996	231
Reserved for Inventory of Supplies	655	845	2,596
Reserved for Capital Improvements	-	12,608	-
Reserved for Debt Service	-	-	-
Reserved for Landfill Remediation	4,161	-	-
Reserved for EPA Loan	-	-	-
Unreserved, Reported In:			
General Fund-Designated for Future Years' Expenditures	465	-	-
Capital Projects Funds	-	-	-
Other Funds	-	-	-
Unreserved	(16,283)	18,882	(53,450)
Total Fund Balances	<u>(8,020)</u>	<u>47,331</u>	<u>(50,623)</u>
Total Liabilities and Fund Balances	<u>\$ 72,791</u>	<u>\$ 51,799</u>	<u>\$ 68,822</u>

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

CITY OF TOLEDO, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Non Major Governmental Funds	Total Governmental Funds
ASSETS		
Equity in Pooled Cash	\$ 12,884	\$ 13,006
Other Cash	2	33
Investments	991	13,732
Restricted Investments	3,182	36,772
Receivables (Net of Allowance for Uncollectible Accounts):		
Taxes	-	42,588
Accounts	6,775	12,338
Special Assessments	2,055	60,696
Interfund Receivable	7,914	41,725
Due From Other Governments	4,300	6,529
Inventory of Supplies	804	4,900
Total Assets	\$ 38,907	\$ 232,319
LIABILITIES		
Accounts Payable	809	4,893
Deposits	596	740
Accrued Payroll	787	11,117
Retainages	13	361
Interfund Payable	2,432	46,267
Due to Other Governments	2	2
Deferred Revenue	4,699	92,929
Other Current Liabilities	2	6,765
Debt:		
Notes Payable	2,015	53,005
Total Liabilities	\$ 11,355	\$ 216,079
FUND BALANCES		
Fund Balances (Deficit):		
Reserved for Encumbrances	5,696	23,905
Reserved for Inventory of Supplies	804	4,900
Reserved for Capital Improvements	-	12,608
Reserved for Debt Service	134	134
Reserved for Landfill Remediation	-	4,161
Reserved for EPA Loan	1,495	1,495
Unreserved, Reported In:		
General Fund-Designated for Future Years' Expenditures	-	465
Capital Projects Funds	(1,932)	(1,932)
Other Funds	21,355	21,355
Unreserved	-	(50,851)
Total Fund Balances	27,552	16,240
Total Liabilities and Fund Balances	\$ 38,907	\$ 232,319

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

CITY OF TOLEDO, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

Total governmental fund balances	\$	16,240
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		520,114
Internal service funds are used by management to charge the cost of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of the net assets.		36,334
Long-term assets are not available to pay for current period expenditures and Bond issue costs are not deferred in the funds.		246
Long-term liabilities, including bonds payable, OWDA loans, capital leases, and compensated absences are not due and payable in the current period and therefore are not reported on the funds.		(246,767)
Revenue will be collected beyond the 60 day period use statements. Revenue and a corresponding receivable are included in the government-wide statements.		<u>76,241</u>
Net assets of government activities	\$	<u>402,408</u>

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

CITY OF TOLEDO, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Income Taxes	\$ 141,554	\$ -	\$ -	\$ -	\$ 141,554
Property Taxes	13,612	-	-	-	13,612
Special Assessments	-	-	23,389	576	23,965
Licenses and Permits	2,079	18	-	6	2,103
Intergovernmental Services	24,376	25,468	-	40,098	89,942
Charges for Services	19,401	1,037	390	688	21,516
Investment Earnings	1,037	755	37	654	2,483
Fines and Forfeitures	4,776	-	-	1,195	5,971
All Other Revenue	7,164	104	9	1,376	8,653
Total Revenues	<u>\$ 213,999</u>	<u>\$ 27,382</u>	<u>\$ 23,825</u>	<u>\$ 44,593</u>	<u>\$ 309,799</u>
EXPENDITURES:					
Current:					
General Government	\$ 14,399	\$ -	\$ 727	\$ 2,898	\$ 18,024
Public Service	1,862	-	23,318	10,252	35,432
Public Safety	148,863	-	-	6,177	155,040
Public Utilities	71	-	-	44	115
Community Environment	4,258	-	-	13,759	18,017
Health	14,145	-	584	1,744	16,473
Parks and Recreation	2,333	-	159	250	2,742
Capital Outlay	19,741	28,617	27	2,450	50,835
Debt Service:					
Principal Retirement	1,547	3,916	-	13,440	18,903
Interest and Fiscal Charges	880	3,066	1,241	4,433	9,620
Total Expenditures	<u>\$ 208,099</u>	<u>\$ 35,599</u>	<u>\$ 26,056</u>	<u>\$ 55,447</u>	<u>\$ 325,201</u>
Excess (Deficiency) of Revenues/over Expenditures	<u>5,900</u>	<u>(8,217)</u>	<u>(2,231)</u>	<u>(10,854)</u>	<u>(15,402)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In	1,943	31,404	110	20,436	53,893
Transfers (Out)	(32,269)	(29,038)	(9)	(4,587)	(65,903)
Bond Issuance of Debt	12,200	18,075	-	115	30,390
Capital Lease Proceeds	-	3,763	-	-	3,763
Note Proceeds	-	3,887	-	-	3,887
Premium on Bonds	2	533	205	6	746
Total Other Financing Sources and Uses:	<u>\$ (18,124)</u>	<u>\$ 28,624</u>	<u>\$ 306</u>	<u>\$ 15,970</u>	<u>\$ 26,776</u>
Net Change in Fund Balance	(12,224)	20,407	(1,925)	5,116	11,374
Fund Balances (Deficit) at Beginning of Year	4,391	27,069	(48,980)	22,396	4,876
Change in Reserve for Inventory	(187)	(145)	282	40	(10)
Fund Balance (Deficit) at Year End	<u>\$ (8,020)</u>	<u>\$ 47,331</u>	<u>\$ (50,623)</u>	<u>\$ 27,552</u>	<u>\$ 16,240</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 OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

Net change in fund balances – total governmental funds	\$	11,374
Change in Inventory		(10)
Change in Long Term Assets		(16)

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 those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$50,835) were less than depreciation (\$38,776) in the current period. 12,059

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 4,618

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt. (21,681)

The net gain of certain activities of internal service funds is reported with governmental activities. 11,669

Change in net assets of governmental activities. \$ 18,013

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

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**CITY OF TOLEDO, OHIO
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2009
 (AMOUNTS IN THOUSANDS)**

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Non Major Enterprise</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
ASSETS					
Current Assets					
Equity in Pooled Cash	\$ 4,945	\$ 5,642	\$ 2,998	13,585	\$ 17,204
Other Cash	325	6	1	332	-
Investments	10,248	12,238	2,916	25,402	14
Restricted Investments	19,266	12,740	20,120	52,126	-
Receivables (Net of Allowance for Uncollectible Accounts):					
Accounts	5,685	11,093	2,813	19,591	119
Notes	-	-	6,110	6,110	-
Interfund Receivable	19,417	22,757	7,308	49,482	22,265
Due From Other Governments	26	22	40	88	-
Prepaid Expenses	-	-	34	34	-
Inventory of Supplies	3,882	695	29	4,606	762
Total Current Assets	<u>63,794</u>	<u>65,193</u>	<u>42,369</u>	<u>171,356</u>	<u>40,364</u>
Non-Current Assets					
Property, Plant and Equipment					
Land	1,762	163	8,949	10,874	350
Buildings	13,933	32,796	28,850	75,579	1,111
Improvements	12,099	51,992	8,217	72,308	463
Machinery and Equipment	30,552	80,548	1,888	112,988	70,190
Furniture and Fixtures	405	948	618	1,971	100
Distribution System	216,559	307,552	11,294	535,405	-
Construction in Progress	25,232	234,244	13,504	272,980	-
Less: Accumulated Depreciation	<u>(102,500)</u>	<u>(266,749)</u>	<u>(20,748)</u>	<u>(389,997)</u>	<u>(49,904)</u>
Net Property, Plant and Equipment	<u>198,042</u>	<u>441,494</u>	<u>52,572</u>	<u>692,108</u>	<u>22,310</u>
Other Assets:					
Deferred Debt Issuance Cost	2,053	615	-	2,668	-
Total Non-Current Assets	<u>200,095</u>	<u>442,109</u>	<u>52,572</u>	<u>694,776</u>	<u>22,310</u>
Total Assets	<u>\$ 263,889</u>	<u>\$ 507,302</u>	<u>\$ 94,941</u>	<u>866,132</u>	<u>\$ 62,674</u>

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

**CITY OF TOLEDO, OHIO
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2009
 (AMOUNTS IN THOUSANDS)**

	<u>Water</u>	<u>Sewer</u>	<u>Non Major Enterprise</u>	<u>Total</u>	<u>Internal Service Funds</u>
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts Payable	\$ 854	\$ 1,207	\$ 682	\$ 2,743	\$ 1,028
Deposits	3,437	2,447	1	5,885	-
Accrued Payroll	2,529	4,798	1,447	8,774	-
Retainages	527	367	95	989	-
Interfund Payable	22,613	20,790	22,785	66,188	1,017
Other Current Liabilities	-	5,364	38	5,402	20,135
Current Portion of Long Term Debt	7,681	11,230	2,070	20,981	4,160
Total Current Liabilities	<u>37,641</u>	<u>46,203</u>	<u>27,118</u>	<u>110,962</u>	<u>26,340</u>
Debt:					
Notes Payable	12,754	198,379	4,973	216,106	-
General Obligation Bonds Payable	-	-	20,864	20,864	-
Revenue Bonds Payable	69,960	30,325	-	100,285	-
Capital Lease Obligation	-	-	5,887	5,887	-
Total Long-Term Liabilities	<u>82,714</u>	<u>228,704</u>	<u>31,724</u>	<u>343,142</u>	<u>-</u>
Total Liabilities	<u>120,355</u>	<u>274,907</u>	<u>58,842</u>	<u>454,104</u>	<u>26,340</u>
NET ASSETS					
Invested in Capital Assets					
net of related debt:	107,647	201,560	18,777	327,984	18,150
Restricted for Debt Service	781	4,010	386	5,177	-
Restricted for Replacement	9,848	-	6,432	16,280	2,000
Restricted for Improvement	-	-	14,802	14,802	-
Unrestricted	25,258	26,825	(4,298)	47,785	16,184
Total Net Assets	<u>\$ 143,534</u>	<u>\$ 232,395</u>	<u>\$ 36,099</u>	<u>\$ 412,028</u>	<u>\$ 36,334</u>

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

CITY OF TOLEDO, OHIO
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental
	<u>Water</u>	<u>Sewer</u>	<u>Non Major</u> <u>Enterprise</u>	<u>Total</u>	Activities - Internal Service Funds
OPERATING REVENUES:					
Charges for Services	\$ 35,813	\$ 54,094	\$ 20,573	\$ 110,480	\$ 25,917
Other Revenue	100	95	1,277	1,472	283
Total Operating Revenues	<u>35,913</u>	<u>54,189</u>	<u>21,850</u>	<u>111,952</u>	<u>26,200</u>
OPERATING EXPENSES:					
Personal Services	11,135	14,451	8,746	34,332	6,034
Contractual Services	7,872	10,424	6,302	24,598	10,167
Materials and Supplies	5,498	2,297	646	8,441	5,494
Utilities	2,342	3,438	145	5,925	998
Depreciation and Amortization	5,438	8,202	1,605	15,245	4,231
Total Operating Expenses	<u>32,285</u>	<u>38,812</u>	<u>17,444</u>	<u>88,541</u>	<u>26,924</u>
	<u>3,628</u>	<u>15,377</u>	<u>4,406</u>	<u>23,411</u>	<u>(724)</u>
NON-OPERATING REVENUES (EXPENSES):					
Investment Earnings	349	122	428	899	-
Interest Expense and Fiscal Charges	(4,271)	(10,632)	(2,119)	(17,022)	(272)
Other Revenue (Expenses)	25	(530)	255	(250)	-
Total Nonoperating Revenues (Expenses)	<u>(3,897)</u>	<u>(11,040)</u>	<u>(1,436)</u>	<u>(16,373)</u>	<u>(272)</u>
Income (Loss) before Transfers	(269)	4,337	2,970	7,038	(996)
Transfers In	-	-	1,447	1,447	13,226
Transfers (Out)	(90)	(168)	(1,844)	(2,102)	(561)
Total Transfers In (Out)	<u>(90)</u>	<u>(168)</u>	<u>(397)</u>	<u>(655)</u>	<u>12,665</u>
Change in net assets	(359)	4,169	2,573	6,383	11,669
Net Assets at Beginning of Year	<u>143,893</u>	<u>228,226</u>	<u>33,526</u>	<u>405,645</u>	<u>24,665</u>
Net Assets at End of Year	<u>\$ 143,534</u>	<u>\$ 232,395</u>	<u>\$ 36,099</u>	<u>\$ 412,028</u>	<u>\$ 36,334</u>

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

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City of Toledo, Ohio
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2009
(Amounts in Thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>
Cash Flows from Operating Activity			
Receipts from Customers	\$37,561	\$ 53,980	\$ 20,860
Payments to Suppliers	(17,856)	(21,970)	(10,349)
Payments to Employees	(11,135)	(14,451)	(8,746)
Other Receipts	<u>100</u>	<u>95</u>	<u>1,277</u>
Net Cash Provided by (Used for) Operating Activity	<u>8,670</u>	<u>17,654</u>	<u>3,042</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	---	---	1,447
Transfers Out	<u>(90)</u>	<u>(168)</u>	<u>(1,844)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(90)</u>	<u>(168)</u>	<u>(397)</u>
Cash Flows from Capital & Related Financing Activities:			
Acquisition and Construction of Capital Assets	(10,386)	(17,993)	(3,925)
Principal Paid on Bond Maturities	(4,982)	(17,158)	(5,945)
Issuance of Revenue Bonds and Notes	103	17,817	4,211
Federal Grants	-	-	-
Interest Expense and Fiscal Charges	(4,271)	(10,632)	(2,119)
Proceeds from Grants and Other Expenses	<u>25</u>	<u>(530)</u>	<u>255</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(19,511)</u>	<u>(28,496)</u>	<u>(7,523)</u>
Cash Flows from Investing Activities:			
Purchase of Investment Securities	(171,543)	(98,336)	(160,000)
Sale and Maturities of Investment Securities	186,217	103,984	163,285
Investment Earnings and Dividends on Investments	<u>349</u>	<u>122</u>	<u>428</u>
Net Cash Provided by (Used for) Investing Activities	<u>15,023</u>	<u>5,770</u>	<u>3,713</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,092	(5,240)	(1,165)
Cash and Cash Equivalents (Restricted and Unrestricted) at Beginning of Year	<u>1,178</u>	<u>10,888</u>	<u>4,164</u>
Cash and Cash Equivalents (Restricted and Unrestricted) at End of Year	<u>\$ 5,270</u>	<u>\$ 5,648</u>	<u>\$ 2,999</u>

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

City of Toledo, Ohio
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2009
(Amounts in Thousands)

	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity		
Receipts from Customers	\$112,401	\$ 25,867
Payments to Suppliers	(50,175)	(23,760)
Payment to Employees	(34,332)	(6,034)
Other Receipts	<u>1,472</u>	<u>268</u>
Net Cash Provided by (Used for) Operating Activity	<u>29,366</u>	<u>(3,659)</u>
Cash Flows from Noncapital Financing Activities:		
Transfers In	1,447	13,226
Transfers Out	<u>(2,012)</u>	<u>(561)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>655</u>	<u>12,665</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(32,304)	(13,283)
Principal Paid on Bond Maturities	(28,085)	(9,930)
Issuance of Revenue Bonds and Notes	22,131	8,320
Federal Grants	--	--
Interest Expense and Fiscal Charges	(17,022)	(272)
Proceeds from Grants and Other Expenses	<u>(250)</u>	<u>(331)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(55,530)</u>	<u>(15,496)</u>
Cash Flows from Investing Activity:		
(Purchase) of Investment Securities	(429,879)	---
Sale and Maturities of Investment Securities	453,486	60
Investment Earnings and Dividends on Investments	<u>899</u>	<u>---</u>
Net Cash Provided by (Used for) Investing Activities	<u>24,506</u>	<u>60</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,313)	(6,430)
Cash and Cash Equivalents (Restricted and Unrestricted) at Beginning of Year	<u>16,230</u>	<u>23,634</u>
Cash and Cash Equivalents (Restricted and Unrestricted) at End of Year	<u>\$ 13,917</u>	<u>\$ 17,204</u>

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

City of Toledo, Ohio
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2009
(Amounts in Thousands)
(Continued)

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>
Cash Flows from Operating Activity:			
Operating Income (Loss)	\$ 3,628	\$ 15,377	\$ 4,406
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization	5,438	8,202	1,605
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	1,748	(114)	287
(Increase) Decrease in Prepaid Expenses	--	58	327
(Increase) Decrease in Interfund Balances	6,564	1,656	(2,973)
(Increase) Decrease in Due from Other Governments	(26)	(22)	16
(Increase) Decrease in Deferred Debt Issuance Costs	--	--	--
(Increase) Decrease in Inventory of Supplies	(553)	(22)	(20)
Increase (Decrease) in Accounts Payable	(1,848)	(1,951)	65
Increase (Decrease) in Deposits & Accrued Payroll	137	(21)	1,427
Increase (Decrease) in Retainage	208	(1,326)	6
Increase (Decrease) in Interfund Balances	(5,943)	(5,421)	(2,104)
Increase (Decrease) in Due to Other Governments	--	(99)	--
Increase (Decrease) in Other Current Liabilities	<u>(683)</u>	<u>1,337</u>	<u>--</u>
Total Adjustments	5,042	2,277	(1,364)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 8,670</u>	<u>\$17,654</u>	<u>\$ 3,042</u>

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

City of Toledo, Ohio
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2009
(Amounts in Thousands)
(Continued)

	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity:		
Operating Income (Loss)	\$ 23,411	\$ (724)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Amortization	15,245	4,231
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	1,921	(51)
(Increase) Decrease in Prepaid Expenses	385	--
(Increase) Decrease in Interfund Balances	5,247	(4,545)
(Increase) Decrease in Due from Other Governments	(32)	--
(Increase) Decrease in Deferred Debt Issuance Costs	--	--
(Increase) Decrease in Inventory of Supplies	(595)	(125)
Increase (Decrease) in Accounts Payable	(3,734)	(987)
Increase (Decrease) in Deposits & Accrued Payroll	1,543	(1,767)
Increase (Decrease) in Retainage	(1,112)	--
Increase (Decrease) in Interfund Balances	(13,468)	275
Increase (Decrease) in Due to Other Governments	(99)	--
Increase (Decrease) in Other Current Liabilities	<u>654</u>	<u>34</u>
Total Adjustments	<u>5,955</u>	<u>(2,935)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 29,366</u>	<u>\$ (3,659)</u>

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

CITY OF TOLEDO, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS-AGENCY
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Total</u>
ASSETS	
Equity in Pooled Cash	\$ 1,464
Investments	<u>949</u>
Total Assets	<u>\$ 2,413</u>
LIABILITIES	
Liabilities	
Accounts Payable	\$ 56
Deposits	949
Other Current Liabilities	<u>1,408</u>
Total Liabilities	<u>\$ 2,413</u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND 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 City government operates as a Strong Mayor/Council form of government. The Charter authorizes the following services: Public Safety, Highways and Streets, Water and Sanitation, Health and Social Services, Culture-Recreation, Public Improvements, Planning and Zoning, and General Administrative Services.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The more significant of the City's accounting policies are described below:

A. Reporting Entity

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The accompanying financial statements present the City of Toledo (the Primary Government) which does not have any component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, even though agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Income taxes, property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital improvements fund* accounts for construction, improvement and acquisition of buildings and infrastructure.

The *special assessment services fund* accounts for the proceeds of special assessments (and related note sales) levied against property benefited from City services.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The government reports the following major proprietary funds:

The *water and sewer funds* account for the activities of these funds. These funds operate the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Additionally, the government reports the following fund types:

Internal service funds account for data processing and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

General Agency – which accounts for various licenses, fees and taxes, such as restaurant licenses, that the City collects as an agent for the State of Ohio; and to account for bonds and other monies deposited with the Municipal Court.

Municipal Court – an agency fund that accounts 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.

The City accounts for its Proprietary Fund Financial statements consistent with all applicable GASB pronouncements, as well as the guidance of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict those of GASB. The City has elected not to apply the provisions of the FASB Guidance issued after November 30, 1989.

D. Basis of Financial Statement Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (expenses).

The various funds are summarized by type in the combined financial statements. The following fund types are used by the City:

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Financial Statement Presentation - Fund Accounting (Continued)

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. Governmental Funds are accounted for on a spending or "financial flow" measurement focus. The acquisition and use of available spendable resources during the year and balances of the City's available spendable financial resources at the end of the year are measured in Governmental Funds. The following are the City's Governmental Fund types:

General Fund - The General Fund is used to account for all resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

Permanent Funds - Permanent Funds account for resources that are held in trust for a specific time and purpose.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Proprietary Funds

Proprietary Funds are used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector.

Proprietary Funds are accounted for on a "cost of service" or "economic resources" measurement focus. This means that all assets and liabilities associated with their activity are included on their balance sheets, and operating statements present increases and decreases in total net assets. Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Water System, Wastewater Treatment Plant and Sewer System and of the Internal Service Funds are charges to customers for services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Financial Statement Presentation - Fund Accounting (Continued)

The following are the City's Proprietary Fund types:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for economic resources, public policy, management control accountability or other purposes.

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, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds

Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

E. 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.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Annual Budget Process (Continued)

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.

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, 2009 is available for public inspection at the Department of Finance's Office.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is reappropriated.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Proprietary Funds consider Equity in Pooled Cash and Other Cash to be cash equivalents.

G. Investments

Investments consist primarily of certificates of deposit, repurchase agreements, government securities, and the State Treasurer's Investment Pool (Star Ohio) and are stated at fair value. The fair value of the State Treasurer's Investment Pool is Star Ohio's share price, which is the price at which the investment could be sold. Star Ohio is an investment pool managed by the State Treasurer's office which allows governments 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 27 of the Investment Company Act of 1940. The Pool is subject to the Ohio Revised Code and an annual audit as of December 31, 2009 by an independent CPA firm. Interest earned from investments purchased with pooled cash is credited to the General Fund, except as stipulated by ordinance.

H. Inventory of Supplies

Inventory is valued at cost in Governmental Funds, and the lower of cost or market in Proprietary Funds on the first-in, first-out (FIFO) method. Inventory in the Governmental Funds consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are purchased. Recorded inventories in the Governmental Fund types are equally offset by a fund balance reserve that indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

I. Restricted Assets

Proceeds from debt and other assets set aside for specific purposes are classified as restricted assets since their use is limited by applicable bond indentures.

J. Property, Plant and Equipment

Property, plant and equipment are stated at cost or estimated historical cost or, if donated, at fair market value at the date donated. All Property, Plant and Equipment with an individual cost of \$500 (Five Hundred Dollars) or greater are capitalized. Infrastructure consisting of roads, bridges, curbs and gutters, sidewalks, drainage systems, lighting systems and water and sewer lines are capitalized in the applicable governmental or business type activities column in the government-wide financial statements.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Depreciation

Depreciation for all capital assets is determined by depreciating the cost of capital assets over the estimated useful lives of the assets on the straight-line basis. The estimated useful lives are as follows:

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

Depreciation expense is charged to Operations for Proprietary Fund capital assets and Governmental Activities capital assets in the government-wide financial statements.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Special Assessment Services and Improvements

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. The assessments receivable relating to such services, including interest, amounted to \$58,641 at December 31, 2009 and will be collected in 2010 and 2011.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Special Assessment Services and Improvements (Continued)

Special assessment notes are issued for the interim financing of various improvements to be assessed from benefiting property owners. Interest expenditures on special assessment notes amounted to \$215 in 2009. 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. As of December 31, 2009, the assessments receivable on such assessed improvement projects amounted to \$1,729.

N. Special Assessment Bond Retirement

Special assessment bonds are issued to finance the assessed portion of the cost of streets, alleys, sanitary sewers, sidewalks, storm sewers and water lines. These bonds are due in varying annual debt service payments ranging from \$35 in 2009 to \$15 in 2013. At December 31, 2009, the assessments receivable for bond retirements was \$326.

O. Compensated Absences

The City accrues vacation pay, compensatory time off, and sick leave as accrued wages and benefits payable when earned by employees using the "termination method." For Governmental Fund types, the liability not requiring expendable available financial resources is a long-term obligation, since compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave paid out following an employee's resignation or retirement). Any Governmental fund that records personnel costs may increase or decrease the compensated absence liability. Those Governmental funds include the General Fund, the Special Revenue Funds and the Capital funds. The current obligations of all Funds and the long-term obligations of Proprietary Funds are fully funded.

Vacation time is earned in the current year and is required to be taken in the subsequent year. Upon approval, any unused amounts may be carried over for an additional four months. Employees have the option of receiving compensatory time off in lieu of pay for overtime worked. Compensatory time off earned in the current year which is in excess of one hundred hours must be taken by April 30 of the subsequent year. Unused sick days may be accumulated without limitation. Typically, the General Fund, SCMR Fund and Special Assessment Service Fund liquidate the liability for compensated absences. Upon retirement, death or leaving the City's employment with qualifying years of service, an employee is paid one-half of the first sixteen hundred unused sick hours and the total of any remaining accumulated hours.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Transactions

During the course of normal operations, the City has numerous transactions between Funds, including expenditures and transfers of resources to provide services, fund capital improvements and service debt. The accompanying financial statements generally reflect such routine transactions as transfers. Operating subsidies are also recorded as transfers.

	Transfer In						Total
	General Fund	Capital Improvement Fund	Special Assessment Services	Non-Major Governmental Funds	Non-Major Enterprise Funds	Internal Service Funds	
Transfer Out:							
General Fund	\$ --	\$ 30,992	\$ --	\$ 17	\$ 1,259	\$ 1	\$32,269
Capital Improvement Fund	248	--	--	16,073	54	12,663	29,038
Special Assessment Services	--	--	--	--	9	--	9
Non-Major Governmental Funds	344	412	110	3,721	--	--	4,587
Water Funds	--	--	--	90	--	--	90
Sewer Funds	--	--	--	168	--	--	168
Non-Major Enterprise Funds	1,351	--	--	367	125	1	1,844
Internal Service Funds	--	--	--	--	--	561	561
Total Transfers In:	\$1,943	\$31,404	\$110	\$20,436	\$ 1,447	\$13,226	\$68,566

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or Acts of God. As required by state law, the City is registered and insured through The Industrial Commission of Ohio and Bureau of Workers' Compensation for injuries to its employees. During fiscal 1988, the City established the Risk Management Fund (an internal service fund) to account for and finance insurance premiums, excluding workers' compensation premiums, and uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for all general liability claims, and up to \$100 for each property damage claim. The City has purchased commercial insurance for property claims in excess of the foregoing deductible.

All funds of the City participate in the program and make payments to the Risk Management Fund based on actuarial estimates for the amounts needed to pay prior and current year claims and to establish a reserve for other accrued liabilities. The \$1,560 claims liability reported in the Risk Management Fund, an Internal Service Fund, at December 31, 2009 is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Risk Management Fund's claim liability amount in fiscal years 2007, 2008 and 2009 were:

	<u>Balance at Beginning of Year</u>	<u>Current-Year Claims and Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2007	2,030	(90)	510	1,430
2008	1,430	659	529	1,560
2009	1,560	610	610	1,560

None of the City's settlements have exceeded the insurance coverage for each of the past three fiscal years.

During fiscal 1990, the City established a Workers' Compensation Fund (an internal service fund) to account for and finance its uninsured risks of loss for workers' compensation claims. For claims incurred prior to 1995, the Workers' Compensation Fund provides coverage for up to a maximum of \$250 for each worker's compensation claim. For claims incurred after January 1, 1995, there is unlimited coverage.

The City pays premiums to the State of Ohio Bureau of Workers' Compensation for claims in excess of coverage provided by the Fund. In addition, the Fund will pay assessments to the Bureau of Workers' Compensation for administration and payment of claims.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Insurance (Continued)

All funds of the City participate in the program and make payments to the Workers' Compensation Fund based on actuarial estimates of the amounts needed to pay current-year claims. The claim liability of \$18,575 reported in the Fund at December 31, 2009 is based on the requirements of Governmental Accounting Standard Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Liabilities for losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using an expected future investment yield assumption of 2.00 percent.

Changes in the Workers' Compensation Fund's claim liability amount in fiscal years 2007, 2008 and 2009 were:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current-Year Claims</u> <u>and Changes</u> <u>in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at End</u> <u>of Year</u>
2007	17,117	5,943	5,119	17,941
2008	17,941	7,162	6,560	18,543
2009	18,543	6,767	6,735	18,575

R. Fund Balance Reserves and Designations

The Governmental Funds balance sheet of the City of Toledo reports reserves and designations of fund equity for:

- a) Encumbrances: The portion of Fund Balance segregated for expenditure on vendor performance.
- b) Inventory of Supplies: A portion of Fund Balance represented by inventories that is not available for appropriation and expenditure.
- c) Capital Improvements: A portion of fund balance segregated for capital expenditures.
- d) Debt Service: A portion of Fund Balance legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balance Reserves and Designations (Continued)

- e) Landfill Remediation: A portion of Fund Balance designated to pay for the post-closure costs of former landfill sites.
- f) Future Years Expenditure: A portion of fund balance segregated for expenditures appropriated in the current fiscal year to be paid in the next year.
- g) Proprietary Fund Revenues: A portion of Net Assets segregated for Debt Service, Replacement and Improvement.

S. Reconciliation of Government-Wide and Fund Financial Statements

- a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that, "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$246,767 difference are as follows:

Accrued Compensated Absences	\$ 45,060
Landfill Closure	13,259
Capital Project Loans	50,579
General Obligation Bonds	120,383
Capital Project Leases	2,853
Accrued Interest	<u>14,633</u>
Net adjustment to reduce <i>fund balance-total Governmental funds</i> to arrive at <i>net assets-Governmental activities</i>	<u>\$246,767</u>

- b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reconciliation of Government-Wide and Fund Financial Statements (Continued)

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$12,059 difference are as follows:

Capital Outlay	\$ 50,835
Depreciation Expense	<u>(38,776)</u>
Net adjustment to increase <i>net changes in fund balances- total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 12,059</u>

Another element of that reconciliation states that, “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt Issued or Incurred:	
Issuance of General Obligation Bonds	\$ (33,786)
Increase in Compensated Absences	(974)
Increases in Notes	(3,887)
Accrued Interest	(2)
Capital Leases	(3,763)
Principal Repayments:	
Landfill Closure	278
Leases	1,550
General Obligation Debt	<u>18,903</u>
Net adjustment to increase <i>net changes in fund balances- Total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$(21,681)</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 2. EQUITY IN POOLED CASH

Receipts from the Water and Sewer Utility Enterprise Funds and for certain other Funds are deposited and maintained in separate bank accounts or invested in short-term cash equivalents which are specifically segregated. Receipts from all other City Funds are pooled to provide for maximum investment returns on idle cash balances. Each Fund records its proportionate equity in the pooled account.

Certain Funds have made disbursements from the pooled cash in excess of their individual equities. This excess has been aggregated by Fund type and is reported in the basic balance sheet as Interfund Payables. These excesses are generally temporary and are repaid from normal Fund operations.

<u>Fund Type</u>	<u>Equity in Pooled Cash</u>
General	\$ 122
Other Governmental Funds	12,884
Water	4,945
Sewer	5,642
Non-Major Enterprise	2,998
Internal Service	17,204
Trust and Agency	<u>1,464</u>
Total Pooled Cash at December 31, 2009	\$ <u>45,259</u>

NOTE 3. DEPOSITS AND INVESTMENTS

The City's deposits and investments are included on the balance sheet as Equity in Pooled Cash, Other Cash, and Investments at fair value.

	<u>Deposits</u>	<u>Investments</u>	<u>Total</u>
Equity in Pooled Cash	\$ 5,021	\$ 40,238	\$ 45,259
Other Cash	365	—	365
Investments	<u>---</u>	<u>128,995</u>	<u>128,995</u>
Total	<u>\$ 5,386</u>	<u>\$ 169,233</u>	<u>\$ 174,619</u>

The City liquid resources are maintained or invested in bank accounts and short-term investments in order to maximize the rate of interest that can be earned on invested funds. An Investment Advisory Committee, established in 1986, continually reviews and makes recommendations regarding the City's investment activity and also monitors compliance with the City's investment policies.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits

The deposit of City resources is governed by portions of the Ohio Revised Code and the Toledo Municipal Code. Such deposits may consist of either demand deposits or nondemand savings accounts. Under both the Ohio Revised Code and the Toledo Municipal Code, deposits are subject to collateralization requirements to the extent that they are not insured by the Federal Deposit Insurance Corporation (FDIC). Such uninsured amounts must be collateralized by either specific or pooled collateral in an amount at least equal to the uninsured portion of the deposit. In accordance with the Toledo Municipal Code, only depositories with an office located in the City may be used.

At December 31, 2009, the carrying amount of the City's deposits was \$5,386 and the bank balance was \$9,950. Of the bank balance, the entire amount was covered by deposit insurance.

B. Investments

The investment of City financial resources is governed by the Toledo Municipal Code and the Ohio Revised Code. The Toledo Municipal Code authorizes the City to invest in City of Toledo Securities, Government Securities, Repurchase Securities, Municipal Securities, and the State Treasurer's Investment Pool. The Toledo Municipal Code limits investments in Repurchase Securities to ten million dollars per financial institution, and limits investment in the State Treasurer's Investment Pool to 40% of the principal amount of the investment portfolio. These requirements ensure the diversification of the investment portfolio. Repurchase Agreements may not have a term exceeding thirty days. As of December 31, 2009, the City had the following investments and maturities:

	Percent of Total Investments	Fair Value	Investment Maturity in Years		
			1	Less Than 2 - 5	6 - 9
City of Toledo Municipal Bonds	3.7%	\$ 6,250	\$ 1,150	\$5,100	--
Government Agencies					
Federal Farm Credit Bureau	16.0%	27,127	--	27,127	
Federal Home Loan Bank	26.4%	44,677	1,143	43,534	
Federal Home Loan Mortgage Corp.	24.5%	41,447	395	41,052	
Federal National Mortgage Assoc.	9.9%	16,690	960	15,730	
Total Governmental Agencies	76.8%	129,941	2,498	127,443	
State Treasurer's Investment Pool	19.5%	33,029	33,029		
Certificate of Deposit/Savings	=	13	13	=	=
Total Investments	100.0%	\$169,233	\$36,690	\$132,543	\$--

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits maturity of its investments to a period of no longer than three years, unless the investment is matched to a specific cash requirement. If the investment is matched to a specific cash requirement for debt service, maturity period shall not exceed seven years from date of purchase. Repurchase agreements may not have a term exceeding thirty days.

Credit Risk

It is the City's policy to limit its investments to certificates of deposit, demand deposits that bear interest, government agencies, government securities, repurchase agreements, municipal securities, non-demand savings accounts, State Treasurer's Investment Pool (STAR Ohio), and City of Toledo Municipal securities. STAR Ohio was rated AAAM by Standard & Poor's. The Federal Farm Credit Bureau, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association have been rated AAA by Standard & Poor's.

Both the Toledo Municipal Code and the Ohio Revised Code have specific requirements for the collateralization of investments. The Toledo Municipal Code requires that securities underlying Repurchase Agreements must have a market value of at least 100% of the Repurchase Agreements. At the end of each month, the financial institution must review the market value of the collateral, increasing the collateral if it falls below the market value of the investment. All securities held for investment must be deposited for safekeeping with a custodian who is not the vendor of the investment.

All of the investments are held by the City or the custodian in the City's name. Investments in the State Treasurer's Investment Pool are not categorized because they are not evidenced by securities that exist in physical or book entry form.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Concentration of Credit Risk

The City places the following limitations on the amount the City may invest in any one issuer.

Certificates of Deposit or Non-demand Savings Account	Funds invested shall not exceed 10% of the aggregate principal amount of the City's investment portfolio as of the purchase date of the certificate of deposit.
Government Agencies	Funds invested shall not exceed 25% 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 Governmental Agency.
Repurchase Agreements	No more than \$10 million may be invested at any one time with any one institution.
State Treasurer's Investment	Funds invested shall not exceed 40% of the aggregate principal amount of the City's investment portfolio.
City of Toledo Municipal Securities	Funds invested shall not exceed 10% of the aggregate principal amount of the City's investment portfolio as of the date of purchase.

NOTE 4. RECEIVABLES

The allowance for uncollectible receivables consists of the following at December 31, 2009:

<u>Fund Type</u>	<u>Accounts</u>	<u>Notes</u>
General	\$7,508	\$ ---
Capital Improvements	163	---
Special Assessment Services	17	---
Other Governmental Funds	1,982	30,614
Water	2,378	---
Sewer	5,145	---
Other Enterprise Funds	1,154	16,617
Internal Service Funds	387	---
Total	<u>\$18,734</u>	<u>\$47,231</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 5. INCOME TAXES

The City levies an income tax of 2.25% on substantially all earned income arising from employment, residency, or business activities carried on inside the City. The first 1.5% of the income tax is a permanent levy, of which 0.25% of this tax is dedicated to capital improvements. The additional 0.75% of the income tax is slated to expire on December 31, 2012 and, of this tax, 0.25% 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. In 2009, the City made all required transfers to the Capital Improvements Fund.

Employers within the City are required to withhold income tax on employee compensation and remit it to the City at least quarterly. Corporations and certain individual taxpayers are required to pay quarterly estimates.

NOTE 6. PROPERTY TAX

The property tax levy is based on the assessed value listed as of January 1, 2009, the lien date, for all real and public utility property located in the City. The assessed values are established by the County Auditor at 35% of the current market value and a revaluation of all properties is required every six years with a statistical update every year. The last revaluation was completed in 2008 for the tax year 2009.

Real property taxes were levied on all non-exempt property located in the County on January 14, 2009. Real property taxes are payable annually or semi-annually. If paid annually, payment was due on January 31, 2009; if paid semi-annually, the first payment was due on February 14, 2009; with the remainder payable on July 31, 2009. Based on this tax calendar, all property taxes that were levied on January 14, 2009 relating to the 2009 budget year, except delinquent taxes, have been collected.

The City's share of personal property taxes is determined by the County Auditor based on annual tax returns filed by the taxpayers. The property is assessed for tax purposes at varying statutory percentages of cost.

**CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

NOTE 6. PROPERTY TAX (Continued)

The assessed value and tax rates of the City attributable to collections in 2009 and the estimated taxes relating to the 2010 budget year (which became a lien on January 1, 2009) are as follows:

<u>Taxes</u>	<u>Assessed Value</u>	<u>General Fund Tax Rate Per Thousand</u>	<u>Actual 2009 Receipts</u>	<u>Due in 2010</u>
General Fund:				
Real Estate & Public Utility Property	\$4,278,957	\$ 4.40	\$13,064	\$17,255
Personal Property	<u>18,368</u>	4.40	<u>548</u>	<u>3,282</u>
Total	<u>\$4,297,325</u>		<u>\$13,612</u>	<u>\$20,537</u>

The receivables for estimated taxes related to the 2010 budget year have been offset by a credit to deferred revenue at December 31, 2009 since the taxes are not available for appropriation and use until 2010.

<u>Apportionment of Total Tax Rate</u>	<u>Tax Rate Per Thousand</u>	<u>Actual 2009 Receipts</u>	<u>Due in 2010</u>
Unvoted Levy – Inside 10 Mil			
Limitation:			
General Fund	\$ 2.50	\$ 8,439	\$ 12,733
Voted Levy – Outside 10 Mil			
Limitation:			
General Fund (Charter Amendment Rate)	<u>1.90</u>	<u>5,173</u>	<u>7,804</u>
Total	<u>\$ 4.40</u>	<u>\$ 13,612</u>	<u>\$ 20,537</u>

Delinquent real and personal property taxes are recorded as deferred revenue until received. Based on the County Auditor's records, the outstanding delinquent taxes due the City at December 31, 2009 was \$1,836.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment for 2009 is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$24,781	==	==	\$24,781
<i>Total Capital assets not being depreciated</i>	<u>24,781</u>	==	==	<u>24,781</u>
<i>Capital assets being depreciated:</i>				
Buildings	64,121	692	--	64,813
Improvements	59,960	242	--	60,202
Machinery & Equipment	49,450	16,003	--	65,453
Furniture & Fixtures	6,695	95	--	6,790
Infrastructure	<u>773,813</u>	<u>33,803</u>	==	<u>807,616</u>
<i>Total capital assets being depreciated</i>	<u>\$954,039</u>	<u>\$50,835</u>	\$--	<u>\$1,004,874</u>
<i>Less accumulated depreciation for:</i>				
Buildings	55,804	3,461	--	59,265
Improvements	35,161	1,747	--	36,908
Machinery & Equipment	27,943	3,275	--	31,218
Furniture & Fixtures	6,205	217	--	6,422
Infrastructure	<u>345,652</u>	<u>30,076</u>	==	<u>375,728</u>
<i>Total Accumulated Depreciation</i>	<u>470,765</u>	<u>38,776</u>	==	<u>509,541</u>
<i>Total net capital assets being depreciated</i>	<u>483,274</u>	<u>12,059</u>	==	<u>495,333</u>
<i>Net Governmental Activities capital assets</i>	<u>\$508,055</u>	<u>\$12,059</u>	\$--	<u>\$520,114</u>
Internal Service Funds				
<i>Capital assets not being depreciated:</i>				
Land	350	==	==	350
<i>Total Capital assets not being depreciated</i>	<u>350</u>	==	==	<u>350</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,111	--	--	1,111
Improvements	422	41	--	463
Machinery & Equipment	56,951	13,239	--	70,190
Furniture & Fixtures	99	1	--	100
<i>Total capital assets being depreciated</i>	<u>\$58,583</u>	<u>\$13,281</u>	==	<u>\$71,864</u>
<i>Less accumulated depreciation for:</i>				
Buildings	1,111	--	--	1,111
Improvements	335	--	--	335
Machinery & Equipment	44,132	4,228	--	48,360
Furniture & Fixtures	98	--	--	98
<i>Total Accumulated Depreciation</i>	<u>45,676</u>	<u>4,228</u>	==	<u>49,904</u>
<i>Total net capital assets being depreciated</i>	<u>12,907</u>	<u>9,053</u>	==	<u>21,960</u>
<i>Net Internal Service Fund capital assets</i>	<u>13,257</u>	<u>9,053</u>	==	<u>22,310</u>
<i>Total Governmental Activities</i>	<u>\$521,312</u>	<u>\$21,112</u>	\$--	<u>\$542,424</u>

Amounts in Thousands

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CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Business Type Activities	Beginning Balance	Increase	Decrease	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$10,874	--	--	\$10,874
Construction in Progress	<u>304,252</u>	<u>33,010</u>	<u>64,282</u>	<u>272,980</u>
<i>Total Capital assets not being depreciated</i>	<u>315,126</u>	<u>33,010</u>	<u>64,282</u>	<u>283,854</u>
 <i>Capital assets being depreciated:</i>				
Buildings	75,579	--	--	75,579
Improvements	72,246	62	--	72,308
Machinery & Equipment	108,417	4,571	--	112,988
Furniture & Fixtures	1,971	--	--	1,971
Distribution System	<u>471,123</u>	<u>64,282</u>	--	<u>535,405</u>
<i>Total capital assets being depreciated</i>	<u>729,336</u>	<u>68,915</u>	--	<u>798,251</u>
 <i>Less accumulated depreciation for:</i>				
Buildings	49,650	578	--	50,228
Improvements	40,612	--	--	40,612
Machinery & Equipment	60,382	212	--	60,594
Furniture & Fixtures	1,163	--	--	1,163
Distribution System	<u>222,946</u>	<u>14,454</u>	--	<u>237,400</u>
<i>Total Accumulated Depreciation</i>	<u>374,753</u>	<u>15,244</u>	--	<u>389,997</u>
<i>Total net capital assets being depreciated</i>	<u>354,583</u>	<u>53,671</u>	--	<u>408,254</u>
<i>Net Business Type Activities Capital Assets</i>	<u>\$669,709</u>	<u>\$86,681</u>	<u>\$64,282</u>	<u>\$692,108</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 10,297
Public Service	21,225
Public Safety	585
Public Utility	14
Community Environment	1,522
Health	970
Parks	<u>4,163</u>

Total Depreciation Expense – Governmental Activities \$ 38,776

Business-Type Activities:

Water	\$ 5,437
Sewer	8,202
Non-Major	<u>1,605</u>

Total Depreciation Expense – Business-Type Activities \$ 15,244

Internal Service Funds 4,228

Total Depreciation Expense \$58,249

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

For several years, 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, 2009, the Department owned approximately 212 parcels at an estimated historical cost of \$4,499. 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. Revenues from the sale of properties are recorded as program income in the same Funds at the time of sale.

NOTE 8. DEBT OBLIGATIONS

A. Obligation Summary by Type

	Balance at Beginning of Year	Increases/ Issuances	Reductions/ Retirements	Balance at End of Year	Due Within One Year
Bonds Outstanding:					
General Obligation	127,319	36,521	19,417	144,423	15,387
Revenue Obligations	116,193	--	6,661	109,532	8,380
Notes Outstanding:					
General Obligation	18,760	38,630	41,150	16,240	16,240
Revenue Obligations	40,300	20,700	19,800	41,200	20,500
Loans Outstanding:					
State Agencies	232,748	19,325	11,842	240,231	12,589
Federal Agencies	16,520	--	1,350	15,170	1,415
Other	14,375	2,798	601	16,572	595
Capital Leases	8,194	3,763	2,385	9,572	1,540
Other Obligations	57,623	2,181	1,485	58,319	1,200
TOTAL OBLIGATIONS	\$ 632,032	123,918	104,691	651,259	77,846

Note: General Obligation Debt Capacity per Uniform Bond Act of the ORC = \$100,000
Utility Debt Unamortized Discount = \$2,164
Assessed Services Revenue Notes are secured by a Letter of Credit from State Street Bank

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

B. Obligation Summary by Fund Type

Changes in bonds payable and general obligations during 2009 and principal amounts outstanding at December 31, 2009 are as follows:

LONG TERM

	Balance at Beginning Of Year	Increases/ Issuances	Reductions/ Retirements	Balance At End Of Year	Due Within One Year
Governmental Type					
Accrued Compensated Absences	\$ 44,086	\$ 2,181	\$ 1,207	\$ 45,060	\$ 1,200
Landfill Closure	13,537	--	278	13,259	--
Capital Leases	640	--	640	--	--
Assessed Services	40,300	20,700	19,800	41,200	20,500
General Fund Capital Projects - Loans	6,917	--	447	6,470	465
Police & Fire Pension - G.O. Bonds	7,350	--	1,100	6,250	1,150
Assessed Improvements - G.O. Bonds	95	115	35	175	25
Capital Projects - G. O. Bonds	95,129	33,031	14,202	113,958	13,307
Capital projects - Leased	--	3,763	910	2,853	708
Capital Projects - Loans	43,341	3,887	3,119	44,109	3,545
Subtotal	\$ 251,395	\$ 63,677	\$ 41,738	\$ 273,334	\$ 40,900
Business Type					
Water Revenue Bonds	\$ 79,962	\$ --	\$ 4,112	\$ 75,850	\$ 5,240
Sanitary Sewer Revenue Bonds	36,231	--	2,549	33,682	3,140
Parking (General Obligation)	205	--	100	105	105
Housing (General Obligation)	22,025	3,375	3,820	21,580	640
Capital Projects - Loans	212,184	18,236	10,090	220,330	10,452
Enterprise Fund	2,515	--	160	2,355	160
Capital Lease	7,554	--	835	6,719	832
Property Management ODOD 166	1,201	--	137	1,064	137
Subtotal	361,877	21,611	21,803	361,685	20,706
Total Obligations	\$ 613,272	\$ 85,288	\$ 63,541	\$635,019	\$ 61,606
Premiums	\$ 2,220	\$ --	\$ 57	\$ 2,163	\$ 57
Total Long-Term Debt	\$ 615,492	\$ 85,288	\$ 63,598	\$ 637,182	\$ 61,663

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

B. Obligation Summary by Fund Type (Continued)

Changes in short-term notes payable during 2009 were as follows:

SHORT TERM

	<u>Balance at Beginning Of Year</u>	<u>Increases/ Issuances</u>	<u>Reductions/ Retirements</u>	<u>Balance At End Of Year</u>	<u>Due Within One Year</u>
Governmental Type					
Capital Projects – G. O. Notes	12,775	29,115	30,085	11,805	11,805
Internal Service Funds					
General Obligation Notes	5,460	8,320	9,620	4,160	4,160
Business Type					
Capital Projects – G.O. Notes	525	1,195	1,445	275	275
Accrued Interest	14,631	14,633	14,631	14,633	14,633
Subtotal	<u>\$ 33,391</u>	<u>\$53,263</u>	<u>\$55,781</u>	<u>\$30,873</u>	<u>\$30,873</u>
Total Debt	<u>\$ 648,883</u>	<u>\$ 138,551</u>	<u>\$ 119,379</u>	<u>\$668,055</u>	<u>\$92,536</u>

Special assessment bonds are pledged by the full faith and credit of the City, the debt service requirements of which are funded by proceeds from special assessments tax levies. Water and sewer revenue bonds are collateralized by revenue from Water and Sewer Enterprise Funds. The full faith and credit of the City is pledged against the remaining long-term obligations.

Debt may be issued to provide funds for assets or improvements, which have a useful life of at least five years. The asset or improvements must have a significant value. No debt shall be issued unless the funded item costs in excess of \$25 (1999 dollars =adjust for CPI). Improvement projects should be funded with long term debt; however Bond Anticipation Notes (BANs) may be used to provide short term financing during construction. BANs may also be used to avoid volatile times or unfavorable conditions in the bond market.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose

	Year Series Matures	Interest Rates	Balance at Beginning of Year	Increases/ Issuances	Reductions/ Retirements	Balance at End of Year	Due Within One Year
Bonds Outstanding:							
General Obligation							
Pension	2014	7.50%	\$ 7,350	\$ --	\$ 1,100	\$ 6,250	\$ 1,150
Capital Projects	2026	1.50-7.375%	95,129	36,231	17,402	113,958	13,307
Special Assessments	2018	1.55-7.00%	95	115	35	175	25
Parking	2010	6.75-7.375%	205	--	100	105	105
Internal Service Fund	2013	4.90%	2,515	0	160	2,355	160
Housing	2028	4.85-7.00%	22,025	175	620	21,580	640
Revenue Obligations							
Water System	2030	3.50-6.45%	79,962	--	4,112	75,850	5,240
Sanitary Sewer System	2028	3.50-6.45%	36,231	--	2,549	33,682	3,140
Notes Outstanding:							
General Obligation							
Capital Projects	2010	4.00%	10,525	20,315	21,050	9,790	9,790
Special Assessments	2010	4.00%	2,250	8,800	9,035	2,015	2,015
Storm Water System	2010	4.00%	525	1,195	1,445	275	275
Internal Service Funds	2010	4.00%	5,460	8,320	9,620	4,160	4,160
Revenue Obligations							
Assessed Services 2007	2009	2.29%	19,800	--	19,800	--	--
Assessed Services 2008	2010	Var/3.27%	20,500	--	--	20,500	20,500
Assessed Services 2009	2011	Var	--	20,700	--	20,700	--
Loans Outstanding:							
State Agencies							
State Issue 2							
Capital Projects	2024	0.00%	5,856	1,089	610	6,335	949
Water System	2014	0.00%	257	103	28	332	28
Sanitary Sewer Sys.	2027	0.00%	1,879	46	126	1,799	126
Storm Water Sys.	2027	0.00%	1,470	318	96	1,692	96
Ohio Water Dev Auth.							
Capital Projects	2021	4.02-4.12%	6,917	--	447	6,470	465
Water System	2028		12,857	--	589	12,268	287
Sanitary Sewer Sys.	2028	3.75-9.88%	195,721	17,769	9,251	204,239	9,915
ODOD Chapter 166							
Capital Projects	2018	4.25%	6,590	--	558	6,032	586
Property Mgmt.	2016	4.25%	1,201	--	137	1,064	137
Federal Agencies							
HUD 108							
Capital Projects	2018	6.56-7.96%	16,520	--	1,350	15,170	1,415
Other Loans							
Capital Projects	2032	0.00-7.86%	14,375	2,798	601	16,572	595
Capital Leases:							
Capital Proj. Fire Trucks			0	2,922	598	2,324	542
Capital Proj. Ambulances			0	841	312	529	166
Capital Replacements			640	--	640	--	--
Utilities			1,711	--	452	1,259	452
Parking			5,843	--	383	5,460	380
Other Obligations:							
Landfill Closure			13,537	--	278	13,259	--
Compensated Absences			44,086	2,181	1,207	45,060	1,200
Total Obligations			\$ 632,032	\$ 123,918	\$ 104,691	\$ 651,259	\$ 77,846

Amounts in Thousands

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

The annual debt service requirements for principal and interest on obligations at December 31, 2009 are as follows:

	Water		Sewer	
	Revenue Bonds		Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 5,240	\$ 3,627	\$ 3,140	\$ 1,589
2011	5,130	3,400	2,305	1,432
2012	5,395	3,146	2,430	1,318
2013	5,655	2,877	2,555	1,196
2014	5,935	2,600	2,670	1,082
2015-2019	21,665	8,929	10,470	3,658
2020-2024	11,280	5,437	5,375	1,947
2025-2029	<u>15,550</u>	<u>2,557</u>	<u>4,737</u>	<u>570</u>
Total	<u>\$ 75,850</u>	<u>\$ 32,573</u>	<u>\$33,682</u>	<u>\$ 12,792</u>

	Parking		Capital Projects	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 105	\$ 7	\$ 13,357	\$ 6,053
2011	--	--	10,847	8,484
2012	--	--	12,209	6,305
2013	--	--	13,535	3,550
2014	--	--	13,265	2,994
2015-2019	--	--	32,390	8,636
2020-2024	--	--	14,285	2,939
2025-2029	<u>--</u>	<u>--</u>	<u>4,070</u>	<u>478</u>
Total	<u>\$ 105</u>	<u>\$ 7</u>	<u>\$ 113,958</u>	<u>\$ 39,439</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	P&F Pension GO Bonds	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,150	\$ 447
2011	1,200	360
2012	1,250	269
2013	1,300	174
2014	<u>1,350</u>	<u>76</u>
Total	<u>\$ 6,250</u>	<u>\$1,326</u>

	Enterprise		Housing	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 160	\$ 105	\$ 640	\$ 1,327
2011	800	425	715	1,288
2012	775	253	731	1,241
2013	620	71	806	1,193
2014	--	--	1,202	1,051
2015-2019	--	--	6,202	3,901
2020-2024	--	--	7,300	3,043
2025-2028	<u>--</u>	<u>--</u>	<u>3,984</u>	<u>871</u>
Total	<u>\$2,355</u>	<u>\$ 854</u>	<u>\$ 21,580</u>	<u>\$ 13,915</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	Issue 2		OWDA Sewer	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,199	\$ --	\$ 9,915	\$ 6,344
2011	786	--	8,940	6,013
2012	776	--	9,255	5,697
2013	809	--	8,881	5,101
2014	900	--	9,800	5,200
2015-2019	1,592	--	51,884	16,179
2020-2024	1,525	--	55,271	12,456
2025-2029	2,571	--	42,602	3,922
2030-2033	--	--	<u>7,691</u>	<u>430</u>
Total	<u>\$10,158</u>	<u>\$ --</u>	<u>\$ 204,239</u>	<u>\$ 61,342</u>

	OWDA General Fund		ODOD - 166	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 465	\$ 260	\$ 723	\$ 288
2011	485	241	753	256
2012	505	221	783	224
2013	2,856	774	800	588
2014	<u>2,159</u>	<u>169</u>	<u>4,037</u>	<u>13</u>
Total	<u>\$ 6,470</u>	<u>\$ 1,665</u>	<u>\$ 7,096</u>	<u>\$ 1,369</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	HUD - 108		Other	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,415	\$ 1,176	\$ 595	\$ 710
2011	1,485	1,070	730	692
2012	1,445	959	755	666
2013	1,445	739	585	639
2014	1,445	166	600	700
2015-2019	7,935	2,241	2,470	2,061
2020-2024	--	--	2,795	2,063
2025-2029	--	--	3,010	1,255
2029-2033	--	--	<u>5,032</u>	<u>392</u>
Total	<u>\$15,170</u>	<u>\$ 6,351</u>	<u>\$ 16,572</u>	<u>\$ 9,178</u>

	OWDA Water System	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 287	\$ 246
2011	296	237
2012	306	227
2013	316	217
2014	326	764
2015-2019	1,720	686
2020-2024	1,621	339
2025-2028	<u>7,396</u>	<u>75</u>
Total	<u>\$ 12,268</u>	<u>\$ 2,791</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 8. DEBT OBLIGATIONS (Continued)

C. Obligation Information by Purpose (Continued)

	Special Assessment Bonds		Assessed Services
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2010	\$ 25	\$ 6	\$ 20,500
2011	25	6	\$ 20,700
2012	25	4	--
2013	25	4	--
2014	10	4	--
2015-2019	<u>65</u>	<u>15</u>	<u>--</u>
Total	<u>\$ 175</u>	<u>\$ 39</u>	<u>\$ 41,200</u>

Under the Uniform Bond Act of the Ohio Revised Code, the City has the capacity to issue approximately \$93,000 additional unvoted general obligation debt. The principal balances of the utility debt have been reduced by unamortized premiums of \$2,163.

D. 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 \$13,259 reported as landfill closure and postclosure care liability at December 31, 2009 represents the cumulative amount reported to date based on the use of 53.3% of the used capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$11,632 as the remaining used capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

NOTE 8. DEBT OBLIGATIONS (Continued)

E. Other

Capital Lease

The City has a noncancelable long-term lease with the Ohio Building Authority for the space it occupies in the Government Center Office Building, which is classified as a capital lease. In fiscal 1997, the City entered into a lease agreement with the Ohio Building Co., which is also being classified as a capital lease. In 1999, the City entered into a lease agreement with the Lucas County Port Authority for an addition to the Superior Street Garage which is classified as a capital lease. In 2008 the City entered into an agreement with Daimler Chrysler for lease of police cars, which is a capital lease. In 2009 the City entered into an agreement with All American Fire Equipment for lease of Fire vehicles, again a capital lease. Future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2009 are as follows:

<u>Year</u>	<u>Enterprise Funds</u>	<u>Capital Improvement</u>
2010	1,553	850
2011	1,263	850
2012	933	850
2013	687	650
2014	682	--
2015-2019	<u>3,501</u>	<u>--</u>
Total Minimum Lease Payments	<u>8,619</u>	<u>3,200</u>
Less Amount Representing Interest	<u>2,247</u>	<u>347</u>
Present Value of Net Minimum Lease Payments	<u>\$6,719</u>	<u>\$2,853</u>

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables resulted from the routine lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 9,406	\$ 24,663
Capital Improvements	23,741	403
Special Assessment Services	664	18,769
Other Governmental Funds	7,914	2,432
Water	19,417	22,613
Sewer	22,757	20,790
Other Non-Major Enterprise	7,308	22,785
Internal Service Funds	<u>22,265</u>	<u>1,017</u>
Total	<u>\$ 113,472</u>	<u>\$ 113,472</u>

NOTE 10. FUND BALANCE DEFICITS

At December 31, 2009, the following Funds had a fund balance deficit:

Governmental Funds – General Fund

The fund deficit of \$8,020 in the General Fund arose from uncertain economic conditions causing significant and unforeseen reductions in revenue. The deficit will be reduced and eliminated by multifaceted reductions in expenditures and a range of revenue enhancements.

Special Revenue Funds - Special Assessment Services Fund

The fund deficit of \$50,623 in the Special Assessment Services Fund arose because of the application of GAAP to the financial reporting for this Fund. Short-term note proceeds used to finance construction of special assessment projects are not recognized as an "other financing source." Liabilities for special assessment short-term notes payable are accounted for in the Special Assessment Services Fund. Special assessments are recognized as revenue in the year they are remitted to the City by the County Auditor. The deficit will be reduced and eliminated as deferred special assessment installments are received from the County Auditor.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 10. FUND BALANCE DEFICITS (continued)

Special Revenue Funds – Marina Development

The deficit of \$11 is a result of increased costs of operation. The City will be conducting a study of the fund in the future to determine the best method to return the fund to positive entity balance.

Capital Projects Fund - Special Assessment Improvements Fund

The fund deficit of \$1,643 in the Special Assessment Improvements Fund arose because of the application of GAAP to the financial reporting for this Fund. Note proceeds used to finance construction projects are not recognized as an "other financing source" in the Special Assessments Improvements Fund. These deficits will be reduced and eliminated as long-term financing is arranged for projects supported by short-term debt.

Enterprise Fund Types - Property Management

The fund deficit of \$13,494 is due to delinquent receivables and the allowance for uncollectible accounts.

Non-Major Enterprise Funds – Municipal Tow Lot

The fund deficit of \$24 is due to delinquent receivables. The City of Toledo is establishing a program to more aggressively pursue such delinquencies.

Internal Service Funds – Worker's Compensation

The deficit of \$49 occurred due to the fact that a review of ongoing procedures for processing Worker's Compensation activities was not completed in 2009. This has been corrected in 2010.

NOTE 11. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN

All employees of the City may elect to participate in the Ohio Public Employees Deferred Compensation Plan and firefighters may participate in the Ohio Association of Professional Firefighters deferred compensation plan, both of which were adopted under the provisions of the Internal Revenue Code Section 457. Under these programs, employees elect to have a portion of their pay deferred until a future time, usually after retirement. The deferred pay and any income earned on it are not subject to income taxation until actually received by the employee.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 11. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN (Continued)

As the Ohio Public Employees Deferred Compensation Board and the Ohio Association of Professional Firefighters are the plan Administrators, the City is unable to, and does not, maintain any fiscal control over these assets. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 12. PENSION AND RETIREMENT PLANS

A. Ohio Police and Fire Pension Fund

All Police and Firemen are members of and participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit plan that operates under the authority of Ohio Revised Code, Chapter 742. The Fund provides pension, disability and health care benefits to qualified participants and survivor and death benefits to qualified spouses, children and dependent parents.

The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to: OP & F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10.0% of their annual covered salary and the City is required to contribute a statutorily determined rate that is currently 19.5% for Police and 24.0% for Fire. The City's contributions are equal to 100% of the dollar amount billed the City. The City's contributions to OP&F for the Police portion for the years ending December 31, 2009, 2008, 2007, were \$7,824, \$8,360, and \$8,400, respectively, equal to the required contributions for each year. Contributions for the Fire Portion for the years ending December 31, 2009, 2008, 2007, were \$7,914, \$7,851, and \$7,448, respectively, equal to the required contribution for each year. All contributions to OP&F were made within the required due dates.

The OP&F also provides post-retirement health care coverage for any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. A portion of the City's contribution to OP&F is set aside for the funding of post retirement health care. The City's contribution includes approximately \$4,932 (6.75% of covered payroll) used to fund a health care program for retired employees. Of this, the Police portion is \$2,707 and the fire portion is \$2,223.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

A. Ohio Police and Fire Pension Fund (Continued)

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to the OP&F. The OP&F is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or beneficiaries.

In 1994, the City issued \$19,050 of taxable general obligation bonds to retire the remaining \$29,148 of the unfunded Police and Fire Pension liability existing at that time. The annual net debt service on the bonds will be approximately \$1,380. The amount outstanding at December 31, 2009 is \$6,250.

B. Ohio Public Employees Retirement System

OPERS has provided the following information to the City in order to assist the City in complying with GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers (Statement No. 27).

OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan – a cost sharing multiple-employer defined benefit pension plan.
2. The 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 thereon.
3. The Combined Plan – a cost sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula benefit similar in nature to 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. Interested parties may obtain a copy at www.opers.org, by making a written request to OPERS at: 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222-PERS (7377).

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

B. Ohio Public Employees Retirement System (Continued)

The ORC provides statutory authority for employee and employer contributions. For 2009, member and employer contributions were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety division exist only within the Traditional Pension Plan.

All City employees (excluding Police and Firemen) are members of and participate in the Ohio Public Employees Retirement System (OPERS) traditional plan, a cost-sharing multiple employer defined benefit pension plan. The City's employee contribution rate in 2009 was 10.0%. The City's contribution rate, as an employer, was 14.0% of covered payroll in 2009.

The City's employer share contributions to OPERS for the three years ended December 31, 2009, 2008, and 2007 were \$11,816, \$10,983, and \$10,320, respectively, or 71% of the required contributions for 2009, and equal to the required contributions for 2008 and 2007. All contributions were made within the required due dates.

OPERS members are eligible to retire at any age with 30 years of service, at age 60 with at least 5 years of service or at age 55 with at least 25 years of service. Those retiring with less than 30 years of service or less than age 65 receive reduced benefits. Under the Traditional Pension Plan, eligible employees are entitled to a monthly retirement benefit equal to 2.2% of the average of their three highest years of earnings multiplied by the first 30 years of service plus 2.5% of the average of their three highest years for each year in excess of 30. Under the Member-Directed Plan, eligible members are entitled to a monthly benefit dependent upon the performance of the OPERS investment options that the members selected. Under the Combined Plan, eligible members are entitled to a monthly benefit equal to 1.0% of the average of their three highest years of earnings multiplied by the number of years of service plus 1.25% of the average of their three highest years for each year in excess of 30. Additionally, under the Combined Plan, a benefit is provided based on the performance of the OPERS investment options the member selected. OPERS also provides death and disability benefits. Benefits are established by the ORC.

OPERS has also provided the following information pertaining to other postemployment benefits for health care costs in order to assist the City in complying with GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension Benefits (Statement No. 45).

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

B. Ohio Public Employees Retirement System (Continued)

OPERS provides retirement, disability, survivor, and postretirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post employment health care coverage.

In order to qualify for postretirement 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 primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC 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 ORC.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement 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 covered payrolls of active member. In 2009, the City contributed 14.0% of covered payroll. The ORC currently limits the employer contributions to 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS's Postemployment Health Care plan was established under, and is administrated 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 of postemployment health care benefits. For 2009, the employer contributions allocated to the health care plan from January 1 through March 31, 2009 and April 1 through December 31, 2009 was 7% and 5.5% of covered payroll, respectively. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The portion of the City's contribution used to fund OPEB was \$4,986 for 2009, \$3,541 for 2008, and \$3,402 for 2007.

OPERS Board implements its Health Care Preservation Plan. The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Members and employer contribution rates increased as of January 1, 2006 and January 1, 2007, and January 1, 2008 with a final rate increase on January 1, 2011, which will allow additional funds to be allocated to the health care plan.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 12. PENSION AND RETIREMENT PLANS (Continued)

B. Ohio Public Employees Retirement System (Continued)

There are no postemployment benefits provided by the City other than those provided through OPERS and OP&F. The liability for past service costs at the time OPERS was established was assumed by the State of Ohio; therefore, it is not a liability of the City. The liability for past service costs at the time OP&F was established was paid by the City to OP&F in January 1994. The City is current on all of its required pension fund contributions.

NOTE 13. LEASES AND OTHER COMMITMENTS

In 1982, the City entered into a noncancelable long-term lease with the Ohio Building Authority for the space it occupies in the Toledo Government Center Office Building. The lease, which is for 30 years, is classified as a capital lease and has been included as property, plant and equipment in the government-wide financial statements at \$26,179 less accumulated depreciation of \$23,130. 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. These additional costs were \$1,454 in 2009.

In 1997, the City entered into a noncancelable long-term lease with the Ohio Building Co. for the space it occupies in the Ohio Building. The lease, which is for 15 years is classified as a capital lease and has been included in the Utility Administration Services Enterprise Fund at \$4,538 less accumulated depreciation of \$3,720 at December 31, 2009.

In 1999, the City entered into a \$7,825 noncancelable long-term lease with the Lucas County Port Authority for an addition to the Superior Street Garage.

In 2008, the City entered into a noncancelable long-term lease with Daimler Chrysler for the lease of police cars. The lease, which is for three years is classified as a capital lease and has been included in the internal service fund at \$990 less accumulated depreciation of \$149 at December 31, 2009. A cash payment of \$350 against the lease was made in 2009 with a final lease payment to be made in 2010.

The City leases other facilities and equipment under various operating leases. Rental expense relating to these leases amounted to \$910 in 2009. Future minimum lease payments on operating leases as of December 31, 2009 is \$832.

The City has commitments for construction and improvement of four Water Treatment Plant projects and four Water Reclamation Plant projects. Such construction commitments, which total \$6,715 at December 31, 2009, is funded from Environmental Protection Agency grants and Sewer Mortgage Revenue Bond proceeds of the Sewer Fund.

CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 14. CONTINGENCIES

The City of Toledo is party to various legal proceedings seeking damages or injunctive relief generally incidental to its operations. The significant claims are described below.

The City is involved in various administrative proceedings with the Ohio Environmental Protection Agency and/or Ohio Attorney General's Office and the USEPA concerning certain environmental matters within the City. Those administrative proceedings do not seek money damages from the City but may require the City to take certain remedial measures to eliminate or reduce pollution in the lands or waters within the City. The City has, in turn, initiated certain proceedings to require those who it believes disposed of these pollutants to participate in the necessary remedial actions. The overall cost of the various clean-ups could reach up to \$50,000. The remedial measures are anticipated to span a multi-year period. The remaining capital cost to the City is estimated to be less than \$500. The costs to the City for operation, maintenance and monitoring over the next thirty years are estimated to be less than \$10,000 including inflation, most of which is to be funded from settlement reserves. The ultimate resolution of these claims is not anticipated to have a material adverse effect on the City's financial position.

The City was involved in litigation in which the United States and the State of Ohio are seeking injunctive relief and civil penalties against the City under the Clean Water Act for alleged discharges of pollutants from the City's wastewater treatment plant in violation of permit limitations. The City, the United States and the State of Ohio reached a settlement on the amount of civil penalties to be paid by the City, which was ratified by City Council in May 2002 and approved by general election in 2002. Under the consent decree settlement, the City paid a \$500 fine and agreed to upgrade the sewage treatment plant and sanitary sewer system at an anticipated total cost of \$400,000 over a 15 year period. The City is in compliance with all provisions in the Court-approved decree and the upgrade work is proceeding on schedule. In 2009, the City incurred \$5,478 in costs relating to the upgrade. As of December 31, 2009, a total of \$170,530 has been expended to date.

In addition, the City participates in a number of Federal and State assisted grant programs. These programs are subject to financial and compliance audits by grantors or their representatives. At December 31, 2009, the audits of certain programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The City believes that disallowed claims, if any, will not result in a material adverse effect on the City's financial position.

**CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

NOTE 15. JOINT VENTURE

The City of Toledo has entered into a contractual agreement with Lucas County, Defiance County, Fulton County, Henry County, and Williams County to form the Corrections Commission of Northwest Ohio (Corrections Commission) to operate a regional jail in northwest Ohio. Each entity is responsible for a portion of the capital and operating budget as follows:

City of Toledo	37.63%
Lucas County	31.03
Defiance County	9.40
Fulton County	8.15
Williams County	8.15
Henry County	5.64
	<u>100.00%</u>

The Corrections Commission is a board composed of the following representatives: the President of the Board of County Commissioners, the Sheriff and the Presiding Judge of the Court of Common Pleas from each County and the Mayor or City Manager, Chief of Police and Presiding Judge of the Municipal Court of the City of Toledo. Each participating entity has an equal degree of control over budgeting and financing.

All debt incurred for the construction of the jail was incurred by the participating governmental agencies, and is not a liability of the Corrections Commission.

The Corrections Commission has an annual budget of approximately \$15,724 and has accumulated cash reserves of \$176 at December 31, 2009. Complete financial statements of the Corrections Commission can be obtained from its administrative office as follows:

Corrections Commission of Northwest Ohio
03151 Road 24.25
Rt. 1, Box 100-A
Stryker, OH 43557

**CITY OF TOLEDO, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

NOTE 16. SUBSEQUENT EVENTS

On June 30, 2010, City Council authorized the acceptance of \$20,800 in grant and loan proceeds for the purpose of issuing contracts for Sanitary Sewer Improvements and Replacements

On June 9, 2010, City Council authorized the acceptance of \$2,100 in loans for Watermain Replacement Projects.

On August 4, 2010, City Council authorized the acceptance of an additional \$14,556 in loans for Sanitary Sewer Improvements and Replacements.

On April 14, 2010, City Council authorized the issuance of \$29,915 in notes for the purpose of paying, in anticipation of the levy and collection of special assessments, the cost of maintaining and updating City streets and roadways.

NOTE 17. RESTATEMENT OF BEGINNING NET ASSETS

Prior to 2009, the City recognized accrued property taxes as revenue when the receivable was recognized on the full accrual basis but revenue should be recognized when the resources are permitted to be used. Also, delinquent property taxes were not recorded as revenue. In addition, recognition of income tax revenue was determined to be understated as the City had not fully considered taxes due for revenue in which the underlying exchange had occurred. The net effect of these revenue recognition items was the overstatement of net assets of the Governmental Activities. As such, the City restated its unearned revenue as of December 31, 2008. The Governmental Activities are restated as follows:

	<u>Governmental Activities</u>
Net Assets, as previously reported	\$390,460
Property Tax-decrease	(18,468)
Delinquent Property Tax Revenue-increase	1,710
Income Tax Revenue-increase	<u>10,693</u>
 Net Assets, restated	 <u>\$384,395</u>

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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CITY OF TOLEDO, OHIO
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

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
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)**

Budget Amounts

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/(Negative)</u>
REVENUES:				
Income Taxes	\$ 169,622	\$ 169,622	\$ 141,554	\$ (28,068)
Property Taxes	18,828	18,828	13,612	(5,216)
Licenses and Permits	4,646	4,646	2,079	(2,567)
Intergovernmental Services	23,461	23,461	24,376	915
Charges for Services	18,418	18,442	19,401	959
Investment Earnings	2,575	2,575	1,037	(1,538)
Fines and Forfeitures	7,461	7,461	4,776	(2,685)
All Other Revenue	2,534	5,752	7,164	1,412
Total Revenues	<u>\$ 247,545</u>	<u>\$ 250,787</u>	<u>\$ 213,999</u>	<u>\$ (36,788)</u>
EXPENDITURES:				
General Government	\$ 15,297	\$ 14,595	\$ 14,399	\$ 196
Public Service	2,026	1,862	1,862	-
Public Safety	165,862	149,394	148,863	531
Public Utilities	181	71	71	-
Community Environment	5,707	4,367	4,258	109
Health	17,148	14,760	14,145	615
Parks and Recreation	2,530	2,358	2,333	25
Capital Outlay	224	22,126	19,741	2,385
Debt Service:				
Principal Retirement	1,547	1,547	1,547	-
Interest and Fiscal Charges	819	880	880	-
Total Expenditures	<u>\$ 211,341</u>	<u>\$ 211,960</u>	<u>\$ 208,099</u>	<u>\$ 3,861</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 36,204</u>	<u>\$ 38,827</u>	<u>\$ 5,900</u>	<u>\$ (32,927)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	1,900	2,091	1,943	(148)
Transfers (Out)	(38,440)	(32,269)	(32,269)	-
Bond Issuance of Debt		21,875	12,200	(9,675)
Premium on Bonds	-	-	2	2
Total Other Financing Sources (Uses)	<u>(36,540)</u>	<u>(8,303)</u>	<u>(18,124)</u>	<u>(9,821)</u>
Net Change in Fund Balance:	<u>\$ (336)</u>	<u>\$ 30,524</u>	<u>(12,224)</u>	<u>\$ (42,748)</u>
Fund Balances (Deficit) at Beginning of Year			4,391	
Decrease in Reserve for Inventory			(187)	
Fund Balance (Deficit) at Year End			<u>\$ (8,020)</u>	

**CITY OF TOLEDO, OHIO
SPECIAL ASSESSMENT SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)**

	<u>Special Assessment Services</u>			<u>Variance with Final Budget Positive/(Negative)</u>
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES:				
Special Assessments	\$ 24,001	\$ 24,043	\$ 23,389	\$ (654)
Charges for Services	149	149	390	241
Investment Earnings	390	390	37	(353)
All Other Revenue	1	1	9	8
Total Revenues	<u>\$ 24,541</u>	<u>\$ 24,583</u>	<u>\$ 23,825</u>	<u>\$ (758)</u>
EXPENDITURES:				
General Government	\$ 663	\$ 743	\$ 727	\$ 16
Public Service	27,418	27,608	23,318	4,290
Public Utilities	-	-	-	-
Health	729	630	584	46
Parks and Recreation	192	160	159	1
Capital Outlay	158	160	27	133
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	2,248	2,262	1,241	1,021
Total Expenditures	<u>\$ 31,408</u>	<u>\$ 31,563</u>	<u>\$ 26,056</u>	<u>\$ 5,507</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (6,867)</u>	<u>\$ (6,980)</u>	<u>\$ (2,231)</u>	<u>\$ 4,749</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	110	110	-
Transfers (Out)	-	(9)	(9)	-
Premium on Bonds	-	-	205	205
Total Other Financing Sources (Uses)	<u>-</u>	<u>101</u>	<u>306</u>	<u>205</u>
Net Change in Fund Balance	<u>\$ (6,867)</u>	<u>\$ (6,879)</u>	<u>(1,925)</u>	<u>\$ 4,954</u>
Fund Balances (Deficit) at Beginning of Year			(48,980)	
Increase in Reserve for Inventory			282	
Fund Balance (Deficit) at Year End			<u>\$ (50,623)</u>	

CITY OF TOLEDO, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE A. ANNUAL BUDGET PROCESS

An annual budget is prepared for all Governmental funds of the City, except for the Permanent Fund. 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 and Expenditures 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 which 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 became available, City Council approved 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.

CITY OF TOLEDO, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE A. ANNUAL BUDGET PROCESS (Continued)

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.

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, 2009 is available for public inspection at the Department of Finance's Office.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is reappropriated.

SUPPLEMENTARY INFORMATION

**CITY OF TOLEDO, OHIO
MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

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

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**CITY OF TOLEDO, OHIO
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)**

	<u>Capital Improvements</u>			Variance with Final Budget Positive/(Negative)
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ 18	\$ 18
Intergovernmental Services	64,672	64,672	25,468	(39,204)
Charges for Services	96	96	1,037	941
Investment Earnings	75	75	755	680
All Other Revenue	325	325	104	(221)
Total Revenues	<u>\$ 65,168</u>	<u>\$ 65,168</u>	<u>\$ 27,382</u>	<u>\$ (37,786)</u>
EXPENDITURES:				
Capital Outlay	\$ 95,866	\$ 98,979	\$ 28,617	\$ 70,362
Debt Service:				
Principal Retirement	3,008	3,008	3,916	(908)
Interest and Fiscal Charges	2,948	3,797	3,066	731
Total Expenditures	<u>\$ 101,822</u>	<u>\$ 105,784</u>	<u>\$ 35,599</u>	<u>\$ 70,185</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (36,654)</u>	<u>\$ (40,616)</u>	<u>\$ (8,217)</u>	<u>\$ 32,399</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	37,608	37,608	31,404	(6,204)
Transfers (Out)	(29,038)	(29,038)	(29,038)	-
Bond Issuance of Debt	8,000	8,000	18,075	10,075
Capital Lease Proceeds	-	-	3,763	3,763
Note Issuance of Debt	20,323	20,323	3,887	(16,436)
Premiums on Bond	-	-	533	533
Sale of Fixed Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 36,893</u>	<u>\$ 36,893</u>	<u>\$ 28,624</u>	<u>\$ (8,269)</u>
Net Change in Fund Balances	<u>\$ 239</u>	<u>\$ (3,723)</u>	20,407	<u>\$ 24,130</u>
Fund Balances (Deficit) at Beginning of Year			27,069	
Increase/Decrease in Reserve for Inventory			(145)	
Fund Balance (Deficit) at Year End			<u>\$ 47,331</u>	

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES:				
Current				
GENERAL GOVERNMENT				
City Council				
Personal Services	\$ 1,328	\$ 1,235	\$ 1,235	\$ -
Materials and Supplies	37	25	19	6
Contractual Services	112	86	84	2
Other	-	33	33	-
Total City Council	<u>1,477</u>	<u>1,379</u>	<u>1,371</u>	<u>8</u>
Office Of The Mayor				
Personal Services	1,076	784	784	-
Materials and Supplies	74	18	11	7
Contractual Services	198	89	83	6
Other	-	-	-	-
Total Office of the Mayor	<u>1,348</u>	<u>891</u>	<u>878</u>	<u>13</u>
Auditor				
Personal Services	144	100	100	-
Materials and Supplies	1	1	1	-
Contractual Services	12	18	18	-
Total Auditor	<u>157</u>	<u>119</u>	<u>119</u>	<u>-</u>
Affirmative Action				
Personal Services	273	246	246	-
Materials and Supplies	2	1	1	-
Contractual Services	17	17	17	-
Total Affirmative Action	<u>292</u>	<u>264</u>	<u>264</u>	<u>-</u>
Board Of Community Relations				
Personal Services	169	103	103	-
Materials and Supplies	4	7	6	1
Contractual Services	14	13	13	-
Total Board Of Community Relations	<u>187</u>	<u>123</u>	<u>122</u>	<u>1</u>
Financial Analysis				
Personal Services	81	74	74	-
Materials and Supplies	1	-	-	-
Contractual Services	10	12	12	-
Total Financial Analysis	<u>92</u>	<u>86</u>	<u>86</u>	<u>-</u>
General Fund Utilities				
Contractual Services	2,121	1,849	1,806	43
Total General Fund Utilities	<u>2,121</u>	<u>1,849</u>	<u>1,806</u>	<u>43</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Initial Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Law				
Personal Services	\$ 1,523	\$ 1,454	\$ 1,454	\$ -
Materials and Supplies	35	35	35	-
Contractual Services	359	353	350	3
Total Law	<u>1,917</u>	<u>1,842</u>	<u>1,839</u>	<u>3</u>
Youth Commission				
Personal Services	-	2	2	-
Materials and Supplies	3	-	-	-
Contractual Services	15	9	9	-
Total Youth Commission	<u>18</u>	<u>11</u>	<u>11</u>	<u>-</u>
Finance Administration				
Personal Services	384	348	348	-
Materials and Supplies	1	11	11	-
Contractual Services	45	4	4	-
Total Finance Administration	<u>430</u>	<u>363</u>	<u>363</u>	<u>-</u>
Treasury				
Personal Services	327	276	276	-
Materials and Supplies	41	23	20	3
Contractual Services	57	41	40	1
Total Treasury	<u>425</u>	<u>340</u>	<u>336</u>	<u>4</u>
Taxation				
Personal Services	1,327	1,213	1,213	-
Materials and Supplies	173	153	147	6
Contractual Services	363	279	259	20
Total Taxation	<u>1,863</u>	<u>1,645</u>	<u>1,619</u>	<u>26</u>
Accounts				
Personal Services	1,431	1,030	1,030	-
Materials and Supplies	13	41	40	1
Contractual Services	520	639	626	13
Total Accounts	<u>1,964</u>	<u>1,710</u>	<u>1,696</u>	<u>14</u>
Human Resources				
Personal Services	1,032	728	728	-
Materials and Supplies	46	12	12	-
Contractual Services	285	125	124	1
Other	-	-	-	-
Total Human Resources	<u>1,363</u>	<u>865</u>	<u>864</u>	<u>1</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)**

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Purchasing And Supplies				
Personal Services	\$ 304	\$ 228	\$ 228	\$ -
Materials and Supplies	3	3	2	1
Contractual Services	29	44	44	-
Total Purchasing and Supplies	<u>336</u>	<u>275</u>	<u>274</u>	<u>1</u>
Streets Bridges & Harbors				
Personal Services	38	29	29	-
Materials and Supplies	1	-	-	-
Contractual Services	1	2	2	-
Total Streets Bridges & Harbors	<u>40</u>	<u>31</u>	<u>31</u>	<u>-</u>
Solid Waste				
Contractual Services	3	-	-	-
Total Solid Waste	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facility Operations				
Contractual Services	465	328	328	-
Total Facility Operations	<u>465</u>	<u>328</u>	<u>328</u>	<u>-</u>
Safety				
Personal Services	40	20	20	-
Other	331	139	115	24
Total Safety	<u>371</u>	<u>159</u>	<u>135</u>	<u>24</u>
Fire				
Personal Services	52			-
Materials and Supplies	64			-
Contractual Services	19	17	17	-
Total Fire	<u>135</u>	<u>17</u>	<u>17</u>	<u>-</u>
Natural Resources Administration				
Personal Services	114	106	106	-
Materials and Supplies	-	-	-	-
Contractual Services	112	124	124	-
Total Natural Resources Administration	<u>226</u>	<u>230</u>	<u>230</u>	<u>-</u>
Fringe Benefits				
Personal Services	-	161	161	-
Total Fringe Benefits	<u>-</u>	<u>161</u>	<u>161</u>	<u>-</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Non-Departmental Services				
Contractual Services	\$ 67	\$ 1,907	\$ 1,849	\$ 58.00
Total General Non-Departmental Services	<u>67</u>	<u>1,907</u>	<u>1,849</u>	<u>58</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 15,297</u>	<u>\$ 14,595</u>	<u>\$ 14,399</u>	<u>\$ 196</u>
PUBLIC SERVICE				
General Fund Utilities				
Contractual Services	\$ 1,570	\$ 1,526	\$ 1,526	\$ -
Total General Fund Utilities	<u>1,570</u>	<u>1,526</u>	<u>1,526</u>	<u>-</u>
Transportation				
Contractual Services	32	-	-	-
Total Transportation	<u>32</u>	<u>-</u>	<u>-</u>	<u>-</u>
Recreation				
Contractual Services	-	3	3	-
Total Parks & Forestry	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Parks & Forestry				
Personal Services	146	140	140	-
Materials and Supplies	4	3	3	-
Contractual Services	274	190	190	-
Total Parks & Forestry	<u>424</u>	<u>333</u>	<u>333</u>	<u>-</u>
TOTAL PUBLIC SERVICE	<u>\$ 2,026</u>	<u>\$ 1,862</u>	<u>\$ 1,862</u>	<u>\$ -</u>
PUBLIC SAFETY				
Municipal Court Judges				
Personal Services	\$ 5,554	\$ 5,373	\$ 5,373	\$ -
Materials and Supplies	109	413	413	-
Contractual Services	2,151	2,120	2,120	-
Total Municipal Court Judges	<u>7,814</u>	<u>7,906</u>	<u>7,906</u>	<u>-</u>
Clerk Of Municipal Court				
Personal Services	5,158	4,694	4,694	-
Materials and Supplies	335	121	121	-
Contractual Services	392	448	448	-
Total Clerk Of Municipal Court	<u>5,885</u>	<u>5,263</u>	<u>5,263</u>	<u>-</u>
Law				
Personal Services	603	348	348	-
Contractual Services	27	29	29	-
Total Law	<u>630</u>	<u>377</u>	<u>377</u>	<u>-</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Safety				
Contractual Services	\$ 11,722	\$ 11,881	\$ 11,881	\$ -
Total Safety	<u>11,722</u>	<u>11,881</u>	<u>11,881</u>	<u>-</u>
Police				
Personal Services	74,649	64,125	64,125	-
Materials and Supplies	807	705	669	36
Contractual Services	5,031	3,823	3,738	85
Total Police	<u>80,487</u>	<u>68,653</u>	<u>68,532</u>	<u>121</u>
Fire				
Personal Services	55,648	52,146	52,146	-
Materials and Supplies	489	454	454	-
Contractual Services	3,073	2,629	2,231	398
Total Fire	<u>59,210</u>	<u>55,229</u>	<u>54,831</u>	<u>398</u>
General Non-Departmental Services				
Contractual Services	114	85	73	12
Total General Non-Departmental Services	<u>114</u>	<u>85</u>	<u>73</u>	<u>12</u>
TOTAL PUBLIC SAFETY	<u>\$ 165,862</u>	<u>\$ 149,394</u>	<u>\$ 148,863</u>	<u>\$ 531</u>
PUBLIC UTILITIES				
Solid Waste				
Contractual Services	\$ 11	\$ -	\$ -	\$ -
Total Engineering Services	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>
Engineering Services				
Personal Services	1	-	-	-
Contractual Services	-	-	-	-
Total Engineering Services	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Police				
Contractual Services	169	71	71	-
Total Engineering Services	<u>169</u>	<u>71</u>	<u>71</u>	<u>-</u>
TOTAL PUBLIC UTILITIES	<u>\$ 181</u>	<u>\$ 71</u>	<u>\$ 71</u>	<u>\$ -</u>
COMMUNITY ENVIRONMENT				
Planning Commission				
Personal Services	\$ 499	\$ 337	\$ 337	\$ -
Materials and Supplies	18	11	11	-
Contractual Services	41	49	49	-
Total Planning Commission	<u>558</u>	<u>397</u>	<u>397</u>	<u>-</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Fund Utilities				
Contractual Services	\$ 338	\$ 339	\$ 339	\$ -
Total General Fund Utilities	<u>338</u>	<u>339</u>	<u>339</u>	<u>-</u>
Youth Commission				
Other	97	6	1	5
Total Youth Commission	<u>97</u>	<u>6</u>	<u>1</u>	<u>5</u>
H N R Administration				
Personal Services	42	6	6	-
Materials and Supplies	2	-	-	-
Contractual Services	18	13	13	-
Total H N R Administration	<u>62</u>	<u>19</u>	<u>19</u>	<u>-</u>
Housing Division				
Personal Services	39	22	22	-
Other	-	28	28	-
Total Housing Division	<u>39</u>	<u>50</u>	<u>50</u>	<u>-</u>
Economic Development				
Personal Services	86	111	111	-
Materials and Supplies	6	2	2	-
Contractual Services	824	627	599	28
Other	-	-	-	-
Total Economic Development	<u>916</u>	<u>740</u>	<u>712</u>	<u>28</u>
Neighborhood				
Personal Services	107	25	25	-
Contractual Services	9	19	19	-
Total Neighborhood	<u>116</u>	<u>44</u>	<u>44</u>	<u>-</u>
Demolition				
Personal Services	513	431	431	-
Contractual Services	110	24	24	-
Other	91	91	46	45
Total Demolition	<u>714</u>	<u>546</u>	<u>501</u>	<u>45</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)**

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Transportation				
Personal Services	59	51	51	-
Materials and Supplies	2	2	2	-
Contractual Services	24	18	18	-
Total Transportation	<u>85</u>	<u>71</u>	<u>71</u>	<u>-</u>
Streets Bridges & Harbors				
Personal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Contractual Services	25	4	4	-
Total Streets Bridges & Harbors	<u>25</u>	<u>4</u>	<u>4</u>	<u>-</u>
Waste Disposal				
Personal Services	20	13	13	-
Contractual Services	146	181	152	29
Total Waste Disposal	<u>166</u>	<u>194</u>	<u>165</u>	<u>29</u>
Engineering Services				
Personal Services	218	60	60	-
Materials and Supplies	10	2	2	-
Contractual Services	14	19	19	-
Total Engineering Services	<u>242</u>	<u>81</u>	<u>81</u>	<u>-</u>
Building Inspection				
Personal Services	2,023	1,618	1,618	-
Materials and Supplies	23	16	14	2
Contractual Services	270	241	241	-
Total Building Inspection	<u>2,316</u>	<u>1,875</u>	<u>1,873</u>	<u>2</u>
Parks & Forestry				
Materials and Supplies	-	-	-	-
Contractual Services	33	1	1	-
Total Parks & Forestry	<u>33</u>	<u>1</u>	<u>1</u>	<u>-</u>
TOTAL COMMUNITY ENVIRONMENT	<u>\$ 5,707</u>	<u>\$ 4,367</u>	<u>\$ 4,258</u>	<u>\$ 109</u>

CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
HEALTH				
Municipal Court Judges				
Personal Services	\$ 309	\$ 308	\$ 308	\$ -
Materials and Supplies	1	-	-	-
Contractual Services	5	5	5	-
Total Municipal Court Judges	<u>315</u>	<u>313</u>	<u>313</u>	<u>-</u>
Refuse Collection				
Personal Services	9,499	8,171	8,171	-
Materials and Supplies	89	68	56	12
Contractual Services	2,371	2,015	1,966	49
Total Refuse Collection	<u>11,959</u>	<u>10,254</u>	<u>10,193</u>	<u>61</u>
Waste Disposal				
Personal Services	1,218	832	832	-
Materials and Supplies	106	46	22	24
Contractual Services	2,688	2,788	2,277	511
Total Waste Disposal	<u>4,012</u>	<u>3,666</u>	<u>3,131</u>	<u>535</u>
Environmental Services				
Personal Services	160	131	131	-
Contractual Services	144	65	65	-
Total Environmental Services	<u>304</u>	<u>196</u>	<u>196</u>	<u>-</u>
Recreation				
Contractual Services	3	13	13	-
Total Recreation	<u>3</u>	<u>13</u>	<u>13</u>	<u>-</u>
Parks & Forestry				
Personal Services	401	189	189	-
Materials and Supplies	13	9	9	-
Contractual Services	141	120	101	19
Total Parks & Forestry	<u>555</u>	<u>318</u>	<u>299</u>	<u>19</u>
TOTAL HEALTH	<u>\$ 17,148</u>	<u>\$ 14,760</u>	<u>\$ 14,145</u>	<u>\$ 615</u>

**CITY OF TOLEDO, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)**

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
PARKS AND RECREATION				
Natural Resources Administration				
Contractual Services	\$ 25	\$ 25	\$ 25	\$ -
Total Natural Resources Administration	<u>25</u>	<u>25</u>	<u>25</u>	<u>-</u>
Recreation				
Personal Services	276	392	392	-
Materials and Supplies	39	34	32	2
Contractual Services	661	830	820	10
Total Recreation	<u>976</u>	<u>1,256</u>	<u>1,244</u>	<u>12</u>
Parks & Forestry				
Personal Services	441	236	236	-
Materials and Supplies	58	48	45	3
Contractual Services	1,030	793	783	10
Total Parks & Forestry	<u>1,529</u>	<u>1,077</u>	<u>1,064</u>	<u>13</u>
TOTAL PARKS & RECREATION	<u>\$ 2,530</u>	<u>\$ 2,358</u>	<u>\$ 2,333</u>	<u>\$ 25</u>
TOTAL CAPITAL OUTLAY	224	22,126	19,741	2,385
TOTAL DEBT SERVICE	<u>2,366</u>	<u>2,427</u>	<u>2,427</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 211,341</u>	<u>\$ 211,960</u>	<u>\$ 208,099</u>	<u>\$ 3,861</u>

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**CITY OF TOLEDO, OHIO
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS, COMBINING BALANCE SHEET
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS			
Equity in Pooled Cash	\$ 12,739	\$ 134	\$ -
Other Cash	2	-	-
Investments	126	-	704
Restricted investments	2,488	-	-
Receivables (Net of Allowance for Uncollectible Accounts)			
Accounts	6,775	-	-
Special Assessments	-	326	1,729
Interfund Receivables	7,914	-	-
Due from Other Governments	4,300		
Inventory of Supplies	804	-	-
Total Assets	<u>\$ 35,148</u>	<u>\$ 460</u>	<u>\$ 2,433</u>
LIABILITIES			
Accounts Payable	\$ 809	\$ -	\$ -
Deposits	424	-	-
Accrued Payroll	787	-	-
Retainages	-	-	13
Interfund Payables	2,112	-	320
Due to Other Governments	2	-	-
Deferred Revenue	2,645	326	1,728
Other Current Liabilities	2	-	-
Notes Payable	-	-	2,015
Total Liabilities	<u>6,781</u>	<u>326</u>	<u>4,076</u>
FUND BALANCES (DEFICIT):			
Reserved for Debt Service	-	134	-
Reserved for Encumbrances	5,407	-	289
Reserved for Inventory of Supplies	804	-	-
Reserve for EPA Loan	1,495	-	-
Unreserved:			
Unreserved-Special Revenue	20,661	-	-
Unreserved-Capital Projects	-	-	(1,932)
Unreserved-Permanent Funds	-	-	-
Total Fund Balance (Deficit)	<u>28,367</u>	<u>134</u>	<u>(1,643)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 35,148</u>	<u>\$ 460</u>	<u>\$ 2,433</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS, COMBINING BALANCE SHEET
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	<u>Permanent Funds</u>	<u>Total Non-Major Funds</u>
ASSETS		
Equity in Pooled Cash	\$ 11	\$ 12,884
Other Cash	-	2
Investments	161	991
Restricted investments	694	3,182
Receivables (Net of Allowance for Uncollectible Accounts)		
Accounts	-	6,775
Special Assessments	-	2,055
Interfund Receivables	-	7,914
Due from Other Governments		4,300
Inventory of Supplies	-	804
Total Assets	<u>\$ 866</u>	<u>\$ 38,907</u>
LIABILITIES		
Accounts Payable	\$ -	809
Deposits	172	596
Accrued Payroll	-	787
Retainages	-	13
Interfund Payables	-	2,432
Due to Other Governments	-	2
Deferred Revenue	-	4,699
Other Current Liabilities	-	2
Notes Payable	-	2,015
Total Liabilities	<u>172</u>	<u>11,355</u>
FUND BALANCES (DEFICIT):		
Reserved for Debt Service	-	134
Reserved for Encumbrances	-	5,696
Reserved for Inventory of Supplies	-	804
Reserve for EPA Loan	-	1,495
Unreserved:		
Unreserved-Special Revenue	-	20,661
Unreserved-Capital Projects	-	(1,932)
Unreserved-Permanent Funds	694	694
Total Fund Balance (Deficit)	<u>694</u>	<u>27,552</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 866</u>	<u>\$ 38,907</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
REVENUES:			
Special Assessments	\$ -	\$ 83	\$ 493
Licenses and Permits	6	-	-
Intergovernmental Services	40,098	-	-
Charges for Services	688	-	-
Investment Earnings	653	-	1
Fines and Forfeitures	1,195	-	-
All Other Revenue	1,376	-	-
Total Revenues	<u>44,016</u>	<u>83</u>	<u>494</u>
EXPENDITURES:			
Current:			
General Government	2,898	-	-
Public Service	10,252	-	-
Public Safety	6,177	-	-
Public Utilities	44	-	-
Community Environment	13,759	-	-
Health	1,744	-	-
Parks and Recreation	250	-	-
Capital Outlay	2,274	-	176
Debt Service:			
Principal Retirement	110	13,330	-
Interest and Fiscal Charges	26	4,307	100
Total Expenditures	<u>37,534</u>	<u>17,637</u>	<u>276</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,482</u>	<u>(17,554)</u>	<u>218</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	2,838	17,598	-
Transfers (Out)	(4,587)	-	-
Note Proceeds	-	-	-
Bond Proceeds	-	-	115
Premium on Bond	-	-	6
Payment to Refunded Bond Escrow Agent	-	-	-
Other Revenue (Expenses)	-	-	-
Total Other Financing Sources and (Uses)	<u>(1,749)</u>	<u>17,598</u>	<u>121</u>
Net Change in Fund Balances	4,733	44	339
Fund Balances (Deficit) at Beginning of Year	23,594	90	(1,982)
Increase in Reserve for Inventory	40	-	-
Fund Balance (Deficit) at Year End	<u>\$ 28,367</u>	<u>\$ 134</u>	<u>\$ (1,643)</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	<u>Permanent Funds</u>	<u>Total Non-Major Funds</u>
REVENUES:		
Special Assessments	\$ -	\$ 576
Licenses and Permits	-	6
Intergovernmental Services	-	40,098
Charges for Services	-	688
Investment Earnings	-	654
Fines and Forfeitures	-	1,195
All Other Revenue	-	1,376
Total Revenues	<u>-</u>	<u>44,593</u>
EXPENDITURES:		
Current:		
General Government	-	2,898
Public Service	-	10,252
Public Safety	-	6,177
Public Utilities	-	44
Community Environment	-	13,759
Health	-	1,744
Parks and Recreation	-	250
Capital Outlay	-	2,450
Debt Service:		
Principal Retirement	-	13,440
Interest and Fiscal Charges	-	4,433
Total Expenditures	<u>-</u>	<u>55,447</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(10,854)</u>
OTHER FINANCING SOURCES (USES):		
Transfers In	-	20,436
Transfers (Out)	-	(4,587)
Note Proceeds	-	-
Bond Proceeds	-	115
Premium on Bond	-	6
Payment to Refunded		
Bond Escrow Agent	-	-
Other Revenue (Expenses)	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>15,970</u>
Net Change in Fund Balances	-	5,116
Fund Balances (Deficit) at Beginning of Year	694	22,396
Increase in Reserve for Inventory	-	40
Fund Balance (Deficit) at Year End	<u>\$ 694</u>	<u>\$ 27,552</u>

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CITY OF TOLEDO, OHIO
NON-MAJOR-SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

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 fees collected from public utilities for roadway repairs & improvements caused by utility access to public right of way.

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
SPECIAL REVENUE FUNDS, COMBINING BALANCE SHEET
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Federal Block Grants</u>	<u>Operation Grants</u>	<u>Urban Development Action Grants</u>
ASSETS			
Equity in Pooled Cash	\$ 3,585	\$ -	\$ -
Other Cash	1	-	-
Investments	-	-	13
Restricted Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	1,820	2,101	-
Interfund Receivable	-	6,439	688
Due from Other Governments	-	514	-
Inventory of Supplies	-	-	-
Total Assets	<u>\$ 5,406</u>	<u>\$ 9,054</u>	<u>\$ 701</u>
LIABILITIES			
Accounts Payable	\$ 150	\$ 385	\$ -
Deposits	12	140	11
Accrued Payroll	-	-	-
Interfund Payable	-	665	-
Due to Other Governments	-	-	2
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
Total Liabilities	<u>162</u>	<u>1,190</u>	<u>13</u>
FUND BALANCES (DEFICIT):			
Reserved for Encumbrances	1,999	1,274	-
Reserved for Inventory of Supplies	-	-	-
Reserve for EPA Loan	-	1,495	-
Unreserved:			
Undesignated	3,245	5,095	688
Total Fund Balance (Deficit)	<u>5,244</u>	<u>7,864</u>	<u>688</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 5,406</u>	<u>\$ 9,054</u>	<u>\$ 701</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
SPECIAL REVENUE FUNDS, COMBINING BALANCE SHEET
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Street Construction Maintenance and Repair</u>	<u>Cemetery Maintenance</u>	<u>Golf Improvements</u>
ASSETS			
Equity in Pooled Cash	\$ 5,176	\$ 41	\$ 219
Other Cash	-	-	-
Investments	-	-	-
Restricted Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	633	-	-
Interfund Receivable	-	-	-
Due from Other Governments	3,786	-	-
Inventory of Supplies	804	-	-
Total Assets	<u>\$ 10,399</u>	<u>\$ 41</u>	<u>\$ 219</u>
LIABILITIES			
Accounts Payable	\$ 69	\$ -	\$ -
Deposits	-	-	-
Accrued Payroll	-	-	-
Interfund Payable	54	-	-
Due to Other Governments	-	-	-
Deferred Revenue	2,645	-	-
Other Current Liabilities	-	-	-
Total Liabilities	<u>2,768</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT):			
Reserved for Encumbrances	95	-	-
Reserved for Inventory of Supplies	804	-	-
Reserve for EPA Loan	-	-	-
Unreserved:			
Undesignated	6,732	41	219
Total Fund Balance (Deficit)	<u>7,631</u>	<u>41</u>	<u>219</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 10,399</u>	<u>\$ 41</u>	<u>\$ 219</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
SPECIAL REVENUE FUNDS, COMBINING BALANCE SHEET
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Parkland Improvements</u>	<u>Cemeteries Property Acquisition Site Development</u>	<u>Marina Development</u>
ASSETS			
Equity in Pooled Cash	\$ 203	\$ 207	\$ -
Other Cash	-	-	1
Investments	-	-	-
Restricted Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	16	-	-
Interfund Receivable	-	-	-
Due from Other Governments	-	-	-
Inventory of Supplies	-	-	-
Total Assets	<u>\$ 219</u>	<u>\$ 207</u>	<u>\$ 1</u>
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 2
Deposits	-	-	-
Accrued Payroll	-	-	-
Interfund Payable	-	-	10
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>12</u>
FUND BALANCES (DEFICIT):			
Reserved for Encumbrances	-	-	-
Reserved for Inventory of Supplies	-	-	-
Reserve for EPA Loan	-	-	-
Unreserved:			
Undesignated	219	207	(11)
Total Fund Balance (Deficit)	<u>219</u>	<u>207</u>	<u>(11)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 219</u>	<u>\$ 207</u>	<u>\$ 1</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
SPECIAL REVENUE FUNDS, COMBINING BALANCE SHEET
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Expendable Trusts</u>	<u>Toledo City Parks</u>	<u>Toledo Home Program</u>
ASSETS			
Equity in Pooled Cash	\$ 3,306	\$ -	\$ -
Other Cash	-	-	-
Investments	16	97	-
Restricted Investments	-	2,488	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	302	14	1,889
Interfund Receivable	-	-	787
Due from Other Governments	-	-	-
Inventory of Supplies	-	-	-
Total Assets	<u>\$ 3,624</u>	<u>\$ 2,599</u>	<u>\$ 2,676</u>
LIABILITIES			
Accounts Payable	\$ 68	\$ -	\$ 135
Deposits	260	-	-
Accrued Payroll	-	-	787
Interfund Payable	-	608	775
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	2	-	-
Total Liabilities	<u>330</u>	<u>608</u>	<u>1,697</u>
FUND BALANCES (DEFICIT):			
Reserved for Encumbrances	-	-	2,039
Reserved for Inventory of Supplies	-	-	-
Reserve for EPA Loan	-	-	-
Unreserved:			
Undesignated	3,294	1,991	(1,060)
Total Fund Balance (Deficit)	<u>3,294</u>	<u>1,991</u>	<u>979</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 3,624</u>	<u>\$ 2,599</u>	<u>\$ 2,676</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
SPECIAL REVENUE FUNDS, COMBINING BALANCE SHEET
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Right Of Way	Total Special Revenue Funds
ASSETS		
Equity in Pooled Cash	\$ 2	\$ 12,739
Other Cash	-	2
Investments	-	126
Restricted Investments	-	2,488
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts	-	6,775
Interfund Receivable	-	7,914
Due from Other Governments	-	4,300
Inventory of Supplies	-	804
Total Assets	\$ 2	\$ 35,148
LIABILITIES		
Accounts Payable	\$ -	\$ 809
Deposits	1	424
Accrued Payroll	-	787
Interfund Payable	-	2,112
Due to Other Governments	-	2
Deferred Revenue	-	2,645
Other Current Liabilities	-	2
Total Liabilities	1	6,781
FUND BALANCES (DEFICIT):		
Reserved for Encumbrances	-	5,407
Reserved for Inventory of Supplies	-	804
Reserve for EPA Loan	-	1,495
Unreserved:		
Undesignated	1	20,661
Total Fund Balance (Deficit)	1	28,367
Total Liabilities and Fund Balance (Deficit)	\$ 2	\$ 35,148

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CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
SPECIAL REVENUE FUNDS, COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
REVENUES:			
Licenses and Permits	\$ -	\$ 1	\$ -
Intergovernmental Services	11,470	11,133	-
Charges for Services	13	268	-
Investment Earnings	-	14	-
Fines and Forfeitures	-	1,186	-
All Other Revenue	11	4	-
Total Revenues	<u>11,494</u>	<u>12,606</u>	<u>-</u>
EXPENDITURES:			
Current:			
General Government	5	30	-
Public Service	-	-	-
Public Safety	-	5,329	-
Public Utilities	-	-	-
Community Environment	6,928	4,079	-
Health	-	1,470	-
Parks and Recreation	-	10	-
Capital Outlay	537	1,713	-
Debt Service:			
Principal Retirement	110	-	-
Interest and Fiscal Charges	26	-	-
Total Expenditures	<u>7,606</u>	<u>12,631</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,888</u>	<u>(25)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	452	177	-
Transfers (Out)	(1,678)	(3)	-
Note Proceeds	-	-	-
Total Other Financing Sources and (Uses)	<u>(1,226)</u>	<u>174</u>	<u>-</u>
Net Change in Fund Balance	2,662	149	-
Fund Balances (Deficit) at Beginning of Year	2,582	7,715	688
Increase in Reserve for Inventory	-	-	-
Fund Balance (Deficit) at Year End	<u>\$ 5,244</u>	<u>\$ 7,864</u>	<u>\$ 688</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
SPECIAL REVENUE FUNDS, COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements
REVENUES:			
Licenses and Permits	\$ 2	\$ -	\$ -
Intergovernmental Services	13,903	-	-
Charges for Services	7	-	168
Investment Earnings	-	5	-
Fines and Forfeitures	9	-	-
All Other Revenue	33	-	-
Total Revenues	<u>13,954</u>	<u>5</u>	<u>168</u>
EXPENDITURES:			
Current:			
General Government	72	-	-
Public Service	10,252	-	-
Public Safety	86	-	-
Public Utilities	44	-	-
Community Environment	11	-	-
Health	-	13	-
Parks and Recreation	-	-	-
Capital Outlay	21	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>10,486</u>	<u>13</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,468</u>	<u>(8)</u>	<u>168</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	230	-	-
Transfers (Out)	(1,668)	-	(153)
Note Proceeds	-	-	-
Total Other Financing Sources and (Uses)	<u>(1,438)</u>	<u>-</u>	<u>(153)</u>
Net Change in Fund Balance	2,030	(8)	15
Fund Balances (Deficit) at Beginning of Year	5,561	49	204
Increase in Reserve for Inventory	40	-	-
Fund Balance (Deficit) at Year End	<u>\$ 7,631</u>	<u>\$ 41</u>	<u>\$ 219</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
SPECIAL REVENUE FUNDS, COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	Parkland Improvements	Cemeteries Property Acquisition Site Development	Marina Development
REVENUES:			
Licenses and Permits	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-
Charges for Services	-	40	60
Investment Earnings	-	-	-
Fines and Forfeitures	-	-	-
All Other Revenue	48	-	-
Total Revenues	<u>48</u>	<u>40</u>	<u>60</u>
EXPENDITURES:			
Current:			
General Government	-	-	-
Public Service	-	-	-
Public Safety	-	-	-
Public Utilities	-	-	-
Community Environment	-	-	-
Health	-	19	-
Parks and Recreation	-	-	87
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>-</u>	<u>19</u>	<u>87</u>
Excess (Deficiency) of Revenues over Expenditures	<u>48</u>	<u>21</u>	<u>(27)</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	-	-	16
Transfers (Out)	-	-	-
Note Proceeds	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>16</u>
Net Change in Fund Balance	48	21	(11)
Fund Balances (Deficit) at Beginning of Year	171	186	-
Increase in Reserve for Inventory	-	-	-
Fund Balance (Deficit) at Year End	<u>\$ 219</u>	<u>\$ 207</u>	<u>\$ (11)</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
SPECIAL REVENUE FUNDS, COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
REVENUES:			
Licenses and Permits	\$ 3	\$ -	\$ -
Intergovernmental Services	-	-	3,592
Charges for Services	132	-	-
Investment Earnings	563	71	-
Fines and Forfeitures	-	-	-
All Other Revenue	1,279	-	-
Total Revenues	<u>1,977</u>	<u>71</u>	<u>3,592</u>
EXPENDITURES:			
Current:			
General Government	2,791	-	-
Public Service	-	-	-
Public Safety	762	-	-
Public Utilities	-	-	-
Community Environment	-	-	2,741
Health	242	-	-
Parks and Recreation	153	-	-
Capital Outlay	-	-	3
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>3,948</u>	<u>-</u>	<u>2,744</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,971)</u>	<u>71</u>	<u>848</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	1,679	-	54
Transfers (Out)	(668)	(187)	-
Note Proceeds	-	-	-
Total Other Financing Sources and (Uses)	<u>1,011</u>	<u>(187)</u>	<u>54</u>
Net Change in Fund Balance	(960)	(116)	902
Fund Balances (Deficit) at Beginning of Year	4,254	2,107	77
Increase in Reserve for Inventory	-	-	-
Fund Balance (Deficit) at Year End	<u>\$ 3,294</u>	<u>\$ 1,991</u>	<u>\$ 979</u>

CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
SPECIAL REVENUE FUNDS, COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	<u>Right Of Way</u>	<u>Total Special Revenue Funds</u>
REVENUES:		
Licenses and Permits	\$ -	\$ 6
Intergovernmental Services	-	40,098
Charges for Services	-	688
Investment Earnings	-	653
Fines and Forfeitures	-	1,195
All Other Revenue	1	1,376
Total Revenues	<u>1</u>	<u>44,016</u>
EXPENDITURES:		
Current:		
General Government	-	2,898
Public Service	-	10,252
Public Safety	-	6,177
Public Utilities	-	44
Community Environment	-	13,759
Health	-	1,744
Parks and Recreation	-	250
Capital Outlay	-	2,274
Debt Service:		
Principal Retirement	-	110
Interest and Fiscal Charges	-	26
Total Expenditures	<u>-</u>	<u>37,534</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1</u>	<u>6,482</u>
OTHER FINANCING SOURCES (USES):		
Transfers In	230	2,838
Transfers (Out)	(230)	(4,587)
Note Proceeds	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(1,749)</u>
Net Change in Fund Balance	1	4,733
Fund Balances (Deficit) at Beginning of Year	-	23,594
Increase in Reserve for Inventory	-	40
Fund Balance (Deficit) at Year End	<u>\$ 1</u>	<u>\$ 28,367</u>

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CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Federal Block Grants		Actual Amount	Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget		
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	27,236	11,470	(15,766)
Charges for Services	-	15	13	(2)
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	8	11	3
Total Revenues	<u>-</u>	<u>27,259</u>	<u>11,494</u>	<u>(15,765)</u>
EXPENDITURES:				
Current:				
General Government	-	-	5	(5)
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	8,000	25,167	6,928	18,239
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	749	3,012	537	2,475
Debt Service:				
Principal Retirement	100	333	110	223
Interest and Fiscal Charges	53	92	26	66
Total Expenditures	<u>8,902</u>	<u>28,604</u>	<u>7,606</u>	<u>20,998</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(8,902)</u>	<u>(1,345)</u>	<u>3,888</u>	<u>5,233</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	452	452
Transfers (Out)	(256)	(1,677)	(1,678)	(1)
Total Other Financing Sources and (Uses)	<u>(256)</u>	<u>(1,677)</u>	<u>(1,226)</u>	<u>451</u>
Net Change in Fund Balance	<u>\$ (9,158)</u>	<u>\$ (3,022)</u>	2,662	<u>\$ 5,684</u>
Fund Balances (Deficit) at Beginning of Year			2,582	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ 5,244</u>	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Operation Grants			Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget	Actual Amount	
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental Services	89	32,792	11,133	(21,659)
Charges for Services	-	-	268	268
Investment Earnings	-	14	14	-
Fines and Forfeitures	-	-	1,186	1,186
All Other Revenue	-	15	4	(11)
Total Revenues	89	32,821	12,606	(20,215)
EXPENDITURES:				
Current:				
General Government	-	90	30	60
Public Service	-	-	-	-
Public Safety	4,015	10,087	5,329	4,758
Public Utilities	1	1	-	1
Community Environment	6,640	20,855	4,079	16,776
Health	970	2,908	1,470	1,438
Parks and Recreation	4	12	10	2
Capital Outlay	2,942	3,537	1,713	1,824
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	14,572	37,490	12,631	24,859
Excess (Deficiency) of Revenues over Expenditures	(14,483)	(4,669)	(25)	4,644
OTHER FINANCING SOURCES (USES):				
Transfers In	-	205	177	(28)
Transfers (Out)	-	(30)	(3)	27
Total Other Financing Sources and (Uses)	-	175	174	(1)
Net Change in Fund Balance	\$ (14,483)	\$ (4,494)	149	\$ 4,643
Fund Balances (Deficit) at Beginning of Year			7,715	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 7,864	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Urban Development Action Grant		Actual Amount	Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget		
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	128	11	-	11
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	192	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>320</u>	<u>11</u>	<u>-</u>	<u>11</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(320)</u>	<u>(11)</u>	<u>-</u>	<u>11</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (320)</u>	<u>\$ (11)</u>	<u>-</u>	<u>\$ 11</u>
Fund Balances (Deficit) at Beginning of Year			688	
Increase in Reserve for Inventory			<u>-</u>	
Fund Balance (Deficit) at Year End			<u>\$ 688</u>	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Street Construction Maintenance and Repair		Actual Amount	Variance with Final Budget
	Initial Budget	Final Budget		Positive (Negative)
REVENUES:				
Licenses and Permits	\$ 58	\$ 58	\$ 2	\$ (56)
Intergovernmental Services	13,556	13,556	13,903	347
Charges for Services	4	4	7	3
Investment Earnings	-	-	-	-
Fines and Forfeitures	31	31	9	(22)
All Other Revenue	1	1	33	32
Total Revenues	<u>13,650</u>	<u>13,650</u>	<u>13,954</u>	<u>304</u>
EXPENDITURES:				
Current:				
General Government	78	108	72	36
Public Service	13,206	13,251	10,252	2,999
Public Safety	234	234	86	148
Public Utilities	11	44	44	-
Community Environment	11	11	11	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	45	21	21	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>13,585</u>	<u>13,669</u>	<u>10,486</u>	<u>3,183</u>
Excess (Deficiency) of Revenues over Expenditures	<u>65</u>	<u>(19)</u>	<u>3,468</u>	<u>3,487</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	230	230	230	-
Transfers (Out)	(1,622)	(1,668)	(1,668)	-
Total Other Financing Sources and (Uses)	<u>(1,392)</u>	<u>(1,438)</u>	<u>(1,438)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (1,327)</u>	<u>\$ (1,457)</u>	2,030	<u>\$ 3,487</u>
Fund Balances (Deficit) at Beginning of Year			5,561	
Increase in Reserve for Inventory			40	
Fund Balance (Deficit) at Year End			<u>\$ 7,631</u>	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Cemetery Maintenance		Actual Amount	Variance with Final Budget
	Initial Budget	Final Budget		Positive (Negative)
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	20	20	5	(15)
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	<u>20</u>	<u>20</u>	<u>5</u>	<u>(15)</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	15	15	13	2
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>15</u>	<u>15</u>	<u>13</u>	<u>2</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5</u>	<u>5</u>	<u>(8)</u>	<u>(13)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 5</u>	<u>\$ 5</u>	<u>(8)</u>	<u>\$ (13)</u>
Fund Balances (Deficit) at Beginning of Year			49	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ 41</u>	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Golf Improvements		Actual Amount	Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget		
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	-
Charges for Services	20	20	168	148
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	<u>20</u>	<u>20</u>	<u>168</u>	<u>148</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>20</u>	<u>20</u>	<u>168</u>	<u>148</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers (Out)	<u>(153)</u>	<u>(153)</u>	<u>(153)</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>(153)</u>	<u>(153)</u>	<u>(153)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (133)</u>	<u>\$ (133)</u>	15	<u>\$ 148</u>
Fund Balances (Deficit) at Beginning of Year			204	
Increase in Reserve for Inventory			<u>-</u>	
Fund Balance (Deficit) at Year End			<u>\$ 219</u>	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Parkland Improvements		Actual Amount	Variance with Final Budget
	Initial Budget	Final Budget		Positive (Negative)
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	25	25	48	23
Total Revenues	<u>25</u>	<u>25</u>	<u>48</u>	<u>23</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>25</u>	<u>25</u>	<u>48</u>	<u>23</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 25</u>	<u>\$ 25</u>	48	<u>\$ 23</u>
Fund Balances (Deficit) at Beginning of Year			171	
Increase in Reserve for Inventory			<u>-</u>	
Fund Balance (Deficit) at Year End			<u>\$ 219</u>	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Cemeteries Property Acquisition Site Development		Actual Amount	Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget		
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	-
Charges for Services	20	20	40	20
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	20	20	40	20
EXPENDITURES:				
Current:				
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	-	-	-	-
Total Expenditures	21	21	19	2
Excess (Deficiency) of Revenues over Expenditures	(1)	(1)	21	22
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Net Change in Fund Balance	\$ (1)	\$ (1)	21	\$ 22
Fund Balances (Deficit) at Beginning of Year			186	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 207	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Marina Development		Actual Amount	Variance with Final Budget
	Initial Budget	Final Budget		Positive (Negative)
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	-
Charges for Services	109	109	60	(49)
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	109	109	60	(49)
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	125	125	87	38
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	125	125	87	38
Excess (Deficiency) of Revenues over Expenditures	(16)	(16)	(27)	(11)
OTHER FINANCING SOURCES (USES):				
Transfers In	16	16	16	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	16	16	16	-
Net Change in Fund Balance	\$ -	\$ -	(11)	\$ (11)
Fund Balances (Deficit) at Beginning of Year			-	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ (11)	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Expendable Trusts		Actual Amount	Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget		
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ 3	\$ 3
Intergovernmental Services	-	-	-	-
Charges for Services	117	117	132	15
Investment Earnings	686	685	563	(122)
Fines and Forfeitures	-	-	-	-
All Other Revenue	119	119	1,279	1,160
Total Revenues	<u>922</u>	<u>921</u>	<u>1,977</u>	<u>1,056</u>
EXPENDITURES:				
Current:				
General Government	1,928	3,707	2,791	916
Public Service	-	-	-	-
Public Safety	1,467	2,094	762	1,332
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	544	780	242	538
Parks and Recreation	501	553	153	400
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>4,440</u>	<u>7,134</u>	<u>3,948</u>	<u>3,186</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,518)</u>	<u>(6,213)</u>	<u>(1,971)</u>	<u>4,242</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	510	1,679	1,169
Transfers (Out)	-	(699)	(668)	31
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(189)</u>	<u>1,011</u>	<u>1,200</u>
Net Change in Fund Balance	<u>\$ (3,518)</u>	<u>\$ (6,402)</u>	<u>\$ (960)</u>	<u>\$ 5,442</u>
Fund Balances (Deficit) at Beginning of Year			4,254	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ 3,294</u>	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Toledo City Parks		Actual Amount	Variance with Final Budget
	Initial Budget	Final Budget		Positive (Negative)
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	120	120	71	(49)
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	<u>120</u>	<u>120</u>	<u>71</u>	<u>(49)</u>
EXPENDITURES:				
Current:				
General Government	26	5	-	5
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>26</u>	<u>5</u>	<u>-</u>	<u>5</u>
Excess (Deficiency) of Revenues over Expenditures	<u>94</u>	<u>115</u>	<u>71</u>	<u>(44)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers (Out)	-	(187)	(187)	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(187)</u>	<u>(187)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 94</u>	<u>\$ (72)</u>	(116)	<u>\$ (44)</u>
Fund Balances (Deficit) at Beginning of Year			2,107	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			<u>\$ 1,991</u>	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Toledo Home Program		Actual Amount	Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget		
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	2,710	3,592	882
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>2,710</u>	<u>3,592</u>	<u>882</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	6,258	9,006	2,741	6,265
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	52	28	3	25
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>6,310</u>	<u>9,034</u>	<u>2,744</u>	<u>6,290</u>
Excess (Deficiency) of Revenues over Expenditures	(6,310)	(6,324)	848	7,172
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	54	54
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>54</u>	<u>54</u>
Net Change in Fund Balance	<u>\$ (6,310)</u>	<u>\$ (6,324)</u>	902	<u>\$ 7,226</u>
Fund Balances (Deficit) at Beginning of Year			77	
Increase in Reserve for Inventory			<u>-</u>	
Fund Balance (Deficit) at Year End			<u>\$ 979</u>	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Right of Way		Actual Amount	Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget		
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	1	1
Total Revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	230	230	230	-
Transfers (Out)	<u>(230)</u>	<u>(230)</u>	<u>(230)</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>1</u>	<u>\$ 1</u>
Fund Balances (Deficit) at Beginning of Year			-	
Increase in Reserve for Inventory			<u>-</u>	
Fund Balance (Deficit) at Year End			<u>\$ 1</u>	

CITY OF TOLEDO, OHIO
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Total		Actual Amount	Variance with Final Budget
	Initial Budget	Final Budget		Positive (Negative)
REVENUES:				
Licenses and Permits	\$ 58	\$ 58	\$ 6	\$ (52)
Intergovernmental Services	13,645	76,294	40,098	(36,196)
Charges for Services	270	285	688	403
Investment Earnings	826	839	653	(186)
Fines and Forfeitures	31	31	1,195	1,164
All Other Revenue	145	168	1,376	1,208
Total Revenues	<u>14,975</u>	<u>77,675</u>	<u>44,016</u>	<u>(33,659)</u>
EXPENDITURES:				
Current:				
General Government	2,032	3,910	2,898	1,012
Public Service	13,206	13,251	10,252	2,999
Public Safety	5,716	12,415	6,177	6,238
Public Utilities	12	45	44	1
Community Environment	21,037	55,050	13,759	41,291
Health	1,550	3,724	1,744	1,980
Parks and Recreation	630	690	250	440
Capital Outlay	3,980	6,598	2,274	4,324
Debt Service:				
Principal Retirement	100	333	110	223
Interest and Fiscal Charges	53	92	26	66
Total Expenditures	<u>48,316</u>	<u>96,108</u>	<u>37,534</u>	<u>58,574</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(33,341)</u>	<u>(18,433)</u>	<u>6,482</u>	<u>24,915</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	476	1,191	2,838	1,647
Transfers (Out)	(2,261)	(4,644)	(4,587)	57
Total Other Financing Sources and (Uses)	<u>(1,785)</u>	<u>(3,453)</u>	<u>(1,749)</u>	<u>1,704</u>
Net Change in Fund Balance	<u>\$ (35,126)</u>	<u>\$ (21,886)</u>	4,733	<u>\$ 26,619</u>
Fund Balances (Deficit) at Beginning of Year			23,594	
Increase in Reserve for Inventory			<u>40</u>	
Fund Balance (Deficit) at Year End			<u>\$ 28,367</u>	

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CITY OF TOLEDO, OHIO
NON-MAJOR-DEBT SERVICE FUNDS
DECEMBER 31, 2009

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

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

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CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
DEBT SERVICE FUNDS, COMBINING BALANCE SHEET
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	General Obligation	Special Assessment Debt Service	Total Debt Service Funds
ASSETS:			
Equity in Pooled Cash	\$ -	\$ 134	\$ 134
Receivables (Net of Allowance for Uncollectible Accounts):			
Special Assessments	-	326	326
Interfund Receivables	-	-	-
Prepaid Expenditures	-	-	-
Restricted Assets:			
Other Cash	-	-	-
Investments	-	-	-
Total Assets	\$ -	\$ 460	\$ 460
LIABILITIES:			
Accounts Payable	\$ -	\$ -	\$ -
Deferred Revenue	-	326	326
Total Liabilities	-	326	326
FUND BALANCES (DEFICIT):			
Reserved for Encumbrances	-	-	-
Reserved for Debt Service	-	134	134
Reserved for Prepaid Expenditures	-	-	-
Unreserved:	-	-	-
Total Fund Balance (Deficit)	-	134	134
Total Liabilities and			
Fund Balance (Deficit)	\$ -	\$ 460	\$ 460

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**CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
DEBT SERVICE FUNDS,
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)**

	<u>General Obligation</u>	<u>Special Assessment Debt Service</u>	<u>Total Debt Service Funds</u>
REVENUES:			
Special Assessments	\$ -	\$ 83	\$ 83
Intergovernmental Services	-	-	-
Investment Earnings	-	-	-
Total Revenues	<u>-</u>	<u>83</u>	<u>83</u>
EXPENDITURES:			
Debt Service:			
Principal Retirement	13,295	35	13,330
Interest and Fiscal Charges	<u>4,303</u>	<u>4</u>	<u>4,307</u>
Total Expenditures	<u>17,598</u>	<u>39</u>	<u>17,637</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(17,598)</u>	<u>44</u>	<u>(17,554)</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	17,598	-	17,598
Transfers (Out)	-	-	-
Refunding Bonds Issued	-	-	-
Premium on Bond	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-
Total Other Financing Sources and (Uses)	<u>17,598</u>	<u>-</u>	<u>17,598</u>
Net Change in Fund Balance	-	44	44
Fund Balances (Deficit) at Beginning of Year	<u>-</u>	<u>90</u>	<u>90</u>
Fund Balance (Deficit) at Year End	<u>\$ -</u>	<u>\$ 134</u>	<u>\$ 134</u>

CITY OF TOLEDO, OHIO
DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	General Obligation			Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget	Actual	
REVENUES:				
Special Assessments	\$ -	\$ -	-	\$ -
Intergovernmental Services	2,296	2,296	-	(2,296)
Investment Earnings	-	-	-	-
Total Revenues	<u>2,296</u>	<u>2,296</u>	<u>-</u>	<u>(2,296)</u>
EXPENDITURES:				
Debt Service:				
Principal Retirement	11,456	13,295	13,295	-
Interest and Fiscal Charges	5,006	4,304	4,303	1
Total Expenditures	<u>16,462</u>	<u>17,599</u>	<u>17,598</u>	<u>1</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(14,166)</u>	<u>(15,303)</u>	<u>(17,598)</u>	<u>(2,295)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	18,113	18,113	17,598	(515)
Transfers (Out)	-	-	-	-
Premium on Bond	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources and (Uses)	<u>18,113</u>	<u>18,113</u>	<u>17,598</u>	<u>(515)</u>
Net Change in Fund Balance	<u>\$ 3,947</u>	<u>\$ 2,810</u>	<u>\$ -</u>	<u>\$ (2,810)</u>
Fund Balances (Deficit) at Beginning of Year			<u>-</u>	
Fund Balance (Deficit) at Year End			<u>\$ -</u>	

CITY OF TOLEDO, OHIO
DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Special Assessment Debt Service			Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget	Actual	
REVENUES:				
Special Assessments	\$ 81	\$ 81	83	\$ 2
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
Total Revenues	<u>81</u>	<u>81</u>	<u>83</u>	<u>2</u>
EXPENDITURES:				
Debt Service:				
Principal Retirement	35	35	35	-
Interest and Fiscal Charges	9	9	4	5
Total Expenditures	<u>44</u>	<u>44</u>	<u>39</u>	<u>5</u>
Excess (Deficiency) of Revenues over Expenditures	<u>37</u>	<u>37</u>	<u>44</u>	<u>7</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Premium on Bond	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 44</u>	<u>\$ 7</u>
Fund Balances (Deficit) at Beginning of Year			<u>90</u>	
Fund Balance (Deficit) at Year End			<u>\$ 134</u>	

CITY OF TOLEDO, OHIO
DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Total			Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget	Actual	
REVENUES:				
Special Assessments	\$ 81	\$ 81	\$ 83	\$ 2
Intergovernmental Services	2,296	2,296	-	(2,296)
Investment Earnings	-	-	-	-
Total Revenues	<u>2,377</u>	<u>2,377</u>	<u>83</u>	<u>(2,294)</u>
EXPENDITURES:				
Debt Service:				
Principal Retirement	11,491	13,330	13,330	-
Interest and Fiscal Charges	5,015	4,313	4,307	6
Total Expenditures	<u>16,506</u>	<u>17,643</u>	<u>17,637</u>	<u>6</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(14,129)</u>	<u>(15,266)</u>	<u>(17,554)</u>	<u>(2,288)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	18,113	18,113	17,598	(515)
Transfers (Out)	-	-	-	-
Premium on Bond	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources and (Uses)	<u>18,113</u>	<u>18,113</u>	<u>17,598</u>	<u>(515)</u>
Net Change in Fund Balance	<u>\$ 3,984</u>	<u>\$ 2,847</u>	<u>\$ 44</u>	<u>\$ (2,803)</u>
Fund Balances (Deficit) at Beginning of Year			<u>90</u>	
Fund Balance (Deficit) at Year End			<u>\$ 134</u>	

**CITY OF TOLEDO, OHIO
NON-MAJOR-CAPITAL PROJECTS FUNDS
DECEMBER 31, 2009**

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

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CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
CAPITAL PROJECTS FUND, BALANCE SHEET
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Special Assessment Improvements</u>
ASSETS:	
Equity in Pooled Cash	\$ -
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	-
Special Assessments	1,729
Interfund Balances	-
Prepaid Expenses	-
Inventory of Supplies	-
Investments	704
Total Assets	<u>\$ 2,433</u>
 LIABILITIES:	
Accounts Payable	\$ -
Deposits	-
Retainages	13
Interfund Balances	320
Due to Other Governments	-
Deferred Revenue	1,728
Other Current Liabilities	
Debt:	
Notes Payable	2,015
Total Liabilities	<u>4,076</u>
 FUND BALANCES (DEFICIT):	
Reserved for Encumbrances	289
Reserved for Inventory of Supplies	-
Reserved for Capital Improvements	-
Reserved for Prepaid Expenditures	-
Undesignated	(1,932)
Total Fund Balance (Deficit)	<u>(1,643)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 2,433</u>

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**CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
CAPITAL PROJECTS FUND, STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES,
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)**

	<u>Special Assessment Improvements</u>
REVENUES:	
Special Assessments	\$ 493
Intergovernmental Services	-
Charges for Services	-
Investment Earnings	1
All Other Revenue	-
Total Revenues	<u>494</u>
EXPENDITURES:	
Capital Outlay	176
Debt Service:	
Principal Retirement	-
Interest and Fiscal Charges	100
Total Expenditures	<u>276</u>
Excess (Deficiency) of Revenues over Expenditures	<u>218</u>
OTHER FINANCING SOURCES (USES):	
Transfers In	-
Transfers (Out)	-
Bond Proceeds	115
Note Proceeds	-
Premiums on Bond	6
Other	-
Total Other Financing Sources and (Uses)	<u>121</u>
Net Change in fund Balance	339
Fund Balances (Deficit) at Beginning of Year	(1,982)
Increase in Reserve for Inventory	-
Fund Balance (Deficit) at Year End	<u>\$ (1,643)</u>

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CITY OF TOLEDO, OHIO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Special Assessment Improvements		Actual Amount	Variance with Final Budget Positive (Negative)
	Initial Budget	Final Budget		
REVENUES:				
Special Assessments	\$ 447	\$ 447	\$ 493	\$ 46
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	1	1
All Other Revenue	-	-	-	-
Total Revenues	<u>447</u>	<u>447</u>	<u>494</u>	<u>47</u>
EXPENDITURES:				
Capital Outlay	594	1,126	176	950
Debt Service:				
Principal Retirement	543	543	-	543
Interest and Fiscal Charges	378	654	100	554
Total Expenditures	<u>1,515</u>	<u>2,323</u>	<u>276</u>	<u>2,047</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,068)</u>	<u>(1,876)</u>	<u>218</u>	<u>2,094</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Bond Proceeds	-	-	115	115
Premiums on Bond	-	-	6	6
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>121</u>	<u>121</u>
Net Change in fund Balance	<u>\$ (1,068)</u>	<u>\$ (1,876)</u>	339	<u>\$ 2,215</u>
Fund Balances (Deficit) at Beginning of Year			<u>(1,982)</u>	
Fund Balance (Deficit) at Year End			<u>\$ (1,643)</u>	

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**CITY OF TOLEDO, OHIO
NON-MAJOR-PERMANENT FUND
DECEMBER 31, 2009**

PERMANENT FUND

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

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CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
PERMANENT FUND, BALANCE SHEET
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

		Cemetery Perpetual Care
ASSETS		
Equity in Pooled Cash	\$	11
Other Cash		-
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts		-
Investments		161
Restricted Investments		694
Total Assets	\$	866
LIABILITIES		
Accounts Payable	\$	-
Deposits		172
Retainages		-
Interfund Balances		-
Due to Other Governments		-
Deferred Revenue		-
Other Current Liabilities		-
Payable From Restricted Assets:		
Notes Payable		-
Total Liabilities		172
FUND BALANCES (DEFICIT):		
Reserved for Debt Service		-
Reserved for Encumbrances		-
Reserved for Inventory of Supplies		-
Reserved for Long-Term Notes Receivable		-
Reserved for Prepaid Expenditures		-
Designated for Subsequent Years Expenditures		-
Undesignated		694
Total Fund Balance (Deficit)		694
Total Liabilities and Fund Balance (Deficit)	\$	866

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CITY OF TOLEDO, OHIO
NON-MAJOR FUNDS
PERMANENT FUND, STATEMENT OF REVENUES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Cemetery Perpetual Care</u>
REVENUES:	
Special Assessments	\$ -
Licenses and Permits	-
Intergovernmental Services	-
Charges for Services	-
Fines and Forfeitures	-
All Other Revenue	-
Total Revenues	<u>-</u>
EXPENDITURES:	
Current:	
General Government	-
Public Service	-
Public Safety	-
Public Utilities	-
Community Environment	-
Health	-
Parks and Recreation	-
Capital Outlay	-
Debt Service:	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>
Net Change in fund Balance	-
Fund Balances (Deficit) at Beginning of Year	694
Increase in Reserve for Inventory/Notes	<u>-</u>
Fund Balance (Deficit) at Year End	<u>\$ 694</u>

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CITY OF TOLEDO, OHIO
NON-MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2009

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 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 electrical 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
ENTERPRISE FUNDS,
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

ASSETS	<u>Non Major Enterprise Funds</u>			
	<u>Storm Sewer</u>	<u>Utility Administrative Services</u>	<u>Parking</u>	<u>Property Management</u>
Current Assets				
Equity in Pooled Cash	\$ 2,572	\$ -	\$ 178	\$ 39
Other Cash	-	-	-	1
Investments	393	2,141	-	366
Restricted Investments	6,479	13,222	-	419
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	2,345	36	-	21
Notes	-	-	-	6,110
Interfund Receivables	7,308	-	-	-
Due From Other Governments	38	-	-	-
Prepaid Items	-	4	21	8
Inventory of Supplies	-	29	-	-
Total Current Assets	<u>19,135</u>	<u>15,432</u>	<u>199</u>	<u>6,964</u>
Property, Plant and Equipment				
Land	-	-	6,549	1,550
Buildings	-	4,538	23,645	667
Improvements	1,627	53	805	2,208
Machinery and Equipment	937	634	271	-
Furniture and Fixtures	-	606	9	-
Distribution System	11,294	-	-	-
Construction in Progress	13,504	-	-	-
Less: Accumulated Depreciation	(944)	(5,096)	(10,941)	(2,074)
Net Property, Plant and Equipment	<u>26,418</u>	<u>735</u>	<u>20,338</u>	<u>2,351</u>
Other Assets:				
Deferred Debt Issuance Cost	-	-	-	-
Total Assets	<u>\$ 45,553</u>	<u>\$ 16,167</u>	<u>\$ 20,537</u>	<u>\$ 9,315</u>

CITY OF TOLEDO, OHIO
ENTERPRISE FUNDS,
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

LIABILITIES AND NET ASSETS	Storm Sewer	Utility Administrative Services	Parking	Property Management
Current Liabilities:				
Accounts Payable	\$ 129	\$ 386	\$ -	\$ 88
Deposits	-	-	-	-
Accrued Payroll	1,447	-	-	-
Retainages	95	-	-	-
Interfund Payables	8,178	14,519	-	76
Due to Other Governments	-	-	-	-
Other Current Liabilities	-	-	-	-
Current Portion of Long-Term Debt	832	-	417	821
Total Current Liabilities	10,681	14,905	417	985
Debt:				
Notes Payable	-	-	4,973	-
General Obligation Bonds Payable	-	-	-	20,864
Revenue Bonds Payable	-	-	-	-
Capital Lease Obligation	1,135	1,262	175	960
Total Long-Term Liabilities	1,135	1,262	5,148	21,824
Total Liabilities	11,816	16,167	5,565	22,809
Net Assets				
Invested in Capital Assets				
net of related debt:	24,451	(527)	14,773	(20,294)
Restricted for Debt Service	386	-	-	-
Restricted for Replacement	6,432	-	-	-
Restricted for Improvement	14,802	-	-	-
Unrestricted	(12,334)	527	199	6,800
Total Net Assets	\$ 33,737	\$ -	\$ 14,972	\$ (13,494)

CITY OF TOLEDO, OHIO
ENTERPRISE FUNDS,
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Small Business Development	Municipal Tow Lot	Marina Oper. Fund	Erie St Market
ASSETS				
Current Assets				
Equity in Pooled Cash	\$ 79	\$ 129	\$ -	\$ 1
Other Cash	-	-	-	-
Investments	16	-	-	-
Restricted Investments	-	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	145	255	-	11
Notes	-	-	-	-
Interfund Receivables	-	-	-	-
Due From Other Governments	-	-	2	-
Prepaid Items	1	-	-	-
Inventory of Supplies	-	-	-	-
Total Current Assets	241	384	2	12
Property, Plant and Equipment				
Land	153	697	-	-
Buildings	-	-	-	-
Improvements	1,406	2,118	-	-
Machinery and Equipment	35	-	-	-
Furniture and Fixtures	3	-	-	-
Distribution System	-	-	-	-
Construction in Progress	-	-	-	-
Less: Accumulated Depreciation	(875)	(817)	-	-
Net Property, Plant and Equipment	722	1,998	-	-
Other Assets:				
Deferred Debt Issuance Cost	-	-	-	-
Total Assets	\$ 963	\$ 2,382	\$ 2	\$ 12

CITY OF TOLEDO, OHIO
ENTERPRISE FUNDS,
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Small Business Development	Municipal Tow Lot	Marina Oper. Fund	Erie St Market
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	\$ 17	51	-	11
Deposits	-	-	-	1
Accrued Payroll	-	-	-	-
Retainages	-	-	-	-
Interfund Payables	-	-	2	-
Due to Other Governments	-	-	-	-
Other Current Liabilities	38	-	-	-
Current Portion of Long-Term Debt	-	-	-	-
Total Current Liabilities	<u>55</u>	<u>51</u>	<u>2</u>	<u>12</u>
Debt:				
Notes Payable	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Revenue Bonds Payable	-	-	-	-
Capital Lease Obligation	-	2,355	-	-
Total Long-Term Liabilities	<u>-</u>	<u>2,355</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>55</u>	<u>2,406</u>	<u>2</u>	<u>12</u>
Net Assets				
Invested in Capital Assets				
net of related debt:	722	(357)	-	-
Restricted for Debt Service	-	-	-	-
Restricted for Replacement	-	-	-	-
Restricted for Improvement	-	-	-	-
Unrestricted	186	333	-	-
Total Net Assets	<u>\$ 908</u>	<u>\$ (24)</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF TOLEDO, OHIO
ENTERPRISE FUNDS,
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	Toledo Public Power	Total Non Major Enterprise
ASSETS		
Current Assets		
Equity in Pooled Cash	\$ -	\$ 2,998
Other Cash	-	1
Investments	-	2,916
Restricted Investments	-	20,120
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts	-	2,813
Notes	-	6,110
Interfund Receivables	-	7,308
Due From Other Governments	-	40
Prepaid Items	-	34
Inventory of Supplies	-	29
Total Current Assets	-	42,369
Property, Plant and Equipment		
Land	-	8,949
Buildings	-	28,850
Improvements	-	8,217
Machinery and Equipment	11	1,888
Furniture and Fixtures	-	618
Distribution System	-	11,294
Construction in Progress	-	13,504
Less: Accumulated Depreciation	(1)	(20,748)
Net Property, Plant and Equipment	10	52,572
Other Assets:		
Deferred Debt Issuance Cost	-	-
Total Assets	\$ 10	\$ 94,941

CITY OF TOLEDO, OHIO
ENTERPRISE FUNDS,
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Toledo Public Power</u>	<u>Total Non Major Enterprise</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	-	682
Deposits	-	1
Accrued Payroll	-	1,447
Retainages	-	95
Interfund Payables	10	22,785
Due to Other Governments	-	-
Other Current Liabilities	-	38
Current Portion of Long-Term Debt	-	2,070
Total Current Liabilities	<u>10</u>	<u>27,118</u>
Debt:		
Notes Payable	-	4,973
General Obligation Bonds Payable	-	20,864
Revenue Bonds Payable	-	-
Capital Lease Obligation	-	5,887
Total Long-Term Liabilities	<u>-</u>	<u>31,724</u>
Total Liabilities	<u>10</u>	<u>58,842</u>
Net Assets		
Invested in Capital Assets		
net of related debt:	10	18,778
Restricted for Debt Service	-	386
Restricted for Replacement	-	6,432
Restricted for Improvement	-	14,802
Unrestricted	(10)	(4,299)
Total Net Assets	<u>\$ -</u>	<u>\$ 36,099</u>

CITY OF TOLEDO, OHIO
ENTERPRISE FUND TYPES
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)

	<u>Storm Sewer</u>	<u>Utility Administrative Services</u>	<u>Parking</u>	<u>Property Management</u>
OPERATING REVENUES:				
Charges for Services	\$ 10,056	\$ 8,676	\$ 720	\$ 208
Other Revenue	13	20	738	-
Total Operating Revenues	<u>10,069</u>	<u>8,696</u>	<u>1,458</u>	<u>208</u>
OPERATING EXPENSES:				
Personal Services	3,007	5,725	-	-
Contractual Services	1,638	3,598	-	165
Materials and Supplies	325	306	-	-
Utilities	-	94	-	-
Depreciation and Amortization	203	333	578	278
Total Operating Expenses	<u>5,173</u>	<u>10,056</u>	<u>578</u>	<u>443</u>
Operating Income (Loss)	<u>4,896</u>	<u>(1,360)</u>	<u>880</u>	<u>(235)</u>
NON OPERATING REVENUES (EXPENSES):				
Investment Earnings	112	(70)	-	386
Interest Expense and Fiscal Charges	(18)	(129)	(355)	(1,506)
Other Revenue (Expenses)	280	-	(19)	(6)
Total Non Operating Revenues (Expenses)	<u>374</u>	<u>(199)</u>	<u>(374)</u>	<u>(1,126)</u>
Income (Loss) before Transfers	5,270	(1,559)	506	(1,361)
Transfers In	-	-	-	1,416
Transfers (Out)	(76)	-	(416)	-
Total Transfers In (Out)	<u>(76)</u>	<u>-</u>	<u>(416)</u>	<u>1,416</u>
Change in Net Assets	5,194	(1,559)	90	55
Net Assets at Beginning of Year	<u>28,543</u>	<u>1,559</u>	<u>14,882</u>	<u>(13,549)</u>
Net Assets at End of Year	<u>33,737</u>	<u>-</u>	<u>14,972</u>	<u>(13,494)</u>

**CITY OF TOLEDO, OHIO
ENTERPRISE FUND TYPES
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)**

	Small Business Development	Municipal Tow Lot	Marina Oper. Fund	Erie St Market
OPERATING REVENUES:				
Charges for Services	\$ -	\$ 884	\$ 28	\$ -
Other Revenue	-	289	-	217
Total Operating Revenues	<u>-</u>	<u>1,173</u>	<u>28</u>	<u>217</u>
OPERATING EXPENSES:				
Personal Services	14	-	-	-
Contractual Services	48	669	42	142
Materials and Supplies	-	7	3	5
Utilities	14	24	13	-
Depreciation and Amortization	-	212	-	-
Total Operating Expenses	<u>76</u>	<u>912</u>	<u>58</u>	<u>147</u>
Operating Income (Loss)	<u>(76)</u>	<u>261</u>	<u>(30)</u>	<u>70</u>
NON OPERATING REVENUES (EXPENSES):				
Investment Earnings	-	-	-	-
Interest Expense and Fiscal Charges	-	(111)	-	-
Other Revenue (Expenses)	-	-	-	-
Total Non Operating Revenues (Expenses)	<u>-</u>	<u>(111)</u>	<u>-</u>	<u>-</u>
Income (Loss) before Transfers	(76)	150	(30)	70
Transfers In	-	-	31	-
Transfers (Out)	-	(1,282)	-	(70)
Total Transfers In (Out)	<u>-</u>	<u>(1,282)</u>	<u>31</u>	<u>(70)</u>
Change in Net Assets	(76)	(1,132)	1	-
Net Assets at Beginning of Year	<u>984</u>	<u>1,108</u>	<u>(1)</u>	<u>-</u>
Net Assets at End of Year	<u>908</u>	<u>(24)</u>	<u>-</u>	<u>-</u>

**CITY OF TOLEDO, OHIO
ENTERPRISE FUND TYPES
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)**

	Toledo Public Power	Total
	<u>Power</u>	<u>Total</u>
OPERATING REVENUES:		
Charges for Services	\$ 1	\$ 20,573
Other Revenue	-	1,277
Total Operating Revenues	<u>1</u>	<u>21,850</u>
OPERATING EXPENSES:		
Personal Services	-	8,746
Contractual Services	-	6,302
Materials and Supplies	-	646
Utilities	-	145
Depreciation and Amortization	1	1,605
Total Operating Expenses	<u>1</u>	<u>17,444</u>
Operating Income (Loss)	<u>-</u>	<u>4,406</u>
NON OPERATING REVENUES (EXPENSES):		
Investment Earnings	-	428
Interest Expense and Fiscal Charges	-	(2,119)
Other Revenue (Expenses)	-	255
Total Non Operating Revenues (Expenses)	<u>-</u>	<u>(1,436)</u>
Income (Loss) before Transfers	-	2,970
Transfers In	-	1,447
Transfers (Out)	-	(1,844)
Total Transfers In (Out)	<u>-</u>	<u>(397)</u>
Change in Net Assets	-	2,573
Net Assets at Beginning of Year	-	33,526
Net Assets at End of Year	<u>-</u>	<u>36,099</u>

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City of Toledo, Ohio
Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2009
(Amounts in Thousands)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Municipal Tow Lot Oper. Fund	Marina Oper. Fund	Erie St Market	Toledo Public Power	Total Non-Major Enterprise
Cash Flows from Operating Activity										
Receipts from Customers	\$ 9,376	\$ 8,731	\$ 720	\$ 384	\$ -	\$ 1,631	\$ 28	\$ (11)	\$ 1	\$ 20,860
Payments to Suppliers	(2,931)	(5,323)	(287)	(127)	(45)	(1,428)	(59)	(159)	10	(10,349)
Payment to Employees	(3,007)	(5,725)	-	-	(14)	-	-	-	-	(8,746)
Other Receipts	13	20	738	-	-	289	-	217	-	1,277
Net Cash Provided by (Used for) Operating Activity	3,451	(2,297)	1,171	257	(59)	492	(31)	47	11	3,042
Cash Flows from Noncapital Financing Activities										
Transfers In	-	-	-	1,416	-	-	31	-	-	1,447
Transfers Out	(76)	-	(416)	-	-	(1,282)	-	(70)	-	(1,844)
Net Cash Provided by (Used for) Noncapital Financing Activities	(76)	-	(416)	1,416	-	(1,282)	31	(70)	-	(397)
Cash Flows from Capital & Related Financing Activities										
Acquisition and Construction of Capital Assets	(3,911)	(3)	-	-	-	-	-	-	(11)	(3,925)
Principal Paid on Bond Maturities	(896)	(451)	(480)	(3,958)	-	(160)	-	-	-	(5,945)
Issuance of Revenue Bonds and Notes	837	-	-	3,374	-	-	-	-	-	4,211
Federal Grants	-	-	-	-	-	-	-	-	-	-
Interest Expense and Fiscal Charges	(18)	(129)	(355)	(1,506)	-	(111)	-	-	-	(2,119)
Proceeds from Grants and Other expenses	280	-	(19)	(6)	-	-	-	-	-	255
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,708)	(583)	(854)	(2,096)	-	(271)	-	-	(11)	(7,523)
Cash Flows from Investing Activities										
Purchase of Investment Securities	(30,876)	(127,785)	-	(1,339)	-	-	-	-	-	(160,000)
Sale and Maturities of Investment Securities	31,214	130,735	-	1,336	-	-	-	-	-	163,285
Investment Earnings and Dividends on Investments	112	(70)	-	386	-	-	-	-	-	428
Net Cash Provided by (Used for) Investing Activities	450	2,880	-	383	-	-	-	-	-	3,713
Net Increase (Decrease) in Cash & Cash Equivalents	117	-	(99)	(40)	(59)	(1,061)	-	(23)	-	(1,165)
Cash & Cash Equivalents (Restricted & Unrestricted) at Beginning of Year	2,455	-	277	80	138	1,190	-	24	-	4,164
Cash & Cash Equivalents (Restricted & Unrestricted) at End of Year	\$ 2,572	\$ -	\$ 178	\$ 40	\$ 79	\$ 129	\$ -	\$ 1	\$ -	\$ 2,999

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

City of Toledo, Ohio
 Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2009
 (Amounts in Thousands)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Municipal Tow Lot	Marina Oper. Fund	Erie St Market	Toledo Public Power	Total Non-Major Enterprise
Cash Flows from Operating Activity:										
Operating Income (Loss)	\$ 4,896	\$ (1,360)	\$ 880	\$ (235)	\$ (76)	\$ 261	\$ (30)	\$ 70	\$ -	\$ 4,406
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used for) Operating Activities:										
Depreciation and Amortization	203	333	578	278	-	212	-	-	1	1,605
Changes in Assets and Liabilities:										
(Increase) Decrease in Accounts Receivable	(680)	55	-	176	-	747	-	(11)	-	287
(Increase) Decrease in Interfund Balances	(2,973)	-	-	-	-	-	-	-	-	(2,973)
(Increase) Decrease in Prepaid Expenses	43	292	-	(8)	-	-	-	-	-	327
(Increase) Decrease in Due from Other Governments	(12)	-	-	-	-	-	28	-	-	16
(Increase) Decrease in Deferred Debt Issuance Costs	-	-	-	-	-	-	-	-	-	-
(Increase) Decrease in Inventory of Supplies	-	(20)	-	-	-	-	-	-	-	(20)
Increase (Decrease) in Accounts Payable	(2)	49	18	46	17	(21)	(29)	(13)	-	65
Increase (Decrease) in Deposits and Accrued Payroll	1,447	-	(21)	-	-	-	-	1	-	1,427
Increase (Decrease) in Retainage	6	-	-	-	-	-	-	-	-	6
Increase (Decrease) in Interfund Balances	523	(1,646)	(284)	-	-	(707)	-	-	10	(2,104)
Increase (Decrease) in Other Current Liabilities	-	-	-	-	-	-	-	-	-	-
Total Adjustments	(1,445)	(937)	291	492	17	231	(1)	(23)	11	(1,364)
Net Cash Provided by (Used for) Operating Activities	\$ 3,451	\$ (2,297)	\$ 1,171	\$ 257	\$ (59)	\$ 492	\$ (31)	\$ 47	\$ 11	\$ 3,042

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

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**CITY OF TOLEDO, OHIO
INTERNAL SERVICE FUNDS
DECEMBER 31, 2009**

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.

Data Processing - 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
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>
ASSETS				
Current Assets				
Equity in Pooled Cash	\$ -	\$ -	\$ 103	\$ 671
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	96	-	-	-
Interfund Receivables	-	15,291	-	-
Prepaid Items	-	-	-	-
Inventory of Supplies	759	-	3	-
Investments	-	14	-	-
Total Current Assets	<u>855</u>	<u>15,305</u>	<u>106</u>	<u>671</u>
Property, Plant and Equipment				
Land	350	-	-	-
Buildings	1,111	-	-	-
Improvements	173	161	-	-
Machinery and Equipment	67,561	2,148	61	296
Furniture and Fixtures	11	20	4	64
Less: Accumulated Depreciation	(47,797)	(1,588)	(65)	(360)
Net Property, Plant and Equipment	<u>21,409</u>	<u>741</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 22,264</u>	<u>\$ 16,046</u>	<u>\$ 106</u>	<u>\$ 671</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	\$ 459	\$ 113	\$ 45	\$ 257
Deposits	-	-	-	-
Interfund Payables	1,017	-	-	-
Other Current Liabilities	-	-	-	-
Current Portion of Long-Term Debt	-	4,160	-	-
Total Current Liabilities	<u>1,476</u>	<u>4,273</u>	<u>45</u>	<u>257</u>
Total Liabilities	<u>1,476</u>	<u>4,273</u>	<u>45</u>	<u>257</u>
Net Assets				
Invested in Capital Assets net of Related Debt	21,409	(3,419)	-	-
Restricted for Replacement	-	2,000	-	-
Unrestricted	(621)	13,192	61	414
Total Net Assets	<u>\$ 20,788</u>	<u>\$ 11,773</u>	<u>\$ 61</u>	<u>\$ 414</u>

CITY OF TOLEDO, OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	<u>Risk Management</u>	<u>Facility Operations</u>	<u>Workers' Compensation</u>	<u>Total</u>
ASSETS				
Current Assets				
Equity in Pooled Cash	\$ 4,752	\$ 116	\$ 11,562	\$ 17,204
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	-	23	-	119
Interfund Receivables	-	-	6,974	22,265
Prepaid Items	-	-	-	-
Inventory of Supplies	-	-	-	762
Investments	-	-	-	14
Total Current Assets	<u>4,752</u>	<u>139</u>	<u>18,536</u>	<u>40,364</u>
Property, Plant and Equipment				
Land	-	-	-	350
Buildings	-	-	-	1,111
Improvements	-	129	-	463
Machinery and Equipment	18	55	51	70,190
Furniture and Fixtures	1	-	-	100
Less: Accumulated Depreciation	(12)	(39)	(43)	(49,904)
Net Property, Plant and Equipment	<u>7</u>	<u>145</u>	<u>8</u>	<u>22,310</u>
Total Assets	<u>\$ 4,759</u>	<u>\$ 284</u>	<u>\$ 18,544</u>	<u>\$ 62,674</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	\$ 22	\$ 114	\$ 18	\$ 1,028
Deposits	-	-	-	-
Interfund Payables	-	-	-	1,017
Other Current Liabilities	1,560	-	18,575	20,135
Current Portion of Long-Term Debt	-	-	-	4,160
Total Current Liabilities	<u>1,582</u>	<u>114</u>	<u>18,593</u>	<u>26,340</u>
Total Liabilities	<u>1,582</u>	<u>114</u>	<u>18,593</u>	<u>26,340</u>
Net Assets				
Invested in Capital Assets net of Related Debt	7	145	8	18,150
Restricted for Replacement	-	-	-	2,000
Unrestricted	<u>3,170</u>	<u>25</u>	<u>(57)</u>	<u>16,184</u>
Total Net Assets	<u>\$ 3,177</u>	<u>\$ 170</u>	<u>\$ (49)</u>	<u>\$ 36,334</u>

CITY OF TOLEDO, OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>
OPERATING REVENUES:				
Charges for Services	\$ 9,292	\$ 3,854	\$ 662	\$ 2,370
Other Revenue	129	15	-	-
Total Operating Revenues	<u>9,421</u>	<u>3,869</u>	<u>662</u>	<u>2,370</u>
OPERATING EXPENSES:				
Personal Services	3,687	-	60	997
Contractual Services	892	1	-	-
Materials and Supplies	4,644	-	549	48
Utilities	23	-	2	971
Depreciation and Amortization	4,127	88	-	-
Total Operating Expenses	<u>13,373</u>	<u>89</u>	<u>611</u>	<u>2,016</u>
Operating Income (Loss)	<u>(3,952)</u>	<u>3,780</u>	<u>51</u>	<u>354</u>
NONOPERATING REVENUES (EXPENSES):				
Interest Revenue	-	-	-	-
Interest Expense and Fiscal Charges	-	(272)	-	-
Other Revenue (Expenses)	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(272)</u>	<u>-</u>	<u>-</u>
Income (Loss) before Transfers	(3,952)	3,508	51	354
Transfers In	13,226	-	-	-
Transfers (Out)	-	(561)	-	-
Total Transfers In (Out)	<u>13,226</u>	<u>(561)</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>9,274</u>	<u>2,947</u>	<u>51</u>	<u>354</u>
Net Assets at Beginning of Year	<u>11,514</u>	<u>8,826</u>	<u>10</u>	<u>60</u>
Net Assets at End of Year	<u>\$ 20,788</u>	<u>\$ 11,773</u>	<u>\$ 61</u>	<u>\$ 414</u>

CITY OF TOLEDO, OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009
(AMOUNTS IN THOUSANDS)
(CONTINUED)

	<u>Risk Management</u>	<u>Facility Operations</u>	<u>Workers' Compensation</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for Services	\$ 1,462	\$ 2,496	\$ 5,781	\$ 25,917
Other Revenue	-	36	103	283
Total Operating Revenues	<u>1,462</u>	<u>2,532</u>	<u>5,884</u>	<u>26,200</u>
OPERATING EXPENSES:				
Personal Services	79	1,042	169	6,034
Contractual Services	1,131	1,182	6,961	10,167
Materials and Supplies	-	250	3	5,494
Utilities	-	-	2	998
Depreciation and Amortization	-	16	-	4,231
Total Operating Expenses	<u>1,210</u>	<u>2,490</u>	<u>7,135</u>	<u>26,924</u>
Operating Income (Loss)	<u>252</u>	<u>42</u>	<u>(1,251)</u>	<u>(724)</u>
NONOPERATING REVENUES (EXPENSES):				
Interest Revenue	-	-	-	-
Interest Expense and Fiscal Charges	-	-	-	(272)
Other Revenue (Expenses)	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(272)</u>
Income (Loss) before Transfers	252	42	(1,251)	(996)
Transfers In	-	-	-	13,226
Transfers (Out)	-	-	-	(561)
Total Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,665</u>
Net Income (Loss)	<u>252</u>	<u>42</u>	<u>(1,251)</u>	<u>11,669</u>
Net Assets at Beginning of Year	<u>2,925</u>	<u>128</u>	<u>1,202</u>	<u>24,665</u>
Net Assets at End of Year	<u>\$ 3,177</u>	<u>\$ 170</u>	<u>\$ (49)</u>	<u>\$ 36,334</u>

City of Toledo, Ohio
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2009
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Facility Operations	Workers Compensation	Total
Cash Flows from Operating Activity:								
Receipts from Customers	\$ 9,252	\$ 3,854	\$ 662	\$ 2,370	\$ 1,462	\$ 2,486	\$ 5,781	\$ 25,867
Payments to Suppliers	(5,679)	(15,951)	(498)	(823)	(1,150)	(1,440)	1,781	(23,760)
Payments to Employees	(3,687)	-	(61)	(996)	(79)	(1,042)	(169)	(6,034)
Other Receipts	129	-	-	-	-	36	103	268
Net Cash Provided by (Used for) Operating Activities	15	(12,097)	103	551	233	40	7,496	(3,659)
Cash Flow from Noncapital Financing Activities:								
Operating Transfers In	13,226	-	-	-	-	-	-	13,226
Operating Transfers Out	-	(561)	-	-	-	-	-	(561)
Net Cash Provided by (Used for) Noncapital Financing Activities	13,226	(561)	-	-	-	-	-	12,665
Cash Flows from Capital and Related Financing Activities:								
Acquisition and Construction of Capital Assets	(13,241)	-	-	-	-	(42)	-	(13,283)
Principal Paid on Bond Maturities	-	(9,930)	-	-	-	-	-	(9,930)
Issuance of Revenue Bonds and Notes	-	8,320	-	-	-	-	-	8,320
Interest Expense and Fiscal Charges	-	(272)	-	-	-	-	-	(272)
Proceeds on Grants and Other expenses	-	(331)	-	-	-	-	-	(331)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(13,241)	(2,213)	-	-	-	(42)	-	(15,496)
Cash Flows from Investing Activities:								
(Purchase) of Investment Securities	-	-	-	-	-	-	-	-
Sale of Investment Securities	-	60	-	-	-	-	-	60
Investment Earnings and Dividends on Investments	-	-	-	-	-	-	-	-
Net Cash Provided by (Used for) Investing Activities	-	60	-	-	-	-	-	60
Net Increase (Decrease) in Cash	-	(14,811)	103	551	233	(2)	7,496	(6,430)
Cash and Cash Equivalents at Beginning of Year	-	14,811	-	120	4,519	118	4,066	23,634
Cash and Cash Equivalents at End of Year	\$ -	\$ -	\$ 103	\$ 671	\$ 4,752	\$ 116	\$ 11,562	\$ 17,204

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

City of Toledo, Ohio
 Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2009
 (Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Risk Management	Facility Operations	Workers Compensation	Total
Cash Flows from Operating Activity:								
Operating Income (Loss)	\$ (3,952)	\$ 3,780	\$ 51	\$ 354	\$ 252	\$ 42	\$ (1,251)	\$ (724)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by Operating Activities:								
Depreciation and Amortization	4,127	88	-	-	-	16	-	4,231
Change in Assets and Liabilities:								
(Increase) Decrease in Accounts Receivable	(40)	-	(1)	-	-	(10)	-	(51)
(Increase) Decrease in Interfund Balances	1,767	(15,291)	55	224	-	-	8,700	(4,545)
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-	-	-
(Increase) Decrease in Inventory	(127)	-	2	-	-	-	-	(125)
Increase (Decrease) in Accounts Payable	(277)	(674)	(4)	(21)	(19)	(5)	13	(987)
Increase (Decrease) in Deposits and Accrued Payroll	(1,767)	-	-	-	-	-	-	(1,767)
Increase (Decrease) in Interfund Balances	284	-	-	(6)	-	(3)	-	275
Increase (Decrease) in Due to Other Governments	-	-	-	-	-	-	-	-
Increase (Decrease) in Other Current Liabilities	-	-	-	-	-	-	34	34
Total Adjustments	3,967	(15,877)	52	197	(19)	(2)	8,747	(2,935)
Net Cash Provided by (Used for) Operating Activities:	\$ 15	\$ (12,097)	\$ 103	\$ 551	\$ 233	\$ 40	\$ 7,496	\$ (3,659)

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

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CITY OF TOLEDO, OHIO
FIDUCIARY FUNDS - AGENCY FUNDS
DECEMBER 31, 2009

FIDUCIARY FUNDS

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

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

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City of Toledo, Ohio
Agency Funds
Combining Statement of Fiduciary Assets & Liabilities
For the Year Ended December 31, 2009
(Amounts in Thousands)

	<u>General Agency</u>	<u>Municipal Court</u>	<u>Total</u>
Assets			
Equity in Pooled Cash	\$ 1,464	\$ ---	\$ 1,464
Investments	<u>---</u>	<u>949</u>	<u>949</u>
Total Assets	<u>\$ 1,464</u>	<u>\$ 949</u>	<u>\$ 2,413</u>
Liabilities			
Liabilities			
Accounts Payable	\$ 56	\$ ---	\$ 56
Deposits	<u>---</u>	<u>949</u>	<u>949</u>
Other Current Liabilities	<u>1,408</u>	<u>---</u>	<u>1,408</u>
Total Liabilities	<u>\$ 1,464</u>	<u>\$ 949</u>	<u>\$ 2,413</u>

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2009
(Amounts in Thousands)
(Continued)

	GENERAL AGENCY FUND			
	<u>Balance</u> <u>Jan. 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Assets				
Equity in Pooled Cash	\$ 1,288	\$ 1,044	\$ 868	\$ 1,464
Accounts Receivable	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Assets	<u>\$ 1,288</u>	<u>\$ 1,044</u>	<u>\$ 868</u>	<u>\$ 1,464</u>
Liabilities				
Accounts Payable	\$ 54	\$ 839	\$ 837	\$ 56
Other Current Liabilities	<u>1,234</u>	<u>1041</u>	<u>867</u>	<u>1,408</u>
Total Liabilities	<u>\$ 1,288</u>	<u>\$ 1,880</u>	<u>\$ 1,704</u>	<u>\$ 1,464</u>

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2009
 (Amounts in Thousands)
 (Continued)

MUNICIPAL COURT FUND

	<u>Balance</u> <u>Jan. 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Assets				
Equity in Pooled Cash	\$ ---	\$ ---	\$ ---	\$ ---
Investments	<u>949</u>	<u>---</u>	<u>---</u>	<u>949</u>
Total Assets	<u>\$ 949</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 949</u>
Liabilities				
Accounts Payable	\$ ---	\$ ---	\$ ---	\$ ---
Deposits	949	---	---	949
Other Current Liabilities	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Liabilities	<u>\$ 949</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 949</u>

City of Toledo, Ohio
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2009
 (Amounts in Thousands)
 (Continued)

	Balance	TOTAL - ALL AGENCY FUNDS			Balance
	<u>Jan. 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>		<u>Dec. 31, 2009</u>
Assets					
Equity in Pooled Cash	\$ 1,288	\$ 1,044	\$ 868		\$ 1,464
Accounts Receivable	—	—	—		—
Investments	<u>949</u>	<u>—</u>	<u>—</u>		<u>949</u>
Total Assets	<u>\$ 2,237</u>	<u>\$ 1,044</u>	<u>\$ 868</u>		<u>\$ 2,413</u>
Liabilities					
Accounts Payable	\$ 54	\$ 839	\$ 837		\$ 56
Deposits	949	—	—		949
Other Current Liabilities	<u>1,234</u>	<u>1,041</u>	<u>867</u>		<u>1,408</u>
Total Liabilities	<u>\$ 2,237</u>	<u>\$ 1,880</u>	<u>\$ 1,704</u>		<u>\$ 2,413</u>

STATISTICAL SECTION

City of Toledo, Ohio

Statistical Section

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

Contents

Schedules

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.

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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.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 231,662	\$ 248,832	\$ 243,683	\$ 280,486	\$ 300,779	\$ 329,962	\$ 338,428	\$ 333,510
Restricted	68,428	59,685	59,138	47,957	50,555	52,822	52,032	83,098
Unrestricted	(10,922)	(12,375)	-	-	2,278	-	-	(14,200)
Total governmental activities net assets	\$ 289,168	\$ 296,142	\$ 296,142	\$ 328,443	\$ 353,612	\$ 382,784	\$ 390,460	\$ 402,408
Business-type activities								
Invested in capital assets, net of related debt	\$ 226,407	\$ 254,276	\$ 229,170	\$ 224,105	\$ 253,730	\$ 280,940	\$ 305,182	\$ 327,984
Restricted	117,988	164,930	143,156	169,220	95,084	60,000	41,367	36,259
Unrestricted	3,405	(62,954)	(8,264)	(12,298)	41,289	53,529	59,097	47,785
Total business-type activities net assets	\$ 347,800	\$ 356,252	\$ 356,252	\$ 381,027	\$ 390,103	\$ 394,469	\$ 405,646	\$ 412,028
Primary government								
Invested in capital assets, net of related debt	\$ 458,069	\$ 503,108	\$ 472,853	\$ 504,591	\$ 554,509	\$ 610,902	\$ 643,610	\$ 661,494
Restricted	186,416	224,615	202,294	217,177	186,928	112,822	93,999	119,357
Unrestricted	(7,517)	(75,329)	(8,264)	(12,298)	2,278	53,529	59,097	33,585
Total primary government net assets	\$ 636,968	\$ 652,394	\$ 666,883	\$ 709,470	\$ 743,715	\$ 777,253	\$ 796,706	\$ 814,436

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Schedule 2

City of Toledo, Ohio

Net Assets by Component, Last Eight Fiscal Years

(accrual basis of accounting)

(amounts in thousands)

EXPENSES

Fiscal Year

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:								
General Government	\$ 27,694	\$ 26,790	\$ 26,721	\$ 25,960	\$ 27,250	\$ 27,059	\$ 28,673	\$ 28,464
Public Service	42,036	45,757	48,204	52,706	52,891	53,562	57,508	56,085
Public Safety	142,256	148,446	151,217	153,085	158,499	163,334	170,767	157,024
Public Utilities	1,143	1,085	808	-	46	106	167	139
Community Environment	23,240	19,465	17,918	14,895	20,589	20,230	18,915	19,634
Health	16,490	17,347	17,030	17,638	18,207	16,773	19,104	17,569
Parks and Recreation	7,834	7,488	7,765	7,345	7,563	15,047	7,397	6,933
Interest and Fiscal Charges	15,679	16,437	9,408	8,973	7,833	10,368	14,731	12,442
Total governmental activities net assets	\$ 276,372	\$ 282,815	\$ 279,071	\$ 280,602	\$ 292,878	\$ 306,479	\$ 317,262	\$ 298,290

Business-type activities expenses:

Water	28,444	28,211	30,356	34,369	34,324	38,388	36,708	36,556
Sewer	38,420	36,285	38,334	41,217	44,464	47,329	50,484	49,974
Storm Utility	3,576	4,192	6,122	7,018	6,883	6,168	5,331	5,191
Utilities Administration	8,072	7,958	7,922	8,099	9,898	10,647	10,048	10,185
Parking	1,267	1,204	1,154	1,100	1,040	946	962	934
Property Management	1,856	1,787	2,596	2,640	2,010	1,930	5,111	1,949
Sm. Bus. Development/Exp. trust	50	55	43	47	77	41	42	76
Tow Lot	-	-	-	314	1,169	1,087	1,141	1,229
Total business-type activities net assets	81,685	79,692	86,527	94,804	99,865	106,536	109,827	106,094
Total primary governmental expenses	\$ 358,057	\$ 362,507	\$ 365,598	\$ 375,406	\$ 392,743	\$ 413,015	\$ 427,089	\$ 404,384

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Schedule 2 Continued
City of Toledo, Ohio

Net Assets by Component, Last Eight Fiscal Years

(accrual basis of accounting)
(amounts in thousands)

PROGRAM REVENUES

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities:								
Charges for services:								
General Government	\$ 5,928	\$ 31,181	\$ 23,982	\$ 28,584	\$ 28,338	\$ 30,165	\$ 59,916	\$ 72,777
Public Service	20	30	130	19	-	-	-	-
Public Safety	3,634	3,501	8,460	9,436	8,524	8,814	9,408	8,103
Public Utilities	-	-	-	158	-	1,199	-	-
Community Environment	2,539	2,673	5,267	6,727	7,052	6,563	7,464	6,364
Health	891	862	1,175	1,377	704	2,632	5,580	5,853
Parks and Recreation	490	365	474	421	122	101	116	111
Operating grants	20,655	54,155	51,604	49,406	55,734	65,423	33,081	40,689
Capital grants	9,267	16,172	12,236	25,779	25,689	21,082	15,537	18,348
Total governmental activities	43,424	108,939	103,328	121,907	126,163	135,979	131,102	152,245

Business-type activities expenses:

Charges for services:								
Water	\$ 33,614	\$ 32,578	\$ 34,258	\$ 37,326	\$ 34,790	\$ 38,627	\$ 38,070	\$ 35,913
Sewer	34,464	35,370	39,919	43,551	44,377	48,901	56,064	54,189
Storm Utility	7,686	8,315	7,710	8,637	8,132	8,620	9,034	10,069
Utilities Administration	7,641	8,085	7,829	10,288	7,802	9,676	10,564	8,696
Parking	1,317	1,356	1,382	1,435	1,486	1,403	1,509	1,459
Property Management	1,117	886	277	264	(688)	266	262	208
Sm. Bus. Development/Exp. trust	62	52	77	38	(2)	-	-	-
Tow Lot	-	-	-	527	2,225	2,315	2,549	1,418
Capital grants	-	1,577	-	-	-	-	-	-
Total business-type activities net assets	85,901	88,219	91,452	102,066	98,122	109,808	118,052	111,952
Total primary governmental expenses	\$ 129,325	\$ 197,158	\$ 194,780	\$ 223,973	\$ 224,285	\$ 245,787	\$ 249,154	\$ 264,197

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Schedule 2 Continued
City of Toledo, Ohio

Net Assets by Component, Last Eight Fiscal Years
(accrual basis of accounting)

NET (EXPENSE)/REVENUE

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities	\$ (232,948)	\$ (173,876)	\$ (175,743)	\$ (158,695)	\$ (166,715)	\$ (170,500)	\$ (186,160)	\$ (146,045)
Business-type activities	4,216	8,527	4,925	7,262	(1,743)	3,272	12,154	5,858
Total Primary government net expense	\$ (228,732)	\$ (165,349)	\$ (170,818)	\$ (151,433)	\$ (168,458)	\$ (167,228)	\$ (174,006)	\$ (140,187)

General Revenues and Other Changes in Net Assets

Governmental Activities:

Taxes

Income Taxes	\$ 153,965	\$ 155,112	\$ 155,243	\$ 160,683	\$ 164,683	\$ 169,689	\$ 154,475	\$ 138,474
Property Taxes	30,948	19,794	21,444	20,136	17,330	19,424	18,078	15,518
Unrestricted Investments Earnings	4,654	3,260	2,570	4,153	7,194	8,553	5,582	2,483
Gain on Sale of Capital Assets and Other Revenue Grants	62,495	3,204	2,702	273	2,190	2,297	14,469	6,928
Transfers	(2,482)	(519)	462	(927)	451	(291)	1,232	655
Total governmental activities	249,580	180,851	182,421	184,318	191,883	199,672	193,836	164,058

Business-type activities:

Unrestricted Investments Earnings	3,249	2,692	2,248	3,282	6,488	6,461	4,064	899
Gain on Sale of Capital Assets and Other Revenue Grants	1,604	(3,286)	1,102	5,494	4,782	(5,567)	120	280
Transfers	2,482	519	(462)	927	(451)	291	(1,232)	(655)
Total business-type activities	7,335	(75)	2,888	9,703	10,819	1,095	2,952	524
Total primary government	\$ 256,915	\$ 180,776	\$ 185,309	\$ 194,021	\$ 202,702	\$ 200,767	\$ 196,788	\$ 164,582

Changes in Net Assets

Governmental activities	\$ 16,632	\$ 6,975	\$ 6,678	\$ 25,623	\$ 25,168	\$ 29,172	\$ 7,676	\$ 18,013
Business-type activities	11,551	8,452	7,813	16,965	9,076	4,367	11,177	6,382
Total Primary government net expense	\$ 28,183	\$ 15,427	\$ 14,491	\$ 42,588	\$ 34,244	\$ 33,539	\$ 18,853	\$ 24,395

Note: the City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Schedule 3
 City of Toledo, Ohio
 Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 7,139	\$ 4,794	\$ 4,741	\$ 4,027	\$ 4,395	\$ 4,358	\$ 1,974	\$ 5,485	\$ 8,187	\$ 8,263
Unreserved	18,034	14,700	12,067	9,393	4,905	6,413	8,818	7,148	(3,796)	(16,283)
Total general fund	\$ 25,173	\$ 19,494	\$ 16,808	\$ 13,420	\$ 9,300	\$ 10,771	\$ 10,792	\$ 12,633	\$ 4,391	\$ (8,020)
Capital Improvements Fund										
Reserved	\$ 27,418	\$ 25,868	\$ 32,403	\$ 28,715	\$ 64,282	\$ 61,353	\$ 45,542	\$ 37,148	\$ 35,289	\$ 28,449
Unreserved	11,386	12,513	8,929	15,757	(21,267)	(29,617)	(9,615)	(7,385)	(8,220)	18,882
Total capital improvements fund	\$ 38,804	\$ 38,381	\$ 41,332	\$ 44,472	\$ 43,015	\$ 31,736	\$ 35,927	\$ 29,763	\$ 27,069	\$ 47,331
Special Assessment Services Fund										
Reserved	\$ 801	\$ 1,627	\$ 1,019	\$ 1,373	\$ 2,444	\$ 2,304	\$ 2,578	\$ 2,039	\$ 2,784	\$ 2,827
Unreserved	(37,311)	(35,741)	(34,805)	(36,834)	(41,760)	(44,905)	(48,228)	(48,017)	(51,764)	(53,450)
Total special assessment services fund	\$ (36,510)	\$ (34,114)	\$ (33,786)	\$ (35,461)	\$ (39,316)	\$ (42,601)	\$ (45,650)	\$ (45,978)	\$ (48,980)	\$ (50,623)
All Other Governmental Funds										
Reserved	\$ 12,493	\$ 11,440	\$ 9,132	\$ 6,312	\$ 7,900	\$ 8,389	\$ 10,819	\$ 7,730	\$ 8,868	\$ 8,129
Unreserved, reported in:										
Special revenue funds	6,689	1,415	7,176	9,907	8,425	8,392	8,065	15,138	14,914	21,355
Capital projects funds	(1,198)	(1,457)	(1,154)	(1,486)	(1,537)	(1,736)	(1,939)	(2,011)	(2,122)	-
Permanent fund	263	282	711	716	708	694	694	694	694	(1,932)
Other governmental	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 18,247	\$ 11,680	\$ 15,865	\$ 15,694	\$ 15,496	\$ 15,739	\$ 17,639	\$ 21,551	\$ 22,396	\$ 27,552

Schedule 4
City of Toledo, Ohio
Fund Balances,
Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of
accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Income taxes	\$ 153,830	\$ 150,911	\$ 153,965	\$ 155,112	\$ 155,243	\$ 160,683	\$ 164,718	\$ 169,689	\$ 154,475	\$ 141,554
Property taxes	13,244	15,477	15,437	15,223	17,206	17,231	17,220	19,424	18,078	13,612
Special Assessments	17,825	20,337	19,347	18,273	17,435	20,684	21,788	24,601	24,737	23,965
Licenses and permits	2,211	2,172	1,967	2,145	2,567	3,071	3,012	2,830	2,541	2,103
Intergovernmental service	64,446	57,736	64,883	70,327	63,840	75,186	79,957	78,710	72,285	89,942
Charges for services	12,454	12,363	13,646	13,724	14,088	14,003	15,081	17,364	21,104	21,516
Investment Earnings	8,854	7,534	4,654	3,259	2,570	4,153	7,194	8,553	5,582	2,483
Fines and forfeitures	4,103	3,841	3,636	4,087	5,281	6,080	6,094	6,339	7,268	5,971
All other revenues	2,081	2,350	2,953	3,476	2,773	2,882	1,475	3,325	2,521	8,653
Total revenues	279,048	272,721	280,488	285,626	281,003	303,973	316,649	330,835	308,591	309,799
Expenditures										
General government	19,018	21,231	20,823	19,074	18,079	16,908	18,160	17,589	19,007	18,024
Public service	26,803	27,513	27,682	30,261	30,930	34,235	34,216	33,788	37,589	35,432
Public safety	133,448	138,036	144,112	143,350	146,536	150,182	158,575	164,128	170,803	155,040
Public utilities	2,940	1,629	1,149	1,043	774	39	38	102	154	115
Community Environment	18,157	21,120	22,329	18,062	16,469	13,432	19,281	18,926	18,078	18,017
Health	14,300	16,850	16,030	16,240	15,960	16,600	17,403	17,915	18,199	16,473
Parks and recreation	4,974	5,179	5,009	4,729	4,342	3,736	3,876	3,466	3,490	2,742
Capital outlay	41,532	43,609	34,574	42,319	42,163	67,895	61,690	57,883	49,179	50,835
Debt service										
Principal	14,307	14,577	15,546	16,291	15,256	16,920	18,465	17,248	16,633	18,903
Interest	11,281	12,107	13,896	9,312	8,871	8,946	10,111	10,368	10,596	9,620
Total expenditures	286,760	301,851	301,150	300,681	299,380	328,893	341,815	341,413	343,728	325,201
Excess of revenues over (under) expenditures	(7,712)	(29,130)	(20,662)	(15,055)	(18,377)	(24,920)	(25,166)	(10,578)	(35,137)	(15,402)

Schedule 4 Continued
City of Toledo, Ohio
Fund Balances,
Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of
accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other Financing Sources (Uses)										
Bonds issued	12,465	7,900	10,270	7,620	8,000	11,000	26,525	9,000	20,000	30,390
Premiums on bonds	1	4	3,478	7	129	138	672	114	482	3,763
Note issuance of debt	2,152	687	162	1,665	52	2,613	1,026	1,923	528	3,887
Sale of capital assets	124	50	109	91	46	135	43	11	26	746
Transfers in	63,409	61,061	63,008	57,087	53,573	55,015	52,718	55,673	47,280	53,893
Transfers out	(52,520)	(51,494)	(54,089)	(54,487)	(53,286)	(56,799)	(52,852)	(56,709)	(46,989)	(65,903)
Total other financing Sources (uses)	25,631	18,208	22,938	11,983	8,514	12,102	28,132	10,012	21,327	26,776

Net change in fund balances \$ 17,919 \$ (10,922) \$ 2,276 \$ (3,072) \$ (9,863) \$ (12,818) \$ 2,966 \$ (566) \$ (13,810) \$ 11,374

Debt services as a percentage of noncapital expenditures 10.4% 10.3% 11.0% 9.9% 9.4% 9.9% 10.2% 10.2% 10.2% 11.6%

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

Fiscal Year	Income Taxes	Property Taxes and Special Assessments	Licenses and Permits	Grants and Subsidies	Shared Revenues	Charges for Services	Investment Earnings	Fines and Forfeitures	All Other Revenue	Total
2000	153,830	31,069	2,211	41,138	23,308	12,349	8,383	4,103	765	277,156
2001	150,911	35,814	2,172	34,338	23,398	12,227	7,292	3,841	1,009	271,002
2002	153,965	34,784	1,967	40,648	24,235	13,646	4,654	3,636	2,953	280,488
2003	155,112	33,496	2,147	46,535	23,792	13,722	3,259	4,086	3,477	285,626
2004	155,243	34,641	2,567	40,217	23,583	14,088	2,570	5,281	2,773	281,003
2005	160,683	37,915	3,071	46,436	23,872	14,004	4,153	6,080	2,884	299,098
2006	164,718	39,118	3,012	56,076	23,881	15,081	7,194	6,094	1,475	316,649
2007	169,689	44,025	2,830	52,264	26,446	17,364	8,553	6,339	3,325	330,835
2008	154,475	42,815	2,541	45,104	27,201	21,104	5,582	7,267	2,522	308,591
2009	141,554	37,577	2,103	61,907	28,035	21,516	2,483	5,971	8,653	309,799

Schedule 6
 City of Toledo, Ohio
 Income Tax Revenues
 Last Eight Fiscal Years
(amounts in thousands)

<u>Fiscal Year</u>	<u>Withholding</u>	<u>Utility</u>	<u>Business</u>	<u>Individuals</u>	<u>Total Tax Revenues</u>
2002	133,689	1,003	13,046	6,227	153,965
2003	136,187	193	13,122	5,610	155,112
2004	134,709	237	14,120	6,177	155,243
2005	138,042	492	15,747	6,401	160,683
2006	139,805	783	17,443	6,687	164,718
2007	141,583	1,863	19,331	6,912	169,689
2008	132,948	1,542	14,353	5,632	154,475
2009	122,927	891	11,872	5,864	141,554

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Schedule 7

City of Toledo, Ohio

Assessed Value and Estimated Actual Value of Taxable Property,

Last Ten Fiscal Years

(amounts in thousands)

Tax Collection Year	<u>Real Property</u>		<u>Public Utility (2)</u>		<u>Personal Property</u>		<u>Total</u>		Ratio of Total Assessed to Total Estimated Actual Value	
	Assessed Value (1)	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value (2)	Estimated Actual Value	Assessed Value	Direct Rate		
2001	3,281,956	9,375,589	251,453	718,437	551,232	2,204,928	4,084,141	4.40	12,586,329	32.4%
2002	3,275,750	9,359,286	185,625	742,500	564,431	2,257,724	4,025,806	4.40	12,359,510	32.6%
2003	3,280,308	9,372,309	199,143	796,572	530,490	2,210,375	4,009,941	4.40	12,379,256	32.4%
2004	3,752,847	10,722,242	171,574	686,296	487,172	1,948,688	4,411,593	4.40	13,357,226	33.0%
2005	3,789,811	10,828,031	165,221	660,884	468,208	1,872,832	4,423,240	4.40	13,361,747	34.0%
2006	3,772,059	10,777,311	155,248	620,992	442,309	1,769,236	4,369,616	4.40	13,167,539	34.0%
2007	4,315,322	12,329,491	154,646	618,584	343,264	1,373,056	4,813,232	4.40	14,321,131	33.6%
2008	4,197,056	11,991,589	155,080	620,320	239,911	959,644	4,592,047	4.40	13,571,553	33.8%
2009	4,171,406	11,918,303	107,551	430,204	18,638	1,242,206	4,298,378	4.40	12,423,059	34.6%
2010	3,741,678	10,690,509	112,681	450,724	8,483	1,022,045	4,201,728	4.40	12,198,614	34.5%

Notes:

- (1) The assessed valuation is fixed at 35% of true value and is determined pursuant to the rules of the Ohio Commissioner of Tax Equalization.
- (2) An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Includes public utility personal property. Assessed value determined by the State of Ohio.

Source: Lucas County Auditor.

Schedule 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			Overlapping Governments Rates					Total Toledo Rate	Toledo			Total
	General Fund	Police Pension Fund	Fire Pension Fund	Transit Authority	Port Authority	Lucas County	City School District	Metro Park District		City School District	Metro Park District	Total	
2000	3.80	.30	.30	2.50	.40	16.00	63.00	1.40	63.00	1.40	87.70		
2001	3.80	.30	.30	2.50	.40	15.65	63.00	1.40	63.00	1.40	87.35		
2002	3.80	.30	.30	2.50	.40	15.65	63.50	1.70	63.50	1.70	88.15		
2003	3.80	.30	.30	2.50	.40	16.20	63.30	1.70	63.30	1.70	88.50		
2004	3.80	.30	.30	2.50	.40	15.90	63.05	1.70	63.05	1.70	87.95		
2005	3.80	.30	.30	2.50	.40	14.75	63.05	1.70	63.05	1.70	86.80		
2006	3.80	.30	.30	2.50	.40	15.90	62.80	1.70	62.80	1.70	87.70		
2007	3.80	.30	.30	2.50	.40	15.90	62.80	1.70	62.80	1.70	87.70		
2008	3.80	.30	.30	2.50	.40	15.90	62.80	1.70	62.80	1.70	87.70		
2009	3.80	.30	.30	2.50	.40	17.77	67.70	1.70	67.70	1.70	92.77		

Source: Lucas County Auditor.

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

Industry	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Banking	\$ 1,098	\$ 1,317	\$ 1,444	\$ 1,493	\$ 1,345	\$ 1,300	\$ 1,263	\$ 1,207	\$ 1,009	\$ 907
Construction	-	-	-	505	336	228	413	225	-	-
Government	9,193	9,320	9,661	9,796	9,548	9,987	10,219	10,497	10,723	10,276
Grocery	1,173	1,353	1,307	1,247	1,229	1,332	1,349	1,404	1,442	766
Hospital	10,102	10,422	10,696	11,174	11,303	11,847	12,196	12,302	9,077	13,484
Manufacturing	27,219	23,708	24,303	23,881	23,613	23,595	22,702	20,101	15,934	11,706
Non-profit	8,600	8,772	9,918	10,258	10,178	10,159	10,013	10,040	14,174	14,825
Retail	983	1,552	1,522	1,712	1,749	1,598	1,750	1,027	943	1,375
Services	9,271	10,528	9,539	9,546	9,491	10,259	10,408	14,672	10,984	8,140
Transportation	490	445	464	480	360	773	328	356	367	563
Technology	-	-	-	-	-	-	-	-	1,447	411
Total	\$ 68,129	\$ 67,417	\$ 68,854	\$ 70,092	\$ 69,151	\$ 71,078	\$ 70,642	\$ 71,831	\$ 66,100	\$ 62,483

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

<u>Tax Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Years</u>	<u>Amount of Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>
2000	12,205	12,130	99.4%	514	12,644	103.6%
2001	14,934	14,462	96.8%	398	14,860	99.5%
2002	15,659	14,886	95.1%	664	15,550	99.3%
2003	15,047	14,189	94.3%	646	14,835	98.6%
2004	16,995	16,056	94.5%	753	16,809	98.9%
2005	16,954	16,702	98.5%	100	16,802	99.2%
2006	17,305	15,889	91.8%	986	16,876	97.5%
2007	19,693	17,782	90.3%	1,232	19,014	96.6%
2008	19,180	16,574	86.4%	1,326	17,899	93.3%
2009	18,806	16,703	88.8%	1,084	17,787	94.6%

Source: Lucas County Auditor.

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

Fiscal Year	Governmental Activities			General Fund Capital Projects Loans & Leases
	General Obligation Bonds	Assessed Services		
2000	111,507	-		23,670
2001	109,261	-		21,152
2002	114,109	31,900		55,979
2003	112,946	31,500		51,432
2004	111,930	35,600		48,110
2005 ³	112,803	36,500		53,608
2006	111,066	37,700		56,008
2007	116,016	38,800		52,966
2008	120,809	40,300		50,898
2009	136,623	41,200		53,432

- Notes: 1. Decisions regarding the City's outstanding debt can be found in the notes to the financial statements.
2. See schedule 16 for personal income & per capita information.
3. Waterways Initiatives capital improvement program started in 2005.

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

Fiscal Year	Business-type Activities										Total Primary Government	Percentage of Personal Income ²	Per Capita ²
	Water Revenue		Sanitary Sewer Revenue		General Obligation		Capital Projects		Other Loans				
	Bonds	Revenue	Bonds	Revenue	Bonds	Revenue	Loans	Projects	Loans	Loans			
2000	61,239	38,433	29,435	13,169	11,700	289,153	2.8%	738					
2001	58,619	35,740	28,601	12,886	11,445	344,431	2.5%	709					
2002	55,874	32,916	29,098	36,644	13,200	370,020	3.3%	917					
2003	69,507	49,923	28,033	36,485	12,215	391,041	3.4%	983					
2004	65,990	47,084	26,897	49,864	11,743	397,218	3.3%	1,001					
2005 ³	96,433	44,710	25,683	104,364	13,760	552,902	4.0%	1,205					
2006	91,888	42,035	24,593	178,356	13,119	554,765	4.5%	1,398					
2007	87,010	39,134	23,783	206,259	12,381	576,349	4.5%	1,449					
2008	79,962	36,231	22,755	212,184	11,270	574,409	3.9%	1,359					
2009	75,850	33,682	21,685	220,330	10,138	592,940	4.1%	1,399					

Notes: 1. Decisions regarding the City's outstanding debt can be found in the notes to the financial statements.

2. See schedule 16 for personal income & per capita information.

3. Waterways Initiatives capital improvement program started in 2005.

Schedule 12
City of Toledo, Ohio
Ratio of Net General Bonded Debt
To Assessed Value and Net Bonded Debt per Capita
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population⁽¹⁾</u>	<u>Assessed Value⁽²⁾</u>	<u>Gross General Bonded Debt⁽²⁾</u>	<u>Less Balance in Debt Service Fund⁽²⁾ & ⁽³⁾</u>	<u>Net General Bonded Debt⁽²⁾</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2000	313,619	4,084,141	126,046	1,156	124,890	3.1%	398.22
2001	313,619	4,025,806	123,810	579	123,231	3.1%	392.93
2002	313,619	4,009,940	127,805	215	127,590	3.2%	406.83
2003	313,619	4,411,593	125,978	29	125,949	2.9%	401.60
2004	313,619	4,423,240	127,241	38	127,203	2.9%	405.63
2005	313,619	4,369,616	128,474	38	128,436	2.9%	409.53
2006	313,619	4,813,232	126,683	45	126,638	2.6%	403.80
2007	313,619	4,592,047	131,821	58	131,763	2.9%	420.14
2008	313,619	4,297,595	136,904	90	136,814	3.2%	436.24
2009	313,619	4,128,523	152,563	118	152,445	3.7%	486.08

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

(2) Amounts shown in thousands of dollars. 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.

Schedule 13
 City of Toledo, Ohio
 Computation of Direct and Overlapping Debt
 at December 31, 2009
 (amounts in thousands)

<u>Political Subdivision</u>	<u>Amount of Debt</u>	<u>Percent Applicable To City</u>	<u>City's Share</u>
Direct Debt:			
City of Toledo	\$152,563	100.0%	\$152,563
Subdivision Overlapping Debt:			
Lucas County	68,781	48.1%	33,084
Toledo City School District	168,679	98.9%	166,824
Sylvania City School District	8,111	8.2%	665
Ottawa Hills Local School District...	8	0.3%	0
Springfield Local School District.....	1,613	10.0%	161
Sylvania Area Joint Recreation Dist .	973	8.2%	80
Penta County Career Center	49	5.9%	1
Maumee City School District	<u>4,127</u>	<u>11.7%</u>	<u>483</u>
Total Subdivision Overlapping Debt	<u>\$252,341</u>		<u>\$ 201,300</u>
Total Direct and Overlapping Debt.....	<u>\$404,904</u>		<u>\$353,863</u>

Source: Lucas County Auditor.

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Schedule 14
 City of Toledo, Ohio
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 (Amounts in thousands)

	Fiscal Year									
	<u>2000</u>	<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>
Debt limit	\$ 428,835	\$ 422,710	\$ 421,044	\$ 463,217	\$ 464,440	\$ 458,810	\$ 505,389	\$ 482,165	\$ 451,247	\$ 405,598
Total net debt applicable to limit	127,186	126,895	127,974	126,776	127,021	128,474	126,683	131,821	136,904	152,563
Legal debt margin	\$ 301,649	\$ 295,815	\$ 293,070	\$ 336,441	\$ 337,419	\$ 330,336	\$ 378,706	\$ 350,344	\$ 314,344	\$ 253,035
Total net debt applicable to the limit as a percentage of debt limit	42.16%	42.90%	43.67%	37.68%	37.64%	38.89%	33.45%	37.63%	43.55%	60.29%

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

Water Revenue Bonds							
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2000	32,829	16,962	15,867	2,515	3,164	5,679	2.8
2001	34,454	20,494	13,960	2,620	3,066	5,686	2.5
2002	35,115	21,744	13,371	2,745	2,953	5,698	2.3
2003	33,732	22,607	11,125	3,475	3,163	6,638	1.7
2004	35,406	23,585	11,821	3,517	3,277	6,794	1.7
2005	39,875	27,524	12,351	5,565	3,174	8,739	1.4
2006	38,811	26,002	12,809	4,545	4,464	9,009	1.4
2007	41,713	29,016	12,697	4,715	4,494	9,209	1.4
2008	38,070	27,072	10,998	5,015	3,835	8,850	1.4
2009	35,915	26,733	9,182	5,240	3,628	8,868	1.4

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.

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

<u>Sewer Revenue Bonds</u>							
<u>Fiscal</u> <u>Year</u>	<u>Sewer</u> <u>Service</u> <u>Charges</u>	<u>Less:</u> <u>Operating</u> <u>Expenses</u>	<u>Net</u> <u>Available</u> <u>Revenue</u>	<u>Debt Service</u>		<u>Total</u>	<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>		
2000	36,279	22,134	14,145	2,232	2,475	4,707	3.0
2001	36,560	22,542	14,018	2,693	2,002	4,695	3.0
2002	35,703	24,970	10,733	2,824	1,894	4,718	2.3
2003	36,095	24,287	11,808	2,885	2,369	5,254	2.3
2004	41,121	25,165	15,956	2,839	3,994	6,833	2.3
2005	47,366	27,338	20,028	7,540	4,589	12,129	1.7
2006	51,253	29,633	21,620	2,675	5,409	8,084	2.7
2007	52,289	31,367	20,922	2,790	6,381	9,171	2.3
2008	56,064	31,317	24,747	3,015	1,721	4,736	2.1
2009	54,194	30,609	23,585	3,140	1,590	4,730	2.1

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.

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

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

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

Schedule 17
 City of Toledo, Ohio
 Principal Employers, Toledo MSA
 Current Year and Nine Years Ago

Employer	2009				2000			
	Employees	Rank	Percentage of Total MSA Employment	Rank	Employees	Rank	Percentage of Total MSA Employment	
Promedica Health Systems	9,945	1	10.03%	1	12,000	1	3.66%	
Mercy Health Partners	6,625	2	6.83%	2	7,377	2	2.25%	
Bowling Green State University	6,025	3	5.52%	3	6,432	3	1.96%	
The University of Toledo	6,000	4	5.08%	4	5,000	4	1.53%	
Toledo City School District	4,400	5	4.60%	5	5,000	4	1.53%	
Lucas County	3,876	6	4.02%	6	4,144	7	1.27%	
The Kroger Company	2,354	7	2.85%	7	3,600	9	.91%	
The City of Toledo	2,635	8	2.83%	8	2,983		.81%	
Sauder Woodworking Co.	2,640	9	2.81%	9	2,667		2.47%	
State of Ohio	2,249	10	2.51%	10	-		-	
Chrysler LLC	-		-		5,400	5	1.65%	
Seaway Foodtown, Inc.	-		-		4,300	6	1.31%	
General Motors Corp./GM Powertrain Division	-		-		4,092	8	1.25%	
Medical College of Ohio	-		-		3,500	10	1.07%	
Total	46,749		15.69%		66,495		20.30%	

Notes:

Source: Toledo Regional Growth Partnership, 2007 Harris Industrial Directory; except as otherwise noted.

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Schedule 18
 City of Toledo, Ohio
 Full-time-Equivalent City Government Employees by MSA,
 Last Ten Fiscal Years

Major Service Area	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Community environment	97	95	96	94	90	88	86	85	84	81
General government	337	346	348	347	342	336	342	350	343	327
Health*										
Parks and recreation	93	89	95	98	93	74	76	81	75	64
Public safety	1,349	1,366	1,378	1,361	1,350	1,323	1,345	1,326	1,270	1,191
Public service	436	444	447	445	431	447	447	436	430	427
Public utilities	557	550	541	561	560	582	587	597	578	575
Total	2,869	2,890	2,905	2,906	2,866	2,850	2,883	2,875	2,780	2,665

Source: City of Toledo Payroll Office.

Notes: A full-time employee is scheduled to work 2,088 hours per year (including vacation and sick leave). Full-time-Equivalent employment is calculated by dividing total labor hours by 2,088.

*In 2000, the Toledo Health Department merged with the Lucas County Health Department and is now reported under Lucas County, Ohio.

Schedule 19
 City of Toledo, Ohio
 Operating Indicators by
 Function/ Program,
 Last Eight Fiscal Years

Function/ Program	Fiscal Year							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government								
Building permits	6,461	6,281	6,200	6,314	6,492	5,537	5,055	4,260
Value of permits (in thousands)	92,457	144,184	176,421	295,067	276,746	146,514	196,578	138,153
Total Board-ups	337	423	465	586	931	664	710	704
Total Demolitions	306	214	237	222	285	312	300	300
Police								
Traffic Citations	42,160	43,869	48,790	48,504	52,331	60,786	55,694	21,966
Red Light Cameras	10,418	13,509	17,305	25,186	18,512	24,104	18,142	19,681
Number of Offenses	27,204	26,777	25,283	27,776	26,534	23,826	22,738	36,433
911 Call Volume	463,697	436,151	440,649	433,415	430,523	406,101	392,969	389,112
Non-Emergency Calls	107,772	103,289	101,838	108,961	114,065	111,755	101,882	87,412
Fire								
Emergency runs	39,535	38,461	38,393	39,796	38,630	41,135	40,003	42,639
Fire runs	8,262	7,534	7,397	7,175	7,550	7,533	10,346	6,812
Total runs	47,797	45,995	45,790	46,971	46,180	48,668	50,349	49,451
Other public works								
Traffic Signs manufactured/installed			21,925	25,653	26,936	32,508	31,491	29,879
Energy reduction (traffic signals)		0.2%	7.5%	10.3%	13.1%	17.1%	17.8%	17.9%
Traffic signals replaced	111	38	59	79	81	122	458	386
Traffic signal calls			5,221	7,069	6,823	6,731	6,125	5,867

Schedule 19

City of Toledo, Ohio
Operating Indicators by
Function/ Program,
Last Eight Fiscal Years

	Fiscal Year							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Energy								
Electric customers- Toledo Edison Company	316,000	303,000	303,000	303,000	307,000	307,000	310,000	309,000
Gas customers- Columbia Gas of Ohio, Inc.	175,000	175,744	179,250	177,329	178,500	176,715	173,000	172,000
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
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
Water								
New connections	2,030	1,765	1,721	1,404	791	584	622	618
Water main breaks	469	435	281	447	203	448	333	306
Average daily consumption (millions of gallons)	81.8	78.4	78.8	86.9	80.8	80.7	76.6	76.6
Wastewater								
Average daily sewage treatment (millions of gallons)	64.0	65.0	64.0	90.7	76.4	70.9	75.9	71.4
Public Transit								
TARTA 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

Note: The City implemented GASB statement 34 in fiscal year 2002.

*TARTA stands for Toledo Area Regional Transit Authority.

Sources: Various City Departments.

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Schedule 20

City of Toledo, Ohio

Capital Asset Statistics by Function/ Program,
Last Eight Fiscal Years

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

Note: The City implemented GASB statement 34 in fiscal year 2002.

Sources: Various City Departments.



Mary Taylor, CPA
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 14, 2010