

CITY OF TOLEDO, OHIO

Single Audit Reports

Year Ended December 31, 2016



CLARK SCHAEFER HACKETT
CPAs & ADVISORS



Dave Yost • Auditor of State

City Council
City of Toledo
One Government Center Ste 2050
Toledo, OH 43604

We have reviewed the *Independent Auditor's Report* of the City of Toledo, Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 22, 2016

This page intentionally left blank.

TABLE OF CONTENTS

| | |
|---|-------|
| Schedule of Expenditures of Federal Awards | 1 – 3 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 4 – 5 |
| Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance | 6 – 7 |
| Schedule of Findings and Questioned Costs | 8 – 9 |

CITY OF TOLEDO, OHIO

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2016

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>Grant Number</u> | <u>Federal CFDA Number</u> | <u>Passed through to Subrecipients</u> | <u>Federal Expenditures</u> |
|--|-------------------------|------------------------------------|--|---------------------------------|
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> | | | | |
| CDBG Entitlement Grants: | | | | |
| Community Development Block Grants/Entitlement Grants | | | | |
| 36th Year CDBG Grant | G36000 | 14.218 | - | 97,600 |
| 37th Year CDBG Grant | G37000 | 14.218 | - | 59,628 |
| 38th Year CDBG Grant | G38000 | 14.218 | - | 60,267 |
| 39th Year CDBG Grant | G39000 | 14.218 | - | 159,513 |
| 40th Year CDBG Grant | G40000 | 14.218 | - | 277,187 |
| 41st Year CDBG Grant | G41000 | 14.218 | 1,224,457 | 4,091,152 |
| 42nd Year CDBG Grant | G42000 | 14.218 | 813,444 | 1,367,449 |
| 2008 Neighborhood Stabilization | GNSP08 | 14.218 | - | 95,188 |
| 2010 Neighborhood Stabilization | GNSP10 | 14.218 | - | 52,508 |
| <i>(Passed through Lucas Metropolitan Housing Authority):</i> | | | | |
| LMHA 2016 | G05576 | 14.218 | - | 251,719 |
| Total CDBG Entitlement Grants | | | <u>2,037,901</u> | <u>6,512,211</u> |
| Emergency Solutions Grants Program | | | | |
| 28th Year Emergency Shelter | GE2802 | 14.231 | 20,331 | 20,331 |
| 29th Year Emergency Shelter | GE2902 | 14.231 | 454,685 | 454,685 |
| 30th Year Emergency Shelter | GE3002 | 14.231 | 176,008 | 176,008 |
| | | | <u>651,024</u> | <u>651,024</u> |
| HOME Investment Partnerships Program | | | | |
| HOME Investment Partnerships Program | GH1702-GH2502 | 14.239 | | 1,371,830 |
| HOME Investment Partnerships Program | Outstanding Loans | 14.239 | | 3,470,634 |
| | | | | <u>4,842,464</u> |
| ARRA - Neighborhood Stabilization Program | | | | |
| ARRA - Neighborhood Stabilization Program | G9NSP2 | 14.256 | | 357,869 |
| Lead-Based Paint Hazard Control in Privately-Owned Housing | | | | |
| Lead-Based Paint Hazard Control in Privately-Owned Housing | GL7006 | 14.900 | | 578,302 |
| Total U.S. Department of Housing and Urban Development | | | | <u>12,941,870</u> |
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | | |
| Public Safety Partnership and Community Policing Grants | | | | |
| Public Safety Partnership and Community Policing Grants | G00003 | 16.710 | | 319,735 |
| Edward Byrne Memorial Justice Assistance Grant Program: | | | | |
| 2014 Justice Assistance Grant | G07724 | 16.738 | | 43 |
| Crime Analysis JAG Equipment | G00026 | 16.738 | | 8,000 |
| Crime Analysis JAG OT | G00027 | 16.738 | | 8,000 |
| | | | | <u>16,043</u> |
| <i>(Passed through Ohio's Office of Criminal Justice):</i> | | | | |
| ARRA - Violence Against Women Formula Grants | G07336 | 16.588 | | 20,599 |
| <i>(Passed through Ohio Department of Public Safety):</i> | | | | |
| Community Capacity Development Office | G00009 | 16.595 | | 36,828 |
| Total U.S. Department of Justice | | | | <u>393,205</u> |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | | |
| <i>(Passed through Ohio Department of Transportation):</i> | | | | |
| Highway Planning and Construction: | | | | |
| MIAMI OVER NSRR BRIDGE | GA0101/PID89264 | 20.205 | | 613,385 |
| EAST CIRCLE LANE BRIDGE | GA0102/PID94279 | 20.205 | | 547,014 |
| ANTHONY WAYNE TRAIL I-75 TO ERIE STR | GA7045/PID95676 | 20.205 | | 470,184 |
| REYNOLDS CORRIDOR IMPROVE, PH3 | GA6752/PID93026 | 20.205 | | 256,063 |
| DOUGLAS /DORR INTERSECTION | GA7055/PID95673 | 20.205 | | 982,003 |
| DOUGLAS ROAD FROM SYLVANIA TO LASKKEY | GA7065/PID95674 | 20.205 | | 3,681,445 |
| OTTAWA STREET RECONSTRUCTION | GA6944/PID99505 | 20.205 | | 250,000 |
| DORR ST SAFETY PROJECT | GA8541/PID90259 | 20.205 | | 141,308 |
| BANCROFT GLENWOOD TO ASHLAND | GA6914/PID90757 | 20.205 | | 134,160 |
| DETROIT-SHERWOOD TO COPLAND | GA6974/PID93956 | 20.205 | | 20,250 |
| DETROIT-ARLINGTON TO I-75 RESURFACING | GA7005/PID93960 | 20.205 | | 1,308,132 |
| INDIANA-I-75 TO WASHINGTON RESURFACING | GA7015/PID95677 | 20.205 | | 252,209 |
| REYNOLDS-CITY LIMITS TO GLENDALE RESURFACING | GA7025/PID93958 | 20.205 | | 600,000 |
| CENTRAL-SECOR TO UPTON RESURFACING | GA7035/PID93918 | 20.205 | | 925,127 |
| Total Highway Planning and Construction | | | | <u>10,181,280</u> |

(Continued)

CITY OF TOLEDO, OHIO
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2016

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>Grant Number</u> | <u>Federal CFDA Number</u> | <u>Passed through to Subrecipients</u> | <u>Federal Expenditures</u> |
|--|-------------------------|------------------------------------|--|---------------------------------|
| <i>(Passed through Toledo Area Regional Transit Authority):</i> | | | | |
| Job Access and Reverse Commute Program | G00019 | 20.516 | | 21,905 |
| <i>(Passed through Ohio Department of Public Safety):</i> | | | | |
| National Priority Safety Programs | G00015 | 20.616 | | <u>14,048</u> |
| Total U.S. Department of Transportation | | | | <u>10,217,233</u> |
| <u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u> | | | | |
| Great Lakes Program | UG1214 | 66.469 | | 54,150 |
| <i>(Passed through Ohio Environmental Protection Agency):</i> | | | | |
| Capitalization Grants for Clean Water State Revolving Funds | | | | |
| GRIT FACILITY-161B CONSENT DECREE PROJECT | XL0210 | 66.458 | | 37,033 |
| INTERNATIONAL PARK STORAGE BASIN | XL0116 | 66.458 | | 2,827,093 |
| OAKDALE STORAGEBASIN | XL0511 | 66.458 | | 3,580 |
| OTTAWA RIVER STOARGE FACILITY PHASE II PROJECT | XL0714 | 66.458 | | 29,809,000 |
| DETROIT SSOE PAHSE 1 | XL1110 | 66.458 | | 45,355 |
| AYERS-MONROE STORAGE | XL1112 | 66.458 | | 7,231 |
| COLUMBUS ASH STORAGE PIPELINE | XL2010 | 66.458 | | 6,000 |
| PHASE IIB CONSENT DECREE PROJECT | XL2311 | 66.458 | | 125,544 |
| LTCP 2C DESIGN | XL0914 | 66.458 | | 4,302,112 |
| ARLINGTON/HEATHERDOWNS | XL2115 | 66.458 | | 6,240 |
| MAUMEE CSO STORAGE | XL4110 | 66.458 | | 5,250 |
| DEARBORN CSO STORAGE PROJECT | XL4813 | 66.458 | | 2,094,554 |
| TUNNEL OPTIMIZATION PASE 2 | XL4611 | 66.458 | | 24,697 |
| BB RENOVATION LOAN | UL3309 | 66.458 | | 295,172 |
| QUEEN/SPENCER ST SEW | XL0115 | 66.458 | | <u>1,303,731</u> |
| Total Capitalization Grants for Clean Water State Revolving Funds | | | | <u>40,892,592</u> |
| <i>(Passed through Ohio Environmental Protection Agency):</i> | | | | |
| Capitalization Grants for Drinking Water State Revolving Funds | | | | |
| PAC & PotassiumGA/HAB Plan | UL2114 | 66.468 | | 2,536,018 |
| <i>(Passed through Ohio Environmental Protection Agency):</i> | | | | |
| Air Pollution Control Program Support: | | | | |
| Tire Amnesty Grant | G56401 | 66.001 | | 10,716 |
| 2014 Title V | G2014V | 66.001 | | 10,986 |
| 2016 Title V | G2016V | 66.001 | | <u>297,127</u> |
| Total Air Pollution Control Program Support | | | | <u>318,829</u> |
| Total U.S. Environmental Protection Agency | | | | <u>43,801,589</u> |
| <u>EXECUTIVE OFFICE OF THE PRESIDENT</u> | | | | |
| High Intensity Drug Trafficking Area (HIDTA) Grants - 2015 | G04865 | 95.001 | | 28,063 |
| High Intensity Drug Trafficking Area (HIDTA) Grants - 2016 | G04866 | 95.001 | | <u>62,142</u> |
| Total Executive Office of the President | | | | <u>90,205</u> |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> | | | | |
| <i>(Passed through Ohio Department of Public Safety):</i> | | | | |
| Emergency Management Performance Grants | | | | |
| Emergency Management Performance Grants | G04548 | 97.042 | | 220 |
| Emergency Management Performance Grants | G04549 | 97.042 | | 3,147 |
| Emergency Management Performance Grants | G04552 | 97.042 | | <u>632</u> |
| | | | | <u>3,999</u> |
| <i>(Passed through Lucas County Emergency Management Agency):</i> | | | | |
| Homeland Security Grant Program | G02415 | 97.067 | | 26,220 |
| Homeland Security Grant Program | G02214 | 97.067 | | <u>43,657</u> |
| | | | | <u>69,877</u> |
| Total U.S. Department of Homeland Security | | | | <u>73,876</u> |
| Total Federal Awards | | | \$ <u>2,688,925</u> | <u>67,517,978</u> |

(Continued)

CITY OF TOLEDO, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Toledo, Ohio (the "City") under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B - 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. Such expenditures are recognized following the costs principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

To the Honorable Paula Hicks-Hudson, Mayor, Members of City Council and the Audit Committee
City of Toledo, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio (the "City") as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2017.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described as finding 2016-001 in the accompanying schedule of findings and questioned costs, that we consider to be a material weakness.

Compliance And Other Matters

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

City's Response to the Finding

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

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
June 30, 2017

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE**INDEPENDENT AUDITORS' REPORT**

To the Honorable Paula Hicks-Hudson, Mayor, Members of City Council and the Audit Committee
City of Toledo, Ohio:

Report on Compliance for Each Major Federal Program

We have audited the City of Toledo, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2016. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of compliance requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated June 30, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
June 30, 2017

**CITY OF TOLEDO, OHIO
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2016**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

| | |
|--|-------------|
| Internal control over major programs: | |
| • Material weakness(es) identified? | None |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | None |
| Type of auditors’ report issued on compliance for major programs: | Unmodified |
| Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? | None |
| Identification of major programs: | |
| • CFDA 20.205 – Highway Planning and Construction | |
| • CFDA 66.458 – Capitalization Grants for Clean Water State Revolving Funds | |
| Dollar threshold to distinguish between Type A and Type B Programs: | \$2,025,539 |
| Auditee qualified as low-risk auditee? | Yes |

Section II – Financial Statement Findings

Finding 2016-001 – Prior Period Adjustments and Audit Adjustments

Condition: The City identified misstatements in prior financial statements that were not identified by the City's internal control over financial reporting in prior years. In addition, we identified audit adjustments which were necessary to correct the current year financial statements. 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 deficiency in operation exists when a properly designed control does not operate as designed. In this case, the internal controls over the preparation and review of the City's financial statements did not operate as designed and we consider this a material weakness.

As part of the City's year-end close, two material prior period adjustments to the statements were identified. The City identified two Tax Incremental Financing (TIF) funds were included as part of the Capital Improvements fund but should have been separated into distinct funds based on the legislation creating these funds in 2004 and 1998, respectively. The second prior period adjustment was a result of transfers reported in 2011 which had no proper legislation approving these transfers. Also, as a part of our audit, two material adjustments to the statements were identified. During the course of our audit, we identified misstatements in the financial statements for the year ended December 31, 2016, not initially identified by the City's internal control over financial reporting. Audit adjustments were necessary to correct errors related to property taxes receivable and related deferred inflows as well as the proper cutoff of accounts payable.

Recommendation: We recommend the City continue to enhance its internal controls over financial reporting with steps such as management analysis of the financials compared to prior years to ensure the preparation of reliable financial statements in conformity with generally accepted accounting principles.

Management's Response: *Management continues to review, monitor, and enhance its internal control structure by providing a multitude of financial analysis reports and processes that provide reliable financial information while avoiding material misstatements. Of note is that the stated deficiency is the result of self-reported adjustments that span back nearly two decades. Noteworthy is that there are a number of controls now in place to assist in the prevention of such future occurrences. Chief among them is a legislative review committee that incorporates the law department and members of the financial management staff. We will also not only provide continuing training to financial staff, but increase the levels of professional education to provide our organization with the knowledge, skills, and abilities to prevent future mishaps.*

Section III – Federal Award Findings and Questioned Costs

None



This page intentionally left blank.

2016
Comprehensive Annual Financial Report
City of Toledo, Ohio

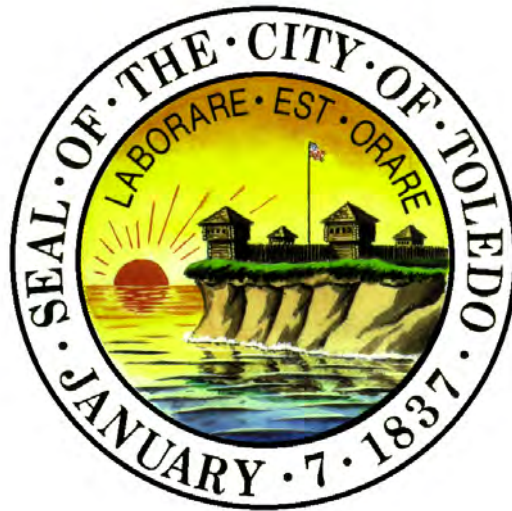


For the Year Ended December 31, 2016

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016



PAULA HICKS-HUDSON, MAYOR

**GEORGE E. SARANTOU
FINANCE DIRECTOR**



Congratulations! Based upon your recently completed financial audit, it gives me great pleasure to inform you that the City of Toledo has received the *Auditor of State Award with Distinction*. Clean and accurate record-keeping are the foundation for good government, and the taxpayers can take pride in your commitment to accountability.

The *Auditor of State Award with Distinction* is given to those entities that file an annual CAFR and timely financial report in accordance with GAAP, as well as receive a “clean” audit report. The “clean” audit report means that your financial audit did not contain findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit finding or any questioned costs.

Sincerely,

Dave Yost
Auditor of State

**City of Toledo, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016**

Table of Contents

INTRODUCTORY SECTION

| | Page No. |
|---------------------------------------|-----------------|
| Table of Contents | 1-3 |
| Letter of Transmittal..... | 5-9 |
| GFOA Certificate of Achievement | 11 |
| List of Principal Officials..... | 12 |
| Organizational Chart..... | 13 |

FINANCIAL SECTION

| | |
|---|-------|
| Independent Auditors’ Report..... | 17-19 |
| Management’s Discussion and Analysis..... | 20-36 |

Basic Financial Statements:

Government-wide Financial Statements:

| | |
|--------------------------------|----|
| Statement of Net Position..... | 39 |
| Statement of Activities | 40 |

Fund Financial Statements:

| | |
|--|----|
| Balance Sheet – Governmental Funds..... | 41 |
| Reconciliation of the Balance Sheet to the Statement of Net Position of Governmental Funds | 42 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 43 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities of Governmental Funds | 44 |
| Statement of Net Position – Proprietary Funds | 45 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds..... | 46 |
| Statement of Cash Flows – Proprietary Funds | 47 |
| Statement of Fiduciary Assets and Liabilities – Fiduciary Funds - Agency | 48 |

| | |
|--|---------------|
| Notes to Basic Financial Statements | 51-107 |
|--|---------------|

Required Supplementary Information

General Fund and Special Assessment Services Fund:

| | |
|--|---------|
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual General Fund..... | 112 |
| Special Assessment Services Fund..... | 113 |
| Notes to Required Supplementary Information..... | 114-115 |

**City of Toledo, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016**

**Table of Contents
(Continued)**

| | Page No. |
|---|-----------------|
| Required Supplementary Information (continued) | |
| Schedules of the City’s Proportionate Share of the Net Pension Liabilities..... | 116 |
| Schedules of City Contributions..... | 117-118 |
| Supplementary Information | |
| Other Government Funds: | |
| Combining Balance Sheet – Nonmajor Governmental Funds (by fund type)..... | 124 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (by fund type)..... | 125 |
| Special Revenue Funds: | |
| Combining Balance Sheet..... | 128-129 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... | 130-131 |
| Debt Service Funds: | |
| Combining Balance Sheet..... | 133 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... | 134 |
| Capital Projects Fund: | |
| Combining Balance Sheet..... | 137 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... | 138 |
| Permanent Fund: | |
| Combining Balance Sheet..... | 141 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... | 142 |
| Nonmajor Enterprise Funds: | |
| Combining Statement of Net Position | 145 |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Position | 146 |
| Combining Statement of Cash Flows..... | 147 |
| Internal Service Funds: | |
| Combining Statement of Net Position..... | 149 |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Position..... | 150 |
| Combining Statement of Cash Flows..... | 151 |
| Agency Funds: | |
| Statement of Changes in Assets and Liabilities | 154 |

City of Toledo, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016

Special Budgetary Comparison Section:

| | |
|---|---------|
| Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual | |
| Major Governmental Funds | 156-171 |
| Nonmajor Special Revenue Funds..... | 172-191 |
| Nonmajor Debt Service Funds..... | 192-194 |
| Nonmajor Capital Projects Fund..... | 195-196 |

Table of Contents
(Continued)

STATISTICAL SECTION (UNAUDITED)

| | Table | |
|---|--------------|---------|
| Net Position by Component – Last Ten Fiscal Years | 1 | 201 |
| Changes in Net Position by Component – Last Ten Fiscal Years | 2 | 202-204 |
| Fund Balances, Governmental Funds – Last Ten Fiscal Years | 3 | 205 |
| Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years..... | 4 | 206 |
| General Revenues by Source, Governmental Funds – Last Ten Fiscal Years..... | 5 | 207 |
| Income Tax Revenues – Last Ten Fiscal Years..... | 6 | 208 |
| Assessed Value and Estimated Actual Value of | | |
| Taxable Property – Last Ten Fiscal Years..... | 7 | 209 |
| Property Tax Rates Direct and Overlapping Governments – | | |
| Last Ten Fiscal Years | 8 | 210 |
| Top 75 Withholders by Industry – Last Ten Fiscal Years | 9 | 211 |
| Real and Public Utility Property Tax Levies and Collections – | | |
| Last Ten Fiscal Years | 10 | 212 |
| Ratios of Outstanding Debt by Type – Last Ten Fiscal Years..... | 11 | 213 |
| Ratios of Net General Bonded Debt - Last Ten Fiscal Years | 12 | 214 |
| Computation of Direct and Overlapping Debt | 13 | 215 |
| Legal Debt Margin Information – Last Ten Fiscal Years | 14 | 216 |
| Pledged-Revenue Coverage – Last Ten Fiscal Years | 15 | 217 |
| Demographic and Economic Statistics – Last Ten Fiscal Years..... | 16 | 218 |
| Principal Employers..... | 17 | 219 |
| Full-time-Equivalent City Governmental Employees by MSA – | | |
| Last Ten Fiscal Years | 18 | 220 |
| Operating Indicators by Function/Program – Last Ten Fiscal Years..... | 19 | 221 |
| Capital Asset Statistics by Function/Program – Last Ten Fiscal Years..... | 20 | 222 |

Page Intentionally Left Blank

CITY OF TOLEDO



Paula Hicks-Hudson
Mayor

George E. Sarantou
Director of Finance

June 30, 2017

Honorable Mayor Paula Hicks-Hudson, Steven Steel, President
and Members of City Council and Citizens of the City of Toledo, Ohio

As Director of Finance for the City of Toledo, Ohio (the City), I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016.

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

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

As part of the annual preparation of the CAFR, the City is subject to an annual independent audit of its basic financial statements, which serves to strengthen the City's accounting, budgetary, and internal control of its financial and operational systems. The firm of Clark, Schaefer, Hackett & Co. located in the City of Toledo, Ohio has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2016. The independent auditors' report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

Toledo, the fourth largest city in Ohio, is located on the coast of Lake Erie in Northwest Ohio, approximately 150 miles north of Columbus, 120 miles west of Cleveland, and 50 miles south of Detroit, Michigan. The City's elevation is approximately 614 feet above sea level. Comparative data for Ohio's six largest cities is as follows:

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

For Financial purposes, this CAFR is in conformity with the provisions of GASB Statement No. 61, the Financial Reporting Entity, all governmental departments, agencies, institutions, commissions, public authorities and other governmental organizations for which the City has significant accountability. Financial accountability is determined by the City's financial interdependence. The reporting entity of the City includes the following services as authorized by its charter: public safety, highways and streets, water and sanitation, health and social services, culture and recreation, public improvements, planning and zoning and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

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

- In December, 2016, The Milken Institute named Toledo as one of the "Top 100 Best Performing Cities"¹ due to strong sales of the Toledo built Jeep Cherokee and the Jeep wrangler. Additionally, Toledo was ranked as one of the best places to live in America by the U.S. News and World Report.
- Owens Corning, a Fortune 500 corporation for 62 consecutive years headquartered in Downtown Toledo, employs approximately 14,000 in 27 countries, including approximately 1,229 in the Toledo MSA. With revenues of nearly \$5.3 billion in 2015, Owens Corning is a global producer of residential and commercial building materials, glass-fiber reinforcements, and engineered materials for composite systems. Owens Corning recently agreed to a 15-year extension of its lease at the Downtown Toledo facilities.

¹ *The Toledo Blade*, December 14, 2016

- In July 2016, Fiat Chrysler Automobiles (Fiat Chrysler), the largest manufacturing employer in the City, announced that it intends to invest \$700 million in its Toledo Assembly Complex in the City in 2017 to prepare the Assembly Complex for the next iteration of the Jeep Wrangler and Jeep Wrangler pick-up truck. The announcement confirmed Fiat Chrysler's earlier announcement that it planned to move the Jeep Cherokee production from the City to a plant in the State of Illinois to free up room to build the next generation Jeep Wrangler and the Jeep Wrangler pick-up truck in the City without having to interrupt production of the current version of the Jeep Wrangler. Various industry sources expect that Jeep Wrangler production would hit 350,000 with the introduction of the model's next generation. The City has announced that it plans to invest \$850,000 to improve roadways near the Assembly Complex. According to Fiat Chrysler, employment at the plant will increase by 700 when the improved Assembly Complex achieves full production in 2017.
- General Motors' Powertrain Division manufactures and assembles transmissions at a 1.68-million-square-foot facility located on 185 acres in the City. General Motors recently completed two new investments at its GM Powertrain Division's Alexis Road transmission plant in the City – a \$55.7 million investment to support production of fuel-efficient eight-speed transmissions and front-wheel drive six-speed transmissions, and a \$30.6 million investment for equipment and tooling to expand capacity for the production of the six-speed transmissions – to accommodate General Motors' product growth and meet increasing demand for those transmissions. Those investments were the fifth and sixth investments General Motors made in that plant since 2005, and with them, the company invested more than \$1.1 billion in the plant during that period. The transmissions produced at the plant are used in a variety of GM vehicles. The State and the City provided certain grants and tax incentives to General Motors in connection with these projects.
- In 2016, Detroit Manufacturing, an automotive parts supplier, announced plans to build a \$70 million plant facility at Jeep Parkway in the Overland Industrial Park. The new facility will create 250 new jobs.
- The ProMedica Health System and Mercy Health Partners, which operate health care systems, are the first and second largest employers in the Toledo MSA, respectively. Both of these companies have aggressively expanded and improved their facilities and property holdings within the City in the past decade. ProMedica is currently proceeding with a \$350 million project to redevelop the main hospital campus in the City of Toledo. Additionally, construction continues on ProMedica's new headquarters campus located in downtown Toledo. When completed, ProMedica is anticipated to have 1,000 administrative staff members in the headquarters facilities, including 525 employees who are currently working outside the City of Toledo.
- The University of Toledo (including its Medical Center) is the third largest employer in the Toledo MSA. In their fiscal year ended June 30, 2015, the University and its Medical Center together had approximately 6,279 employees and a combined annual operating budget of approximately \$850 million, which is the third largest operating budget of a public university in the State of Ohio.
- Dana Holding Corporation, a manufacturer of motor vehicle parts and industrial components, employs approximately 23,000 in 26 countries worldwide, including approximately 700 in the Toledo MSA. Its global network of engineering, manufacturing and distribution facilities provides original-equipment and aftermarket customers with local product and service support. In May 2016, Dana Holdings Corporation, a Fortune 500 automotive and industrial components manufacturer, announced plans to invest approximately \$70 million in a new axle manufacturing facility in the Overland Industrial Park (the location of the former Jeep Willys plant) in the City, converting and tripling the size of an existing 100,000 square foot warehouse facility on the site to 300,000 square feet. The new facility will employ 300 people.

The Toledo MSA serves as a major transportation center, and significant employment is provided by transportation industry employers. The City's economy, historically associated with the glass and automotive industries, has become increasingly diversified. The Toledo MSA 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., earning the City the title of the "Glass Capital of the World". Fiat Chrysler Automobiles, General Motors Company and Dana Holding Corporation continue to provide a major automotive industry presence in the Toledo MSA. 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. However, private service industries and governmental employers have provided more than three-fourths of the total employment in the Toledo MSA and more than 70% of total payrolls in the County in recent years.

MAJOR CITY INITIATIVES

The City continues to provide a variety of service and development initiatives to meet the needs of its citizens in a most cost-effective and efficient manner. Such initiatives focus on maintaining and improving neighborhoods, public safety, financial position, economic and business development, and water and sewer quality and distribution.

ACCOUNTING SYSTEM

The City's day-to-day accounting records are maintained on a basis other than GAAP. For financial reporting purposes, the accounting records for all governmental funds are converted to the modified accrual basis, whereby revenues are recognized when measurable and available within the business cycle (60 days after year end), and expenditures are recognized when the related fund liability is incurred. The accounting records for the proprietary funds and government-wide financial statement are converted to the accrual basis, whereby revenues are recognized when measurable and earned and expenses are recognized as incurred. The City utilizes the SAP enterprise resource planning (ERP) system, which was implemented in May of 2010.

In November of 2015, the City of Toledo became the first major city in Ohio to participate in the State Treasurer's OhioCheckbook.com. OhioCheckbook.com is a transparency initiative which allows citizens to view the City's individual financial transactions online. The City periodically updates the information.

BUDGETING AND LONG-TERM FINANCIAL PLANNING

The Toledo Charter identifies the City's fiscal year as beginning on January 1st, while requiring that the Mayor prepare a temporary balanced budget estimate on or before November 15th for the following year. A final balanced budget is required to be approved by City Council no later than March 31, 2017. Additional budgetary information is also contained in Note 4 of the *Notes to the Basic Financial Statements*.

In 2016, the City's uninsured outstanding general obligation bonds were rated "A2" with a stable outlook and "A-" with a stable outlook by Moody's Investors Service. The City monitors its leeway within the direct debt limitation. The City's legal debt margin information is contained in Table 14 of the Statistical Section.

INTERNAL CONTROL

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

As a recipient of Federal and State financial assistance, the City is responsible for ensuring not only that adequate internal controls are in place, but also that the City has complied with applicable laws and regulations related to those programs. The City's internal control structure is periodically evaluated and modified by management to better protect and defend the integrity of the City's financial position.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FIANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. The certificate is valid for a period of one year. This is the thirty-fourth year since 1982 that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

The City also received the Ohio Auditor of State Award with Distinction for the 2015 CAFR for the second consecutive year, which is awarded to entities that file a CAFR on a timely basis in accordance with GAAP and that receive a "clean" audit report. A "clean" audit is one that does not contain findings for recovery, material weaknesses, significant deficiencies, and with no findings or questioned costs on the Single Audit. Less than 4% of all CAFRs produced in the state qualify for this award.

We believe that our current year report continues to conform to the stringent guidelines and requirement of the program, and the City continues to submit a CAFR to the GFOA to determine its current eligibility for another certificate.

ACKNOWLEDGEMENTS

This report is the result of the continued cooperation and combined services of the elected officials and management of the City. The preparation of the CAFR could not have been accomplished without the dedicated service of the Division of Accounts, especially Commissioner Peter Rancatore, Shimeako Cole, Randy Foote, Pamela Frazier-Jones, Megan Robson, and Paula Watkins. Our appreciation is also extended to the entire Department of Finance and the various other departments whose cooperative efforts during the course of this report's preparation made possible its completion on a timely basis.

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

Respectfully submitted,



George E. Sarantou
Director of Finance

Page Intentionally Left Blank



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Toledo
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

CITY OF TOLEDO, OHIO
LIST OF PRINCIPAL CITY OFFICIALS
As of 12-31-2016

Mayor: Paula Hicks-Hudson

MEMBERS OF COUNCIL

District Seats

Length of Current Terms

| | |
|--|-------------|
| District 1: Tyrone Riley (West-Central)..... | Five Years |
| District 2: Matt Cherry (South-West)..... | Three Years |
| District 3: Peter Ujvagi (East Toledo-Historic South)..... | One Years |
| District 4: Yvonne Harper (Central City)..... | Two Year |
| District 5: Tom Waniewski (North-West)..... | Nine Years |
| District 6: Lindsay Webb (North Toledo-Point Place)..... | Nine Years |

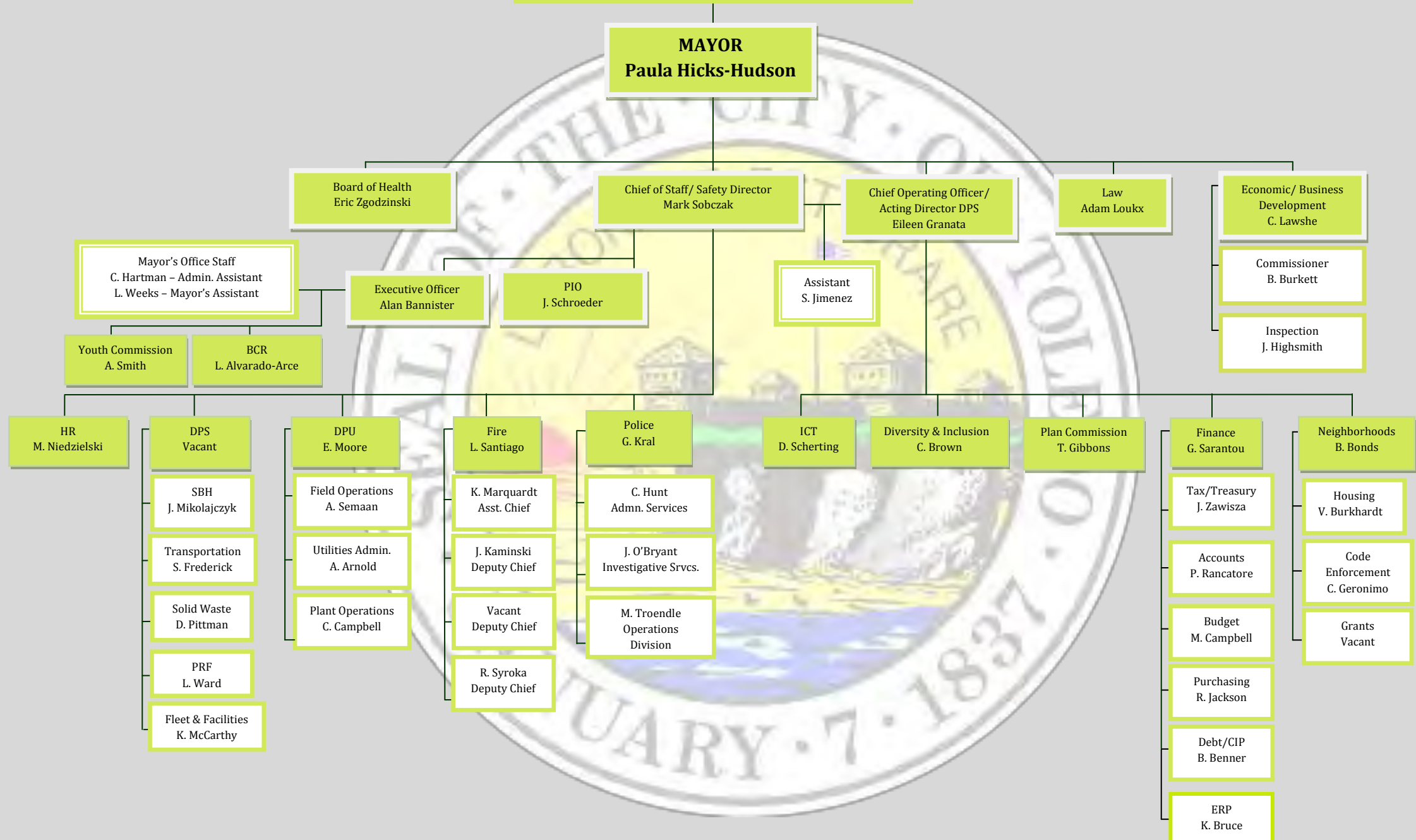
At-Large Seats

| | |
|--|-------------|
| Dr. Cecelia Adams..... | Two Year |
| Theresa Gabriel..... | Three Years |
| Rob Ludeman..... | Seven Years |
| Sandy Spang..... | Three Years |
| Steven Steel (President)..... | Eight Years |
| Larry Sykes (Chairman, Finance, HR, & IT Committee)..... | Four Years |

Appointed Positions

| | | |
|--------------------------|-------------------------------|------------------|
| Clerk of Council..... | Gerald E. Dendinger..... | Twenty-One Years |
| Director of Finance..... | George Sarantou..... | Three Years |
| Treasurer..... | Clarence E. Coleman, CPA..... | Fifteen Years |
| City Auditor..... | John A. Jaksetic, CPA..... | Three Years |

Citizens of Toledo



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Paula Hicks-Hudson, Mayor, Members of City Council and the Audit Committee
City of Toledo, Ohio:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio (the "City") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Toledo, Ohio
June 30, 2017

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016

As management of the City of Toledo, Ohio (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

Key financial highlights for 2016 are as follow:

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflow of resources at the close of 2016 by \$715.8 million. Of this amount (\$185) million is considered unrestricted. The unrestricted net position of the City's business-type activities are \$31.6 million and may be used to meet the on-going obligations of the business-type activities, including water, sewer, utilities administrative service and seven nonmajor enterprise funds including Storm Water, Property Management, Small Business Development, Municipal Tow Lot, Marina Operations (which has ceased activity), Erie Street Market, and Toledo Public Power. The unrestricted net position of the governmental activities is (\$216.7) million.
- The City's total net position increased \$18.8 million or 2.7 percent in 2016. Net position of the governmental activities decreased \$24.1 million, which represents an 11.9 percent decrease from 2015. Net position of the business-type activities increased \$42.8 million or 8.7 percent from 2015.
- The total cost of the City's programs remained substantially the same, increasing only \$0.3 million. The cost of governmental activities decreased \$0.8 million or 0.2 percent, while the cost of business-type activities increased \$1.1 million or 0.8 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$22.3 million. The combined fund balance of the governmental funds increased \$19.4 million.

Overview of the Financial Statements

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

Government-wide financial statements

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

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

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

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

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*.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

The City maintains 22 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 19 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary funds

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

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

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.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

Other information

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

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and agency funds are presented immediately following the required supplementary information.

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

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

Government-Wide Financial Analysis

The Statement of Net Position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2016 compared to December 31, 2015.

| | Net Position | | | | | |
|---------------------------------------|--------------------------------|-------------------|---------------------------------|-------------------|-------------------|-------------------|
| | (Amounts in Thousands) | | | | | |
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Assets | | | | | | |
| Current and Other Assets | \$ 214,397 | \$ 200,246 | \$ 407,189 | \$ 340,021 | \$ 621,586 | \$ 540,267 |
| Capital Assets | <u>526,291</u> | <u>538,219</u> | <u>984,381</u> | <u>907,084</u> | <u>1,510,672</u> | <u>1,445,303</u> |
| Total Assets | <u>740,688</u> | <u>738,465</u> | <u>1,391,570</u> | <u>1,247,105</u> | <u>2,132,258</u> | <u>1,985,570</u> |
| Deferred Outflows of Resources | <u>93,969</u> | <u>34,480</u> | <u>14,148</u> | <u>4,668</u> | <u>108,117</u> | <u>39,148</u> |
| Liabilities | | | | | | |
| Long-Term Liabilities | | | | | | |
| Net Pension Liability | 339,104 | 254,821 | 37,098 | 28,695 | 376,202 | 283,516 |
| Other Long-Term Amounts | 209,612 | 263,433 | 803,473 | 704,740 | 1,013,085 | 968,173 |
| Other Liabilities | <u>93,163</u> | <u>41,488</u> | <u>27,183</u> | <u>23,450</u> | <u>120,346</u> | <u>64,938</u> |
| Total Liabilities | <u>641,879</u> | <u>559,742</u> | <u>867,754</u> | <u>756,885</u> | <u>1,509,633</u> | <u>1,316,627</u> |
| Deferred Inflows of Resources | <u>14,158</u> | <u>10,518</u> | <u>741</u> | <u>504</u> | <u>14,899</u> | <u>11,022</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 334,902 | 349,748 | 453,683 | 404,882 | 788,585 | 754,630 |
| Restricted | 60,434 | 49,575 | 51,990 | 75,073 | 112,424 | 124,648 |
| Unrestricted (deficit) | <u>(216,715)</u> | <u>(196,638)</u> | <u>31,550</u> | <u>14,429</u> | <u>(185,165)</u> | <u>(182,209)</u> |
| Total Net Position | <u>\$ 178,621</u> | <u>\$ 202,685</u> | <u>\$ 537,223</u> | <u>\$ 494,384</u> | <u>\$ 715,844</u> | <u>\$ 697,069</u> |

During 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*, which significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under GASB Statement No. 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract, but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with the required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

In accordance with GASB Statement No. 68, the City's statements prepared on the accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by approximately \$715.8 million at the close of the most recent fiscal year.

The largest portion of the City's net position (110.2 percent) reflects an investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment and infrastructure); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these assets

An additional portion of the City's net position (15.7 percent) represents resources that are subject to use restrictions. The remaining balance of the unrestricted net position (a deficit of 25.9 percent) meets the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net position is a deficit of \$185.2 million, the unrestricted net position of the City's business-type activities, \$31.6 million, may not be used to fund governmental activities. As of the end of the current fiscal year, the City has unrestricted deficit net position related to government type activities of \$216.7 million.

- The overall net position of the City increased \$18.8 million or 2.7 percent in 2016. The net position for governmental activities decreased \$24.1 million or 11.9 percent, due to an increase in pension liabilities.

The net position of business-type activities of the City increased by \$42.8 million or 8.7 percent. The increase is primarily comprised of water operations and sewer operations, which provided an increase in net position of \$18.0 million and \$15.8 million respectively.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

The following table provides a summary of the change in net position for 2016 compared to 2015:

| | Changes in Net Position | | | | | |
|-------------------------------------|--------------------------------|-------------------|---------------------------------|-------------------|-------------------|-------------------|
| | (Amounts in Thousands) | | | | | |
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services and Sales | \$ 76,778 | \$ 74,412 | \$ 176,770 | \$ 162,968 | \$ 253,548 | \$ 237,380 |
| Operating Grants | 7,698 | 9,022 | - | - | 7,698 | 9,022 |
| Capital Grants | <u>15,786</u> | <u>19,996</u> | <u>343</u> | <u>1,524</u> | <u>16,129</u> | <u>21,520</u> |
| Total Program Revenues | <u>100,262</u> | <u>103,430</u> | <u>177,113</u> | <u>164,492</u> | <u>277,375</u> | <u>267,922</u> |
| General Revenue: | | | | | | |
| Income Taxes | 175,958 | 171,053 | - | - | 175,958 | 171,053 |
| Property Taxes | 10,059 | 9,793 | - | - | 10,059 | 9,793 |
| Investment Earnings | 793 | 850 | 1,875 | 1,078 | 2,668 | 1,928 |
| Intergovernmental Services | 29,416 | 24,536 | - | - | 29,416 | 24,536 |
| Sale of Capital Assets | - | - | - | 48 | - | 48 |
| Other | <u>8,144</u> | <u>5,640</u> | <u>-</u> | <u>-</u> | <u>8,144</u> | <u>5,640</u> |
| Total General Revenues | <u>224,370</u> | <u>211,872</u> | <u>1,875</u> | <u>1,126</u> | <u>226,245</u> | <u>212,998</u> |
| Total Revenues | <u>324,632</u> | <u>315,302</u> | <u>178,988</u> | <u>165,618</u> | <u>503,620</u> | <u>480,920</u> |
| Expenses | | | | | | |
| General Government | 24,154 | 23,241 | - | - | 24,154 | 23,241 |
| Public Service | 64,777 | 68,533 | - | - | 64,777 | 68,533 |
| Public Safety | 211,044 | 199,620 | - | - | 211,044 | 199,620 |
| Public Utilities | 3,735 | 3,880 | - | - | 3,735 | 3,880 |
| Community Environment | 20,944 | 23,550 | - | - | 20,944 | 23,550 |
| Health | 9,561 | 7,410 | - | - | 9,561 | 7,410 |
| Parks and Recreation | 5,202 | 6,388 | - | - | 5,202 | 6,388 |
| Interest and Fiscal Charges | 9,075 | 16,676 | - | - | 9,075 | 16,676 |
| Water | - | - | 56,931 | 56,417 | 56,931 | 56,417 |
| Sewer | - | - | 58,723 | 58,407 | 58,723 | 58,407 |
| Other Enterprise Activities | <u>-</u> | <u>-</u> | <u>20,699</u> | <u>20,404</u> | <u>20,699</u> | <u>20,404</u> |
| Total Expense | <u>348,492</u> | <u>349,298</u> | <u>136,353</u> | <u>135,228</u> | <u>484,845</u> | <u>484,526</u> |
| Increase (Decrease) in Net Position | | | | | | |
| Before Transfers | (23,860) | (33,996) | 42,635 | 30,390 | 18,775 | (3,606) |
| Transfers | <u>(204)</u> | <u>(724)</u> | <u>204</u> | <u>724</u> | <u>-</u> | <u>-</u> |
| Change in Net Position | (24,064) | (34,720) | 42,839 | 31,114 | 18,775 | (3,606) |
| Net Position - Beginning | <u>202,685</u> | <u>237,405</u> | <u>494,384</u> | <u>463,270</u> | <u>697,069</u> | <u>700,675</u> |
| Net Position - Ending | <u>\$ 178,621</u> | <u>\$ 202,685</u> | <u>\$ 537,223</u> | <u>\$ 494,384</u> | <u>\$ 715,844</u> | <u>\$ 697,069</u> |

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

Governmental activities: Governmental activities decreased the City's net position by \$24.1 million. Key elements of the changes in net position are as follows:

- Income tax revenue, which represents 54.2 percent of the City's governmental revenue, finished 2016 \$6.6 million higher than the previous year due to continued strength in the local economy, which included executive and automotive year-end bonuses, and State changes in the law that resulted in an extra estimated payment during 2016.
- Capital grants decreased by \$4.2 million or 21.1 percent due to the Department of Neighborhoods receiving less funding from HUD for CDBG grant and HOME grant and the continued phase out of ARRA grants.

Business-type activities: Net position of the City's Business-type activities increased \$42.8 million. Key elements of the changes in net position are as follows:

- Charges for services increased \$13.8 million or 8.5 percent in 2016, this relates primarily to the scheduled utility user rate increases approved by City Council in 2011.
- The City saw its program revenues from capital grants decrease by \$1.2 million in 2016. This was primarily due to decreased funding from the Ohio Public Works Commission (OPWC) for water reclamation projects.
- Expenses were \$1.1 million higher in 2016 versus the previous year due to increases in contractual services.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

As of December 31, 2016, the City's governmental funds reported a combined ending fund balance of \$22.3 million, an increase of \$19.4 million in comparison with the prior year. There is an *unassigned fund balance* deficit of \$74.1 million. The *nonspendable fund balance* of \$6.0 million represents the City's prepaid items and investment in inventory. The \$84.3 million *restricted fund balance* is not available for new spending because it has already been restricted by parties outside of the City or pursuant to enabling legislation. There is a *committed fund balance* of \$6.1 million.

General Fund: The General Fund is the chief operating fund of the City. At December 31, 2016, the total fund balance of the general fund was \$15.8 million. The fund balance of the City's general fund increased \$5.6 million during 2016. The City's income tax revenue increased by \$6.6 million or 3.9 percent, due to continued strength in the local economy, which included bonuses paid at year end in the automotive sector, and State changes in the law that resulted in an extra estimated tax payment during 2016. Expenditures remained relatively flat with a nominal \$0.4 million or 0.2 percent decrease as the City tightened controls on spending and benefitted from decreases in health care and workers' compensation costs.

Capital Improvement Fund: The Capital Improvement fund is used to account for construction, acquisition and major improvements of the City's buildings, infrastructure and parklands. The operating transfers of funds received herein are derived from the income taxes that are earmarked by voters for capital improvement, construction grants and bond sales. At December 31, 2016, total fund balance of the capital improvements fund is \$45.6 million. The fund balance of the capital improvements fund increased \$10.3 million during 2016 as the City lessened its reliance on a statutorily allowable transfer to the General Fund to dedicate funds to road construction and repairs.

Special Assessment Services Fund: The Special Assessment Services fund accounts for the proceeds of special assessments levied against property owners benefiting from street cleaning, street lighting, surface treatment, weed cutting, snow removal and tree and ditch maintenance. Costs of assessments are charged to property owners two years after incurred. At December 31, 2016, total fund balance of the special assessment services funds was a deficit of \$59.7 million increasing by \$0.9 million from the prior year.

Proprietary Funds

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

The City operates three major enterprise activities: water, sanitary sewer and utility administration. The City also operates seven nonmajor enterprise funds: Storm Water, Property Management, Small Business Development, Municipal Tow Lot, Marina Operations (no activity during 2016), Erie Street Market (closed in 2016), and Toledo Public Power. These activities are accounted for in separate enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the City intends that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City reports on its enterprise funds using the full accrual basis of accounting.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

Water: The total net position of the Water fund at the end of the year amounted to \$181.3 million. The net position of the water fund increased \$18.0 million or 11.0 percent in 2016. Operating revenues increased by \$9.6 million or 15.1 percent over comparable revenue in 2015, due to a rate increase as part of the four year rate plan approved by City Council. Operating expenses increased by only \$0.4 million or 1.0 percent over comparable expenses in 2015.

Sewer: The total net position of the Sewer fund at the end of the year amounted to \$300.3 million of which \$21.2 million is unrestricted. The net position of the sewer fund increased \$15.8 million or 5.5 percent. Operating revenue increased \$2.6 million with help from rate increases, or 3.6% in 2016. Operating expenses increased \$1.5 million or 3.1 percent as compared to 2015 due to an increase in contractual services for new infrastructure. This fund also received revenue from capital contributions in 2016 of \$0.2 million for the construction projects related to the sewer facilities.

Utility Administration Services: The total net position of the Utility Administration Services fund at the end of the year amounted to \$2.6 million, of which \$2.5 million is unrestricted. The net position of the utility administration services fund increased by \$4.5 million. Operating revenues for fiscal year 2016 increased by \$1.5 million or 9.1 percent, attributable to utility rate increases. Operating expenses for fiscal year 2016 increased by \$0.5 million or 4.6 percent, due to increased pension liability.

Nonmajor: The total net position of the nonmajor enterprise funds at the end of the year amounted to \$53.0 million of which \$5.9 million is unrestricted. The net position of the nonmajor enterprise funds increased \$4.6 million, or 9.6 percent. Operating revenues for fiscal year 2016 increased by \$0.2 million or 1.5 percent over comparable revenue in 2015, due primarily to rate increases in the Storm Sewer Fund. Operating expenses for fiscal year 2016 decreased \$0.2 million or 2.0 percent over comparable expenses in 2015, as costs continued to be well controlled.

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

General Fund Budgetary Highlights

The 2016 final general fund total revenue budget was \$253.8 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

The following schedule is a summary of comparable general fund revenue for 2016 and 2015:

Revenues and Other Financing Sources
(Amounts in Thousands)

| | 2016 | % of Total | Increase (Decrease) from 2015 | % Change from 2015 |
|----------------------------|-------------------|---------------|-------------------------------------|-----------------------|
| Income Taxes | \$ 175,679 | 70.5% | \$ 6,634 | 3.9% |
| Property Taxes | 9,906 | 4.0% | (5) | -0.1% |
| Licenses and Permits | 2,868 | 1.1% | 413 | 16.8% |
| Intergovernmental Services | 17,541 | 7.0% | (559) | -3.1% |
| Charges for Services | 28,308 | 11.4% | 1,852 | 7.0% |
| Investment Earnings | 230 | 0.1% | 63 | 37.7% |
| Fines and Forfeitures | 7,511 | 3.0% | 2,054 | 37.6% |
| Other Revenue | 2,659 | 1.1% | 2,048 | 335.2% |
| Transfers In | 4,568 | 1.8% | (5,978) | -56.7% |
| Total | <u>\$ 249,270</u> | <u>100.0%</u> | <u>\$ 6,522</u> | <u>378.5%</u> |

Key elements of the changes in revenues are as follows:

- Income tax revenue increased \$6.6 million or 3.9 percent due to continued strength in the local economy, which included bonuses paid at year end in the automotive sector, and State changes in the law that resulted in an extra estimated payment during 2016.
- Charges for service increased \$1.9 million or 7.0 percent over comparable revenue from 2015, as fees were increased to better cover costs associated with refuse and recycling.
- Revenue from fines and forfeitures increased \$2.1 million from comparable revenue in 2015 due to the implementation of an additional speed enforcement program.
- Other Revenue increased \$2.0 million mostly attributable to a refund of 9-1-1 expenditures.
- Transfers In decreased by \$6.0 million due to a large reduction in the statutorily allowable amount of transfer from the Capital Fund to the General Fund.

The 2016 final general fund total expense budget was \$253.8 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

The following schedule is a summary of comparable general fund expenditures for 2016 and 2015:

Expenditures and Other Financing Uses
(Amounts in Thousands)

| | 2016 | % of Total | Increase (Decrease) from 2015 | % Change from 2015 |
|-----------------------------|-------------------|---------------|-------------------------------------|-----------------------|
| General Government | \$ 23,814 | 9.8% | \$ (873) | -3.5% |
| Public Service | 1,658 | 0.7% | (181) | -9.8% |
| Public Safety | 166,076 | 68.2% | (216) | -0.1% |
| Community Environment | 4,414 | 1.8% | (410) | -8.5% |
| Health | 5,277 | 2.2% | 1,140 | 27.6% |
| Parks and Recreation | 2,619 | 1.1% | 133 | 5.3% |
| Principal Retirement | 594 | 0.2% | 24 | 4.2% |
| Interest and Fiscal Charges | 97 | 0.0% | (59) | -37.8% |
| Transfers Out | 39,109 | 16.0% | 2,142 | 5.8% |
| Total | \$ 243,658 | 100.0% | \$ 1,700 | 0.7% |

Generally, general fund expenditures remained relatively flat with a nominal \$1.7 million increase, or 0.1 percent increase across all governmental functional areas as the City tightened controls on spending and benefitted from decreases in health care and workers' compensation costs. Key elements of the changes in expenditures are as follows:

- Health costs increased as the City's cost of refuse and recycling rose.
- Transfers rose as a function of the additional income tax associated with the statutory formula for capital improvement funding.

General Fund Equity: Total equity in the general fund was a positive balance of \$15.8 million. The equity balance is comprised of the following:

- *Nonspendable* – Inventory and prepaid items of \$1.2 million comprised in 2016.
- *Restricted* – This category applies to funds which can only be spent for a specific purpose stipulated by external resource providers or through enabling legislation. The restricted equity balance of the General Fund totaled \$3.8 million in 2016.
- *Committed* - The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. This is classified under the committed category of fund equity and totaled \$4.8 million in 2016. The City did not utilize monies in the Budget Stabilization Designation for expenditures in 2016.
- *Unassigned* – This is the residual classification for the remaining funds that have not been reported in any other classification. In 2016, the unassigned fund balance totaled \$ 6.0 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

Capital Asset and Debt Administration

Capital assets: The City's net investment in capital assets for governmental and business-type activities as of December 31, 2016, amounts to \$1.5 billion. This investment in capital assets includes land, buildings, water and sewer distribution systems, improvements, machinery and equipment, park facilities, roads, curbs, gutters, streets, sidewalks and drainage systems.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|-------------------|--------------------------|-------------------|---------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Land | \$ 29,169 | \$ 29,180 | \$ 6,389 | \$ 3,422 | \$ 35,558 | \$ 32,602 |
| Construction in Progress | 107,325 | 88,151 | 399,247 | 309,746 | 506,572 | 397,897 |
| Building | 35,558 | 37,006 | 21,479 | 22,404 | 57,037 | 59,410 |
| Furniture and Fixtures | 3,200 | 3,569 | 263 | 329 | 3,463 | 3,898 |
| Improvements | 44,696 | 48,809 | 58,385 | 61,681 | 103,081 | 110,490 |
| Infrastructure | 268,629 | 293,328 | 468,277 | 478,064 | 736,906 | 771,392 |
| Machinery and Equipment | 37,714 | 38,176 | 30,341 | 31,438 | 68,055 | 69,614 |
| Total | <u>\$ 526,291</u> | <u>\$ 538,219</u> | <u>\$ 984,381</u> | <u>\$ 907,084</u> | <u>\$ 1,510,672</u> | <u>\$ 1,445,303</u> |

Major capital asset events during 2016 included the following:

- Total investment in capital assets increased \$65.4 million or 4.5 percent.
- Business-type capital assets increased by \$77.3 million or 8.5 percent net of \$21.4 million in current year depreciation expense. The increase is attributed to City's continued investment into its water and sewer system infrastructure.
- Governmental capital assets decreased by \$11.9 million or 2.2 percent net of \$35.8 million in current year depreciation expense.

Additional information on the City's capital assets can be found in Note 7 on pages 78 through 80 of this report.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

Long-term debt: At December 31, 2016, the City had \$1.4 billion of long-term bonds, notes, loans and other obligations outstanding net of unamortized premiums and discounts in governmental and business-type activities. All assessment bonds issued by the City are general obligation bonds and notes. There were \$45.0 thousand in assessment bonds and \$38.5 million in assessment notes all related to governmental activities outstanding at December 31, 2016. The revenue bonds of the City represent bonds secured solely by specified revenue sources.

Long-Term Debt Outstanding
(Amounts in Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------------|-------------------------|-------------------|--------------------------|-------------------|---------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| General Obligation Bonds and Notes | \$ 140,345 | \$ 138,802 | \$ 15,749 | \$ 16,915 | \$ 156,094 | \$ 155,717 |
| Revenue Bonds and Notes | 38,500 | 40,100 | 365,826 | 296,914 | 404,326 | 337,014 |
| Loans Outstanding | 26,099 | 29,151 | 414,034 | 385,868 | 440,133 | 415,019 |
| Capital Lease Obligations | 8,825 | 12,401 | 2,816 | - | 11,641 | 12,401 |
| Other Obligations | 382,260 | 297,800 | 42,146 | 33,738 | 424,406 | 331,538 |
| Total | <u>\$ 596,029</u> | <u>\$ 518,254</u> | <u>\$ 840,571</u> | <u>\$ 733,435</u> | <u>\$ 1,436,600</u> | <u>\$ 1,251,689</u> |

Total long-term debt outstanding at December 31, 2016 increased \$184.9 million or 14.8 percent as compared to the amount outstanding at December 31, 2015.

On December 31, 2016, the City's bond ratings with Standard & Poor's Corporation and Moody's Investor Services, Inc. were A- and A2, respectively.

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

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

City of Toledo, Ohio
Management’s Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

Debt Limitations

These two limitations are referred to as “direct debt limitations.” Without consideration of amounts in the City’s bond retirement fund and based on outstanding debt as of December 31, 2016 as well as current assessed valuation, the City’s voted and nonvoted nonexempt debt capacities within the direct debt limitations were:

| | Limitation | Nonexempt Debt Outstanding | Additional Debt Capacity Within Limitation |
|--------|------------|----------------------------------|---|
| 10.50% | \$ 333,156 | \$ 141,125 | \$ 192,031 |
| 5.50% | \$ 174,510 | \$ 141,125 | \$ 33,385 |

Nonvoted general obligation debt issued by the City is also subject to an indirect debt limitation, commonly referred to as the “ten-mill limitation,” imposed by a combination of provisions of the Ohio Constitution and the ORC. Under that limitation, nonvoted debt may not be issued unless the ad valorem property tax for the payment of debt service on (a) the bonds (or the bonds in anticipation of which notes are issued), and (b) all outstanding nonvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax required for such debt service, in any year is 10 mills or less per \$1.00 of assessed valuation.

As of December 31, 2016, the total millage theoretically required by the City and the combination of overlapping taxing subdivisions was estimated to be 7.3979 mills, down from the prior year of 7.6880 mills for the year of the highest potential debt service. The City and the overlapping taxing subdivisions had the highest millage requirements for debt service on nonvoted general obligation debt in any year for their outstanding nonvoted general obligation debt. The remaining 2.6201 mills within the ten-mill limitation was yet to be allocated to debt service and that was available to the City and overlapping subdivisions in connection with the issuance of additional nonvoted general obligation debt.

Additional information regarding the City’s outstanding debt can be found in Notes 8 and 9 of the financial statements of this report.

Economic Factors and 2017 Budgets and Rates

The City of Toledo is committed to controlling costs, putting the highest premium on safety for our citizens and adopting a budget designed to promote both the community’s interests and the long-term fiscal stability of the City with steadily growing fund balances. Increasing productivity and reducing personnel costs have assisted in providing part of the formula to successful current and future budgets. Our total general fund budget for 2017 is \$258.1 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(continued)

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 its public funds. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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

BASIC FINANCIAL STATEMENTS

City of Toledo, Ohio
Statement of Net Position
December 31, 2016
(Amounts in Thousands)

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|------------|
| ASSETS | | | |
| Cash and cash equivalents with treasurer | \$ 13,659 | \$ 27,363 | \$ 41,022 |
| Cash and cash equivalents held by escrow agent | 2,264 | 27,534 | 29,798 |
| Cash and cash equivalents other | 12 | 2 | 14 |
| Investments | 34,022 | 80,438 | 114,460 |
| Restricted investments | 34,993 | 233,090 | 268,083 |
| Receivables (net of allowances) | 107,758 | 41,431 | 149,189 |
| Due from other governments | 6,983 | - | 6,983 |
| Internal balances | 8,615 | (8,615) | - |
| Prepaid items | 284 | 12 | 296 |
| Inventory | 5,807 | 5,173 | 10,980 |
| Prepaid bond insurance | - | 761 | 761 |
| Capital assets: | | | |
| Land and construction in progress | 136,494 | 405,636 | 542,130 |
| Other capital assets, net of accumulated depreciation | 389,797 | 578,745 | 968,542 |
| Total Assets | 740,688 | 1,391,570 | 2,132,258 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pensions | 93,969 | 14,148 | 108,117 |
| Total Deferred Outflows of Resources | 93,969 | 14,148 | 108,117 |
| LIABILITIES | | | |
| Accounts payable | 11,030 | 10,084 | 21,114 |
| Customer deposits | 2,912 | 3,214 | 6,126 |
| Accrued wages and benefits | 18,143 | 1,003 | 19,146 |
| Accrued interest payable | 782 | 6,107 | 6,889 |
| Retainage | 482 | 6,574 | 7,056 |
| Due to other governments | - | 201 | 201 |
| Other current liabilities | 12,500 | - | 12,500 |
| Notes payable | 47,314 | - | 47,314 |
| Current portion of long-term liabilities: | | | |
| Compensated absences | 328 | 138 | 466 |
| Bonds, notes, loans and other obligations | 18,659 | 36,576 | 55,235 |
| Long-term liabilities: | | | |
| Compensated absences | 28,932 | 4,910 | 33,842 |
| Bonds, notes, loans and other obligations | 161,692 | 761,849 | 923,541 |
| Net pension liabilities | 339,104 | 37,098 | 376,202 |
| Total Liabilities | 641,878 | 867,754 | 1,509,632 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Revenues levied for the next year | 12,103 | - | 12,103 |
| Pensions | 2,055 | 741 | 2,796 |
| Total Deferred Inflows of Resources | 14,158 | 741 | 14,899 |
| NET POSITION | | | |
| Net investment in capital assets | 334,902 | 453,683 | 788,585 |
| Restricted for: | | | |
| Debt service | 284 | 9,978 | 10,262 |
| Replacement | - | 37,654 | 37,654 |
| Capital improvement | 28,975 | 4,358 | 33,333 |
| Community programs | 23,969 | - | 23,969 |
| Other purposes | 7,206 | - | 7,206 |
| Unrestricted (deficit) | (216,715) | 31,550 | (185,165) |
| Total Net Position | \$ 178,621 | \$ 537,223 | \$ 715,844 |

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Activities
For the Year Ended December 31, 2016
(Amounts in Thousands)

| Functions/Programs | Expenses | Charges for Services | Operating Grants | Capital Grants | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------------|-------------------|----------------------|------------------|------------------|---|--------------------------|-------------------|
| | | | | | Primary Government | | Total |
| | | | | | Governmental Activities | Business-type Activities | |
| Governmental activities: | | | | | | | |
| General government | \$ 24,154 | \$ 14,616 | \$ - | \$ - | \$ (9,538) | \$ - | \$ (9,538) |
| Public service | 64,777 | 29,997 | 80 | 1,037 | (33,663) | - | (33,663) |
| Public safety | 211,044 | 16,715 | 3,036 | - | (191,293) | - | (191,293) |
| Public utilities | 3,735 | - | - | 10,164 | 6,429 | - | 6,429 |
| Community environment | 20,944 | 2,875 | 2,669 | 4,585 | (10,815) | - | (10,815) |
| Health | 9,561 | 12,507 | 1,913 | - | 4,859 | - | 4,859 |
| Parks and recreation | 5,202 | 68 | - | - | (5,134) | - | (5,134) |
| Interest and fiscal charges | 9,075 | - | - | - | (9,075) | - | (9,075) |
| Total governmental activities | <u>348,492</u> | <u>76,778</u> | <u>7,698</u> | <u>15,786</u> | <u>(248,230)</u> | <u>-</u> | <u>(248,230)</u> |
| Business-type activities: | | | | | | | |
| Water | 56,931 | 72,878 | - | - | - | 15,947 | 15,947 |
| Sewer | 58,723 | 73,438 | - | 236 | - | 14,951 | 14,951 |
| Storm utility | 6,638 | 9,885 | - | 107 | - | 3,354 | 3,354 |
| Utilities administration | 11,721 | 17,706 | - | - | - | 5,985 | 5,985 |
| Property management | 652 | 11 | - | - | - | (641) | (641) |
| Small business development | 47 | - | - | - | - | (47) | (47) |
| Municipal tow lot | 1,089 | 2,219 | - | - | - | 1,130 | 1,130 |
| Erie St. Market | 9 | 2 | - | - | - | (7) | (7) |
| Toledo Public Power | 543 | 631 | - | - | - | 88 | 88 |
| Total business-type activities | <u>136,353</u> | <u>176,770</u> | <u>-</u> | <u>343</u> | <u>-</u> | <u>40,760</u> | <u>40,760</u> |
| Total | <u>\$ 484,845</u> | <u>\$ 253,548</u> | <u>\$ 7,698</u> | <u>\$ 16,129</u> | <u>(248,230)</u> | <u>40,760</u> | <u>(207,470)</u> |
| General revenues: | | | | | | | |
| Income taxes | | | | | 175,958 | - | 175,958 |
| Property taxes | | | | | 10,059 | - | 10,059 |
| Investment earnings | | | | | 793 | 1,875 | 2,668 |
| Intergovernmental services | | | | | 29,416 | - | 29,416 |
| Other revenue | | | | | 8,144 | - | 8,144 |
| Transfers | | | | | (204) | 204 | - |
| Total general revenues and transfers | | | | | <u>224,166</u> | <u>2,079</u> | <u>226,245</u> |
| Change in net position | | | | | (24,064) | 42,839 | 18,775 |
| Net position - beginning | | | | | <u>202,685</u> | <u>494,384</u> | <u>697,069</u> |
| Net position - ending | | | | | <u>\$ 178,621</u> | <u>\$ 537,223</u> | <u>\$ 715,844</u> |

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Balance Sheet
Governmental Funds
December 31, 2016
(Amounts in Thousands)

| | <u>General</u> | <u>Capital Improvements</u> | <u>Special Assessments Services</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|------------------|---------------------------------|---|--|---|
| ASSETS | | | | | |
| Cash and Equivalents | | | | | |
| Cash and Equivalents with Treasurer | \$ 13,659 | \$ - | \$ - | \$ - | \$ 13,659 |
| Cash and Equivalents Held by Escrow Agent | - | 940 | - | - | 940 |
| Cash and Equivalents Other | 10 | - | - | 2 | 12 |
| Investments | 33,887 | 98 | - | 37 | 34,022 |
| Restricted Investments | 3,814 | 30,160 | 377 | 642 | 34,993 |
| Receivables (Net of Allowance) | 39,125 | 2,040 | 56,016 | 9,983 | 107,164 |
| Due From Other: | | | | | |
| Funds | - | 18,063 | - | 31,390 | 49,453 |
| Governments | 1,744 | - | 224 | 5,015 | 6,983 |
| Prepaid Items | 7 | - | - | - | 7 |
| Inventory of Supplies | 1,151 | 1,147 | 2,145 | 878 | 5,321 |
| Total Assets | <u>\$ 93,397</u> | <u>\$ 52,448</u> | <u>\$ 58,762</u> | <u>\$ 47,947</u> | <u>\$ 252,554</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 4,358 | \$ 1,804 | \$ 168 | \$ 2,055 | \$ 8,385 |
| Deposits | 448 | 12 | - | 2,159 | 2,619 |
| Retainage | - | 482 | - | - | 482 |
| Due To Other: | | | | | |
| Funds | 24,500 | - | 23,592 | 17,453 | 65,545 |
| Accrued Wages and Benefits | 17,301 | 57 | 256 | 273 | 17,887 |
| Other Current Liabilities | 4,300 | - | - | - | 4,300 |
| Compensated Absences Payable | 259 | - | 29 | 40 | 328 |
| Notes Payable | - | 4,450 | 38,500 | 1,114 | 44,064 |
| Total Liabilities | <u>51,166</u> | <u>6,805</u> | <u>62,545</u> | <u>23,094</u> | <u>143,610</u> |
| Deferred Inflows of Resources: | | | | | |
| Revenues Levied for the next year and Unavailable Revenue | <u>26,477</u> | <u>-</u> | <u>55,889</u> | <u>4,305</u> | <u>86,671</u> |
| Fund Balances: | | | | | |
| Nonspendable | 1,158 | 1,147 | 2,145 | 1,520 | 5,970 |
| Restricted | 3,814 | 44,496 * | 377 | 35,651 * | 84,338 |
| Committed | 4,754 | - | - | 1,392 * | 6,146 |
| Unassigned | 6,028 | - | (62,194) | (18,015) * | (74,181) |
| Total Fund Balances | <u>15,754</u> | <u>45,643</u> | <u>(59,672)</u> | <u>20,548</u> | <u>22,273</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 93,397</u> | <u>\$ 52,448</u> | <u>\$ 58,762</u> | <u>\$ 47,947</u> | <u>\$ 252,554</u> |

* Restatement, See Note 18

City of Toledo, Ohio
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
December 31, 2016
(Amounts in Thousands)

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

| | | | |
|--|----|------------------|------------------|
| Total fund balances for governmental funds | \$ | 22,273 | |
| Capital assets used in governmental activities (excluding internal service funds' capital assets) are not financial resources and therefore are not reported in the funds | | | 500,754 |
| Revenue will be collected beyond the 60 day period use statements. Revenue and a corresponding receivable are included in the government-wide statements | | | |
| Special assessments | | 56,750 | |
| Income taxes | | 9,361 | |
| Delinquent property taxes | | 2,846 | |
| Capital grants | | 731 | |
| Operating grants | | 1,528 | |
| Other revenue | | 1,498 | |
| Reimbursements from other governments | | <u>1,854</u> | 74,568 |
| Internal service funds are used by the City to account for the financing of goods or services provided by one department or agency to the other City departments or agencies, generally on a cost reimbursement basis. The assets, liabilities, and deferred outflows/inflows of the internal service funds are included in governmental activities in the statement of net position. | | | 30,724 |
| Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position. | | | |
| General obligation bonds | | (131,531) | |
| Compensated absences | | (28,932) | |
| Loans outstanding from federal agencies | | (14,190) | |
| Loans outstanding from state agencies | | (11,909) | |
| Accrued interest | | (782) | |
| Landfill closure | | (13,896) | |
| Capital leases | | <u>(3,594)</u> | (204,834) |
| The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds: | | | |
| Deferred outflows-pensions | | 92,573 | |
| Deferred inflows-pensions | | (1,982) | |
| Net pension liability | | <u>(335,455)</u> | <u>(244,864)</u> |
| Total net position of governmental activities | \$ | | <u>178,621</u> |

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
December 31, 2016
(Amounts in Thousands)

| | <u>General</u> | <u>Capital Improvements</u> | <u>Special Assessments Services</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|------------------|---------------------------------|---|--|---|
| REVENUES | | | | | |
| Income Taxes | \$ 175,679 | \$ - | \$ - | \$ - | \$ 175,679 |
| Property Taxes | 9,906 | - | - | - | \$ 9,906 |
| Special Assessments | - | - | 30,255 | 194 | 30,449 |
| Licenses and Permits | 2,868 | - | - | 2 | 2,870 |
| Intergovernmental Services | 17,541 | - | - | 17,611 | 35,152 |
| Charges for Services | 28,308 | 90 | 153 | 865 | 29,416 |
| Investment Earnings | 230 | 528 | 31 | 4 | 793 |
| Fines and Forfeitures | 7,511 | - | - | 1,602 | 9,113 |
| Grants | - | 11,201 | - | 14,675 | 25,876 |
| Other Revenue | 2,659 | 88 | 25 | 4,590 | 7,362 |
| Total Revenues | <u>244,702</u> | <u>11,907</u> | <u>30,464</u> | <u>39,543</u> | <u>326,616</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 23,814 | 213 | 554 | 174 | 24,755 |
| Public Service | 1,658 | - | 25,697 | 12,178 | 39,533 |
| Public Safety | 166,076 | - | - | 4,105 | 170,181 |
| Public Utilities | - | - | - | 30 | 30 |
| Community Environment | 4,414 | - | - | 14,785 | 19,199 |
| Health | 5,277 | 78 | 602 | 1,286 | 7,243 |
| Parks and Recreation | 2,619 | - | 180 | 14 | 2,813 |
| Capital Outlay | - | 31,776 | 260 | 370 | 32,406 |
| Debt Service: | | | | | |
| Principal Retirement | 594 | 3,849 | - | 14,023 | 18,466 |
| Interest and Fiscal Charges | 97 | 965 | 320 | 5,670 | 7,052 |
| Debt Issuance Costs | - | 185 | - | - | 185 |
| Total Expenditures | <u>204,549</u> | <u>37,066</u> | <u>27,613</u> | <u>52,635</u> | <u>321,863</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | 40,153 | (25,159) | 2,851 | (13,092) | 4,753 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 4,568 | 38,943 | - | 16,649 | 60,160 |
| Transfers (Out) | (39,109) | (20,316) | - | (939) | (60,364) |
| Issuance of Bonds and Loans | - | 24,229 | - | - | 24,229 |
| Premiums on Bonds | - | 2,806 | - | - | 2,806 |
| Payment to Escrow Agent | - | (10,284) | - | - | (10,284) |
| Total Other Financing Sources (Uses) | <u>(34,541)</u> | <u>35,378</u> | <u>-</u> | <u>15,710</u> | <u>16,547</u> |
| Net Change in Fund Balance | 5,612 | 10,219 | 2,851 | 2,618 | 21,300 |
| Fund Balance (Deficit) at Beginning of Year | 10,178 | 35,330 * | (60,593) | 17,894 * | 2,809 |
| Increase (Decrease) for Inventory | (36) | 94 | (1,930) | 36 | (1,836) |
| Fund Balance (Deficit) at End of Year | <u>\$ 15,754</u> | <u>\$ 45,643</u> | <u>\$ (59,672)</u> | <u>\$ 20,548</u> | <u>\$ 22,273</u> |

* Restatement, See Note 18

City of Toledo, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement Activities
Governmental Funds
For the Year Ended December 31, 2016
(Amounts in Thousands)

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

| | | |
|--|-----------------|--------------------|
| Net change in fund balances for governmental funds | | \$ 21,300 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets, which meet the capitalization requirement, is allocated over their estimated useful lives and reported as depreciation expense: | | |
| Capital asset additions | 21,915 | |
| Depreciation expense | <u>(33,926)</u> | (12,011) |
| In the statement of activities, loss on disposal of capital assets is reported, whereas only proceeds from sales are reported in the funds. | | |
| | | (1,572) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The amount of this net effect of the reversal of prior year items against current year accruals: | | |
| Special assessments | (2,957) | |
| Income taxes | 279 | |
| Delinquent property taxes | 153 | |
| Capital grants | (1,280) | |
| Operating grants | (1,112) | |
| Other revenue | (760) | |
| Reimbursements from other governments | <u>309</u> | (5,368) |
| The long-term liability for compensated absences is not recorded in the funds, but is reported in the statement of activities. This amount is the current year change in the liability, reported as an expense in the statement of activities. | | |
| | | 119 |
| The long-term liability for landfill closure is not recorded in the funds, but is reported in the statement of activities. This amount is the current year change in the liability, reported as an expense in the statement of activities. | | |
| | | (340) |
| Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. This amount is the amount by which repayment of proceeds exceeds principal from issuance not reported as notes payable in the governmental funds. | | |
| | | 1,681 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Change in accrued interest | (18) | |
| Change in inventory | <u>(1,836)</u> | (1,854) |
| Internal service funds are used by management to charge costs to individual funds. The net revenue/ (expenses) of certain activities of internal service funds is reported with governmental activities. | | |
| | | 2,359 |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. | | |
| | | 26,494 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. | | |
| | | <u>(54,872)</u> |
| Changes in net position of governmental activities | | <u>\$ (24,064)</u> |

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2016
(Amounts in Thousands)

| | Business-type Activities - Enterprise Funds | | | | | Governmental |
|---|---|-------------------|---------------------------------------|------------------------|------------------------------|------------------------------|
| | Water | Sewer | Utility Administrative Services | Nonmajor Enterprise | Total Enterprise Funds | Internal Service Funds |
| ASSETS | | | | | | |
| <u>Current:</u> | | | | | | |
| Cash and Equivalents with Treasury | \$ 10,180 | \$ 14,059 | \$ 2,125 | \$ 999 | \$ 27,363 | \$ - |
| Cash and Equivalents Held by Escrow | 25,408 | 2,123 | - | 3 | 27,534 | 1,324 |
| Cash and Equivalents Other | 2 | - | - | - | 2 | - |
| Investments | 20,181 | 7,126 | 2 | 4,994 | 32,303 | - |
| Restricted Investments | 43,265 | 633 | - | 5,127 | 49,025 | - |
| Receivables (Net of Allowance) | 14,366 | 18,550 | 316 | 8,199 | 41,431 | 594 |
| Due From Other: | | | | | | |
| Funds | - | 18,343 | 5,919 | 5,152 | 29,414 | 26,199 |
| Prepaid Items | - | 12 | - | - | 12 | 277 |
| Inventory of Supplies | 4,216 | 938 | 19 | - | 5,173 | 486 |
| Total Current Assets | 117,618 | 61,784 | 8,381 | 24,474 | 212,257 | 28,880 |
| <u>Noncurrent:</u> | | | | | | |
| Investments | 15,284 | 21,943 | - | 10,908 | 48,135 | - |
| Restricted Investments | 183,568 | 497 | - | - | 184,065 | - |
| Prepaid Bond Issuance | 742 | 19 | - | - | 761 | - |
| Land and Construction in Progress | 138,475 | 255,189 | - | 11,972 | 405,636 | 2,065 |
| Other Capital Assets, net of Accumulated Depreciation | 170,817 | 375,198 | 125 | 32,605 | 578,745 | 23,473 |
| Total Noncurrent Assets | 508,886 | 652,846 | 125 | 55,485 | 1,217,342 | 25,538 |
| Total assets | 626,504 | 714,630 | 8,506 | 79,959 | 1,429,599 | 54,418 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pensions | 4,872 | 5,369 | 2,591 | 1,316 | 14,148 | 1,396 |
| LIABILITIES | | | | | | |
| <u>Current:</u> | | | | | | |
| Accounts Payable | 7,125 | 2,476 | 318 | 165 | 10,084 | 2,645 |
| Customer Deposits | 2,242 | 556 | - | 416 | 3,214 | 293 |
| Retainage | 1,668 | 4,869 | - | 37 | 6,574 | - |
| Due to Other: | | | | | | |
| Funds | 32,983 | - | - | 5,046 | 38,029 | 1,492 |
| Governments | 25 | 160 | - | 16 | 201 | - |
| Other Current Liabilities | - | - | - | - | - | 8,200 |
| Accrued Interest Payable | 1,865 | 4,185 | - | 57 | 6,107 | - |
| Accrued Wages and Benefits | 315 | 393 | 199 | 96 | 1,003 | 256 |
| Current Portion of: | | | | | | |
| Compensated Absences Payable | 37 | 77 | 23 | 1 | 138 | - |
| Bonds, Loans and Notes Payable, net | 10,283 | 24,839 | - | 1,454 | 36,576 | 4,553 |
| Total Current Liabilities | 56,543 | 37,555 | 540 | 7,288 | 101,926 | 17,439 |
| <u>Noncurrent:</u> | | | | | | |
| Compensated Absences Payable | 1,528 | 2,017 | 1,005 | 360 | 4,910 | - |
| Bonds, Loans and Notes Payable, net | 378,934 | 365,761 | - | 17,154 | 761,849 | 3,929 |
| Net Pension Liabilities | 12,772 | 14,089 | 6,791 | 3,446 | 37,098 | 3,649 |
| Total Noncurrent Liabilities | 393,234 | 381,867 | 7,796 | 20,960 | 803,857 | 7,578 |
| Total Liabilities | 449,777 | 419,422 | 8,336 | 28,248 | 905,783 | 25,017 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pension | 255 | 281 | 136 | 69 | 741 | 73 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 170,015 | 243,040 | 125 | 40,503 | 453,683 | 18,380 |
| Restricted: | | | | | | |
| Debt Service | 3,456 | 6,500 | - | 22 | 9,978 | - |
| Replacement | 5,130 | 26,875 | - | 5,649 | 37,654 | - |
| Improvement | 856 | 2,651 | - | 851 | 4,358 | - |
| Unrestricted | 1,887 | 21,230 | 2,500 | 5,933 | 31,550 | 12,344 * |
| Total Net Position | \$ 181,344 | \$ 300,296 | \$ 2,625 | \$ 52,958 | \$ 537,223 | \$ 30,724 |

* Restatement, See Note 18

City of Toledo, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended December 31, 2016
(Amounts in Thousands)

| | Business-type Activities - Enterprise Funds | | | | | Governmental |
|--|--|-------------------|--|--------------------------------|-----------------------------|--------------------------|
| | | | | | Total | Internal |
| | Water | Sewer | Utility Administrative Services | Nonmajor Enterprise | Enterprise Funds | Service Funds |
| OPERATING REVENUES | | | | | | |
| Charges for Services | \$ 72,864 | \$ 73,367 | \$ 17,706 | \$ 12,384 | \$ 176,321 | \$ 27,579 |
| Other Revenue | 14 | 71 | - | 364 | 449 | 772 |
| Total Operating Revenue | <u>72,878</u> | <u>73,438</u> | <u>17,706</u> | <u>12,748</u> | <u>176,770</u> | <u>28,351</u> |
| OPERATING EXPENSES | | | | | | |
| Personnel Services | 13,876 | 15,683 | 8,158 | 3,436 | 41,153 | 5,386 |
| Contractual Services | 15,123 | 11,773 | 3,198 | 2,644 | 32,738 | 10,860 |
| Materials and Supplies | 7,607 | 2,582 | 303 | 432 | 10,924 | 5,264 |
| Utilities | 3,244 | 3,352 | 46 | 526 | 7,168 | 2,385 |
| Depreciation | 5,063 | 15,044 | 16 | 1,243 | 21,366 | 1,872 |
| Total Operating Expenses | <u>44,913</u> | <u>48,434</u> | <u>11,721</u> | <u>8,281</u> | <u>113,349</u> | <u>25,767</u> |
| Operating Income (Loss) | 27,965 | 25,004 | 5,985 | 4,467 | 63,421 | 2,584 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Investment Earnings | 1,360 | 96 | 201 | 218 | 1,875 | - |
| Interest Expense and Fiscal Charges | (12,018) | (10,289) | - | (697) | (23,004) | (225) |
| Total Nonoperating Revenues (Expenses) | <u>(10,658)</u> | <u>(10,193)</u> | <u>201</u> | <u>(479)</u> | <u>(21,129)</u> | <u>(225)</u> |
| Income (Loss) Before Transfers and Contributions | 17,307 | 14,811 | 6,186 | 3,988 | 42,292 | 2,359 |
| Capital Contributions | - | 236 | - | 107 | 343 | - |
| Transfers In | 812 | 806 | - | 1,922 | 3,540 | - |
| Transfers Out | (141) | (75) | (1,723) | (1,397) | (3,336) | - |
| Change in Net Position | 17,978 | 15,778 | 4,463 | 4,620 | 42,839 | 2,359 |
| Net Position at January 1 | 163,366 | 284,518 | (1,838) | 48,338 | 494,384 | 28,365 * |
| Net Position at December 31 | <u>\$ 181,344</u> | <u>\$ 300,296</u> | <u>\$ 2,625</u> | <u>\$ 52,958</u> | <u>\$ 537,223</u> | <u>\$ 30,724</u> |

* Restatement, See Note 18

City of Toledo, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|--|--|------------------|--|-----------------|-------------------|---|
| | Water | Sewer | Utility Administrative Services | Nonmajor | Total | |
| Operating activities: | | | | | | |
| Cash received from customers | \$ 98,233 | \$ 70,025 | \$ 17,589 | \$ 12,643 | \$ 198,490 | \$ 29,658 |
| Cash paid to employees | (14,486) | (17,127) | (8,208) | (3,673) | (43,494) | (7,925) |
| Cash paid to suppliers | (20,960) | (1,300) | (27,772) | (4,199) | (54,231) | (23,071) |
| Other receipts | 14 | 71 | - | 364 | 449 | 772 |
| Net cash provided by (used by) operating activities | 62,801 | 51,669 | (18,391) | 5,135 | 101,214 | (566) |
| Noncapital financial activities: | | | | | | |
| Transfers in | 746 | 806 | - | 1,922 | 3,474 | - |
| Transfers out | (75) | (75) | (1,723) | (1,397) | (3,270) | - |
| Net cash provided by (used by) noncapital financing activities | 671 | 731 | (1,723) | 525 | 204 | - |
| Capital and related financing activities: | | | | | | |
| Proceeds from capital grants and contributions | - | 236 | - | 107 | 343 | - |
| Purchases of property, plant and equipment | (46,581) | (50,426) | (1) | (1,656) | (98,664) | (4,235) |
| Principal payments | (9,733) | (19,846) | - | (1,400) | (30,979) | (4,546) |
| Proceeds from the issuance of bonds, loans, and notes | 82,176 | 46,283 | - | 1,248 | 47,531 | 3,250 |
| Interest and fiscal charges paid on bonds, loans and notes | (12,495) | (10,237) | - | (698) | (23,430) | (748) |
| Net cash provided by (used by) capital and related financing activities | 13,367 | (33,990) | (1) | (2,399) | (105,199) | (6,279) |
| Investing activities: | | | | | | |
| Proceeds from sales and maturities of investments | 98,334 | 7,228 | 29,946 | 21,870 | 157,378 | 15 |
| Purchase of investments | (162,701) | (25,013) | (16,512) | (24,524) | (228,750) | - |
| Investment income received on investments | 1,320 | 94 | 201 | 212 | 1,827 | - |
| Net cash provided by (used by) investing activities | (63,047) | (17,691) | 13,635 | (2,442) | (69,545) | 15 |
| Increase (decrease) in cash and cash equivalents | 13,792 | 719 | (6,480) | 819 | 8,850 | (6,830) |
| Cash and cash equivalents at beginning of year | 21,798 | 15,463 | 8,605 | 183 | 46,049 | 8,154 |
| Cash and cash equivalents at end of year | <u>\$ 35,590</u> | <u>\$ 16,182</u> | <u>\$ 2,125</u> | <u>\$ 1,002</u> | <u>\$ 54,899</u> | <u>\$ 1,324</u> |
| Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities: | | | | | | |
| Operating income (loss) | \$ 27,965 | \$ 25,004 | \$ 5,985 | \$ 4,467 | \$ 63,421 | \$ 2,584 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities: | | | | | | |
| Depreciation | 5,063 | 15,044 | 16 | 1,243 | 21,366 | 1,872 |
| Increase (decrease) in allowance for doubtful accounts | (2,604) | (1,099) | - | (792) | (4,495) | - |
| Changes in assets and liabilities: | | | | | | |
| Receivables | 1,409 | (2,243) | (117) | 663 | (288) | 10 |
| Due to (from) other: | | | | | | |
| Funds | 26,564 | 15,229 | (24,365) | 127 | 17,555 | (541) |
| Prepaid expenses | - | (7) | - | - | (7) | (277) |
| Inventory of supplies | 842 | 126 | (11) | - | 957 | 340 |
| Accounts payable | 3,500 | 133 | 152 | (184) | 3,601 | 1,369 |
| Customer deposits | (197) | (1) | (1) | (4) | (203) | (24) |
| Retainage | 869 | 927 | - | (148) | 1,648 | - |
| Other current liabilities | - | - | - | - | - | (3,360) |
| Accrued wages and benefits | (498) | (643) | (259) | (106) | (1,506) | (271) |
| Compensated absences | 132 | (74) | (18) | (35) | 5 | - |
| Deferred outflows of resources - pension | (3,274) | (3,518) | (1,810) | (878) | (9,480) | (524) |
| Net pension liability | 2,948 | 2,710 | 1,985 | 760 | 8,403 | (1,722) |
| Deferred inflows of resources - pension | 82 | 81 | 52 | 22 | 237 | (22) |
| Net cash provided by (used by) operating activities | \$ 62,801 | \$ 51,669 | \$ (18,391) | \$ 5,135 | \$ 101,214 | \$ (566) |

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

City of Toledo, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2016
(Amounts in Thousands)

| | Agency Funds |
|---------------------------------|-----------------|
| ASSETS | |
| Cash and cash equivalents other | \$ 875 |
| Receivables (net of allowances) | 2,676 |
| Total Assets | 3,551 |
| LIABILITIES | |
| Accounts payable | 327 |
| Deposits | 3,224 |
| Total Liabilities | \$ 3,551 |

See accompanying notes to the basic financial statements.

**NOTES TO THE
FINANCIAL STATEMENTS**

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing body, and (1) the City is able to significantly influence the programs and services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt, or the levying of taxes for the organization. The City has one component unit.

Component Unit

Toledo Community Improvement Corporation

The Toledo Community Improvement Corporation (TCIC) is the City of Toledo's designated agency and instrumentality for industrial, commercial, distribution and research development. The TCIC board is made up of nine members, all of which are appointed by the City. The TCIC is considered a blended component unit of the City, but there is no financial activity for the 2016 fiscal year, and therefore no activity is reflected in this report.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations

City of Toledo-City of Rossford

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

The zone has helped foster successful retail and other developments in the zone. The agreement results in an income tax that shall be imposed based on the City of Rossford's Municipal Code at a rate of 2.25%. The City will receive approximately 27.33% of the net revenues generated by this agreement. The City received \$131 in revenues from the JEDZ in 2016.

City of Toledo-City of Maumee-Monclova Township

In October 2003 and amended in 2010, the City entered into a contract with City of Maumee and Monclova Township to create a JEDZ. The purpose of this contract is to facilitate planned, orderly, new, and expanded commercial and industrial growth within the region; creating retaining and enhancing employment opportunities for the benefit of Toledo, Maumee and Monclova, and their residents and all of the residents of the region. The agreement results in an income tax that shall be imposed based on the City of Maumee's Municipal Code at a rate of 1.5%. The City will receive one-fourth of the net revenues generated by this agreement. The City received \$1,477 in revenues from the JEDZ in 2016.

City of Toledo-City of Sylvania

In July 2008, the City entered into a revenue sharing contract with the City of Sylvania. The purpose of this contract is to facilitate new and expanded commercial growth or economic development in the State and the City of Sylvania. The agreement results in an income tax that shall be imposed based on the City of Sylvania's Municipal Code at a rate of 1.5%. The City will receive 40% of the net revenues in excess of the baseline revenues established yearly generated by this agreement. The City did not receive revenues from this agreement in 2016.

City of Toledo-Perrysburg Township

In October 2008, the City entered into a contract with Perrysburg Township to create a Joint Economic Development District (JEDD). The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in a payroll income tax that shall be imposed based on the City's Municipal Code at a rate of 2.25% paid by employees of businesses located in the District. The City will receive the first \$223 of revenues and 50% of the remaining revenues generated by this agreement. The City received \$34 in revenues from the JEDD in 2016.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

City of Toledo-Lake Township

In August 2009, the City entered into a contract with Lake Township to create a JEDD. The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in an income tax that shall be imposed based on the City's Municipal Code at a rate of 2.25%. The City will receive 40% of the net revenues generated by this agreement. The City did not receive revenues from the JEDD in 2016.

City of Toledo-Troy Township

In September 2010, the City entered into a contract with Troy Township to create a JEDD. The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in an income tax that shall be imposed based on the City's Municipal Code at a rate of 2.25%. The City will receive 40% of the net revenues generated by this agreement. The City received \$172 in revenues from the JEDD in 2016.

City of Toledo-Monclova Township-Swanton Township (Toledo Express Airport JEDD, or TEA JEDD)

In October 2015, the City entered into a contract with Monclova and Swanton Townships to create a JEDD at the Toledo Express Airport. The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the Townships, the City, the State, and the County. The agreement results in an income tax that shall be imposed based on the City's Municipal Code at a rate of 0.5% for 2016; 1% for 2017, and 1.5% for years after 2017. The City will receive one third of the net revenues generated by this agreement. The City received \$1 in revenues from the JEDD in 2016, its first year of receipts.

Corrections Commission of Northwest Ohio

In 1987, Toledo entered into a joint contractual agreement with five counties (Defiance, Fulton, Henry, Lucas and Williams) to form the Corrections Commission of Northwest Ohio (Commission) to oversee the construction and operation of a regional jail. The mission of the Commission is to protect the public, employees and offenders, while operating a cost effective detention center. The six member jurisdictions each have three representatives (county commissioner/city manager, chief of police/sheriff and a judge) to serve on the eighteen member board. The degree of control exercised over the Commission by each member jurisdiction is limited to budgeting and financing. Each member jurisdiction paid their share of the capital cost of construction of the facility (approximately \$21.3 million). The State of Ohio reimbursed \$10.7 million or 50% of the total capital cost of construction as an incentive to build regional jails.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

The six member jurisdictional share in the cost of operation of the Commission was traditionally based upon the number of beds allocated to each member. The funding percentages originally approved for 2016 for each jurisdiction were as follows: City of Toledo – 37.63%, Lucas County – 31.03%, Defiance County – 9.4%, Fulton County – 8.15%, Williams County – 8.15% and Henry County – 5.64%. The City contributed \$3,059 for the operation of the Commission in 2016. Financial information for the Commission can be obtained from their administrative office located at 3151 County Road 2425, Stryker, OH 43557-9418.

Effective during 2016, the City withdrew from the agreement with the Commission and entered into a distinctly separate agreement with Lucas County for incarceration costs associated with the Commission. The agreement with Lucas County calls for the City to pay Lucas County for 20 beds reserved specifically for offenders charged under the Toledo Municipal Code. Toledo paid \$130 to Lucas County for 2016 under this agreement, and prepaid \$134 for the first quarter of 2017.

Basis of Presentation

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

Government-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except Fiduciary Funds. The activities of the Internal Service Funds are eliminated to avoid doubling up revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are Governmental and those that are considered Business-Type Activities.

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's Governmental Activities and Business-Type Activities. Direct expenses are those specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipient of the

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

goods and services offered by the program and (b) grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

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

Fund Accounting

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

Governmental Funds:

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

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

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Proprietary Funds:

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

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

Water: To account for the operations of the water treatment and distribution systems operated of the City using Lake Erie as the water supply. The Department also provides water services to several areas outside of the City. Revenue is generated by charges set at a level sufficient to cover outstanding debt requirements while providing funds for the operation and maintenance of the water operating and distribution system.

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

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

Internal Service Funds: Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, generally on a cost-reimbursement basis. The City's internal service funds account for municipal garage operations, capital replacement, storeroom and printshop services, information technology services, risk management, facility operations and workers' compensation.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Fiduciary Funds:

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

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

Measurement Focus

Government-Wide Financial Statements:

The Government-Wide Financial Statements are prepared using the economic resources measurement focus. All assets, deferred outflow of resources, liabilities and deferred inflow of resources associated with the operation of the City are included on the Statement of Net Position, except Fiduciary Funds. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in net position.

Fund Financial Statements:

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus (continued)

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

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

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

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

Deferred Outflows of Resources

The statement of financial position will sometimes report a separate section separate from assets for *deferred outflows of resources*. This separate element of the financial statement represents a consumption of net position that applies to the future period(s) and so will not be recognized as an outflow of resources until then. For the City, deferred outflows of resources are reported on the government-wide and the proprietary fund statements of net position. The deferred outflows of resources related to pensions are explained in Note 13.

Deferred Inflows of Resources

The statements of financial position will sometimes report a section separate from liabilities for deferred inflows of resources. This separate element of the financial statement represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until then. For the City, deferred inflows of resources include property taxes, unavailable revenue and pensions. Receivables for property taxes represent amounts that are measurable as of December 31, 2016, but are intended to finance 2017 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund financial statements and represents receivables that will not be collected within the available period (sixty days after year-end). Deferred inflows of resources related to pensions are explained in Note 13.

Expenses/Expenditures

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information

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

Cash and Cash Equivalents

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

Investments were limited to certificates of deposit, Federal Government Agency securities and the State Treasury Assets Reserve of Ohio (STAR Ohio). Except for non-participating investment contract, investments are measured at fair value within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Non-participating investment contracts, such as non-negotiable certificates of deposit, are excluded from fair value measurement requirements and are instead reported at amortized cost.

STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments with the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at the net asset value per share provided by STAR Ohio on an amortized cost basis at December 31, 2016, which approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory of Supplies

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

Restricted Assets

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

Capital Assets

Capital assets are defined by the government as anything purchased by, donated, or otherwise acquired by the City that has an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of the initial capitalization of infrastructure assets (i.e., those reported by governmental activities) the City includes all such items regardless of their acquisition date. The City's intangible assets include right of way and computer software. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of the assets are not capitalized. Major outlays for capital assets and improvements are capitalized, as projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

Capital assets, including property, plant, equipment, intangible assets and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City infrastructure consists of bridges, curbs and gutters, lighting, sidewalks, roads, drainage systems and water and sewer lines. All reported capital assets, except land, right of way and construction in progress, are depreciated using the straight line method over the following estimated useful lives, and these estimated useful lives may be periodically adjusted:

| <u>Description</u> | <u>Estimated Useful Life</u> |
|---|------------------------------|
| Auto/Vehicle Equipment | 3-15 years |
| Buildings | 20-40 years |
| Distribution Systems | 100 years |
| Furniture and Fixtures | 5-15 years |
| Infrastructure (Roads, Bridges, Culverts) | 20-40 years |
| Improvements (non-Building) | 10-20 years |
| Intangible Assets | 5 years |
| Machinery and Equipment | 5-20 years |

The City updated the capital asset policy in 2016 to include the new useful life schedule with a five thousand dollar (\$5,000) capitalization threshold (previously five hundred dollars). Assets depreciated under the previous methodology continue their original depreciation and remain a part of the City's financial statements until disposed.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Balances

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

Compensated Absences

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

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

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

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accrued Liabilities and Long-Term Obligations

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

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

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

On Government-Wide Financial Statements, prepaid bond insurance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized bond insurance costs are reported as a separate line item on the Statement of Net Position as an asset.

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

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

Interfund Transactions

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

Exchange transactions between funds are reported as revenues in seller funds, and expenditures/expenses in purchaser funds. Flows of cash or goods from one fund to another without a repayment requirement are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in Proprietary Funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic Financial Statements.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classifications

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

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

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

Estimates

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

Net Position

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS

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

1. Direct obligations of the United States which include, but are not limited to, Treasury certificates, bills, bonds, notes as well as United States Treasury obligations, State and Local Government Series;
2. Bonds, notes, debentures or any other obligation or securities issued by the following Federal Government agencies or instrumentalities: Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement is at least equal to 100% of the price at which the repurchase securities are to be repurchased from the City, or such greater percentage as is agreed upon by the seller and the City prior to or upon entering into a particular transaction;
4. Bonds, notes and other negotiable instruments evidencing the obligation of the City to pay money;
5. Bonds, notes and other negotiable instruments of political entities other than the City which are rated at the time of acquisition by Moody's or Standard and Poor's in at least the third highest category when rated with a long term rating or in the highest category when rated with a short term rating;
6. The State Treasurer's investment pool (STAR Ohio).
7. Demand deposits which are deposited with an institution having all of the qualifications of a depository except that it needs only have an office located in the State rather than in the City and payable on demand of the City. Such deposits may include interest-bearing or non-interest bearing checking accounts, NOW accounts, savings accounts and other similar accounts authorized by the Federal Reserve Bank Board or the Federal Home Bank Board.
8. Non-demand savings accounts which are deposited in an institution having all of the qualifications of a depository except that it need only have an office located in the State rather than in the City that are not payable on demand but, instead, are payable at a certain date.
9. Negotiable or non-negotiable interest-bearing time certificates of deposit representing deposits of the City placed in an institution having all of the qualifications of a Depository except that it need only have an office located in the State rather than in the City.
10. Federally insured certificates of deposit initiated through a Federal Deposit Insurance Corporation member bank or savings and loan association having an office in Lucas County and under an arrangement whereby the full amount of the deposit is allocated among a reciprocal network of participating Federal Deposit Insurance Corporation member banks or savings and loan associations, wherever located, such that full amount of the City's deposit is covered by federal deposit insurance.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

11. The STAR Plus Federally Insured Cash Account, an investment program offered in conjunction with STAR Ohio under which funds invested through the program are deposited in various federally insured banks, savings banks or savings and loan associations located anywhere in the United States in such a manner that the full amount of the public moneys deposited is covered by federal deposit insurance.

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

1. Has an office located in the City which is capable of providing services requested by the City
2. Has deposits which are insured by the Federal Deposit Insurance Corporation
3. Has Equity Capital in excess of \$50 million or has been approved by an ordinance of City Council following completion of the appeal process
4. Carries a holding company Long Term Issuer Default Rating by Fitch of BBB or better
5. Provides collateralization as required by the City's Municipal Code.

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

Deposits

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

At December 31, 2016, the carrying amount of the City's deposits was \$41,022 and the bank balance was \$43,842. Of the bank balance, the Federal Depository Insurance will cover up to \$250 per account. The City also has un-invested cash in the amount of \$29,798 being held by a third party trustee. This amount is more than the previous year due to the issuance of additional City bonds and sales of investments. The City also has petty cash funds of \$13 held by departments that are not covered by Federal Depository Insurance or collateralized.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Deposits (continued)

Cash and cash equivalents held by escrow represent amounts held by third parties for debt service requirements and capital lease proceeds remaining to be spent.

At December 31, 2016, the carrying amount of the Toledo Municipal Court, an agency fund of the City, was \$875 and the bank balance was \$1,288. Of the bank balance, the Federal Depository Insurance will cover up to \$250 per account.

Cash and cash equivalents other

At December 31, 2016, the carrying amounts in the General and Nonmajor Governmental Funds were \$10 and \$2, respectively, represent fiduciary deposits in transit. The carrying amounts in the Water Fund is \$2.

Investments

As of December 31, 2016, the City had the following investments:

| | Within One Year | Maturity More than One Year but Less than Three Years | Total |
|---------------------------------------|--------------------|--|-------------------|
| Federal Farm Credit Bank | \$ 2,071 | \$ 81,481 | \$ 83,552 |
| Federal Home Loan Bank | 9,998 | 61,597 | 71,595 |
| Federal Home Loan Mortgage Corp | 20,319 | 55,837 | 76,156 |
| Federal National Mortgage Association | 2,752 | 74,201 | 76,953 |
| STAR Ohio | 57,071 | - | 57,071 |
| STAR Plus Deposits | 14 | - | 14 |
| US Treasury | 17,202 | - | 17,202 |
| Total Portfolio | <u>\$ 109,427</u> | <u>\$ 273,116</u> | <u>\$ 382,543</u> |

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

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

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

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

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

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

1. City funds either invested in certificates of deposit or deposited in non-demand savings accounts with any one depository shall not exceed 10 percent of the aggregate principal amount of the City's investment portfolio.
2. City funds invested in certificates of deposits in a depository may not exceed 10 percent of the equity capital of the depository at any one time.
3. No more than \$10 million may be invested at any one time through repurchase agreements with any one institution.
4. No more than 40 percent of the aggregate principal amount of the City's investment portfolio shall be invested at any one time in STAR Ohio. Within this 40 percent, up to \$15,000 may be further invested through a STAR Plus Federally Insured Cash Account.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

5. No obligation of any of the government agencies or instrumentalities shall be purchased if such purchase would cause more than 25 percent of the aggregate principal amount of the City's investment portfolio as of the settlement date to be invested in the obligations of that individual government agency or instrumentality.
6. The maximum aggregate amount that may be invested for a period longer than 3 years for any one fund shall be 25 percent of the lowest total of all outstanding investments for that fund which occurred during the 12 months immediately prior to the purchase of any security with maturity longer than 3 years. Compliance with this limitation shall be determined as of the settlement date only.

Fair Value Measurement. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Investments in U.S. Treasury securities of \$17,202 were classified in Level 1 of the fair value hierarchy and valued using quoted market prices. Investments in Federal Government Agency securities of \$308,256 were classified in Level 2 of the fair value hierarchy and valued using pricing sources as provided by the investment managers. Investments in STAR Ohio are valued at the net asset value per share provided by STAR Ohio on an amortized cost basis, which approximates fair value.

The following is the City's investment allocation:

| | <u>12/31/2016</u> | <u>% of Total</u> |
|---------------------------------------|-------------------|-------------------|
| Federal Farm Credit Bank | \$ 83,552 | 21.84 |
| Federal Home Loan Bank | 71,595 | 18.71 |
| Federal Home Loan Mortgage Corp | 76,156 | 19.91 |
| Federal National Mortgage Association | 76,953 | 20.12 |
| STAR Ohio | 57,071 | 14.92 |
| STAR Plus Deposits | 14 | 0.00 |
| US Treasury | <u>17,202</u> | <u>4.50</u> |
| Total Portfolio | <u>\$ 382,543</u> | <u>100.00</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 3 – RECEIVABLES

Receivables at December 31, 2016 consist of the following:

| | Taxes | Customer and Other | Special Assessments | Notes Receivable |
|---|------------------------|-----------------------|---------------------------------|---------------------|
| <i>Governmental Activities:</i> | | | | |
| General Fund | \$ 40,337 | \$ 12,116 | \$ - | \$ - |
| Capital Improvement | - | 5,496 | - | - |
| Special Assessment | - | 126 | 55,890 | - |
| Other Governmental Funds | - | 8,033 | 860 | 30,614 |
| Total Governmental Funds | <u>40,337</u> | <u>25,771</u> | <u>56,750</u> | <u>30,614</u> |
| <i>Business-Type Activities:</i> | | | | |
| Water | - | 16,372 | - | - |
| Sewer | - | 25,728 | - | - |
| Utility Administrative Services | - | 316 | - | - |
| Other Business-Type Activities | - | 5,217 | - | 22,730 |
| Total Business-Type Activities | <u>-</u> | <u>47,633</u> | <u>-</u> | <u>22,730</u> |
| Internal Service | <u>-</u> | <u>940</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 40,337</u> | <u>\$ 74,344</u> | <u>\$ 56,750</u> | <u>\$ 53,344</u> |
| | | | Less: | |
| | Interest Receivable | Gross Receivables | Allowance for Uncollectibles | Receivables Net |
| <i>Governmental Activities (continued):</i> | | | | |
| General Fund | \$ 41 | 52,494 | \$ (13,369) | \$ 39,125 |
| Capital Improvement | - | 5,496 | (3,456) | 2,040 |
| Special Assessment | - | 56,016 | - | 56,016 |
| Other Governmental Funds | - | 39,507 | (29,524) | 9,983 |
| Total Governmental Funds | <u>41</u> | <u>153,513</u> | <u>(46,349)</u> | <u>107,164</u> |
| <i>Business-Type Activities (continued):</i> | | | | |
| Water | 630 | 17,002 | (2,636) | 14,366 |
| Sewer | 85 | 25,813 | (7,263) | 18,550 |
| Utility Administrative Services | - | 316 | - | 316 |
| Other Business-Type Activities | 74 | 28,021 | (19,822) | 8,199 |
| Total Business-Type Activities | <u>789</u> | <u>71,152</u> | <u>(29,721)</u> | <u>41,431</u> |
| Internal Service | <u>-</u> | <u>940</u> | <u>(346)</u> | <u>594</u> |
| Total | <u>\$ 830</u> | <u>\$ 225,605</u> | <u>\$ (76,416)</u> | <u>\$ 149,189</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 4 – INCOME TAXES

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

The first 1.5% of the income tax is a permanent levy, of which 0.25% of this tax is dedicated to capital improvements. There is an additional 0.75% that is levied which was renewed January 1, 2017 for an additional four years. Of this additional tax, 0.25% is also dedicated for capital improvements. The City's voters renewed the 0.75% tax in November 2016, which allows the City to use a portion of the 0.25% for operating expenses rather than capital improvements. This allows funds to move from the Capital Improvements Fund to the General Fund through December 31, 2020. The required transfers to the Capital Improvements Fund for 2016 have been completed.

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

NOTE 5 – PROPERTY TAX

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

Real property taxes are payable annually and semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first was due February 1, 2016, with the remainder payable by July 29, 2016.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined at December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 34.4 percent of true value. The 2016 public utility property taxes became a lien on December 31, 2015, were levied on October 1, 2016 and will be collected in 2017 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 5 – PROPERTY TAX (continued)

The County Treasurer collected property taxes on behalf of all taxing districts in the County, including the City of Toledo. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2016 and for which there is an enforceable legal claim. In the Government Funds, the current portion receivable has been offset by deferred inflow of resources since the current taxes were not levied to finance 2016 operations and the collection of delinquent taxes has been offset by deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2016 was \$4.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2016 property tax receipts were based are as follows:

| | | |
|--|----|-----------|
| Public Utility Real and Tangible Personal Property | \$ | 167,719 |
| Real Property (Other than Public Utility) | | 2,994,559 |
| Total Assessed Value | \$ | 3,162,278 |

Special Assessment Services, Improvements and Bond Retirement

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

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

NOTE 6 – TAX INCENTIVE AND ABATEMENT PROGRAMS

Pursuant to GASB Statement No. 77, *Tax Abatement Disclosures*, the City is required to disclose certain information on its use of tax abatement incentives. A tax abatement incentive, under this Statement, is authorized by the Ohio Revised Code (ORC) and/or the Toledo Municipal Code (TMC) and is an agreement between the City and an individual or entity in which the City promises to forgo tax revenue, while the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the City or the citizens of the City. The City offers the following tax incentive and abatement programs:

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 6 – TAX INCENTIVE AND ABATEMENT PROGRAMS (continued)

Community Reinvestment Area

The Ohio Community Reinvestment Area (CRA) program is an economic development tool available to Toledo under ORC 3735 that is used to provide real property tax exemptions for property owners who construct new buildings or renovate existing properties. CRAs are areas of land in which property owners may receive tax incentives for investing in real property improvements. In order to participate in the CRA program, Toledo petitioned the Ohio Development Services Agency (ODSA) for confirmation of a geographic area in which investment in housing has traditionally been discouraged. Once an area is confirmed by the Director of ODSA, communities may offer real property tax exemptions to taxpayers that invest in that area.

The City determines the type of development to support by specifying the eligibility of residential, commercial or industrial projects. The City grants property tax abatements on improvement projects based on the increase in property valuation resulting from the improvements, for up to fifteen years. Participating properties are subject to annual inspections by the CRA Housing Council/Committed of the Toledo Housing Advisory Commission. As of December 31, 2016, the City had 1,430 participants in the CRA Program and abated \$316 property taxes. The CRA program impacts the City's General Fund.

Enterprise Zone Program

The Enterprise Zone Program is an economic development tool administered by the City of Toledo pursuant to ORC 5709 that provides real and personal property tax exemptions to businesses making investments within an enterprise zone. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program can provide tax exemptions for a portion of the value of new real and personal property investment (when that personal property is still taxable) when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are generally not eligible. Businesses may not participate in both the CRA and the Enterprise Zone Programs.

The City determines approval of projects based upon their contribution to the economic welfare of the community, including job creation or retention. Approved projects receive a 100% tax exemption on new real and personal property investment for up to fifteen years, with forty-five percent of the total tax exemption benefit paid to the local school district in which the project is located. Participants are monitored for compliance during the incentive period by the Tax Incentive Review Council. As of December 31, 2016, the City had 3 participants in the Enterprise Zone Program and abated \$78 in real and personal property taxes. The Enterprise Zone Program impacts the City's General Fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 6 – TAX INCENTIVE AND ABATEMENT PROGRAMS (continued)

Municipal Job Creation Tax Credit (MJCTC)

Pursuant to ORC 718.15, the City established the MJTCP to create jobs and increase the tax base. Businesses must submit and have their application approved by the State of Ohio's Job Creation Tax Program in order to be eligible under the MJTCP. Businesses must be located within the City of Toledo's State Enterprise Zone or proposed Federal Enterprise Communities Zone and create a minimum of 25 *new*, full-time jobs within 3 years with hourly wages of at least 150% of the state minimum wage. The tax incentives under the MJTCP include a maximum tax credit of 40% of payroll taxes of eligible full-time employee per year, for up to 10 years, for businesses within the State Enterprise Zone. For businesses within the Enterprise Communities Zone, the maximum tax credit available is 80% of the total payroll taxes of eligible employees per year, for up to 10 years. Participants are monitored for compliance during the incentive period by the Tax Incentive Review Council. As of December 31, 2016, the City had 11 businesses eligible for the program that received \$32 in aggregate tax credits for participating businesses claiming the credit. The MJCTC program impacts the City's General and Capital Improvement Funds.

Toledo Expansion Incentive Program

The purpose of the Toledo Expansion Incentive (TEI) Program is as an economic development tool authorized under City of Toledo Ordinance 487-07 and later revised under City of Toledo Ordinance 431-11 to provide significant incentives to attract and grow business in key Standard Industry Classification codes and site locations within the City. The program may be used in conjunction with other financing and incentive programs available through Federal, State and other local governments. A grant awarded in any one calendar year shall be based upon the amount of growth of an applicant's municipal income taxes actually received and retained by the City during the previous calendar year above specific expected revenue benchmarks as set forth in the TEI Agreement. Approved applicants can receive between 10% - 30% of the growth of yearly municipal income taxes actually paid to and retained by the City based upon the expected revenue benchmarks, up to ten years. An additional 10% grant can be awarded to an entity each year in which it spends at least 15% of its expenses on product research and development activities. Participants are monitored for compliance during the agreement period by the Department of Development. As of December 31, 2016, the City had 27 participants and paid \$489 in TEI awards. The TEI program impacts the City's General Fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the Governmental Activities for the year ended December 31, 2016, was as follows:

| <i>Governmental Activities:</i> | <u>Balance</u> | | | <u>Balance</u> |
|--|-------------------|-------------------|-------------------|-------------------|
| | <u>1/1/2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>12/31/2016</u> |
| <i>Capital Assets not being Depreciated:</i> | | | | |
| Land | \$ 29,180 | \$ 11 | \$ (22) | \$ 29,169 |
| Construction in Progress | <u>88,151</u> | <u>23,754</u> | <u>(4,580)</u> | <u>107,325</u> |
| Total Capital Assets not being Depreciated | 117,331 | 23,765 | (4,602) | 136,494 |
| <i>Capital Assets being Depreciated:</i> | | | | |
| Buildings | 71,520 | - | - | 71,520 |
| Furniture & Fixtures | 9,990 | - | - | 9,990 |
| Improvements | 79,852 | - | - | 79,852 |
| Infrastructure | 863,120 | 197 | - | 863,317 |
| Machinery & Equipment | <u>179,873</u> | <u>6,060</u> | <u>(1,908)</u> | <u>184,025</u> |
| Total Capital Assets being Depreciated | 1,204,355 | 6,257 | (1,908) | 1,208,704 |
| <i>Less: Accumulated Depreciation</i> | | | | |
| Buildings | 34,514 | 1,448 | - | 35,962 |
| Furniture & Fixtures | 6,421 | 369 | - | 6,790 |
| Improvements | 31,043 | 4,113 | - | 35,156 |
| Infrastructure | 569,792 | 24,896 | - | 594,688 |
| Machinery & Equipment | <u>141,697</u> | <u>4,972</u> | <u>(358)</u> | <u>146,311</u> |
| Total Accumulated Depreciation | <u>783,467</u> | <u>35,798</u> | <u>(358)</u> | <u>818,907</u> |
| Total Capital Assets being Depreciated, net | <u>420,888</u> | <u>(29,541)</u> | <u>(1,550)</u> | <u>389,797</u> |
| Governmental Activities Capital Assets, net | <u>\$ 538,219</u> | <u>\$ (5,776)</u> | <u>\$ (6,152)</u> | <u>\$ 526,291</u> |

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

| | |
|--|------------------|
| General Government | \$ 1,035 |
| Public Service | 22,513 |
| Public Safety | 3,705 |
| Public Utility | 3,681 |
| Community Environment | 458 |
| Health | 1,103 |
| Parks and Recreation | <u>3,303</u> |
| Total Depreciation - Governmental Activities | <u>\$ 35,798</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 7 – CAPITAL ASSETS (continued)

The Department of Housing and Neighborhood Revitalization has purchased land and buildings using Block Grant Funds. The intent of such purchases ultimately is to resell the property for a nominal amount to adjacent property owners or developers for redevelopment purposes. As of December 31, 2016, the Department owned approximately 94 parcels at an estimated historical cost of \$2,034. Due to the uncertainty of the market value or the ability to locate developers, the purchase costs have been recorded as program expenditures in the Block Grant Funds in the year of purchase and revenues from the sale of properties are recorded as Program Revenue in the year of sale.

Capital asset activity for the Business-Type Activities for the year ended December 31, 2016, was as follows:

| <i>Business-Type Activities:</i> | <u>Balance</u> | | | <u>Balance</u> |
|--|-------------------|------------------|-------------------|-------------------|
| | <u>1/1/2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>12/31/2016</u> |
| <i>Capital Assets not being Depreciated:</i> | | | | |
| Land | \$ 3,422 | \$ 2,967 | \$ - | \$ 6,389 |
| Construction in Progress | <u>309,746</u> | <u>92,486</u> | <u>(2,985)</u> | <u>399,247</u> |
| Total Capital Assets not being Depreciated | 313,168 | 95,453 | (2,985) | 405,636 |
| <i>Capital Assets being Depreciated:</i> | | | | |
| Buildings | 51,267 | - | - | 51,267 |
| Furniture & Fixtures | 1,993 | - | - | 1,993 |
| Improvements | 94,149 | - | - | 94,149 |
| Infrastructure | 821,225 | 1,586 | (380) | 822,431 |
| Machinery & Equipment | <u>123,141</u> | <u>5,445</u> | <u>(658)</u> | <u>127,928</u> |
| Total Capital Assets being Depreciated | 1,091,775 | 7,031 | (1,038) | 1,097,768 |
| <i>Less: Accumulated Depreciation</i> | | | | |
| Buildings | 28,863 | 925 | - | 29,788 |
| Furniture & Fixtures | 1,664 | 66 | - | 1,730 |
| Improvements | 32,468 | 3,296 | - | 35,764 |
| Infrastructure | 343,161 | 11,073 | (81) | 354,153 |
| Machinery & Equipment | <u>91,703</u> | <u>6,006</u> | <u>(121)</u> | <u>97,588</u> |
| Total Accumulated Depreciation | <u>497,859</u> | <u>21,366</u> | <u>(202)</u> | <u>519,023</u> |
| Total Capital Assets being Depreciated, net | <u>593,916</u> | <u>(14,335)</u> | <u>(836)</u> | <u>578,745</u> |
| Business-Type Activities Capital Assets, net | <u>\$ 907,084</u> | <u>\$ 81,118</u> | <u>\$ (3,821)</u> | <u>\$ 984,381</u> |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 7 – CAPITAL ASSETS (continued)

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

| | | |
|---|----|-----------|
| Water | \$ | 5,063 |
| Sewer | | 15,044 |
| Utility Administrative Services | | 16 |
| NonMajor | | 1,243 |
| Total Depreciation Expense - Business-Type Activities | | \$ 21,366 |

NOTE 8 – NOTES PAYABLE

The City's Notes Payable obligations at December 31, 2016 and a schedule of current year activity are as follows:

| | Maturity Date | Interest Rate (%) | Original Issue Amount | Balance 1/1/2016 | Increase | Decrease | Balance 12/31/2016 | Amount Due In One Year |
|------------------------|------------------|----------------------|-----------------------------|---------------------|-----------|-------------|-----------------------|------------------------------|
| General Obligations: | | | | | | | | |
| Capital Projects | 2017 | 1.25-1.36 | \$ 5,165 | \$ 5,165 | \$ 16,550 | \$ (17,265) | 4,450 | \$ 4,450 |
| Special Assessments | 2017 | 1.25 | 1,275 | 1,275 | 1,114 | (1,275) | 1,114 | 1,114 |
| Building | 2017 | 1.375 | 3,250 | 3,250 | 3,250 | (3,250) | 3,250 | 3,250 |
| Revenue Obligations: | | | | | | | | |
| Assessed Services 2014 | 2016 | 1.41 | 20,900 | 20,900 | | (20,900) | - | - |
| Assessed Services 2015 | 2017 | 1.74 | 19,200 | 19,200 | | - | 19,200 | 19,200 |
| Assessed Services 2016 | 2018 | 2.03 | 19,300 | | 19,300 | | 19,300 | |
| | | | | \$ 49,790 | \$ 40,214 | \$ (42,690) | \$ 47,314 | \$ 28,014 |

The City carries notes for a building in the Facilities Operations fund; and for an industrial economic development project to finance site acquisition and preparation costs from the Capital Improvement fund. Notes in the Special Assessments – Capital Projects fund cover capital costs related to City services such as street lighting, street sweeping, snow removal, surface treatment of unimproved streets, leaf pick up and tree planting, and trimming and removal in the public right away. Costs of assessments are charged to property owners two years after incurred. Assessment notes finance the costs incurred over a two year period.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS

The City's Governmental Activities Long-Term Obligations at December 31, 2016 and a schedule of current year activity are as follows:

| Government Activities: | Issue Date | Maturity Date | Interest Rate (%) | Original Issue Amount | Balance 1/1/2016 | Increase | Decrease | Balance 12/31/2016 | Amount Due In One Year |
|--------------------------------------|------------|---------------|-------------------|-----------------------|-------------------|-------------------|--------------------|--------------------|------------------------|
| General Obligation Bonds: | | | | | | | | | |
| Capital Projects | Various | Various | 1.50-6.08 | \$ 169,440 | \$ 129,057 | \$ 25,126 | \$ (22,697) | 131,486 | \$ 10,681 |
| Special Assessments | Various | Various | 1.55-5.00 | 115 | 55 | - | (10) | 45 | 15 |
| Loans Outstanding: | | | | | | | | | |
| State Agencies: | | | | | | | | | |
| Ohio Public Works Commission | | | | | | | | | |
| Capital Projects | Various | Various | 0.00 | 10,259 | 3,818 | 1,237 | (652) | 4,403 | 650 |
| Ohio Water Dev Authority | | | | | | | | | |
| Capital Projects | Various | Various | 4.02-4.12 | 9,843 | 3,372 | - | (594) | 2,778 | 618 |
| ODOD Chapter 166 | | | | | | | | | |
| Capital Projects | 1998 | 2018 | 4.00 | 10,000 | 2,171 | - | (738) | 1,433 | 768 |
| State Infrastructure Bank | | | | | | | | | |
| Capital Projects | 2009 | 2019 | 3.00 | 4,869 | 3,636 | - | (341) | 3,295 | 367 |
| Federal Agencies: | | | | | | | | | |
| HUD 108 | | | | | | | | | |
| Capital Projects | Various | Various | 6.56-7.96 | 24,140 | 5,955 | - | (1,830) | 4,125 | 2,030 |
| Other Loans: | | | | | | | | | |
| Capital Projects | Various | Various | 0.00-6.55 | 14,021 | 10,199 | 672 | (806) | 10,065 | 661 |
| Capital Lease Obligations: | | | | | | | | | |
| Ambulance | 2012 | 2017 | 1.66 | 1,413 | 579 | - | (287) | 292 | 292 |
| Landfill Vehicles | 2012 | 2016 | 1.60 | 1,588 | 407 | - | (407) | - | - |
| Fire Rescue Squads | 2014 | 2018 | 1.75 | 948 | 569 | - | (186) | 383 | 196 |
| Fire Engines & Bucket Truck | 2015 | 2019 | 1.75 | 3,600 | 2,855 | - | (695) | 2,160 | 745 |
| Pumper Trucks | 2015 | 2020 | 1.75 | 940 | 940 | - | (181) | 759 | 199 |
| Pickup Trucks & Brine Facility | 2015 | 2019 | 1.85 | 1,833 | 1,461 | - | (507) | 954 | 384 |
| Single & Double Axle Trucks | 2015 | 2021 | 1.85 | 4,997 | 4,266 | - | (1,041) | 3,225 | 776 |
| Forestry Equipment | 2015 | 2020 | 1.85 | 1,324 | 1,324 | - | (272) | 1,052 | 277 |
| Other Obligations: | | | | | | | | | |
| Landfill Closure | | | | | 13,556 | 340 | - | 13,896 | - |
| Compensated Absences | | | | | 29,423 | 346 | (509) | 29,260 | 328 |
| Net Pension Liability: | | | | | | | | | |
| OPERS | | | | | 41,981 | 22,283 | - | 64,264 | - |
| OP&F | | | | | 212,840 | 62,000 | - | 274,840 | - |
| Total Governmental Activities | | | | | \$ 468,464 | \$ 112,004 | \$ (31,753) | \$ 548,715 | \$ 18,987 |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

Internal service funds predominately serve the governmental funds. The long-term liabilities for all the internal service fund compensated absences are included in the totals for the governmental activities. In 2016, compensated absences in the governmental activities were liquidated at a rate of approximately 85.2 percent from the general fund, 11.6 percent from other governmental funds, and 3.2 percent from the internal service funds.

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding and Notes Payable at December 31, 2016 for the City’s Governmental Activities:

| Year | General Obligation Bonds | | General Obligation Notes | | Revenue Obligation Notes | |
|-----------|--------------------------|-----------|--------------------------|----------|--------------------------|----------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2017 | \$ 10,696 | \$ 6,065 | \$ 8,814 | \$ 173 | \$ 19,200 | \$ 754 |
| 2018 | 12,817 | 5,439 | - | - | 19,300 | 392 |
| 2019 | 12,482 | 4,935 | - | - | - | - |
| 2020 | 11,917 | 4,380 | - | - | - | - |
| 2021 | 12,152 | 3,856 | - | - | - | - |
| 2022-2026 | 48,160 | 11,660 | - | - | - | - |
| 2027-2031 | 20,926 | 2,747 | - | - | - | - |
| 2032-2036 | 2,381 | 47 | - | - | - | - |
| Total | \$ 131,531 | \$ 39,129 | \$ 8,814 | \$ 173 | \$ 38,500 | \$ 1,146 |

| Year | State Agency Loans | | Federal and Other Loans | | Total | |
|-----------|--------------------|----------|-------------------------|----------|------------|-----------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2017 | \$ 2,403 | \$ 192 | \$ 2,691 | \$ 635 | \$ 43,804 | \$ 7,819 |
| 2018 | 2,207 | 157 | 2,719 | 564 | 37,043 | 6,552 |
| 2019 | 1,546 | 113 | 584 | 477 | 14,612 | 5,525 |
| 2020 | 1,524 | 82 | 1,195 | 441 | 14,636 | 4,903 |
| 2021 | 887 | 52 | 560 | 441 | 13,599 | 4,349 |
| 2022-2026 | 2,745 | 70 | 3,260 | 1,602 | 54,165 | 13,332 |
| 2027-2031 | 505 | - | 2,615 | 741 | 24,046 | 3,488 |
| 2032-2036 | 92 | - | 566 | 41 | 3,039 | 88 |
| Total | \$ 11,909 | \$ 666 | \$ 14,190 | \$ 4,942 | \$ 204,944 | \$ 46,056 |

Landfill Closure and Post-Closure Care Costs

The City operates the Hoffman Road landfill and accounts for this activity in the General Fund. State and federal regulations require the City to place a final cover on the Hoffman Road site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. The closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste. The City records a liability in the Government-Wide Statement of Net Position for the closure and post-closure care costs based on landfill capacity used as of each balance sheet date. A new cell was constructed in 2005 resulting in an increase in capacity; therefore, the landfill can continue to accept solid waste and increase its capacity. Based on the remaining air space and estimated annual tonnage to be taken in, the estimated remaining life of the landfill is 43 years.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

Landfill Closure and Post-Closure Care Costs (continued)

The \$13,896 reported as landfill closure and post-closure care liability at December 31, 2016 represents the cumulative amount reported to date based on the use of 61.5% of the used capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$8,699 as the remaining used capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2016 using the worst case scenario determined by the permit to install. Actual costs may be higher due to inflation, changes in technology, or changes in regulation.

The City's Business-Type Activities Long-Term Obligations at December 31, 2016 and a schedule of current year activity are as follows:

| Business-Type Activities | Issue Date | Maturity Date | Interest Rate (%) | Original Issue Amount | Balance 1/1/2016 | Increase | Decrease | Balance 12/31/2016 | Amount Due In One Year |
|---------------------------------------|------------|---------------|-------------------|-----------------------|-------------------|-------------------|--------------------|--------------------|------------------------|
| General Obligation Bonds: | | | | | | | | | |
| Tow Lot | 2006 | 2024 | 4.00-5.00 | \$ 2,835 | \$ 1,305 | \$ - | (90) | \$ 1,215 | \$ 155 |
| Property Management | Various | Various | 2.00-7.00 | 22,971 | 15,610 | - | (1,076) | 14,534 | 1,146 |
| Revenue Obligation Bonds: | | | | | | | | | |
| Water System | Various | Various | 1.25-6.20 | 381,541 | 279,263 | 80,254 | (8,380) | 351,137 | 8,585 |
| Sanitary Sewer System | Various | Various | 2.00-6.45 | 46,620 | 17,651 | - | (2,962) | 14,689 | 3,107 |
| Loans Outstanding: | | | | | | | | | |
| State Agencies: | | | | | | | | | |
| Ohio Public Works Commission | | | | | | | | | |
| Water System | Various | Various | 0.00 | 2,526 | 1,654 | 286 | (112) | 1,828 | 112 |
| Sanitary Sewer System | Various | Various | 0.00 | 9,773 | 7,289 | 46 | (466) | 6,869 | 466 |
| Storm Water System | Various | Various | 0.00 | 2,372 | 1,346 | 98 | (114) | 1,330 | 114 |
| Ohio Water Dev Authority | | | | | | | | | |
| Water System | Various | Various | 3.25 | 44,273 | 35,857 | 1,636 | (1,241) | 36,252 | 1,586 |
| Sanitary Sewer System | Various | Various | 2.38-4.80 | 572,395 | 339,223 | 44,714 | (17,711) | 366,226 | 21,206 |
| Storm Water System | Various | Various | 2.25-3.34 | 1,727 | 379 | 1,150 | - | 1,529 | 39 |
| ODOD Chapter 166 | | | | | | | | | |
| Property Management | 2000 | 2016 | 4.00 | 1,500 | 120 | - | (120) | - | - |
| Capital Lease Obligations: | | | | | | | | | |
| Norfolk Southern | 2016 | 2035 | 2.50 | 2,967 | - | 2,967 | (151) | 2,816 | 60 |
| Other Obligations: | | | | | | | | | |
| Compensated Absences | | | | | 5,043 | 106 | (101) | 5,048 | 138 |
| Net Pension Liabilities: | | | | | | | | | |
| OPERS | | | | | 28,695 | 8,403 | - | 37,098 | - |
| Total Business-Type Activities | | | | | \$ 733,435 | \$ 139,660 | \$ (32,524) | \$ 840,571 | \$ 36,714 |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding at December 31, 2016 for the City’s Business-Type Activities:

| <u>General Obligation Bonds</u> | | | <u>Revenue Obligation Bonds</u> | | |
|---------------------------------|------------------|-----------------|---------------------------------|-------------------|-------------------|
| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Year</u> | <u>Principal</u> | <u>Interest</u> |
| 2017 | 1,301 | 659 | 2017 | 11,692 | 16,232 |
| 2018 | 1,361 | 615 | 2018 | 10,751 | 15,297 |
| 2019 | 1,421 | 566 | 2019 | 11,040 | 14,906 |
| 2020 | 1,521 | 510 | 2020 | 11,513 | 14,470 |
| 2021 | 1,366 | 449 | 2021 | 12,175 | 14,033 |
| 2022-2026 | 6,974 | 1,361 | 2022-2026 | 68,332 | 61,577 |
| 2027-2031 | 1,805 | 137 | 2027-2031 | 81,614 | 46,270 |
| 2032-2036 | - | - | 2032-2036 | 93,840 | 20,835 |
| 2037-2041 | - | - | 2037-2041 | 64,869 | 6,478 |
| Total | <u>\$ 15,749</u> | <u>\$ 4,297</u> | Total | <u>\$ 365,826</u> | <u>\$ 210,098</u> |

| <u>State Agency Loans</u> | | | <u>Total</u> | | |
|---------------------------|-------------------|-------------------|--------------|-------------------|-------------------|
| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Year</u> | <u>Principal</u> | <u>Interest</u> |
| 2017 | 23,523 | 10,855 | 2017 | 36,516 | 27,746 |
| 2018 | 20,734 | 10,743 | 2018 | 32,846 | 26,655 |
| 2019 | 23,559 | 11,280 | 2019 | 36,020 | 26,752 |
| 2020 | 28,388 | 12,106 | 2020 | 41,422 | 27,086 |
| 2021 | 29,224 | 11,754 | 2021 | 42,765 | 26,236 |
| 2022-2026 | 121,445 | 45,532 | 2022-2026 | 196,751 | 108,470 |
| 2027-2031 | 86,053 | 26,763 | 2027-2031 | 169,472 | 73,170 |
| 2032-2036 | 80,448 | 12,223 | 2032-2036 | 174,288 | 33,058 |
| 2037-2041 | 660 | 54 | 2037-2041 | 65,529 | 6,532 |
| Total | <u>\$ 414,034</u> | <u>\$ 141,310</u> | Total | <u>\$ 795,609</u> | <u>\$ 355,705</u> |

New Bond and Note Issues, Loans and Advanced Refunding

As interest rates continue to remain at historic lows, the City refinanced bond issues and issued new debt. The following list of new issues and advanced refunding occurred in 2016:

In 2016, the City issued \$22,320 of General Obligation Bonds for the purpose of funding certain permanent improvements and refunding existing obligations with a lower net interest cost, including \$12,100 dedicated to street and bridge improvement notes. The refinancing saved the City 3%, or \$394 over the life of the refinanced debt.

In 2016, the City issued \$64,925 of Water Revenue Bonds for the purpose of funding water system improvements.

In 2016, the City issued \$19,300 in Special Assessment Notes for City Services. These notes mature on June 1 and December 1 of 2018.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

New Issues and Advanced Refunding (continued)

In 2016, the City refunded \$4,450 of Taxable Industrial Development Notes for the purpose of property acquisitions.

In 2016, there is a \$650 Jobs Ohio capital projects loan that may be forgivable after five years.

In 2016, the City refunded \$3,250 of Building Acquisition Notes to mature in September of 2017.

In 2016, the City refunded \$1,114 of Sidewalk Improvement Notes.

State Infrastructure Bank Loans

The City has entered into State Infrastructure Bank loan agreements with the Ohio Department of Transportation (ODOT) pursuant to which ODOT provided to the City loans totaling \$3,968 to pay costs of certain street improvements in the City's Marina District and a loan totaling \$901 to pay the City's portion of the cost of improvements to the Martin Luther King Bridge. The aggregate outstanding principal amount of the City's obligations under those ODOT loan agreements was \$3,295 as of December 31, 2016.

Ohio Public Works Commission

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

Ohio Water Development Authority

Loans payable to the Ohio Water Development Authority (OWDA) are authorized by the Clean Water Act and authorized by the administration of the Environmental Protection Agency (EPA) to make grants to States to establish a state water pollution control revolving loan program. The amount of these loans outstanding at December 31, 2016 was \$406,785. Of this amount, \$36,252 is obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. Of this amount, \$366,226 is obligations incurred to help finance the sanitary sewage facilities and are to be repaid from charges from sanitary sewer services. Of this amount, \$1,529 is obligations incurred to help finance storm sewer and bio-swale services. The remaining amount of \$2,778 is obligations incurred to help finance the water pollution control related to the landfill remediation projects at the Stickney/Tyler and Dura locations are to be repaid from general receipts of the City.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 10 – LEASES AND OTHER COMMITMENTS

Operating Leases

In 1983, the City entered into a non-cancelable long-term lease with the Ohio Department of Administrative Services for the office space it occupies in One Government Center. The 30 year lease, expired on August 1, 2013 and currently operating on a month-to-month basis, is classified as an operating lease. The City made rental payments totaling \$1,359 for the year. The City also leases various facilities and equipment under various operating leases. Expense relating to these leases amounted to \$1,251 in 2016.

Capital Leases

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

In 2012, the City entered into a non-cancelable long-term master equipment lease with PNC Equipment Finance for the lease of ambulances. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$1,413 less accumulated depreciation of \$589.

In 2012, the City entered into a non-cancelable long-term master equipment lease with Key Government Finance, Inc. for the lease of landfill equipment. The 4 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$1,588 less accumulated depreciation of \$441.

In 2014, the City entered into a tax-exempt lease purchase with PNC Equipment Finance for the lease of two heavy rescue squads. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the Government-Wide Financial Statements at \$948 less accumulated depreciation of \$221.

In 2015, the City entered into a tax-exempt lease purchase with PNC Equipment Finance, LLC for the lease of six fire pumper apparatus and one aerial bucket fire apparatus. The 5 year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the government wide financial statement at \$3,600 less accumulated depreciation of \$450.

In 2015, the City entered into a tax-exempt lease purchase with PNC Equipment Finance, LLC for the lease of two fire pumper apparatus. The is classified as a 5 year capital included in the capital assets as machinery and equipment in the government wide financial statement at \$940, less accumulated depreciation of \$31.

In 2015, the City entered into a tax exempt lease purchase with PNC Equipment Finance, LLC for the lease of twenty-one trucks. The 5 year lease is classified as a capital lease has been included in the capital assets as machinery and equipment in the government wide financial statement at \$4,997, less accumulated depreciation of \$749.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 10 – LEASES AND OTHER COMMITMENTS (continued)

Capital Leases (continued)

In 2015, the City entered into a tax exempt lease purchase with PNC Equipment Finance, LLC for the lease of eight trucks and a brine facility. The 5 year lease is classified as a capital lease has been included in the capital assets as machinery and equipment in the government wide financial statement at \$1,833.

In 2015, the City entered into a tax exempt lease purchase with PNC Equipment Finance, LLC for the lease forestry equipment. The 5 year lease is classified as a capital lease at \$1,324.

In 2016, the City entered into a lease purchase with Norfolk Southern Railway for the lease of land as part of Toledo Waterways Initiative. The 20 year lease is classified as a capital lease at \$2,967.

Future minimum lease payments on these capital leases together with the present value of the net minimum lease payments as of December 31, 2016 are as follows:

| <u>Year Ending</u> | <u>Governmental</u> <u>Activities</u> | <u>Business-Type</u> <u>Activities</u> | <u>Total</u> |
|---|--|---|-------------------|
| 2017 | \$ 2,869 | \$ 130 | \$ 2,999 |
| 2018 | 2,571 | 133 | 2,704 |
| 2019 | 2,221 | 135 | 2,356 |
| 2020 | 1,246 | 138 | 1,384 |
| 2021 | 401 | 141 | 542 |
| 2022-2026 | - | 747 | 747 |
| 2027-2031 | - | 825 | 825 |
| 2032-2036 | - | 1,535 | 1,535 |
| Total Minimum Lease Payments | <u>\$ 9,308</u> | <u>\$ 3,784</u> | <u>\$ 13,092</u> |
| Less: Amount Representing Interest | <u>\$ (483)</u> | <u>\$ (968)</u> | <u>\$ (1,451)</u> |
| Present Value of net Minimum Lease Payments | <u>\$ 8,825</u> | <u>\$ 2,816</u> | <u>\$ 11,641</u> |

Other Commitments

Energy Special Improvement District

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 10 – LEASES AND OTHER COMMITMENTS (continued)

Other Commitments – *Energy Special Improvement District* (continued)

The initial funding for those energy efficiency improvements is provided by bonds issued by the Port Authority in the approximate amount of \$5,349. Those funds will be loaned to the Corporation for purpose of paying the contractors doing the work and paying the other costs of the various improvements.

This Ordinance authorizes an amendment to the Energy Services Agreement (the Amendment) committing the City to completing the special assessment process through the passage of an Assessing Ordinance when the various energy efficiency improvements are completed and final costs are known. The initial budget for 2016 requires an assessment of \$476.

Encumbrances

Outstanding 2016 encumbrances will be funded with 2017 budgetary resources. Outstanding encumbrances for the Year Ended December 31, 2016 were as follows:

| | |
|----------------------------------|------------|
| <i>Governmental Activities:</i> | |
| General | \$ 1,716 |
| Capital Improvements | 13,007 |
| Special Assessments | 2,068 |
| Nonmajor Governmental | 3,778 |
| Total Governmental Activities | 20,569 |
| <i>Business-Type Activities:</i> | |
| Water | 58,391 |
| Sewer | 46,096 |
| Utility Administrative Services | 223 |
| Nonmajor Enterprise | 358 |
| Internal Service Funds | 1,065 |
| Total Business-Type Activities | 106,133 |
| Total | \$ 126,702 |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 11 - INTERFUND ACTIVITY

Interfund Balances are a function of the delay between the dates that interfund goods and services are provided, transactions are recorded in the accounting system, and payments between funds are made. At December 31, 2016 the Interfund Balances consist of the following individual Interfund receivables and payables as reported on the Fund Statements:

| | Due From Other Funds | Due To Other Funds |
|--------------------------------------|-------------------------|-----------------------|
| <i>Governmental Activities:</i> | | |
| General | \$ - | \$ 24,500 |
| Capital Improvements | 18,063 | - |
| Special Assessments Services | - | 23,592 |
| Nonmajor Governmental Funds | 31,390 | 17,453 |
| Internal Service Funds | 26,199 | 1,492 |
| Total Governmental Activities | 75,652 | 67,037 |
| <i>Business-Type Activities:</i> | | |
| Water | - | 32,983 |
| Sewer | 18,343 | - |
| Utility Administrative Services | 5,919 | - |
| Nonmajor Enterprise Funds | 5,152 | 5,046 |
| Total Business-Type Activities | 29,414 | 38,029 |
| | \$ 105,066 | \$ 105,066 |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 11 - INTERFUND ACTIVITY (continued)

Interfund transfers for the Year Ended December 31, 2016, consisted of the following, as reported on the Fund Statements:

| Transfers Out | Transfers In | | | | | | Total |
|---------------------------------------|-----------------|----------------------|-----------------------------|---------------|---------------|---------------------------|------------------|
| | General Fund | Capital Improvements | Nonmajor Governmental Funds | Water | Sewer | Nonmajor Enterprise Funds | |
| Governmental Activities: | | | | | | | |
| General | \$ - | \$ 38,409 | \$ 700 | \$ - | \$ - | \$ - | \$ 39,109 |
| Capital Improvements | 3,000 | - | 15,499 | - | - | 1,817 | 20,316 |
| Nonmajor Governmental Funds | 246 | 468 | 225 | - | - | - | 939 |
| Total Governmental Activities | 3,246 | 38,877 | 16,424 | - | - | 1,817 | 60,364 |
| Business-Type Activities: | | | | | | | |
| Water | - | 66 | 75 | - | - | - | 141 |
| Sewer | - | - | 75 | - | - | - | 75 |
| Utility Administrative Services | - | - | - | 812 | 806 | 105 | 1,723 |
| Nonmajor Enterprise Funds | 1,322 | - | 75 | - | - | - | 1,397 |
| Total Business-Type Activities | 1,322 | 66 | 225 | 812 | 806 | 105 | 3,336 |
| Total Fund Balances | \$ 4,568 | \$ 38,943 | \$ 16,649 | \$ 812 | \$ 806 | \$ 1,922 | \$ 63,700 |

In 2016, the General Fund transferred \$38,409 into the Capital Improvement Fund. This amount represents 2016 income tax collection amounts required and authorized by Toledo Municipal Code, Toledo City Council, and the Mayor.

In 2016, the Capital Improvement Fund transferred \$3,000 to the General Fund. City of Toledo voters approved a portion of the City income tax transferred to the Capital Improvement Fund to be reallocated to the General Fund for operating expenses.

In 2016, the Nonmajor Enterprise Funds transferred \$192 to the General fund as authorized by City Council after the Erie Street Market fund was officially closed.

In 2016, the Capital Improvement Fund transferred \$17,316 to various Nonmajor Governmental and Enterprise Funds for the purpose of debt management.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 12 – FUND BALANCE

A summary of Fund Balances as of December 31, 2016 by category with specific purpose information

| | General Fund | Capital Improvements | Assessment Services | Governmental Funds | Total |
|-------------------------------|------------------|-------------------------|------------------------|-----------------------|------------------|
| Nonspendable: | | | | | |
| Prepaid Items | \$ 7 | \$ - | \$ - | \$ - | \$ 7 |
| Inventory | 1,151 | 1,147 | 2,145 | 878 | 5,321 |
| Cemetery Perpetual Care | - | - | - | 642 | 642 |
| Total Nonspendable | <u>1,158</u> | <u>1,147</u> | <u>2,145</u> | <u>1,520</u> | <u>5,970</u> |
| Restricted for: | | | | | |
| Cemetery Perpetual Care | - | - | - | 54 | 54 |
| Landfill Activities | 3,814 | - | - | - | 3,814 |
| Capital Improvements | - | 44,496 | - | - | 44,496 |
| Grant Programs | - | - | - | 13,221 | 13,221 |
| Street Projects | - | - | - | 4,281 | 4,281 |
| Special Assessments | - | - | 377 | - | 377 |
| Various Trust Purposes | - | - | - | 7,138 | 7,138 |
| Westfield Muni Public Imp TIF | - | - | - | 10,748 | 10,748 |
| Right Of Way Activities | - | - | - | 13 | 13 |
| Debt Service | - | - | - | 196 | 196 |
| Total Restricted | <u>3,814</u> | <u>44,496</u> | <u>377</u> | <u>35,651</u> | <u>84,338</u> |
| Committed to: | | | | | |
| Budget Stabilization | 4,754 | - | - | - | 4,754 |
| Cemetery Activities | - | - | - | 443 | 443 |
| General Obligation Debt | - | - | - | 1 | 1 |
| Facilities Maintenance | - | - | - | 812 | 812 |
| Various Trust Purposes | - | - | - | 37 | 37 |
| Parks and Recreation | - | - | - | 99 | 99 |
| Total Committed | <u>4,754</u> | <u>-</u> | <u>-</u> | <u>1,392</u> | <u>6,146</u> |
| Unassigned | <u>6,028</u> | <u>-</u> | <u>(62,194)</u> | <u>(18,015)</u> | <u>(74,181)</u> |
| Total Fund Balances | <u>\$ 15,754</u> | <u>\$ 45,643</u> | <u>\$ (59,672)</u> | <u>\$ 20,548</u> | <u>\$ 22,273</u> |

The City maintains a Budget Stabilization Designation (Designation) to cover unexpected revenue shortfalls and/or expenditure increases. The City did not utilize moneys in the Designation for expenditures in 2016, and consistent with its policy of adding to the Designation set forth in an ordinance passed by City 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. Withdrawals are permitted when income tax revenues for any calendar year will represent an annual growth rate which is 1.5% or more below the average annual growth rate over an economic cycle. In 2016, the General Fund designated an additional \$2,806 to the balance of the Designation.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 13 – PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., City employees) may elect the Member-Directed Plan and the Combined Plan, the majority of employee members are in OPERS’ Traditional Plan; therefore, the following disclosures focus on the Traditional Pension Plan.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 13 – PENSION PLANS (continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code (ORC). OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS’ CAFR referenced above for additional information):

| Group A | Group B | Group C |
|---|---|---|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Members not in other Groups and members hired on or after January 7, 2013 |
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

Final average salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 13 – PENSION PLANS (continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

Funding Policy—The ORC provides statutory authority for member and employer contributions. For 2016, member contribution rates were 10% of salary and employer contribution rates were 14%. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 2.0% during calendar year 2016 (see Note 14). Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$8,859 for 2016. Of this amount, \$2,157 is reported as accrued wages and benefits.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

City full-time police and firefighters participate in the Ohio Police & Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code (ORC). OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, OH 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living adjustment (COLA). The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 13 – PENSION PLANS (continued)

Plan Description – Ohio Police & Fire Pension Fund (OP&F) (continued)

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3% of their base pension or disability benefit.

Funding Policy—The ORC provides statutory authority for member and employer contributions as follows:

| | Police | Firefighters |
|---|---------|--------------|
| 2016 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2016 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | 0.50 % | 0.50 % |
| Total Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$17,888 for 2016. Of this amount, \$ 3,708 is reported as accrued wages and benefits.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 13 – PENSION PLANS (continued)

Plan Description – Ohio Police & Fire Pension Fund (OP&F) (continued)

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|--------------|-----------------|--------------|
| Proportionate Share of Net Pension Liability | \$ 101,362 | \$ 274,840 | \$ 376,202 |
| Proportion of Net Pension Liability | 0.585192% | 4.2723050% | |
| Pension Expense | \$ 13,170 | \$ 38,851 | \$ 52,021 |
| Change in Proportion | -0.000793% | 0.1637611% | |

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <u>Deferred Outflows of Resources</u> | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|------------------|------------------|-------------------|
| Net differences between projected and actual investment earnings | \$ 29,798 | \$ 44,459 | \$ 74,257 |
| Change in proportionate share | - | 7,113 | 7,113 |
| City contributions subsequent to the measurement date | <u>8,859</u> | <u>17,888</u> | <u>26,747</u> |
| | <u>\$ 38,657</u> | <u>\$ 69,460</u> | <u>\$ 108,117</u> |
| | | | |
| <u>Deferred Inflows of Resources</u> | | | |
| Differences between expected and actual experience | \$ 1,959 | \$ 772 | \$ 2,731 |
| Change in proportionate share | <u>65</u> | <u>-</u> | <u>65</u> |
| | <u>\$ 2,024</u> | <u>\$ 772</u> | <u>\$ 2,796</u> |

\$26,747 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 13 – PENSION PLANS (continued)

Plan Description – Ohio Police & Fire Pension Fund (OP&F) (continued)

| Year Ending December 31: | OPERS | OP&F | Total |
|--------------------------|------------------|------------------|------------------|
| 2017 | \$ 6,487 | \$ 12,910 | \$ 19,397 |
| 2018 | 6,964 | 12,910 | 19,874 |
| 2019 | 7,581 | 12,910 | 20,491 |
| 2020 | 6,742 | 10,616 | 17,358 |
| 2021 | - | 1,222 | 1,222 |
| Thereafter | - | 232 | 232 |
| | <u>\$ 27,774</u> | <u>\$ 50,800</u> | <u>\$ 78,574</u> |

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|---|
| Wage inflation | 3.75% |
| Future salary increases, including inflation | 4.25% to 10.05%, including wage inflation |
| COLA or Ad Hoc COLA | Pre 1/7/2013 Retirees: 3%, simple; Post 1/7/2013 Retirees: 3%, simple through 2018, then 2.80% simple |
| Investment rate of return | 8% |
| Actuarial cost method | Individual entry age |

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined health female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used set forward two years. For females, 100% of the disabled female mortality rates were used.

The most recent experience study was completed for the five-year period ended December 31, 2010.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 13 – PENSION PLANS (continued)

Actuarial Assumptions – OPERS

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2015, OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. During 2016, OPERS consolidated the health care portfolios (see Note 14). The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4% for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|-------------------|--|
| Fixed Income | 23.00% | 2.31% |
| Domestic Equities | 20.70% | 5.84% |
| Real Estate | 10.00% | 4.25% |
| Private Equity | 10.00% | 9.25% |
| International Equities | 18.30% | 7.40% |
| Other Investments | <u>18.00%</u> | <u>4.59%</u> |
| Total | <u>100.00%</u> | <u>5.27%</u> |

Discount Rate. The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 13 – PENSION PLANS (continued)

Actuarial Assumptions – OPERS

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table represents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (7%) and one-percentage point higher (9%) than the current rate:

| | 1% Decrease (7.00%) | Discount Rate of 8.00% | 1% Increase (9.00%) |
|--|------------------------|---------------------------|------------------------|
| City's proportionate share of the net pension liability | \$ 161,495 | \$ 101,362 | \$ 50,643 |

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determine amounts are subject to continual review and potential modifications, as actual results are compared with past experiences and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

| | |
|----------------------------|------------------------|
| Valuation date | January 1, 2015 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 8.25% |
| Projected salary increases | 4.25% to 11.00% |
| Payroll increases | 3.75% |
| Inflation assumptions | 3.25% |
| Cost of living adjustments | 2.60% and 3.00% simple |

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA. The most recent experience study was completed January 1, 2012.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 13 – PENSION PLANS (continued)

Actuarial Assumptions – OP&F

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2015 are summarized below:

| Asset Class | Target Allocation | 10 Year Expected Rate of Return** | 30 Year Expected Rate of Return** |
|--|----------------------|--|--|
| Cash and Cash Equivalent | 0.0% | | |
| Domestic Equity | 16.0% | 4.47% | 7.80% |
| Non-U.S. Equity | 16.0% | 4.47% | 8.00% |
| Core Fixed Income* | 20.0% | 1.62% | 5.35% |
| Global Inflation Protected Securities* | 20.0% | 1.33% | 4.73% |
| High Yield | 15.0% | 3.39% | 7.21% |
| Real Estate | 12.0% | 3.93% | 7.43% |
| Private Markets | 8.0% | 6.98% | 10.73% |
| Timber | 5.0% | 4.92% | 7.35% |
| Master Limited Partnerships | 8.0% | 7.03% | 10.75% |
| | <u>120.0%</u> | | |

Note: Assumptions are geometric. * Levered 2x; ** Numbers include inflation.

OP&F’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate. The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.25%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 13 – PENSION PLANS (continued)

Actuarial Assumptions – OP&F

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (7.25%) or one-percentage point higher (9.25%) than the current rate.

| | 1% Decrease (7.25%) | Current Discount Rate of 8.25% | 1% Increase (9.25%) |
|--|------------------------|--------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$ 362,478 | \$ 274,840 | \$ 200,603 |

NOTE 14 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016.

As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional and Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Ohio Public Employees Retirement System

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, state and local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members' contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

Actual employer contributions for 2016, 2015 and 2014 which were used to fund post-employment benefits were approximately \$1,516, \$1,376 and \$1,536, respectively.

Ohio Police and Fire Pension Fund

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Ohio Police and Fire Pension Fund

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5% of covered payroll throughout 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual contributions for 2016, 2015 and 2014 that were used to fund post-employment benefits were approximately \$430, \$444 and \$404, respectively.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 15 – RISK MANAGEMENT

Property and Liability

The City has elected pursuant to ORC §2744.08(A)(2)(a) to use public funds for the purpose of handling third-party property losses and liabilities in lieu of purchasing general municipality liability insurance. Although \$4,300 current liability exists in the general fund, claims activity is generally accounted for within the Risk Management Fund, which derives revenue on a pro-rata basis from other City funds to cover liability losses. Settled claims have not materially exceeded coverage in any of the last three years, and the City added coverage through new policies in 2016, without significant reduction in coverage from the prior year policies. In addition, the City has the ability to issue general obligation bonds to pay final judgments that may arise.

Changes in the claim liability amount in 2014, 2015 and 2016 for Risk Management and the General Fund were:

| Year | Beginning Balance | Current Year Claims & Change in Estimate | Claims/ Payments | Ending Balance |
|------|----------------------|--|---------------------|-------------------|
| 2014 | \$ 1,560 | \$ 2,120 | \$ 2,120 | \$ 1,560 |
| 2015 | 1,560 | 5,004 | 2,004 | 4,560 |
| 2016 | 4,560 | 2,684 | 1,744 | 5,500 |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 15 – RISK MANAGEMENT (continued)

Property and Liability (continued)

The City is fully insured through premium-based insurance policies for all other types of insurance. In 2016, the City contracted with various insurance companies to provide the following coverage:

| | <u>Coverage</u> (in Whole Dollars) | <u>Deductible</u> (in Whole Dollars) |
|---|---------------------------------------|---|
| Property Policy for the City | \$ 600,000,000 | \$ 250,000 |
| Accident/Liability Policy - Intern Program | 25,000 | |
| Accident/Liability Policy - Youth Commission | 25,000 | - |
| Accident/Liability Policy - Adult Probation Program | 25,000 | - |
| Accident/Liability Policy- Mobil Speedvan | 1,000,000 | 500 |
| Boat Policy (Swan Creek & Trailer) | 1,000,000 | 1,000 |
| BUSTR/Cleanup for Underground Fuel Tanks | Total cost of cleanup | 50,000 |
| Commercial Liability for The Unique Center | 1,000,000 | 5,000 |
| Commercial/Liquor for Erie Street Market | 7,000,000 | 500 |
| Crime Policy for the City | 3,000,000 | 75,000 |
| Crime Policy for the Toledo Police | 1,000,000 | 50,000 |
| Crime Policy for Toledo Clerk of Courts | 3,000,000 | 50,000 |
| Employee Tool Insurance | 211,000 | 500 |
| Fine Arts Policy for Blair Museum | 1,000,000 | 1,000 |
| Hull/Liability Policy for Helicopter | 10,000,000 | 10,000 |
| Museum Place Apartments | 1,000,000 | - |
| Ocean Marine Policy (Hanson) | 1,000,000 | 1,000 |
| Ocean Marine Policy (Sounder) | 1,000,000 | 1,000 |
| Ocean Marine Policy (Sea Ark) | 1,000,000 | 500 |
| Ocean Marine Policy (Zodiac) | 1,000,000 | 500 |
| Professional Liability for TMC | 10,000,000 | - |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 15 – RISK MANAGEMENT (continued)

Workers' Compensation

The City takes advantage of workers' compensation plans offered by the State of Ohio. The current plan, is a Group Retrospective Rating Plan and has been in effect since 2016. Group Retrospective Rating is a performance based incentive program designed to recover a portion of premium for employers that reduce injury rates and lower claims costs. Participating employers receive refunds or pay assessments based on the performance of the group. The 2015 plan, called Merit Rating or an Experience Rating Plan, allows the City to take advantage rebates through the Destination Excellence program, which enabled the City to receive credits for a percentage of premiums paid based on fulfilling the requirements of each program.

In contrast to the Individual Retrospective Rating program previously utilized, the Group Retrospective and the Experience plans have no dollar for dollar liability. Claim costs are paid by the Ohio Bureau of Workers' Compensation (BWC) and those costs are used to calculate an annual insurance premium established by BWC.

The City participated in Individual Retrospective Rating from January 2006 through December 2014 and retains liability for claims incurred during those years. In the Retrospective Rating plan, the City agreed to assume a portion of the risk in return for a reduction in premium. The greater the percentage of risk the City assumed, the greater the reduction in the premium. If the City's loss experience is better than predicted by the experience-rating system, its total obligation will be less than what it would have paid under experience rating. If its experience is worse than predicted, its total obligation will be more than it would have been assessed under experience rating, limited to a maximum premium. The City has assumed the risk of individual claims up to a maximum of \$300,000.

The City has agreed to pay all claims up to a maximum of 200% of what the City would have paid had the City remained an experience-rated risk. Claims exceeding these limits will be paid by the BWC. Ten years after each year the City elected the retrospective plan for workers' compensation, the City settles reserves (if any) on claims that are still open. The City has established a Workers' Compensation Internal Service Fund to account for and finance its uninsured risks of loss in the program.

The claims liability of \$7,000 reported at December 31, 2016 was determined after review of the City's actuarial report provided by a third party actuary. This estimate complies with GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, as amended by GASB Statement No. 30, Risk Financing Omnibus, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling claims. The liability is reported as a current liability in the Statement of Net Position for the Internal Service Funds. The liability was adjusted significantly in 2016 to reflect a substantial reduction in claim liability, primarily as a result of the sub-contracting of the City's refuse workers beginning in 2011, additional safety training, better claims management, and the implantation of changes related to worker safety based upon training provided by the Safety Council of Northwest Ohio. The liability is associated with the Individual Retrospective Rating plan, and the City expects this liability to gradually decrease until eliminated entirely in the year 2024, the final year for which the City is required to make a payment to the BWC under the Individual Retrospective Rating Plan.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 15 – RISK MANAGEMENT (continued)

Workers' Compensation (continued)

Changes in the Workers' Compensation claim liability amount in 2014, 2015 and 2016 were:

| Year | Beginning Balance | Claims and Changes in Estimate | Claims/ Payments | Ending Balance |
|------|----------------------|--------------------------------------|---------------------|-------------------|
| 2014 | \$ 16,198 | \$ 5,059 | \$ 5,059 | \$16,198 |
| 2015 | 16,198 | (1,068) | 5,130 | 10,000 |
| 2016 | 10,000 | 3,132 | 6,132 | 7,000 |

Health Insurance

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

Changes in the Health Insurance's claim liability amount in 2014, 2015 and 2016 were:

| Year | Beginning Balance | Claims and Changes in Estimate | Claims/ Payments | Ending Balance |
|------|----------------------|--------------------------------------|---------------------|-------------------|
| 2014 | \$ 2,760 | \$ 19,746 | \$ 19,717 | \$ 2,789 |
| 2015 | 2,789 | 21,902 | 20,937 | 3,754 |
| 2016 | 3,754 | 20,615 | 20,382 | 3,987 |

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 16 – ACCOUNTABILITY AND COMPLIANCE

Fund Balance Deficits

The following deficit fund balances existed at December 31, 2016:

| | |
|--------------------------------------|-----------|
| <i>Governmental Funds:</i> | |
| Special Assessment Services Fund | \$ 59,672 |
| <i>Non-Major Governmental Fund:</i> | |
| Special Assessment Improvements Fund | 1,819 |
| Jeep Muni Public Imp TIF | 16,196 |
| <i>Proprietary Funds:</i> | |
| <i>Non-Major Enterprise Fund:</i> | |
| Property Management Fund | 8,903 |

These deficits will be eliminated by future charges for services, reduction of expenditures or future bond sales, where appropriate. The Jeep Muni Public Imp TIF receives payments in lieu of taxes, with its deficit due and payable to the Capital Improvement fund.

NOTE 17 - CONTINGENCIES

Litigation

The City is a party to various legal proceedings seeking damages or injunctive or other relief generally incidental to its operations for which it reserves resources. Those proceedings are unrelated to any outstanding City debt or the security therefore. The ultimate disposition of those proceedings is not now determinable, but based on the aforementioned will not, in the opinion of the City's Director of Law, have a material adverse effect on any outstanding City debt or the security therefore.

Under current Ohio law, City moneys, accounts and investments are not subject to attachment to satisfy tort judgments against the City in State courts. Current Ohio law also permits the City to reduce its fiscal responsibility in tort liability by deducting all appropriate health benefits, insurance benefits (including uninsured and underinsured motorists' coverage) and/or other benefits which a claimant may be entitled to receive due to injury or other loss. The City does not maintain a policy of liability insurance or a self-insurance fund, or participate in any self-insurance program or pool to satisfy tort liability claims. The City has satisfied in the past, and continues to satisfy, its general, motor vehicle, police, fire and emergency medical services tort liability (after deducting amounts available from any available collateral source) by relying on tax receipts and other available City revenues.

Based on historical experience and its evaluation of pending claims, the City believes that the amount available from those sources and unencumbered at December 31, 2016 and at the date of this Statement, is sufficient to meet the claims and judgments that may arise in 2017. In addition, the City has the right to issue general obligation bonds, maturing over a maximum period of 25 years, and notes in anticipation of those bonds, to pay any final judgments which may be entered against it.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 17 – CONTINGENCIES (continued)

Grants

In 2016, the City received Federal, State and Local grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 18 – PRIOR PERIOD ADJUSTMENTS

Fund restatements occurred to reflect the reversal of a series of fund transfers into the General Obligation Debt fund for the Fiscal Year ended December 31, 2011, and to establish the *FranklinPk/Westfield Muni Public Imp TIF* and the *Jeep Muni Public Imp TIF* funds as separate and distinct funds from the *Capital Improvement* fund.

FranklinPk/Westfield Muni Public Imp TIF – The Municipal Public Improvement Tax Increment Equivalent Fund established by Ordinance 810-04 in the year 2004 that relates to the Franklin Park/Westfield Mall area is presented as a capital improvement fund and alluded to as *FranklinPk/Westfield Muni Public Imp TIF* in the City's financial statements. The activity of the *FranklinPk/Westfield Muni Public Imp TIF* fund was previously reflected within the *Capital Improvement* fund, and the fund balance is restated to \$8,784 as of 1-1-2016 for activity from 2004 through 2015.

Jeep Muni Public Imp TIF – The Municipal Public Improvement Tax Increment Equivalent Fund established by Ordinance 1223-98 in the year 1998 is presented as a bond retirement fund and alluded to as the *Jeep Muni Public Imp TIF* in the City's financial statements. The activity of the *Jeep Muni Public Imp TIF* fund was previously reflected within the *Capital Improvement* fund, and the fund balance is restated to (\$15,861) as of 1-1-2016 for activity from 1998 through 2015.

Workers' Compensation – The effect of a transfer out of the *Workers' Compensation* fund in the amount of \$2,448 to the *General Obligation Debt* fund in 2011 was eliminated, changing the original 1-1-2016 *Workers' Compensation* net position from \$1,727 to \$4,175.

General Obligation Debt – The effects of two 2011 transfers in were eliminated, resulting in a reduction in the overall *General Obligation Debt* fund balance. In addition to the elimination of the transfer in of \$2,448 to the *Workers' Compensation* Fund, an additional \$5,593 was also eliminated from the *Capital Improvement* fund in order to comply with the amount of authorized transfers for the fiscal year ended December 31, 2011.

Capital Improvement Fund – The *Capital Improvement* fund was restated to \$35,330 as of 1-1-2016 from \$22,660. The changes reflect the reduction of fund balance held by the *FranklinPk/Westfield Muni Public Imp TIF* fund of \$8,784; the addition of \$15,861 to unsubsidized the *Jeep Muni Public Imp TIF*, and the addition of \$5,593, reflecting the reversal of unauthorized 2011 transfer amounts to the *General Obligation Debt* fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(Amounts in Thousands)

NOTE 18 – PRIOR PERIOD ADJUSTMENTS (continued)

A summary of prior period adjustments is listed in the table below:

| <u>Description</u> | <u>Capital Improvement</u> | <u>FranklinPk/ Westfield Muni Public Imp TIF</u> | <u>Jeep Muni Public Imp TIF</u> | <u>Workers' Compensation</u> | <u>General Obligation Debt</u> |
|--------------------------------------|--------------------------------|--|---|----------------------------------|--|
| Fund Balance, as Previously Reported | \$ 22,660 | \$ - | \$ - | \$ 1,727 | \$ 8,756 |
| Increase/(Decrease) | 15,861 | - | (15,861) | - | - |
| Increase/(Decrease) | 5,593 | - | - | - | (5,593) |
| Increase/(Decrease) | <u>(8,784)</u> | <u>8,784</u> | <u>-</u> | <u>2,448</u> | <u>(2,448)</u> |
| Fund Balance, Restated | <u>\$ 35,330</u> | <u>\$ 8,784</u> | <u>\$ (15,861)</u> | <u>\$ 4,175</u> | <u>\$ 715</u> |

NOTE 19 – SUBSEQUENT EVENTS

On February 7, 2017, the City Council passed an agreement to accept loan proceeds of \$ \$10.3 million from the Ohio Environmental Protection Agency Water Pollution Control Loan Fund for the Swan Creek North Sewer Separation Project.

On February 7, 2017, the City Council passed an agreement to accept grant and loan proceeds of \$2.4 million from the Ohio Public Works Commission for the Swan Creek North Sewer Separation Project.

On April 18, 2017, the City Council passed an agreement to accept loan proceeds of \$ \$75.7 million from the Ohio Environmental Protection Agency Water Pollution Control Loan Fund for the Downtown CSO Storage Basin Project.

Lucas County filed an appeal of the decision in favor of Toledo in the litigation surrounding incarceration costs. The parties briefed the Court of Appeals and the matter is decisional. Recently, the Corrections Center of NW Ohio (CCNO) filed a new suit seeking to recover costs allegedly owed by the City under the now terminated agreement between the City and CCNO. The City has filed a motion to dispose of the case and is prepared to defend the case vigorously should the case not be dismissed. Meanwhile, a permanent and mutually agreeable resolution remains under consideration and negotiation.

This page intentionally left blank.

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Toledo, Ohio

General Fund and Special Assessment Services Fund

General Fund – This fund serves as the chief operating fund of the City, 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.

Page Intentionally Left Blank

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with</u> |
|---|-------------------------|-----------------|------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| REVENUES | | | | |
| Income taxes | \$ 170,700 | \$ 170,700 | \$ 175,679 | \$ 4,979 |
| Property taxes | 11,200 | 11,200 | 9,906 | (1,294) |
| Licenses and permits | 2,679 | 2,679 | 2,868 | 189 |
| Intergovernmental services | 15,275 | 15,275 | 17,541 | 2,266 |
| Charges for services | 29,748 | 29,748 | 28,308 | (1,440) |
| Investment earnings | 261 | 261 | 230 | (31) |
| Fines and forfeitures | 5,840 | 5,840 | 7,511 | 1,671 |
| Other revenue | 2,947 | 2,947 | 2,659 | (288) |
| Total revenues | <u>238,650</u> | <u>238,650</u> | <u>244,702</u> | <u>6,052</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 25,756 | 25,756 | 23,814 | 1,942 |
| Public service | 2,020 | 2,020 | 1,658 | 362 |
| Public safety | 173,009 | 173,009 | 166,076 | 6,933 |
| Public utilities | - | - | - | - |
| Community environment | 5,230 | 5,227 | 4,414 | 813 |
| Health | 6,013 | 6,013 | 5,277 | 736 |
| Parks and recreation | 2,894 | 2,897 | 2,619 | 278 |
| Debt service: | | | | |
| Principal retirement | 594 | 594 | 594 | - |
| Interest and fiscal charges | 132 | 132 | 97 | 35 |
| Total expenditures | <u>215,648</u> | <u>215,648</u> | <u>204,549</u> | <u>11,099</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>23,002</u> | <u>23,002</u> | <u>40,153</u> | <u>17,151</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 12,659 | 12,659 | 4,568 | (8,091) |
| Transfers out | (38,161) | (38,161) | (39,109) | (948) |
| Proceeds from sale of capital assets | 2,500 | 2,500 | | (2,500) |
| Total other financing sources (uses) | <u>(23,002)</u> | <u>(23,002)</u> | <u>(34,541)</u> | <u>(11,539)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 5,612 | <u>\$ 5,612</u> |
| Fund balance at beginning of year | | | 10,178 | |
| Increase (decrease) for inventory | | | (36) | |
| Fund balance at year end | | | <u>\$ 15,754</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with</u> |
|---|-------------------------|-------------------|--------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>(Negative)</u> |
| REVENUES | | | | |
| Special assessments | \$ 27,565 | \$ 27,565 | \$ 30,255 | \$ 2,690 |
| Charges for services | 750 | 750 | 153 | (597) |
| Investment earnings | 10 | 10 | 31 | 21 |
| Other revenue | 26 | 26 | 25 | (1) |
| Total revenues | <u>28,351</u> | <u>28,351</u> | <u>30,464</u> | <u>2,113</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 741 | 741 | 554 | 187 |
| Public service | 30,375 | 30,040 | 25,697 | 4,343 |
| Health | 752 | 752 | 602 | 150 |
| Parks and recreation | 349 | 349 | 180 | 169 |
| Capital outlay | 10 | 345 | 260 | 85 |
| Debt service: | | | | |
| Principal retirement | 19,500 | 19,500 | - | 19,500 |
| Interest and fiscal charges | 486 | 486 | 320 | 166 |
| Total expenditures | <u>52,213</u> | <u>52,213</u> | <u>27,613</u> | <u>24,600</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(23,862)</u> | <u>(23,862)</u> | <u>2,851</u> | <u>26,713</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | 20,000 | 20,000 | - | (20,000) |
| Total other financing sources (uses) | <u>20,000</u> | <u>20,000</u> | <u>-</u> | <u>(20,000)</u> |
| Net change in fund balance | <u>\$ (3,862)</u> | <u>\$ (3,862)</u> | <u>2,851</u> | <u>\$ 6,713</u> |
| Fund balance (deficit) at beginning of year | | | (60,593) | |
| Increase (decrease) for inventory | | | (1,930) | |
| Fund balance (deficit) at year end | | | <u>\$ (59,672)</u> | |

City of Toledo, Ohio
Notes to the Required Supplementary Information
December 31, 2016

Annual Budget Process

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

The City's budgetary process is as follows:

Budget

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

Estimated Resources

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

Appropriations

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

Budgetary Level of Control

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

City of Toledo, Ohio
Notes to the Required Supplementary Information
December 31, 2016

Annual Budget Process (continued)

Encumbrances

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

Lapsing of Appropriations

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

City of Toledo, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Three Measurement Years (1)
(Amounts in Thousands)

Ohio Public Employees Retirement System - Traditional Pension Plan

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability | 0.585192% | 0.585985% | 0.585985% |
| City's Proportionate Share of the Net Pension Liability | \$ 101,362 | \$ 70,676 | \$ 69,078 |
| City's Covered-Employee Payroll | \$ 64,392 | \$ 71,842 | \$ 62,938 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll | 157.41% | 98.38% | 109.75% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 81.08% | 86.45% | 86.36% |

Ohio Police and Fire Pension Fund

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability | 4.2723050% | 4.1085439% | 4.1085439% |
| City's Proportionate Share of the Net Pension Liability | \$ 274,840 | \$ 212,840 | \$ 200,099 |
| City's Covered-Employee Payroll | \$ 91,976 | \$ 84,450 | \$ 81,411 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll | 298.82% | 252.03% | 245.79% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 66.77% | 72.20% | 73.00% |

(1) - Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior fiscal year end.

City of Toledo, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Pension Plan
Last Four Years (1)
(Amounts in Thousands)

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|----------------|----------------|----------------|----------------|
| Contractually Required Contribution | \$ 8,859 | \$ 7,727 | \$ 8,621 | \$ 8,182 |
| Contributions in Relation to the Contractually Required Contribution | <u>(8,859)</u> | <u>(7,727)</u> | <u>(8,621)</u> | <u>(8,182)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered-Employee Payroll | \$ 73,825 | \$ 64,392 | \$ 71,842 | \$ 62,938 |
| Contributions as a Percentage of Covered-Employee Payroll | 12.00% | 12.00% | 12.00% | 13.00% |

(1) - Information prior to 2013 is not available.

City of Toledo, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Four Years (1)
(Amounts in Thousands)

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-----------------|-----------------|-----------------|-----------------|
| Contractually Required Contribution | \$ 17,888 | \$ 18,478 | \$ 17,194 | \$ 13,905 |
| Contributions in Relation to the Contractually Required Contribution | <u>(17,888)</u> | <u>(18,478)</u> | <u>(17,194)</u> | <u>(13,905)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered-Employee Payroll | \$ 89,039 | \$ 91,976 | \$ 84,450 | \$ 81,411 |
| Contributions as a Percentage of Covered-Employee Payroll | 20.09% | 20.09% | 20.36% | 17.08% |

(1) - Information prior to 2013 is not available.

Page Intentionally Left Blank

**SUPPLEMENTARY
INFORMATION**

City of Toledo, Ohio

Other Governmental Funds

Page Intentionally Left Blank

City of Toledo, Ohio

Nonmajor Special Revenue Funds

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

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

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

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

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

Golf Improvements - To account for all proper maintenance, operation, improvement and construction of municipal golf courses in the City for which a fee is charged; and all appropriations therefrom shall be made for only such purpose.

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

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

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

Expendable Trusts – To account for monies donated in trust to the City. Expenditures of the forty-eight individual trust funds in existence as of December 31 controlled by reference to individual trust balances maintained in subsidiary records. Also, to include special revenue source restricted for Municipal Court and Demolition operations.

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

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

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

Page Intentionally Left Blank

City of Toledo, Ohio

Nonmajor Debt Service Funds

General Obligation - To account for funds accumulating for the payment of principal and interest of general obligation debt secured by a pledge of the full faith and credit and general taxing power of the City.

Special Assessment – Bonds that are long term debt acquired to pay for specific improvement benefits like sidewalks, water and lighting. The property owners who benefited are ultimately responsible for the repayment.

Jeep Muni Public Imp TIF – This is the Municipal Public Improvement Tax Increment Equivalent fund established by Ordinance 1223-98 on December 8th, 1998 that collects payments in lieu of taxes while accounting for the City's costs associated with public improvements associated with the Jeep Project.

City of Toledo, Ohio

Nonmajor Enterprise Funds

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

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

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

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

Erie Street Market – To account for the revenues and expenses of the operations of the downtown Erie Street Market, which the City of Toledo assumed in 2007. This fund was closed in 2016.

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

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

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | Special Revenue | Debt Service | Capital Projects | Permanent Funds | Total Nonmajor Funds |
|---|--------------------|--------------------|---------------------|--------------------|-------------------------|
| REVENUES | | | | | |
| Income Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property Taxes | - | - | - | - | - |
| Special Assessments | - | 23 | 171 | - | 194 |
| Licenses and Permits | 2 | - | - | - | 2 |
| Intergovernmental Services | 12,485 | 3,091 | 2,035 | - | 17,611 |
| Charges for Services | 865 | - | - | - | 865 |
| Investment Earnings | 4 | - | - | - | 4 |
| Fines and Forfeitures | 1,602 | - | - | - | 1,602 |
| Grants | 14,675 | - | - | - | 14,675 |
| Other Revenue | 4,590 | - | - | - | 4,590 |
| Total Revenues | <u>34,223</u> | <u>3,114</u> | <u>2,206</u> | <u>-</u> | <u>39,543</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 174 | - | - | - | 174 |
| Public Service | 12,178 | - | - | - | 12,178 |
| Public Safety | 4,105 | - | - | - | 4,105 |
| Public Utilities | 30 | - | - | - | 30 |
| Community Environment | 14,785 | - | - | - | 14,785 |
| Health | 1,286 | - | - | - | 1,286 |
| Parks and Recreation | 14 | - | - | - | 14 |
| Capital Outlay | 205 | - | 165 | - | 370 |
| Debt Service: | | | | | |
| Principal Retirement | - | 14,023 | - | - | 14,023 |
| Interest and Fiscal Charges | - | 5,627 | 43 | - | 5,670 |
| Debt Issuance Costs | - | - | - | - | - |
| Total Expenditures | <u>32,777</u> | <u>19,650</u> | <u>208</u> | <u>-</u> | <u>52,635</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | 1,446 | (16,536) | 1,998 | - | (13,092) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 1,151 | 15,498 | - | - | 16,649 |
| Transfers (Out) | (939) | - | - | - | (939) |
| Capital Lease Proceeds | - | - | - | - | - |
| Issuance of Bonds | - | - | - | - | - |
| Premium on Bonds | - | - | - | - | - |
| Proceeds from Sale of Capital Assets | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>212</u> | <u>15,498</u> | <u>-</u> | <u>-</u> | <u>15,710</u> |
| Net Change in Fund Balance | 1,658 | (1,038) | 1,998 | - | 2,618 |
| Fund Balance (Deficit) at Beginning of Year | 25,228 | (14,961) * | 6,931 * | 696 | 17,894 |
| Increase (Decrease) for Inventory | 36 | - | - | - | 36 |
| Fund Balance (Deficit) at Year End | <u>\$ 26,922</u> | <u>\$ (15,999)</u> | <u>\$ 8,929</u> | <u>\$ 696</u> | <u>\$ 20,548</u> |

* Restatement, See Note 18

City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2016
(Amounts in Thousands)

| | <u>Federal Block Grants</u> | <u>Operation Grants</u> | <u>Urban Development Action Grants</u> | <u>Street Construction Maintenance and Repair</u> | <u>Cemetery Maintenance</u> | <u>Golf Improvements</u> | <u>Parkland Replacement</u> |
|---|-------------------------------------|-----------------------------|--|---|---------------------------------|------------------------------|---------------------------------|
| ASSETS | | | | | | | |
| Cash and Equivalents: | | | | | | | |
| Cash and Equivalents with Treasurer | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash and Equivalents Held by Escrow Agent | - | - | - | - | - | - | - |
| Cash and Equivalents Other | 1 | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - | - |
| Restricted Investments | - | - | - | - | - | - | - |
| Receivables (Net of Allowance) | 2,461 | 2,959 | - | 164 | - | - | 16 |
| Due From Other: | | | | | | | |
| Funds | 426 | 8,783 | 688 | 3,261 | 26 | 413 | 327 |
| Governments | 564 | 695 | - | 3,641 | - | - | - |
| Prepaid Items | - | - | - | - | - | - | - |
| Inventory of Supplies | - | - | - | 870 | - | - | - |
| Total Assets | <u>3,452</u> | <u>12,437</u> | <u>688</u> | <u>7,936</u> | <u>26</u> | <u>413</u> | <u>343</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable | 725 | 804 | - | 93 | 1 | - | - |
| Deposits | 1,332 | 141 | - | - | - | - | - |
| Retainage | - | - | - | - | - | - | - |
| Due To Other: | | | | | | | |
| Funds | - | - | - | - | - | - | - |
| Governments | - | - | - | - | - | - | - |
| Accrued Wages and Benefits | 77 | 37 | - | 147 | - | - | - |
| Other Current Liabilities | - | - | - | - | - | - | - |
| Compensated Absences Payable | - | - | - | 1 | - | - | - |
| Notes Payable | - | - | - | - | - | - | - |
| Total Liabilities | <u>2,134</u> | <u>982</u> | <u>-</u> | <u>241</u> | <u>1</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources: | | | | | | | |
| Revenues Levied for the next year and Unavailable Revenue | 227 | 559 | - | 2,544 | - | - | - |
| Fund Balances: | | | | | | | |
| Nonspendable | - | - | - | 870 | - | - | - |
| Restricted | 1,091 | 10,896 | 688 | 4,281 | - | - | - |
| Committed | - | - | - | - | 25 | 413 | 343 |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total Fund Balances | <u>1,091</u> | <u>10,896</u> | <u>688</u> | <u>5,151</u> | <u>25</u> | <u>413</u> | <u>343</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 3,452</u> | <u>\$ 12,437</u> | <u>\$ 688</u> | <u>\$ 7,936</u> | <u>\$ 26</u> | <u>\$ 413</u> | <u>\$ 343</u> |

(Continued)

City of Toledo, Ohio
Combining Balance Sheets
Nonmajor Governmental Funds
Special Revenue Funds
December 31, 2016
(Amounts in Thousands)

| (Continued) | Cemeteries Property | | | | | | |
|--|---------------------------------|-----------------------|----------------------|----------------------|------------------------|-----------------|--------------------------------|
| ASSETS | Acquisition Site Development | Marina Development | Expendable Trusts | Toledo City Parks | Toledo Home Program | Right Of Way | Total Special Revenue Funds |
| Cash and Equivalents: | | | | | | | |
| Cash and Equivalents with Treasurer | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash and Equivalents Held by Escrow Agent | - | - | - | - | - | - | - |
| Cash and Equivalents Other | - | 1 | - | - | - | - | 2 |
| Investments | - | - | 37 | - | - | - | 37 |
| Restricted Investments | - | - | - | - | - | - | - |
| Receivables (Net of Allowance) | - | 4 | 2,284 | - | 1,235 | - | 9,123 |
| Due From Other: | | | | | | | |
| Funds | 418 | 58 | 5,566 | 99 | - | 13 | 20,078 |
| Governments | - | - | - | - | 115 | - | 5,015 |
| Prepaid Items | - | - | - | - | - | - | - |
| Inventory of Supplies | - | - | 8 | - | - | - | 878 |
| Total Assets | 418 | 63 | 7,895 | 99 | 1,350 | 13 | 35,133 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable | - | 5 | 294 | - | 133 | - | 2,055 |
| Deposits | - | - | 373 | - | - | - | 1,846 |
| Retainage | - | - | - | - | - | - | - |
| Due To Other: | | | | | | | |
| Funds | - | - | - | - | 553 | - | 553 |
| Governments | - | - | - | - | - | - | - |
| Accrued Wages and Benefits | - | 2 | 6 | - | 3 | - | 272 |
| Other Current Liabilities | - | - | - | - | - | - | - |
| Compensated Absences Payable | - | - | 39 | - | - | - | 40 |
| Notes Payable | - | - | - | - | - | - | - |
| Total Liabilities | - | 7 | 712 | - | 689 | - | 4,766 |
| Deferred Inflows of Resources: | | | | | | | |
| Revenues Levied for the next year and Unavailable Revenue | - | - | - | - | 115 | - | 3,445 |
| Fund Balances: | | | | | | | |
| Nonspendable | - | - | 8 | - | - | - | 878 |
| Restricted | - | - | 7,138 | - | 546 | 13 | 24,653 |
| Committed | 418 | 56 | 37 | 99 | - | - | 1,391 |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total Fund Balances | 418 | 56 | 7,183 | 99 | 546 | 13 | 26,922 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$ 418 | \$ 63 | \$ 7,895 | \$ 99 | \$ 1,350 | \$ 13 | \$ 35,133 |

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | Federal Block Grants | Operation Grants | Urban Development Action Grants | Street Construction Maintenance and Repair | Cemetery Maintenance | Golf Improvements | Parkland Replacement |
|---|----------------------------|---------------------|--|---|-------------------------|----------------------|-------------------------|
| REVENUES | | | | | | | |
| Income Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property Taxes | - | - | - | - | - | - | - |
| Special Assessments | - | - | - | - | - | - | - |
| Licenses and Permits | - | 1 | - | 1 | - | - | - |
| Intergovernmental Services | - | - | - | 12,485 | - | - | - |
| Charges for Services | - | - | - | 3 | 4 | 250 | 18 |
| Investment Earnings | - | - | - | - | 2 | - | - |
| Fines and Forfeitures | - | - | - | 135 | - | - | - |
| Grants | 5,865 | 7,536 | - | - | - | - | - |
| Other Revenue | 325 | 260 | - | 8 | - | - | 10 |
| Total Revenues | 6,190 | 7,797 | - | 12,632 | 6 | 250 | 28 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General Government | - | - | - | 134 | - | - | - |
| Public Service | - | 142 | - | 12,036 | - | - | - |
| Public Safety | - | 2,622 | - | 115 | - | - | - |
| Public Utilities | - | 30 | - | - | - | - | - |
| Community Environment | 6,303 | 3,960 | - | 13 | - | - | - |
| Health | - | 1,242 | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - | - |
| Capital Outlay | - | 28 | - | 55 | - | - | - |
| Debt Service: | | | | | | | |
| Principal Retirement | - | - | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - | - | - |
| Debt Issuance Costs | - | - | - | - | - | - | - |
| Total Expenditures | 6,303 | 8,024 | - | 12,353 | - | - | - |
| Excess (Deficiency) of Revenues over (under) Expenditures | (113) | (227) | - | 279 | 6 | 250 | 28 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers In | - | - | - | 926 | - | - | - |
| Transfers (Out) | (16) | - | - | (452) | - | (246) | - |
| Capital Lease Proceeds | - | - | - | - | - | - | - |
| Issuance of Bonds | - | - | - | - | - | - | - |
| Premium on Bonds | - | - | - | - | - | - | - |
| Proceeds from Sale of Capital Assets | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (16) | - | - | 474 | - | (246) | - |
| Net Change in Fund Balance | (129) | (227) | - | 753 | 6 | 4 | 28 |
| Fund Balance (Deficit) at Beginning of Year | 1,220 | 11,123 | 688 | 4,369 | 19 | 409 | 315 |
| Increase (Decrease) for Inventory | - | - | - | 29 | - | - | - |
| Fund Balance (Deficit) at Year End | \$ 1,091 | \$ 10,896 | \$ 688 | \$ 5,151 | \$ 25 | \$ 413 | \$ 343 |

(Continued)

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended December 31, 2016
(Amounts in Thousands)

| (Continued) | Cemeteries Property Acquisition Site Development | Marina Development | Expendable Trusts | Toledo City Parks | Toledo Home Program | Right Of Way | Total Special Revenue Funds |
|---|---|-----------------------|----------------------|----------------------|------------------------|-----------------|--------------------------------|
| REVENUES | | | | | | | |
| Income Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property Taxes | - | - | - | - | - | - | - |
| Special Assessments | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | 2 |
| Intergovernmental Services | - | - | - | - | - | - | 12,485 |
| Charges for Services | 16 | 14 | 560 | - | - | - | 865 |
| Investment Earnings | - | - | 2 | - | - | - | 4 |
| Fines and Forfeitures | - | - | 1,467 | - | - | - | 1,602 |
| Grants | - | - | 41 | - | 1,233 | - | 14,675 |
| Other Revenue | - | - | 3,953 | - | 32 | 2 | 4,590 |
| Total Revenues | <u>16</u> | <u>14</u> | <u>6,023</u> | <u>-</u> | <u>1,265</u> | <u>2</u> | <u>34,223</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General Government | - | - | 40 | - | - | - | 174 |
| Public Service | - | - | - | - | - | - | 12,178 |
| Public Safety | - | - | 1,368 | - | - | - | 4,105 |
| Public Utilities | - | - | - | - | - | - | 30 |
| Community Environment | - | - | 3,164 | - | 1,345 | - | 14,785 |
| Health | - | - | 44 | - | - | - | 1,286 |
| Parks and Recreation | - | 6 | 8 | - | - | - | 14 |
| Capital Outlay | - | - | 122 | - | - | - | 205 |
| Debt Service: | | | | | | | |
| Principal Retirement | - | - | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - | - | - |
| Debt Issuance Costs | - | - | - | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>6</u> | <u>4,746</u> | <u>-</u> | <u>1,345</u> | <u>-</u> | <u>32,777</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | 16 | 8 | 1,277 | - | (80) | 2 | 1,446 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers In | - | - | - | - | - | 225 | 1,151 |
| Transfers (Out) | - | - | - | - | - | (225) | (939) |
| Capital Lease Proceeds | - | - | - | - | - | - | - |
| Issuance of Bonds | - | - | - | - | - | - | - |
| Premium on Bonds | - | - | - | - | - | - | - |
| Proceeds from Sale of Capital Assets | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>212</u> |
| Net Change in Fund Balance | 16 | 8 | 1,277 | - | (80) | 2 | 1,658 |
| Fund Balance (Deficit) at Beginning of Year | 402 | 48 | 5,899 | 99 | 626 | 11 | 25,228 |
| Increase (Decrease) for Inventory | - | - | 7 | - | - | - | 36 |
| Fund Balance (Deficit) at Year End | <u>\$ 418</u> | <u>\$ 56</u> | <u>\$ 7,183</u> | <u>\$ 99</u> | <u>\$ 546</u> | <u>\$ 13</u> | <u>\$ 26,922</u> |

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Debt Service Funds
December 31, 2016
(Amounts in Thousands)

| | <u>Jeep Muni Public Imp TIF</u> | <u>General Obligation</u> | <u>Special Assessment</u> | <u>Total Debt Service Funds</u> |
|---|---|-------------------------------|-------------------------------|---|
| ASSETS | | | | |
| Cash and Equivalents: | | | | |
| Cash and Equivalents with Treasurer | \$ - | \$ - | \$ - | \$ - |
| Cash and Equivalents Held by Escrow Agent | - | - | - | - |
| Cash and Equivalents Other | - | - | - | - |
| Investments | - | - | - | - |
| Restricted Investments | - | - | - | - |
| Receivables (Net of Allowance) | - | - | 74 | 74 |
| Due From Other: | - | - | - | - |
| Funds | - | 1 | 196 | 197 |
| Governments | - | - | - | - |
| Prepaid Items | - | - | - | - |
| Inventory of Supplies | - | - | - | - |
| Total Assets | <u>-</u> | <u>1</u> | <u>270</u> | <u>271</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | - | - | - | - |
| Deposits | - | - | - | - |
| Retainage | - | - | - | - |
| Due To Other: | - | - | - | - |
| Funds | 16,196 | - | - | 16,196 |
| Governments | - | - | - | - |
| Accrued Wages and Benefits | - | - | - | - |
| Other Current Liabilities | - | - | - | - |
| Compensated Absences Payable | - | - | - | - |
| Notes Payable | - | - | - | - |
| Total Liabilities | <u>16,196</u> | <u>-</u> | <u>-</u> | <u>16,196</u> |
| Deferred Inflows of Resources: | | | | |
| Revenues Levied for the next year and Unavailable Revenue | - | - | 74 | 74 |
| Fund Balances: | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | - | 196 | 196 |
| Committed | - | 1 * | - | 1 |
| Assigned | - | - | - | - |
| Unassigned | (16,196) * | - | - | (16,196) |
| Total Fund Balances | <u>(16,196)</u> | <u>1</u> | <u>196</u> | <u>(15,999)</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ -</u> | <u>\$ 1</u> | <u>\$ 270</u> | <u>\$ 271</u> |

* Restatement, see Note 18

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
December 31, 2016
(Amounts in Thousands)

| | <u>Special Assessment Improvements</u> | <u>FranklinPk/Westfield Muni Public Imp TIF</u> | <u>Total Capital Projects Funds</u> |
|---|--|---|---|
| ASSETS | | | |
| Cash and Equivalents: | | | |
| Cash and Equivalents with Treasurer | \$ - | \$ - | \$ - |
| Cash and Equivalents Held by Escrow Agent | - | - | - |
| Cash and Equivalents Other | - | - | - |
| Investments | - | - | - |
| Restricted Investments | - | - | - |
| Receivables (Net of Allowance) | 786 | - | 786 |
| Due From Other: | | | |
| Funds | - | 10,748 | 10,748 |
| Governments | - | - | - |
| Prepaid Items | - | - | - |
| Inventory of Supplies | - | - | - |
| Total Assets | <u>786</u> | <u>10,748</u> | <u>11,534</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | - | - | - |
| Deposits | - | - | - |
| Retainage | - | - | - |
| Due To Other: | | | |
| Funds | 704 | - | 704 |
| Governments | - | - | - |
| Accrued Wages and Benefits | 1 | - | 1 |
| Other Current Liabilities | - | - | - |
| Compensated Absences Payable | - | - | - |
| Notes Payable | 1,114 | - | 1,114 |
| Total Liabilities | <u>1,819</u> | <u>-</u> | <u>1,819</u> |
| Deferred Inflows of Resources: | | | |
| Revenues Levied for the next year and Unavailable Revenue | 786 | - | 786 |
| Fund Balances: | | | |
| Nonspendable | - | - | - |
| Restricted | - | 10,748 * | 10,748 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | (1,819) | - | (1,819) |
| Total Fund Balances | <u>(1,819)</u> | <u>10,748</u> | <u>8,929</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 786</u> | <u>\$ 10,748</u> | <u>\$ 11,534</u> |

* Restatement, see Note 18

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | Special Assessment Improvements | FranklinPk/Westfield Muni Public Imp TIF | Total Capital Projects Funds |
|---|---------------------------------------|--|------------------------------------|
| REVENUES | | | |
| Income Taxes | \$ - | \$ - | \$ - |
| Property Taxes | - | - | - |
| Special Assessments | 171 | - | 171 |
| Licenses and Permits | - | - | - |
| Intergovernmental Services | - | 2,035 | 2,035 |
| Charges for Services | - | - | - |
| Investment Earnings | - | - | - |
| Fines and Forfeitures | - | - | - |
| Grants | - | - | - |
| Other Revenue | - | - | - |
| Total Revenues | 171 | 2,035 | 2,206 |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | - | - | - |
| Public Service | - | - | - |
| Public Safety | - | - | - |
| Public Utilities | - | - | - |
| Community Environment | - | - | - |
| Health | - | - | - |
| Parks and Recreation | - | - | - |
| Capital Outlay | 94 | 71 | 165 |
| Debt Service: | | | |
| Principal Retirement | - | - | - |
| Interest and Fiscal Charges | 43 | - | 43 |
| Debt Issuance Costs | - | - | - |
| Total Expenditures | 137 | 71 | 208 |
| Excess (Deficiency) of Revenues over (under) Expenditures | 34 | 1,964 | 1,998 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | - | - |
| Transfers (Out) | - | - | - |
| Capital Lease Proceeds | - | - | - |
| Issuance of Bonds | - | - | - |
| Premium on Bonds | - | - | - |
| Proceeds from Sale of Capital Assets | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balance | 34 | 1,964 | 1,998 |
| Fund Balance (Deficit) at Beginning of Year | (1,853) | 8,784 * | 6,931 |
| Increase (Decrease) for Inventory | - | - | - |
| Fund Balance (Deficit) at Year End | \$ (1,819) | \$ 10,748 | \$ 8,929 |

* Restatement, See Note 18

City of Toledo, Ohio

Nonmajor Permanent Funds

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
Permanent Fund
December 31, 2016
(Amounts in Thousands)

| | <u>Cemetery Perpetual Care Fund</u> |
|--|---|
| ASSETS | |
| Cash and Equivalents: | |
| Cash and Equivalents with Treasurer | \$ - |
| Cash and Equivalents Held by Escrow Agent | - |
| Cash and Equivalents Other | - |
| Investments | - |
| Restricted Investments | 642 |
| Receivables (Net of Allowance) | - |
| Due From Other: | |
| Funds | 367 |
| Governments | - |
| Prepaid Items | - |
| Inventory of Supplies | - |
| | <hr/> |
| Total Assets | <u><u>1,009</u></u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | |
| Liabilities: | |
| Accounts Payable | - |
| Deposits | 313 |
| Retainage | - |
| Due To Other: | |
| Funds | - |
| Governments | - |
| Accrued Wages and Benefits | - |
| Other Current Liabilities | - |
| Compensated Absences Payable | - |
| Notes Payable | - |
| | <hr/> |
| Total Liabilities | <u>313</u> |
| Deferred Inflows of Resources: | |
| Revenues Levied for the next year and Unavailable Revenue | - |
| Fund Balances: | |
| Nonspendable | 642 |
| Restricted | 54 |
| Committed | - |
| Assigned | - |
| Unassigned | - |
| | <hr/> |
| Total Fund Balances | <u>696</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u><u>\$ 1,009</u></u> |

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Permanent Fund
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | Cemetery Perpetual Care Fund |
|---|---|
| REVENUES | |
| Income Taxes | \$ - |
| Property Taxes | - |
| Special Assessments | - |
| Licenses and Permits | - |
| Intergovernmental Services | - |
| Charges for Services | - |
| Investment Earnings | - |
| Fines and Forfeitures | - |
| Grants | - |
| Other Revenue | - |
| | - |
| Total Revenues | - |
| EXPENDITURES | |
| 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 | - |
| Debt Issuance Costs | - |
| | - |
| Total Expenditures | - |
| Excess (Deficiency) of Revenues over (under) Expenditures | - |
| OTHER FINANCING SOURCES (USES) | |
| Transfers In | - |
| Transfers (Out) | - |
| Capital Lease Proceeds | - |
| Issuance of Bonds | - |
| Premium on Bonds | - |
| Proceeds from Sale of Capital Assets | - |
| | - |
| Total Other Financing Sources (Uses) | - |
| Net Change in Fund Balance | - |
| Fund Balance (Deficit) at Beginning of Year | 696 |
| Increase (Decrease) for Inventory | - |
| Fund Balance (Deficit) at Year End | \$ 696 |

Page Intentionally Left Blank

City of Toledo, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2016
(Amounts in Thousands)

| | Storm Sewer | Property Management | Small Business Development | Municipal Tow Lot | Marina Operations | Erie St Market | Toledo Public Power | Total Nonmajor Enterprise Funds |
|---|------------------|------------------------|----------------------------------|----------------------|----------------------|-------------------|---------------------------|--|
| ASSETS | | | | | | | | |
| <u>Current:</u> | | | | | | | | |
| Cash and Equivalents with Treasury | \$ 999 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 999 |
| Cash and Equivalents Held by Escrow | - | 3 | - | - | - | - | - | 3 |
| Investments | 4,994 | - | - | - | - | - | - | 4,994 |
| Restricted Investments | - | 4,755 | - | - | - | - | 372 | 5,127 |
| Receivables (Net of Allowance) | 2,554 | 5,223 | - | 360 | - | - | 62 | 8,199 |
| Due From Other: | | | | | | | | |
| Funds | 4,870 | - | - | 56 | 1 | - | 225 | 5,152 |
| Total current assets | <u>13,417</u> | <u>9,981</u> | <u>-</u> | <u>416</u> | <u>1</u> | <u>-</u> | <u>659</u> | <u>24,474</u> |
| <u>Noncurrent:</u> | | | | | | | | |
| Investments | 10,908 | - | - | - | - | - | - | 10,908 |
| Land and Construction in Progress | 10,410 | 647 | 218 | 697 | - | - | - | 11,972 |
| Other Capital Assets, net of Accumulated Depreciation | 32,246 | - | 192 | 158 | - | - | 9 | 32,605 |
| Total noncurrent assets | <u>53,564</u> | <u>647</u> | <u>410</u> | <u>855</u> | <u>-</u> | <u>-</u> | <u>9</u> | <u>55,485</u> |
| Total Assets | <u>66,981</u> | <u>10,628</u> | <u>410</u> | <u>1,271</u> | <u>1</u> | <u>-</u> | <u>668</u> | <u>79,959</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| Pensions | 1,316 | - | - | - | - | - | - | 1,316 |
| Total Deferred Outflows of Resources | <u>1,316</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,316</u> |
| LIABILITIES | | | | | | | | |
| <u>Current:</u> | | | | | | | | |
| Accounts Payable | 113 | - | - | 51 | 1 | - | - | 165 |
| Customer Deposits | - | - | - | - | - | - | 416 | 416 |
| Retainage | 37 | - | - | - | - | - | - | 37 |
| Due To Other: | | | | | | | | |
| Funds | - | 4,945 | 101 | - | - | - | - | 5,046 |
| Governments | 16 | - | - | - | - | - | - | 16 |
| Accrued Interest Payable | - | 52 | - | 5 | - | - | - | 57 |
| Accrued Wages and Benefits | 96 | - | - | - | - | - | - | 96 |
| Current Portion of: | | | | | | | | |
| Compensated Absences Payable | 1 | - | - | - | - | - | - | 1 |
| Bonds, Loans and Notes Payable, net | 153 | 1,146 | - | 155 | - | - | - | 1,454 |
| Total current liabilities | <u>416</u> | <u>6,143</u> | <u>101</u> | <u>211</u> | <u>1</u> | <u>-</u> | <u>416</u> | <u>7,288</u> |
| <u>Noncurrent:</u> | | | | | | | | |
| Compensated Absences Payable | 360 | - | - | - | - | - | - | 360 |
| Bonds, Loans and Notes Payable, net | 2,706 | 13,388 | - | 1,060 | - | - | - | 17,154 |
| Net Pension Liabilities | 3,446 | - | - | - | - | - | - | 3,446 |
| Total noncurrent liabilities | <u>6,512</u> | <u>13,388</u> | <u>-</u> | <u>1,060</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>20,960</u> |
| Total Liabilities | <u>6,928</u> | <u>19,531</u> | <u>101</u> | <u>1,271</u> | <u>1</u> | <u>-</u> | <u>416</u> | <u>28,248</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Pensions | 69 | - | - | - | - | - | - | 69 |
| NET POSITION | | | | | | | | |
| Net Investment in Capital Assets | 39,797 | 647 | 410 | (360) | - | - | 9 | 40,503 |
| Restricted: | | | | | | | | |
| Debt Service | 22 | - | - | - | - | - | - | 22 |
| Replacement | 5,649 | - | - | - | - | - | - | 5,649 |
| Improvement | 851 | - | - | - | - | - | - | 851 |
| Unrestricted (deficit) | 14,981 | (9,550) | (101) | 360 | - | - | 243 | 5,933 |
| Total Net Position | <u>\$ 61,300</u> | <u>\$ (8,903)</u> | <u>\$ 309</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 252</u> | <u>\$ 52,958</u> |

City of Toledo, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the year ended December 31, 2016
(Amounts in Thousands)

| | <u>Storm Sewer</u> | <u>Property Management</u> | <u>Small Business Development</u> | <u>Municipal Tow Lot</u> | <u>Marina Operations Fund</u> | <u>Erie St Market</u> | <u>Toledo Public Power</u> | <u>Total Nonmajor Enterprise</u> |
|--|--------------------|--------------------------------|---|------------------------------|---------------------------------------|---------------------------|------------------------------------|--|
| OPERATING REVENUES | | | | | | | | |
| Charges for Services | \$ 9,872 | \$ - | \$ - | \$ 1,881 | \$ - | \$ - | \$ 631 | \$ 12,384 |
| Other Revenue | 13 | 11 | - | 338 | - | 2 | - | 364 |
| Total Operating Revenue | <u>9,885</u> | <u>11</u> | <u>-</u> | <u>2,219</u> | <u>-</u> | <u>2</u> | <u>631</u> | <u>12,748</u> |
| OPERATING EXPENSES | | | | | | | | |
| Personnel Services | 3,436 | - | - | - | - | - | - | 3,436 |
| Contractual Services | 1,757 | 31 | 3 | 835 | - | 9 | 9 | 2,644 |
| Materials and Supplies | 404 | - | - | 28 | - | - | - | 432 |
| Utilities | - | - | 1 | 2 | - | - | 523 | 526 |
| Depreciation | 1,037 | - | 43 | 163 | - | - | - | 1,243 |
| Total Operating Expenses | <u>6,634</u> | <u>31</u> | <u>47</u> | <u>1,028</u> | <u>-</u> | <u>9</u> | <u>532</u> | <u>8,281</u> |
| Operating Income (Loss) | 3,251 | (20) | (47) | 1,191 | - | (7) | 99 | 4,467 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | |
| Investment Earnings | 150 | 66 | - | - | - | - | 2 | 218 |
| Interest Expense and Fiscal Charges | (4) | (621) | - | (61) | - | - | (11) | (697) |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>146</u> | <u>(555)</u> | <u>-</u> | <u>(61)</u> | <u>-</u> | <u>-</u> | <u>(9)</u> | <u>(479)</u> |
| Income (Loss) Before Transfers and Contributions | 3,397 | (575) | (47) | 1,130 | - | (7) | 90 | 3,988 |
| Capital Contributions | 107 | - | - | - | - | - | - | 107 |
| Transfers In | 105 | 1,817 | - | - | - | - | - | 1,922 |
| Transfers Out | (75) | - | - | (1,130) | - | (192) | - | (1,397) |
| Change in Net Position | 3,534 | 1,242 | (47) | - | - | (199) | 90 | 4,620 |
| Net Position at January 1 | <u>57,766</u> | <u>(10,145)</u> | <u>356</u> | <u>-</u> | <u>-</u> | <u>199</u> | <u>162</u> | <u>48,338</u> |
| Net Position at December 31 | <u>\$ 61,300</u> | <u>\$ (8,903)</u> | <u>\$ 309</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 252</u> | <u>\$ 52,958</u> |

City of Toledo, Ohio
Combining Statement of Cash Flows
Non Major Enterprise Funds
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | Storm Sewer | Property Management | Small Business Development | Municipal Tow Lot | Marina Operations Fund | Eric St Market | Toledo Public Power | Total Nonmajor Enterprise |
|--|-----------------|---------------------|----------------------------|-------------------|------------------------|----------------|---------------------|---------------------------|
| Operating activities: | | | | | | | | |
| Cash received from customers | \$ 10,040 | \$ (1) | \$ - | \$ 1,780 | \$ - | \$ 202 | \$ 622 | \$ 12,643 |
| Cash paid to employees | (3,673) | - | - | - | - | - | - | (3,673) |
| Cash paid to suppliers | (2,443) | (296) | - | (836) | - | (13) | (611) | (4,199) |
| Other receipts | 13 | 11 | - | 338 | - | 2 | - | 364 |
| Other payments | - | - | - | - | - | - | - | - |
| Net cash provided by (used by) operating activities | 3,937 | (286) | - | 1,282 | - | 191 | 11 | 5,135 |
| Noncapital financial activities: | | | | | | | | |
| Transfers in | 105 | 1,817 | - | - | - | - | - | 1,922 |
| Transfers out | (75) | - | - | (1,130) | - | (192) | - | (1,397) |
| Net cash provided by (used by) noncapital financing activities | 30 | 1,817 | - | (1,130) | - | (192) | - | 525 |
| Capital and related financing activities: | | | | | | | | |
| Proceeds from capital grants and contributions | 107 | - | - | - | - | - | - | 107 |
| Proceeds from the sales of assets | - | - | - | - | - | - | - | - |
| Purchases of property, plant and equipment | (1,655) | - | - | (1) | - | - | - | (1,656) |
| Principal payments | (114) | (1,196) | - | (90) | - | - | - | (1,400) |
| Refunding bond issued | - | - | - | - | - | - | - | - |
| Proceeds from the issuance of bonds, loans, and notes | 1,248 | - | - | - | - | - | - | 1,248 |
| Payment on refunded bonds | - | - | - | - | - | - | - | - |
| Interest and fiscal charges paid on bonds, loans and notes | (4) | (622) | - | (61) | - | - | (11) | (698) |
| Net cash provided by (used by) capital and related financing activities | (418) | (1,818) | - | (152) | - | - | (11) | (2,399) |
| Investing activities: | | | | | | | | |
| Proceeds from sales and maturities of investments | 2,372 | - | - | - | - | - | 19,498 | 21,870 |
| Purchase of investments | (5,245) | 221 | - | - | - | - | (19,500) | (24,524) |
| Investment income received on investments | 144 | 66 | - | - | - | - | 2 | 212 |
| Net cash provided by (used by) investing activities | (2,729) | 287 | - | - | - | - | - | (2,442) |
| Increase (decrease) in cash and cash equivalents | 820 | - | - | - | - | (1) | - | 819 |
| Cash and cash equivalents at beginning of year | 179 | 3 | - | - | - | 1 | - | 183 |
| Cash and cash equivalents at end of year | <u>\$ 999</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,002</u> |
| Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities: | | | | | | | | |
| Operating income (loss) | \$ 3,251 | \$ (20) | \$ (47) | \$ 1,191 | \$ - | \$ (7) | \$ 99 | \$ 4,467 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities: | | | | | | | | |
| Depreciation | 1,037 | - | 43 | 163 | - | - | - | 1,243 |
| Increase (decrease) in allowance for doubtful accounts | (792) | - | - | - | - | - | - | (792) |
| Changes in assets and liabilities: | | | | | | | | |
| Receivables | 790 | (1) | - | (118) | - | 10 | (18) | 663 |
| Due to (from) other: | | | | | | | | |
| Funds | 170 | (265) | 4 | 17 | - | 192 | 9 | 127 |
| Governments | - | - | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - | - | - |
| Inventory of supplies | - | - | - | - | - | - | - | - |
| Accounts payable | (134) | - | - | 29 | - | - | (79) | (184) |
| Customer deposits | - | - | - | - | - | (4) | - | (4) |
| Retainage | (148) | - | - | - | - | - | - | (148) |
| Other current liabilities | - | - | - | - | - | - | - | - |
| Accrued wages and benefits | (106) | - | - | - | - | - | - | (106) |
| Compensated absences | (35) | - | - | - | - | - | - | (35) |
| Deferred outflows of resources - pension | (878) | - | - | - | - | - | - | (878) |
| Net pension liability | 760 | - | - | - | - | - | - | 760 |
| Deferred inflows of resources - pension | 22 | - | - | - | - | - | - | 22 |
| Net cash provided by (used by) operating activities | \$ 3,937 | \$ (286) | \$ - | \$ 1,282 | \$ - | \$ 191 | \$ 11 | \$ 5,135 |

City of Toledo, Ohio

Internal Service Funds

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

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

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

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

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

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

Workers' Compensation - To account for the City's participation in a State of Ohio sponsored worker's compensation program. This fund accounts for the payment and allocation of premiums, assessments, claims to the State Bureau of Workers' Compensation to participating funds.

City of Toledo, Ohio
Combining Statement of Net Position
Internal Service Funds
December 31, 2016
(Amounts in Thousands)

| | Municipal Garage | Capital Replacement | Storeroom and Printshop | Information Technology | Risk Management | Facility Operations | Workers' Compensation | Total Internal Service Funds |
|---|---------------------|------------------------|----------------------------|---------------------------|--------------------|------------------------|--------------------------|------------------------------------|
| ASSETS | | | | | | | | |
| <u>Current:</u> | | | | | | | | |
| Cash and Equivalents with Treasury | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash and Equivalents Held by Escrow | - | 1,324 | - | - | - | - | - | 1,324 |
| Cash and Equivalents Other | - | - | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - | - | - |
| Restricted Investments | - | - | - | - | - | - | - | - |
| Receivables (Net of Allowance) | 313 | - | 2 | 206 | 1 | 50 | 22 | 594 |
| Due From Other: | | | | | | | | |
| Funds | 7,212 | - | 238 | 1,180 | 5,658 | 367 | 11,544 | 26,199 |
| Governments | - | - | - | - | - | - | - | - |
| Prepaid Items | - | 277 | - | - | - | - | - | 277 |
| Inventory of Supplies | 484 | - | 2 | - | - | - | - | 486 |
| Total Current Assets | 8,009 | 1,601 | 242 | 1,386 | 5,659 | 417 | 11,566 | 28,880 |
| <u>Noncurrent:</u> | | | | | | | | |
| Land and Construction in Progress | 350 | 1,715 | - | - | - | - | - | 2,065 |
| Other Capital Assets, net of Accumulated Depreciation | 8,886 | 11,600 | - | - | - | 2,987 | - | 23,473 |
| Total Noncurrent Assets | 9,236 | 13,315 | - | - | - | 2,987 | - | 25,538 |
| Total assets | 17,245 | 14,916 | 242 | 1,386 | 5,659 | 3,404 | 11,566 | 54,418 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| Debt Issuance Costs | - | - | - | - | - | - | - | - |
| Pension | 1,396 | - | - | - | - | - | - | 1,396 |
| Total deferred outflows of resources | 1,396 | - | - | - | - | - | - | 1,396 |
| LIABILITIES | | | | | | | | |
| <u>Current:</u> | | | | | | | | |
| Accounts Payable | 721 | 808 | 200 | 625 | 39 | 108 | 144 | 2,645 |
| Customer Deposits | 291 | - | - | 2 | - | - | - | 293 |
| Retainage | - | - | - | - | - | - | - | - |
| Due to Other: | | | | | | | | |
| Funds | - | 1,492 | - | - | - | - | - | 1,492 |
| Governments | - | - | - | - | - | - | - | - |
| Other Current Liabilities | - | - | - | - | 1,200 | - | 7,000 | 8,200 |
| Accrued Interest Payable | - | - | - | - | - | - | - | - |
| Accrued Wages and Benefits | 92 | - | 1 | 125 | 1 | 32 | 5 | 256 |
| Current Portion of: | | | | | | | | |
| Compensated Absences Payable | - | - | - | - | - | - | - | - |
| Bonds, Loans and Notes Payable, net | - | 1,303 | - | - | - | 3,250 | - | 4,553 |
| Total Current Liabilities | 1,104 | 3,603 | 201 | 752 | 1,240 | 3,390 | 7,149 | 17,439 |
| <u>Noncurrent:</u> | | | | | | | | |
| Compensated Absences Payable | - | - | - | - | - | - | - | - |
| Bonds, Loans and Notes Payable, net | - | 3,929 | - | - | - | - | - | 3,929 |
| Net Pension Liabilities | 3,649 | - | - | - | - | - | - | 3,649 |
| Total Noncurrent Liabilities | 3,649 | 3,929 | - | - | - | - | - | 7,578 |
| Total Liabilities | 4,753 | 7,532 | 201 | 752 | 1,240 | 3,390 | 7,149 | 25,017 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unearned Revenue | - | - | - | - | - | - | - | - |
| Pensions | 73 | - | - | - | - | - | - | 73 |
| Total deferred inflows of resources | 73 | - | - | - | - | - | - | 73 |
| NET POSITION | | | | | | | | |
| Net Investment in Capital Assets | 9,236 | 9,407 | - | - | - | (263) | - | 18,380 |
| Restricted: | | | | | | | | |
| Debt Service | - | - | - | - | - | - | - | - |
| Replacement | - | - | - | - | - | - | - | - |
| Improvement | - | - | - | - | - | - | - | - |
| Unrestricted (deficit) | 4,579 | (2,023) | 41 | 634 | 4,419 | 277 | 4,417 * | 12,344 |
| Total Net Position | \$ 13,815 | \$ 7,384 | \$ 41 | \$ 634 | \$ 4,419 | \$ 14 | \$ 4,417 | \$ 30,724 |

* Restatement, See Note 18

City of Toledo, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the year ended December 31, 2016
(Amounts in Thousands)

| | Municipal Garage | Capital Replacement | Storeroom and Printshop | Information Technology | Risk Management | Facility Operations | Workers' Compensation | Total Internal Service |
|--|---------------------|------------------------|----------------------------|---------------------------|--------------------|------------------------|--------------------------|------------------------------|
| OPERATING REVENUES | | | | | | | | |
| Charges for Services | \$ 9,976 | \$ 1,431 | \$ 593 | \$ 4,650 | \$ 1,744 | \$ 3,085 | \$ 6,100 | \$ 27,579 |
| Other Revenue | 150 | - | - | - | - | 34 | 588 | 772 |
| Total Operating Revenue | <u>10,126</u> | <u>1,431</u> | <u>593</u> | <u>4,650</u> | <u>1,744</u> | <u>3,119</u> | <u>6,688</u> | <u>28,351</u> |
| OPERATING EXPENSES | | | | | | | | |
| Personnel Services | 3,952 | - | 23 | 612 | 97 | 603 | 99 | 5,386 |
| Contractual Services | 1,047 | - | 427 | 1,075 | 917 | 1,047 | 6,347 | 10,860 |
| Materials and Supplies | 4,733 | - | 142 | 78 | 1 | 310 | - | 5,264 |
| Utilities | 20 | - | - | 2,279 | - | 86 | - | 2,385 |
| Depreciation | 394 | 1,383 | - | - | - | 95 | - | 1,872 |
| Total Operating Expenses | <u>10,146</u> | <u>1,383</u> | <u>592</u> | <u>4,044</u> | <u>1,015</u> | <u>2,141</u> | <u>6,446</u> | <u>25,767</u> |
| Operating Income (Loss) | (20) | 48 | 1 | 606 | 729 | 978 | 242 | 2,584 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | |
| Investment Earnings | - | - | - | - | - | - | - | - |
| Interest Expense and Fiscal Charges | - | (143) | - | - | - | (82) | - | (225) |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>-</u> | <u>(143)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(82)</u> | <u>-</u> | <u>(225)</u> |
| Income (Loss) Before Transfers and Contributions | (20) | (95) | 1 | 606 | 729 | 896 | 242 | 2,359 |
| Capital Contributions | - | - | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - | - | - |
| Change in Net Position | (20) | (95) | 1 | 606 | 729 | 896 | 242 | 2,359 |
| Net Position at January 1 | 13,835 | 7,479 | 40 | 28 | 3,690 | (882) | 4,175 * | 28,365 |
| Net Position at December 31 | <u>\$ 13,815</u> | <u>\$ 7,384</u> | <u>\$ 41</u> | <u>\$ 634</u> | <u>\$ 4,419</u> | <u>\$ 14</u> | <u>\$ 4,417</u> | <u>\$ 30,724</u> |

* Restatement, See Note 18

City of Toledo, Ohio
Combining Statement of Cash Flows
Internal Service Enterprise Funds
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | Municipal Garage | Capital Replacement | Storeroom and Printshop | Information Technology | Risk Management | Facility Operations | Workers' Compensation | Total Internal Service Funds |
|--|---------------------|------------------------|----------------------------|---------------------------|--------------------|------------------------|--------------------------|------------------------------------|
| Operating activities: | | | | | | | | |
| Cash received from customers | \$ 9,471 | \$ 1,431 | \$ 547 | \$ 4,630 | \$ 1,573 | \$ 2,984 | \$ 9,022 | \$ 29,658 |
| Cash paid to employees | (4,374) | - | (24) | (1,381) | (288) | (1,567) | (291) | (7,925) |
| Cash paid to suppliers | (5,247) | (2,079) | (523) | (3,249) | (1,285) | (1,369) | (9,319) | (23,071) |
| Other receipts | 150 | - | - | - | - | 34 | 588 | 772 |
| Other payments | - | - | - | - | - | - | - | - |
| Net cash provided by (used by) operating activities | - | (648) | - | - | - | 82 | - | (566) |
| Noncapital financial activities: | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Net cash provided by (used by) noncapital financing activities | - | - | - | - | - | - | - | - |
| Capital and related financing activities: | | | | | | | | |
| Proceeds from capital grants and contributions | - | - | - | - | - | - | - | - |
| Proceeds from the sales of assets | - | - | - | - | - | - | - | - |
| Purchases of property, plant and equipment | - | (4,235) | - | - | - | - | - | (4,235) |
| Principal payments | - | (1,296) | - | - | - | (3,250) | - | (4,546) |
| Refunding bond issued | - | - | - | - | - | - | - | - |
| Proceeds from the issuance of bonds, loans, and notes | - | - | - | - | - | 3,250 | - | 3,250 |
| Payment on refunded bonds | - | - | - | - | - | - | - | - |
| Interest and fiscal charges paid on bonds, loans and notes | - | (666) | - | - | - | (82) | - | (748) |
| Net cash provided by (used by) capital and related financing activities | - | (6,197) | - | - | - | (82) | - | (6,279) |
| Investing activities: | | | | | | | | |
| Proceeds from sales and maturities of investments | - | 15 | - | - | - | - | - | 15 |
| Purchase of investments | - | - | - | - | - | - | - | - |
| Investment income received on investments | - | - | - | - | - | - | - | - |
| Net cash provided by (used by) investing activities | - | 15 | - | - | - | - | - | 15 |
| Increase (decrease) in cash and cash equivalents | - | (6,830) | - | - | - | - | - | (6,830) |
| Cash and cash equivalents at beginning of year | - | 8,154 | - | - | - | - | - | 8,154 |
| Cash and cash equivalents at end of year | \$ - | \$ 1,324 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,324 |
| Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities: | | | | | | | | |
| Operating income (loss) | \$ (20) | \$ 48 | \$ 1 | \$ 606 | \$ 729 | \$ 978 | \$ 242 | \$ 2,584 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities: | | | | | | | | |
| Depreciation | 394 | 1,383 | - | - | - | 95 | - | 1,872 |
| Increase (decrease) in allowance for doubtful accounts | - | - | - | - | - | - | - | - |
| Changes in assets and liabilities: | | | | | | | | |
| Receivables | 29 | - | - | - | - | (19) | - | 10 |
| Due to (from) other: | | | | | | | | |
| Funds | (534) | (2,610) | (46) | (20) | (171) | (82) | 2,922 | (541) |
| Governments | - | - | - | - | - | - | - | - |
| Prepaid expenses | - | (277) | - | - | - | - | - | (277) |
| Inventory of supplies | 339 | - | 1 | - | - | - | - | 340 |
| Accounts payable | 214 | 808 | 45 | 206 | (7) | 75 | 28 | 1,369 |
| Customer deposits | - | - | - | (23) | - | (1) | - | (24) |
| Retainage | - | - | - | - | - | - | - | - |
| Other current liabilities | - | - | - | - | (360) | - | (3,000) | (3,360) |
| Accrued wages and benefits | (150) | - | (1) | (44) | (9) | (57) | (10) | (271) |
| Compensated absences | - | - | - | - | - | - | - | - |
| Deferred outflows of resources - pension | (902) | - | - | 138 | 34 | 172 | 34 | (524) |
| Net pension liability | 610 | - | - | (848) | (212) | (1,060) | (212) | (1,722) |
| Deferred inflows of resources - pension | 20 | - | - | (15) | (4) | (19) | (4) | (22) |
| Net cash provided by (used by) operating activities | \$ - | \$ (648) | \$ - | \$ - | \$ - | \$ 82 | \$ - | \$ (566) |

Page Intentionally Left Blank

City of Toledo, Ohio

Fiduciary Funds - Agency Funds

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

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 No. 61.

City of Toledo, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds - Individual Fund Groupings
For the Year Ended December 31, 2016
(amounts expressed in thousands)

| | Assets | | | | | Liabilities | | | |
|---------------------------------|---------------------|-----------------|-----------------|-----------------------|---------------------------|---------------------|-----------------|-----------------|-----------------------|
| | Balance 1/1/2016 | Additions | Deductions | Balance 12/31/2016 | | Balance 1/1/2016 | Additions | Deductions | Balance 12/31/2016 |
| General Agency | | | | | General Agency | | | | |
| Receivables | \$ 2,779 | \$ 1,425 | \$ 1,528 | \$ 2,676 | Accounts Payable | \$ 100 | \$ 2,129 | \$ 1,902 | \$ 327 |
| | | | | | Customer Deposit | 2,679 | 1,626 | 1,956 | 2,349 |
| Municipal Court | | | | | Municipal Court | | | | |
| Cash and Cash Equivalents Other | 1,114 | 1,414 | 1,653 | 875 | Customer Deposit | 1,114 | 1,414 | 1,653 | 875 |
| Total Agency funds | | | | | Total Agency funds | | | | |
| Cash and Cash Equivalents Other | 1,114 | 1,414 | 1,653 | 875 | Accounts Payable | 100 | 2,129 | 1,902 | 327 |
| Receivables | 2,779 | 1,425 | 1,528 | 2,676 | Customer Deposit | 3,793 | 3,040 | 3,609 | 3,224 |
| | <u>\$ 3,893</u> | <u>\$ 2,839</u> | <u>\$ 3,181</u> | <u>\$ 3,551</u> | | <u>\$ 3,893</u> | <u>\$ 5,169</u> | <u>\$ 5,511</u> | <u>\$ 3,551</u> |

City of Toledo, Ohio

Special Budgetary Comparison

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | | Variance with Final Budget Positive (Negative) |
|------------------------------------|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actuals</u> | |
| REVENUES | | | | |
| Income taxes | \$ 170,700 | \$ 170,700 | \$ 175,679 | \$ 4,979 |
| Property taxes | 11,200 | 11,200 | 9,906 | (1,294) |
| Licenses and permits | 2,679 | 2,679 | 2,868 | 189 |
| Intergovernmental services | 15,275 | 15,275 | 17,541 | 2,266 |
| Charges for services | 29,748 | 29,748 | 28,308 | (1,440) |
| Investment earnings | 261 | 261 | 230 | (31) |
| Fines and forfeitures | 5,840 | 5,840 | 7,511 | 1,671 |
| Other revenue | 2,947 | 2,947 | 2,659 | (288) |
| Total revenues | <u>238,650</u> | <u>238,650</u> | <u>244,702</u> | <u>6,052</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| Accounts | | | | |
| Personnel services | 1,130 | 1,096 | 887 | 209 |
| Materials and supplies | 5 | 5 | 2 | 3 |
| Contractual services | 257 | 291 | 259 | 32 |
| Accounts total | <u>1,392</u> | <u>1,392</u> | <u>1,148</u> | <u>244</u> |
| Diversity and inclusion | | | | |
| Personnel services | 370 | 370 | 351 | 19 |
| Materials and supplies | 1 | 1 | 1 | - |
| Contractual services | 16 | 16 | 15 | 1 |
| Diversity and inclusion total | <u>387</u> | <u>387</u> | <u>367</u> | <u>20</u> |
| Auditor | | | | |
| Personnel services | 99 | 99 | 96 | 3 |
| Materials and supplies | 2 | 2 | - | 2 |
| Contractual services | 11 | 11 | 2 | 9 |
| Auditor total | <u>112</u> | <u>112</u> | <u>98</u> | <u>14</u> |
| Beautification action team | | | | |
| Personnel services | 37 | 37 | 19 | 18 |
| Materials and supplies | 5 | 28 | 20 | 8 |
| Contractual services | 109 | 86 | 137 | (51) |
| Beautification action team total | <u>151</u> | <u>151</u> | <u>176</u> | <u>(25)</u> |
| Board of community relations | | | | |
| Personnel services | 93 | 93 | 90 | 3 |
| Materials and supplies | 3 | 2 | 1 | 1 |
| Contractual services | 13 | 14 | 10 | 4 |
| Board of community relations total | <u>109</u> | <u>109</u> | <u>101</u> | <u>8</u> |

General government continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| General government (continued) | | | | |
| City council | | | | |
| Personnel services | 1,263 | 1,263 | 1,179 | 84 |
| Materials and supplies | 19 | 19 | 14 | 5 |
| Contractual services | 166 | 166 | 106 | 60 |
| Debt and other | - | - | - | - |
| City council total | <u>1,448</u> | <u>1,448</u> | <u>1,299</u> | <u>149</u> |
| Facility operations | | | | |
| Personnel services | - | - | - | - |
| Materials and supplies | - | - | - | - |
| Contractual services | 520 | 520 | 577 | (57) |
| Facility operations total | <u>520</u> | <u>520</u> | <u>577</u> | <u>(57)</u> |
| Finance administration | | | | |
| Personnel services | 203 | 203 | 196 | 7 |
| Materials and supplies | 3 | 3 | 1 | 2 |
| Contractual services | 170 | 170 | 102 | 68 |
| Debt and other | - | - | - | - |
| Finance administration total | <u>376</u> | <u>376</u> | <u>299</u> | <u>77</u> |
| Finance ERP | | | | |
| Personnel services | 371 | 371 | 302 | 69 |
| Materials and supplies | 3 | 3 | 1 | 2 |
| Contractual services | 93 | 93 | 128 | (35) |
| Finance ERP total | <u>467</u> | <u>467</u> | <u>431</u> | <u>36</u> |
| Financial analysis | | | | |
| Personnel services | 533 | 533 | 409 | 124 |
| Materials and supplies | 3 | 3 | - | 3 |
| Contractual services | 18 | 18 | 8 | 10 |
| Financial analysis total | <u>554</u> | <u>554</u> | <u>417</u> | <u>137</u> |
| General fund utilities | | | | |
| Contractual services | 1,584 | 1,584 | 1,768 | (184) |
| General fund utilities total | <u>1,584</u> | <u>1,584</u> | <u>1,768</u> | <u>(184)</u> |
| General non-departmental services | | | | |
| Personnel services | (1,109) | (1,109) | 33 | (1,142) |
| Contractual services | 12,057 | 12,057 | 10,690 | 1,367 |
| Debt and other | - | - | - | - |
| General non-departmental services total | <u>10,948</u> | <u>10,948</u> | <u>10,723</u> | <u>225</u> |

General government continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actuals</u> | <u>(Negative)</u> |
| General government (continued) | | | | |
| Human resources | | | | |
| Personnel services | 843 | 843 | 771 | 72 |
| Materials and supplies | 22 | 22 | 5 | 17 |
| Contractual services | 513 | 513 | 282 | 231 |
| Human resources total | <u>1,378</u> | <u>1,378</u> | <u>1,058</u> | <u>320</u> |
| Law | | | | |
| Personnel services | 1,759 | 1,759 | 1,645 | 114 |
| Materials and supplies | 20 | 20 | 19 | 1 |
| Contractual services | 171 | 171 | 113 | 58 |
| Law total | <u>1,950</u> | <u>1,950</u> | <u>1,777</u> | <u>173</u> |
| Landfill / Waste disposal | | | | |
| Contractual services | - | - | - | - |
| Landfill / Waste disposal total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Office of the mayor | | | | |
| Personnel services | 734 | 734 | 628 | 106 |
| Materials and supplies | 19 | 18 | 9 | 9 |
| Contractual services | 150 | 151 | 97 | 54 |
| Office of the mayor total | <u>903</u> | <u>903</u> | <u>734</u> | <u>169</u> |
| Purchasing and supplies | | | | |
| Personnel services | 263 | 263 | 252 | 11 |
| Materials and supplies | 11 | 11 | 2 | 9 |
| Contractual services | 47 | 47 | 33 | 14 |
| Purchasing and supplies total | <u>321</u> | <u>321</u> | <u>287</u> | <u>34</u> |
| Safety administration | | | | |
| Personnel services | 63 | 63 | 63 | - |
| Contractual services | 124 | 124 | 60 | 64 |
| Safety administration total | <u>187</u> | <u>187</u> | <u>123</u> | <u>64</u> |
| Streets, bridges & harbor | | | | |
| Personnel services | 40 | 40 | 26 | 14 |
| Streets, bridges & harbor total | <u>40</u> | <u>40</u> | <u>26</u> | <u>14</u> |
| Taxation | | | | |
| Personnel services | 1,922 | 1,922 | 1,675 | 247 |
| Materials and supplies | 254 | 244 | 114 | 130 |
| Contractual services | 149 | 159 | 136 | 23 |
| Taxation total | <u>2,325</u> | <u>2,325</u> | <u>1,925</u> | <u>400</u> |

General government continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|-------------------------|---------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actuals</u> | |
| General government (continued) | | | | |
| Treasury | | | | |
| Personnel services | 257 | 257 | 226 | 31 |
| Materials and supplies | 26 | 21 | 15 | 6 |
| Contractual services | 71 | 76 | 73 | 3 |
| Treasury total | <u>354</u> | <u>354</u> | <u>314</u> | <u>40</u> |
| Utilities Administrative Service | | | | |
| Personnel services | 100 | 100 | 82 | 18 |
| Water Distribution total | <u>100</u> | <u>100</u> | <u>82</u> | <u>18</u> |
| Youth commission | | | | |
| Personnel services | 93 | 93 | 58 | 35 |
| Materials and supplies | 6 | 6 | 3 | 3 |
| Contractual services | 51 | 51 | 23 | 28 |
| Debt and other | - | - | - | - |
| Youth commission total | <u>150</u> | <u>150</u> | <u>84</u> | <u>66</u> |
| General government total | <u>25,756</u> | <u>25,756</u> | <u>23,814</u> | <u>1,942</u> |
| Public service | | | | |
| General fund utilities | | | | |
| Contractual services | 1,684 | 1,684 | 1,420 | 264 |
| General fund utilities total | <u>1,684</u> | <u>1,684</u> | <u>1,420</u> | <u>264</u> |
| Parks & forestry | | | | |
| Personnel services | 42 | 42 | 39 | 3 |
| Materials and supplies | 2 | 2 | - | 2 |
| Contractual services | 292 | 292 | 199 | 93 |
| Parks & forestry total | <u>336</u> | <u>336</u> | <u>238</u> | <u>98</u> |
| Public service total | <u>2,020</u> | <u>2,020</u> | <u>1,658</u> | <u>362</u> |
| Public safety | | | | |
| Clerk of municipal court | | | | |
| Personnel services | 5,359 | 5,359 | 4,786 | 573 |
| Materials and supplies | 426 | 426 | 344 | 82 |
| Contractual services | 385 | 385 | 445 | (60) |
| Clerk of municipal court total | <u>6,170</u> | <u>6,170</u> | <u>5,575</u> | <u>595</u> |

Public safety continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actuals</u> | <u>(Negative)</u> |
| Public safety (continued) | | | | |
| Fire | | | | |
| Personnel services | 66,363 | 66,363 | 64,223 | 2,140 |
| Materials and supplies | 1,104 | 1,108 | 799 | 309 |
| Contractual services | 3,202 | 3,198 | 3,223 | (25) |
| Fire total | <u>70,669</u> | <u>70,669</u> | <u>68,245</u> | <u>2,424</u> |
| General non-departmental services | | | | |
| Contractual services | 60 | 60 | 58 | 2 |
| General non-departmental services total | <u>60</u> | <u>60</u> | <u>58</u> | <u>2</u> |
| Law | | | | |
| Personnel services | 917 | 917 | 802 | 115 |
| Contractual services | 24 | 24 | - | 24 |
| Law total | <u>941</u> | <u>941</u> | <u>802</u> | <u>139</u> |
| Municipal court judges | | | | |
| Personnel services | 5,968 | 5,867 | 5,473 | 394 |
| Materials and supplies | 142 | 159 | 122 | 37 |
| Contractual services | 2,573 | 2,657 | 2,684 | (27) |
| Municipal court judges total | <u>8,683</u> | <u>8,683</u> | <u>8,279</u> | <u>404</u> |
| Police | | | | |
| Personnel services | 72,921 | 72,921 | 70,662 | 2,259 |
| Materials and supplies | 1,674 | 1,674 | 1,169 | 505 |
| Contractual services | 4,467 | 4,467 | 4,707 | (240) |
| Police total | <u>79,062</u> | <u>79,062</u> | <u>76,538</u> | <u>2,524</u> |
| Safety administration | | | | |
| Contractual services | 7,424 | 7,424 | 6,579 | 845 |
| Safety administration total | <u>7,424</u> | <u>7,424</u> | <u>6,579</u> | <u>845</u> |
| Public safety total | <u>173,009</u> | <u>173,009</u> | <u>166,076</u> | <u>6,933</u> |
| Public utilities | | | | |
| Utilities administrative services | | | | |
| Contractual services | - | - | - | - |
| Utilities administrative services total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Water Distribution | | | | |
| Personnel services | - | - | - | - |
| Water Distribution total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Public utilities total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actuals</u> | <u>(Negative)</u> |
| Community environment | | | | |
| Building inspection | | | | |
| Personnel services | 1,605 | 1,605 | 1,436 | 169 |
| Materials and supplies | 27 | 25 | 20 | 5 |
| Contractual services | 268 | 270 | 293 | (23) |
| Building inspection total | <u>1,900</u> | <u>1,900</u> | <u>1,749</u> | <u>151</u> |
| Code enforcement | | | | |
| Personnel services | 634 | 634 | 566 | 68 |
| Materials and supplies | 11 | 11 | 17 | (6) |
| Contractual services | 361 | 361 | 327 | 34 |
| Code enforcement total | <u>1,006</u> | <u>1,006</u> | <u>910</u> | <u>96</u> |
| Economic development | | | | |
| Personnel services | 333 | 332 | 365 | (33) |
| Materials and supplies | 3 | 4 | 2 | 2 |
| Contractual services | 1,126 | 1,123 | 689 | 434 |
| Economic development total | <u>1,462</u> | <u>1,459</u> | <u>1,056</u> | <u>403</u> |
| Engineering services | | | | |
| Personnel services | 82 | 82 | 90 | (8) |
| Contractual services | 54 | 54 | 29 | 25 |
| Engineering services total | <u>136</u> | <u>136</u> | <u>119</u> | <u>17</u> |
| General fund utilities | | | | |
| Contractual services | - | - | - | - |
| General fund utilities total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| General non-departmental services | | | | |
| Contractual services | 31 | 31 | - | 31 |
| General non-departmental services total | <u>31</u> | <u>31</u> | <u>-</u> | <u>31</u> |
| Housing | | | | |
| Personnel services | 4 | 4 | 2 | 2 |
| Housing total | <u>4</u> | <u>4</u> | <u>2</u> | <u>2</u> |
| Neighborhoods administration | | | | |
| Personnel services | 12 | 12 | 10 | 2 |
| Contractual services | - | - | - | - |
| Neighborhoods administration total | <u>12</u> | <u>12</u> | <u>10</u> | <u>2</u> |
| Planning commission | | | | |
| Personnel services | 400 | 400 | 391 | 9 |
| Materials and supplies | 12 | 12 | 9 | 3 |
| Contractual services | 29 | 29 | 28 | 1 |
| Planning commission total | <u>441</u> | <u>441</u> | <u>428</u> | <u>13</u> |
| Real estate | | | | |
| Personnel services | 48 | 48 | 48 | - |
| Materials and supplies | - | - | - | - |
| Contractual services | 190 | 190 | 92 | 98 |
| Real estate total | <u>238</u> | <u>238</u> | <u>140</u> | <u>98</u> |
| Community environment total | <u>5,230</u> | <u>5,227</u> | <u>4,414</u> | <u>813</u> |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actuals</u> | <u>(Negative)</u> |
| Health | | | | |
| Environmental services | | | | |
| Personnel services | 203 | 203 | 124 | 79 |
| Contractual services | 10 | 10 | 10 | - |
| Environmental services total | <u>213</u> | <u>213</u> | <u>134</u> | <u>79</u> |
| General non-departmental services | | | | |
| Contractual services | - | - | - | - |
| General non-departmental services total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Municipal court judges | | | | |
| Personnel services | 335 | 335 | 317 | 18 |
| Municipal court judges total | <u>335</u> | <u>335</u> | <u>317</u> | <u>18</u> |
| Parks & forestry | | | | |
| Personnel services | 212 | 212 | 196 | 16 |
| Materials and supplies | 13 | 13 | 6 | 7 |
| Contractual services | 298 | 299 | 273 | 26 |
| Parks & forestry total | <u>523</u> | <u>524</u> | <u>475</u> | <u>49</u> |
| Waste disposal | | | | |
| Personnel services | 1,199 | 1,199 | 1,018 | 181 |
| Materials and supplies | 82 | 83 | 66 | 17 |
| Contractual services | 3,661 | 3,659 | 3,267 | 392 |
| Waste disposal total | <u>4,942</u> | <u>4,941</u> | <u>4,351</u> | <u>590</u> |
| Health total | <u>6,013</u> | <u>6,013</u> | <u>5,277</u> | <u>736</u> |
| Parks and recreation | | | | |
| Economic development | | | | |
| Contractual services | - | 3 | 3 | - |
| Economic development total | <u>-</u> | <u>3</u> | <u>3</u> | <u>-</u> |
| Parks & forestry | | | | |
| Personnel services | 152 | 152 | 148 | 4 |
| Materials and supplies | 50 | 50 | 55 | (5) |
| Contractual services | 1,123 | 1,123 | 1,213 | (90) |
| Parks & forestry total | <u>1,325</u> | <u>1,325</u> | <u>1,416</u> | <u>(91)</u> |
| Recreation | | | | |
| Personnel services | 640 | 640 | 451 | 189 |
| Materials and supplies | 36 | 43 | 41 | 2 |
| Contractual services | 893 | 886 | 708 | 178 |
| Recreation total | <u>1,569</u> | <u>1,569</u> | <u>1,200</u> | <u>369</u> |
| Parks and recreation total | <u>2,894</u> | <u>2,897</u> | <u>2,619</u> | <u>278</u> |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Debt service: | | | | |
| Principal retirement | 594 | 594 | 594 | - |
| Interest and fiscal charges | 132 | 132 | 97 | 35 |
| Debt service total | <u>726</u> | <u>726</u> | <u>691</u> | <u>35</u> |
| Total expenditures | <u>215,648</u> | <u>215,648</u> | <u>204,549</u> | <u>11,099</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>23,002</u> | <u>23,002</u> | <u>40,153</u> | <u>17,151</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 12,659 | 12,659 | 4,568 | (8,091) |
| Transfers out | (38,161) | (38,161) | (39,109) | (948) |
| Proceeds from sale of capital assets | 2,500 | 2,500 | - | (2,500) |
| Total other financing sources (uses) | <u>(23,002)</u> | <u>(23,002)</u> | <u>(34,541)</u> | <u>(11,539)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 5,612 | <u>\$ 5,612</u> |
| Fund balance at beginning of year | | | 10,178 | |
| Increase (decrease) for inventory | | | <u>(36)</u> | |
| Fund balance at year end | | | <u>\$ 15,754</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | Budgeted amounts | | Actuals | Variance with Final Budget Positive (Negative) |
|-------------------------------|------------------|----------|---------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ - | \$ 2,427 | \$ 90 | \$ (2,337) |
| Investment earnings | 232 | 232 | 528 | 296 |
| Grants | 17,940 | 34,246 | 11,201 | (23,045) |
| Other revenue | - | (10) | 88 | 98 |
| Total revenues | 18,172 | 36,895 | 11,907 | (24,988) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| Diversity and inclusion | - | - | - | - |
| Personnel services | - | - | 13 | (13) |
| Diversity and inclusion total | - | - | 13 | (13) |
| Debt management | | | | |
| Personnel services | | | | |
| Materials and supplies | 1 | 1 | - | 1 |
| Contractual services | 55 | 55 | 92 | (37) |
| Debt management total | 56 | 56 | 92 | (36) |
| Facility operations | | | | |
| Contractual services | 346 | 346 | 21 | 325 |
| Facility operations total | 346 | 346 | 21 | 325 |

General government continued on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with</u> |
|-------------------------------|-------------------------|--------------|----------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| General government continued | | | | |
| Finance ERP | | | | |
| Contractual services | 91 | 91 | 74 | 17 |
| Finance ERP total | 91 | 91 | 74 | 17 |
| Office of the mayor | | | | |
| Personnel services | 13 | 13 | 13 | - |
| Office of the mayor total | 13 | 13 | 13 | - |
| General government total | 506 | 506 | 213 | 293 |
| Health | | | | |
| Parks and forestry | | | | |
| Contractual services | 79 | 79 | 78 | 1 |
| Health total | 79 | 79 | 78 | 1 |
| Capital outlay | | | | |
| Diversity and inclusion | | | | |
| Personnel services | 20 | 20 | 3 | 17 |
| Diversity and inclusion total | 20 | 20 | 3 | 17 |
| Building inspection | | | | |
| Contractual services | - | 2 | 2 | - |
| Building inspection total | - | 2 | 2 | - |
| City council | | | | |
| Contractual services | - | 50 | - | 50 |
| City council total | - | 50 | - | 50 |
| Debt management | | | | |
| Personnel services | 126 | 126 | 121 | 5 |
| Contractual services | - | 246 | 246 | - |
| Capital outlay | - | 532 | - | 532 |
| Debt management total | 126 | 904 | 367 | 537 |
| Economic development | | | | |
| Materials and supplies | - | - | - | - |
| Contractual services | - | 690 | 408 | 282 |
| Capital outlay | - | 1,004 | - | 1,004 |
| Economic development total | - | 1,694 | 408 | 1,286 |
| Engineering services | | | | |
| Personnel services | 760 | 1,308 | 1,505 | (197) |
| Materials and supplies | 10 | 10 | 6 | 4 |
| Contractual services | 20,543 | 48,751 | 22,394 | 26,357 |
| Capital outlay | - | - | - | - |
| Engineering services total | 21,313 | 50,069 | 23,905 | 26,164 |

Capital outlay continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Capital outlay (continued) | | | | |
| Fire | | | | |
| Materials and supplies | - | 12 | 10 | 2 |
| Contractual services | - | 137 | 133 | 4 |
| Capital outlay | - | 954 | 910 | 44 |
| Fire total | - | 1,103 | 1,053 | 50 |
| Facility operations | | | | |
| Contractual services | - | 754 | 70 | 684 |
| Capital outlay | - | 30 | - | 30 |
| Facility operations total | - | 784 | 70 | 714 |
| Fleet operations | | | | |
| Contractual services | - | 8 | - | 8 |
| Capital outlay | - | 170 | 170 | - |
| Fleet operations total | - | 178 | 170 | 8 |
| Information & communication technology | | | | |
| Contractual services | - | 471 | 49 | 422 |
| Capital outlay | - | 23 | 22 | 1 |
| Information & communication technology total | - | 494 | 71 | 423 |
| Municipal court judges | | | | |
| Contractual services | - | 250 | - | 250 |
| Municipal court judges total | - | 250 | - | 250 |
| Office of the mayor | | | | |
| Contractual services | - | 58 | 8 | 50 |
| Office of the mayor total | - | 58 | 8 | 50 |

Capital outlay continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with</u> |
|---------------------------------|-------------------------|--------------|----------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Capital outlay (continued) | | | | |
| Parks & forestry | | | | |
| Materials and supplies | - | 10 | 7 | 3 |
| Contractual services | - | 231 | 54 | 177 |
| Parks & forestry total | - | 241 | 61 | 180 |
| Planning commission | | | | |
| Personnel services | 82 | 82 | 81 | 1 |
| Planning commission total | 82 | 82 | 81 | 1 |
| Police | | | | |
| Materials and supplies | - | 369 | 244 | 125 |
| Contractual services | - | 145 | 98 | 47 |
| Capital outlay | - | 2,237 | 16 | 2,221 |
| Police total | - | 2,751 | 358 | 2,393 |
| Recreation | | | | |
| Contractual services | - | 535 | 201 | 334 |
| Capital outlay | - | 23 | 23 | - |
| Recreation total | - | 558 | 224 | 334 |
| Streets, bridges & harbor | | | | |
| Personnel services | 125 | 125 | 193 | (68) |
| Materials and supplies | 23 | 23 | 5 | 18 |
| Contractual services | 910 | 8,464 | 3,682 | 4,782 |
| Streets, bridges & harbor total | 1,058 | 8,612 | 3,880 | 4,732 |
| Taxation | | | | |
| Personnel services | - | 7 | 7 | - |
| Materials and supplies | - | 6 | - | 6 |
| Contractual services | - | 550 | 479 | 71 |
| Taxation total | - | 563 | 486 | 77 |
| Transportation | | | | |
| Personnel services | 631 | 631 | 498 | 133 |
| Materials and supplies | 159 | 159 | 5 | 154 |
| Contractual services | 4 | 228 | 3 | 225 |
| Capital outlay | 1 | 58 | 57 | 1 |
| Transportation total | 795 | 1,076 | 563 | 513 |

Capital outlay continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with</u> |
|---|-------------------------|--------------|----------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Capital outlay (continued) | | | | |
| Waste disposal | | | | |
| Contractual services | - | 224 | 66 | 158 |
| Waste disposal total | - | 224 | 66 | 158 |
| Capital outlay total | 23,394 | 69,713 | 31,776 | 37,937 |
| Debt service: | | | | |
| Principal retirement | 11,222 | 11,938 | 3,849 | 8,089 |
| Interest and fiscal charges | 1,338 | 1,370 | 965 | 405 |
| Debt issuance cost | - | - | 185 | (185) |
| Total expenditures | 36,539 | 83,606 | 37,066 | 46,540 |
| Excess (deficiency) of revenues over (under) expenditures | (18,367) | (46,711) | (25,159) | 21,552 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 37,872 | 37,872 | 38,943 | 1,071 |
| Transfers out | (29,364) | (29,364) | (20,316) | 9,048 |
| Capital lease proceeds | - | - | - | - |
| Issuance of debt | 5,501 | 20,655 | 24,229 | 3,574 |
| Premium (discount) on bond | 346 | 346 | 2,806 | 2,460 |
| Proceeds from sale of capital assets | - | - | - | - |
| Payments to Escrow Agent | - | - | (10,284) | (10,284) |
| Total other financing sources (uses) | 14,355 | 29,509 | 35,378 | 5,869 |
| Net change in fund balance | \$ (4,012) | \$ (17,202) | 10,219 | \$ 27,421 |
| Fund balance at beginning of year (<i>restated</i>) | | | 35,330 * | |
| Increase (decrease) for inventory | | | 94 | |
| Fund balance at year end | | | \$ 45,643 | |

* *Restatement, See Note 18*

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actuals</u> | |
| REVENUES | | | | |
| Special assessments | \$ 27,565 | \$ 27,565 | \$ 30,255 | \$ 2,690 |
| Charges for services | 750 | 750 | 153 | (597) |
| Investment earnings | 10 | 10 | 31 | 21 |
| Other revenue | 26 | 26 | 25 | (1) |
| Total revenues | <u>28,351</u> | <u>28,351</u> | <u>30,464</u> | <u>2,113</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| Debt management | | | | |
| Personnel services | 83 | 83 | 79 | 4 |
| Contractual services | 1 | 1 | 1 | - |
| Debt management total | <u>84</u> | <u>84</u> | <u>80</u> | <u>4</u> |
| Finance ERP | | | | |
| Contractual services | 108 | 108 | 88 | 20 |
| Finance ERP total | <u>108</u> | <u>108</u> | <u>88</u> | <u>20</u> |
| General non-departmental services | | | | |
| Contractual services | - | - | (23) | 23 |
| General non-departmental services total | <u>-</u> | <u>-</u> | <u>(23)</u> | <u>23</u> |
| Human resources | | | | |
| Personnel services | 9 | 9 | 8 | 1 |
| Human resources total | <u>9</u> | <u>9</u> | <u>8</u> | <u>1</u> |
| Office of the mayor | | | | |
| Personnel services | 13 | 13 | 12 | 1 |
| Office of the mayor total | <u>13</u> | <u>13</u> | <u>12</u> | <u>1</u> |
| Streets, bridges & harbor | | | | |
| Personnel services | 254 | 254 | 122 | 132 |
| Materials and supplies | 3 | 3 | 1 | 2 |
| Contractual services | 270 | 270 | 266 | 4 |
| Streets, bridges & harbor total | <u>527</u> | <u>527</u> | <u>389</u> | <u>138</u> |
| General government total | <u>741</u> | <u>741</u> | <u>554</u> | <u>187</u> |
| Public service | | | | |
| Engineering services | | | | |
| Personnel services | 75 | 75 | 40 | 35 |
| Materials and supplies | - | - | - | - |
| Contractual services | 132 | 132 | 71 | 61 |
| Engineering services total | <u>207</u> | <u>207</u> | <u>111</u> | <u>96</u> |

Public service continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Public service (continued) | | | | |
| General fund utilities | | | | |
| Contractual services | 3,957 | 3,957 | 3,465 | 492 |
| General fund utilities total | <u>3,957</u> | <u>3,957</u> | <u>3,465</u> | <u>492</u> |
| Natural resources administration | | | | |
| Personnel services | - | - | - | - |
| Contractual services | - | - | - | - |
| Natural resources administration total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Parks & forestry | | | | |
| Personnel services | 4,018 | 4,018 | 3,737 | 281 |
| Materials and supplies | 280 | 280 | 179 | 101 |
| Contractual services | 2,484 | 2,149 | 1,809 | 340 |
| Parks & forestry total | <u>6,782</u> | <u>6,447</u> | <u>5,725</u> | <u>722</u> |
| Streets, bridges & harbor | | | | |
| Personnel services | 7,467 | 7,467 | 6,628 | 839 |
| Materials and supplies | 1,917 | 1,917 | 972 | 945 |
| Contractual services | 7,321 | 7,321 | 6,578 | 743 |
| Streets, bridges & harbor total | <u>16,705</u> | <u>16,705</u> | <u>14,178</u> | <u>2,527</u> |
| Treasury | | | | |
| Personnel services | 179 | 179 | 148 | 31 |
| Materials and supplies | 63 | 73 | 42 | 31 |
| Contractual services | 2,193 | 2,183 | 1,758 | 425 |
| Debt and other | - | - | - | - |
| Treasury total | <u>2,435</u> | <u>2,435</u> | <u>1,948</u> | <u>487</u> |
| Utilities Admin Service | | | | |
| Personnel services | 289 | 289 | 270 | 19 |
| Utilities Admin Service | <u>289</u> | <u>289</u> | <u>270</u> | <u>19</u> |
| Public service total | <u>30,375</u> | <u>30,040</u> | <u>25,697</u> | <u>4,343</u> |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Health | | | | |
| Parks & forestry | | | | |
| Personnel services | 299 | 299 | 304 | (5) |
| Materials and supplies | 49 | 49 | 16 | 33 |
| Contractual services | 404 | 404 | 282 | 122 |
| Parks & forestry total | <u>752</u> | <u>752</u> | <u>602</u> | <u>150</u> |
| Health total | <u>752</u> | <u>752</u> | <u>602</u> | <u>150</u> |
| Parks and recreation | | | | |
| Parks & forestry | | | | |
| Materials and supplies | 38 | 38 | 40 | (2) |
| Contractual services | 311 | 311 | 140 | 171 |
| Parks & forestry total | <u>349</u> | <u>349</u> | <u>180</u> | <u>169</u> |
| Parks and recreation total | <u>349</u> | <u>349</u> | <u>180</u> | <u>169</u> |
| Capital outlay: | | | | |
| Streets, bridges & harbor | | | | |
| Capital outlay | 6 | 6 | - | 6 |
| Streets, bridges & harbor total | <u>6</u> | <u>6</u> | <u>-</u> | <u>6</u> |
| Capital outlay: | | | | |
| Treasury | | | | |
| Capital outlay | 4 | 4 | - | 4 |
| Treasury total | <u>4</u> | <u>4</u> | <u>-</u> | <u>4</u> |
| Parks and Forestry | | | | |
| Capital outlay | - | 335 | 260 | 75 |
| Parks and Forestry total | <u>-</u> | <u>335</u> | <u>260</u> | <u>75</u> |
| Capital outlay total | <u>10</u> | <u>345</u> | <u>260</u> | <u>85</u> |
| Debt service: | | | | |
| Principal retirement | 19,500 | 19,500 | - | 19,500 |
| Interest and fiscal charges | 486 | 486 | 320 | 166 |
| Total expenditures | <u>52,213</u> | <u>52,213</u> | <u>27,613</u> | <u>24,600</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(23,862)</u> | <u>(23,862)</u> | <u>2,851</u> | <u>26,713</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | 20,000 | 20,000 | - | (20,000) |
| Total other financing sources (uses) | <u>20,000</u> | <u>20,000</u> | <u>-</u> | <u>(20,000)</u> |
| Net change in fund balance | <u>\$ (3,862)</u> | <u>\$ (3,862)</u> | <u>2,851</u> | <u>\$ 6,713</u> |
| Fund balance (deficit) at beginning of year | | | (60,593) | |
| Increase (decrease) for inventory | | | (1,930) | |
| Fund balance (deficit) at year end | | | <u>\$ (59,672)</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Federal Block Grants
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with</u> |
|---|-------------------------|---------------|----------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| REVENUES | | | | |
| Charges for services | - | 42 | - | (42) |
| Grants | 6,776 | 15,475 | 5,865 | (9,610) |
| Other revenue | - | 1,835 | 325 | (1,510) |
| Total revenues | <u>6,776</u> | <u>17,352</u> | <u>6,190</u> | <u>(11,162)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| Beautification action team | | | | |
| Contractual services | - | - | - | - |
| Beautification action team total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| General non-departmental services | | | | |
| Personnel services | - | - | - | - |
| General non-departmental services total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| General government total | - | - | - | - |
| Community environment | | | | |
| Beautification action team | | | | |
| Personnel services | 396 | 530 | 252 | 278 |
| Materials and supplies | 5 | 15 | 1 | 14 |
| Contractual services | 707 | 1,134 | 592 | 542 |
| Debt and other | - | - | - | - |
| Beautification action team total | <u>1,108</u> | <u>1,679</u> | <u>845</u> | <u>834</u> |
| Code enforcement | | | | |
| Personnel services | 601 | 945 | 438 | 507 |
| Materials and supplies | 19 | 20 | 3 | 17 |
| Contractual services | 84 | 594 | 3 | 591 |
| Debt and other | - | - | - | - |
| Code enforcement total | <u>704</u> | <u>1,559</u> | <u>444</u> | <u>1,115</u> |
| Economic development | | | | |
| Personnel services | 85 | 143 | 47 | 96 |
| Materials and supplies | - | 2 | - | 2 |
| Contractual services | - | 390 | - | 390 |
| Debt and other | - | - | - | - |
| Economic development total | <u>85</u> | <u>535</u> | <u>47</u> | <u>488</u> |
| General non-departmental services | | | | |
| Personnel services | - | - | - | - |
| General non-departmental services total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Community environment continues on the next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Federal Block Grants
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Community environment (continued) | | | | |
| Housing division | | | | |
| Personnel services | 1,391 | 2,790 | 1,120 | 1,670 |
| Materials and supplies | - | 107 | 15 | 92 |
| Contractual services | - | 2,375 | 245 | 2,130 |
| Debt and other | - | 4 | - | 4 |
| Housing division total | <u>1,391</u> | <u>5,276</u> | <u>1,380</u> | <u>3,896</u> |
| Law | | | | |
| Personnel services | 55 | 83 | 46 | 37 |
| Contractual services | - | - | - | - |
| Law total | <u>55</u> | <u>83</u> | <u>46</u> | <u>37</u> |
| Neighborhoods administration | | | | |
| Personnel services | 1,118 | 1,838 | 990 | 848 |
| Materials and supplies | - | 39 | 14 | 25 |
| Contractual services | - | 883 | 363 | 520 |
| Debt and other | - | 7 | - | 7 |
| Neighborhoods administration total | <u>1,118</u> | <u>2,767</u> | <u>1,367</u> | <u>1,400</u> |
| Planning commission | | | | |
| Personnel services | 87 | 141 | 75 | 66 |
| Planning commission total | <u>87</u> | <u>141</u> | <u>75</u> | <u>66</u> |
| Real estate | | | | |
| Personnel services | 109 | 225 | 64 | 161 |
| Real estate total | <u>109</u> | <u>225</u> | <u>64</u> | <u>161</u> |
| Third party partners | | | | |
| Debt and other | 2,119 | 3,954 | 2,035 | 1,919 |
| Third party partners total | <u>2,119</u> | <u>3,954</u> | <u>2,035</u> | <u>1,919</u> |
| Community environment total | <u>6,776</u> | <u>16,219</u> | <u>6,303</u> | <u>9,916</u> |
| Capital Outlay | - | 11 | - | 11 |
| Total expenditures | <u>6,776</u> | <u>16,230</u> | <u>6,303</u> | <u>9,927</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>1,122</u> | <u>(113)</u> | <u>(1,235)</u> |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Federal Block Grants
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | (15) | (16) | (1) |
| Transfers in | - | 120 | - | (120) |
| Proceeds from sale of capital assets | - | 8 | - | (8) |
| Total other financing sources (uses) | <u>-</u> | <u>113</u> | <u>(16)</u> | <u>(129)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 1,235</u> | (129) | <u>\$ (1,364)</u> |
| Fund balance at beginning of year | | | 1,220 | |
| Fund balance at year end | | | <u>\$ 1,091</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Operation Grants
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with</u> |
|---|-------------------------|---------------|----------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| REVENUES | | | | |
| Licenses and permits | \$ - | \$ 1 | \$ 1 | \$ - |
| Grants | 6,466 | 14,898 | 7,536 | (7,362) |
| Other revenue | - | 399 | 260 | (139) |
| Total revenues | <u>6,466</u> | <u>15,298</u> | <u>7,797</u> | <u>(7,501)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| Board of community relations | | | | |
| Materials and supplies | - | - | - | - |
| Contractual services | - | 1 | - | 1 |
| Board of community relations total | <u>-</u> | <u>1</u> | <u>-</u> | <u>1</u> |
| General non-departmental services | | | | |
| Personnel services | - | - | - | - |
| General non-departmental services total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Finance Admin | | | | |
| Personnel services | 46 | 46 | - | 46 |
| Finance Admin total | <u>46</u> | <u>46</u> | <u>-</u> | <u>46</u> |
| General government total | <u>46</u> | <u>47</u> | <u>-</u> | <u>47</u> |
| Public Service | | | | |
| Streets, bridges & harbor | | | | |
| Contractual services | 175 | 175 | 142 | 33 |
| Streets, bridges & harbor total | <u>175</u> | <u>175</u> | <u>142</u> | <u>33</u> |
| Public Services total | <u>175</u> | <u>175</u> | <u>142</u> | <u>33</u> |
| Public safety | | | | |
| Fire | | | | |
| Personnel services | - | 56 | 14 | 42 |
| Materials and supplies | 109 | 224 | 50 | 174 |
| Contractual services | 31 | 171 | 13 | 158 |
| Fire total | <u>140</u> | <u>451</u> | <u>77</u> | <u>374</u> |
| Finance Administration | | | | |
| Contractual services | 45 | 45 | - | 45 |
| Finance Administration total | <u>45</u> | <u>45</u> | <u>-</u> | <u>45</u> |
| Municipal court judges | | | | |
| Personnel services | 164 | 463 | 281 | 182 |
| Materials and supplies | - | 20 | 9 | 11 |
| Contractual services | 140 | 1,005 | 508 | 497 |
| Municipal court judges total | <u>304</u> | <u>1,488</u> | <u>798</u> | <u>690</u> |
| Police | | | | |
| Personnel services | 568 | 2,070 | 1,485 | 585 |
| Materials and supplies | 149 | 285 | 131 | 154 |
| Contractual services | 106 | 370 | 131 | 239 |
| Police total | <u>823</u> | <u>2,725</u> | <u>1,747</u> | <u>978</u> |
| Public safety total | <u>1,312</u> | <u>4,709</u> | <u>2,622</u> | <u>2,087</u> |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Operation Grants
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|------------------------------------|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Public utilities | | | | |
| Water treatment | | | | |
| Materials and supplies | - | 30 | 30 | - |
| Water treatment total | - | 30 | 30 | - |
| Public utilities total | - | 30 | 30 | - |
| Community environment | | | | |
| Code enforcement | | | | |
| Contractual services | 45 | 75 | 12 | 63 |
| Code enforcement total | 45 | 75 | 12 | 63 |
| Economic development | | | | |
| Contractual services | - | 8 | 5 | 3 |
| Economic development total | - | 8 | 5 | 3 |
| Environmental services | | | | |
| Contractual services | 3,000 | 3,000 | 2,129 | 871 |
| Environmental services total | 3,000 | 3,000 | 2,129 | 871 |
| Housing division | | | | |
| Personnel services | - | 298 | 71 | 227 |
| Materials and supplies | - | 11 | 6 | 5 |
| Contractual services | - | 1,662 | 821 | 841 |
| Debt and other | - | - | - | - |
| Housing division total | - | 1,971 | 898 | 1,073 |
| Neighborhoods administration | | | | |
| Personnel services | - | 62 | 8 | 54 |
| Materials and supplies | - | - | 487 | (487) |
| Contractual services | 610 | 1,552 | 184 | 1,368 |
| Debt and other | - | - | - | - |
| Neighborhoods administration total | 610 | 1,614 | 679 | 935 |
| Planning commission | | | | |
| Personnel services | - | 348 | 228 | 120 |
| Materials and supplies | - | 9 | 3 | 6 |
| Contractual services | - | 16 | 6 | 10 |
| Planning commission total | - | 373 | 237 | 136 |
| Community environment total | 3,655 | 7,041 | 3,960 | 3,081 |
| Health | | | | |
| Environmental services | | | | |
| Personnel services | - | 1,497 | 1,003 | 494 |
| Materials and supplies | - | 79 | 55 | 24 |
| Contractual services | 995 | 2,414 | 184 | 2,230 |
| Debt and other | - | - | - | - |
| Environmental services total | 995 | 3,990 | 1,242 | 2,748 |
| Health total | 995 | 3,990 | 1,242 | 2,748 |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Operation Grants
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | Variance with |
|---|-------------------------|-----------------|------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Capital outlay | - | 80 | 28 | 52 |
| Total expenditures | 6,183 | 16,072 | 8,024 | 8,048 |
| Excess (deficiency) of revenues over (under) expenditures | 283 | (774) | (227) | 547 |
| Net change in fund balance | <u>\$ 283</u> | <u>\$ (774)</u> | (227) | <u>\$ 547</u> |
| Fund balance at beginning of year | | | 11,123 | |
| Fund balance at year end | | | <u>\$ 10,896</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Street Construction Maintenance and Repair
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Licenses and Permits | \$ - | \$ - | \$ 1 | \$ 1 |
| Intergovernmental services | 12,367 | 12,367 | 12,485 | 118 |
| Charges for services | 5 | 5 | 3 | (2) |
| Fines and forfeitures | 75 | 75 | 135 | 60 |
| Other revenue | 15 | 15 | 8 | (7) |
| Total revenues | <u>12,462</u> | <u>12,462</u> | <u>12,632</u> | <u>170</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| Finance ERP | | | | |
| Contractual services | 29 | 29 | 24 | 5 |
| Finance ERP total | <u>29</u> | <u>29</u> | <u>24</u> | <u>5</u> |
| General non-departmental services | | | | |
| Personnel services | - | - | 1 | (1) |
| General non-departmental services total | <u>-</u> | <u>-</u> | <u>1</u> | <u>(1)</u> |
| Human resources | | | | |
| Personnel services | 17 | 17 | 17 | - |
| Human resources total | <u>17</u> | <u>17</u> | <u>17</u> | <u>-</u> |
| Streets, bridges & harbor | | | | |
| Personnel services | 198 | 198 | 91 | 107 |
| Materials and supplies | 3 | 3 | - | 3 |
| Contractual services | 5 | 5 | 1 | 4 |
| Streets, bridges & harbor total | <u>206</u> | <u>206</u> | <u>92</u> | <u>114</u> |
| General government total | <u>252</u> | <u>252</u> | <u>134</u> | <u>118</u> |
| Public service | | | | |
| Engineering services | | | | |
| Personnel services | 854 | 854 | 757 | 97 |
| Materials and supplies | - | - | - | - |
| Contractual services | 528 | 1,059 | 993 | 66 |
| Engineering services total | <u>1,382</u> | <u>1,913</u> | <u>1,750</u> | <u>163</u> |
| General fund utilities | | | | |
| Contractual services | 355 | 355 | 287 | 68 |
| General fund utilities total | <u>355</u> | <u>355</u> | <u>287</u> | <u>68</u> |

Public service continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Street Construction Maintenance and Repair
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------|-------------------------|---------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Public service (continued) | | | | |
| Streets, bridges & harbor | | | | |
| Personnel services | 3,243 | 3,243 | 3,620 | (377) |
| Materials and supplies | 1,299 | 1,299 | 1,111 | 188 |
| Contractual services | 1,365 | 1,365 | 1,231 | 134 |
| Capital outlay | 21 | 21 | 1 | 20 |
| Streets, bridges & harbor total | <u>5,928</u> | <u>5,928</u> | <u>5,963</u> | <u>(35)</u> |
| Transportation | | | | |
| Personnel services | 3,030 | 3,030 | 2,708 | 322 |
| Materials and supplies | 526 | 526 | 433 | 93 |
| Contractual services | 1,263 | 1,313 | 895 | 418 |
| Transportation total | <u>4,819</u> | <u>4,869</u> | <u>4,036</u> | <u>833</u> |
| Public service total | <u>12,484</u> | <u>13,065</u> | <u>12,036</u> | <u>1,029</u> |
| Public safety | | | | |
| Police | | | | |
| Personnel services | 170 | 170 | 111 | 59 |
| Contractual services | 5 | 5 | 4 | 1 |
| Police total | <u>175</u> | <u>175</u> | <u>115</u> | <u>60</u> |
| Public safety total | <u>175</u> | <u>175</u> | <u>115</u> | <u>60</u> |
| Community environment | | | | |
| Building inspection | | | | |
| Personnel services | 11 | 11 | 13 | (2) |
| Building inspection total | <u>11</u> | <u>11</u> | <u>13</u> | <u>(2)</u> |
| Community environment total | <u>11</u> | <u>11</u> | <u>13</u> | <u>(2)</u> |
| Capital outlay | | | | |
| Engineering services | | | | |
| Contractual services | - | - | - | - |
| Engineering services total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Streets, bridges & harbor | | | | |
| Materials and supplies | - | - | - | - |
| Contractual services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Streets, bridges & harbor total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Transportation | | | | |
| Capital outlay | - | 55 | 55 | - |
| Transportation total | <u>-</u> | <u>55</u> | <u>55</u> | <u>-</u> |
| Capital outlay total | <u>-</u> | <u>55</u> | <u>55</u> | <u>-</u> |
| Total expenditures | <u>12,922</u> | <u>13,558</u> | <u>12,353</u> | <u>1,205</u> |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Street Construction Maintenance and Repair
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Excess (deficiency) of revenues over (under) expenditures | (460) | (1,096) | 279 | 1,375 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | (925) | (925) | 926 | 1,851 |
| Transfers out | 462 | 462 | (452) | 914 |
| Total other financing sources (uses) | (463) | (463) | 474 | 2,765 |
| Net change in fund balance | <u>\$ (923)</u> | <u>\$ (1,559)</u> | 753 | <u>\$ 4,140</u> |
| Fund balance at beginning of year | | | 4,369 | |
| Increase for inventory | | | 29 | |
| Fund balance at year end | | | <u>\$ 5,151</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Cemetery Maintenance
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Investment earnings | \$ 5 | \$ 5 | \$ 2 | \$ (3) |
| Charge for Services | - | - | 4 | 4 |
| Other revenue | 27 | 27 | - | (27) |
| Total revenues | <u>32</u> | <u>32</u> | <u>6</u> | <u>(26)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health | | | | |
| Parks & forestry | | | | |
| Contractual Services | 24 | 24 | - | 24 |
| Health total | <u>24</u> | <u>24</u> | <u>-</u> | <u>24</u> |
| Total expenditures | <u>24</u> | <u>24</u> | <u>-</u> | <u>24</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>8</u> | <u>8</u> | <u>6</u> | <u>(2)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 8</u> | <u>\$ 8</u> | 6 | <u>\$ (2)</u> |
| Fund balance at beginning of year | | | 19 | |
| Fund balance at year end | | | <u>\$ 25</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Golf Improvements
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Charges for services | \$ 246 | \$ 246 | \$ 250 | \$ 4 |
| Total revenues | <u>246</u> | <u>246</u> | <u>250</u> | <u>4</u> |
| EXPENDITURES | | | | |
| Contractual Services | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>246</u> | <u>246</u> | <u>250</u> | <u>4</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (246) | (246) | (246) | - |
| Total other financing sources (uses) | <u>(246)</u> | <u>(246)</u> | <u>(246)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 4 | <u>\$ 4</u> |
| Fund balance at beginning of year | | | <u>409</u> | |
| Fund balance at year end | | | <u>\$ 413</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Parkland Replacement
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Other revenue | \$ - | \$ - | \$ 18 | \$ 18 |
| Charges for Services | - | - | 10 | 10 |
| Total revenues | <u>-</u> | <u>-</u> | <u>28</u> | <u>28</u> |
| EXPENDITURES | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>28</u> | <u>28</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>28</u> | <u>\$ 28</u> |
| Fund balance at beginning of year | | | <u>315</u> | |
| Fund balance at year end | | | <u>\$ 343</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Cemeteries Property Acquisition Site Development
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Charges for services | \$ 26 | \$ 26 | \$ 16 | \$ (10) |
| Total revenues | <u>26</u> | <u>26</u> | <u>16</u> | <u>(10)</u> |
| EXPENDITURES | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>26</u> | <u>26</u> | <u>16</u> | <u>10</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 26</u> | <u>\$ 26</u> | <u>16</u> | <u>\$ 10</u> |
| Fund balance at beginning of year | | | <u>402</u> | |
| Fund balance at year end | | | <u>\$ 418</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Marina Development
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Charges for services | \$ 26 | \$ 26 | \$ 14 | \$ (12) |
| Total revenues | <u>26</u> | <u>26</u> | <u>14</u> | <u>(12)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks and recreation | | | | |
| Recreation | | | | |
| Contractual services | 20 | 20 | 6 | 14 |
| Recreation total | <u>20</u> | <u>20</u> | <u>6</u> | <u>14</u> |
| Parks and recreation total | <u>20</u> | <u>20</u> | <u>6</u> | <u>14</u> |
| Total expenditures | <u>20</u> | <u>20</u> | <u>6</u> | <u>14</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>6</u> | <u>6</u> | <u>8</u> | <u>2</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 6</u> | <u>\$ 6</u> | 8 | <u>\$ 2</u> |
| Fund balance at beginning of year | | | 48 | |
| Fund balance at year end | | | <u>\$ 56</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with</u> |
|---------------------------------|-------------------------|--------------|----------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| REVENUES | | | | |
| Licenses and permits | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | 560 | 560 | - |
| Investment earnings | - | 2 | 2 | - |
| Fines and forfeitures | - | 1,467 | 1,467 | - |
| Grants | - | 41 | 41 | - |
| Other revenue | - | 3,943 | 3,953 | 10 |
| Total revenues | <u>-</u> | <u>6,013</u> | <u>6,023</u> | <u>10</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| City council | | | | |
| Debt and other | <u>-</u> | <u>40</u> | <u>-</u> | <u>40</u> |
| City council total | <u>-</u> | <u>40</u> | <u>-</u> | <u>40</u> |
| Environmental services | | | | |
| Debt and other | <u>-</u> | <u>(6)</u> | <u>-</u> | <u>(6)</u> |
| Environmental services total | <u>-</u> | <u>(6)</u> | <u>-</u> | <u>(6)</u> |
| Municipal court judges | | | | |
| Debt and other | <u>-</u> | <u>63</u> | <u>1</u> | <u>62</u> |
| Municipal court judges total | <u>-</u> | <u>63</u> | <u>1</u> | <u>62</u> |
| Office of the mayor | | | | |
| Debt and other | <u>-</u> | <u>67</u> | <u>-</u> | <u>67</u> |
| Office of the mayor total | <u>-</u> | <u>67</u> | <u>-</u> | <u>67</u> |
| Treasury | | | | |
| Debt and other | <u>-</u> | <u>537</u> | <u>-</u> | <u>537</u> |
| Treasury total | <u>-</u> | <u>537</u> | <u>-</u> | <u>537</u> |
| General non dept-services | | | | |
| Debt and other | <u>-</u> | <u>-</u> | <u>39</u> | <u>(39)</u> |
| General non dept-services | <u>-</u> | <u>-</u> | <u>39</u> | <u>(39)</u> |
| General government total | <u>-</u> | <u>701</u> | <u>40</u> | <u>661</u> |
| Public service | | | | |
| Streets, bridges & harbor | | | | |
| Personnel services | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Streets, bridges & harbor total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Public service total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--------------------------------|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Public safety | | | | |
| Clerk of municipal court | | | | |
| Debt and other | - | 187 | - | 187 |
| Clerk of municipal court total | - | 187 | - | 187 |
| | | | | |
| Fire | | | | |
| Materials and supplies | - | 50 | 49 | 1 |
| Contractual services | - | 72 | - | 72 |
| Debt and other | - | - | - | - |
| Fire total | - | 122 | 49 | 73 |
| | | | | |
| Law | | | | |
| Contractual services | - | 203 | 136 | 67 |
| Debt and other | - | - | - | - |
| Law total | - | 203 | 136 | 67 |
| | | | | |
| Municipal court judges | | | | |
| Personnel services | - | 177 | 74 | 103 |
| Materials and supplies | - | 703 | 441 | 262 |
| Contractual services | - | 8,970 | 559 | 8,411 |
| Debt and other | - | - | - | - |
| Municipal court judges total | - | 9,850 | 1,074 | 8,776 |
| | | | | |
| Police | | | | |
| Materials and supplies | - | 242 | 36 | 206 |
| Contractual services | - | 170 | 73 | 97 |
| Debt and other | - | - | - | - |
| Police total | - | 412 | 109 | 303 |
| | | | | |
| Public safety total | - | 10,774 | 1,368 | 9,406 |
| | | | | |
| Community environment | | | | |
| Economic development | | | | |
| Contractual services | - | (89) | (112) | 23 |
| Debt and other | - | - | - | - |
| Economic development total | - | (89) | (112) | 23 |
| | | | | |
| Engineering services | | | | |
| Debt and other | - | - | - | - |
| Engineering services total | - | - | - | - |

Community environment continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|------------------------------------|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Community environment (continued) | | | | |
| Housing division | | | | |
| Debt and other | - | 1 | - | 1 |
| Housing division total | - | 1 | - | 1 |
| Municipal court judges | | | | |
| Materials and supplies | - | 29 | 20 | 9 |
| Contractual services | - | 185 | 19 | 166 |
| Debt and other | - | - | - | - |
| Municipal court judges total | - | 214 | 39 | 175 |
| Neighborhoods administration | | | | |
| Personnel services | - | 32 | 24 | 8 |
| Materials and supplies | - | 46 | 28 | 18 |
| Contractual services | - | 805 | 212 | 593 |
| Debt and other | - | - | - | - |
| Neighborhoods administration total | - | 883 | 264 | 619 |
| Recreation | | | | |
| Materials and supplies | - | 57 | 8 | 49 |
| Contractual services | - | 243 | 14 | 229 |
| Debt and other | - | - | - | - |
| Recreation total | - | 300 | 22 | 278 |
| Streets, bridges & harbor | | | | |
| Personnel services | - | 1,051 | 921 | 130 |
| Materials and supplies | - | 202 | 161 | 41 |
| Contractual services | - | 233 | 1,869 | (1,636) |
| Debt and other | - | - | - | - |
| Streets, bridges & harbor total | - | 1,486 | 2,951 | (1,465) |
| Community environment total | - | 2,795 | 3,164 | (369) |
| Health | | | | |
| Environmental services | | | | |
| Contractual services | - | 78 | 18 | 60 |
| Debt and other | - | - | - | - |
| Environmental services total | - | 78 | 18 | 60 |
| Waste disposal | | | | |
| Contractual services | - | 207 | 26 | 181 |
| Debt and other | - | 6 | - | 6 |
| Waste disposal total | - | 213 | 26 | 187 |
| Health total | - | 291 | 44 | 247 |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Expendable Trusts
For the Year Ended December 31, 2016
(Amounts in Thousands)
(continued)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Parks and recreation | | | | |
| Natural resources administration | | | | |
| Debt and other | - | 1 | - | 1 |
| Natural resources administration total | - | 1 | - | 1 |
| | | | | |
| Parks & forestry | | | | |
| Materials and supplies | - | 18 | - | 18 |
| Contractual services | - | 490 | 6 | 484 |
| Debt and other | - | - | - | - |
| Parks & forestry total | - | 508 | 6 | 502 |
| | | | | |
| Youth commission | | | | |
| Debt and other | - | 4 | 2 | 2 |
| Youth commission total | - | 4 | 2 | 2 |
| | | | | |
| Parks and recreation total | - | 513 | 8 | 505 |
| | | | | |
| Capital outlay | - | 449 | 122 | 327 |
| Total expenditures | - | 15,523 | 4,746 | 10,777 |
| | | | | |
| Excess (deficiency) of revenues over (under) expenditures | - | (9,510) | 1,277 | 10,787 |
| | | | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | (10) | - | (10) |
| Proceeds from sale of capital assets | - | - | - | - |
| Total other financing sources (uses) | - | (10) | - | (10) |
| | | | | |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (9,520)</u> | 1,277 | <u>\$ 10,777</u> |
| | | | | |
| Fund balance at beginning of year | | | 5,899 | |
| Increase for inventory | | | 7 | |
| Fund balance at year end | | | <u>\$ 7,183</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Toledo Home Program
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with</u> |
|---|-------------------------|-----------------|----------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| REVENUES | | | | |
| Grants | \$ 1,628 | \$ 6,578 | \$ 1,233 | \$ (5,345) |
| Other revenue | - | (94) | 32 | 126 |
| Total revenues | <u>1,628</u> | <u>6,484</u> | <u>1,265</u> | <u>(5,219)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community environment | | | | |
| Housing division | | | | |
| Personnel services | 124 | 273 | 84 | 189 |
| Materials and supplies | 18 | 23 | - | 23 |
| Contractual services | 1,486 | 3,952 | 1,259 | 2,693 |
| Debt and other | - | - | 2 | (2) |
| Housing division total | <u>1,628</u> | <u>4,248</u> | <u>1,345</u> | <u>2,903</u> |
| Neighborhoods administration | | | | |
| Personnel services | - | - | - | - |
| Neighborhoods administration total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Community environment total | <u>1,628</u> | <u>4,248</u> | <u>1,345</u> | <u>2,903</u> |
| Total expenditures | <u>1,628</u> | <u>4,248</u> | <u>1,345</u> | <u>2,903</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>2,236</u> | <u>(80)</u> | <u>(2,316)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 49 | - | (49) |
| Total other financing sources (uses) | <u>-</u> | <u>49</u> | <u>-</u> | <u>(49)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 2,285</u> | <u>(80)</u> | <u>\$ (2,365)</u> |
| Fund balance at beginning of year | | | 626 | |
| Fund balance at year end | | | <u>\$ 546</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Right of Way
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Other revenue | \$ - | \$ - | \$ 2 | \$ 2 |
| Total revenues | <u>-</u> | <u>-</u> | <u>2</u> | <u>2</u> |
| EXPENDITURES | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>2</u> | <u>2</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 225 | 225 | 225 | - |
| Transfers out | <u>(225)</u> | <u>(225)</u> | <u>(225)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>2</u> | <u>\$ 2</u> |
| Fund balance at beginning of year | | | <u>11</u> | |
| Fund balance at year end | | | <u>\$ 13</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Debt Service
General Obligation
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Total revenues | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | 11,196 | 11,196 | 11,055 | 141 |
| Interest and fiscal charges | 5,349 | 5,349 | 5,157 | 192 |
| Total expenditures | 16,545 | 16,545 | 16,212 | 333 |
| Excess (deficiency) of revenues over (under) expenditures | (16,545) | (16,545) | (16,212) | 333 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 22,351 | 22,351 | 15,498 | (6,853) |
| Transfer out | - | - | - | - |
| Total other financing sources (uses) | 22,351 | 22,351 | 15,498 | (6,853) |
| Net change in fund balance | <u>\$ 5,806</u> | <u>\$ 5,806</u> | (714) | <u>\$ (6,520)</u> |
| Fund balance at beginning of year (<i>restated</i>) | | | 715 | |
| Fund balance at year end | | | <u>\$ 1</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Debt Service
Special Assessment
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Special assessments | \$ 33 | \$ 33 | \$ 23 | \$ (10) |
| Total revenues | <u>33</u> | <u>33</u> | <u>23</u> | <u>(10)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Debt service: | | | | |
| Principal retirement | 10 | 10 | 10 | - |
| Interest and fiscal charges | <u>3</u> | <u>3</u> | <u>2</u> | <u>1</u> |
| Total expenditures | <u>13</u> | <u>13</u> | <u>12</u> | <u>1</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>20</u> | <u>20</u> | <u>11</u> | <u>(9)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 20</u> | <u>\$ 20</u> | 11 | <u>\$ (9)</u> |
| Fund balance at beginning of year | | | <u>185</u> | |
| Fund balance at year end | | | <u>\$ 196</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Debt Service
Jeep Muni Public Imp TIF
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with</u> |
|---|-------------------------|-------------------|--------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| REVENUES | | | | |
| Intergovernmental services | \$ 2,353 | \$ 2,353 | \$ 3,091 | \$ 738 |
| Total revenues | <u>2,353</u> | <u>2,353</u> | <u>3,091</u> | <u>738</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | 2,958 | 2,958 | 2,958 | - |
| Interest and fiscal charges | 469 | 469 | 468 | 1 |
| Total expenditures | <u>3,427</u> | <u>3,427</u> | <u>3,426</u> | <u>1</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,074)</u> | <u>(1,074)</u> | <u>(335)</u> | <u>739</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfer out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (1,074)</u> | <u>\$ (1,074)</u> | <u>(335)</u> | <u>\$ 739</u> |
| Fund balance at beginning of year (<i>restated</i>) | | | <u>(15,861)</u> | |
| Fund balance at year end | | | <u>\$ (16,196)</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Capital Projects
Special Assessment Improvements
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Special assessments | \$ 175 | \$ 175 | \$ 171 | \$ (4) |
| Total revenues | <u>175</u> | <u>175</u> | <u>171</u> | <u>(4)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Capital outlay | | | | |
| Engineering services | | | | |
| Personnel services | 150 | 150 | 45 | 105 |
| Contractual services | 72 | 169 | 49 | 120 |
| Engineering services total | <u>222</u> | <u>319</u> | <u>94</u> | <u>225</u> |
| Capital outlay total | <u>222</u> | <u>319</u> | <u>94</u> | <u>225</u> |
| Debt service: | | | | |
| Principal retirement | 4,175 | 4,175 | - | 4,175 |
| Interest and fiscal charges | 81 | 81 | 43 | 38 |
| Debt services total | <u>4,478</u> | <u>4,575</u> | <u>137</u> | <u>4,438</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(4,303)</u> | <u>(4,400)</u> | <u>34</u> | <u>4,434</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Premium on bonds | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (4,303)</u> | <u>\$ (4,400)</u> | <u>34</u> | <u>\$ 4,434</u> |
| Fund balance (deficit) at beginning of year | | | (1,853) | |
| Fund balance (deficit) at year end | | | <u>\$ (1,819)</u> | |

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Capital Projects
Franklin Pk/Westfield Muni Public Imp TIF
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | <u>Budgeted amounts</u> | | <u>Actuals</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental services | \$ 1,850 | \$ 1,850 | \$ 2,035 | \$ 185 |
| Total revenues | <u>1,850</u> | <u>1,850</u> | <u>2,035</u> | <u>185</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Capital outlay | | | | |
| Engineering services | | | | |
| Personnel services | - | 51 | 50 | 1 |
| Contractual services | - | 4,263 | 21 | 4,242 |
| Engineering services total | <u>-</u> | <u>4,314</u> | <u>71</u> | <u>4,243</u> |
| Capital outlay total | <u>-</u> | <u>4,314</u> | <u>71</u> | <u>4,243</u> |
| Total expenditures | <u>-</u> | <u>4,314</u> | <u>71</u> | <u>4,243</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,850</u> | <u>(2,464)</u> | <u>1,964</u> | <u>4,428</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Premium on bonds | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 1,850</u> | <u>\$ (2,464)</u> | 1,964 | <u>\$ 4,428</u> |
| Fund balance (deficit) at beginning of year <i>(restated)</i> | | | 8,784 | |
| Fund balance (deficit) at year end | | | <u>\$ 10,748</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

Tables

Financial Trends

These schedules contain trend information to help understand how the City's financial performance and well-being have changed over time. 1-4

Revenue Capacity

These schedules contain information to help assess the City's most significant local revenue sources. 5-10

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 11-15

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 16-17

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. 18-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

This page intentionally left blank.

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Debt Service Funds
For the Year Ended December 31, 2016
(Amounts in Thousands)

| | Jeep Muni Public Imp TIF | General Obligation | Special Assessment | Total Debt service Funds |
|---|---|-------------------------------|-------------------------------|---|
| REVENUES | | | | |
| Income Taxes | \$ - | \$ - | \$ - | \$ - |
| Property Taxes | - | - | - | - |
| Special Assessments | - | - | 23 | 23 |
| Licenses and Permits | - | - | - | - |
| Intergovernmental Services | 3,091 | - | - | 3,091 |
| Charges for Services | - | - | - | - |
| Investment Earnings | - | - | - | - |
| Fines and Forfeitures | - | - | - | - |
| Grants | - | - | - | - |
| Other Revenue | - | - | - | - |
| Total Revenues | <u>3,091</u> | <u>-</u> | <u>23</u> | <u>3,114</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Service | - | - | - | - |
| Public Safety | - | - | - | - |
| Public Utilities | - | - | - | - |
| Community Environment | - | - | - | - |
| Health | - | - | - | - |
| Parks and Recreation | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal Retirement | 2,958 | 11,055 | 10 | 14,023 |
| Interest and Fiscal Charges | 468 | 5,157 | 2 | 5,627 |
| Debt Issuance Costs | - | - | - | - |
| Total Expenditures | <u>3,426</u> | <u>16,212</u> | <u>12</u> | <u>19,650</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | (335) | (16,212) | 11 | (16,536) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | 15,498 | - | 15,498 |
| Transfers (Out) | - | - | - | - |
| Capital Lease Proceeds | - | - | - | - |
| Issuance of Bonds | - | - | - | - |
| Premium on Bonds | - | - | - | - |
| Proceeds from Sale of Capital Assets | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>15,498</u> | <u>-</u> | <u>15,498</u> |
| Net Change in Fund Balance | (335) | (714) | 11 | (1,038) |
| Fund Balance (Deficit) at Beginning of Year | (15,861) * | 715 * | 185 | (14,961) |
| Increase (Decrease) for Inventory | - | - | - | - |
| Fund Balance (Deficit) at Year End | <u>\$ (16,196)</u> | <u>\$ 1</u> | <u>\$ 196</u> | <u>\$ (15,999)</u> |

* Restatement, See Note 18

Page Intentionally Left Blank

City of Toledo, Ohio

Nonmajor Capital Projects Funds

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

Franklin Pk/Westfield Muni Public TIF – This is the Municipal Public Improvement Tax Increment Equivalent fund established by 810-04 that collects payments in lieu of taxes while accounting for the City’s costs associated with public infrastructure improvements associated with Franklin Park/Westfield Mall area.

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016
(Amounts in Thousands)

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Permanent Funds</u> | <u>Total Nonmajor Funds</u> |
|---|----------------------------|-------------------------|-----------------------------|----------------------------|---------------------------------|
| ASSETS | | | | | |
| Cash and Equivalents: | | | | | |
| Cash and Equivalents with Treasurer | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash and Equivalents Held by Escrow Agent | - | - | - | - | - |
| Cash and Equivalents Other | 2 | - | - | - | 2 |
| Investments | 37 | - | - | - | 37 |
| Restricted Investments | - | - | - | 642 | 642 |
| Receivables (Net of Allowance) | 9,123 | 74 | 786 | - | 9,983 |
| Due From Other: | | | | | |
| Funds | 20,078 | 197 | 10,748 | 367 | 31,390 |
| Governments | 5,015 | - | - | - | 5,015 |
| Prepaid Items | - | - | - | - | - |
| Inventory of Supplies | 878 | - | - | - | 878 |
| Total Assets | <u>35,133</u> | <u>271</u> | <u>11,534</u> | <u>1,009</u> | <u>47,947</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | 2,055 | - | - | - | 2,055 |
| Deposits | 1,846 | - | - | 313 | 2,159 |
| Retainage | - | - | - | - | - |
| Due To Other: | | | | | |
| Funds | 553 | 16,196 | 704 | - | 17,453 |
| Governments | - | - | - | - | - |
| Accrued Wages and Benefits | 272 | - | 1 | - | 273 |
| Other Current Liabilities | - | - | - | - | - |
| Compensated Absences Payable | 40 | - | - | - | 40 |
| Notes Payable | - | - | 1,114 | - | 1,114 |
| Total Liabilities | <u>4,766</u> | <u>16,196</u> | <u>1,819</u> | <u>313</u> | <u>23,094</u> |
| Deferred Inflows of Resources: | | | | | |
| Revenues Levied for the next year and Unavailable Revenue | <u>3,445</u> | <u>74</u> | <u>786</u> | <u>-</u> | <u>4,305</u> |
| Fund Balances: | | | | | |
| Nonspendable | 878 | - | - | 642 | 1,520 |
| Restricted | 24,653 | 196 | 10,748 * | 54 | 35,651 |
| Committed | 1,391 | 1 * | - | - | 1,392 |
| Unassigned | - | (16,196) * | (1,819) | - | (18,015) |
| Total Fund Balances | <u>26,922</u> | <u>(15,999)</u> | <u>8,929</u> | <u>696</u> | <u>20,548</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 35,133</u> | <u>\$ 271</u> | <u>\$ 11,534</u> | <u>\$ 1,009</u> | <u>\$ 47,947</u> |

* Restatement, see Note 18

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

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 334,902 | \$ 349,748 | \$ 377,025 | \$ 379,066 | \$ 368,093 | \$ 342,304 | \$ 343,145 | \$ 333,510 | \$ 338,428 | \$ 329,962 |
| Restricted | 60,434 | 49,575 | 58,721 | 59,009 | 81,257 | 65,509 | 73,630 | 83,098 | 52,032 | 52,822 |
| Unrestricted | (216,715) | (196,638) | (198,341) | 26,195 | 18,429 | 31,418 | 5,002 | (14,200) | - | - |
| Total governmental activities | <u>178,621</u> | <u>202,685</u> | <u>237,405</u> | <u>464,270</u> | <u>467,779</u> | <u>439,231</u> | <u>421,777</u> | <u>402,408</u> | <u>390,460</u> | <u>382,784</u> |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets | 453,683 | 404,882 | 391,748 | 372,533 | 388,287 | 383,122 | 388,160 | 327,984 | 305,182 | 280,940 |
| Restricted | 51,990 | 75,073 | 89,146 | 88,854 | 33,221 | 7,476 | 31,760 | 36,259 | 41,367 | 60,000 |
| Unrestricted | 31,550 | 14,429 | (17,624) | 5,265 | 17,424 | 29,078 | 6,676 | 47,785 | 59,097 | 53,529 |
| Total business-type activities | <u>537,223</u> | <u>494,384</u> | <u>463,270</u> | <u>466,652</u> | <u>438,932</u> | <u>419,676</u> | <u>426,596</u> | <u>412,028</u> | <u>405,646</u> | <u>394,469</u> |
| Primary government activities: | | | | | | | | | | |
| Net investment in capital assets | 788,585 | 754,630 | 768,773 | 751,599 | 756,380 | 725,426 | 731,305 | 661,494 | 643,610 | 610,902 |
| Restricted | 112,424 | 124,648 | 147,867 | 147,863 | 114,478 | 72,985 | 105,390 | 119,357 | 93,399 | 112,822 |
| Unrestricted | (185,165) | (182,209) | (215,965) | 31,460 | 35,853 | 60,496 | 11,678 | 33,585 | 59,097 | 53,529 |
| Total primary government activities | <u>\$ 715,844</u> | <u>\$ 697,069</u> | <u>\$ 700,675</u> | <u>\$ 930,922</u> | <u>\$ 906,711</u> | <u>\$ 858,907</u> | <u>\$ 848,373</u> | <u>\$ 814,436</u> | <u>\$ 796,106</u> | <u>\$ 777,253</u> |

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

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Government activities | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 14,616 | \$ 17,835 | \$ 22,583 | \$ 37,121 | \$ 72,061 | \$ 41,828 | \$ 46,960 | \$ 72,777 | \$ 59,916 | \$ 30,165 |
| Public service | 29,997 | 27,852 | 21,517 | 26,198 | - | 25,381 | 26,003 | - | - | - |
| Public safety | 16,715 | 15,338 | 17,406 | 17,042 | 15,907 | 12,748 | 9,363 | 8,103 | 9,408 | 8,814 |
| Public utilities | - | 14 | 22 | - | 351 | - | - | - | - | 1,199 |
| Community environment | 2,875 | 2,440 | 2,389 | 2,527 | 2,928 | 8,044 | 5,421 | 6,364 | 7,464 | 6,563 |
| Health | 12,507 | 10,454 | 10,575 | 11,709 | 9,813 | 11,221 | 11,184 | 5,853 | 5,580 | 2,632 |
| Parks and recreation | 68 | 479 | 138 | 164 | 635 | 206 | 200 | 111 | 116 | 101 |
| Operating grants | 7,698 | 9,022 | 14,160 | 20,492 | 29,533 | 35,731 | 12,675 | 40,689 | 33,081 | 65,423 |
| Capital grants | 15,786 | 19,996 | 14,486 | 10,630 | 16,590 | 4,509 | 33,739 | 18,348 | 15,537 | 21,082 |
| Total governmental activities program revenues | <u>100,262</u> | <u>103,430</u> | <u>103,276</u> | <u>125,883</u> | <u>147,818</u> | <u>139,668</u> | <u>145,545</u> | <u>152,245</u> | <u>131,102</u> | <u>135,979</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water | 72,878 | 63,323 | 57,205 | 52,476 | 44,112 | 43,250 | 42,487 | 35,913 | 38,070 | 38,627 |
| Sewer | 73,438 | 70,863 | 69,890 | 69,719 | 66,608 | 65,608 | 57,354 | 54,189 | 56,064 | 48,901 |
| Storm utility | 9,885 | 9,921 | 11,046 | 9,620 | 10,331 | 10,234 | 9,798 | 10,069 | 9,034 | 8,620 |
| Utilities administration | 17,706 | 16,222 | 12,163 | 9,945 | 12,462 | 11,323 | 10,071 | 8,696 | 10,564 | 9,676 |
| Parking | - | - | - | - | - | 1,887 | 1,383 | 1,459 | 1,509 | 1,403 |
| Toledo public power | 631 | 688 | 774 | 588 | 136 | - | - | - | - | - |
| Property management | 11 | - | 1,745 | - | - | 24 | 470 | 208 | 262 | 266 |
| Erie street market | 2 | 97 | 107 | 146 | 115 | 197 | 177 | - | - | - |
| Small business development | - | - | 8 | - | - | - | - | - | - | - |
| Tow lot | 2,219 | 1,854 | 2,566 | 2,536 | 2,007 | 1,929 | 1,911 | 1,418 | 2,549 | 2,315 |
| Capital grants | 343 | 1,524 | 2,483 | 640 | 1,448 | 2,709 | 5,423 | - | - | - |
| Total business-type activities revenues | <u>177,113</u> | <u>164,492</u> | <u>157,987</u> | <u>145,670</u> | <u>137,219</u> | <u>137,161</u> | <u>129,074</u> | <u>111,952</u> | <u>118,052</u> | <u>109,808</u> |
| Total primary governmental revenues | <u>\$ 277,375</u> | <u>\$ 267,922</u> | <u>\$ 261,263</u> | <u>\$ 271,553</u> | <u>\$ 285,037</u> | <u>\$ 276,829</u> | <u>\$ 274,619</u> | <u>\$ 264,197</u> | <u>\$ 249,154</u> | <u>\$ 245,787</u> |

(continued)

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

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Government-type activities | | | | | | | | | | |
| General government | \$ 24,154 | \$ 23,241 | \$ 29,937 | \$ 35,031 | \$ 28,807 | \$ 21,651 | \$ 25,421 | \$ 28,464 | \$ 28,673 | \$ 27,059 |
| Public service | 64,777 | 68,533 | 67,217 | 55,070 | 34,715 | 48,606 | 54,469 | 56,085 | 57,508 | 53,562 |
| Public safety | 211,044 | 199,620 | 177,419 | 173,274 | 165,810 | 164,396 | 157,436 | 157,024 | 170,767 | 163,334 |
| Public utilities | 3,735 | 3,880 | 3,753 | 1,876 | 1,268 | 493 | 2 | 139 | 167 | 106 |
| Community environment | 20,944 | 23,550 | 21,427 | 20,090 | 37,867 | 27,058 | 32,543 | 19,634 | 18,915 | 20,230 |
| Health | 9,561 | 7,410 | 9,743 | 9,265 | 19,197 | 18,012 | 16,966 | 17,569 | 19,104 | 16,773 |
| Parks and recreation | 5,202 | 6,388 | 6,702 | 6,443 | 5,419 | 5,396 | 6,139 | 6,933 | 7,397 | 15,047 |
| Interest and fiscal charges | 9,076 | 16,676 | 7,460 | 8,003 | 11,762 | 14,332 | 12,060 | 12,442 | 14,731 | 10,368 |
| Total governmental activities expenses | 348,493 | 349,298 | 323,658 | 309,052 | 304,845 | 299,944 | 305,036 | 298,290 | 317,262 | 306,479 |
| Business-type activities | | | | | | | | | | |
| Water | 56,931 | 56,417 | 53,472 | 46,912 | 41,997 | 41,495 | 39,138 | 36,556 | 36,708 | 38,388 |
| Sewer | 58,723 | 58,407 | 63,174 | 51,310 | 67,507 | 64,705 | 56,888 | 49,974 | 50,484 | 47,329 |
| Storm utility | 6,638 | 6,673 | 6,358 | 6,801 | 11,291 | 8,005 | 4,968 | 5,191 | 5,331 | 6,168 |
| Utility administration | 11,721 | 11,204 | 12,176 | 11,285 | 7,067 | 10,608 | 9,876 | 10,185 | 10,048 | 10,647 |
| Parking | - | - | - | - | - | 644 | 820 | 934 | 962 | 946 |
| Property management | 652 | 678 | 970 | 895 | 1,286 | 1,691 | 1,691 | 1,949 | 5,111 | 1,930 |
| Small business development | 47 | 57 | 52 | 63 | 78 | 380 | 380 | 76 | 42 | 41 |
| Toledo public power | 543 | 662 | 747 | 567 | 138 | - | - | - | - | - |
| Tow lot | 1,089 | 1,055 | 1,056 | 963 | 911 | 986 | 986 | 1,229 | 1,141 | 1,087 |
| Erie street market | 9 | 75 | 109 | 48 | 124 | - | - | - | - | - |
| Total business-activities expenses | 136,353 | 135,228 | 138,114 | 118,844 | 130,399 | 128,514 | 114,747 | 106,094 | 109,827 | 106,536 |
| Total primary government expenses | \$ 484,846 | \$ 484,526 | \$ 461,772 | \$ 427,896 | \$ 435,244 | \$ 428,458 | \$ 419,783 | \$ 404,384 | \$ 427,089 | \$ 413,015 |

(continued)

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

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Governmental activities | \$ (248,230) | \$ (245,868) | \$ (220,382) | \$ (183,169) | \$ (157,027) | \$ (163,464) | \$ (159,491) | \$ (146,045) | \$ (186,160) | \$ (170,500) |
| Business-type activities | 40,760 | 29,264 | 19,873 | 26,826 | 6,820 | 8,647 | 14,327 | 5,858 | 8,225 | 3,272 |
| Total primary governmental revenue (expenses), net | <u>(207,470)</u> | <u>(216,604)</u> | <u>(200,509)</u> | <u>(156,343)</u> | <u>(150,207)</u> | <u>(154,817)</u> | <u>(145,164)</u> | <u>(140,187)</u> | <u>(177,935)</u> | <u>(167,228)</u> |
| General revenues and other changes in net position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Income taxes | 175,958 | 171,053 | 163,653 | 158,176 | 158,128 | 152,864 | 146,886 | 138,474 | 154,475 | 169,689 |
| Property taxes | 10,059 | 9,793 | 9,585 | 9,708 | 11,361 | 12,168 | 12,465 | 15,518 | 18,078 | 19,424 |
| Unrestricted investments earnings | 793 | 850 | 454 | 508 | 1,017 | 1,240 | 1,605 | 2,483 | 5,582 | 8,553 |
| Grants and entitlements not restricted to specific programs | - | - | - | - | 5,272 | - | - | - | - | - |
| Intergovernmental services | 29,416 | 24,536 | 26,740 | 2,215 | - | - | - | - | - | - |
| Gain on sale of capital assets | - | - | 167 | 87 | - | 859 | - | - | - | - |
| Other revenue grants | 8,144 | 5,640 | 10,534 | 8,728 | 4,789 | 4,707 | 4,572 | 6,928 | 14,469 | 2,297 |
| Transfers | (204) | (724) | 1,200 | 238 | (289) | 10,244 | 534 | 655 | 1,232 | (291) |
| Total government activities | <u>224,166</u> | <u>211,148</u> | <u>212,333</u> | <u>179,660</u> | <u>180,278</u> | <u>182,082</u> | <u>166,062</u> | <u>164,058</u> | <u>193,836</u> | <u>199,672</u> |
| Business-type activities: | | | | | | | | | | |
| Unrestricted investments earnings | 1,875 | 1,078 | 1,818 | 1,132 | 937 | 1,092 | 781 | 899 | 4,064 | 6,460 |
| Gain on sale of capital assets and | - | 48 | 673 | - | - | - | - | - | - | - |
| Other revenue grants | - | - | - | - | - | (6,836) | (6) | 280 | 120 | (5,657) |
| Transfers | 204 | 724 | (1,200) | (238) | 289 | (10,244) | (534) | (655) | (1,232) | 291 |
| Total business-type activities | <u>2,079</u> | <u>1,850</u> | <u>1,291</u> | <u>894</u> | <u>1,226</u> | <u>(15,988)</u> | <u>241</u> | <u>524</u> | <u>2,952</u> | <u>1,094</u> |
| Total primary governmental general revenues and other changes in net position | <u>226,245</u> | <u>212,998</u> | <u>213,624</u> | <u>180,554</u> | <u>181,504</u> | <u>166,094</u> | <u>166,303</u> | <u>164,582</u> | <u>196,788</u> | <u>200,766</u> |
| Changes in Net Position | | | | | | | | | | |
| Governmental activities | (24,064) | (34,720) | (8,049) | (3,509) | 23,251 | 18,618 | 6,571 | 18,013 | 7,676 | 29,172 |
| Business-type activities | 42,839 | 31,114 | 21,164 | 27,720 | 8,046 | (7,341) | 14,568 | 6,382 | 11,177 | 4,366 |
| Total primary governmental net change | <u>\$ 18,775</u> | <u>\$ (3,606)</u> | <u>\$ 13,115</u> | <u>\$ 24,211</u> | <u>\$ 31,297</u> | <u>\$ 11,277</u> | <u>\$ 21,139</u> | <u>\$ 24,395</u> | <u>\$ 18,853</u> | <u>\$ 33,538</u> |

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

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|------------------|-----------------|------------------|------------------|------------------|------------------|--------------------|------------------|-----------------|------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 1,158 | \$ 1,204 | \$ 1,594 | \$ 1,143 | \$ 850 | \$ 712 | \$ 697 | \$ - | \$ - | \$ - |
| Restricted | 3,814 | 4,771 | 5,317 | 5,420 | 5,406 | 5,376 | 5,320 | - | - | - |
| Reserved | - | - | - | - | - | - | - | 8,263 | 8,187 | 5,485 |
| Unreserved | - | - | - | - | - | - | - | (16,283) | (3,796) | 7,148 |
| Unrestricted: | | | | | | | | | | |
| Committed | 4,754 | 1,948 | 1,553 | 326 | 326 | - | - | - | - | - |
| Unassigned | 6,028 | 2,255 | 1,331 | 1,088 | (1,574) | (5,762) | (19,729) | - | - | - |
| Total general fund | <u>15,754</u> | <u>10,178</u> | <u>9,795</u> | <u>7,977</u> | <u>5,008</u> | <u>326</u> | <u>(13,712)</u> | <u>(8,020)</u> | <u>4,391</u> | <u>12,633</u> |
| Capital Improvement Fund | | | | | | | | | | |
| Nonspendable | 1,147 | 1,053 | 1,117 | 1,239 | 1,005 | 782 | 856 | - | - | - |
| Restricted | 44,496 * | 21,607 | 18,023 | 18,062 | 43,191 | 34,896 | 23,379 | - | - | - |
| Reserved | - | - | - | - | - | - | - | 28,449 | 35,289 | 37,148 |
| Unreserved | - | - | - | - | - | - | - | 18,882 | (8,220) | (7,385) |
| Unrestricted: | | | | | | | | | | |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total capital improvement fund | <u>45,643</u> | <u>22,660</u> | <u>19,140</u> | <u>19,301</u> | <u>44,196</u> | <u>35,678</u> | <u>24,235</u> | <u>47,331</u> | <u>27,069</u> | <u>29,763</u> |
| Special Assessment Services Fund | | | | | | | | | | |
| Nonspendable | 2,145 | 4,074 | 3,956 | 1,743 | 2,864 | 1,438 | 1,807 | - | - | - |
| Restricted | 377 | - | 280 | 1,509 | 218 | 384 | 4,977 | - | - | - |
| Reserved | - | - | - | - | - | - | - | 2,827 | 2,784 | 2,039 |
| Unreserved | - | - | - | - | - | - | - | (53,450) | (51,764) | (48,017) |
| Unrestricted: | | | | | | | | | | |
| Committed | (62,194) | (64,667) | (61,144) | (54,046) | (53,293) | (53,153) | (56,328) | - | - | - |
| Total special assessment services fund | <u>(59,672)</u> | <u>(60,593)</u> | <u>(56,908)</u> | <u>(50,794)</u> | <u>(50,211)</u> | <u>(51,331)</u> | <u>(49,544)</u> | <u>(50,623)</u> | <u>(48,980)</u> | <u>(45,978)</u> |
| Nonmajor Governmental Funds | | | | | | | | | | |
| Nonspendable | 1,520 | 1,726 | 1,957 | 889 | 912 | 623 | 1,417 | - | - | - |
| Restricted | 35,651 * | 23,213 | 23,403 | 25,080 | 19,876 | 18,699 | 8,961 | - | - | - |
| Reserved | - | - | - | - | - | - | - | 8,129 | 8,868 | 7,730 |
| Unreserved | - | - | - | - | - | - | - | 19,423 | 13,486 | 13,821 |
| Unrestricted: | | | | | | | | | | |
| Committed | 1,392 * | 10,114 | 15,559 | 13,993 | 12,462 | 12,542 | 13,179 | - | - | - |
| Unassigned | (18,015) * | (2,041) | (2,775) | (2,447) | (2,359) | (1,996) | (9,097) | - | - | - |
| Total nonmajor governmental funds | <u>20,548</u> | <u>33,012</u> | <u>38,144</u> | <u>37,515</u> | <u>30,891</u> | <u>29,868</u> | <u>14,460</u> | <u>27,552</u> | <u>22,354</u> | <u>21,551</u> |
| Total fund balance governmental funds | <u>\$ 22,273</u> | <u>\$ 5,257</u> | <u>\$ 10,171</u> | <u>\$ 13,999</u> | <u>\$ 29,884</u> | <u>\$ 14,541</u> | <u>\$ (24,561)</u> | <u>\$ 16,240</u> | <u>\$ 4,834</u> | <u>\$ 17,969</u> |

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

Table 4
City of Toledo, Ohio
Changes in Fund Balances, Governmental Fund
Last Ten Fiscal Years
(Amounts in Thousands)

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|------------------|-------------------|-------------------|--------------------|------------------|------------------|--------------------|------------------|--------------------|-----------------|
| Revenues: | | | | | | | | | | |
| Income taxes | \$ 175,679 | \$ 169,045 | \$ 164,787 | \$ 158,775 | \$ 158,523 | \$ 153,581 | \$ 144,581 | \$ 141,554 | \$ 154,475 | \$ 169,689 |
| Property taxes | 10,733 | 9,911 | 9,552 | 9,598 | 11,381 | 11,845 | 11,936 | 13,612 | 18,078 | 19,424 |
| Special assessments | 30,449 | 24,374 | 21,822 | 25,450 | 23,925 | 25,691 | 26,592 | 23,965 | 24,737 | 24,601 |
| Licenses and permits | 2,870 | 2,459 | 2,476 | 2,414 | 2,283 | 2,303 | 2,363 | 2,103 | 2,541 | 2,830 |
| Intergovernmental services | 34,325 | 35,953 | 35,358 | 38,020 | 37,589 | 38,861 | 76,659 | 89,942 | 72,285 | 78,710 |
| Charges for services | 29,416 | 28,515 | 27,532 | 28,130 | 27,249 | 27,987 | 24,347 | 21,516 | 21,104 | 17,364 |
| Investment earnings | 793 | 850 | 454 | 508 | 1,007 | 1,240 | 1,605 | 2,483 | 5,582 | 8,553 |
| Fines and forfeitures | 9,113 | 7,032 | 7,491 | 8,590 | 7,952 | 5,829 | 5,648 | 5,971 | 7,268 | 6,339 |
| Grants | 25,876 | 31,670 | 30,873 | 27,499 | 45,775 | 47,464 | - | - | - | - |
| Other revenue | 7,362 | 5,485 | 10,104 | 8,505 | 4,538 | 4,544 | 4,277 | 8,653 | 2,521 | 3,325 |
| Total revenues | 326,616 | 315,294 | 310,449 | 307,489 | 320,222 | 319,345 | 298,008 | 309,799 | 308,591 | 330,835 |
| Expenditures: | | | | | | | | | | |
| General government | 24,667 | 25,925 | 26,951 | 28,465 | 17,392 | 15,923 | 15,844 | 18,024 | 19,007 | 17,589 |
| Public services | 39,566 | 43,866 | 41,760 | 35,062 | 34,660 | 36,599 | 34,834 | 35,432 | 37,589 | 33,788 |
| Public safety | 170,181 | 170,965 | 168,872 | 163,565 | 165,245 | 172,055 | 159,374 | 155,040 | 170,803 | 164,128 |
| Public utilities | 30 | - | 8 | 1 | 1 | 7 | 2 | 115 | 154 | 102 |
| Community environment | 19,254 | 21,070 | 20,969 | 19,273 | 27,799 | 26,047 | 31,079 | 18,017 | 18,078 | 18,926 |
| Health | 7,243 | 7,747 | 7,939 | 7,940 | 18,019 | 17,344 | 13,727 | 16,473 | 18,199 | 17,915 |
| Parks and recreation | 2,813 | 2,845 | 2,959 | 3,487 | 3,018 | 2,791 | 2,660 | 2,742 | 3,490 | 3,466 |
| Capital outlay | 32,406 | 40,235 | 41,991 | 53,174 | 48,647 | 20,740 | 44,303 | 50,835 | 49,179 | 57,883 |
| Debt service: | | | | | | | | | | |
| Principal | 18,466 | 21,076 | 25,523 | 23,307 | 27,401 | 18,329 | 25,396 | 18,903 | 16,633 | 17,248 |
| Interest and fiscal charges | 7,052 | 8,359 | 6,983 | 7,124 | 10,435 | 13,343 | 11,913 | 9,620 | 10,596 | 10,368 |
| Debt issuance costs | 185 | - | 219 | - | - | - | - | - | - | - |
| Total expenditures | 321,863 | 342,088 | 344,174 | 341,398 | 352,617 | 323,178 | 339,132 | 325,201 | 343,728 | 341,413 |
| Excess of revenues over (under) expenditures | 4,753 | (26,794) | (33,725) | (33,909) | (32,395) | (3,833) | (41,124) | (15,402) | (35,137) | (10,578) |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | 60,160 | 67,122 | 72,899 | 70,140 | 73,235 | 76,615 | 63,947 | 53,893 | 47,280 | 55,673 |
| Transfers out | (60,364) | (67,846) | (71,699) | (69,902) | (73,524) | (63,921) | (63,414) | (65,903) | (46,989) | (56,709) |
| Issuance of debt | 24,229 | 26,044 | 22,884 | 14,046 | 41,455 | 763 | 19,933 | 34,277 | 20,528 | 10,923 |
| Premium (discount) on bond | 2,806 | 2,784 | 1,972 | 884 | 1,498 | 89 | 171 | 3,763 | 482 | 114 |
| Inception of capital lease | - | 4,540 | 948 | 3,386 | 3,001 | 231 | - | - | - | - |
| Payments to escrow | (10,284) | (10,181) | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | 1 | 167 | 87 | - | 12,129 | 101 | 746 | 26 | 11 |
| Total other financing sources (uses) | 16,547 | 22,464 | 27,171 | 18,641 | 45,665 | 25,906 | 20,738 | 26,776 | 21,327 | 10,012 |
| Net change in fund balance | \$ 21,300 | \$ (4,330) | \$ (6,554) | \$ (15,268) | \$ 13,270 | \$ 22,073 | \$ (20,386) | \$ 11,374 | \$ (13,810) | \$ (566) |
| Debt services as a percentage of noncapital expenditures | 9.7% | 10.8% | 12.1% | 11.8% | 14.2% | 11.7% | 14.5% | 11.6% | 10.2% | 10.8% |

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

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Income taxes | \$ 175,679 | \$ 169,045 | \$ 164,787 | \$ 158,775 | \$ 158,523 | \$ 153,581 | \$ 144,581 | \$ 141,554 | \$ 154,475 | \$ 169,689 |
| Property taxes | 9,906 | 9,911 | 9,552 | 9,598 | 11,381 | 11,845 | 11,936 | 13,612 | 18,078 | 19,424 |
| Special assessments | 30,449 | 24,374 | 21,822 | 25,451 | 23,925 | 25,691 | 26,592 | 23,965 | 24,737 | 24,601 |
| Licenses and permits | 2,870 | 2,459 | 2,476 | 2,414 | 2,283 | 2,303 | 2,363 | 2,103 | 2,541 | 2,830 |
| Intergovernmental services | 35,152 | 35,953 | 35,358 | 38,020 | 37,589 | 40,371 | 42,521 | 89,942 | 72,285 | 78,710 |
| Charges for services | 29,416 | 28,515 | 27,532 | 28,130 | 27,249 | 27,987 | 24,347 | 21,516 | 21,104 | 17,364 |
| Investment earnings | 793 | 850 | 454 | 508 | 1,007 | 856 | 1,605 | 2,483 | 5,582 | 8,553 |
| Fines and forfeitures | 9,113 | 7,032 | 7,491 | 8,590 | 7,952 | 5,829 | 5,648 | 5,971 | 7,268 | 6,339 |
| Grants | 25,876 | 31,670 | 30,873 | 27,859 | 45,775 | 46,563 | 34,138 | - | - | - |
| Other revenue | 7,362 | 5,485 | 10,104 | 8,505 | 4,538 | 5,101 | 4,277 | 8,660 | 2,521 | 3,325 |
| Total | \$ 326,616 | \$ 315,294 | \$ 310,449 | \$ 307,850 | \$ 320,222 | \$ 320,127 | \$ 298,008 | \$ 309,806 | \$ 308,591 | \$ 330,835 |

Table: 6
City of Toledo, Ohio
Income Tax Revenues
Last Ten Fiscal Years
(Amounts in Thousands)

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Withholding | \$ 147,099 | \$ 145,346 | \$ 139,396 | \$ 131,343 | \$ 128,215 | \$ 129,855 | \$ 124,108 | \$ 122,927 | \$ 132,948 | \$ 141,583 |
| Utility | - | - | - | 10 | 1,867 | 321 | 589 | 891 | 1,542 | 1,863 |
| Business | 20,735 | 16,330 | 18,898 | 19,710 | 19,956 | 15,468 | 13,051 | 11,872 | 14,353 | 19,331 |
| Individuals | 7,845 | 7,369 | 6,493 | 7,712 | 8,485 | 7,937 | 6,833 | 5,864 | 5,632 | 6,912 |
| Total | <u>\$ 175,679</u> | <u>\$ 169,045</u> | <u>\$ 164,787</u> | <u>\$ 158,775</u> | <u>\$ 158,523</u> | <u>\$ 153,581</u> | <u>\$ 144,581</u> | <u>\$ 141,554</u> | <u>\$ 154,475</u> | <u>\$ 169,689</u> |

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

| Tax Collection Year | Real Property | | Public Utility | | Personal Property* | | Total | | Ratio of Total Assessed Value to Total Estimated Actual Value | Direct Tax Rate |
|---------------------------|-------------------|------------------------------|-------------------|---|--------------------|------------------------------|-------------------|------------------------------|--|-----------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value ¹ | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | | |
| 2016 | 2,994,559 | 8,555,883 | 167,719 | 670,876 | - | - | 3,162,278 | 9,226,759 | 34.3% | 4.4 |
| 2015 | 3,039,205 | 8,683,443 | 161,170 | 644,680 | - | - | 3,200,375 | 9,328,123 | 34.3% | 4.4 |
| 2014 | 3,060,991 | 8,745,689 | 150,560 | 602,241 | - | - | 3,211,551 | 9,347,930 | 34.4% | 4.4 |
| 2013 | 3,096,886 | 8,848,246 | 135,379 | 541,516 | - | - | 3,232,265 | 9,389,762 | 34.4% | 4.4 |
| 2012 | 3,629,878 | 10,371,080 | 123,218 | 492,972 | - | - | 3,753,096 | 10,864,052 | 34.6% | 4.4 |
| 2011 | 3,687,360 | 10,535,314 | 118,417 | 338,334 | - | - | 3,805,777 | 10,873,648 | 35.0% | 4.4 |
| 2010 | 3,741,678 | 10,690,509 | 112,681 | 450,724 | 8,483 | 1,022,045 | 3,862,842 | 12,163,278 | 31.8% | 4.4 |
| 2009 | 4,171,406 | 11,918,303 | 107,551 | 430,204 | 18,638 | 1,242,206 | 4,297,595 | 13,590,713 | 31.6% | 4.4 |
| 2008 | 4,197,056 | 11,991,589 | 155,080 | 620,320 | 239,911 | 959,644 | 4,592,047 | 13,571,553 | 33.8% | 4.4 |
| 2007 | 4,315,322 | 12,329,491 | 154,646 | 618,584 | 343,264 | 1,373,056 | 4,813,232 | 14,321,131 | 33.6% | 4.4 |

¹The Tangible Personal Property tax was completely phased out after 2010.

Source: Lucas County Auditor

Table: 8
City of Toledo, Ohio
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(Rate Per \$1,000 of Assessed Value)

| Overlapping Subdivisions | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City of Toledo | | | | | | | | | | |
| General Fund | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 |
| Police Pension | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| Fire Pension | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| Sub-Total - Toledo City | 4.40 | 4.40 | 4.40 | 4.40 | 4.40 | 4.40 | 4.40 | 4.40 | 4.40 | 4.40 |
| Regional Transit | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| Port Authority | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 |
| Lucas County | 17.07 | 17.07 | 16.92 | 15.07 | 14.07 | 14.07 | 14.07 | 14.07 | 13.90 | 13.90 |
| MetroParks | 2.30 | 2.30 | 2.30 | 2.30 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 |
| Toledo-Lucas County Public Library | 2.90 | 2.90 | 2.90 | 2.90 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Sub-Total District Wide | 29.57 | 29.57 | 29.42 | 27.57 | 25.07 | 25.07 | 25.07 | 25.07 | 24.90 | 24.90 |
| ²School Districts in the City of Toledo | | | | | | | | | | |
| Maumee City School District | 88.65 | 88.75 | 84.95 | 84.55 | 84.65 | 79.45 | 79.45 | 75.25 | 76.25 | 76.50 |
| Ottawa Hills Local School District | 140.05 | 142.65 | 142.65 | 135.65 | 134.75 | 133.05 | 126.05 | 125.85 | 126.15 | 120.85 |
| Springfield Local School District | 80.53 | 74.75 | 75.15 | 75.15 | 75.05 | 75.05 | 70.85 | 70.85 | 70.85 | 70.85 |
| Sylvania City School District | 83.30 | 83.50 | 83.60 | 83.60 | 83.00 | 78.30 | 67.70 | 66.90 | 66.90 | 67.10 |
| Toledo City School District | 73.10 | 73.10 | 67.40 | 67.40 | 65.90 | 67.70 | 67.70 | 67.70 | 62.80 | 62.80 |
| Washington Local School District | 83.50 | 83.50 | 78.60 | 78.60 | 78.60 | 73.70 | 73.70 | 73.70 | 69.80 | 69.80 |
| ³ Penta County Career Center | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 |
| ⁴Recreation Districts in Sylvania Schools; Toledo, Ohio | | | | | | | | | | |
| Sylvania Joint Recreation District. | 2.10 | 2.10 | 2.10 | 2.10 | 1.65 | 1.65 | 1.62 | 1.62 | 1.20 | 1.20 |
| Olander Park | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 |
| Sub-Total Recreation Districts | 2.80 | 2.80 | 2.80 | 2.80 | 2.35 | 2.35 | 2.32 | 2.32 | 1.90 | 1.90 |
| Total Rate with Corresponding School | | | | | | | | | | |
| Maumee City School District | 121.42 | 121.52 | 117.57 | 115.32 | 112.92 | 107.72 | 107.72 | 103.52 | 104.35 | 104.60 |
| Ottawa Hills Local School District | 169.62 | 172.22 | 172.07 | 163.22 | 159.82 | 158.12 | 151.12 | 150.92 | 151.05 | 145.75 |
| Springfield Local School District | 113.30 | 107.52 | 107.77 | 105.92 | 103.32 | 103.32 | 99.12 | 99.12 | 98.95 | 98.95 |
| Sylvania City School District | 115.67 | 115.87 | 115.82 | 113.97 | 110.42 | 105.72 | 95.09 | 94.29 | 93.70 | 93.90 |
| Toledo City School District | 102.67 | 102.67 | 96.82 | 94.97 | 90.97 | 92.77 | 92.77 | 92.77 | 87.70 | 87.70 |
| Washington Local School District | 113.07 | 113.07 | 108.02 | 106.17 | 103.67 | 98.77 | 98.77 | 98.77 | 94.70 | 94.70 |

¹Represents Tax Collection Years

²The Toledo City School District and the Washington Local School District are located entirely within the City of Toledo. Other school districts overlap with but are only partially located in Toledo.

³The Penta County Career Center serves and is included as part of the tax rate in the Maumee City School District and the Springfield Local School District.

⁴The Sylvania Joint Recreation District and Olander Park are located in the same taxing district as Sylvania City Schools in the City of Toledo

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

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Nonprofit | \$ 17,014 | \$ 14,835 | \$ 14,155 | \$ 12,870 | \$ 14,674 | \$ 13,405 | \$ 14,092 | \$ 14,825 | \$ 14,174 | \$ 10,040 |
| Hospital | 8,663 | 8,579 | 8,293 | 9,751 | 9,333 | 13,159 | 12,494 | 13,484 | 9,077 | 12,302 |
| Manufacturing | 23,787 | 22,910 | 21,799 | 18,242 | 14,887 | 16,576 | 15,211 | 11,706 | 15,934 | 20,101 |
| Government | 8,596 | 8,555 | 8,390 | 9,137 | 10,156 | 10,078 | 10,107 | 10,276 | 10,723 | 10,497 |
| Services | 15,807 | 16,964 | 16,242 | 13,897 | 13,071 | 9,960 | 6,872 | 8,140 | 10,984 | 14,672 |
| Retail | 1,294 | 1,346 | 1,389 | 1,166 | 1,452 | 1,266 | 1,184 | 1,375 | 943 | 1,027 |
| Banking | 840 | 897 | 1,109 | 1,212 | 1,080 | 969 | 911 | 907 | 1,009 | 1,207 |
| Grocery | 670 | 723 | 740 | 775 | 819 | 732 | 751 | 766 | 1,442 | 1,404 |
| Transportation | 361 | 440 | 423 | 392 | 548 | 385 | 348 | 563 | 367 | 356 |
| Technology | - | - | - | - | - | 343 | 356 | 411 | 1,447 | - |
| Construction | 230 | - | - | - | - | - | - | - | - | 225 |
| Total | <u>\$ 77,262</u> | <u>\$ 75,249</u> | <u>\$ 72,540</u> | <u>\$ 67,442</u> | <u>\$ 66,020</u> | <u>\$ 66,873</u> | <u>\$ 62,326</u> | <u>\$ 62,453</u> | <u>\$ 66,100</u> | <u>\$ 71,831</u> |

Table 10
City of Toledo, Ohio
Real and Public Utility Property Tax Levies and Collections
Last Ten Fiscal Years
(Amounts in Thousands, except %)

| Tax Collection Year | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Collections in Years | Amount of Total Tax Collections | Percent of Total Tax Collections to Tax Levy |
|------------------------------------|-------------------------------|--|--|-------------------------------------|--|---|
| 2016 | \$ 13,914 | \$ 12,887 | 92.6% | \$ 873 | \$ 13,760 | 98.9% |
| 2015 | 14,110 | 12,660 | 89.7% | 1,151 | 13,811 | 97.9% |
| 2014 | 14,163 | 12,451 | 87.9% | 974 | 13,425 | 94.8% |
| 2013 | 14,262 | 12,461 | 87.4% | 1,048 | 13,509 | 94.7% |
| 2012 | 16,543 | 14,415 | 87.1% | 1,135 | 15,550 | 94.0% |
| 2011 | 16,781 | 14,835 | 88.4% | 1,128 | 15,963 | 95.1% |
| 2010 | 16,975 | 14,800 | 87.2% | 1,094 | 15,894 | 93.6% |
| 2009 | 18,806 | 16,703 | 88.8% | 1,084 | 17,787 | 94.6% |
| 2008 | 19,180 | 16,574 | 86.4% | 1,326 | 17,900 | 93.3% |
| 2007 | 19,693 | 17,782 | 90.3% | 1,232 | 19,014 | 96.6% |

Source: Lucas County Auditor

Table: 11
City of Toledo, Ohio
Ratios of Outstanding Debt by Type¹
Last Ten Fiscal Years
(Amounts in Thousands, except per Capita)

| Fiscal Year | Governmental Activities | | | Business Type Activities | | | | | Total Primary Government | Percentage of Personal Income ² | Per Capita ² |
|-------------|--------------------------|-------------------|--|--------------------------|------------------------------|--------------------------|------------------------|-------------|--------------------------|--|-------------------------|
| | General Obligation Bonds | Assessed Services | General Fund Capital Projects Loans & Leases | Water Revenue Bonds | Sanitary Sewer Revenue Bonds | General Obligation Bonds | Capital Projects Loans | Other Loans | | | |
| 2016 | \$ 140,345 | \$ 38,500 | \$ 34,924 | \$ 351,137 | \$ 14,689 | \$ 15,749 | \$ 414,034 | \$ 2,816 | 1,012,194 | 4.0% | 1,683 |
| 2015 | 131,146 | 40,100 | 49,023 | 261,550 | 16,635 | 16,895 | 332,021 | 120 | 847,490 | 3.4% | 1,382 |
| 2014 | 123,648 | 40,700 | 49,652 | 287,273 | 20,553 | 18,204 | 350,789 | 577 | 891,396 | 5.3% | 2,046 |
| 2013 | 116,597 | 35,800 | 52,644 | 295,462 | 23,385 | 19,192 | 320,493 | 1,016 | 864,589 | 5.3% | 1,990 |
| 2012 | 123,859 | 35,600 | 47,640 | 110,086 | 26,011 | 28,553 | 277,491 | 10,158 | 659,398 | 4.4% | 1,549 |
| 2011 | 118,845 | 39,960 | 47,909 | 67,439 | 28,514 | 21,022 | 242,636 | 11,086 | 577,411 | 4.0% | 1,408 |
| 2010 | 130,166 | 41,060 | 52,716 | 72,909 | 30,932 | 23,449 | 216,342 | 16,866 | 584,440 | 4.0% | 1,406 |
| 2009 | 136,623 | 41,200 | 53,432 | 75,850 | 33,682 | 21,685 | 220,330 | 10,138 | 592,940 | 4.1% | 1,399 |
| 2008 | 120,809 | 40,300 | 50,898 | 79,962 | 36,231 | 22,755 | 212,184 | 11,270 | 574,409 | 4.0% | 1,383 |
| 2007 | 116,016 | 38,800 | 52,966 | 87,010 | 39,134 | 23,783 | 206,259 | 12,381 | 576,349 | 3.9% | 1,359 |

Notes: ¹Information regarding outstanding debt can be found in Notes 8 & 9 of the financial statements.

²Table 16 contains personal income and per capita data.

Table: 12
City of Toledo, Ohio
Ratio of Net General Bonded Debt to Assessed Value²
and Net Bonded Debt Per Capita
Last Ten Fiscal Years
(Amounts in Thousands, except Population, per Capita, and %)

| Fiscal Year | Population² | Assessed Value² | Gross General Obligation Bonded Debt | Less Balance in Debt Service Fund | General Bonded Debt | Net Bonded Debt to Assessed Value | Bonded Debt Per Capita |
|--------------------|-------------------------------|-----------------------------------|---|--|----------------------------|--|-------------------------------|
| 2016 | 279,217 | 3,162,278 | 156,094 | - | 156,094 | 4.5% | 559.04 |
| 2015 | 279,789 | 3,200,375 | 141,852 | (994) | 142,846 | 4.4% | 510.55 |
| 2014 | 281,031 | 3,211,552 | 141,120 | - | 141,120 | 4.4% | 502.15 |
| 2013 | 287,208 | 3,232,265 | 142,560 | - | 142,560 | 4.4% | 496.37 |
| 2012 | 287,208 | 3,753,096 | 142,184 | - | 142,184 | 3.8% | 495.06 |
| 2011 | 287,208 | 3,805,777 | 143,832 | (190) | 144,022 | 4.0% | 501.46 |
| 2010 | 287,208 | 4,128,523 | 152,563 | (118) | 152,681 | 3.3% | 531.60 |
| 2009 | 313,619 | 4,297,595 | 136,904 | (90) | 136,994 | 3.1% | 436.82 |
| 2008 | 313,619 | 4,592,047 | 131,821 | (58) | 131,879 | 2.8% | 420.51 |
| 2007 | 313,619 | 4,813,232 | 126,683 | (45) | 126,728 | 2.6% | 404.08 |

¹Personal Property values were completely phased out after 2010.

²Source: Lucas County Auditor.

Table 13
City of Toledo, Ohio
Computation of Direct and Overlapping Debt
at December 31, 2016
(Amounts in Thousands)

| | <u>Amount of Debt</u> | <u>Applicable To City</u> | <u>City's Share</u> |
|-------------------------------------|---------------------------|-------------------------------|-------------------------|
| Total direct debt | \$ 140,345 | 100.00% | \$ 140,345 |
| Subdivision overlapping debt: ** | | | |
| Toledo City School District | 128,605 | 98.92% | 127,216 |
| Lucas County | 108,873 | 43.86% | 47,752 |
| Sylvania City School District | 81,965 | 7.18% | 5,885 |
| Maumee City School District | 26,880 | 10.23% | 2,750 |
| Springfield Local School District | 7,265 | 8.91% | 647 |
| Sylvania Area Joint Recreation Dist | 8,223 | 7.18% | 590 |
| Ottawa Hills Local School District | 75 | 0.16% | - |
| Total subdivision overlapping debt | <u>361,886</u> | | <u>184,840</u> |
| Total direct and overlapping debt | <u>\$ 502,231</u> | | <u>\$ 325,185</u> |

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

** Source: Ohio Municipal Advisory Council

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

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Debt limit | \$ 333,156 | \$ 336,039 | \$ 336,039 | \$ 356,648 | \$ 339,388 | \$ 394,075 | \$ 399,607 | \$ 405,598 | \$ 451,247 | \$ 482,165 |
| Total net debt applicable to limit | <u>140,345</u> | <u>154,234</u> | <u>143,540</u> | <u>141,120</u> | <u>145,180</u> | <u>138,879</u> | <u>143,832</u> | <u>152,563</u> | <u>136,904</u> | <u>131,821</u> |
| Legal debt margin | <u>\$ 192,811</u> | <u>\$ 181,805</u> | <u>\$ 192,499</u> | <u>\$ 215,528</u> | <u>\$ 194,208</u> | <u>\$ 255,196</u> | <u>\$ 255,775</u> | <u>\$ 253,035</u> | <u>\$ 314,343</u> | <u>\$ 350,344</u> |
| Total net debt applicable to limit as a percentage of legal debt margin | 72.79% | 84.83% | 74.57% | 65.48% | 74.75% | 54.42% | 56.23% | 60.29% | 43.55% | 37.63% |

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

| Fiscal Year | Utility Service Income | Less: Operating Expenses | Net Available Revenue | Debt Service | | Total | Coverage |
|----------------------------|------------------------|--------------------------|-----------------------|--------------|-----------|--------|----------|
| | | | | Principal | Interest | | |
| Water Revenue Bonds | | | | | | | |
| 2016 | \$ 74,238 | \$ 39,850 | 34,388 | \$ 8,380 | \$ 12,097 | 20,477 | 1.7 |
| 2015 | 64,021 | 39,164 | 24,857 | 5,909 | 13,808 | 19,717 | 1.3 |
| 2014 | 58,572 | 35,300 | 23,272 | 5,905 | 13,844 | 19,749 | 1.2 |
| 2013 | 53,349 | 30,719 | 22,630 | 4,905 | 3,254 | 8,159 | 2.8 |
| 2012 | 44,366 | 32,997 | 11,369 | 5,405 | 2,943 | 8,348 | 1.4 |
| 2011 | 43,678 | 32,599 | 11,079 | 5,215 | 3,125 | 8,340 | 1.3 |
| 2010 | 42,682 | 29,049 | 13,633 | 5,240 | 3,628 | 8,868 | 1.5 |
| 2009 | 36,262 | 26,847 | 9,415 | 5,015 | 3,835 | 8,850 | 1.1 |
| 2008 | 40,012 | 27,072 | 12,940 | 4,880 | 4,011 | 8,891 | 1.5 |
| 2007 | 41,625 | 29,016 | 12,609 | 4,715 | 4,198 | 8,913 | 1.4 |
| Sewer Revenue Bonds | | | | | | | |
| 2016 | \$ 73,534 | \$ 33,390 | 40,144 | \$ 2,962 | \$ 663 | 3,625 | 11.1 |
| 2015 | 70,924 | 31,456 | 39,468 | 2,770 | 752 | 3,522 | 11.2 |
| 2014 | 69,903 | 37,402 | 32,501 | 2,700 | 862 | 3,562 | 9.1 |
| 2013 | 69,727 | 29,321 | 40,406 | 2,545 | 1,120 | 3,665 | 11.0 |
| 2012 | 66,652 | 39,941 | 26,711 | 2,445 | 1,224 | 3,669 | 7.3 |
| 2011 | 65,672 | 38,020 | 27,652 | 2,360 | 1,305 | 3,665 | 7.5 |
| 2010 | 57,560 | 33,736 | 23,824 | 2,360 | 1,361 | 3,721 | 6.4 |
| 2009 | 54,311 | 30,610 | 23,701 | 3,140 | 1,590 | 4,730 | 5.0 |
| 2008 | 57,201 | 31,317 | 25,884 | 3,015 | 1,721 | 4,736 | 5.5 |
| 2007 | 50,775 | 31,367 | 19,408 | 2,790 | 6,381 | 9,171 | 2.1 |

Notes: * Amounts prior to 2016 were restated to reflect adjustments of "other revenue" in the Utility Service Income section while also reducing the total debt service payments to eliminated premiums and refunding transactions.

Table: 16
City of Toledo, Ohio
Demographic and Economic Statistics
Last Ten Fiscal Years
(Amounts in Thousands)

| Fiscal Year | City of Toledo Population | Personal Income¹ | Per Capita Personal Income¹ | Median Age | Public School Enrollment | Unemployment Rate |
|--------------------|----------------------------------|------------------------------------|---|-------------------|---------------------------------|--------------------------|
| 2016 | 279,217 | 25,503,153 | 42,087 | 35.2 | 21,618 | 4.7% |
| 2015 | 279,789 | 24,684,223 | 33,485 | 34.9 | 38,959 | 5.4% |
| 2014 | 281,031 | 16,846,330 | 38,604 | 34.3 | 22,256 | 5.7% |
| 2013 | 287,208 | 16,443,243 | 37,542 | 37.5 | 22,283 | 7.9% |
| 2012 | 286,031 | 15,104,299 | 36,646 | 34.2 | 22,540 | 7.6% |
| 2011 | 287,208 | 15,104,299 | 35,208 | 35.7 | 30,000 | 9.7% |
| 2010 | 287,208 | 14,498,105 | 35,147 | 33.8 | 25,000 | 10.3% |
| 2009 | 313,619 | 14,327,871 | 34,123 | 35.1 | 26,400 | 12.4% |
| 2008 | 313,619 | 14,525,628 | 34,578 | 35.1 | 26,500 | 8.9% |
| 2007 | 313,619 | 14,686,439 | 34,839 | 35.3 | 26,600 | 7.3% |

Sources: U.S. Bureau of Economic Analysis
U.S. Bureau of Labor Statistics

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.

¹ Values are calculated using Lucas County statistics

Table: 17
City of Toledo, Ohio
Principal Employers, Toledo Major Service Area
As of December 31, 2016 and December 31, 2007

| Employer | 2016 | | | 2007 | | |
|---|------------------|-------------|---|------------------|-------------|------------------------------------|
| | Employees | Rank | of Total MSA Employees² | Employees | Rank | of Total MSA Employment |
| Promedica Health Systems | 10,809 | 1 | 3.29% | 11,265 | 1 | 3.43% |
| Mercy Health Partners | 7,052 | 2 | 2.15% | 6,727 | 2 | 2.05% |
| University of Toledo ¹ | 6,279 | 3 | 1.91% | 6,412 | 3 | 1.95% |
| Fiat Chrysler | 6,147 | 4 | 1.87% | 3,854 | 7 | 1.17% |
| Lucas County | 3,511 | 5 | 1.07% | 3,912 | 6 | 1.19% |
| Toledo City School District | 3,274 | 6 | 1.00% | 4,489 | 5 | 1.37% |
| The Kroger Company | 2,924 | 7 | 0.89% | 2,789 | 9 | 0.85% |
| The City of Toledo | 2,681 | 8 | 0.82% | 2,847 | 8 | 0.87% |
| Wal-Mart | 2,375 | 9 | 0.72% | - | - | - |
| General Motors Corp./GM Powertrain Division | 2,298 | 10 | 0.70% | - | - | - |
| State of Ohio | 2,083 | | 0.63% | - | - | - |
| The Andersons | 1,672 | | 0.51% | - | - | - |
| Meijer | 1,608 | | 0.49% | - | - | - |
| Owens Corning | 1,229 | | 0.37% | - | - | - |
| Bowling Green State University | - | | 0.00% | 5,400 | 4 | 1.65% |
| Sauder Woodworking Co. | - | | 0.00% | 2,451 | 10 | 0.75% |
| Total | 53,942 | | 16.44% | 50,146 | | 15.28% |

Source: Dun & Bradstreet reports and the Toledo Regional Growth Partnership

¹Medical College of Ohio merged with University of Toledo

²Total MSA Employees includes only Toledo; therefore, Bowling Green State University and Sauder Woodworking Co were omitted in current year

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

| Function/Program | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <u>General Government:</u> | | | | | | | | | | |
| Building Inspection | 21 | 20 | 19 | | | | | | | |
| City Council | 21 | 21 | 21 | | | | | | | |
| Diversity & Inclusion | 5 | 4 | 6 | | | | | | | |
| Economic Development | 6 | 4 | 6 | | | | | | | |
| Finance | | | 71 | | | | | | | |
| Accounts | 10 | 11 | 9 | | | | | | | |
| Budget/Debt/Financial Admin | 11 | 10 | 10 | | | | | | | |
| ERP | 2 | 2 | 4 | | | | | | | |
| Purchasing | 3 | 3 | 7 | | | | | | | |
| Taxation and Treasury | 37 | 41 | 41 | | | | | | | |
| Subtotal Finance | 63 | 67 | 71 | | | | | | | |
| Human Resources | 16 | 17 | 17 | | | | | | | |
| Info/Communications Tech | 15 | 12 | 12 | | | | | | | |
| Law | 23 | 22 | 23 | | | | | | | |
| Mayor | 9 | 10 | 10 | | | | | | | |
| Municipal Court (Clerks) | 78 | 81 | 81 | | | | | | | |
| Municipal Court (Judges) | 104 | 103 | 104 | | | | | | | |
| Plan Commission | 10 | 10 | 9 | | | | | | | |
| Subtotal General Government | 371 | 371 | 379 | 263 | 420 | 428 | 423 | 327 | 343 | 350 |
| <u>Public Service:</u> | | | | | | | | | | |
| Engineering Services | 56 | 59 | 64 | | | | | | | |
| Fleet and Facilities | 75 | 81 | 85 | | | | | | | |
| Solid Waste | 14 | 14 | 14 | | | | | | | |
| Streets, Bridges, and Harbor | 162 | 172 | 164 | | | | | | | |
| Transportation | 40 | 43 | 47 | | | | | | | |
| Subtotal Public Service | 347 | 369 | 374 | 236 | 374 | 381 | 377 | 427 | 430 | 436 |
| <u>Public Safety</u> | | | | | | | | | | |
| Uniformed Fire | 544 | 523 | 517 | | | | | | | |
| Fire Civilian | 88 | 92 | 99 | | | | | | | |
| Subtotal Fire | 632 | 615 | 616 | | | | | | | |
| Unifored Police | 614 | 628 | 612 | | | | | | | |
| Police - Civilians | 58 | 58 | 59 | | | | | | | |
| Subtotal Police | 672 | 686 | 671 | | | | | | | |
| Subtotal Safety | 1,304 | 1,301 | 1,287 | 1,518 | 1,138 | 1,160 | 1,152 | 1,191 | 1,270 | 1,326 |
| <u>Public Utilities:</u> | | | | | | | | | | |
| Sewer and Drainage | 110 | 104 | 113 | | | | | | | |
| Utilities Administration | 80 | 76 | 66 | | | | | | | |
| Water Distribution | 126 | 125 | 130 | | | | | | | |
| Water Reclamation | 96 | 102 | 105 | | | | | | | |
| Water Treatment | 87 | 85 | 80 | | | | | | | |
| Subtotal Public Utilities | 499 | 492 | 494 | 641 | 552 | 563 | 564 | 575 | 578 | 597 |
| <u>Community Environment:</u> | | | | | | | | | | |
| Environmental Services | 42 | 44 | 44 | | | | | | | |
| Community Relations | 1 | 2 | 2 | | | | | | | |
| Neighborhoods | 56 | 61 | 63 | | | | | | | |
| Subtotal Com Environment | 99 | 107 | 109 | 101 | 80 | 82 | 79 | 81 | 84 | 85 |
| <u>Parks and Recreation:</u> | | | | | | | | | | |
| Parks, Forestry, & Recreation | 61 | 67 | 76 | 63 | 64 | 65 | 63 | 64 | 75 | 81 |
| Totals | 2,681 | 2,707 | 2,719 | 2,822 | 2,628 | 2,679 | 2,658 | 2,665 | 2,780 | 2,875 |

*Detailed information prior to 2014 is unavailable.

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

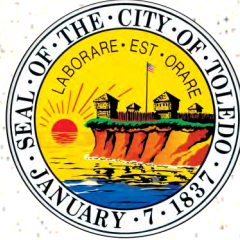
| Function/Program | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | | | | | | | | | | |
| Building permits | 7,308 | 4,162 | 3,446 | 3,192 | 3,492 | 3,631 | 4,984 | 4,260 | 5,055 | 5,537 |
| Value of permits (in thousands) | 1,171,000 | 355,428 | 162,718 | 101,687 | 140,436 | 297,612 | 168,415 | 138,153 | 196,578 | 146,514 |
| Total board-ups | 1,195 | 858 | 1,325 | 1,152 | 1,594 | 774 | 748 | 704 | 710 | 664 |
| Total demolitions | 469 | 404 | 265 | 726 | 382 | 412 | 325 | 300 | 300 | 312 |
| Police | | | | | | | | | | |
| Traffic citations | 37,269 | 49,165 | 54,855 | 59,345 | 50,418 | 41,990 | 23,895 | 21,966 | 55,694 | 60,786 |
| Red light cameras | 87,476 | 44,621 | 54,021 | 63,574 | 71,664 | 27,166 | 20,008 | 19,681 | 18,142 | 24,104 |
| Number of offenses | 7,429 | 8,183 | 8,726 | 9,278 | 11,944 | 13,194 | 35,568 | 36,433 | 22,738 | 23,826 |
| 911 call volume | 354,742 | 213,987 | 213,789 | 225,677 | 443,697 | 438,287 | 389,112 | 389,112 | 392,969 | 406,101 |
| Non-emergency calls | 98,521 | 69,783 | 84,768 | 87,298 | 93,843 | 91,373 | 87,412 | 87,412 | 101,882 | 111,755 |
| Fire | | | | | | | | | | |
| Emergency runs | 56,249 | 52,059 | 48,709 | 47,458 | 48,949 | 47,112 | 41,154 | 42,639 | 40,003 | 41,135 |
| Fire runs | 6,589 | 6,839 | 6,713 | 6,307 | 6,930 | 7,274 | 6,958 | 6,812 | 10,346 | 7,533 |
| Total runs | 62,838 | 58,898 | 55,422 | 53,765 | 55,879 | 54,386 | 48,112 | 49,451 | 50,349 | 48,668 |
| Public Utilities | | | | | | | | | | |
| Water Customers | 123,699 | 124,574 | 125,559 | 126,647 | 125,343 | 123,474 | 129,935 | 133,361 | 136,239 | 136,489 |
| Sewer Customers | 117,510 | 118,418 | 119,333 | 120,400 | 119,275 | 117,922 | 107,538 | 127,187 | 129,600 | 129,166 |
| New water connections | 349 | 149 | 198 | 257 | 220 | 715 | 725 | 618 | 622 | 584 |
| Water main breaks | 319 | 297 | 377 | 402 | 365 | 300 | 315 | 306 | 333 | 448 |
| Average daily water consumption (millions of gallons) | 69.0 | 69.3 | 78.0 | 78.0 | 120.0 | 78.0 | 75.8 | 76.6 | 76.6 | 80.7 |
| Average daily water waste treatment (millions of gallons) | 63.5 | 67.9 | 72.5 | 62.1 | 70.0 | 71.0 | 70.7 | 71.4 | 75.9 | 70.9 |
| Other public works | | | | | | | | | | |
| Traffic signs manufactured/installed | 17,430 | 15,321 | 13,081 | 13,938 | 13,000 | 29,879 | 29,879 | 29,879 | 31,491 | 32,508 |
| Energy reduction (traffic signals) | 1.0% | 3.5% | 9.0% | 8.0% | 88.0% | 17.9% | 17.9% | 17.9% | 17.8% | 17.1% |
| Traffic signals replaced | 285 | 288 | 336 | 320 | 301 | 358 | 324 | 386 | 458 | 122 |
| Traffic signal calls | 3,674 | 4,026 | 4,136 | 4,200 | 1,044 | 5,612 | 5,648 | 5,867 | 6,125 | 6,731 |

Source: Respective city departments

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

| Function/ Program | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police | | | | | | | | | | |
| Number of stations | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 2 | 2 | 3 |
| Number of substations | 1 | 1 | 1 | 1 | 2 | 2 | 1 | 2 | 3 | 3 |
| Number of employees with arrest power | 646 | 616 | 612 | 648 | 582 | 578 | 566 | 583 | 637 | 667 |
| Number of neighborhood offices | - | - | - | - | 4 | 4 | 4 | 3 | 7 | 7 |
| Fire | | | | | | | | | | |
| Number of stations | 19 | 19 | 18 | 18 | 18 | 18 | 17 | 17 | 17 | 17 |
| Number of firefighters | 544 | 514 | 517 | 541 | 502 | 489 | 482 | 462 | 478 | 484 |
| Other public works | | | | | | | | | | |
| Streets (in miles) | 1,124 | 1,224 | 1,224 | 1,139 | 1,139 | 1,123 | 1,123 | 1,122 | 1,122 | 1,122 |
| Rail (in miles) | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Parks & recreation | | | | | | | | | | |
| Acreage | 1,777 | 2,185 | 2,185 | 2,177 | 2,687 | 2,368 | 2,368 | 2,368 | 2,368 | 2,368 |
| Number of parks | 127 | 144 | 144 | 145 | 145 | 145 | 145 | 145 | 145 | 145 |
| Number of tree cuts | 2,109 | 2,799 | | | | | | | | |
| Number of tree trims | 1,939 | | | | | | | | | |
| Public pools | 7 | 9 | 10 | 10 | 11 | 12 | 12 | 12 | 12 | 12 |
| Golf courses | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Water | | | | | | | | | | |
| Water lines (in miles) | 1,169 | 1,168 | 1,168 | 1,165 | 1,188 | 1,165 | 1,165 | 1,165 | 1,165 | 1,165 |
| Storage capacity (in millions of gallons) | 70 | 94 | 78 | 78 | 80 | 78 | 78 | 78 | 78 | 78 |
| Plant capacity (in millions of gallons) | 120 | 120 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (in miles) | 1,027 | 961 | 961 | 961 | 955 | 960 | 960 | 960 | 960 | 960 |
| Treatment capacity (in millions of gallons) | 130 | 130 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 |

Source: Respective city departments



Paula Hicks-Hudson
Mayor

George E. Sarantou
Finance Director

Once Government Center, Suite 2050
Toledo, Ohio 43604-2284

Division of Accounts
419-245-1648

www.toledo.oh.gov/services/finance

This page intentionally left blank.



Dave Yost • Auditor of State

CITY OF TOLEDO

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 5, 2017