

2019

Comprehensive Annual Financial Report

City of Toledo, Ohio



For the Year Ended December 31, 2019

CITY OF TOLEDO, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019



**WADE KAPSHUKIEWICZ
MAYOR**

**MELANIE CAMPBELL
ACTING FINANCE DIRECTOR**

**City of Toledo, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019**

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**INTRODUCTORY
SECTION**

CITY OF TOLEDO



Wade Kapszukiewicz
Mayor

Melanie Campbell
Acting Director of Finance

July 29, 2020

Honorable Mayor Wade Kapszukiewicz, Council President Matt Cherry and Members of City Council and Citizens of the City of Toledo, Ohio

As Acting 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, 2019.

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 Auditor of State's Office, 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, 2019. 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.

The City has experienced significant development momentum over the past few years that has resulted in thousands of new jobs and over \$1 billion of capital investment. Below is a summary of the major economic development projects driving this momentum.

- In March 2020, the City announced the sale of the former Southwyck Mall property to Amazon for the purposes of constructing a 150,000 square foot delivery station. The City acquired the property in 2014 with the goal of attracting a redevelopment project that would positively impact the Reynolds Road Corridor. After several years of inactivity, the City and its economic development partners began to form a strategy for the site that targeted a large job creation project in the Logistics and Distribution Industry. The site was repositioned and marketed as the City's largest available pad-ready industrial site. The site's location within the region and access to major roadways and interstates were major factors in Amazon's decision to move forward. The company's delivery station will provide consumer direct delivery services

up to a 45-minute radius of the site. Amazon will directly employ 110 employees and will contract with an additional 300 independent contractors for delivery services. The \$25 million project is expected to be complete by December 2020.

- Brenntag Great Lakes, LLC is a chemical distribution company based in Germany. The company has more than 580 locations and serves 195,000 customers in industries such as coatings, food, oil & gas, pharmaceuticals, personal care and water treatment. In 2019, the company announced it was opening a new facility in Toledo's Junction Neighborhood immediately adjacent to Norfolk Southern's Airline Junction Intermodal Yard. The \$15 million project involves the redevelopment of a 225,000 square foot building and 13-acre brownfield site. The company will create 45 new jobs with an annual payroll of \$1.8 million. The project is currently under construction and expected to be complete later this year.
- In June 2017, Cleveland-based Cliffs Natural Resources Inc. (Cliffs) announced that it had selected the City as the site for a new \$700 million iron processing facility. The facility is currently under construction on a brownfield site at the Port of Toledo. When operational, it will receive iron ore mined in Minnesota and Michigan and process it into hot briquetted iron used in making steel. The project is estimated to have created more than 1,200 construction jobs and will result in 130 permanent jobs. Construction is set to be complete in late 2020.
- Fiat Chrysler Automobiles (Fiat Chrysler), the largest manufacturing employer in the City, has completed a \$700 million retooling project at its Toledo Assembly Complex for the production of the next generation Jeep Wrangler and a new Jeep Gladiator pick-up truck.
- General Motors recently completed a 650,000-square-foot expansion to its GM Powertrain Division's Alexis Road transmission plant in the City. The \$668 million project prepared the plant for a new product line. General Motors estimates that it has invested more than \$1.0 billion in the plant since 2011. General Motors currently produces 6-speed and 8-speed rear-wheel-drive transmissions and 6-speed front-wheel-drive transmissions at the plant that are used in a variety of GM vehicles, including at least 28 cars, trucks, sport utility vehicles and sports cars.
- 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 recently completed its \$350 million Generations Tower project, which expanded its Toledo Hospital facility. Additionally, in 2017, ProMedica completed construction on phase one of its Downtown Toledo headquarters campus which resulted in the relocation of more than 800 employees. Phase two is expected to bring several hundred additional employees to the Downtown campus.
- Several major job creation projects have occurred within the City's Joint Economic Development Districts (JEDDs), Joint Economic Development Zones (JEDZ) and Municipal Utility Districts (MUD). These special economic development tools allow the City to receive a portion of the income revenue that is generated within the specified geographic area.
 - City of Toledo-City of Maumee-Monclova Township JEDZ
 - In January 2020, the City sold 50 acres within the Triad Business Park for \$1.05 million to Rolled Alloys Inc. for purposes of relocating its corporate headquarters, manufacturing and distribution facility from Temperance, Michigan. The company will relocate 150 employees and create an additional 50 jobs resulting in more than \$11 million in annual payroll. The \$28 million project is expected to begin construction later this year. The total project cost is estimated to be in excess of \$28 million.

- City of Toledo-Troy Township JEDD
 - In April 2019, NSG Group broke ground on a new \$265 million float glass plant that will supply glass to First Solar Inc.'s new facility in Lake Township. The 511,000-square foot facility will employ 150 people and is expected to be complete in late 2020.
- City of Toledo-Monclova Township-Swanton Township (Toledo Express Airport JEDD, or TEA JEDD)
 - In October 2019, Johnson Controls announced its plans to acquire a 102,000 square foot spec building at the 250-acre Land Air Industrial Park. The Fortune 500 company will hire between 50 and 60 workers.
- City of Toledo-City of Rossford MUD
 - In July 2019, Amazon announced its plans to construct a 700,000-square foot fulfillment center in the City of Rossford. The facility will employ 1,000 people and is expected to be complete in 2020.
- Continental Real Estate Companies is nearing completion on its \$50 million mixed-use project at the Marina District in East Toledo. The project includes a 360-unit upscale apartment complex called Marina Lofts and 60,000 square feet of Class A office space and convenience retail. As of May, more than 100 of the 180 completed units have been leased since leasing began in February. Approximately 180 units are still under construction and expected to complete later this year. In addition to the Marina Lofts, Continental is also expected to break ground on the Colony project in Fall 2020. The Colony project involves the redevelopment of 10-acres of vacant and underutilized property in West Toledo into a \$50 million mixed-use project that will include a 120-room Home2 Suites hotel by Hilton, a 262-unit apartment complex and a commercial building for a new restaurant and retail space. This multi-million dollar project will have a positive return on investment for the City resulting in more than 300 construction jobs and 86 permanent jobs. The payroll from the construction jobs alone is estimated to generate more than half a million dollars in income taxes for the City, while the permanent jobs are expected to generate \$50,000 annually. In conjunction with this project, there will also be infrastructure upgrades that will improve water redundancy and storm water drainage that will benefit all property owners in surrounding area. This project will create peripheral development momentum similar to what the City is now experiencing in East Toledo near the Marina Lofts project.
- In conjunction with the Marina Lofts project, Metroparks Toledo is redeveloping 67-acres within the Marina District into the Glass City Metropark. This new metropark will be a regional destination with unique amenities such as a lighted sledding hill, a concert knoll for up to 6,000 people, a refrigerated ice-skating ribbon, a splash and play area, a river boardwalk, a fishing platform, an earth-bermed pavilion with seating for 150 people and overnight camping. Phase one of the \$16 million project is currently under construction and expected to be complete in October 2020. Metroparks Toledo, in partnership with the City, also recently announced its plans to construct a \$200 million project called the Glass City Riverwalk. This project will be a multi-purpose walkway that will traverse both sides of the Maumee Riverfront from the Anthony Wayne Bridge to the Veteran's Glass City Skyway.
- The Windsor Companies, a Columbus developer, announced its plans in April to construct a 120 to 125-unit apartment complex in the Uptown neighborhood. The project will have a series of two to three-story buildings on 2.8 acres with ground floor commercial space. The project will provide one-bedroom and two-bedroom apartments ranging in size from 700 to 1,300 square feet. The developer expects to break ground in late 2020.

- In December 2019, it was announced a Jeep Museum was coming to the City. The \$40 million project is expected to bring more than 250,000 visitors from around the world each year. The location for the 56,000 square-foot facility has not been selected, but is expected to be within the City. The museum will create 25 jobs and is projected to generate \$6 million in annual revenue. The project is expected to be complete by 2022.

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 GAAP basis. 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 statements 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 31st.

In 2019, the City's uninsured outstanding general obligation bonds were rated "A2" by Moody's Investors Service with a stable outlook and "A-" with a stable outlook by Standard and Poor's. 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 FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. The certificate is valid for a period of one year. This is the thirty-sixth 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.

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 staff. 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,



Melanie Campbell
Acting Director of Finance



Government Finance Officers Association

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

Presented to

**City of Toledo
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF TOLEDO, OHIO
LIST OF PRINCIPAL CITY OFFICIALS
 As of 12-31-2019

Mayor: Wade Kapszukiewicz

MEMBERS OF COUNCIL

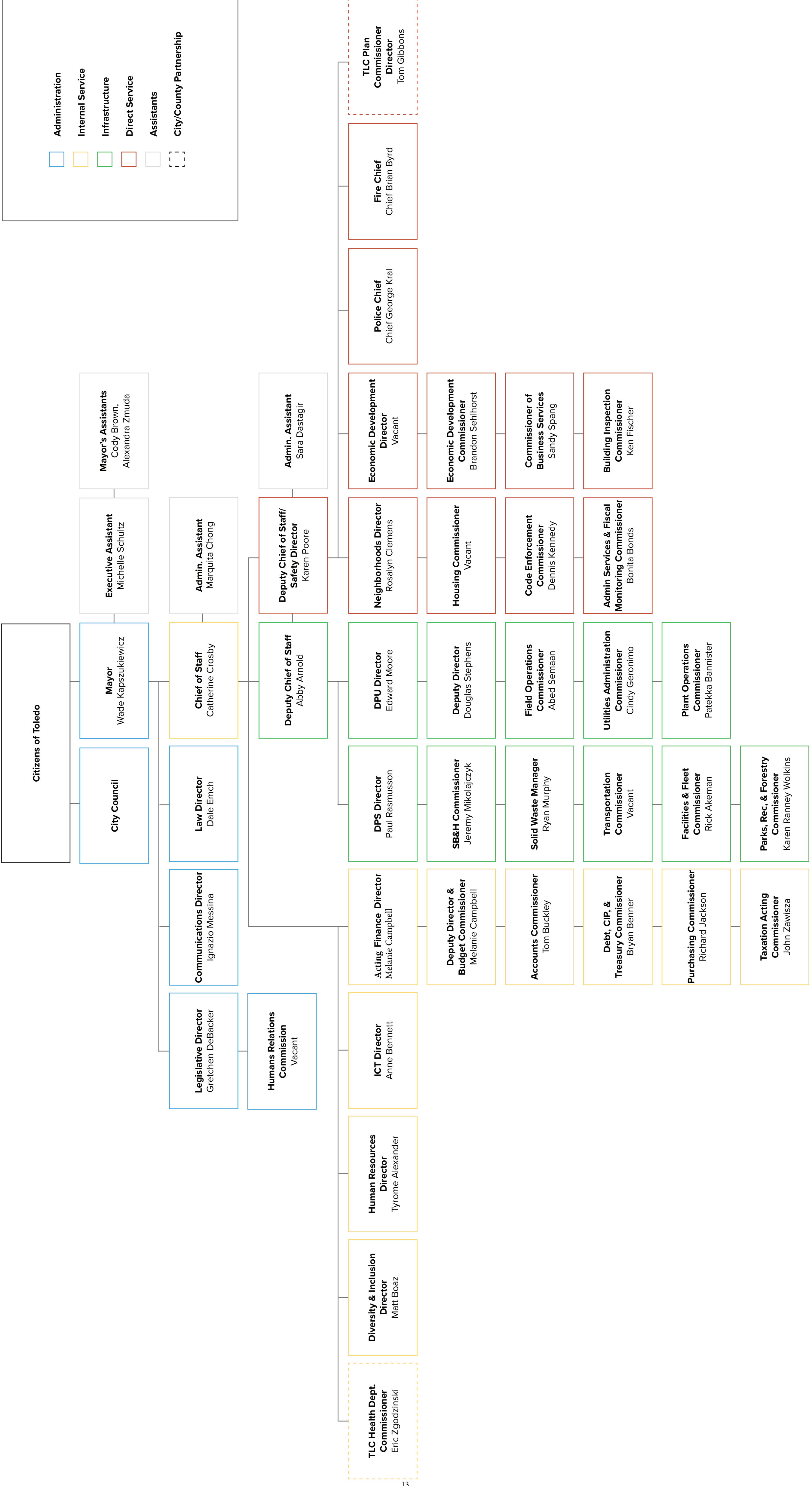
<u>District Seats</u>	<u>Length of Current Terms</u>
District 1: Tyrone Riley (West-Central)	Eight Years
District 2: Matt Cherry (President) (South-West).....	Six Years
District 3: Peter Ujvagi (East Toledo-Historic South).....	Four Years
District 4: Yvonne Harper (Central City)	Five Years
District 5: Tom Waniewski (North-West)	Twelve Years
District 6: Chris Delaney (North Toledo-Point Place).....	Two Years

At-Large Seats

Dr. Cecelia Adams	Five Years
Gary Johnson	Two Years
Nick Komives	Two Years
Rob Ludeman.....	Ten Years
Sandy Spang.....	Six Years
Larry Sykes (Chairman, Finance & Debt Oversight)	Seven Years

Appointed Positions

Clerk of Council.....	Gerald E. Dendinger	Twenty-Four Years
Acting Director of Finance.....	Melanie Campbell.....	One Year
Treasurer.....	Bryan Benner	Three Years
City Auditor.....	John A. Jaksetic, CPA	Six Years



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**FINANCIAL
SECTION**



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

City of Toledo
Lucas County
One Government Center, Suite 2050
Toledo, Ohio 43604

To the City Council:

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, Lucas County, Ohio (the City), as of and for the year ended December 31, 2019, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, Lucas County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 16 to the financial statements, during 2019, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, required budgetary comparison schedules, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

July 29, 2020

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City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

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, 2019. 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 2019 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 2019 by \$793.2 million. Of this amount (\$250.3) million is considered unrestricted. The unrestricted net position of the City's business-type activities are \$98.4 million and may be used to meet the on-going obligations of the business-type activities, including water, sewer, utilities administrative service and six nonmajor enterprise funds including Storm Sewer, Property Management, Small Business Development, Municipal Tow Lot, Marina Operations (which has ceased activity), and Toledo Public Power. The unrestricted net position of the governmental activities is (\$348.7) million.
- The City's total net position increased \$219.0 million or 38.15 percent in 2019. Net position of the governmental activities increased \$166.4 million in 2019 from 2018 (as restated - see Note 16), which represents a 387.20 percent increase from 2018. Net position of the business-type activities increased \$52.7 million or 8.54 percent from 2018.
- The net cost of the City's programs (total expenses less program revenues) decreased approximately \$159.2 million. For 2019 and 2018, the net cost of governmental activities was \$77.2 million and \$234.4 million, respectively. For 2019 and 2018, the net cost of business-type activities was (\$46.0) million and (\$44.0) million, respectively.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$67.5 million. The combined fund balance of the governmental funds increased \$14.2 million from 2018 (as restated - see Note 16).

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The *statement of net 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).

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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*.

The City maintains 23 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 Assessments Services Fund, all of which are considered to be major funds. Data from the other 20 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 and Toledo Public Power. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions including municipal garage, capital replacement, facility operations, storeroom and printshop, information and communication technologies, risk management, workers' compensation activities, and healthcare self-insurance. 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 operations, 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.

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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 statements 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.

Required Supplementary Information (RSI)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's General Fund and Special Assessment Services Fund budgets and information regarding the City's proportionate share of the Ohio Public Employees Retirement System's (OPERS) and Ohio Police and Fire Pension Fund (OP&F) net pension liability and other post-employment benefits (OPEB) liability and the City's schedule of contributions to OPERS and OP&F. The City adopts an annual appropriation budget for its General Fund and Special Assessment Services Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their respective budgets.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules. 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.

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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, 2019 compared to December 31, 2018 (as restated - see Note 16). For the 2018 Business-Type Activities, \$143,896 has been reclassified from restricted net position to net position-net investment in capital assets to properly report unspent capital debt proceeds.

Net Position
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	Restated		2019	2018	2019	Restated
	2019	2018				
Assets						
Current and Other Assets	\$ 253,059	\$ 233,375	\$ 376,342	\$ 384,268	\$ 629,401	\$ 617,643
Capital Assets	520,138	517,949	1,238,239	1,142,635	1,758,377	1,660,584
Total Assets	<u>773,197</u>	<u>751,324</u>	<u>1,614,581</u>	<u>1,526,903</u>	<u>2,387,778</u>	<u>2,278,227</u>
Deferred Outflows of Resources	<u>139,028</u>	<u>75,295</u>	<u>18,082</u>	<u>11,001</u>	<u>157,110</u>	<u>86,296</u>
Liabilities						
Long-Term Liabilities						
Net Pension Liability	412,488	291,823	51,918	32,246	464,406	324,069
Net OPEB Liability	80,867	257,455	24,664	22,276	105,531	279,731
Other Long-Term Amounts	178,231	187,202	856,308	820,966	1,034,539	1,008,168
Other Liabilities	<u>76,873</u>	<u>75,443</u>	<u>26,012</u>	<u>35,142</u>	<u>102,885</u>	<u>110,585</u>
Total Liabilities	<u>748,459</u>	<u>811,923</u>	<u>958,902</u>	<u>910,630</u>	<u>1,707,361</u>	<u>1,722,553</u>
Deferred Inflows of Resources	<u>40,365</u>	<u>57,931</u>	<u>3,943</u>	<u>10,136</u>	<u>44,308</u>	<u>68,067</u>
Net Position						
Net Investment in Capital Assets	387,222	374,777	496,629	471,255	883,851	846,032
Restricted	84,887	76,880	74,748	45,714	159,635	122,594
Unrestricted (deficit)	<u>(348,708)</u>	<u>(494,892)</u>	<u>98,441</u>	<u>100,169</u>	<u>(250,267)</u>	<u>(394,723)</u>
Total Net Position (deficit)	<u>\$ 123,401</u>	<u>\$ (43,235)</u>	<u>\$ 669,818</u>	<u>\$ 617,138</u>	<u>\$ 793,219</u>	<u>\$ 573,903</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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 OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 required 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Analysis of Net Position

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 \$793.2 million at the close of the most recent fiscal year.

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The largest portion of the City's net position (111.43 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 (20.12 percent) represents resources that are subject to use restrictions. The remaining balance of the unrestricted net position (a deficit of 31.55 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 \$246.5 million the unrestricted net position of the City's business-type activities \$98.4 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 \$348.7 million.

- The overall net position of the City increased \$219.0 million or 38.15 percent in 2019. The net position for governmental activities increased \$166.4 million or 387.2 percent.
- The net position of business-type activities of the City increased by \$52.7 million or 8.54 percent. The increase in revenue stems from rate increases authorized by City Council that systematically upgrades the public utility infrastructure coupled with cost containment measures.

The following table provides a summary of the change in net position from 2018 (as restated - see Note 16), to 2019.

Changes in Net Position
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	Restated				Restated	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services and Sales	\$ 79,759	\$ 84,662	\$ 198,111	\$ 193,069	\$ 277,870	\$ 277,731
Operating Grants	4,070	4,765	-	-	4,070	4,765
Capital Grants	35,208	19,155	1,708	1,988	36,916	21,143
Total Program Revenues	<u>119,037</u>	<u>108,582</u>	<u>199,819</u>	<u>195,057</u>	<u>318,856</u>	<u>303,639</u>
General Revenue:						
Income Taxes	190,455	184,098	-	-	190,455	184,098
Property Taxes	13,072	12,365	-	-	13,072	12,365
Investment Earnings	2,190	2,154	7,127	5,522	9,317	7,676
Intergovernmental Services	31,314	27,972	-	-	31,314	27,972
Other	6,051	11,496	12	121	6,063	11,617
Total General Revenues	<u>243,082</u>	<u>238,085</u>	<u>7,139</u>	<u>5,643</u>	<u>250,221</u>	<u>243,728</u>
Total Revenues	<u>362,119</u>	<u>346,667</u>	<u>206,958</u>	<u>200,700</u>	<u>569,077</u>	<u>547,367</u>

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Changes in Net Position (continued)
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	Restated				Restated	
	2019	2018	2019	2018	2019	2018
Expenses						
General Government	32,651	30,167	-	-	32,651	30,167
Public Service	71,781	58,908	-	-	71,781	58,908
Public Safety	33,072	205,485	-	-	33,072	205,485
Public Utilities	7,193	5,748	-	-	7,193	5,748
Community Environment	23,193	19,430	-	-	23,193	19,430
Health	13,360	11,871	-	-	13,360	11,871
Parks and Recreation	8,729	4,392	-	-	8,729	4,392
Interest and Fiscal Charges	6,265	7,022	-	-	6,265	7,022
Water	-	-	64,075	63,263	64,075	63,263
Sewer	-	-	64,042	65,316	64,042	65,316
Other Enterprise Activities	-	-	25,668	22,439	25,668	22,439
Total Expense	<u>196,244</u>	<u>343,023</u>	<u>153,785</u>	<u>151,018</u>	<u>350,029</u>	<u>494,041</u>
Increase in Net Position						
Before Transfers	165,875	3,644	53,173	49,682	219,048	53,326
Transfers	<u>493</u>	<u>45</u>	<u>(493)</u>	<u>(45)</u>	<u>-</u>	<u>-</u>
Change in Net Position	166,368	3,689	52,680	49,637	219,048	53,326
Net Position (deficit) - Beginning of Year (restated - Note 16)	<u>(42,967)</u>	<u>(46,924)</u>	<u>617,138</u>	<u>567,501</u>	<u>574,171</u>	<u>520,577</u>
Net Position (deficit) - Ending	<u>\$ 123,401</u>	<u>\$ (43,235)</u>	<u>\$ 669,818</u>	<u>\$ 617,138</u>	<u>\$ 793,219</u>	<u>\$ 573,903</u>

Governmental Activities: Governmental activities increased the City's net position by \$166.4 million. Key elements of the net position are as follows:

- Income tax revenue, which represents 52.60 percent of the City's governmental revenue, finished 2019 \$6.4 million or 3.45 percent higher, due to strength in the local economy, an aggressive non-filing program, as well as taxable stock option payments.
- Charges for services decreased by \$4.9 million or 5.79 percent primarily due to decreases in special assessment service charges.
- Capital grants increased by \$16.1 million due primarily to increased funding for road improvements projects undertaken by the City.
- Public safety expenses decreased by \$172.4 million due primarily to a decrease in Other Postemployment Benefits (OPEB) expense related to the Ohio Police & Fire Pension Fund (OP&F). Beginning January 1, 2019, OP&F replaced its retiree health care model and current self-insured health care plan with a stipend-based health care model. As a result of the change in OPEB models, OP&F reported a significant decrease in OPEB expense. The City reports its proportionate share of OP&F OPEB expense. As a result, the City's OPEB expense for OP&F for 2019 was (\$175.0) million, a decrease of \$193.2 million from the City's 2018 OPEB expense.

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Business-Type Activities: Net position of the City's Business-type activities increased \$52.7 million. Key elements of the changes in net position are as follows:

- Charges for services increased \$5.0 million or 2.61 percent in 2019, resulting from a sewer utility charge rate increase approved by City Council in 2014.
- Expenses were \$2.8 million higher in 2019 versus the previous year due primarily to increased pension and OPEB expenses related to the Ohio Public Employee Retirement System (OPERS).

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of December 31, 2019, the City's governmental funds reported a combined ending fund balance of \$67.5 million, an increase of \$14.2 million in comparison with the prior year (as restated - see Note 16). There is an *unassigned fund balance* deficit of \$59.2 million. The *nonspendable fund balance* of \$8.2 million represents the City's prepaid items and investment in inventory. The \$97.2 million *restricted fund balance* is not available for new spending because it has already been restricted by parties outside of the City or pursuant to enabling legislation. There is a *committed fund balance* of \$14.8 million that is primarily the City's Budget Stabilization Fund of \$13.0 million and assigned fund balance of \$6.4 million for subsequent year appropriations..

General Fund: The General Fund is the chief operating fund of the City. At December 31, 2019, the total fund balance of the general fund was \$46.6 million. The fund balance of the City's general fund increased \$6.0 million during 2019. The City's income tax revenue increased by \$5.8 million or 3.17 percent, due to strength in the local economy, an aggressive non-filing program, as well as taxable stock option payments. Expenditures increased \$18.4 million primarily in the area of public safety. The General Fund made transfers out of \$42.2 million in 2019 compared to \$40.2 million in 2018.

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, 2019, total fund balance of the capital improvements fund is \$51.0 million. The fund balance of the Capital Improvements Fund increased \$8.4 million during 2019 mainly due to increased intergovernmental funding for capital projects and the issuance of bonds for the acquisition of fire apparatus and equipment.

Special Assessments Services Fund: The Special Assessments 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, 2019, total fund balance of the Special Assessments Services Fund was a deficit of \$59.1 million, thus increasing the deficit by \$1.6 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.

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The City operates three major enterprise activities: water, sewer, and utility administration. The City also operates six nonmajor enterprise funds: Storm Sewer, Property Management, Small Business Development, Municipal Tow Lot, Marina Operations (no activity during 2019), 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.

Water: The total net position of the Water Fund at the end of the year amounted to \$240.6 million, of which \$21.7 million is unrestricted. The net position of the Water Fund increased \$21.7 million or 9.92 percent in 2019. Operating revenues decreased by \$1.6 million or 2.00 percent from 2018. Operating expenses increased by \$2.5 million or 5.27 percent, due to increased plant operations costs and increased personnel services costs resulting from pension and OPEB expenses.

Sewer: The total net position of the Sewer Fund at the end of the year amounted to \$360.7 million of which \$61.5 million is unrestricted. The net position of the Sewer Fund increased \$29.4 million or 8.88 percent. Operating revenue increased \$5.9 million or 7.24 percent with help from the scheduled rate increases in 2019. Operating expenses increased by \$1 million or 1.91 percent as compared to 2018.

Utility Administrative Services: The total net position of the Utility Administrative Services Fund at the end of the year amounted to \$2.7 million, of which \$2.6 million is unrestricted. The net position of the Utility Administrative Services Fund decreased by \$1.7 million. Operating revenues for fiscal year 2019 increased by \$0.3 million or 1.82 percent. Operating expenses for fiscal year 2019 increased by \$1.8 million or 14.90 percent.

Nonmajor: The total net position of the nonmajor enterprise funds at the end of the year amounted to \$65.8 million of which \$12.6 million is unrestricted. The net position of the nonmajor enterprise funds increased \$3.2 million, or 5.18 percent. Operating revenues for fiscal year 2019 increased by \$0.4 million or 3.11 percent over comparable revenue in 2018. Operating expenses for fiscal year 2019 increased \$1 million or 10.42 percent over comparable expenses in 2018.

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 City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the General Fund. In the General Fund, the original and final budgeted amount in the area of expenditures and other financing uses, increased \$1.0 million from \$268.8 million to \$269.8 million. Actual revenues and other financing sources of \$269.3 million were more than final budgeted revenues and other financing sources by \$10.7 million. The other significant change was between the final budgeted expenditures and other financing uses and actual expenditures and other financing uses. Actual expenditures and other financing uses came in \$6.3 million lower than the final budgeted amounts, primarily due to expenditures for public safety being less than budgeted.

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The following schedule is a summary of comparable General Fund revenue for 2019 and 2018:

Revenues and Other Financing Sources
(Amounts in Thousands)

	<u>2019</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2018</u>	<u>Percentage Change from 2018</u>
Income Taxes	\$ 189,434	70.4%	\$ 5,816	3.2%
Property Taxes	12,642	4.7%	419	3.4%
Licenses and Permits	2,963	1.1%	(250)	-7.8%
Intergovernmental Services	18,590	6.9%	782	4.4%
Charges for Services	28,848	10.7%	366	1.3%
Investment Earnings	2,190	0.8%	721	49.1%
Fines and Forfeitures	9,317	3.5%	(833)	-8.2%
Other Revenue	3,565	1.3%	901	33.8%
Sale of Capital Assets	306	0.1%	196	178.2%
Transfers In	<u>1,470</u>	<u>0.5%</u>	<u>182</u>	<u>14.1%</u>
Total	<u>\$ 269,325</u>	<u>100.0%</u>	<u>\$ 8,300</u>	

Key elements of the changes in revenues are as follows:

- Income tax revenue increased due to strength in the local economy, an aggressive non-filing program, as well as taxable stock option payments.
- Intergovernmental services revenue increased due to increased local government funds from the State of Ohio.
- Other revenue increased due to a decrease in the City's allowance for doubtful accounts.

The 2019 final General Fund total expense budget was \$269.8 million.

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City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Continued)

The following schedule is a summary of comparable General Fund expenditures for 2019 and 2018:

Expenditures and Other Financing Uses
(Amounts in Thousands)

	2019	Percentage of Total	Increase (Decrease) from 2018	Percentage Change from 2018
General Government	\$ 25,821	9.8%	\$ 1,302	5.3%
Public Service	1,926	0.7%	243	14.4%
Public Safety	174,308	66.2%	14,650	9.2%
Community Environment	6,701	2.5%	1,290	23.8%
Health	8,804	3.3%	765	9.5%
Parks and Recreation	3,066	1.2%	140	4.8%
Principal retirement	671	0.3%	27	4.2%
Interest and Fiscal Charges	41	0.0%	(19)	-31.7%
Transfers Out	<u>42,152</u>	<u>16.0%</u>	<u>1,924</u>	4.8%
Total	<u>\$ 263,490</u>	<u>100.0%</u>	<u>\$ 20,322</u>	

Generally, General Fund expenditures increased across various functions, as Workers' Compensation and health care costs increased. Additionally:

- General government increased primarily due to increased personnel costs.
- Public safety expenditures increased primarily due to personnel cost increases and the elimination of an existing liability for incarceration costs in 2018.
- Transfers out increased due to increased income tax collections and associated transfer to the Capital Improvement Fund.

General Fund Balance: Total fund balance in the General Fund was a positive balance of \$46.6 million. The fund balance is comprised of the following:

- *Nonspendable* – Inventory of \$1.8 million comprised in 2019.
- *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 fund balance of the General Fund totaled \$3.8 million in 2019.
- *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 balance and totaled \$13 million in 2019. The City did not utilize monies in the Budget Stabilization Designation for expenditures in 2019.
- *Assigned* – The City's assigned fund balance of \$6.4 million represents subsequent year appropriations.
- *Unassigned* – This is the residual classification for the remaining funds that have not been reported in any other classification. In 2019, the unassigned fund balance totaled \$21.6 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Continued)

Capital Asset and Debt Administration

Capital assets: The City's capital assets, net of depreciation for governmental and business-type activities as of December 31, 2019, amounts to \$1.758 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	
	2019	2018	2019	2018	2019	2018
Land	\$ 28,547	\$ 29,078	\$ 6,225	\$ 6,651	\$ 34,772	\$ 35,729
Construction in Progress	221,238	191,730	664,357	556,246	885,595	747,976
Building	30,473	32,441	18,640	19,564	49,113	52,005
Furniture and Fixtures	224	423	53	125	277	548
Improvements	31,139	34,150	51,413	54,616	82,552	88,766
Infrastructure	177,951	196,397	474,319	479,864	652,270	676,261
Machinery and Equipment	30,566	33,730	23,232	25,569	53,798	59,299
Total	<u>\$ 520,138</u>	<u>\$ 517,949</u>	<u>\$ 1,238,239</u>	<u>\$ 1,142,635</u>	<u>\$ 1,758,377</u>	<u>\$ 1,660,584</u>

Major capital asset events during 2019 included the following:

- Total investment in capital assets increased \$97.8 million or 5.89 percent.
- Business-type capital assets increased by \$95.6 million or 8.37 percent net of \$22.1 million in current year depreciation expense. The increase is attributed to the City's continued investment into its water and sewer system infrastructure.
- Governmental capital assets increased by \$2.2 million or 0.42 percent net of \$29 million in current year depreciation expense.

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

Long-Term Debt: At December 31, 2019, the City had \$1.604 billion of long-term bonds, notes, loans and other obligations outstanding net of unamortized premiums and discounts in governmental and business-type activities. General obligation bonds are supported by the full faith and credit of the City. All assessment obligations issued by the City are general obligations of the City. There were no special assessment bonds outstanding at December 31, 2019. The revenue bonds of the City represent bonds secured solely by specified revenue sources.

Notes payable: In addition to the long-term debt described above and reported in the table below, the City also had \$1,620 in general obligation special assessment notes and \$40,600 in revenue obligation assessed services notes. The general obligation notes were issued to cover capital costs related to constructing and reconstructing sidewalks, including, where necessary, driveway aprons, between certain termini on certain designated streets. The revenue obligation notes were issued to 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. See Note 8 for further information on the City's notes payable obligations.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Continued)

Long-Term Debt Outstanding
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 112,571	\$ 119,821	\$ 9,081	\$ 10,082	\$ 121,652	\$ 129,903
Revenue Bonds ⁽¹⁾	-	-	331,472	343,550	331,472	343,550
Non-taxable revenue bonds ⁽¹⁾	12,358	8,795	-	-	12,358	8,795
Bond Anticipation Notes ⁽¹⁾	-	-	30,000	800	30,000	800
Loans Outstanding ⁽¹⁾	7,804	9,282	478,074	458,767	485,878	468,049
Capital Lease Obligations	1,506	4,375	2,625	2,693	4,131	7,068
Other Obligations	<u>537,347</u>	<u>594,207</u>	<u>81,638</u>	<u>59,596</u>	<u>618,985</u>	<u>653,803</u>
Total	<u>\$ 671,586</u>	<u>\$ 736,480</u>	<u>\$ 932,890</u>	<u>\$ 875,488</u>	<u>\$ 1,604,476</u>	<u>\$ 1,611,968</u>

⁽¹⁾ The City has reclassified certain 2018 debt obligations to report them in the proper category.

Total long-term debt outstanding at December 31, 2019 decreased \$7.5 million or 0.47 percent as compared to the amount outstanding at December 31, 2018.

On December 31, 2019, 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.

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, 2019 as well as current assessed valuation, the City's voted and nonvoted nonexempt debt capacities within the direct debt limitations were (amounts in thousands):

	Limitation	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation
10.50%	\$ 349,915	\$ 112,502	\$ 237,413
5.50%	\$ 183,289	\$ 112,502	\$ 70,787

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Continued)

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, 2019, the total millage theoretically required by the City and the combination of overlapping taxing subdivisions was estimated to be 6.5232 mills, up from the prior year of 6.4539 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 3.4768 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 2020 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. Controlling personnel costs, incarcerations costs, and health care expenses have contributed to a formula of success. Our total General Fund budget for 2020 is \$281.8 million.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show accountability for 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

City of Toledo, Ohio
Statement of Net Position
December 31, 2019
(Amounts in Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents with Treasurer/Treasury	\$ 12,029	\$ 40,025	\$ 52,054
Cash and cash equivalents held by escrow agent	701	26,533	27,234
Cash and cash equivalents - other	316	1,209	1,525
Investments	86,206	150,930	237,136
Restricted investments	7,640	110,909	118,549
Receivables (net of allowances)	110,657	50,325	160,982
Due from other governments	18,345	-	18,345
Internal balances	8,680	(8,680)	-
Prepaid items	-	18	18
Inventory	8,485	4,312	12,797
Prepaid bond insurance	-	761	761
Capital assets:			
Land and construction in progress	249,785	670,582	920,367
Other capital assets, net of accumulated depreciation	270,353	567,657	838,010
Total assets	<u>773,197</u>	<u>1,614,581</u>	<u>2,387,778</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension (see Note 13)	113,881	15,837	129,718
OPEB (see Note 14)	25,147	2,245	27,392
Total deferred outflows of resources	<u>139,028</u>	<u>18,082</u>	<u>157,110</u>
LIABILITIES			
Accounts payable	9,499	7,643	17,142
Customer deposits	6,061	1,990	8,051
Accrued wages and benefits	10,186	-	10,186
Retainage payable	813	9,196	10,009
Due to other governments	-	339	339
Accrued interest payable	504	6,844	7,348
Other current liabilities	7,590	-	7,590
Notes payable	42,220	-	42,220
Long-term liabilities:			
Due within one year	14,530	39,141	53,671
Due in more than one year:			
Net pension liability (see Note 13)	412,488	51,918	464,406
Net OPEB liability (see Note 14)	80,867	24,664	105,531
Other amounts due in more than one year	163,701	817,167	980,868
Total liabilities	<u>748,459</u>	<u>958,902</u>	<u>1,707,361</u>
DEFERRED INFLOWS OF RESOURCES			
Revenues levied for the next year	11,889	-	11,889
Pension (see Note 13)	14,396	2,629	17,025
OPEB (see Note 14)	14,080	1,314	15,394
Total deferred inflows of resources	<u>40,365</u>	<u>3,943</u>	<u>44,308</u>
NET POSITION			
Net investment in capital assets	387,222	496,629	883,851
Restricted for:			
Debt service	228	10,348	10,576
Replacement	-	61,214	61,214
Capital improvement	59,289	3,186	62,475
Community programs	10,375	-	10,375
Other purposes	14,995	-	14,995
Unrestricted (deficit)	(348,708)	98,441	(250,267)
Total net position	<u>\$ 123,401</u>	<u>\$ 669,818</u>	<u>\$ 793,219</u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Activities
For the Year Ended December 31, 2019
(Amounts in Thousands)

Functions/Programs	Expenses	Charges for Services	Operating Grants	Capital Grants
Governmental activities:				
General government	\$ 32,651	\$ 21,544	\$ 13	\$ 61
Public service	71,781	27,097	312	25,776
Public safety	33,072	19,633	1,077	397
Public utilities	7,193	-	23	1,706
Community environment	23,193	2,387	1,929	6,532
Health	13,360	8,642	651	125
Parks and recreation	8,729	456	65	611
Interest and fiscal charges	6,265	-	-	-
Total governmental activities	196,244	79,759	4,070	35,208
Business-type activities:				
Water	64,075	78,648	-	-
Sewer	64,042	87,890	-	1,151
Utilities administration	14,088	18,192	-	-
Storm utility	8,935	10,099	-	557
Property management	753	-	-	-
Small business development	135	-	-	-
Municipal tow lot	1,056	2,652	-	-
Toledo public power	701	630	-	-
Total business-type activities	153,785	198,111	-	1,708
Total	\$ 350,029	\$ 277,870	\$ 4,070	\$ 36,916

General revenues:

Income taxes
Property taxes
Investment earnings
Intergovernmental services
Gain on disposal of capital assets
Other revenue

Transfers

Total general revenues and transfers

Change in net position

Net position (deficit) at January 1 (restated - Note 16)

Net position (deficit) at December 31

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total
\$ (11,033)	\$ -	\$ (11,033)
(18,596)	-	(18,596)
(11,965)	-	(11,965)
(5,464)	-	(5,464)
(12,345)	-	(12,345)
(3,942)	-	(3,942)
(7,597)	-	(7,597)
(6,265)	-	(6,265)
<u>(77,207)</u>	<u>-</u>	<u>(77,207)</u>
-	14,573	14,573
-	24,999	24,999
-	4,104	4,104
-	1,721	1,721
-	(753)	(753)
-	(135)	(135)
-	1,596	1,596
-	(71)	(71)
<u>-</u>	<u>46,034</u>	<u>46,034</u>
(77,207)	46,034	(31,173)
190,455	-	190,455
13,072	-	13,072
2,190	7,127	9,317
31,314	-	31,314
-	12	12
6,051	-	6,051
493	(493)	-
<u>243,575</u>	<u>6,646</u>	<u>250,221</u>
<u>166,368</u>	<u>52,680</u>	<u>219,048</u>
<u>(42,967)</u>	<u>617,138</u>	<u>574,171</u>
<u>\$ 123,401</u>	<u>\$ 669,818</u>	<u>\$ 793,219</u>

City of Toledo, Ohio
Balance Sheet
Governmental Funds
December 31, 2019
(Amounts in Thousands)

	General	Capital Improvements	Special Assessments Services	Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents with Treasurer	\$ 12,029	\$ -	\$ -	\$ -
Cash and cash equivalents - other	212	-	-	104
Investments	86,103	103	-	-
Restricted investments	3,825	2,603	535	677
Receivables (net of allowances)	35,580	6,562	57,223	10,594
Due from other:				
Funds	-	44,170	-	35,739
Governments	6,703	-	224	11,418
Inventory of supplies	1,760	1,233	3,553	960
Total assets	<u>\$ 146,212</u>	<u>\$ 54,671</u>	<u>\$ 61,535</u>	<u>\$ 59,492</u>
LIABILITIES				
Accounts payable	\$ 2,415	\$ 2,886	\$ 375	\$ 2,556
Deposits	3,528	18	-	2,223
Accrued wages and benefits payable	10,186	-	-	-
Compensated absences payable	180	-	13	-
Retainage payable	-	731	-	82
Due to other:				
Funds	56,915	-	22,556	16,787
Notes payable	-	-	40,600	1,620
Total liabilities	<u>73,224</u>	<u>3,635</u>	<u>63,544</u>	<u>23,268</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues Levied for the next year and unavailable revenue	26,366	-	57,072	7,313
FUND BALANCES				
Nonspendable	1,760	1,233	3,553	1,634
Restricted	3,825	49,803	535	43,062
Committed	13,045	-	-	1,800
Assigned	6,428	-	-	-
Unassigned (deficit)	21,564	-	(63,169)	(17,585)
Total fund balances (deficit)	<u>46,622</u>	<u>51,036</u>	<u>(59,081)</u>	<u>28,911</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 146,212</u>	<u>\$ 54,671</u>	<u>\$ 61,535</u>	<u>\$ 59,492</u>

See accompanying notes to the basic financial statements.

**Total
Governmental
Funds**

\$	12,029
	316
	86,206
	7,640
	109,959
	79,909
	18,345
	7,506
<hr/>	
\$	321,910
<hr/> <hr/>	

\$	8,232
	5,769
	10,186
	193
	813
	96,258
	42,220
<hr/>	

163,671

90,751

	8,180
	97,225
	14,845
	6,428
	(59,190)
	67,488
<hr/>	

\$	321,910
<hr/> <hr/>	

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City of Toledo, Ohio
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
December 31, 2019
(Amounts in Thousands)

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

Total fund balances for governmental funds		\$	67,488
Capital assets used in governmental activities (excluding those reported in the internal service funds) are not financial resources and therefore are not reported in the funds			498,938
Revenue will be collected beyond the 60 day period used in the statements. Revenue and a corresponding receivable are included in the government-wide statements			
Special assessments	\$	58,269	
Income taxes		10,556	
Delinquent property taxes		3,662	
Capital grants		230	
Operating grants		99	
Other revenue		259	
Reimbursements from other governments		5,787	78,862
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.			23,015
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. The City's long-term obligations (excluding those reported in the internal service funds) are:			
General obligation bonds		(109,556)	
Non-taxable revenue bonds		(12,358)	
Compensated absences		(28,464)	
Loans outstanding from state agencies		(7,154)	
Loans outstanding from other sources		(650)	
Accrued interest		(504)	
Landfill closure		(15,335)	
Capital leases		(149)	(174,170)
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 (excluding the portion reported in the internal service funds).			
Deferred outflows-pensions		110,355	
Deferred inflows-pensions		(14,185)	
Net pension liability		(401,714)	(305,544)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds (excluding the portion reported in the internal service funds).			
Deferred outflows-OPEB		24,576	
Deferred inflows-OPEB		(14,015)	
Net OPEB liability		(75,749)	(65,188)
Total net position of governmental activities			\$ 123,401

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019
(Amounts in Thousands)

	General	Capital Improvements	Special Assessments Services	Nonmajor Governmental Funds
REVENUES				
Income taxes	\$ 189,434	\$ -	\$ -	\$ -
Property taxes	12,642	-	-	-
Special assessments	-	-	28,753	224
Licenses and permits	2,963	-	-	1
Intergovernmental services	18,590	-	-	20,511
Charges for services	28,848	-	-	1,197
Investment earnings	2,190	124	153	45
Fines and forfeitures	9,317	-	-	1,507
Grants	-	23,082	-	12,247
Other revenue	3,565	174	-	4,885
Total revenues	<u>267,549</u>	<u>23,380</u>	<u>28,906</u>	<u>40,617</u>
EXPENDITURES				
Current:				
General government	25,821	151	891	329
Public service	1,926	-	28,268	14,762
Public safety	174,308	-	-	4,518
Public utilities	-	-	-	45
Community environment	6,701	-	-	14,322
Health	8,804	-	297	1,300
Parks and recreation	3,066	-	-	223
Capital outlay	-	44,957	-	3,569
Debt service:				
Principal retirement	671	3,520	-	11,155
Interest and fiscal charges	41	675	1,178	4,891
Debt Issuance Costs	-	394	-	-
Total expenditures	<u>221,338</u>	<u>49,697</u>	<u>30,634</u>	<u>55,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,211</u>	<u>(26,317)</u>	<u>(1,728)</u>	<u>(14,497)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,470	41,989	-	16,628
Transfers (out)	(42,152)	(16,755)	-	(687)
Issuance of bonds and loans	-	16,529	-	7,111
Premiums on bonds issued	-	-	-	2,407
Payment to Escrow Agent	-	(7,285)	-	(9,474)
Sale of capital assets	306	75	-	5
Total other financing sources (uses)	<u>(40,376)</u>	<u>34,553</u>	<u>-</u>	<u>15,990</u>
Net change in fund balances	5,835	8,236	(1,728)	1,493
Fund balances (deficit) at January 1 (restated - Note 16)	40,658	42,604	(57,453)	27,479
Increase (decrease) in inventory	129	196	100	(61)
Fund balances (deficit) at December 31	<u>\$ 46,622</u>	<u>\$ 51,036</u>	<u>\$ (59,081)</u>	<u>\$ 28,911</u>

See accompanying notes to the basic financial statements.

**Total
Governmental
Funds**

\$ 189,434
12,642
28,977
2,964
39,101
30,045
2,512
10,824
35,329
8,624

360,452

27,192
44,956
178,826
45
21,023
10,401
3,289
48,526

15,346
6,785
394

356,783

3,669

60,087
(59,594)
23,640
2,407
(16,759)
386

10,167

13,836

53,288
364

\$ 67,488

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City of Toledo, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2019
(Amounts in Thousands)

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

Net change in fund balances for governmental funds	\$	13,836
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets, which meet the capitalization requirement, is allocated over their estimated useful lives and reported as depreciation expense (excluding internal service fund activity):		
Capital asset additions	\$	39,708
Depreciation expense		<u>(27,541)</u>
		12,167
In the statement of activities, loss on disposal of capital assets is reported, whereas only proceeds from the sales are reported in the funds.		
		(8,445)
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		(1,207)
Income taxes		1,021
Delinquent property taxes		430
Capital grants		(874)
Operating grants		(643)
Other revenue		(1,309)
Reimbursements from other governments		<u>4,249</u>
		1,667
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.		
		1,483
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		
		(563)
The issuances of loans and refunding bonds are reported as an other financing financing source in the funds, however, in the statement of activities, they are not reported as revenue as they increase liabilities on the statement of net position.		
Loans		(265)
Refunding bonds		<u>(23,375)</u>
		(23,640)
Repayment of bond, loan, and capital lease principal is an expenditure in the governmental funds, but the repayment reduces liabilities on the statement of net position (excluding internal service funds activity).		
		15,346
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded		16,675
Deferred charges on refundings		<u>84</u>
		16,759
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		364
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in the funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable		494
Premiums incurred in the current year		(2,407)
Amortization of bond premiums		724
Amortization of deferred charges of refundings		<u>(84)</u>
		(1,273)
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.		
		(1,278)
Contractually required pension and OPEB contributions are reported as expenditures in the funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		25,630
OPEB		<u>460</u>
		26,090
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net OPEB liability are reported as pension expense and OPEB expense, respectively, in the statement of activities.		
Pension		(57,281)
OPEB		<u>171,136</u>
		113,855
Changes in net position of governmental activities	\$	<u><u>166,368</u></u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2019
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
ASSETS				
<u>Current:</u>				
Cash and cash equivalents with Treasury	\$ 3,747	\$ 18,445	\$ 15,882	\$ 1,951
Cash and cash equivalents held by escrow agent	24,927	1,606	-	-
Cash and cash equivalents - other	1	-	1,208	-
Investments	23,247	17,245	-	15,975
Restricted investments	92,615	917	-	392
Receivables (net of allowances)	16,004	24,272	464	9,585
Due from other:				
Funds	-	26,652	-	69
Prepaid items	2	14	2	-
Inventory of supplies	3,263	1,032	17	-
Total current assets	<u>163,806</u>	<u>90,183</u>	<u>17,573</u>	<u>27,972</u>
<u>Noncurrent:</u>				
Investments	38,297	41,437	-	14,729
Restricted investments	16,985	-	-	-
Prepaid bond insurance	742	19	-	-
Land and construction in progress	325,990	330,141	-	14,451
Other capital assets, net of accumulated depreciation	163,453	370,907	114	33,183
Total noncurrent assets	<u>545,467</u>	<u>742,504</u>	<u>114</u>	<u>62,363</u>
Total assets	<u>709,273</u>	<u>832,687</u>	<u>17,687</u>	<u>90,335</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension (see Note 13)	5,220	5,592	3,156	1,869
OPEB (see Note 14)	656	703	505	381
Total deferred outflows of resources	<u>5,876</u>	<u>6,295</u>	<u>3,661</u>	<u>2,250</u>
LIABILITIES				
<u>Current:</u>				
Accounts payable	5,215	1,465	498	465
Customer deposits	1,939	1	-	50
Retainage payable	4,966	4,185	-	45
Due to other:				
Funds	28,661	-	1,650	5,090
Governments	40	245	-	54
Accrued interest payable	1,634	5,174	-	36
Other current liabilities	-	-	-	-
Current portion of:				
Compensated absences payable	13	27	32	3
Bonds, loans, and capital lease payable, net	11,405	26,448	-	1,213
Total current liabilities	<u>53,873</u>	<u>37,545</u>	<u>2,180</u>	<u>6,956</u>
<u>Noncurrent:</u>				
Compensated absences payable	1,511	2,091	926	453
Bonds, loans, and capital lease payable, net	392,455	409,258	-	10,473
Net pension liability (see Note 13)	17,617	18,873	9,990	5,438
Net OPEB liability (see Note 14)	8,369	8,965	4,746	2,584
Total noncurrent liabilities	<u>419,952</u>	<u>439,187</u>	<u>15,662</u>	<u>18,948</u>
Total liabilities	<u>473,825</u>	<u>476,732</u>	<u>17,842</u>	<u>25,904</u>
DEFERRED INFLOWS OF RESOURCES				
Pension (see Note 13)	530	1,027	507	565
OPEB (see Note 14)	215	527	250	322
Total deferred inflows of resources	<u>745</u>	<u>1,554</u>	<u>757</u>	<u>887</u>
NET POSITION				
Net investment in capital assets	190,217	262,074	114	44,224
Restricted:				
Debt service	4,560	5,749	-	39
Replacement	23,718	31,291	-	6,205
Capital improvement	341	125	-	2,720
Unrestricted	21,743	61,457	2,635	12,606
Total net position	<u>\$ 240,579</u>	<u>\$ 360,696</u>	<u>\$ 2,749</u>	<u>\$ 65,794</u>

See accompanying notes to the basic financial statements.

		Governmental Activities	
Total Enterprise Funds		Internal Services Funds	
\$	40,025	\$	-
	26,533		701
	1,209		-
	56,467		-
	93,924		-
	50,325		698
	26,721		27,047
	18		-
	4,312		979
	<u>299,534</u>		<u>29,425</u>
	94,463		-
	16,985		-
	761		-
	670,582		2,065
	567,657		19,135
	<u>1,350,448</u>		<u>21,200</u>
	<u>1,649,982</u>		<u>50,625</u>
	15,837		3,526
	2,245		571
	<u>18,082</u>		<u>4,097</u>
	7,643		1,267
	1,990		292
	9,196		-
	35,401		2,018
	339		-
	6,844		-
	-		7,590
	75		-
	39,066		1,181
	<u>100,554</u>		<u>12,348</u>
	4,981		-
	812,186		3,191
	51,918		10,774
	24,664		5,118
	<u>893,749</u>		<u>19,083</u>
	<u>994,303</u>		<u>31,431</u>
	2,629		211
	1,314		65
	<u>3,943</u>		<u>276</u>
	496,629		16,828
	10,348		-
	61,214		-
	3,186		-
	98,441		6,187
\$	<u>669,818</u>	\$	<u>23,015</u>

City of Toledo, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year ended December 31, 2019
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 78,646	\$ 87,765	\$ 18,192	\$ 13,069
Other revenue	2	125	-	312
Total operating revenue	<u>78,648</u>	<u>87,890</u>	<u>18,192</u>	<u>13,381</u>
OPERATING EXPENSES				
Personnel services	17,544	19,500	10,327	5,020
Contractual services	16,756	12,300	2,989	3,347
Materials and supplies	8,023	2,929	729	294
Utilities	2,671	3,374	30	712
Depreciation	5,466	15,384	13	1,244
Total operating expenses	<u>50,460</u>	<u>53,487</u>	<u>14,088</u>	<u>10,617</u>
Operating income (loss)	<u>28,188</u>	<u>34,403</u>	<u>4,104</u>	<u>2,764</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	4,695	1,608	4	820
Interest expense and fiscal charges	(13,615)	(10,532)	-	(531)
Gain (loss) on disposal of capital assets	10	(23)	2	(432)
Total nonoperating revenues (expenses)	<u>(8,910)</u>	<u>(8,947)</u>	<u>6</u>	<u>(143)</u>
Income (loss) before transfers and contributions	<u>19,278</u>	<u>25,456</u>	<u>4,110</u>	<u>2,621</u>
Capital contributions	-	1,151	-	557
Transfers in	2,578	2,876	-	1,610
Transfers (out)	(150)	(75)	(5,787)	(1,545)
Change in net position	21,706	29,408	(1,677)	3,243
Net position at January 1	<u>218,873</u>	<u>331,288</u>	<u>4,426</u>	<u>62,551</u>
Net position at December 31	<u>\$ 240,579</u>	<u>\$ 360,696</u>	<u>\$ 2,749</u>	<u>\$ 65,794</u>

See accompanying notes to the basic financial statements.

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Services Funds</u>
\$ 197,672	\$ 23,925
439	5,286
<u>198,111</u>	<u>29,211</u>
52,391	11,356
35,392	10,289
11,975	5,801
6,787	1,495
22,107	1,489
<u>128,652</u>	<u>30,430</u>
<u>69,459</u>	<u>(1,219)</u>
7,127	-
(24,678)	(215)
(443)	156
<u>(17,994)</u>	<u>(59)</u>
<u>51,465</u>	<u>(1,278)</u>
1,708	-
7,064	-
(7,557)	-
<u>52,680</u>	<u>(1,278)</u>
<u>617,138</u>	<u>24,293</u>
<u>\$ 669,818</u>	<u>\$ 23,015</u>

City of Toledo, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year ended December 31, 2019
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 77,317	\$ 73,336	\$ 28,231	\$ 12,444
Cash paid to employees	(14,968)	(17,035)	(8,561)	(2,379)
Cash paid to supplies	(32,751)	(20,562)	(1,849)	(2,321)
Other receipts	2	125	-	312
Net cash provided by (used in) operating activities	<u>29,600</u>	<u>35,864</u>	<u>17,821</u>	<u>8,056</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	2,578	2,876	-	1,610
Transfers (out)	(150)	(75)	(5,787)	(1,545)
Net cash provided by (used in) noncapital financing activities	<u>2,428</u>	<u>2,801</u>	<u>(5,787)</u>	<u>65</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	-	1,151	-	557
Purchases of property, plant and equipment	(82,212)	(29,073)	-	(3,148)
Sale of capital assets	10	-	2	-
Principal payments	(23,524)	(23,354)	-	(1,198)
Issuance of bonds and loans	59,582	25,967	-	126
Interest and fiscal charges paid on bonds, loans, and capital leases	(15,808)	(10,564)	-	(540)
Net cash (used in) capital and related financing activities	<u>(61,952)</u>	<u>(35,873)</u>	<u>2</u>	<u>(4,203)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	59,599	31,954	-	8,000
Purchase of investments	(37,689)	(38,037)	-	(13,120)
Investment income received on investments	4,695	1,608	4	811
Net cash provided by (used in) investing activities	<u>26,605</u>	<u>(4,475)</u>	<u>4</u>	<u>(4,309)</u>
Change in cash and cash equivalents	(3,319)	(1,683)	12,040	(391)
Cash and cash equivalents at January 1	31,994	21,734	5,050	2,342
Cash and cash equivalents at December 31	<u>\$ 28,675</u>	<u>\$ 20,051</u>	<u>\$ 17,090</u>	<u>\$ 1,951</u>
Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 28,188	\$ 34,403	\$ 4,104	\$ 2,764
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	5,466	15,384	13	1,244
Change in assets, liabilities, deferred outflows and deferred inflows:				
Decrease (increase) in receivables	(1,329)	39	(90)	(948)
Decrease (increase) in due from other funds	-	(14,468)	10,129	323
Decrease (increase) in prepaid expenses	(2)	-	(2)	-
Decrease (increase) in inventory of supplies	90	85	(4)	-
Increase (decrease) in accounts payable and other liabilities	(7,843)	(772)	255	23
Increase (decrease) in due to other funds	1,007	-	1,650	3,663
Increase (decrease) in due to other governments	18	91	-	39
Increase (decrease) in customer deposits	(90)	(550)	-	-
Increase (decrease) in retainage payable	1,519	(813)	-	(66)
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) in accrued wages and benefits payable	(298)	(371)	(189)	(89)
Increase (decrease) in compensated absences payable	(41)	(38)	79	(18)
Decrease (increase) in deferred outflows - pension	(2,685)	(2,723)	(1,243)	(421)
Increase (decrease) in deferred inflows - pension	(2,255)	(2,040)	(1,092)	(353)
Increase (decrease) in net pension liability	7,186	7,070	3,767	1,649
Decrease (increase) in deferred outflows - OPEB	(126)	(103)	67	153
Increase (decrease) in deferred inflows - OPEB	(368)	(142)	(70)	127
Increase (decrease) in net OPEB liability	1,163	812	447	(34)
Net cash provided by (used in) operating activities	<u>\$ 29,600</u>	<u>\$ 35,864</u>	<u>\$ 17,821</u>	<u>\$ 8,056</u>

See accompanying notes to the basic financial statements.

		Governmental Activities	
Total Enterprise Funds		Internal Services Funds	
\$	191,328	\$	23,472
	(42,943)		(8,628)
	(57,483)		(18,779)
	439		5,286
	<u>91,341</u>		<u>1,351</u>
	7,064		-
	(7,557)		-
	<u>(493)</u>		<u>-</u>
	1,708		-
	(114,433)		-
	12		204
	(48,076)		(1,340)
	85,675		-
	<u>(26,912)</u>		<u>(215)</u>
	<u>(102,026)</u>		<u>(1,351)</u>
	99,553		-
	(88,846)		-
	7,118		-
	<u>17,825</u>		<u>-</u>
	6,647		-
	61,120		701
\$	<u>67,767</u>	\$	<u>701</u>
\$	69,459	\$	(1,219)
	22,107		1,489
	(2,328)		(86)
	(4,016)		(4,409)
	(4)		-
	171		(45)
	(8,337)		(142)
	6,320		(5)
	148		-
	(640)		-
	640		-
	-		3,040
	(947)		(144)
	(18)		(5)
	(7,072)		(1,240)
	(5,740)		(1,310)
	19,672		4,902
	(9)		(202)
	(453)		(335)
	<u>2,388</u>		<u>1,062</u>
\$	<u>91,341</u>	\$	<u>1,351</u>

City of Toledo, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2019
(Amounts in Thousands)

	Custodial Funds
ASSETS	
Cash and cash equivalents - other	\$ 573
Receivables (net of allowances)	231
Total assets	804
 LIABILITIES	
Due to other:	
Governments	231
 NET POSITION	
Restricted for other governments	\$ 573

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2019
(Amounts in Thousands)

	Custodial Funds
ADDITIONS	
Fines and forfeitures for other governments	\$ 10,789
Licenses, permits, and fees for other governments	37
Total additions	10,826
DEDUCTIONS	
Fines and forfeiture distributions to other governments	10,625
Licenses, permits, and fee distributions to other governments	37
Total deductions	10,662
Net increase in fiduciary net position	164
Net position at January 1 (restated - Note 16)	409
Net position at December 31	\$ 573

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 2019 fiscal year, and therefore no activity is reflected in this report.

Jointly Governed Organizations

City of Toledo-City of Rossford MUD

In February 1992, the City entered into a contract with the City of Rossford to create a Joint Economic Development Zone (JEDZ) under Ohio Rev. Code 715.69. However, on June 5, 2014 this code section was repealed. The entity entered into a new contract under Ohio Rev. Code 714.84(J) to create a Municipal Utility District (MUD). The new agreement is a contract for shared services between two municipalities and is not a separate entity. 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 the City of Toledo and the City of Rossford and their residents and all of the residents of the region.

The MUD has helped foster successful retail and other developments in the MUD. 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 did not receive revenues from the MUD in 2019.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

City of Toledo-City of Maumee-Monclova Township

In October 2003 and amended in 2010, the City entered into a contract with the 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 the City of Toledo, the City of Maumee and Monclova Township, 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 \$1,672 in revenues from the JEDZ in 2019.

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 2019.

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 \$38 in revenues from the JEDD in 2019.

City of Toledo-Lake Township JEDD

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 2019.

City of Toledo-Troy Township JEDD

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 \$292 in revenues from the JEDD in 2019.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

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 2018 and years after. The City will receive one third of the net revenues generated by this agreement. The City received \$57 in revenues from the JEDD in 2019.

Incarceration Agreements with Other Governments

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 capital costs 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.

The jurisdictional share in the cost of operation of the Commission was based on the number of beds allocated to each member. The last funding percentages originally approved by the Commission for its members in 2016 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 withdrew from the agreement with the Commission in 2016 and did not contribute for its operation in 2017, 2018 and 2019

In 2016, the City entered into a distinctly separate agreement with Lucas County for incarceration costs formerly associated with the Commission. The agreement called for the City to pay Lucas County for 20 beds specifically reserved for offenders charged under the Toledo Municipal Code. Nearing the end of 2017, the City established an agreement for incarceration costs with Wood County, which reserved 10 beds for the City for offenders charged under the Toledo Municipal Code. In 2019, Toledo paid Wood County \$239 under this agreement. The City expects the new contract to result in significant savings moving forward as compared to prior agreements with both the Commission and Lucas County.

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 revenue whereas Business-Type Activities are normally supported by financially self-sustaining fees and charges for services. Fiduciary Funds of the City are not included in these Government-Wide Financial Statements; however, separate Financial Statements are presented for the Fiduciary Funds.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

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 that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipient of the goods and services offered by the program and (b) grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

During the year, the City segregates transactions related to specific City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund Financial Statements are designed to present financial information of the City at a more detailed level. The focus of Governmental and Enterprise Funds Financial Statements is on Major Funds. Each Major Fund is presented in a separate column. Non-Major Funds are aggregated and presented in a single column. Internal Service Funds are aggregated and 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: street cleaning, street lighting, surface treatment, weed cutting, snow removal and tree and ditch maintenance.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Other governmental funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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 at 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.

The other enterprise funds of the City are used to account for storm sewer, property management, small business development, municipal tow lot, marina, and Toledo public power operations.

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, workers' compensation, and healthcare self-insurance.

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

The City's fiduciary funds are Custodial Funds. Custodial Funds are used to account for building standards fee assessments on both residential permits (1% assessment) and commercial permits (3% assessment) that are collected by the City and remitted to the State of Ohio, an Ohio Environmental Protection Agency (EPA) surcharge related to landfill operations that are collected by the City and remitted to the State of Ohio EPA, and for fines and fees collected by the Toledo Municipal Court and remitted to other governments (excluding those remitted or due to the City of Toledo).

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.

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.

Fiduciary Funds present a statement of net position and a statement of changes in fiduciary net position which reports additions to and deductions from Custodial Funds.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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 taxes, local government funds and permissive taxes), fines and forfeitures, licenses and permits, interest, grants and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Note 13 and Note 14 for deferred outflows of resources related to the City's net pension liability and net OPEB liability, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow 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 funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Note 13 and Note 14 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Expenses/Expenditures

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

Budgetary Information

Annual budgets are adopted for all governmental and business-type 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 Governmental Activities and Governmental Funds are pooled and invested in order to provide improved cash management. Monies for these funds are maintained in this pool. All of the City's depository accounts for the Governmental Activities and Governmental Funds are maintained and reported by the General Fund as "Cash and Cash Equivalents with Treasurer". The Business-type Activities and Proprietary Funds hold their own bank statements and cash is maintained in these respective funds as "Cash and Cash Equivalents with Treasury".

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. These amounts are reported as "Cash and Cash Equivalents Held by Escrow Agent".

During 2019, investments were limited to nonnegotiable certificates of deposit (nonnegotiable CD's), Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Municipal Bonds, and State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio and nonnegotiable CD's, investments are reported at fair value, which is based on quoted market prices. Investments in STAR Ohio are reported at amortized cost and investments in nonnegotiable CD's are reported at cost.

During 2019, the City invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents (continued)

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

Inventory of Supplies

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

Prepayments

Payments made to vendors for services that benefit future periods are recorded as prepayments in both government-wide and fund financial statements. A current asset for the prepaid amount is recorded at the time of purchase, and the expenditure is reported in the year in which services are consumed.

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 (amount not in thousands) 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 their acquisition value. 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	5-15 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 move the capitalization threshold from \$500 to \$5,000 (amounts not in thousands). 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, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Balances

On fund financial statements, receivables and payables resulting from the routine lag between the dates interfund goods and services are provided or reimbursable expenditures occur are classified as “due to/from other funds.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as a component of the internal balance reported on the statement of net position.

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.

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/Other Postemployment Benefits (OPEB)

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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 are 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.

Fund Balance Classifications

Fund Balance for Governmental Funds is 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*.

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classifications (continued)

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance commitments are established, modified or rescinded by City Council action through passage of an ordinance.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted nor committed. Assigned Fund Balance includes amounts that have been intended for use by City Council. City Council demonstrates its intent for use of assigned amounts through passage of appropriation legislation or resolution.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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 classifications could be used. See Note 12 for further detail on the components of fund balance classifications at year end.

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.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, grants or outside contributions of resources restricted to capital acquisition and construction, or capital assets that are purchased by a fund and then transferred to another fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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, the State Treasury Asset Reserve of Ohio (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; and
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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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

Cash and Cash Equivalents Held by Escrow Agent

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, 2019, the City had un-invested cash in the amount of \$27,234 being held by a third-party trustee. In addition, at December 31, 2019, the City had \$175 of restricted investments which are being held by a third-party trustee as fiscal agent for future debt service payments.

Cash and Cash Equivalents Other

At December 31, 2019, the amount recorded in the City's general ledger for the Toledo Municipal Courts was \$889. Of this total, \$212, \$104, and \$573, was reported in the City's General Fund, Nonmajor Governmental Funds, and Custodial Fund, respectively, at December 31, 2019. The bank balance of monies held by the Toledo Municipal Courts was \$973 at December 31, 2019. Of the bank balance, the Federal Depository Insurance Corporation (FDIC) will cover up to \$250 per account with any excess being collateralized through the Ohio Pooled Collateral System (OPCS).

The carrying amounts in the Water Fund and Utility Administrative Services fund are \$1 and \$1,208, respectively.

Deposits with Financial Institutions

At December 31, 2019, the carrying amount of all City deposits, including \$7,000 of nonnegotiable certificates of deposit, was \$59,054 and the bank balance was \$63,989. Of the bank balance, the Federal Depository Insurance covers up to \$250 per account. Bank balances not covered by the FDIC were collateralized through the OPCS.

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. The City's investment policy on deposits requires that they be insured by FDIC or collateralized by the financial institution. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments

As of December 31, 2019, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities		
		1 Year or Less	1 to 3 Years	4 to 5 Years
Fair Value:				
FFCB	\$ 39,725	\$ 8,989	\$ 30,736	\$ -
FHLB	40,606	7,119	27,986	5,501
FHLMC	55,807	8,690	37,147	9,970
FNMA	29,200	8,213	20,987	-
Municipal Bonds	46,192	21,095	20,114	4,983
Amortized Cost:				
STAR Ohio	136,980	136,980	-	-
Total	<u>\$ 348,510</u>	<u>\$ 191,086</u>	<u>\$ 136,970</u>	<u>\$ 20,454</u>

Fair Value Measurement: The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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.

The City's investments in federal agency securities (FFCB, FHLB, FHLMC, FNMA) and Municipal Bonds are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy generally limits security purchases to those that mature within three years of the settlement date unless the maturity is matched with a specific cash requirement which states that the maturity 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. The City's investments in federal agency securities were rated AA+ by Standard & Poor's and Aaa by Moody's. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

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.
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.

As of December 31, 2019, the City had the following investment concentrations:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Fair Value:		
FFCB	\$ 39,725	11.40%
FHLB	40,606	11.65%
FHLMC	55,807	16.01%
FNMA	29,200	8.38%
Municipal Bonds	46,192	13.25%
Amortized Cost:		
STAR Ohio	<u>136,980</u>	<u>39.31%</u>
Total	<u>\$ 348,510</u>	<u>100.00%</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Reconciliation of Cash and Investments Disclosed to Financial Statements

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the financial statements as of December 31, 2019:

<u>Cash and Investments per Note</u>	
Carrying Amount of Deposits	\$ 59,054
Investments	348,510
Restricted Investments Held By Fiscal Agent	175
Cash and Cash Equivalents Held by Escrow Agent	27,234
Cash and Cash Equivalents Other	<u>2,098</u>
Total	<u>\$ 437,071</u>
 <u>Cash and investments on Financial Statements</u>	
Governmental Activities	\$ 106,892
Business-Type Activities	329,606
Fiduciary Activities	<u>573</u>
Total	<u>\$ 437,071</u>

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City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 3 – RECEIVABLES

Receivables at December 31, 2019 consist of the following:

	Taxes	Customer and Other	Special Assessments	Notes Receivable
Governmental Funds:				
General	\$ 38,133	\$ 3,595	\$ -	\$ -
Capital Improvements	-	6,567	-	-
Special Assessments Services	-	151	57,072	-
Nonmajor Governmental Funds	-	8,307	1,197	30,614
Total Governmental Funds	<u>38,133</u>	<u>18,620</u>	<u>58,269</u>	<u>30,614</u>
Enterprise Funds:				
Water	-	20,251	-	-
Sewer	-	31,988	-	-
Utility Administrative Services	-	464	-	-
Nonmajor Enterprise Funds	-	6,074	-	22,730
Total Enterprise Funds	<u>-</u>	<u>58,777</u>	<u>-</u>	<u>22,730</u>
Internal Service Funds	<u>-</u>	<u>1,044</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 38,133</u>	<u>\$ 78,441</u>	<u>\$ 58,269</u>	<u>\$ 53,344</u>

	Interest Receivable	Gross Receivables	Less: Allowance for Uncollectibles	Receivables Net
Governmental Funds (continued):				
General	\$ 426	\$ 42,154	\$ (6,574)	\$ 35,580
Capital Improvements	-	6,567	(5)	6,562
Special Assessments Services	-	57,223	-	57,223
Nonmajor Governmental Funds	-	40,117	(29,523)	10,594
Total Governmental Funds	<u>426</u>	<u>146,061</u>	<u>(36,102)</u>	<u>109,959</u>
Enterprise Funds (continued):				
Water	386	20,637	(4,633)	16,004
Sewer	221	32,209	(7,937)	24,272
Utility Administrative Services	-	464	-	464
Nonmajor Enterprise Funds	150	28,954	(19,369)	9,585
Total Enterprise Funds	<u>757</u>	<u>82,264</u>	<u>(31,939)</u>	<u>50,325</u>
Internal Service Funds	<u>-</u>	<u>1,044</u>	<u>(346)</u>	<u>698</u>
Total	<u>\$ 1,183</u>	<u>\$ 229,369</u>	<u>\$ (68,387)</u>	<u>\$ 160,982</u>

Receivables have not been disaggregated on the face of the basic financial statements. The only receivable not expected to be collected within the subsequent year are special assessments which are collected over the life of the assessment (see Note 9).

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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 2019 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 6, 2019, with the remainder payable by July 31, 2019.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined at December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 34.4 percent of true value. The 2019 public utility property taxes became a lien on December 31, 2018, were levied on October 1, 2019 and will be collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes.

The County Treasurer collected property taxes on behalf of all taxing districts in the County, including the City of Toledo. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2019 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 2019 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, 2019 was \$4.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

Public Utility Real and Tangible Personal Property	\$ 238,116
Real Property (Other than Public Utility)	<u>3,094,411</u>
Total Assessed Value	<u>\$ 3,332,527</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 5 – PROPERTY TAX (continued)

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:

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/Committee of the Toledo Housing Advisory Commission. As of December 31, 2019, the City had 1,517 participants in the CRA Program and abated \$389 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 6 – TAX INCENTIVE AND ABATEMENT PROGRAMS (continued)

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, 2019, the City had 3 participants in the Enterprise Zone Program and abated \$94 in real and personal property taxes. The Enterprise Zone Program impacts the City's General Fund.

Municipal Job Creation Tax Credit (MJCTC)

Pursuant to ORC 718.15, the City established the MJCTC 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 MJCTC. 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 MJCTC include a maximum tax credit of 40% of payroll taxes of eligible full-time employees 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, 2019, the City had 1 active participating business claiming \$2,556 in aggregate tax credits. 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, 2019, the City had 34 participants and paid \$671 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, 2019
(Amounts in Thousands)

NOTE 7 – CAPITAL ASSETS

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
<i>Governmental Activities:</i>				
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 29,078	\$ 300	\$ (831)	\$ 28,547
Construction in Progress	<u>191,730</u>	<u>36,883</u>	<u>(7,375)</u>	<u>221,238</u>
Total Capital Assets not being Depreciated	<u>220,808</u>	<u>37,183</u>	<u>(8,206)</u>	<u>249,785</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	70,999	-	(1,325)	69,674
Furniture & Fixtures	6,532	-	(1,069)	5,463
Improvements	80,864	1,027	(10,160)	71,731
Infrastructure	743,789	5,548	(6,007)	743,330
Machinery & Equipment	<u>162,191</u>	<u>3,325</u>	<u>(6,736)</u>	<u>158,780</u>
Total Capital Assets being Depreciated	<u>1,064,375</u>	<u>9,900</u>	<u>(25,297)</u>	<u>1,048,978</u>
<i>Less: Accumulated Depreciation</i>				
Buildings	38,558	1,431	(788)	39,201
Furniture & Fixtures	6,109	173	(1,043)	5,239
Improvements	46,714	3,185	(9,307)	40,592
Infrastructure	547,392	19,885	(1,898)	565,379
Machinery & Equipment	<u>128,461</u>	<u>4,356</u>	<u>(4,603)</u>	<u>128,214</u>
Total Accumulated Depreciation	<u>767,234</u>	<u>29,030</u>	<u>(17,639)</u>	<u>778,625</u>
Total Capital Assets being Depreciated, net	<u>297,141</u>	<u>(19,130)</u>	<u>(7,658)</u>	<u>270,353</u>
Governmental Activities Capital Assets, net	<u>\$ 517,949</u>	<u>\$ 18,053</u>	<u>\$ (15,864)</u>	<u>\$ 520,138</u>

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

General Government	\$ 908
Public Service	17,437
Public Safety	2,340
Public Utility	5,410
Community Environment	388
Health	1,092
Parks and Recreation	1,455
Total Depreciation - Governmental Activities	<u>\$ 29,030</u>

The Department of Housing and Neighborhood Revitalization has purchased land and buildings using Block Grant Funds. The intent of such purchases ultimately is to resell the property for a nominal amount to adjacent property owners or developers for redevelopment purposes. As of December 31, 2019, the Department owned approximately 88 parcels at an estimated historical cost of \$1,672. Due to the uncertainty of the market value or the ability to locate developers, the purchase costs have been recorded as program expenditures in the Block Grant Funds in the year of purchase and revenues from the sale of properties are recorded as Program Revenue in the year of sale.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 7 – CAPITAL ASSETS (continued)

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
<i>Business-Type Activities:</i>				
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 6,651	\$ -	\$ (426)	\$ 6,225
Construction in Progress	556,246	124,500	(16,389)	664,357
Total Capital Assets not being Depreciated	<u>562,897</u>	<u>124,500</u>	<u>(16,815)</u>	<u>670,582</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	46,729	-	-	46,729
Furniture & Fixtures	900	-	(250)	650
Improvements	96,667	1	(35)	96,633
Infrastructure	856,835	16,540	(10,110)	863,265
Machinery & Equipment	109,544	5,066	(2,870)	111,740
Total Capital Assets being Depreciated	<u>1,110,675</u>	<u>21,607</u>	<u>(13,265)</u>	<u>1,119,017</u>
<i>Less: Accumulated Depreciation</i>				
Buildings	27,165	924	-	28,089
Furniture & Fixtures	775	40	(218)	597
Improvements	42,051	3,179	(10)	45,220
Infrastructure	376,971	12,102	(127)	388,946
Machinery & Equipment	83,975	5,862	(1,329)	88,508
Total Accumulated Depreciation	<u>530,937</u>	<u>22,107</u>	<u>(1,684)</u>	<u>551,360</u>
Total Capital Assets being Depreciated, net	<u>579,738</u>	<u>(500)</u>	<u>(11,581)</u>	<u>567,657</u>
Business-Type Activities Capital Assets, net	<u>\$ 1,142,635</u>	<u>\$ 124,000</u>	<u>\$ (28,396)</u>	<u>\$ 1,238,239</u>

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

Water	\$ 5,466
Sewer	15,384
Utility Administrative Services	13
NonMajor	1,244
Total Depreciation - Business-Type Activities	<u>\$ 22,107</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 8 – NOTES PAYABLE

The City's Notes Payable obligations at December 31, 2019 and a schedule of current year activity are as follows:

	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2019	Increase	Decrease	Balance 12/31/2019	Amount Due In One Year
General Obligations:								
Capital Projects	2019	3.55	\$ 4,450	\$ 4,450	\$ -	\$ (4,450)	\$ -	\$ -
Special Assessments	2019	2.90	1,385	1,385	-	(1,385)	-	-
Special Assessments	2020	2.50	1,620	-	1,620	-	1,620	1,620
Revenue Obligations:								
Assessed Services 2017	2019	2.44-2.48	19,800	19,800	-	(19,800)	-	-
Assessed Services 2018	2020	3.35-3.51	20,400	20,400	-	-	20,400	20,400
Assessed Services 2019	2021	2.22-2.79	20,200	-	20,200	-	20,200	-
			<u>\$ 46,035</u>	<u>\$ 46,035</u>	<u>\$ 21,820</u>	<u>\$ (25,635)</u>	<u>\$ 42,220</u>	<u>\$ 22,020</u>

The City carried \$4,450 in notes in the Capital Improvement Fund which were issued to finance site acquisition and preparation costs for an industrial economic development project (Medco Project). These notes were retired in 2019 using proceeds of the Series 2019C Medco Project Refunding non-tax revenue bonds.

The City carries notes in the Special Assessment Improvement Fund (a nonmajor capital projects fund) to cover capital costs related to constructing and reconstructing sidewalks, including, where necessary, driveway aprons, between certain termini on certain designated streets. In 2019, the City retired \$1,385 and reissued \$1,620 of Special Assessment Notes for the purpose of supporting special assessment projects.

The City carries notes in the Special Assessments Services Fund to 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. In 2019, the City retired \$19,800 in special assessment notes for City services that were issued in 2017 and issued \$20,200 in special assessment notes for City services that will mature on December 1, 2021. The \$20,400 of special assessment notes for City services issued in 2018 will mature December 1, 2020.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS

The City's Governmental Activities Long-Term Obligations at December 31, 2019 and a schedule of current year activity are as follows. At January 1, 2019, the City has reclassified \$8,100 of Non-Taxable Revenue Bonds out of Other Loans to report the debt in the proper category.

	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2019	Increase	Decrease	Balance 12/31/2019	Amount Due In One Year
Government Activities:									
General Obligation Bonds:									
Capital Projects	Various	Various	1.50-6.08	\$ 180,860	\$ 111,398	\$ 11,580	\$ (19,936)	\$ 103,042	\$ 11,081
Unamortized Premiums	Various	Various	NA	9,945	8,408	1,838	(717)	9,529	-
Special Assessments	Various	Various	1.55-5.00	115	15	-	(15)	-	-
Total General Obligation Bonds				<u>190,920</u>	<u>119,821</u>	<u>13,418</u>	<u>(20,668)</u>	<u>112,571</u>	<u>11,081</u>
Non-Tax Revenue Bonds:									
Southwyck Acquisition (Series 2014)	2014	2019	3.45	3,250	695	-	(695)	-	-
Marina Area Acquisition (Series 2006)	2006	2032	5.88-6.55	5,120	3,495	-	(3,495)	-	-
Marina Area Refunding (Series 2019B)	2019	2032	2.60-5.00	3,555	-	3,555	-	3,555	55
Vehicle Storage Project (Series 2006)	2006	2026	4.25-5.00	9,000	4,605	-	(4,605)	-	-
Vehicle Storage Project Refunding (Series 2019A)	2019	2026	5.00	3,725	-	3,725	-	3,725	460
Medco Project Refunding (Series 2019C)	2019	2039	2.55-5.00	4,515	-	4,515	-	4,515	160
Unamortized Premiums				-	-	569	(6)	563	-
Total Non-Tax Revenue Bonds				<u>29,165</u>	<u>8,795</u>	<u>12,364</u>	<u>(8,801)</u>	<u>12,358</u>	<u>675</u>
Loans Outstanding:									
State Agencies (Direct Borrowing):									
Ohio Public Works Commission									
Capital Projects	Various	Various	0.00	8,501	4,527	265	(619)	4,173	316
Ohio Water Dev Authority									
Capital Projects	Various	Various	4.02-4.12	9,843	1,516	-	(671)	845	698
State Infrastructure Bank									
Marina District - Riverside	2010	2019	3.00	3,968	2,526	-	(390)	2,136	402
MLK Memorial Bridge	2009	2019	3.25	901	63	-	(63)	-	-
Total Loans from State Agencies				<u>23,213</u>	<u>8,632</u>	<u>265</u>	<u>(1,743)</u>	<u>7,154</u>	<u>1,416</u>
Other Loans (Direct Borrowing):									
JobsOhio Capital Projects	Various	Various	0.00-6.55	650	650	-	-	650	-
Total Loans Outstanding				<u>23,863</u>	<u>9,282</u>	<u>265</u>	<u>(1,743)</u>	<u>7,804</u>	<u>1,416</u>
Capital Lease Obligations:									
Fire Engines & Bucket Truck	2015	2019	1.75	3,600	732	-	(732)	-	-
Pumper Trucks	2015	2020	1.75	940	341	-	(192)	149	149
Pickup Trucks & Brine Facility	2015	2019	1.85	1,833	216	-	(216)	-	-
Single & Double Axle Trucks	2015	2021	1.85	4,997	1,814	-	(728)	1,086	745
Forestry Equipment	2015	2020	1.85	1,324	537	-	(266)	271	271
Police Vehicles	2017	2019	1.74	2,200	735	-	(735)	-	-
Total Capital Lease Obligations				<u>14,894</u>	<u>4,375</u>	<u>-</u>	<u>(2,869)</u>	<u>1,506</u>	<u>1,165</u>
Other Obligations:									
Landfill Closure					14,772	563	-	15,335	-
Compensated Absences					30,157	309	(1,809)	28,657	193
Net Pension Liability:									
OPERS					51,402	44,470	-	95,872	-
OP&F					240,421	76,195	-	316,616	-
Net OPEB:									
OPERS					35,507	10,037	-	45,544	-
OP&F					221,948	-	(186,625)	35,323	-
Total Other Obligations					<u>594,207</u>	<u>131,574</u>	<u>(188,434)</u>	<u>537,347</u>	<u>193</u>
Total Governmental Activities					<u>\$ 736,480</u>	<u>\$ 157,621</u>	<u>\$ (222,515)</u>	<u>\$ 671,586</u>	<u>\$ 14,530</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
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(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, capital lease obligations, and notes payable are included in the totals for the governmental activities.

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding at December 31, 2019 for the City's Governmental Activities:

Year	General Obligation Bonds			Non-Taxable Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 11,081	\$ 4,344	\$ 15,425	\$ 675	\$ 439	\$ 1,114
2021	11,501	3,870	15,371	695	419	1,114
2022	11,860	3,376	15,236	725	384	1,109
2023	11,600	2,894	14,494	765	348	1,113
2024	8,725	2,381	11,106	810	310	1,120
2025-2029	37,405	6,423	43,828	3,875	1,032	4,907
2030-2034	10,870	798	11,668	2,835	457	3,292
2035-2039	-	-	-	1,415	146	1,561
	<u>\$ 103,042</u>	<u>\$ 24,086</u>	<u>\$ 127,128</u>	<u>\$ 11,795</u>	<u>\$ 3,535</u>	<u>\$ 15,330</u>

State Agency Loans ⁽¹⁾
(Direct Borrowing)

Year	Principal	Interest	Total
2020	\$ 1,416	\$ 81	\$ 1,497
2021	1,108	52	1,160
2022	932	36	968
2023	941	24	965
2024	954	10	964
2025-2029	1,529	-	1,529
2030-2034	188	-	188
2035-2038	77	-	77
	<u>\$ 7,145</u>	<u>\$ 203</u>	<u>\$ 7,348</u>

⁽¹⁾ The amortization schedule of future debt service payments was not available for OPWC loan CL02V, therefore it is not included in the schedule above. The total of this loan was \$9 at December 31, 2019.

The City's \$650 JobsOhio Capital Projects Loan has deferred payments for five years and is subject to potential forgiveness. As such, it is not included in the future debt service schedules above. This loan is further described in this footnote.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

The City's Business-Type Activities Long-Term Obligations at December 31, 2019 and a schedule of current year activity are as follows. At January 1, 2019, the City has reclassified \$800 of Bond Anticipation Notes out of Water System Revenue Obligation Bonds to report the debt in the proper category.

Business-Type Activities	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Restated Balance 1/1/2019	Increase	Decrease	Balance 12/31/2019	Amount Due In One Year
General Obligation Bonds:									
Tow Lot (Series 2015)	2015	2024	4.00-5.00	\$ 1,305	\$ 910	\$ -	\$ (150)	\$ 760	\$ 150
Property Management Premium	Various	Various	2.00-7.00	13,765	9,165	-	(850)	8,315	940
	Various	Various	-	4,196	7	-	(1)	6	-
Total General Obligation Bonds					10,082	-	(1,001)	9,081	1,090
Revenue Obligation Bonds:									
Water System Premium	Various	Various	1.25-6.20	331,040	300,335	-	(8,975)	291,360	9,375
Sanitary Sewer System Premium	Various	Various	1.25-6.20	39,488	32,522	-	(2,168)	30,354	-
	Various	Various	2.00-6.45	29,200	10,000	-	(865)	9,135	890
	Various	Various	-	1,541	693	-	(70)	623	-
Total Revenue Obligation Bonds					343,550	-	(12,078)	331,472	10,265
Bond Anticipation Notes:									
Water System	2018	2023	2.70	30,000	800	11,985	(12,785)	-	-
Water System	2019	2023	2.20	30,000	-	30,000	-	30,000	-
Total Bond Anticipation Notes					800	41,985	(12,785)	30,000	-
Loans Outstanding:									
State Agencies (Direct Borrowing):									
Ohio Public Works Commission									
Water System	Various	Various	0.00	2,526	1,697	-	(132)	1,565	56
Sanitary Sewer System	Various	Various	0.00	9,773	8,845	590	(560)	8,875	321
Storm Water System	Various	Various	0.00	2,280	1,094	126	(120)	1,100	60
Ohio Water Dev Authority									
Water System	Various	Various	3.25	44,273	34,616	17,597	(1,632)	50,581	1,974
Sanitary Sewer System	Various	Various	2.38-4.80	635,024	410,932	25,377	(21,861)	414,448	25,165
Storm Water System	Various	Various	2.25-3.34	1,727	1,583	-	(78)	1,505	63
Total State Agency Loans					458,767	43,690	(24,383)	478,074	27,639
Capital Lease Obligations:									
Norfolk Southern	2016	2035	2.50	2,967	2,693	-	(68)	2,625	72
Other Obligations:									
Compensated Absences					5,074	149	(167)	5,056	75
Net Pension Liability:									
OPERS					32,246	19,672	-	51,918	-
Net OPEB Liability:									
OPERS					22,276	2,388	-	24,664	-
Total Other Obligations					59,596	22,209	(167)	81,638	75
Total Business-Type Activities					\$ 875,488	\$ 107,884	\$ (50,482)	\$ 932,890	\$ 39,141

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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, 2019 for the City's Business-Type Activities:

Year	General Obligation Bonds			Revenue Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 1,090	\$ 429	\$ 1,519	\$ 10,265	\$ 14,470	\$ 24,735
2021	950	381	1,331	10,800	14,033	24,833
2022	775	339	1,114	11,285	13,506	24,791
2023	1,210	305	1,515	11,800	12,950	24,750
2024	1,255	252	1,507	11,335	12,377	23,712
2024-2029	3,795	458	4,253	69,190	52,906	122,096
2030-2034	-	-	-	82,080	35,396	117,476
2035-2039	-	-	-	85,140	13,471	98,611
2040-2044	-	-	-	8,600	651	9,251
	<u>\$ 9,075</u>	<u>\$ 2,164</u>	<u>\$ 11,239</u>	<u>\$ 300,495</u>	<u>\$ 169,760</u>	<u>\$ 470,255</u>

Year	State Agency Loans ⁽¹⁾		
	Principal	Interest	Total
2020	\$ 27,639	\$ 11,084	\$ 38,723
2021	29,870	10,879	40,749
2022	31,025	10,089	41,114
2023	31,469	9,289	40,758
2024	32,147	8,476	40,623
2025-2029	145,729	30,125	175,854
2030-2034	108,722	14,582	123,304
2035-2039	63,997	3,182	67,179
2040-2044	5,520	92	5,612
2045-2049	99	15	114
2050-2053	57	3	60
	<u>\$ 476,274</u>	<u>\$ 97,816</u>	<u>\$ 574,090</u>

⁽¹⁾ OWDA loan number 8229 had a loan in transit in the amount of \$1,800 at year-end. This amount is included as a loan payable on the City's financial statements, however, is not reflected in the above amortization schedules of future debt service payments as a revised amortization schedule for this loan was not available.

New Bond and Loans Issuances Supporting Governmental Activities

Series 2019 General Obligation Capital Improvement and Refunding Bonds

On December 11, 2019, the City issued \$11,580 in Series 2019 Capital Improvement and Refunding General Obligation Bonds. The proceeds were used to (1) \$4,365 to refund Series 2009 Bridge Improvement Bonds which were issued to finance improvements to the Martin Luther King Bridge, (2) \$3,715 to refund Series 2009 Street Improvement Bonds which were issued to finance improvements to certain designated streets in the City's street system, and (3) \$3,500 for the acquisition of fire apparatus and equipment for use by the City's Department of Fire and Rescue Operations. The bonds were issued at a \$1,838 premium which is reported in the General Obligation Debt Service Fund (a nonmajor debt service fund). The bonds will be retired from the Capital Improvements Fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

New Bond and Loans Issuances Supporting Governmental Activities (continued)

Proceeds of \$9,123 were deposited into an escrow fund to provide for the retirement of the Series 2009 Bridge Improvement Bonds and the Series 2009 Street Improvement Bonds. The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the refunding (in-substance defeased). The assets held in trust as a result of the refunding are not included in the financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$43. This amount is reflected as interest expense in the Statement of Activities. The balance of the refunded Series 2009 Bridge Improvement Bonds and refunded Series 2009 Street Improvement Bonds were \$5,000 and \$4,080, respectively, at December 31, 2019.

Series 2019 Non-Tax Revenue Refunding Bonds

On December 12, 2019, the City issued \$11,795 in Series 2019 Non-Tax Revenue Refunding Bonds. The proceeds were used to (1) Series 2019A bonds in the amount of \$3,725 were issued to refund Series 2006 Non-Tax Revenue Bonds issued for the Vehicle Storage Project, (2) Series 2019B bonds in the amount of \$3,555 were issued to refund Series 2006 Non-Tax Revenue Bonds issued for the Marina District Project, and (3) Series 2019C bonds in the amount of \$4,515 were issued to retire previously issued note obligations for the Medco Project. The bonds were issued at a \$569 premium which is reported in the General Obligation Fund (a nonmajor debt service fund). The Series 2019A bonds will be retired from the Jeep Municipal Public Improvement TIF Fund (a nonmajor debt service fund) and the Series 2019B bonds will be retired from the Capital Improvements Fund.

Proceeds of \$7,636 were deposited into an escrow fund to provide for the retirement of the Series 2006 Vehicle Storage Project Bonds (\$4,144) and the Series 2006 Marina District Project Bonds (\$3,492). The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the refunding (in-substance defeased). The assets held in trust as a result of the refunding are not included in the financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$43. This amount is reflected as interest expense in the Statement of Activities. The balance of the refunded Series 2006 Vehicle Storage Project Bonds and refunded Series 2006 Marina District Project Bonds were \$4,125 and \$3,470, respectively, at December 31, 2019.

Ohio Public Works Commission (OPWC) loans

During 2019, the City issued six OPWC loans totaling \$265 supporting Governmental Activities. This loan supported the following road improvement projects: Anthony Wayne Trail South to Glendale, Michigan Street and Spiellbusch Avenue – Madison to Cherry, Erie Street from Lafayette to Cherry, Summit Street from Monroe to Lagrange, Cherry Street from Greenbelt to Summit, and Reynolds Road from Glendale Ave. to Angola Road. The loans will be retired from the Capital Improvements Fund.

New Bond, Note and Loan Issuances Supporting Business-Type Activities

Water Bond Anticipation Notes

During 2019, the City issued \$30,000 in 2019 Water Bond Anticipation Notes to retire previously issued Series 2018 Water Bond Anticipation Notes issued for continued improvements at the Collins Park Water Treatment plant. During 2018, the City issued \$30,000 in Series 2018 Water Bond Anticipation Notes project but was only advanced \$800 of the total borrowing by year-end. During 2019, the City drew an additional \$11,985 on the Series 2018 Water Bond Anticipation Notes before retiring these notes and through the issuance of \$30,000 of Reissued Series 2018 Water Bond Anticipation Notes. The City expects to spend this amount on capital improvements at the Collins Park Water Treatment plant through 2022. The bond anticipation notes will be retired from the Water Fund.

Ohio Public Works Commission (OPWC) loans

During 2019, the City issued one OPWC loan totaling \$590 supporting the Sanitary Sewer System. This loan was issued to finance the Swan Creek North Sewer Separation Project. This loan will be retired from the Sewer Fund.

During 2019, the City issued one OPWC loan totaling \$126 supporting the Storm Water System. This loan was issued to finance the Jamieson Ditch Improvements Phase II Project. This loan will be retired from the Storm Sewer enterprise fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

New Bond, Note and Loan Issuances Supporting Business-Type Activities (continued)

Ohio Water Development Authority (OWDA) loans

During 2019, the City issued two OWDA loans totaling \$17,597 supporting the Water System (including \$2 of capitalized interest on previously issued loans). The loans in 2019 were issued to finance the following construction and improvement projects: Ozone Treatment Facilities and Collins Park Treatment Plant Basin Upgrades. These loans will be retired from the Water Fund.

During 2019, the City issued six OWDA loans totaling \$25,377 supporting the Sanitary Sewer System (including \$975 of capitalized interest). The new loans in 2019 were issued to finance the following construction and improvement projects: Ottawa River South Conveyance, LTCP 2C Design, E3 International Park Storage Pipeline, Swan Creek North, Downtown Storage Basin, and Paine and Fassett Regulator Modifications. These loans will be retired from the Sewer Fund.

Defeased Debt

During 2018, the City in-substance defeased \$3,250 of general obligation bonds previously issued for the purchase of the LaSalle property. The City sold the property and used the proceeds to establish an escrow account to make future debt service requirements on the debt. On November 22, 2017 the City authorized an escrow agreement with The Bank New York Mellon Trust Company, N.A. to serve as the trustee of funds that are irrevocably committed to pay for debt service related to the LaSalle property bonds. As of December 31, 2019, the balance of the refunded bonds was \$2,525. Since the bonds are in-substance defeased, neither the refunded bonds or the escrow account are reported on the financial statements.

General Obligation Bonds

General obligation bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Special Assessment Bonds

Special assessments bonds were issued to provide various improvements throughout the City. The bonds will be repaid by tax assessments against the property owner whose benefits from the improvements exceed that of the general public. The bonds are secured by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

Revenue Obligations Bonds

Revenue bonds are supported by pledged future revenues, net of specified operating expenses. Revenue bonds do not represent a general obligation debt or a pledge of the full faith and credit or taxing power of the City.

Governmental Activities: The City has issued non-tax revenue bonds to finance projects and refund previously issued bonds. The 2019 principal and interest payments on the non-tax revenue bonds required 1.10% of General Fund net revenues. Principal and interest paid for the current year and total General Fund net revenues were \$719 and \$65,473, respectively.

Business-Type Activities: The City has issued revenue bonds to support Water and Sewer operations. The 2019 principal and interest payments on the Water revenue bonds required 69.60% of net revenues. Principal and interest paid for the current year and total net revenues were \$23,423 and \$33,654, respectively. The 2019 principal and interest payments on the Sewer revenue bonds required 2.66% of net revenues. Principal and interest paid for the current year and total net revenues were \$1,323 and \$49,787, respectively.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
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NOTE 9 – LONG-TERM OBLIGATIONS (continued)

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. All OPWC loans are interest free.

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

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, 2019 was \$467,379. Of this amount, \$50,581 are obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. Of this amount, \$414,448 are obligations incurred to help finance the sanitary sewage facilities and are to be repaid from charges from sanitary sewer services; \$1,505 are obligations incurred to help finance storm sewer and bio-swale services. The remaining amount of \$845 are 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.

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

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. During 2019, the City retired the loan related to the Martin Luther King Bridge improvements. The aggregate outstanding principal amount of the City's obligations under ODOT loan agreements was \$2,136 as of December 31, 2019.

State Infrastructure Bank loans are direct borrowings that have terms negotiated directly between the City and the ODOT and are not offered for public sale. In the event of default, the ODOT may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

JobsOhio Capital Projects Loan

In 2015, the City entered into a loan agreement with JobsOhio for \$650,000 for a term of 15 years at 1% interest ("the loan"). The loan includes deferral of all interest and principal payments for five years. If, by December 31, 2019 Fiat Chrysler Automobiles retains 4,110 existing jobs and \$282 million in payroll while also maintaining and expanding the Wrangler production facility in Toledo, the loan will be forgiven and all obligation of the City for repayment will be released.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

The JobsOhio loan is a direct borrowing that has terms negotiated directly between the City and JobsOhio and is not offered for public sale. In the event of default, the JobsOhio may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

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 35.3 years.

The \$15,335 reported as landfill closure and post-closure care liability at December 31, 2019 represents the cumulative amount reported to date based on the use of 64.4% of the used capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$8,477 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 2019 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.

Pollution Remediation, Water and Sewer Infrastructure Liabilities

Toledo Waterways Initiative

Upon citizen approval in 2002, the City of Toledo launched the Toledo Waterways Initiative (TWI) to eliminate the majority of these overflows and reduce water pollution. TWI will reduce contaminants in the City's rivers, streams and Lake Erie by building several types of structures to hold, separate or divert storm and waste water during periods of heavy rain and funneling this water for treatment before being returned to the waterways.

For the TWI, as of December 2019, the project is 94.60% complete and \$500,196 has been spent. All construction is required to be complete by August 31, 2020 per the Consent Decree. The projected total TWI program cost is \$528,776. Outstanding obligations related to this project are disclosed in the City's debt schedules.

Collins Park Water Treatment Capital Improvements

The City of Toledo is currently implementing a \$500,000 program of water system improvements that began in 2012 and will continue through 2023. The program is based on an Ohio EPA approved General Plan having the following objectives: a) improve treated water quality and provide redundant treatment capacity; b) replace, upgrade, and modernize existing infrastructure; and c) install short and long term Harmful Algae Bloom treatment barriers. Current projects now under construction include new ozone treatment improvements (2021); upgrades to the existing treatment basins 5 and 6 (2021); rebuild of the existing filters and renovation of equipment and valves in the plant piping galleries (2023); and upgrades to the existing treatment basins 1 through 4 (2023).

As of May 2020, \$486,377 of financing has been secured for the water system improvements, comprised of municipal revenue bond issuances in 2012, 2013, 2016 and 2018; Ohio Water Development Authority (OWDA) loans in 2012, 2014 and 2019; and Ohio EPA Water Supply Revolving Loan Application (WSRLA) loans in 2015, 2018 and 2019. Outstanding obligations related to this project are disclosed in the City's debt schedules.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 9 – LONG-TERM OBLIGATIONS (continued)

In 2020, the City plans to secure a \$22,800 OWDA loan that will fund construction of High Service Pumping Station Improvements. Water rate adjustments effective January 1, 2020 through 2023 have been authorized by City Council to retire existing water system debt. The City will reassess the existing rate structure annually and anticipates future rate adjustments in 2024 through 2027 to retire new water system debt.

Compensated absences

Compensated absences will be paid from the fund from which the employees' salaries are paid. In 2019, compensated absences in the Governmental Activities were liquidated at a rate of approximately 84.6 percent from the general fund, 12.0 percent from other governmental funds, and 3.4 percent from the internal service funds. Compensated absences in the Business-Type Activities were liquidated primarily from the Water and Sewer Enterprise Funds.

Net Pension Liability and Net OPEB Liability

The City pays obligations related to employee compensation from the fund benefitting from their service. See Notes 13 and 14 for further information.

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 (the State) for space it occupies at 640 Jackson Street, Toledo, Ohio in One Government Center for its administrative operations. The 30-year lease expired on August 1, 2013, and the City and State operated under a month-to-month agreement until a new 5-year lease was signed for the period July 1, 2016 to June 30, 2021. In 2018, the State of Ohio Department of Administrative Services reached an agreement to convey One Government Center to the Toledo-Lucas County Port Authority and the City entered into an amendment to the current lease as requested by the Toledo-Lucas County Port Authority. The amendment has an initial term of ten years commencing on January 1, 2019 and expiring on December 31, 2028. The amendment contains an option for the City to renew the lease for two successive and continuous terms of five years each. During 2019, the City made rental payments totaling \$1,602. The City also leases various facilities and equipment under various operating leases whose expense totaled \$1,305 in 2019. In 2019, the City entered into a renewable equity operating lease agreement with Enterprise Car rentals for 18 vehicles at a cumulative delivered price of \$456 for an average lease term of 1 to 5 years.

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 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 \$514.

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 \$1,350.

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 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 \$940, less accumulated depreciation of \$376.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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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 twenty-one trucks. The 5-year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the government wide financial statement at \$4,997, less accumulated depreciation of \$2,249.

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 and has been included in the capital assets as machinery and equipment in the government wide financial statement at \$1,833, less accumulated depreciation of \$294.

In 2015, the City entered into a tax-exempt lease purchase with PNC Equipment Finance, LLC for the lease of forestry equipment. 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 \$1,324, less accumulated depreciation of \$1,053.

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 and has been included in the capital assets as land in the government wide financial statements at \$2,967.

In 2017, the City entered into a tax-exempt lease purchase with Key Government Finance for the lease-purchase of 43 police vehicles. The 3-year lease is classified as a capital lease and has been included in the capital assets as machinery and equipment in the government wide financial statements at \$2,200, less accumulated depreciation of \$2,200.

Future minimum lease payments on these capital leases together with the present value of the net minimum lease payments as of December 31, 2019 are as follows:

Year	Governmental Activities	Business-Type Activities	Total
2020	\$ 1,199	\$ 138	\$ 1,337
2021	348	141	489
2022	-	144	144
2023	-	146	146
2024	-	149	149
2025-2029	-	793	793
2030-2034	-	875	875
2035-2038	-	1,000	1,000
Total Minimum Lease Payments	1,547	3,386	4,933
Less: Amount Representing Interest	(41)	(761)	(802)
Present Value of Future Minimum Lease Payments	<u>\$ 1,506</u>	<u>\$ 2,625</u>	<u>\$ 4,131</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. Beginning in calendar year 2014, as part of the agreement, the City has begun a special assessment process whereby the City is assessed on a semi-annual basis.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 10 – LEASES AND OTHER COMMITMENTS (continued)

Other Commitments (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.

The legislation creating the Energy Services Agreement and its amendment commit the City to completing the special assessment process through the passage of an Assessing Ordinance when various energy efficiency improvements are completed and final costs are known. The initial budget for 2019 requires an assessment of \$1,910.

Encumbrances

Outstanding 2019 encumbrances will be funded with 2019 budgetary resources. Outstanding encumbrances for the Year Ended December 31, 2019 were as follows:

<i>Governmental Funds:</i>	
General	\$ 564
Capital Improvements	5,471
Special Assessments Services	5,765
Nonmajor Governmental	<u>83</u>
Total Governmental Funds	<u>11,883</u>
 <i>Enterprise Funds:</i>	
Water	131,598
Sewer	12,557
Utility Administrative Services	13
Nonmajor Enterprise	<u>587</u>
Total Enterprise Funds	<u>144,755</u>
 <i>Internal Service Funds</i>	 <u>113</u>
Total	<u>\$ 156,751</u>

NOTE 11 – INTERFUND ACTIVITY

For the City’s governmental funds and internal service funds, interfund balances are a result of the City holding all governmental activities “Cash and cash equivalents with Treasurer” within the Treasury Fund, which is reported as part of the General Fund under Governmental Accounting Standards Board Statement No. 54. Since the Treasury Fund records all cash transactions, amounts paid by the Treasury Fund result in an interfund payable within other governmental funds. Likewise, amounts received into the Treasury Fund result in an interfund receivable within other governmental funds.

For the City’s enterprise funds, interfund balances result from amounts due to/from the utility administrative fund. All utility revenues are deposited into the utility administrative services fund and all enterprise expenses are paid out of this fund’s bank account. Amounts are allocated monthly to the City’s other enterprise bank accounts. However, the timing delay between revenue and expense transactions and their respective allocation result in interfund balances.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
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NOTE 11 – INTERFUND ACTIVITY (continued)

The amounts on the following page represent the net balance of interfund receivables and payable for each fund within the City as of December 31, 2019.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<i>Governmental Funds:</i>		
General	\$ -	\$ 56,915
Capital Improvements	44,170	-
Special Assessments Services	-	22,556
Nonmajor Governmental	<u>35,739</u>	<u>16,787</u>
Total Governmental Funds	<u>79,909</u>	<u>96,258</u>
<i>Enterprise Funds:</i>		
Water	-	28,661
Sewer	26,652	-
Utility Administrative Services	-	1,650
Nonmajor Enterprise	<u>69</u>	<u>5,090</u>
Total Enterprise Funds	<u>26,721</u>	<u>35,401</u>
<i>Internal Service Funds</i>	<u>27,047</u>	<u>2,018</u>
Total	<u>\$ 133,677</u>	<u>\$ 133,677</u>

Interfund transfers for the Year Ended December 31, 2019, consisted of the following, as reported on the Fund Statements:

	<u>Transfers In</u>						
	<u>General Fund</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
<i>Governmental Funds:</i>							
General	\$ -	\$ 41,452	\$ 700	\$ -	\$ -	\$ -	\$ 42,152
Capital Improvements	-	-	15,478	-	-	1,277	16,755
Nonmajor Governmental	-	462	225	-	-	-	687
Total Governmental Funds	<u>-</u>	<u>41,914</u>	<u>16,403</u>	<u>-</u>	<u>-</u>	<u>1,277</u>	<u>59,594</u>
<i>Enterprise Funds:</i>							
Water	-	75	75	-	-	-	150
Sewer	-	-	75	-	-	-	75
Utility Administrative Services	-	-	-	2,578	2,876	333	5,787
Nonmajor Enterprise Funds	<u>1,470</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,545</u>
Total Enterprise Funds	<u>1,470</u>	<u>75</u>	<u>225</u>	<u>2,578</u>	<u>2,876</u>	<u>333</u>	<u>7,557</u>
Total	<u>\$ 1,470</u>	<u>\$ 41,989</u>	<u>\$ 16,628</u>	<u>\$ 2,578</u>	<u>\$ 2,876</u>	<u>\$ 1,610</u>	<u>\$ 67,151</u>

In 2019, the General Fund transferred \$41,452 into the Capital Improvement Fund. This amount represents 2019 income tax collection amounts required and authorized by Toledo Municipal Code, Toledo City Council, and the Mayor.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 12 – FUND BALANCE

A summary of Fund Balances as of December 31, 2019 by category is as follows:

	General	Capital Improvements	Special Assessments Services	Nonmajor Governmental	Total
<i>Nonspendable:</i>					
Inventory	\$ 1,760	\$ 1,233	\$ 3,553	\$ 960	\$ 7,506
Cemetery Perpetual Care	-	-	-	674	674
Total Nonspendable	<u>1,760</u>	<u>1,233</u>	<u>3,553</u>	<u>1,634</u>	<u>8,180</u>
<i>Restricted for:</i>					
Cemetery Perpetual Care	-	-	-	22	22
Landfill Activities	3,825	-	-	-	3,825
Capital Improvements	-	49,803	-	-	49,803
Grant Programs	-	-	-	14,289	14,289
Street Projects	-	-	-	4,702	4,702
Special Assessments	-	-	535	-	535
Various Trust Purposes	-	-	-	11,151	11,151
Westfield Muni Public Improvement TIF	-	-	-	12,516	12,516
Downtown Toledo Parking	-	-	-	165	165
Right of Way Activities	-	-	-	26	26
Debt Service	-	-	-	191	191
Total Restricted	<u>3,825</u>	<u>49,803</u>	<u>535</u>	<u>43,062</u>	<u>97,225</u>
<i>Committed to:</i>					
Budget Stabilization	13,045	-	-	-	13,045
Cemetery Activities	-	-	-	636	636
General Obligation Debt	-	-	-	342	342
Facilities Maintenance	-	-	-	723	723
Parks and Recreation	-	-	-	99	99
Total Committed	<u>13,045</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>14,845</u>
<i>Assigned for:</i>					
Subsequent year appropriations	<u>6,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,428</u>
Unassigned (deficit)	<u>21,564</u>	<u>-</u>	<u>(63,169)</u>	<u>(17,585)</u>	<u>(59,190)</u>
Total Fund Balances	<u>\$ 46,622</u>	<u>\$ 51,036</u>	<u>\$ (59,081)</u>	<u>\$ 28,911</u>	<u>\$ 67,488</u>

The City maintains monies that are committed by City Council for Budget Stabilization to cover unexpected revenue shortfalls and/or expenditure increases. The City did not utilize these monies in 2019. Consistent with its policy of adding to the Budget Stabilization set forth in an ordinance passed by City Council in 1998, the City intends to restore and then increase the committed amount for Budget Stabilization 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 only 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 accordance with Ohio Revised Code Section 5705.13, the Budget Stabilization commitment cannot exceed 5% of the previous year's revenue credited to the General Fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 13 - DEFINED BENEFIT 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.

The 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 68 assumes any net pension liability/asset 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 the 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)

Plan Description - 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, substantially all employee members are in OPERS’ Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. 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 the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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 Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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 3.00% 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 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee ***	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

*** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan was \$10,859 for 2019. Of this amount, \$523 is reported as due to other governments.

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

Plan Description - City full-time police and firefighters participate in Ohio Police and 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. 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, Ohio 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.

City of Toledo, Ohio
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% 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 allowance adjustment. 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.

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 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on 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 3.00% of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2019 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 \$19,378 for 2019. Of this amount, \$913 is reported as due to other governments.

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

The net pension liability for the OPERS Traditional Pension Plan was measured as of December 31, 2018, 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, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.53319300%	3.91728000%	
Proportion of the net pension liability/asset current measurement date	<u>0.53961600%</u>	<u>3.87885000%</u>	
Change in proportionate share	<u>0.00642300%</u>	<u>-0.03843000%</u>	
Proportionate share of the net pension liability	\$ 147,790	\$ 316,616	\$ 464,406
Pension expense	31,002	40,099	71,101

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 7	\$ 13,009	\$ 13,016
Net difference between projected and actual earnings on pension plan investments	20,061	39,007	59,068
Changes of assumptions	12,865	8,394	21,259
Changes in employer's proportionate percentage/ difference between employer contributions	3,137	3,001	6,138
Contributions subsequent to the measurement date	10,859	19,378	30,237
Total deferred outflows of resources	<u>\$ 46,929</u>	<u>\$ 82,789</u>	<u>\$ 129,718</u>

City of Toledo, Ohio
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

	OPERS -		
	Traditional	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,940	\$ 296	\$ 2,236
Changes in employer's proportionate percentage/difference between employer contributions	3,035	11,754	14,789
Total deferred inflows of resources	<u>\$ 4,975</u>	<u>\$ 12,050</u>	<u>\$ 17,025</u>

\$30,237 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/asset in the year ending December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		OPERS -		
		Traditional	OP&F	Total
Year Ending December 31:				
	2020	\$ 13,080	\$ 16,710	\$ 29,790
	2021	6,824	8,180	15,004
	2022	1,861	8,686	10,547
	2023	9,330	16,867	26,197
	2024	-	918	918
	Total	<u>\$ 31,095</u>	<u>\$ 51,361</u>	<u>\$ 82,456</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 was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

City of Toledo, Ohio
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.50%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected 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 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 2.94% for 2018.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS 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 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	23.00 %	2.79 %
Domestic equities	19.00	6.21
Real estate	10.00	4.90
Private equity	10.00	10.81
International equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2018 was 7.50%. 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 218,329	\$ 147,790	\$ 89,172

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, 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 determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below.

Valuation date	1/1/18 with actuarial liabilities rolled forward to 12/31/18
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%, plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OP&F's Board and were effective beginning with the January 1, 2018 actuarial valuation.

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 and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. 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 the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

City of Toledo, Ohio
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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, 2018 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
Total	120.00 %		

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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 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 8.00%. 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 earning were calculated using the longer-term assumed investment rate of return 8.00%. 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.

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 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability	\$ 416,171	\$ 316,616	\$ 233,425

City of Toledo, Ohio
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NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB 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)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, 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 pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS’ CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined 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 2019 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City was not required to make a contractually required contribution to OPERS to fund healthcare during 2019.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement 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 Government Accounting Standards Board (GASB) Statement No. 75.

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. 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, Ohio 43215-5164.

Funding Policy – 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 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

City of Toledo, Ohio
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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. For 2019, the portion of employer contributions allocated to health care was 0.50% of covered payroll. 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 is also 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.

Beginning January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$460 for 2019. Of this amount, \$22 is reported as due to other governments.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.53209000%	3.91728000%	
Proportion of the net OPEB liability current measurement date	<u>0.53849000%</u>	<u>3.87885000%</u>	
Change in proportionate share	<u>0.00640000%</u>	<u>-0.03843000%</u>	
Proportionate share of the net OPEB liability	\$ 70,206	\$ 35,325	\$ 105,531
OPEB expense	\$ 6,328	\$ (175,012)	\$ (168,684)

City of Toledo, Ohio
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 24	\$ -	\$ 24
Net difference between projected and actual earnings on OPEB plan investments	3,218	1,195	4,413
Changes of assumptions	2,263	18,310	20,573
Changes in employer's proportionate percentage/difference between employer contributions	1,922	-	1,922
Contributions subsequent to the measurement date	-	460	460
Total deferred outflows of resources	\$ 7,427	\$ 19,965	\$ 27,392

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 190	\$ 947	\$ 1,137
Changes of assumptions	-	9,779	9,779
Changes in employer's proportionate percentage/difference between employer contributions	1,920	2,558	4,478
Total deferred inflows of resources	\$ 2,110	\$ 13,284	\$ 15,394

\$460 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2020	\$ 2,356	\$ 1,141	\$ 3,497
2021	803	1,141	1,944
2022	536	1,141	1,677
2023	1,622	1,502	3,124
2024	-	932	932
Thereafter	-	364	364
Total	<u>\$ 5,317</u>	<u>\$ 6,221</u>	<u>\$ 11,538</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 health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.50%
Municipal Bond Rate	
Current measurement date	3.71%
Prior Measurement date	3.31%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.25% ultimate in 2029
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

City of Toledo, Ohio
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care 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 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.60% for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	<u>100.00 %</u>	<u>5.16 %</u>

City of Toledo, Ohio
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(Amounts in Thousands)

NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

Discount Rate - A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 89,820	\$ 70,206	\$ 54,608

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 67,484	\$ 70,206	\$ 73,342

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, 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 determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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(Amounts in Thousands)

NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

The long-term expected rate of return on OPEB 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 expected. 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 averaged of the 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, 2018, are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
Total	120.00 %		

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 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total OPEB liability was calculated using the discount rate of 4.66%. A discount rate of 3.24% was used to measure the total OPEB liability at December 31, 2017. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from 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 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66%), or one percentage point higher (5.66%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 43,033	\$ 35,325	\$ 28,851

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Due to the change from a self-funded plan to the stipend plan, disclosure of the healthcare cost trend rate for OP&F is no longer available.

Changes Between Measurement Date and Report Date - Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current healthcare model to the stipend based healthcare model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Although the exact amount of these changes is not known, the overall decrease to the City's net OPEB liability is expected to be significant.

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. Claims activity is 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 2019, 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.

The liability is reported as a current liability in the Risk Management Internal Service Fund. Changes in the claim liability amount in years 2016 - 2019 follows:

Year	Beginning Balance	Current Year Claims and Change in Estimate	Claims Payments	Ending Balance
2016	\$ 4,560	\$ 2,684	\$ (1,744)	\$ 5,500
2017	5,500	657	(657)	5,500
2018	5,500	1,146	(5,446)	1,200
2019	1,200	688	(688)	1,200

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(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 2019, the City contracted with various insurance companies to provide the following coverage:

	Coverage (in Whole Dollars)	Deductible (in Whole Dollars)
Property Policy for the City	\$ 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	-
Boat Policy (Swan Creek & Trailer)	1,000,000	1,000
BUSTR/Cleanup for Underground Fuel Tanks	Total cost of cleanup	55,000
Commercial Liability for The Unique Center	1,000,000	5,000
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	75,000
Employee Tool Insurance	211,000	500
Fine Arts Policy for Blair Museum	1,000,000	1,000
Ocean Marine Policy (Hanson/Maurell)	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	-
Toledo Express JEDD	1,000,000	-
Holy Trinity Parking Lot	1,000,000	500
Accident/Liability Policy - TPS Co-op Program	25,000	-
Cyber & Privacy Policy	1,000,000	25,000
Environment/Municipal Golf Courses	1,000,000	10,000

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 of 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 15 – RISK MANAGEMENT (continued)

Workers’ Compensation (continued)

The City participated in Individual Retrospective Rating from January 2006 through December 2014 and retains liability for claims over a ten-year period. Claims with a date of injury prior to January 1, 2009 are closed out and have no further liability. 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 150% 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 \$2,348 reported at December 31, 2019 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 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.

The liability is reported as a current liability in the Workers’ Compensation Internal Service Fund. Changes in the claim liability amount in years 2016 - 2019 were:

Year	Beginning Balance	Current Year Claims and Change in Estimate	Claims Payments	Ending Balance
2016	\$ 10,000	\$ 3,132	\$ (6,132)	\$ 7,000
2017	7,000	4,478	(6,478)	5,000
2018	5,000	3,614	(5,264)	3,350
2019	3,350	4,413	(5,415)	2,348

Health, Dental, and Prescription Drug Benefits

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, dental, and prescription drug claims at year-end based upon an actuarial estimate by a third-party actuary. The actuarially determined claims liability is based upon past experience and current claims outstanding.

The claims liability of \$4,042 reported at December 31, 2019 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 15 – RISK MANAGEMENT (continued)

Health, Dental, and Prescription Drug Benefits (continued)

In late 2019, the City established an Internal Service Fund to account for its healthcare self-insurance activities. The Healthcare Self-Insurance Internal Service Fund was established utilizing prescription drug rebates and stop-loss reimbursements received by the City. The actuarially determined claims liability is reported in the Healthcare Self-Insurance Internal Service Fund at December 31, 2019. During 2019, the City continued to report healthcare self-insurance activities in the City’s General Fund. Beginning in 2020, the City will utilize the newly established Healthcare Self-Insurance Internal Service Fund to report all healthcare related self-insurance activities.

The liability is reported as a current liability in the Healthcare Self-Insurance Internal Service Fund. Changes in the claim liability amount for this category in years 2016 - 2019 follows:

Year	Beginning Balance	Current Year Claims and Change in Estimate	Claims Payments	Ending Balance
2016	\$ 3,754	\$ 20,615	\$ (20,382)	\$ 3,987
2017	3,987	28,075	(27,933)	4,129
2018	4,129	26,530	(26,931)	3,728
2019	3,728	29,559	(29,245)	4,042

NOTE 16 – ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2019, the City has implemented GASB Statement No. 83, “Certain Asset Retirement Obligations”, GASB Statement No. 84, “Fiduciary Activities”, GASB Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements” and GASB Statement No. 90, “Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61”.

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the City.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as a component of the City’s General Fund and a component of the City’s Expendable Trusts Fund (a nonmajor governmental fund). These fund reclassifications resulted in the restatement of the City’s financial statements

GASB Statement No. 88 improves the information that is disclosed in the notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the City; however, certain debt disclosures have been modified to conform to GASB Statement No. 88.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 16 – ACCOUNTABILITY AND COMPLIANCE (continued)

Change in Accounting Principles (continued)

GASB Statement No. 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the City.

Restatement of Net Position and Fund Balances

The implementation of GASB 84 had the following effect on fund balance as reported at December 31, 2018:

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessments Services</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Fund Balance (deficit) as previously reported	\$ 40,488	\$ 42,604	\$ (57,453)	\$ 27,381	\$ 53,020
Implementation of GASB Statement No. 84	<u>170</u>	<u>-</u>	<u>-</u>	<u>98</u>	<u>268</u>
Restated Fund Balance (deficit) at December 31, 2018	<u>\$ 40,658</u>	<u>\$ 42,604</u>	<u>\$ (57,453)</u>	<u>\$ 27,479</u>	<u>\$ 53,288</u>

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at December 31, 2018:

	<u>Governmental Activities</u>
Net position (deficit) as previously reported	\$ (43,235)
GASB Statement No. 84	<u>268</u>
Restated net position (deficit) at December 31, 2018	<u>\$ (42,967)</u>

Due to the implementation of GASB Statement No.84, the new classification of custodial funds is reporting a beginning net position of \$409. Also, related to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. At December 31, 2018, agency funds reported assets and liabilities of \$3,627.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Amounts in Thousands)

NOTE 16 – ACCOUNTABILITY AND COMPLIANCE (continued)

Deficit Fund Balances/Net Position

Fund balances/Net Position at December 31, 2019 included the following individual fund deficits:

	<u>Deficit</u>
<i>Governmental Funds:</i>	
Special Assessments Services Fund	\$ 59,081
Nonmajor Governmental:	
Special Assessment Improvement Fund	2,795
Jeep Muni Public Improvement TIF	14,790
Total Governmental Funds	76,666
 <i>Enterprise Funds:</i>	
Nonmajor Enterprise:	
Property Management Fund	2,567
Total	\$ 79,233

These deficits will be eliminated by future charges for services, reduction of expenditures or future bond sales, where appropriate. The deficit balance in the Special Assessments Services Fund is due primarily to the City’s issuance of \$40,600 of special assessment notes which are reported as a fund liability and the reporting of \$22,556 in amounts due to other funds. The special assessment notes are issued for the interim financing of various improvements to be assessed from benefitting 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. At December 31, 2019, the City has reported a special assessments receivable in the amount of \$57,223 in the Special Assessments Services Fund. The deficit balance in the Special Assessment Improvement Fund is due primarily to the City’s issuance of \$1,620 of general obligation notes which are reported as a fund liability and the reporting of \$1,075 in amounts due to other funds. This deficit will be reduced as special assessments are collected to retire the obligations. The Jeep Muni Public Imp TIF receives payments in lieu of taxes, with its deficit due and payable to the Capital Improvement fund. The deficit balance in the Property Management Fund is due to the reporting of long-term housing improvement bonds payable as a fund liability. The deficit will be reduced as resources come available to reduce the bond obligation.

Compliance

Contrary to Ohio Rev. Code § 5705.36(A)(1), the City did not certify to the County Auditor the total amount from all sources available for expenditures from each fund. This subsequently caused all appropriations to exceed estimated resources for all funds contrary to Ohio Rev. Code § 5705.39.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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(Amounts in Thousands)

NOTE 17 – CONTINGENCIES (continued)

Litigation (continued)

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, 2019 and at the date of this Statement, is sufficient to meet the claims and judgments that may arise in 2020. 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.

Grants

In 2019, 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 – SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

In January 2020, City Council passed legislation authorizing the Mayor to enter into cooperative grant agreements with and accept financial assistance from the State of Ohio Department of Transportation (ODOT) for multiple construction projects; authorizing the acceptance, deposit, appropriation and expenditure of grant proceeds into the Capital Improvement Program Fund in an amount not to exceed \$9,200.

In January 2020, City Council passed legislation authorizing the Mayor to enter into agreements with and accept financial assistance from the State of Ohio, Ohio Public Works Commission (OPWC) in an amount not to exceed \$3,600 for eleven roadway projects and authorizing the appropriation and expenditure of said grant and loan proceeds.

In May 2020, City Council approved an Agreement with Amazon.Com Services LLC and to execute and deliver needed instruments for the sale and conveyance of 58.33 acres of city-owned real property at Hawthorne Hills Subdivision. The purchase price for the property is (one dollar) \$1.00. In exchange for the reduced purchase price, the City will implement a Tax Increment Financing (TIF) on the property for 30 years. The TIF is the primary way in which the City will recoup over time its nearly \$3,600 investment into the site.

In May 2020, the City issued manuscript debt in the amount of \$10,550 to finance the Summit Street Roadway Improvements Project. The manuscript debt was issued by the General Fund and purchased by the Capital Improvements Fund. The City plans to issue bonds later in 2020 to finance the project on a long-term basis.

As of June 12, 2020, Tom Skrobola resigned as Director of Finance and Melanie Campbell assumed the role as Interim Director of Finance.

REQUIRED SUPPLEMENTARY INFORMATION

City of Toledo, Ohio

Schedules of the Required Supplementary Information

**Schedule of the City's Proportionate Share of
The Net Pension Liability
Ohio Public Employees Retirement System (OPERS)
Last Six Years
(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.539616%	0.533193%	0.543004%	0.585192%
City's proportionate share of the net pension liability	\$ 147,790	\$ 83,648	\$ 123,307	\$ 101,362
City's covered payroll	\$ 73,215	\$ 70,449	\$ 73,825	\$ 64,392
City's proportionate share of the net pension liability as a percentage of its covered payroll	201.86%	118.74%	167.03%	157.41%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	84.66%	77.25%	81.08%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

See accompanying notes to the required supplementary information

	<u>2015</u>		<u>2014</u>
	0.585985%		0.585985%
\$	70,676	\$	69,078
\$	71,842	\$	62,938
	98.38%		109.75%
	86.45%		86.36%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

**Schedule of the City's Proportionate Share of
The Net Pension Liability
Ohio Police and Fire (OP&F) Pension Fund
Last Six Years
(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net pension liability	3.87885000%	3.91728000%	3.93485500%	4.27230500%
City's proportionate share of the net pension liability	\$ 316,616	\$ 240,421	\$ 249,230	\$ 274,840
City's covered payroll	\$ 88,613	\$ 85,955	\$ 89,039	\$ 91,976
City's proportionate share of the net pension liability as a percentage of its covered payroll	357.30%	279.71%	279.91%	298.82%
Plan fiduciary net position as a percentage of the total pension liability	63.07%	70.91%	68.36%	66.77%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

See accompanying notes to the required supplementary information

<u>2015</u>	<u>2014</u>
4.10854390%	4.10854390%
\$ 212,840	\$ 200,099
\$ 84,450	\$ 81,411
252.03%	245.79%
72.20%	73.00%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

**Schedule of City Pension Contributions
Ohio Public Employees Retirement System (OPERS)
Last Seven Years
(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 10,859	\$ 10,250	\$ 9,158	\$ 8,859
Contributions in relation to the contractually required contribution	<u>(10,859)</u>	<u>(10,250)</u>	<u>(9,158)</u>	<u>(8,859)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 77,564	\$ 73,215	\$ 70,449	\$ 73,825
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%

Note: Information prior to 2013 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 7,727	\$ 8,621	\$ 8,182
<u>(7,727)</u>	<u>(8,621)</u>	<u>(8,182)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 64,392	\$ 71,842	\$ 62,938
12.00%	12.00%	13.00%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

**Schedule of City Pension Contributions
Ohio Police and Fire (OP&F) Pension Fund
Last Seven Years
(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 19,378	\$ 18,661	\$ 18,070	\$ 17,888
Contributions in relation to the contractually required contribution	<u>(19,378)</u>	<u>(18,661)</u>	<u>(18,070)</u>	<u>(17,888)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 92,034	\$ 88,613	\$ 85,955	\$ 89,039
Contributions as a percentage of covered payroll	21.06%	21.06%	21.02%	20.09%

Note: Information prior to 2013 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 18,478	\$ 17,194	\$ 13,905
<u>(18,478)</u>	<u>(17,194)</u>	<u>(13,905)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 91,976	\$ 84,450	\$ 81,411
20.09%	20.36%	17.08%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

**Schedule of the City's Proportionate Share of
The Net OPEB Liability
Ohio Public Employees Retirement System (OPERS)
Last Three Years
(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.538490%	0.532090%	0.541421%
City's proportionate share of the net OPEB liability	\$ 70,206	\$ 57,783	\$ 54,685
City's covered payroll	\$ 73,215	\$ 70,449	\$ 73,825
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	95.89%	82.02%	74.07%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

See accompanying notes to the required supplementary information

City of Toledo, Ohio

Schedules of the Required Supplementary Information

**Schedule of the City's Proportionate Share of
The Net Pension Liability
Ohio Police and Fire (OP&F) Pension Fund
Last Three Years
(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	3.87885000%	3.91728000%	3.93485500%
City's proportionate share of the net OPEB liability	\$ 35,325	\$ 221,948	\$ 186,779
City's covered payroll	\$ 88,613	\$ 85,955	\$ 89,039
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	39.86%	258.21%	209.77%
Plan fiduciary net position as a percentage of the total OPEB liability	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

See accompanying notes to the required supplementary information

City of Toledo, Ohio

Schedules of the Required Supplementary Information

**Schedule of City OPEB Contributions
Ohio Public Employees Retirement System (OPERS)
Last Seven Years
(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ 704	\$ 1,516
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>(704)</u>	<u>(1,516)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 77,564	\$ 73,215	\$ 70,449	\$ 73,825
Contributions as a percentage of covered payroll	0.00%	0.00%	1.00%	2.05%

Note: Information prior to 2013 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 1,376	\$ 1,536	\$ 729
<u>(1,376)</u>	<u>(1,536)</u>	<u>(729)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 64,392	\$ 71,842	\$ 62,938
2.14%	2.14%	1.16%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

**Schedule of City OPEB Contributions
Ohio Police and Fire (OP&F) Pension Fund
Last Seven Years
(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 460	\$ 443	\$ 430	\$ 430
Contributions in relation to the contractually required contribution	<u>(460)</u>	<u>(443)</u>	<u>(430)</u>	<u>(430)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 92,034	\$ 88,613	\$ 85,955	\$ 89,039
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.48%

Note: Information prior to 2013 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 444	\$ 404	\$ 5,863
<u>(444)</u>	<u>(404)</u>	<u>(5,863)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 91,976	\$ 84,450	\$ 81,411
0.48%	0.48%	7.20%

City of Toledo, Ohio

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple. There were no changes in assumptions for 2019.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018. For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.

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, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
REVENUES				
Income taxes	\$ -	\$ -	\$ 189,434	\$ 189,434
Property taxes	-	-	12,642	12,642
Licenses and permits	-	-	2,963	2,963
Intergovernmental services	-	-	18,590	18,590
Charges for services	-	-	28,848	28,848
Investment earnings	-	-	2,190	2,190
Fines and forfeitures	-	-	9,317	9,317
Other revenue	-	-	3,565	3,565
Total revenues	<u>-</u>	<u>-</u>	<u>267,549</u>	<u>267,549</u>
EXPENDITURES				
Current:				
General government	26,658	26,960	25,821	1,139
Public service	2,029	2,133	1,926	207
Public safety	180,391	177,598	174,308	3,290
Community environment	7,207	7,553	6,701	852
Health	8,207	9,515	8,804	711
Parks and recreation	3,022	3,166	3,066	100
Debt service:				
Principal retirement	671	671	671	-
Interest and fiscal charges	41	41	41	-
Total expenditures	<u>228,226</u>	<u>227,637</u>	<u>221,338</u>	<u>6,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(228,226)</u>	<u>(227,637)</u>	<u>46,211</u>	<u>273,848</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,470	1,470
Transfers out	(40,526)	(42,152)	(42,152)	-
Sale of capital assets	-	-	306	306
Total other financing sources (uses)	<u>(40,526)</u>	<u>(42,152)</u>	<u>(40,376)</u>	<u>1,776</u>
Net change in fund balance	<u>\$ (268,752)</u>	<u>\$ (269,789)</u>	<u>5,835</u>	<u>\$ 275,624</u>
Fund balance at beginning of year (restated)			40,658	
Increase in inventory			129	
Fund balance at year end			<u>\$ 46,622</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, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
REVENUES				
Special assessments	\$ -	\$ -	\$ 28,753	\$ 28,753
Investment earnings	-	-	153	153
Total revenues	<u>-</u>	<u>-</u>	<u>28,906</u>	<u>28,906</u>
EXPENDITURES				
Current:				
General government	985	1,036	891	145
Public service	30,112	31,184	28,268	2,916
Health	562	558	297	261
Capital outlay	8	8	-	8
Debt service:				
Principal retirement	19,800	19,189	-	19,189
Interest and fiscal charges	567	1,178	1,178	-
Total expenditures	<u>52,034</u>	<u>53,153</u>	<u>30,634</u>	<u>22,519</u>
Net change in fund balance	<u>\$ (52,034)</u>	<u>\$ (53,153)</u>	(1,728)	<u>\$ 51,425</u>
Fund balance (deficit) at beginning of year			(57,453)	
Increase in inventory			100	
Fund balance (deficit) at year end			<u>\$ (59,081)</u>	

City of Toledo, Ohio
Notes to the Budgetary Required Supplementary Information
December 31, 2019

Annual Budget Process

An annual budget is prepared for all governmental and business-type 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 Budgetary Required Supplementary Information
December 31, 2019

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.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019
(Amounts in Thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents - other	\$ 104	\$ -	\$ -	\$ -	\$ 104
Investments	-	-	-	-	-
Restricted investments	-	-	-	677	677
Receivables (net of allowances)	9,397	37	1,160	-	10,594
Due from other:					
Funds	21,758	533	13,054	394	35,739
Governments	11,418	-	-	-	11,418
Inventory of supplies	960	-	-	-	960
Total assets	<u>\$ 43,637</u>	<u>\$ 570</u>	<u>\$ 14,214</u>	<u>\$ 1,071</u>	<u>\$ 59,492</u>
LIABILITIES					
Accounts payable	\$ 2,000	\$ -	\$ 556	\$ -	\$ 2,556
Deposits	1,848	-	-	375	2,223
Retainage payable	-	-	82	-	82
Due to other:					
Funds	922	14,790	1,075	-	16,787
Accrued wages and benefits payable	-	-	-	-	-
Compensated absences payable	-	-	-	-	-
Notes payable	-	-	1,620	-	1,620
Total liabilities	<u>4,770</u>	<u>14,790</u>	<u>3,333</u>	<u>375</u>	<u>23,268</u>
Deferred inflows of resources:					
Revenues levied for the next year and unavailable revenue	<u>6,116</u>	<u>37</u>	<u>1,160</u>	<u>-</u>	<u>7,313</u>
Fund balances:					
Nonspendable	960	-	-	674	1,634
Restricted	30,333	191	12,516	22	43,062
Committed	1,458	342	-	-	1,800
Unassigned (deficit)	-	(14,790)	(2,795)	-	(17,585)
Total fund balances (deficit)	<u>32,751</u>	<u>(14,257)</u>	<u>9,721</u>	<u>696</u>	<u>28,911</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,637</u>	<u>\$ 570</u>	<u>\$ 14,214</u>	<u>\$ 1,071</u>	<u>\$ 59,492</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019
(Amounts in Thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
REVENUES					
Special assessments	\$ -	\$ 2	\$ 222	\$ -	\$ 224
Licenses and Permits	1	-	-	-	1
Intergovernmental services	15,203	3,082	2,226	-	20,511
Charges for services	1,197	-	-	-	1,197
Investment earnings	45	-	-	-	45
Fines and forfeitures	1,507	-	-	-	1,507
Grants	12,247	-	-	-	12,247
Other revenue	4,885	-	-	-	4,885
Total revenues	35,085	3,084	2,448	-	40,617
EXPENDITURES					
Current:					
General government	329	-	-	-	329
Public service	14,762	-	-	-	14,762
Public safety	4,518	-	-	-	4,518
Public utilities	45	-	-	-	45
Community environment	14,322	-	-	-	14,322
Health	1,300	-	-	-	1,300
Parks and recreation	223	-	-	-	223
Capital outlay	434	-	3,135	-	3,569
Debt service:					
Principal retirement	-	11,155	-	-	11,155
Interest and fiscal charges	-	4,851	40	-	4,891
Total expenditures	35,933	16,006	3,175	-	55,114
Excess (deficiency) of revenues over (under) expenditures	(848)	(12,922)	(727)	-	(14,497)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,150	15,478	-	-	16,628
Transfers (out)	(687)	-	-	-	(687)
Capital Lease Proceeds	-	-	-	-	-
Issuance of bonds and loans	-	7,111	-	-	7,111
Premiums on bonds issued	-	2,407	-	-	2,407
Payments to escrow agents	-	(9,474)	-	-	(9,474)
Sale of capital assets	5	-	-	-	5
Total other financing sources (uses)	468	15,522	-	-	15,990
Net change in fund balances	(380)	2,600	(727)	-	1,493
Fund balances (deficit) at beginning of year (restated)	33,192	(16,857)	10,448	696	27,479
(Decrease) in inventory	(61)	-	-	-	(61)
Fund balances (deficit) at end of year	<u>\$ 32,751</u>	<u>\$ (14,257)</u>	<u>\$ 9,721</u>	<u>\$ 696</u>	<u>\$ 28,911</u>

City of Toledo, Ohio
Fund Descriptions - 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 investments, 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 the 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.

Downtown Toledo Parking

To account for revenues realized under the City's parking agreement with the Toledo Lucas County Port Authority and Park Smart as well as any other parking-related revenues that may also occur. The fund will be used to reinvest in projects, beautification or other items in the service area that would benefit the residents, businesses, and guests to Downtown Toledo.

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019
(Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants	Street Construction Maintenance and Repair
ASSETS				
Cash and cash equivalents - other	\$ 1	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables (net of allowances)	2,040	3,137	-	254
Due from other:				
Funds	-	8,618	688	1,752
Governments	1,927	336	-	8,657
Inventory of supplies	-	-	-	946
Total assets	<u>\$ 3,968</u>	<u>\$ 12,091</u>	<u>\$ 688</u>	<u>\$ 11,609</u>
LIABILITIES				
Accounts payable	\$ 838	\$ 697	\$ -	\$ 174
Deposits	1,325	140	-	-
Due to other:				
Funds	508	-	-	-
Accrued wages and benefits payable	-	-	-	-
Compensated absences payable	-	-	-	-
Total liabilities	<u>2,671</u>	<u>837</u>	<u>-</u>	<u>174</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	<u>230</u>	<u>99</u>	<u>-</u>	<u>5,787</u>
FUND BALANCES				
Nonspendable	-	-	-	946
Restricted	1,067	11,155	688	4,702
Committed	-	-	-	-
Total fund balances	<u>1,067</u>	<u>11,155</u>	<u>688</u>	<u>5,648</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,968</u>	<u>\$ 12,091</u>	<u>\$ 688</u>	<u>\$ 11,609</u>

Cemetery Maintenance	Golf Improvements	Parkland Replacement	Cemeteries Property Acquisition Site Development	Marina Development	Expendable Trusts
\$ -	\$ 2	\$ -	\$ -	\$ 1	\$ 100
-	-	-	-	-	-
1	91	21	-	5	2,513
168	276	352	474	92	9,035
-	-	-	-	-	-
-	-	-	-	-	14
<u>\$ 169</u>	<u>\$ 369</u>	<u>\$ 373</u>	<u>\$ 474</u>	<u>\$ 98</u>	<u>\$ 11,662</u>
\$ 4	\$ 112	\$ -	\$ -	\$ 5	\$ 130
-	-	-	3	-	367
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4</u>	<u>112</u>	<u>-</u>	<u>3</u>	<u>5</u>	<u>497</u>
-	-	-	-	-	-
-	-	-	-	-	14
-	-	-	-	-	11,151
<u>165</u>	<u>257</u>	<u>373</u>	<u>471</u>	<u>93</u>	<u>-</u>
<u>165</u>	<u>257</u>	<u>373</u>	<u>471</u>	<u>93</u>	<u>11,165</u>
<u>\$ 169</u>	<u>\$ 369</u>	<u>\$ 373</u>	<u>\$ 474</u>	<u>\$ 98</u>	<u>\$ 11,662</u>

(Continued)

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2019
(Amounts in Thousands)

	Toledo City Parks	Toledo Home Program	Right Of Way	Downtown Toledo Parking
ASSETS				
Cash and cash equivalents - other	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables (net of allowances)	-	1,335	-	-
Due from other:				
Funds	99	-	39	165
Governments	-	498	-	-
Inventory of supplies	-	-	-	-
Total assets	<u>\$ 99</u>	<u>\$ 1,833</u>	<u>\$ 39</u>	<u>\$ 165</u>
LIABILITIES				
Accounts payable	\$ -	\$ 40	\$ -	\$ -
Deposits	-	-	13	-
Due to other:				
Funds	-	414	-	-
Accrued wages and benefits payable	-	-	-	-
Compensated absences payable	-	-	-	-
Total liabilities	<u>-</u>	<u>454</u>	<u>13</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	1,379	26	165
Committed	99	-	-	-
Total fund balances	<u>99</u>	<u>1,379</u>	<u>26</u>	<u>165</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 99</u>	<u>\$ 1,833</u>	<u>\$ 39</u>	<u>\$ 165</u>

**Total
Nonmajor
Special Revenue
Funds**

\$	104
	-
	9,397
	21,758
	11,418
	960
<hr/>	
\$	43,637
<hr/> <hr/>	

\$	2,000
	1,848
	922
	-
	-
<hr/>	
	4,770
<hr/>	

	6,116
<hr/>	

	960
	30,333
	1,458
<hr/>	
	32,751
<hr/>	

\$	43,637
<hr/> <hr/>	

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019
(Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants	Street Construction Maintenance and Repair
REVENUES				
Licenses and Permits	-	-	-	-
Intergovernmental services	\$ -	\$ -	\$ -	\$ 15,203
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Fines and forfeitures	-	-	-	193
Grants	6,030	4,562	-	-
Other revenue	130	262	-	55
Total revenues	6,160	4,824	-	15,451
EXPENDITURES				
Current:				
General government	-	-	-	285
Public service	-	-	-	14,762
Public safety	-	2,077	-	82
Public utilities	-	45	-	-
Community environment	6,176	2,459	-	11
Health	-	1,226	-	-
Parks and recreation	-	126	-	-
Capital outlay	-	-	-	79
Total expenditures	6,176	5,933	-	15,219
Excess (deficiency) of revenues over (under) Expenditures	(16)	(1,109)	-	232
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	225
Transfers (out)	-	-	-	(462)
Sale of capital assets	2	-	-	2
Total other financing sources (uses)	2	-	-	(235)
Net change in fund balances	(14)	(1,109)	-	(3)
Fund balances at beginning of year (restated)	1,081	12,264	688	5,704
Increase (decrease) in inventory	-	-	-	(53)
Fund balances at end of year	\$ 1,067	\$ 11,155	\$ 688	\$ 5,648

Cemetery Maintenance	Golf Improvements	Parkland Replacement	Cemeteries Property Acquisition Site Development	Marina Development	Expendable Trusts
-	-	-	-	-	1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54	483	-	18	26	616
12	-	-	-	-	33
-	-	-	-	-	1,314
-	-	-	-	-	82
1	-	8	-	-	3,740
<u>67</u>	<u>483</u>	<u>8</u>	<u>18</u>	<u>26</u>	<u>5,786</u>
-	-	-	-	-	44
-	-	-	-	-	-
-	-	-	-	-	2,359
-	-	-	-	-	-
-	1,401	-	-	-	2,886
21	-	-	-	-	53
-	-	-	-	16	81
-	-	-	-	-	355
<u>21</u>	<u>1,401</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>5,778</u>
<u>46</u>	<u>(918)</u>	<u>8</u>	<u>18</u>	<u>10</u>	<u>8</u>
-	700	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1
<u>-</u>	<u>700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
46	(218)	8	18	10	9
119	475	365	453	83	11,164
-	-	-	-	-	(8)
<u>\$ 165</u>	<u>\$ 257</u>	<u>\$ 373</u>	<u>\$ 471</u>	<u>\$ 93</u>	<u>\$ 11,165</u>

(Continued)

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2019
(Amounts in Thousands)

	Toledo City Parks	Toledo Home Program	Right Of Way	Downtown Toledo Parking
REVENUES				
Licenses and Permits	-	-	-	-
Intergovernmental services	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants	-	1,573	-	-
Other revenue	-	524	-	165
Total revenues	-	2,097	-	165
EXPENDITURES				
Current:				
General government	-	-	-	-
Public service	-	-	-	-
Public safety	-	-	-	-
Public utilities	-	-	-	-
Community environment	-	1,389	-	-
Health	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	1,389	-	-
Excess (deficiency) of revenues over (under) Expenditures	-	708	-	165
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	225	-
Transfers (out)	-	-	(225)	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	708	-	165
Fund balances at beginning of year (restated)	99	671	26	-
Increase (decrease) in inventory	-	-	-	-
Fund balances at end of year	<u>\$ 99</u>	<u>\$ 1,379</u>	<u>\$ 26</u>	<u>\$ 165</u>

**Total
Nonmajor
Special Revenue
Funds**

	1
\$	15,203
	1,197
	45
	1,507
	12,247
	<u>4,885</u>
	<u>35,085</u>
	329
	14,762
	4,518
	45
	14,322
	1,300
	223
	<u>434</u>
	<u>35,933</u>
	<u>(848)</u>
	1,150
	(687)
	<u>5</u>
	<u>468</u>
	(380)
	33,192
	<u>(61)</u>
\$	<u><u>32,751</u></u>

City of Toledo, Ohio
Fund Descriptions - Nonmajor Debt Service Funds

Jeep Municipal Public Improvement TIF

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

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.

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2019
(Amounts in Thousands)

	Jeep Municipal Public Improvement TIF	General Obligation	Special Assessment	Total Nonmajor Debt Service Funds
ASSETS				
Receivables (net of allowance)	\$ -	\$ -	\$ 37	\$ 37
Due from other: Funds	-	342	191	533
Total assets	<u>\$ -</u>	<u>\$ 342</u>	<u>\$ 228</u>	<u>\$ 570</u>
LIABILITIES				
Due to other: Funds	\$ 14,790	\$ -	\$ -	\$ 14,790
Total liabilities	<u>14,790</u>	<u>-</u>	<u>-</u>	<u>14,790</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	-	-	37	37
FUND BALANCES				
Restricted	-	-	191	191
Committed	-	342	-	342
Unassigned (deficit)	(14,790)	-	-	(14,790)
Total fund balances (deficit)	<u>(14,790)</u>	<u>342</u>	<u>191</u>	<u>(14,257)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 342</u>	<u>\$ 228</u>	<u>\$ 570</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019
(Amounts in Thousands)

	Jeep Municipal Public Improvement TIF	General Obligation	Special Assessment	Total Nonmajor Debt Service Funds
REVENUES				
Special assessments	\$ -	\$ -	\$ 2	\$ 2
Intergovernmental services	3,082	-	-	3,082
Total revenues	<u>3,082</u>	<u>-</u>	<u>2</u>	<u>3,084</u>
EXPENDITURES				
Debt service:				
Principal retirement	480	10,660	15	11,155
Interest and fiscal charges	238	4,612	1	4,851
Total expenditures	<u>718</u>	<u>15,272</u>	<u>16</u>	<u>16,006</u>
Excess (deficiency) of revenues over (under) expenditures	2,364	(15,272)	(14)	(12,922)
OTHER FINANCING SOURCES				
Transfers in	-	15,478	-	15,478
Issuance of bonds and loans	3,640	3,471	-	7,111
Premiums on bonds issued	505	1,902	-	2,407
Payments to escrow agents	(4,144)	(5,330)	-	(9,474)
Total other financing sources	<u>1</u>	<u>15,521</u>	<u>-</u>	<u>15,522</u>
Net change in fund balances	2,365	249	(14)	2,600
Fund balances (deficit) at beginning of year	<u>(17,155)</u>	<u>93</u>	<u>205</u>	<u>(16,857)</u>
Fund balances (deficit) at end of year	<u>\$ (14,790)</u>	<u>\$ 342</u>	<u>\$ 191</u>	<u>\$ (14,257)</u>

City of Toledo, Ohio
Fund Descriptions - 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 Park/Westfield Municipal Public Improvement 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 Capital Projects Funds
December 31, 2019
(Amounts in Thousands)

	Special Assessment Improvements	Franklin Park/ Westfield Municipal Public Improvement TIF	Total Nonmajor Capital Projects Funds
ASSETS			
Receivables (net of allowances)	\$ 1,160	\$ -	\$ 1,160
Due from other:			
Funds	-	13,054	13,054
Total assets	<u>\$ 1,160</u>	<u>\$ 13,054</u>	<u>\$ 14,214</u>
LIABILITIES			
Accounts payable	\$ 93	\$ 463	\$ 556
Retainage payable	7	75	82
Due to other:			
Funds	1,075	-	1,075
Notes payable	<u>1,620</u>	<u>-</u>	<u>1,620</u>
Total liabilities	<u>2,795</u>	<u>538</u>	<u>3,333</u>
DEFERRED INFLOWS OF RESOURCES			
Revenues levied for the next year and unavailable revenue	<u>1,160</u>	<u>-</u>	<u>1,160</u>
FUND BALANCES			
Restricted	-	12,516	12,516
Unassigned (deficit)	<u>(2,795)</u>	<u>-</u>	<u>(2,795)</u>
Total fund balances	<u>(2,795)</u>	<u>12,516</u>	<u>9,721</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,160</u>	<u>\$ 13,054</u>	<u>\$ 14,214</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019
(Amounts in Thousands)

	Special Assessment Improvements	Franklin Park/ Westfield Municipal Public Improvement TIF	Total Nonmajor Capital Projects Funds
REVENUES			
Special assessments	\$ 222	\$ -	\$ 222
Intergovernmental services	-	2,226	2,226
Total revenues	<u>222</u>	<u>2,226</u>	<u>2,448</u>
EXPENDITURES			
Capital outlay	671	2,464	3,135
Debt service:			
Interest and fiscal charges	40	-	40
Total expenditures	<u>711</u>	<u>2,464</u>	<u>3,175</u>
Net change in fund balances	(489)	(238)	(727)
Fund balances (deficit) at beginning of year	<u>(2,306)</u>	<u>12,754</u>	<u>10,448</u>
Fund balances (deficit) at end of year	<u>\$ (2,795)</u>	<u>\$ 12,516</u>	<u>\$ 9,721</u>

City of Toledo, Ohio
Fund Description - Nonmajor Permanent Fund

Cemetery Perpetual Care

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

City of Toledo, Ohio
Fund Descriptions - 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.

Marina Operations

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

Toledo Public Power

To account for the revenues and 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 categories indicated above for purposes of these financial statements.

City of Toledo, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2019
(Amounts in Thousands)

	<u>Storm Sewer</u>	<u>Property Management</u>	<u>Small Business Development</u>	<u>Municipal Tow Lot</u>
ASSETS				
<u>Current:</u>				
Cash and cash equivalents with Treasury	\$ 1,951	\$ -	\$ -	\$ -
Investments	15,975	-	-	-
Restricted investments	-	-	-	-
Receivables (net of allowances)	3,403	5,211	-	782
Due from other:				
Funds	-	-	-	-
Total current assets	<u>21,329</u>	<u>5,211</u>	<u>-</u>	<u>782</u>
<u>Noncurrent:</u>				
Investments	14,729	-	-	-
Land and construction in progress	13,119	609	26	697
Other capital assets, net of accumulated depreciation	33,002	-	157	24
Total noncurrent assets	<u>60,850</u>	<u>609</u>	<u>183</u>	<u>721</u>
Total assets	<u>82,179</u>	<u>5,820</u>	<u>183</u>	<u>1,503</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	1,869	-	-	-
OPEB	381	-	-	-
Total deferred outflows of resources	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
<u>Current:</u>				
Accounts payable	336	-	-	87
Customer deposits	-	-	-	-
Retainage payable	45	-	-	-
Due to other:				
Funds	4,569	34	115	372
Governments	54	-	-	-
Accrued interest payable	-	33	-	3
Current portion of:				
Compensated absences payable	3	-	-	-
Bonds, loans, and capital lease payable, net	123	940	-	150
Total current liabilities	<u>5,130</u>	<u>1,007</u>	<u>115</u>	<u>612</u>
<u>Noncurrent:</u>				
Compensated absences payable	453	-	-	-
Bonds, loans, and capital lease payable, net	2,482	7,381	-	610
Net pension liability	5,438	-	-	-
Net OPEB liability	2,584	-	-	-
Total noncurrent liabilities	<u>10,957</u>	<u>7,381</u>	<u>-</u>	<u>610</u>
Total liabilities	<u>16,087</u>	<u>8,388</u>	<u>115</u>	<u>1,222</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	565	-	-	-
OPEB	322	-	-	-
Total deferred inflows of resources	<u>887</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	43,471	609	183	(39)
Restricted:				
Debt Service	39	-	-	-
Replacement	6,205	-	-	-
Capital improvement	2,328	-	-	-
Unrestricted (deficit)	15,412	(3,177)	(115)	320
Total net position (deficit)	<u>\$ 67,455</u>	<u>\$ (2,568)</u>	<u>\$ 68</u>	<u>\$ 281</u>

Marina Operations	Toledo Public Power	Total Nonmajor Enterprise Funds
\$ -	\$ -	\$ 1,951
-	-	15,975
-	392	392
-	189	9,585
<u>1</u>	<u>68</u>	<u>69</u>
<u>1</u>	<u>649</u>	<u>27,972</u>
-	-	14,729
-	-	14,451
<u>-</u>	<u>-</u>	<u>33,183</u>
<u>-</u>	<u>-</u>	<u>62,363</u>
<u>1</u>	<u>649</u>	<u>90,335</u>
-	-	1,869
<u>-</u>	<u>-</u>	<u>381</u>
<u>-</u>	<u>-</u>	<u>2,250</u>
1	41	465
-	50	50
-	-	45
-	-	5,090
-	-	54
-	-	36
-	-	3
-	-	1,213
<u>1</u>	<u>91</u>	<u>6,956</u>
-	-	453
-	-	10,473
-	-	5,438
<u>-</u>	<u>-</u>	<u>2,584</u>
<u>-</u>	<u>-</u>	<u>18,948</u>
<u>1</u>	<u>91</u>	<u>25,904</u>
-	-	565
<u>-</u>	<u>-</u>	<u>322</u>
<u>-</u>	<u>-</u>	<u>887</u>
-	-	44,224
-	-	39
-	-	6,205
-	392	2,720
-	166	12,606
<u>\$ -</u>	<u>\$ 558</u>	<u>\$ 65,794</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, 2019
(Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot
OPERATING REVENUES				
Charges for services	\$ 10,086	\$ -	\$ -	\$ 2,353
Other revenue	13	-	-	299
Total operating revenues	<u>10,099</u>	<u>-</u>	<u>-</u>	<u>2,652</u>
OPERATING EXPENSES				
Personal services	5,020	-	-	-
Contract services	2,368	33	-	946
Materials and supplies	252	-	-	42
Utilities	-	-	4	18
Depreciation	1,235	-	4	5
Total operating expenses	<u>8,875</u>	<u>33</u>	<u>8</u>	<u>1,011</u>
Operating income (loss)	<u>1,224</u>	<u>(33)</u>	<u>(8)</u>	<u>1,641</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	811	-	-	-
Interest expense and fiscal charges	(55)	(420)	-	(45)
Gain (Loss) on sale of capital assets	(5)	(300)	(127)	-
Total nonoperating revenues (expenses)	<u>751</u>	<u>(720)</u>	<u>(127)</u>	<u>(45)</u>
Income (loss) before transfers and contributions	<u>1,975</u>	<u>(753)</u>	<u>(135)</u>	<u>1,596</u>
Capital contributions	557		-	-
Transfers in	333	1,277	-	-
Transfers (out)	(75)	-	-	(1,470)
Change in net position	2,790	524	(135)	126
Net position (deficit) at beginning of year, restated	<u>64,665</u>	<u>(3,092)</u>	<u>203</u>	<u>155</u>
Net position (deficit) at end of year	<u>\$ 67,455</u>	<u>\$ (2,568)</u>	<u>\$ 68</u>	<u>\$ 281</u>

Toledo Public Power	Total Nonmajor Enterprise Funds
\$ 630	\$ 13,069
-	312
<u>630</u>	<u>13,381</u>
-	5,020
-	3,347
-	294
690	712
-	1,244
<u>690</u>	<u>10,617</u>
<u>(60)</u>	<u>2,764</u>
9	820
(11)	(531)
-	(432)
<u>(2)</u>	<u>(143)</u>
<u>(62)</u>	<u>2,621</u>
-	557
-	1,610
-	(1,545)
(62)	3,243
<u>620</u>	<u>62,551</u>
<u>\$ 558</u>	<u>\$ 65,794</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019
(Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 9,756	\$ -	\$ -	\$ 1,974
Cash paid to employees	(2,379)	-	-	-
Cash paid to suppliers	(1,011)	-	-	(607)
Other receipts	13	-	-	299
Net cash provided by operating activities	<u>6,379</u>	<u>-</u>	<u>-</u>	<u>1,666</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer in	333	1,277	-	-
Transfer (out)	(75)	-	-	(1,470)
Net cash provided by (used in) noncapital financing activities	<u>258</u>	<u>1,277</u>	<u>-</u>	<u>(1,470)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	557	-	-	-
Purchases of property, plant, and equipment	(3,148)	-	-	-
Principal payments	(198)	(850)	-	(150)
Issuance of bonds and loans	126	-	-	-
Interest and fiscal charges paid on bonds, loans, and capital leases	(56)	(427)	-	(46)
Net cash (used in) capital and related financing activities	<u>(2,719)</u>	<u>(1,277)</u>	<u>-</u>	<u>(196)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	8,000	-	-	-
Purchase of investments	(13,120)	-	-	-
Investment income received on investments	811	-	-	-
Net cash (used in) investing activities	<u>(4,309)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	(391)	-	-	-
Cash and cash equivalents at beginning of year	2,342	-	-	-
Cash and cash equivalents at end of year	<u>\$ 1,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Toledo Public Power	Total Nonmajor Enterprise Funds
\$ 714	\$ 12,444
-	(2,379)
(703)	(2,321)
-	312
<u>11</u>	<u>8,056</u>
-	1,610
-	(1,545)
<u>-</u>	<u>65</u>
-	557
-	(3,148)
-	(1,198)
-	126
<u>(11)</u>	<u>(540)</u>
<u>(11)</u>	<u>(4,203)</u>
-	8,000
-	(13,120)
-	811
<u>-</u>	<u>(4,309)</u>
-	(391)
-	2,342
<u>\$ -</u>	<u>\$ 1,951</u>

(continued)

City of Toledo, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>Storm Sewer</u>	<u>Property Management</u>	<u>Small Business Development</u>	<u>Municipal Tow Lot</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 1,224	\$ (33)	\$ (8)	\$ 1,641
Adjustments:				
Depreciation	1,235	-	4	5
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Decrease (increase) in receivables	(330)	-	-	(608)
Decrease (increase) in due from other funds	-	-	-	229
Increase (decrease) in accounts payable and other liabilities	9	-	-	27
Increase (decrease) in due to other funds	3,254	33	4	372
Increase (decrease) in retainage payable	(66)	-	-	-
Increase (decrease) in due to other governments	39	-	-	-
Increase (decrease) in accrued wages and benefits payable	(89)	-	-	-
Increase (decrease) in compensated absences payable	(18)	-	-	-
Decrease (increase) in deferred outflows - pension	(421)	-	-	-
Increase (decrease) in deferred inflows - pension	(353)	-	-	-
Increase (decrease) in net pension liability	1,649	-	-	-
Decrease (increase) in deferred outflows - OPEB	153	-	-	-
Increase (decrease) in deferred inflows - OPEB	127	-	-	-
Increase (decrease) in net OPEB liability	(34)	-	-	-
Net cash provided by operating activities	<u>\$ 6,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,666</u>

Toledo Public Power	Total Nonmajor Enterprise Funds
\$ (60)	\$ 2,764
-	1,244
(10)	(948)
94	323
(13)	23
-	3,663
-	(66)
-	39
-	(89)
-	(18)
-	(421)
-	(353)
-	1,649
-	153
-	127
-	(34)
<u>\$ 11</u>	<u>\$ 8,056</u>

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City of Toledo, Ohio
Fund Descriptions - 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, and 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, 2019
(Amounts in Thousands)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>
ASSETS				
<u>Current:</u>				
Cash and cash equivalents held by escrow agent	\$ -	\$ 701	\$ -	\$ -
Receivables (net of allowances)	613	-	2	-
Due from other:				
Funds	6,553	-	570	2,257
Inventory of supplies	975	-	4	-
Total current assets	<u>8,141</u>	<u>701</u>	<u>576</u>	<u>2,257</u>
<u>Noncurrent:</u>				
Land and construction in progress	350	1,715	-	-
Other capital assets, net of accumulated depreciation	8,452	8,057	-	-
Total noncurrent assets	<u>8,802</u>	<u>9,772</u>	<u>-</u>	<u>-</u>
Total assets	<u>16,943</u>	<u>10,473</u>	<u>576</u>	<u>2,257</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	1,804	-	14	633
OPEB	246	-	2	111
Total deferred outflows of resources	<u>2,050</u>	<u>-</u>	<u>16</u>	<u>744</u>
LIABILITIES				
<u>Current:</u>				
Accounts payable	574	-	147	229
Customer deposits	290	-	-	2
Due to other:				
Funds	-	2,018	-	-
Other current liabilities	-	-	-	-
Current portion of:				
Compensated absences payable	-	-	-	-
Bonds, loans, and capital lease payable, net	-	1,016	-	-
Total current liabilities	<u>864</u>	<u>3,034</u>	<u>147</u>	<u>231</u>
<u>Noncurrent:</u>				
Bonds, loans, and capital lease payable, net	-	341	-	-
Net pension liability	5,912	-	44	1,818
Net OPEB liability	2,808	-	21	864
Total noncurrent liabilities	<u>8,720</u>	<u>341</u>	<u>65</u>	<u>2,682</u>
Total liabilities	<u>9,584</u>	<u>3,375</u>	<u>212</u>	<u>2,913</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	114	-	1	57
OPEB	34	-	1	26
Total deferred inflows of resources	<u>148</u>	<u>-</u>	<u>2</u>	<u>83</u>
NET POSITION				
Net investment in capital assets	8,802	8,415	-	-
Unrestricted (deficit)	459	(1,317)	378	5
Total net position	<u>\$ 9,261</u>	<u>\$ 7,098</u>	<u>\$ 378</u>	<u>\$ 5</u>

Risk Management	Facility Operations	Workers' Compensation	Healthcare Self-Insurance	Total Internal Service Funds
\$ -	\$ -	\$ -	\$ -	\$ 701
1	60	22	-	698
5,561	2,675	4,909	4,522	27,047
-	-	-	-	979
<u>5,562</u>	<u>2,735</u>	<u>4,931</u>	<u>4,522</u>	<u>29,425</u>
-	-	-	-	2,065
-	2,626	-	-	19,135
-	2,626	-	-	21,200
<u>5,562</u>	<u>5,361</u>	<u>4,931</u>	<u>4,522</u>	<u>50,625</u>
263	645	167	-	3,526
75	107	30	-	571
<u>338</u>	<u>752</u>	<u>197</u>	<u>-</u>	<u>4,097</u>
30	105	182	-	1,267
-	-	-	-	292
-	-	-	-	2,018
1,200	-	2,348	4,042	7,590
-	-	-	-	-
-	165	-	-	1,181
<u>1,230</u>	<u>270</u>	<u>2,530</u>	<u>4,042</u>	<u>12,348</u>
-	2,850	-	-	3,191
591	1,921	488	-	10,774
281	912	232	-	5,118
<u>872</u>	<u>5,683</u>	<u>720</u>	<u>-</u>	<u>19,083</u>
<u>2,102</u>	<u>5,953</u>	<u>3,250</u>	<u>4,042</u>	<u>31,431</u>
8	25	6	-	211
1	3	-	-	65
<u>9</u>	<u>28</u>	<u>6</u>	<u>-</u>	<u>276</u>
-	(389)	-	-	16,828
3,789	521	1,872	480	6,187
<u>\$ 3,789</u>	<u>\$ 132</u>	<u>\$ 1,872</u>	<u>\$ 480</u>	<u>\$ 23,015</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>
OPERATING REVENUES				
Charges for services	\$ 10,241	\$ 1,268	\$ 287	\$ 5,692
Other revenue	218	-	-	-
Total operating revenues	<u>10,459</u>	<u>1,268</u>	<u>287</u>	<u>5,692</u>
OPERATING EXPENSES				
Personal services	5,822	-	52	2,015
Contract services	998	-	106	1,465
Materials and supplies	5,182	-	106	215
Utilities	30	-	-	1,339
Depreciation	65	1,335	-	-
Total operating expenses	<u>12,097</u>	<u>1,335</u>	<u>264</u>	<u>5,034</u>
Operating income (loss)	<u>(1,638)</u>	<u>(67)</u>	<u>23</u>	<u>658</u>
NONOPERATING REVENUES (EXPENSES)				
Interest expense and fiscal charges	-	(58)	-	-
Gain (loss) on disposal of capital assets	199	(43)	-	-
Total nonoperating revenues (expenses)	<u>199</u>	<u>(101)</u>	<u>-</u>	<u>-</u>
Change in net position	(1,439)	(168)	23	658
Net position (deficit) at beginning of year	<u>10,700</u>	<u>7,266</u>	<u>355</u>	<u>(653)</u>
Net position at end of year	<u>\$ 9,261</u>	<u>\$ 7,098</u>	<u>\$ 378</u>	<u>\$ 5</u>

Risk Management	Facility Operations	Workers' Compensation	Healthcare Self-Insurance	Total Internal Service Funds
\$ 1,548	\$ 3,923	\$ 486	\$ 480	\$ 23,925
8	4	5,056	-	5,286
1,556	3,927	5,542	480	29,211
641	2,190	636	-	11,356
1,212	946	5,562	-	10,289
-	295	3	-	5,801
-	126	-	-	1,495
-	89	-	-	1,489
1,853	3,646	6,201	-	30,430
(297)	281	(659)	480	(1,219)
-	(157)	-	-	(215)
-	-	-	-	156
-	(157)	-	-	(59)
(297)	124	(659)	480	(1,278)
4,086	8	2,531	-	24,293
<u>\$ 3,789</u>	<u>\$ 132</u>	<u>\$ 1,872</u>	<u>\$ 480</u>	<u>\$ 23,015</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2019
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 10,485	\$ 1,268	\$ 302	\$ 4,670
Cash paid to employees	(4,763)	-	(38)	(1,421)
Cash paid to suppliers	(6,139)	(5)	(264)	(3,249)
Other receipts	218	-	-	-
Net cash provided by (used in) operating activities	<u>(199)</u>	<u>1,263</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sale of capital assets	199	5	-	-
Principal payments	-	(1,210)	-	-
Interest and fiscal charges paid on bonds, loans, and capital leases	-	(58)	-	-
Net cash provided by (used in) capital and related financing activities	<u>199</u>	<u>(1,263)</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning of year	-	701	-	-
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 701</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (1,638)	\$ (67)	\$ 23	\$ 658
Adjustments:				
Depreciation	65	1,335	-	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Decrease (increase) in receivables	(82)	-	-	-
Decrease (increase) in due from other funds	326	-	15	(1,022)
Decrease (increase) in inventory of supplies	(44)	-	(1)	-
Increase (decrease) in accounts payable and other liabilities	115	-	(51)	(230)
Increase (decrease) in due to other funds	-	(5)	-	-
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) in accrued wages and benefits payable	(86)	-	(1)	(20)
Increase (decrease) in compensated absences payable	-	-	-	-
Decrease (increase) in deferred outflows - pension	(954)	-	(1)	(106)
Increase (decrease) in deferred inflows - pension	(740)	-	(5)	(233)
Increase (decrease) in net pension liability	2,591	-	19	873
Decrease (increase) in deferred outflows - OPEB	(78)	-	(1)	(63)
Increase (decrease) in deferred inflows - OPEB	(188)	-	(1)	(68)
Increase (decrease) in net OPEB liability	514	-	4	211
Net cash provided by (used in) operating activities	<u>\$ (199)</u>	<u>\$ 1,263</u>	<u>\$ -</u>	<u>\$ -</u>

Risk Management	Facility Operations	Workers' Compensation	Healthcare Self-Insurance	Total Internal Service Funds
\$ 1,629	\$ 3,152	\$ 1,966	\$ -	\$ 23,472
(418)	(1,527)	(461)	-	(8,628)
(1,219)	(1,342)	(6,561)	-	(18,779)
8	4	5,056	-	5,286
-	287	-	-	1,351
-	-	-	-	204
-	(130)	-	-	(1,340)
-	(157)	-	-	(215)
-	(287)	-	-	(1,351)
-	-	-	-	-
-	-	-	-	701
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 701</u>

\$ (297)	\$ 281	\$ (659)	\$ 480	\$ (1,219)
-	89	-	-	1,489
-	(4)	-	-	(86)
81	(767)	1,480	(4,522)	(4,409)
-	-	-	-	(45)
(7)	25	6	-	(142)
-	-	-	-	(5)
-	-	(1,002)	4,042	3,040
(1)	(31)	(5)	-	(144)
(5)	-	-	-	(5)
(143)	(32)	(4)	-	(1,240)
(45)	(228)	(59)	-	(1,310)
365	842	212	-	4,902
(62)	(2)	4	-	(202)
(11)	(53)	(14)	-	(335)
125	167	41	-	1,062
<u>\$ -</u>	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,351</u>

City of Toledo, Ohio
Fund Descriptions - Custodial Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. These funds do not account for the City's own source revenue. The following is a description of the City's custodial funds.

3% State Surcharge

To account for a 3% building standards fee assessment on commercial permits collected by the City and remitted to the State.

1% State Surcharge

To account for a 1% building standards fee assessment on residential permits collected by the City and remitted to the State.

Ohio EPA Surcharge

To account for an Ohio Environmental Protection Agency (EPA) surcharge assessed at the landfill that is collected by the City and remitted to the Ohio EPA.

Municipal Court

To account for bonds and other costs remitted to the Municipal Court pending final disposition of the various cases and payment to third parties, excluding the City. While records of the Municipal 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
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2019
(Amounts in Thousands)

	<u>3% State Surcharge</u>	<u>1% State Surcharge</u>	<u>Ohio EPA Surcharge</u>	<u>Municipal Court</u>	<u>Total Custodial Funds</u>
ASSETS					
Cash and cash equivalents - other	\$ -	\$ -	\$ -	\$ 573	\$ 573
Receivables (net of allowances)	171	19	41	-	231
Total assets	<u>171</u>	<u>19</u>	<u>41</u>	<u>573</u>	<u>804</u>
LIABILITIES					
Due to other:					
Governments	171	19	41	-	231
NET POSITION					
Restricted for other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 573</u>	<u>\$ 573</u>

City of Toledo, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>3% State Surcharge</u>	<u>1% State Surcharge</u>	<u>Municipal Court</u>	<u>Total Custodial Funds</u>
ADDITIONS				
Fines and forfeitures for other governments	\$ -	\$ -	\$ 10,789	\$ 10,789
Licenses, permits, and fees for other governments	30	7	-	37
Total additions	<u>30</u>	<u>7</u>	<u>10,789</u>	<u>10,826</u>
DEDUCTIONS				
Fines and forfeiture distributions to other governments	-	-	10,625	10,625
Licenses, permits, and fee distributions to other governments	30	7	-	37
Total deductions	<u>30</u>	<u>7</u>	<u>10,625</u>	<u>10,662</u>
Net increase in fiduciary net position	-	-	164	164
Net position at beginning of year (restated)	<u>-</u>	<u>-</u>	<u>409</u>	<u>409</u>
Net position at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 573</u>	<u>\$ 573</u>

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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, 2019
(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	\$ -	\$ -	\$ 189,434	\$ 189,434
Property taxes	-	-	12,642	12,642
Licenses and permits	-	-	2,963	2,963
Intergovernmental services	-	-	18,590	18,590
Charges for services	-	-	28,848	28,848
Investment earnings	-	-	2,190	2,190
Fines and forfeitures	-	-	9,317	9,317
Other revenue	-	-	3,565	3,565
Total revenues	<u>-</u>	<u>-</u>	<u>267,549</u>	<u>267,549</u>
EXPENDITURES				
Current:				
General government				
Accounts				
Personnel services	988	973	893	80
Materials and supplies	3	9	6	3
Contractual services	298	331	266	65
Accounts total	<u>1,289</u>	<u>1,313</u>	<u>1,165</u>	<u>148</u>
Auditor				
Personnel services	112	109	108	1
Materials and supplies	1	1	1	-
Contractual services	2	3	3	-
Auditor total	<u>115</u>	<u>113</u>	<u>112</u>	<u>1</u>
Beautification action team				
Personnel services	45	45	35	10
Materials and supplies	6	6	2	4
Contractual services	53	53	22	31
Beautification action team total	<u>104</u>	<u>104</u>	<u>59</u>	<u>45</u>
City council				
Personnel services	1,498	1,451	1,351	100
Materials and supplies	20	23	23	-
Contractual services	184	209	206	3
Debt and other	20	18	-	18
City council total	<u>1,722</u>	<u>1,701</u>	<u>1,580</u>	<u>121</u>
Diversity and inclusion				
Personnel services	475	462	444	18
Materials and supplies	1	15	11	4
Contractual services	46	55	49	6
Diversity and inclusion total	<u>522</u>	<u>532</u>	<u>504</u>	<u>28</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, 2019
(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)				
Facility operations				
Contractual services	373	457	457	-
Facility operations total	<u>373</u>	<u>457</u>	<u>457</u>	<u>-</u>
Finance administration				
Personnel services	226	222	208	14
Materials and supplies	1	7	4	3
Contractual services	50	104	50	54
Finance administration total	<u>277</u>	<u>333</u>	<u>262</u>	<u>71</u>
Finance ERP				
Personnel services	133	113	113	-
Materials and supplies	1	-	-	-
Contractual services	205	259	259	-
Finance ERP total	<u>339</u>	<u>372</u>	<u>372</u>	<u>-</u>
Financial analysis				
Personnel services	450	444	444	-
Materials and supplies	1	-	-	-
Contractual services	13	15	15	-
Financial analysis total	<u>464</u>	<u>459</u>	<u>459</u>	<u>-</u>
General fund utilities				
Contractual services	1,453	1,369	1,222	147
General fund utilities total	<u>1,453</u>	<u>1,369</u>	<u>1,222</u>	<u>147</u>
General non-departmental services				
Personnel services	(1,100)	(1,100)	46	(1,146)
Contractual services	12,800	12,822	12,144	678
Debt and other	-	20	-	20
General non-departmental services total	<u>11,700</u>	<u>11,742</u>	<u>12,190</u>	<u>(448)</u>
Human relations commission				
Personnel services	114	112	91	21
Materials and supplies	16	10	1	9
Contractual services	47	56	40	16
Human relations commission total	<u>177</u>	<u>178</u>	<u>132</u>	<u>46</u>
Human resources				
Personnel services	827	841	681	160
Materials and supplies	15	17	16	1
Contractual services	469	467	372	95
Human resources total	<u>1,311</u>	<u>1,325</u>	<u>1,069</u>	<u>256</u>
Law				
Personnel services	1,376	1,353	1,334	19
Materials and supplies	17	40	40	-
Contractual services	164	141	138	3
Law total	<u>1,557</u>	<u>1,534</u>	<u>1,512</u>	<u>22</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, 2019
(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)				
Office of the mayor				
Personnel services	1,052	1,050	1,050	-
Materials and supplies	18	21	17	4
Contractual services	99	194	155	39
Office of the mayor total	<u>1,169</u>	<u>1,265</u>	<u>1,222</u>	<u>43</u>
Parks & forestry				
Contractual services	2	2	-	2
Parks & forestry total	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>
Purchasing and supplies				
Personnel services	333	378	267	111
Materials and supplies	3	5	4	1
Contractual services	38	111	36	75
Purchasing and supplies total	<u>374</u>	<u>494</u>	<u>307</u>	<u>187</u>
Safety administration				
Personnel services	37	21	3	18
Contractual services	120	120	29	91
Safety administration total	<u>157</u>	<u>141</u>	<u>32</u>	<u>109</u>
Streets, bridges & harbor				
Personnel services	136	131	117	14
Streets, bridges & harbor total	<u>136</u>	<u>131</u>	<u>117</u>	<u>14</u>
Taxation				
Personnel services	2,551	2,514	2,276	238
Materials and supplies	127	133	83	50
Contractual services	272	286	280	6
Taxation total	<u>2,950</u>	<u>2,933</u>	<u>2,639</u>	<u>294</u>
Treasury				
Personnel services	262	258	240	18
Materials and supplies	16	22	16	6
Contractual services	73	67	51	16
Treasury total	<u>351</u>	<u>347</u>	<u>307</u>	<u>40</u>
Utilities administrative service				
Personnel services	115	114	102	12
Contractual services	1	1	-	1
Utility Administrative Service Total	<u>116</u>	<u>115</u>	<u>102</u>	<u>13</u>
<i>General government total</i>	<u>26,658</u>	<u>26,960</u>	<u>25,821</u>	<u>1,139</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, 2019
(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				
General fund utilities				
Contractual services	1,600	1,600	1,397	203
General fund utilities total	<u>1,600</u>	<u>1,600</u>	<u>1,397</u>	<u>203</u>
Parks & forestry				
Personnel services	6	6	2	4
Materials and supplies	1	3	3	-
Contractual services	272	374	374	-
Parks & forestry total	<u>279</u>	<u>383</u>	<u>379</u>	<u>4</u>
Transportation				
Contractual services	150	150	150	-
Transportation total	<u>150</u>	<u>150</u>	<u>150</u>	<u>-</u>
<i>Public service total</i>	<u>2,029</u>	<u>2,133</u>	<u>1,926</u>	<u>207</u>
Public safety				
Clerk of municipal court				
Personnel services	5,070	4,853	4,755	98
Materials and supplies	443	510	510	-
Contractual services	462	540	540	-
Clerk of municipal court total	<u>5,975</u>	<u>5,903</u>	<u>5,805</u>	<u>98</u>
Fire				
Personnel services	72,101	71,188	70,624	564
Materials and supplies	954	1,048	1,048	-
Contractual services	3,553	3,811	3,772	39
Fire total	<u>76,608</u>	<u>76,047</u>	<u>75,444</u>	<u>603</u>
General non-departmental services				
Contractual services	77	77	70	7
General non-departmental services total	<u>77</u>	<u>77</u>	<u>70</u>	<u>7</u>
Law				
Personnel services	985	970	826	144
Contractual services	-	-	-	-
Law total	<u>985</u>	<u>970</u>	<u>826</u>	<u>144</u>
Municipal court judges				
Personnel services	6,719	6,622	5,916	706
Materials and supplies	140	140	94	46
Contractual services	2,807	2,807	2,708	99
Municipal court judges total	<u>9,666</u>	<u>9,569</u>	<u>8,718</u>	<u>851</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, 2019
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public safety (continued)				
Police				
Personnel services	78,171	75,522	74,194	1,328
Materials and supplies	1,370	1,370	1,167	203
Contractual services	5,294	5,895	5,895	-
Police total	<u>84,835</u>	<u>82,787</u>	<u>81,256</u>	<u>1,531</u>
Safety administration				
Contractual services	2,245	2,245	2,189	56
Safety administration total	<u>2,245</u>	<u>2,245</u>	<u>2,189</u>	<u>56</u>
<i>Public safety total</i>	<u>180,391</u>	<u>177,598</u>	<u>174,308</u>	<u>3,290</u>
Community environment				
Building inspection				
Personnel services	1,771	1,754	1,688	66
Materials and supplies	44	44	26	18
Contractual services	412	488	391	97
Building inspection total	<u>2,227</u>	<u>2,286</u>	<u>2,105</u>	<u>181</u>
Code enforcement				
Personnel services	841	843	843	-
Materials and supplies	16	16	15	1
Contractual services	1,100	1,275	983	292
Code enforcement total	<u>1,957</u>	<u>2,134</u>	<u>1,841</u>	<u>293</u>
Economic development				
Personnel services	512	514	514	-
Materials and supplies	5	8	4	4
Contractual services	1,025	1,121	1,011	110
Debt and other	50	-	-	-
Economic development total	<u>1,592</u>	<u>1,643</u>	<u>1,529</u>	<u>114</u>
Engineering services				
Personnel services	293	288	241	47
Contractual services	52	52	52	-
Engineering services total	<u>345</u>	<u>340</u>	<u>293</u>	<u>47</u>
General non-departmental services				
Contractual services	43	43	14	29
General non-departmental services total	<u>43</u>	<u>43</u>	<u>14</u>	<u>29</u>
Housing				
Personnel services	4	34	2	32
Contractual services	-	25	25	-
Housing total	<u>4</u>	<u>59</u>	<u>27</u>	<u>32</u>
Neighborhoods administration				
Personnel services	6	9	9	-
Contractual services	-	10	-	10
Neighborhoods administration total	<u>6</u>	<u>19</u>	<u>9</u>	<u>10</u>

Community Environment 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, 2019
(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)				
Planning commission				
Personnel services	567	559	519	40
Materials and supplies	12	12	12	-
Contractual services	58	108	56	52
Planning commission total	<u>637</u>	<u>679</u>	<u>587</u>	<u>92</u>
Real estate				
Personnel services	253	139	85	54
Materials and supplies	1	1	1	-
Contractual services	112	156	156	-
Real estate total	<u>366</u>	<u>296</u>	<u>242</u>	<u>54</u>
Recreation				
Contractual services	-	1	1	-
Recreation total	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Streets Bridges & Harbor				
Personnel services	-	3	3	-
Streets Bridges & Harbor total	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Transportation				
Contractual services	30	50	50	-
Transportation total	<u>30</u>	<u>50</u>	<u>50</u>	<u>-</u>
<i>Community environment total</i>	<u>7,207</u>	<u>7,553</u>	<u>6,701</u>	<u>852</u>
Health				
Environmental services				
Personnel services	170	168	154	14
Contractual services	17	17	17	-
Environmental services total	<u>187</u>	<u>185</u>	<u>171</u>	<u>14</u>
General non-departmental services				
Contractual services	2,307	2,307	2,304	3
General non-departmental services total	<u>2,307</u>	<u>2,307</u>	<u>2,304</u>	<u>3</u>
Municipal court judges				
Personnel services	337	332	324	8
Municipal court judges total	<u>337</u>	<u>332</u>	<u>324</u>	<u>8</u>
Parks & forestry				
Personnel services	438	432	330	102
Materials and supplies	19	17	6	11
Contractual services	282	282	257	25
Parks & forestry total	<u>739</u>	<u>731</u>	<u>593</u>	<u>138</u>
Waste disposal				
Personnel services	1,220	1,204	1,048	156
Materials and supplies	58	57	53	4
Contractual services	3,359	4,699	4,311	388
Waste disposal total	<u>4,637</u>	<u>5,960</u>	<u>5,412</u>	<u>548</u>
<i>Health total</i>	<u>8,207</u>	<u>9,515</u>	<u>8,804</u>	<u>711</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, 2019
(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				
Economic Development				
Contractual services	-	6	6	-
Economic Development total	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>
Parks & forestry				
Personnel services	317	198	198	-
Materials and supplies	41	53	49	4
Contractual services	1,545	1,634	1,547	87
Parks & forestry total	<u>1,903</u>	<u>1,885</u>	<u>1,794</u>	<u>91</u>
Recreation				
Personnel services	454	299	299	-
Materials and supplies	50	50	46	4
Contractual services	610	921	921	-
Debt and other	5	5	-	5
Recreation total	<u>1,119</u>	<u>1,275</u>	<u>1,266</u>	<u>9</u>
<i>Parks and recreation total</i>	<u>3,022</u>	<u>3,166</u>	<u>3,066</u>	<u>100</u>
Debt service:				
Principal retirement	671	671	671	-
Interest and fiscal charges	41	41	41	-
Debt service total	<u>712</u>	<u>712</u>	<u>712</u>	<u>-</u>
Total expenditures	<u>228,226</u>	<u>227,637</u>	<u>221,338</u>	<u>6,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(228,226)</u>	<u>(227,637)</u>	<u>46,211</u>	<u>273,848</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,470	1,470
Transfers out	(40,526)	(42,152)	(42,152)	-
Sale of capital assets	-	-	306	306
Total other financing sources (uses)	<u>(40,526)</u>	<u>(42,152)</u>	<u>(40,376)</u>	<u>1,776</u>
Net change in fund balance	<u>\$ (268,752)</u>	<u>\$ (269,789)</u>	<u>5,835</u>	<u>\$ 275,624</u>
Fund balance at beginning of year (restated)			40,658	
Increase in inventory			129	
Fund balance at year end			<u>\$ 46,622</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, 2019
(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				
Investment earnings	\$ -	\$ -	\$ 124	\$ 124
Grants	-	-	23,082	23,082
Other revenue	-	-	174	174
Total revenues	<u>-</u>	<u>-</u>	<u>23,380</u>	<u>23,380</u>
EXPENDITURES				
General government				
Debt management				
Contractual services	<u>2</u>	<u>2</u>	<u>3</u>	<u>(1)</u>
Debt management total	<u>2</u>	<u>2</u>	<u>3</u>	<u>(1)</u>
Diversity and inclusion				
Contractual services	<u>-</u>	<u>17</u>	<u>17</u>	<u>-</u>
Diversity and inclusion total	<u>-</u>	<u>17</u>	<u>17</u>	<u>-</u>
Facility operations				
Contractual services	<u>117</u>	<u>117</u>	<u>86</u>	<u>31</u>
Facility operations total	<u>117</u>	<u>117</u>	<u>86</u>	<u>31</u>
Finance ERP				
Contractual services	<u>37</u>	<u>37</u>	<u>31</u>	<u>6</u>
Finance ERP total	<u>37</u>	<u>37</u>	<u>31</u>	<u>6</u>
Office of the mayor				
Personnel services	<u>15</u>	<u>14</u>	<u>14</u>	<u>-</u>
Office of the mayor total	<u>15</u>	<u>14</u>	<u>14</u>	<u>-</u>
<i>General government total</i>	<u>171</u>	<u>187</u>	<u>151</u>	<u>36</u>
Capital outlay				
Building inspection				
Capital Outlay	-	94	94	-
Contractual services	<u>-</u>	<u>156</u>	<u>20</u>	<u>136</u>
Building inspection total	<u>-</u>	<u>250</u>	<u>114</u>	<u>136</u>
City Council				
Capital Outlay	-	157	-	157
Contractual services	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
City council total	<u>-</u>	<u>160</u>	<u>-</u>	<u>160</u>
Code enforcement				
Contractual services	<u>-</u>	<u>50</u>	<u>4</u>	<u>46</u>
Code enforcement total	<u>-</u>	<u>50</u>	<u>4</u>	<u>46</u>

Capital outlay continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
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Major Governmental Funds
Capital Improvements
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(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)				
Diversity and inclusion				
Personnel services	21	3	3	-
Diversity and inclusion total	21	3	3	-
Debt management				
Personnel services	126	124	117	7
Debt management total	126	124	117	7
Economic development				
Contractual services	-	1,044	1	1,043
Capital outlay	-	836	-	836
Economic development total	-	1,880	1	1,879
Engineering services				
Personnel services	1,858	1,827	1,506	321
Contractual services	580	58,845	29,591	29,254
Capital outlay	-	40	-	40
Engineering services total	2,438	60,712	31,097	29,615
Environmental Services				
Contractual services	-	749	612	137
Environmental services total	-	749	612	137
Facility operations				
Contractual services	-	1,048	800	248
Capital outlay	-	13	-	13
Facility operations total	-	1,061	800	261
Finance ERP				
Contractual services	-	400	-	400
Finance ERP total	-	400	-	400
Fire				
Materials and supplies	-	1,746	490	1,256
Contractual services	-	201	96	105
Capital outlay	-	5,412	2,285	3,127
Fire total	-	7,359	2,871	4,488
Fleet				
Materials and supplies	-	100	-	100
Fleet total	-	100	-	100

Capital outlay continues on next page

(continued)

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, 2019
(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)				
Information & communication technology				
Contractual services	-	1,513	835	678
Information & communication technology total	-	1,513	835	678
Municipal court judges				
Contractual services	-	100	-	100
Municipal court judges total	-	100	-	100
Parks & forestry				
Personnel services	-	6	1	5
Contractual services	-	2,296	944	1,352
Capital outlay	-	165	104	61
Parks & forestry total	-	2,467	1,049	1,418
Planning commission				
Personnel services	83	81	72	9
Planning commission total	83	81	72	9
Police				
Materials and supplies	-	115	115	-
Contractual services	-	444	430	14
Capital outlay	-	829	764	65
Police total	-	1,388	1,309	79
Recreation				
Materials and supplies	-	34	26	8
Contractual services	-	332	238	94
Recreation total	-	366	264	102
Streets, bridges & harbor				
Personnel services	160	177	177	-
Capital outlay	-	1,482	929	553
Materials and supplies	29	108	37	71
Contractual services	10	5,446	3,335	2,111
Streets, bridges & harbor total	199	7,213	4,478	2,735
Taxation				
Materials and supplies	-	1	-	1
Contractual services	-	10	-	10
Taxation total	-	11	-	11

Capital outlay continues on next page

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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, 2019
(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)				
Transportation				
Personnel services	654	644	511	133
Materials and supplies	9	10	4	6
Contractual services	4	685	524	161
Capital outlay	1	51	12	39
Transportation total	<u>668</u>	<u>1,390</u>	<u>1,051</u>	<u>339</u>
Waste disposal				
Contractual services	-	991	241	750
Capital outlay	-	39	39	-
Waste disposal total	<u>-</u>	<u>1,030</u>	<u>280</u>	<u>750</u>
<i>Capital outlay total</i>	<u>3,535</u>	<u>88,407</u>	<u>44,957</u>	<u>43,450</u>
Debt service:				
Principal retirement	8,028	7,928	3,520	4,408
Interest and fiscal charges	738	879	675	204
Debt issuance cost	-	394	394	-
Debt service total	<u>8,766</u>	<u>9,201</u>	<u>4,589</u>	<u>4,612</u>
Total expenditures	<u>12,472</u>	<u>97,795</u>	<u>49,697</u>	<u>48,098</u>
Excess of expenditures over revenues	<u>(12,472)</u>	<u>(97,795)</u>	<u>(26,317)</u>	<u>71,478</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	41,989	41,989
Transfers (out)	(24,823)	(17,036)	(16,755)	281
Issuance of debt	-	-	16,529	16,529
Sale of capital assets	-	-	75	75
Payments to escrow agent	-	(7,285)	(7,285)	-
Total other financing sources (uses)	<u>(24,823)</u>	<u>(24,321)</u>	<u>34,553</u>	<u>58,874</u>
Net change in fund balance	<u>\$ (37,295)</u>	<u>\$ (122,116)</u>	8,236	<u>\$ 130,352</u>
Fund balance at beginning of year			42,604	
Increase in inventory			196	
Fund balance at year end			<u>\$ 51,036</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, 2019
(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	\$ -	\$ -	\$ 28,753	\$ 28,753
Investment earnings	-	-	153	153
Total revenues	<u>-</u>	<u>-</u>	<u>28,906</u>	<u>28,906</u>
EXPENDITURES				
Current:				
General government				
Debt management				
Personnel services	84	82	78	4
Contractual services	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
Debt management total	<u>86</u>	<u>84</u>	<u>80</u>	<u>4</u>
Finance ERP				
Contractual services	<u>66</u>	<u>66</u>	<u>54</u>	<u>12</u>
Finance ERP total	<u>66</u>	<u>66</u>	<u>54</u>	<u>12</u>
Human resources				
Personnel services	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Human resources total	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Office of the mayor				
Personnel services	<u>15</u>	<u>14</u>	<u>14</u>	<u>-</u>
Office of the mayor total	<u>15</u>	<u>14</u>	<u>14</u>	<u>-</u>
Streets, bridges & harbor				
Personnel services	367	362	252	110
Materials and supplies	3	3	1	2
Contractual services	<u>244</u>	<u>306</u>	<u>305</u>	<u>1</u>
Streets, bridges & harbor total	<u>614</u>	<u>671</u>	<u>558</u>	<u>113</u>
Treasury				
Personnel services	181	178	175	3
Materials and supplies	3	3	-	3
Contractual services	<u>10</u>	<u>10</u>	<u>-</u>	<u>10</u>
Treasury total	<u>194</u>	<u>191</u>	<u>175</u>	<u>16</u>
<i>General government total</i>	<u>985</u>	<u>1,036</u>	<u>891</u>	<u>145</u>
Public service				
Engineering services				
Personnel services	86	84	81	3
Contractual services	<u>38</u>	<u>38</u>	<u>24</u>	<u>14</u>
Engineering services total	<u>124</u>	<u>122</u>	<u>105</u>	<u>17</u>

Public service continues on next page

(continued)

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, 2019
(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	3,975	3,975	3,418	557
General fund utilities total	<u>3,975</u>	<u>3,975</u>	<u>3,418</u>	<u>557</u>
Parks & forestry				
Personnel services	4,298	4,234	3,841	393
Materials and supplies	214	219	219	-
Contractual services	2,018	2,013	1,837	176
Parks & forestry total	<u>6,530</u>	<u>6,466</u>	<u>5,897</u>	<u>569</u>
Streets, bridges & harbor				
Personnel services	7,504	6,959	6,719	240
Materials and supplies	1,356	2,656	2,487	169
Contractual services	6,740	7,128	6,392	736
Streets, bridges & harbor total	<u>15,600</u>	<u>16,743</u>	<u>15,598</u>	<u>1,145</u>
Treasury				
Materials and supplies	72	72	57	15
Contractual services	3,469	3,469	2,891	578
Treasury total	<u>3,541</u>	<u>3,541</u>	<u>2,948</u>	<u>593</u>
Utilities Admin Service				
Personnel services	339	334	302	32
Contractual services	3	3	-	3
Utilities Admin Service	<u>342</u>	<u>337</u>	<u>302</u>	<u>35</u>
<i>Public service total</i>	<u>30,112</u>	<u>31,184</u>	<u>28,268</u>	<u>2,916</u>
Health				
Parks & forestry				
Personnel services	305	301	200	101
Materials and supplies	27	27	1	26
Contractual services	230	230	96	134
Parks & forestry total	<u>562</u>	<u>558</u>	<u>297</u>	<u>261</u>
<i>Health total</i>	<u>562</u>	<u>558</u>	<u>297</u>	<u>261</u>

(continued)

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, 2018
(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:				
Streets, bridges & harbor				
Capital outlay	6	6	-	6
Streets, bridges & harbor total	<u>6</u>	<u>6</u>	<u>-</u>	<u>6</u>
Treasury				
Capital outlay	2	2	-	2
Treasury total	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>
<i>Capital outlay total</i>	<u>8</u>	<u>8</u>	<u>-</u>	<u>8</u>
Debt service:				
Principal retirement	19,800	19,189	-	19,189
Interest and fiscal charges	<u>567</u>	<u>1,178</u>	<u>1,178</u>	<u>-</u>
Debt service total	<u>20,367</u>	<u>20,367</u>	<u>1,178</u>	<u>19,189</u>
Total expenditures	<u>52,034</u>	<u>53,153</u>	<u>30,634</u>	<u>22,519</u>
Net change in fund balance	<u>\$ (52,034)</u>	<u>\$ (53,153)</u>	(1,728)	<u>\$ 51,425</u>
Fund balance (deficit) at beginning of year			(57,453)	
Increase in inventory			<u>100</u>	
Fund balance (deficit) at year end			<u>\$ (59,081)</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Federal Block Grants
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
REVENUES				
Grants	\$ -	\$ -	\$ 6,030	\$ 6,030
Other revenue	-	-	130	130
Total revenues	<u>-</u>	<u>-</u>	<u>6,160</u>	<u>6,160</u>
EXPENDITURES				
Current:				
Community environment				
Beautification action team				
Personnel services	323	614	231	383
Materials and supplies	5	25	-	25
Contractual services	496	1,484	460	1,024
Beautification action team total	<u>824</u>	<u>2,123</u>	<u>691</u>	<u>1,432</u>
Code enforcement				
Personnel services	395	580	262	318
Materials and supplies	7	17	5	12
Contractual services	174	1,179	40	1,139
Code enforcement total	<u>576</u>	<u>1,776</u>	<u>307</u>	<u>1,469</u>
Economic development				
Personnel services	-	127	-	127
Materials and supplies	-	3	-	3
Contractual services	195	779	-	779
Economic development total	<u>195</u>	<u>909</u>	<u>-</u>	<u>909</u>
Housing division				
Personnel services	1,572	2,778	1,151	1,627
Materials and supplies	-	121	13	108
Contractual services	-	3,574	542	3,032
Housing division total	<u>1,572</u>	<u>6,473</u>	<u>1,706</u>	<u>4,767</u>
Law				
Personnel services	55	98	63	35
Contractual services	-	6	-	6
Law total	<u>55</u>	<u>104</u>	<u>63</u>	<u>41</u>
Neighborhoods administration				
Personnel services	1,203	1,944	884	1,060
Materials and supplies	-	42	-	42
Contractual services	-	1,075	42	1,033
Neighborhoods administration total	<u>1,203</u>	<u>3,061</u>	<u>926</u>	<u>2,135</u>

Community environment continues on the next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Federal Block Grants
For the Year Ended December 31, 2019
(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)				
Planning commission				
Personnel services	87	142	93	49
Contractual services	-	8	-	8
Planning commission total	<u>87</u>	<u>150</u>	<u>93</u>	<u>57</u>
Real estate				
Personnel services	-	26	-	26
Contractual services	-	46	-	46
Real estate total	<u>-</u>	<u>72</u>	<u>-</u>	<u>72</u>
Third party partners				
Contractual services	<u>2,911</u>	<u>4,745</u>	<u>2,390</u>	<u>2,355</u>
Third party partners total	<u>2,911</u>	<u>4,745</u>	<u>2,390</u>	<u>2,355</u>
<i>Community environment total</i>	<u>7,423</u>	<u>19,413</u>	<u>6,176</u>	<u>13,237</u>
Total expenditures	<u>7,423</u>	<u>19,413</u>	<u>6,176</u>	<u>13,237</u>
Excess of revenues over expenditures	<u>(7,423)</u>	<u>(19,413)</u>	<u>(16)</u>	<u>19,397</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Net change in fund balance	<u>\$ (7,423)</u>	<u>\$ (19,413)</u>	<u>(14)</u>	<u>\$ 19,399</u>
Fund balance at beginning of year			<u>1,081</u>	
Fund balance at year end			<u>\$ 1,067</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Operation Grants
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	Final Budget
				Positive
				(Negative)
REVENUES				
Grants	\$ -	\$ -	\$ 4,562	\$ 4,562
Other revenue	-	-	262	262
Total revenues	<u>-</u>	<u>-</u>	<u>4,824</u>	<u>4,824</u>
EXPENDITURES				
Current:				
General government				
Board of community relations				
Contractual services	-	1	-	1
Board of community relations total	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
<i>General government total</i>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Public safety				
Fire				
Personnel services	821	862	138	724
Materials and supplies	21	97	25	72
Contractual services	-	113	-	113
Capital outlay	-	8	-	8
Fire total	<u>842</u>	<u>1,080</u>	<u>163</u>	<u>917</u>
Municipal court judges				
Personnel services	-	620	258	362
Materials and supplies	-	35	4	31
Contractual services	-	1,723	837	886
Municipal court judges total	<u>-</u>	<u>2,378</u>	<u>1,099</u>	<u>1,279</u>
Police				
Personnel services	368	508	137	371
Materials and supplies	607	610	604	6
Contractual services	65	524	74	450
Police total	<u>1,040</u>	<u>1,642</u>	<u>815</u>	<u>827</u>
Streets, bridges and harbor				
Contractual services	-	297	-	297
Streets, bridges and harbor total	<u>-</u>	<u>297</u>	<u>-</u>	<u>297</u>
<i>Public safety total</i>	<u>1,882</u>	<u>5,397</u>	<u>2,077</u>	<u>3,320</u>
Public utilities				
Environmental services				
Contractual services	179	179	45	134
Environmental services total	<u>179</u>	<u>179</u>	<u>45</u>	<u>134</u>
<i>Public utilities total</i>	<u>179</u>	<u>179</u>	<u>45</u>	<u>134</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Operation Grants
For the Year Ended December 31, 2019
(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>(Negative)</u>
Community environment				
Code enforcement				
Contractual services	-	43	-	43
Code enforcement total	-	43	-	43
Economic development				
Contractual services	-	8	-	8
Economic development total	-	8	-	8
Environmental services				
Contractual services	-	527	527	-
Environmental services total	-	527	527	-
Housing division				
Personnel services	-	568	283	285
Materials and supplies	-	32	4	28
Contractual services	300	3,071	691	2,380
Housing division total	300	3,671	978	2,693
Neighborhoods administration				
Personnel services	-	43	-	43
Contractual services	643	1,677	668	1,009
Neighborhoods administration total	643	1,720	668	1,052
Planning commission				
Personnel services	232	332	286	46
Materials and supplies	-	20	-	20
Planning commission total	232	352	286	66
<i>Community environment total</i>	<i>1,175</i>	<i>6,321</i>	<i>2,459</i>	<i>3,862</i>
Health				
Environmental services				
Personnel services	1,629	2,313	797	1,516
Materials and supplies	104	164	36	128
Contractual services	102	2,122	393	1,729
Capital outlay	-	2	-	2
Environmental services total	1,835	4,601	1,226	3,375
Waste disposal				
Contractual services	-	38	-	38
Waste disposal total	-	38	-	38
<i>Health total</i>	<i>1,835</i>	<i>4,639</i>	<i>1,226</i>	<i>3,413</i>

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, 2019
(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				
Parks & forestry				
Contractual services	149	149	106	43
Parks & Forestry total	<u>149</u>	<u>149</u>	<u>106</u>	<u>43</u>
Recreation				
Materials and supplies	-	30	20	10
Recreation total	<u>-</u>	<u>30</u>	<u>20</u>	<u>10</u>
<i>Parks and recreation total</i>	<u>149</u>	<u>179</u>	<u>126</u>	<u>53</u>
Total expenditures	<u>5,220</u>	<u>16,716</u>	<u>5,933</u>	<u>10,783</u>
Net change in fund balance	<u>\$ (5,220)</u>	<u>\$ (16,716)</u>	(1,109)	<u>\$ 15,607</u>
Fund balance at beginning of year			<u>12,264</u>	
Fund balance at year end			<u>\$ 11,155</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Urban Development Action Grants
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year			\$ 688	
Fund balance at year end			<u>\$ 688</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Street Construction Maintenance and Repair
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ 15,203	\$ 15,203
Fines and forfeitures	-	-	193	193
Other revenue	-	-	55	55
Total revenues	<u>-</u>	<u>-</u>	<u>15,451</u>	<u>15,451</u>
EXPENDITURES				
Current:				
General government				
Finance ERP				
Contractual services	20	20	16	4
Finance ERP total	<u>20</u>	<u>20</u>	<u>16</u>	<u>4</u>
Human resources				
Personnel services	19	19	19	-
Human resources total	<u>19</u>	<u>19</u>	<u>19</u>	<u>-</u>
Office of the mayor				
Personnel services	15	14	14	-
Office of the mayor total	<u>15</u>	<u>14</u>	<u>14</u>	<u>-</u>
Streets, bridges & harbor				
Personnel services	366	361	234	127
Materials and supplies	3	3	-	3
Contractual services	5	5	2	3
Streets, bridges & harbor total	<u>374</u>	<u>369</u>	<u>236</u>	<u>133</u>
<i>General government total</i>	<u>428</u>	<u>422</u>	<u>285</u>	<u>137</u>
Public service				
Engineering services				
Personnel services	841	828	634	194
Contractual services	277	277	214	63
Engineering services total	<u>1,118</u>	<u>1,105</u>	<u>848</u>	<u>257</u>
General fund utilities				
Contractual services	355	355	315	40
General fund utilities total	<u>355</u>	<u>355</u>	<u>315</u>	<u>40</u>

Public service continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Street Construction Maintenance and Repair
For the Year Ended December 31, 2019
(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	4,295	5,075	5,075	-
Materials and supplies	1,822	2,291	2,200	91
Contractual services	2,104	2,133	2,132	1
Streets, bridges & harbor total	<u>8,221</u>	<u>9,499</u>	<u>9,407</u>	<u>92</u>
Transportation				
Personnel services	3,170	3,118	2,747	371
Materials and supplies	527	527	445	82
Contractual services	1,041	1,041	1,000	41
Transportation total	<u>4,738</u>	<u>4,686</u>	<u>4,192</u>	<u>494</u>
<i>Public service total</i>	<u>14,432</u>	<u>15,645</u>	<u>14,762</u>	<u>883</u>
Public safety				
Police				
Personnel services	174	172	82	90
Police total	<u>174</u>	<u>172</u>	<u>82</u>	<u>90</u>
<i>Public safety total</i>	<u>174</u>	<u>172</u>	<u>82</u>	<u>90</u>
Community environment				
Building inspection				
Personnel services	12	11	11	-
Building inspection total	<u>12</u>	<u>11</u>	<u>11</u>	<u>-</u>
<i>Community environment total</i>	<u>12</u>	<u>11</u>	<u>11</u>	<u>-</u>
Capital outlay				
Streets, bridges & harbor				
Capital outlay	9	89	4	85
Streets, bridges & harbor total	<u>9</u>	<u>89</u>	<u>4</u>	<u>85</u>
Transportation				
Capital outlay	-	96	75	21
Transportation total	<u>-</u>	<u>96</u>	<u>75</u>	<u>21</u>
<i>Capital outlay total</i>	<u>9</u>	<u>185</u>	<u>79</u>	<u>106</u>
Total expenditures	<u>15,055</u>	<u>16,435</u>	<u>15,219</u>	<u>1,216</u>

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Street Construction Maintenance and Repair
For the Year Ended December 31, 2019
(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 of expenditures over revenues	(15,055)	(16,435)	232	16,667
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	225	225
Transfers (out)	(462)	(462)	(462)	-
Sale of capital assets	-	-	2	2
Total other financing sources (uses)	(462)	(462)	(235)	227
Net change in fund balance	<u>\$ (15,517)</u>	<u>\$ (16,897)</u>	(3)	<u>\$ 16,894</u>
Fund balance at beginning of year			5,704	
Decrease in inventory			(53)	
Fund balance at year end			<u>\$ 5,648</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Cemetery Maintenance
For the Year Ended December 31, 2019
(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				
Charge for services	\$ -	\$ -	\$ 54	\$ 54
Investment earnings	-	-	12	12
Other revenue	-	-	1	1
Total revenues	<u>-</u>	<u>-</u>	<u>67</u>	<u>67</u>
EXPENDITURES				
Current:				
Health				
Parks & forestry				
Contractual Services	<u>26</u>	<u>26</u>	<u>21</u>	<u>5</u>
Total expenditures	<u>26</u>	<u>26</u>	<u>21</u>	<u>5</u>
Net change in fund balance	<u>\$ (26)</u>	<u>\$ (26)</u>	46	<u>\$ 72</u>
Fund balance at beginning of year			<u>119</u>	
Fund balance at year end			<u>\$ 165</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Golf Improvements
For the Year Ended December 31, 2019
(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	\$ -	\$ -	\$ 483	\$ 483
Total revenues	<u>-</u>	<u>-</u>	<u>483</u>	<u>483</u>
EXPENDITURES				
Current:				
Community environment				
Recreation				
Material and Supplies	-	469	164	305
Contractual Services	-	1,480	1,237	243
Total expenditures	<u>-</u>	<u>1,949</u>	<u>1,401</u>	<u>548</u>
Excess of revenues over expenditures	<u>-</u>	<u>(1,949)</u>	<u>(918)</u>	<u>1,031</u>
OTHER FINANCING USES				
Transfers in	-	-	700	700
Transfers (out)	(150)	-	-	-
Total other financing uses	<u>(150)</u>	<u>-</u>	<u>700</u>	<u>700</u>
Net change in fund balance	<u>\$ (150)</u>	<u>\$ (1,949)</u>	<u>(218)</u>	<u>\$ 1,731</u>
Fund balance at beginning of year			<u>475</u>	
Fund balance at year end			<u>\$ 257</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Parkland Replacement
For the Year Ended December 31, 2019
(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	\$ -	\$ -	\$ 8	\$ 8
Total revenues	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	8	<u>\$ 8</u>
Fund balance at beginning of year			365	
Fund balance at year end			<u>\$ 373</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Cemeteries Property Acquisition and Site Development
For the Year Ended December 31, 2019
(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	\$ -	\$ -	\$ 18	\$ 18
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	18	<u>\$ 18</u>
Fund balance at beginning of year			<u>453</u>	
Fund balance at year end			<u>\$ 471</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Marina Development
For the Year Ended December 31, 2019
(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
Total revenues	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
EXPENDITURES				
Current:				
Parks and recreation				
Recreation				
Contractual services	9	16	16	-
Total expenditures	<u>9</u>	<u>16</u>	<u>16</u>	<u>-</u>
Net change in fund balance	<u>\$ (9)</u>	<u>\$ (16)</u>	10	<u>\$ 26</u>
Fund balance at beginning of year			83	
Fund balance at year end			<u>\$ 93</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Expendable Trusts
For the Year Ended December 31, 2019
(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
Charges for services	-	-	616	616
Investment earnings	-	-	33	33
Fines and forfeitures	-	-	1,314	1,314
Grants	-	-	82	82
Other revenue	-	-	3,740	3,740
Total revenues	<u>-</u>	<u>-</u>	<u>5,786</u>	<u>5,786</u>
EXPENDITURES				
Current:				
General government				
City council				
Contractual Services	<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				
Contractual Services	<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				
Contractual Services	<u>-</u>	<u>130</u>	<u>-</u>	<u>130</u>
Municipal court judges total	<u>-</u>	<u>130</u>	<u>-</u>	<u>130</u>
Office of the mayor				
Contractual Services	<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>
Streets, bridges & harbor				
Contractual Services	<u>-</u>	<u>45</u>	<u>44</u>	<u>1</u>
Streets, bridges & harbor total	<u>-</u>	<u>45</u>	<u>44</u>	<u>1</u>
Treasury				
Contractual Services	<u>-</u>	<u>538</u>	<u>-</u>	<u>538</u>
Treasury total	<u>-</u>	<u>538</u>	<u>-</u>	<u>538</u>
<i>General government total</i>	<u>-</u>	<u>814</u>	<u>44</u>	<u>770</u>

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Expendable Trusts
For the Year Ended December 31, 2019
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Public safety				
Clerk of municipal court				
Contractual Services	-	208	-	208
Clerk of municipal court total	-	208	-	208
Fire				
Materials and supplies	-	3	-	3
Contractual services	-	6	1	5
Fire total	-	9	1	8
Law				
Contractual services	-	275	213	62
Law total	-	275	213	62
Municipal court judges				
Personnel services	-	78	62	16
Materials and supplies	-	311	214	97
Contractual services	-	10,977	1,064	9,913
Capital outlay	-	15	-	15
Municipal court judges total	-	11,381	1,340	10,041
Police				
Materials and supplies	-	1,315	719	596
Contractual services	-	2,864	86	2,778
Police total	-	4,179	805	3,374
<i>Public safety total</i>	-	16,052	2,359	13,693
Community environment				
Economic development				
Contractual services	-	22	-	22
Economic development total	-	22	-	22

Community environment continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Expendable Trusts
For the Year Ended December 31, 2018
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
Community environment (continued)				
Housing division				
Contractual services	-	1	-	1
Housing division total	-	1	-	1
Municipal court judges				
Materials and supplies	-	13	3	10
Contractual services	-	226	8	218
Municipal court judges total	-	239	11	228
Neighborhoods administration				
Personnel services	-	38	20	18
Materials and supplies	-	11	10	1
Contractual services	-	899	338	561
Neighborhoods administration total	-	948	368	580
Recreation				
Materials and supplies	-	20	7	13
Contractual services	-	239	74	165
Recreation total	-	259	81	178
Streets, bridges & harbor				
Personnel services	-	1,069	930	139
Materials and supplies	-	194	56	138
Contractual services	-	1,703	1,440	263
Streets, bridges & harbor total	-	2,966	2,426	540
<i>Community environment total</i>	-	4,435	2,886	1,549
Health				
Environmental services				
Contractual services	-	369	-	369
Environmental services total	-	369	-	369
Waste disposal				
Contractual services	-	63	53	10
Waste disposal total	-	63	53	10
<i>Health total</i>	-	432	53	379

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Expendable Trusts
For the Year Ended December 31, 2018
(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>
Parks and recreation				
Natural resources administration				
Contractual services	-	1	-	1
Natural resources administration total	-	1	-	1
Parks & forestry				
Materials and supplies	-	36	-	36
Contractual services	-	608	81	527
Parks & forestry total	-	644	81	563
Recreation				
Contractual services	-	2	-	2
Recreation total	-	2	-	2
Youth commission				
Contractual Services	-	3	-	3
Youth commission total	-	3	-	3
<i>Parks and recreation total</i>	-	650	81	569
<i>Capital outlay</i>	-	623	355	268
Total expenditures	-	23,006	5,778	17,228
Excess (deficiency) of revenues over (under) expenditures	-	(23,006)	8	23,014
OTHER FINANCING USES				
Transfers (out)	-	(10)	-	10
Sale of capital assets	-	-	1	1
Total other financing uses	-	(10)	1	11
Net change in fund balance	\$ -	\$ (23,016)	9	\$ 23,025
Fund balance at beginning of year (restated)			11,164	
Decrease in inventory			(8)	
Fund balance at year end			<u>\$ 11,165</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Toledo City Parks
For the Year Ended December 31, 2019
(Amounts in Thousands)

	Budgeted amounts		Actuals	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance at beginning of year			\$ 99	
Fund balance at year end			\$ 99	

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, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Grants	\$ -	\$ -	\$ 1,573	\$ 1,573
Other revenue	-	-	524	524
Total revenues	<u>-</u>	<u>-</u>	<u>2,097</u>	<u>2,097</u>
EXPENDITURES				
Current:				
Community environment				
Housing division				
Personnel services	169	353	104	249
Materials and supplies	9	50	6	44
Contractual services	<u>1,902</u>	<u>6,319</u>	<u>1,279</u>	<u>5,040</u>
Total expenditures	<u>2,080</u>	<u>6,722</u>	<u>1,389</u>	<u>5,333</u>
Net change in fund balance	<u>\$ (2,080)</u>	<u>\$ (6,722)</u>	708	<u>\$ 7,430</u>
Fund balance at beginning of year			671	
Fund balance at year end			<u>\$ 1,379</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Right of Way
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<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 in	\$ -	\$ -	\$ 225	\$ 225
Transfers (out)	(225)	(225)	(225)	-
Total other financing sources (uses)	<u>(225)</u>	<u>(225)</u>	<u>-</u>	<u>225</u>
Net change in fund balance	<u>\$ (225)</u>	<u>\$ (225)</u>	<u>-</u>	<u>\$ 225</u>
Fund balance at beginning of year			<u>26</u>	
Fund balance at year end			<u>\$ 26</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Downtown Toledo Parking
For the Year Ended December 31, 2019
(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				
Other revenue	\$ -	\$ -	\$ 165	\$ 165
Total revenues	<u>-</u>	<u>-</u>	<u>165</u>	<u>165</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 165	 <u>\$ 165</u>
 Fund balance at beginning of year			 <u>-</u>	
Fund balance at year end			<u>\$ 165</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Debt Service Funds
Jeep Municipal Public Improvement TIF
For the Year Ended December 31, 2019
(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	\$ -	\$ -	\$ 3,082	\$ 3,082
Total revenues	<u>-</u>	<u>-</u>	<u>3,082</u>	<u>3,082</u>
EXPENDITURES				
Debt service:				
Principal retirement	480	480	480	-
Interest and fiscal charges	238	238	238	-
Total expenditures	<u>718</u>	<u>718</u>	<u>718</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(718)</u>	<u>(718)</u>	<u>2,364</u>	<u>3,082</u>
OTHER FINANCING SOURCES (USES)				
Issuance of bonds and loans	-	-	3,640	3,640
Premiums on bonds issued	-	-	505	505
Payments to escrow agents	-	(4,144)	(4,144)	-
Total other financing sources (uses)	<u>-</u>	<u>(4,144)</u>	<u>1</u>	<u>-</u>
Net change in fund balance	<u>\$ (718)</u>	<u>\$ (4,862)</u>	<u>2,365</u>	<u>\$ 7,227</u>
Fund balance (deficit) at beginning of year			<u>(17,155)</u>	
Fund balance (deficit) at year end			<u>\$ (14,790)</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Debt Service Funds
General Obligation
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt service:				
Principal retirement	\$ -	\$ -	\$ 10,660	\$ (10,660)
Interest and fiscal charges	-	-	4,612	(4,612)
Total expenditures	<u>-</u>	<u>-</u>	<u>15,272</u>	<u>(15,272)</u>
Excess of expenditures over revenues	<u>-</u>	<u>-</u>	<u>(15,272)</u>	<u>(15,272)</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	15,478	15,478
Issuance of bonds and loans	-	-	3,471	3,471
Premiums on bonds issued	-	-	1,902	1,902
Payments to escrow agents	<u>-</u>	<u>(5,330)</u>	<u>(5,330)</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>(5,330)</u>	<u>15,521</u>	<u>20,851</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (5,330)</u>	249	<u>\$ 5,579</u>
Fund balance at beginning of year			93	
Fund balance at year end			<u>\$ 342</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Debt Service Funds
Special Assessment
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special assessments	\$ -	\$ -	\$ 2	\$ 2
Total revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
EXPENDITURES				
Current:				
Debt service:				
Principal retirement	15	15	15	-
Interest and fiscal charges	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total expenditures	<u>16</u>	<u>16</u>	<u>16</u>	<u>-</u>
Net change in fund balance	<u>\$ (16)</u>	<u>\$ (16)</u>	(14)	<u>\$ 2</u>
Fund balance at beginning of year			<u>205</u>	
Fund balance at year end			<u>\$ 191</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Capital Projects Funds
Special Assessment Improvements
For the Year Ended December 31, 2019
(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	\$ -	\$ -	\$ 222	\$ 222
Total revenues	<u>-</u>	<u>-</u>	<u>222</u>	<u>222</u>
EXPENDITURES				
Capital outlay				
Engineering services				
Personnel services	111	110	108	2
Contractual services	41	1,146	563	583
Capital outlay total	<u>152</u>	<u>1,256</u>	<u>671</u>	<u>585</u>
Debt service:				
Principal retirement	1,385	1,385	-	1,385
Interest and fiscal charges	41	41	40	1
Debt service total	<u>1,426</u>	<u>1,426</u>	<u>40</u>	<u>1,386</u>
Total expenditures	<u>1,578</u>	<u>2,682</u>	<u>711</u>	<u>1,971</u>
Net change in fund balance	<u>\$ (1,578)</u>	<u>\$ (2,682)</u>	(489)	<u>\$ 2,193</u>
Fund balance (deficit) at beginning of year			(2,306)	
Fund balance (deficit) at year end			<u>\$ (2,795)</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Capital Projects Funds
Franklin Park/Westfield Municipal Public Improvement TIF
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ 2,226	\$ 2,226
Total revenues	<u>-</u>	<u>-</u>	<u>2,226</u>	<u>2,226</u>
EXPENDITURES				
Capital outlay				
Engineering services				
Contractual services	-	5,900	2,399	3,501
Engineering services total	<u>-</u>	<u>5,900</u>	<u>2,399</u>	<u>3,501</u>
Transportation				
Contractual services	-	1,049	65	984
Transportation total	<u>-</u>	<u>1,049</u>	<u>65</u>	<u>984</u>
<i>Capital outlay total</i>	<u>-</u>	<u>6,949</u>	<u>2,464</u>	<u>4,485</u>
Total expenditures	<u>-</u>	<u>6,949</u>	<u>2,464</u>	<u>4,485</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6,949)</u>	(238)	<u>\$ 6,711</u>
Fund balance at beginning of year			12,754	
Fund balance at year end			<u>\$ 12,516</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Permanent Fund
Cemetery Perpetual Care
For the Year Ended December 31, 2019
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year			\$ 696	
Fund balance at year end			<u>\$ 696</u>	

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**STATISTICAL
SECTION**

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City of Toledo, Ohio

Statistical Section

This part of the City of Toledo, Ohio'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.

<u>Contents</u>	<u>Tables</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	220 - 229
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	230 - 240
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.	242 - 250
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.	251 - 252
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.	253 - 257

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

	<u>2019</u>	<u>2018 (4)</u>	<u>2017 (3)</u>	<u>2016 (2)</u>
Governmental activities:				
Net investment in capital assets	\$ 387,222	\$ 374,777	\$ 397,325	\$ 327,948
Restricted	84,887	76,880	49,575	60,434
Unrestricted	<u>(348,708)</u>	<u>(494,892)</u>	<u>(493,824)</u>	<u>(216,715)</u>
Total governmental activities	<u><u>123,401</u></u>	<u><u>(43,235)</u></u>	<u><u>(46,924)</u></u>	<u><u>171,667</u></u>
Business-type activities:				
Net investment in capital assets	496,629	471,255	425,274	451,710
Restricted	74,748	45,714	115,302	51,990
Unrestricted	<u>98,441</u>	<u>100,169</u>	<u>26,925</u>	<u>31,550</u>
Total business-type activities	<u><u>669,818</u></u>	<u><u>617,138</u></u>	<u><u>567,501</u></u>	<u><u>535,250</u></u>
Primary government activities:				
Net investment in capital assets	883,851	846,032	822,599	779,658
Restricted	159,635	122,594	164,877	112,424
Unrestricted	<u>(250,267)</u>	<u>(394,723)</u>	<u>(466,899)</u>	<u>(185,165)</u>
Total primary government activities	<u><u>\$ 793,219</u></u>	<u><u>\$ 573,903</u></u>	<u><u>\$ 520,577</u></u>	<u><u>\$ 706,917</u></u>

- (1) Amounts have been restated to reflect the implementation of GASB Statements No. 68 and 71, which were implemented in 2015 and for prior period adjustment posted in 2015.
- (2) Amounts have been restated to reflect prior period adjustments.
- (3) Amounts have been restated to reflect the implementation of GASB Statements No. 75, which was implemented in 2018 and for prior period adjustment posted in 2017.
- (4) Amounts for Business-Type activities have been reclassified between restricted and net investment in capital assets to properly report unspent bond proceeds.

2015	2014 (1)	2013	2012	2011	2010
\$ 349,748	\$ 377,025	\$ 379,066	\$ 368,093	\$ 342,304	\$ 343,145
49,575	58,721	59,009	81,257	65,509	73,630
(196,638)	(198,341)	26,195	18,429	31,418	5,002
<u>202,685</u>	<u>237,405</u>	<u>464,270</u>	<u>467,779</u>	<u>439,231</u>	<u>421,777</u>
404,882	391,748	372,533	388,287	383,122	388,160
75,073	89,146	88,854	33,221	7,476	31,760
14,429	(17,624)	5,265	17,424	29,078	6,676
<u>494,384</u>	<u>463,270</u>	<u>466,652</u>	<u>438,932</u>	<u>419,676</u>	<u>426,596</u>
754,630	768,773	751,599	756,380	725,426	731,305
124,648	147,867	147,863	114,478	72,985	105,390
(182,209)	(215,965)	31,460	35,853	60,496	11,678
<u>\$ 697,069</u>	<u>\$ 700,675</u>	<u>\$ 930,922</u>	<u>\$ 906,711</u>	<u>\$ 858,907</u>	<u>\$ 848,373</u>

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

	2019	2018	2017	2016
Government activities				
Charges for services:				
General government	\$ 21,544	\$ 21,461	\$ 15,612	\$ 14,616
Public service	27,097	27,125	28,858	29,997
Public safety	19,633	19,098	19,282	16,715
Public utilities	-	1	-	-
Community environment	2,387	3,440	3,021	2,875
Health	8,642	13,407	13,476	12,507
Parks and recreation	456	130	122	68
Operating grants	4,070	4,765	4,358	7,698
Capital grants	35,208	19,155	17,964	15,786
Total governmental activities program revenues	<u>119,037</u>	<u>108,582</u>	<u>102,693</u>	<u>100,262</u>
Business-type activities:				
Charges for services:				
Water	78,648	80,270	79,468	72,878
Sewer	87,890	81,954	77,709	73,438
Storm utility	10,099	9,831	10,115	9,885
Utilities administration	18,192	17,867	17,628	17,706
Parking	-	-	-	-
Toledo public power	630	814	1,049	631
Property management	-	-	-	11
Erie street market	-	-	-	2
Small business development	-	-	-	-
Municipal Tow lot	2,652	2,333	2,247	2,219
Capital grants	1,708	1,988	1,178	343
Total business-type activities revenues	<u>199,819</u>	<u>195,057</u>	<u>189,394</u>	<u>177,113</u>
Total primary governmental revenues	<u>\$ 318,856</u>	<u>\$ 303,639</u>	<u>\$ 292,087</u>	<u>\$ 277,375</u>
Government-type activities				
General government	\$ 32,651	\$ 30,167	\$ 22,753	\$ 24,154
Public service	71,781	58,908	60,478	64,777
Public safety	33,072	205,485	193,527	211,044
Public utilities	7,193	5,748	3,567	3,735
Community environment	23,193	19,430	19,005	20,944
Health	13,360	11,871	9,302	9,561
Parks and recreation	8,729	4,392	2,871	5,202
Interest and fiscal charges	6,265	7,022	8,329	9,076
Total governmental activities expenses	<u>196,244</u>	<u>343,023</u>	<u>319,832</u>	<u>348,493</u>
Business-type activities				
Water	64,075	63,263	60,012	56,931
Sewer	64,042	65,316	57,838	58,723
Utility administration	14,088	12,261	12,113	11,721
Storm utility	8,935	7,924	7,698	6,638
Parking	-	-	-	-
Property management	753	471	568	652
Small business development	135	8	6	47
Toledo public power	701	787	710	543
Municipal Tow lot	1,056	988	1,084	1,089
Erie street market	-	-	-	9
Total business-activities expenses	<u>153,785</u>	<u>151,018</u>	<u>140,029</u>	<u>136,353</u>
Total primary government expenses	<u>\$ 350,029</u>	<u>\$ 494,041</u>	<u>\$ 459,861</u>	<u>\$ 484,846</u>

	2015	2014	2013	2012	2011	2010
\$	17,835	\$ 22,583	\$ 37,121	\$ 72,061	\$ 41,828	\$ 46,960
	27,852	21,517	26,198	-	25,381	26,003
	15,338	17,406	17,042	15,907	12,748	9,363
	14	22	-	351	-	-
	2,440	2,389	2,527	2,928	8,044	5,421
	10,454	10,575	11,709	9,813	11,221	11,184
	479	138	164	635	206	200
	9,022	14,160	20,492	29,533	35,731	12,675
	19,996	14,486	10,630	16,590	4,509	33,739
	<u>103,430</u>	<u>103,276</u>	<u>125,883</u>	<u>147,818</u>	<u>139,668</u>	<u>145,545</u>
	63,323	57,205	52,476	44,112	43,250	42,487
	70,863	69,890	69,719	66,608	65,608	57,354
	9,921	11,046	9,620	10,331	10,234	9,798
	16,222	12,163	9,945	12,462	11,323	10,071
	-	-	-	-	1,887	1,383
	688	774	588	136	-	-
	-	1,745	-	-	24	470
	97	107	146	115	197	177
	-	8	-	-	-	-
	1,854	2,566	2,536	2,007	1,929	1,911
	1,524	2,483	640	1,448	2,709	5,423
	<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>267,922</u>	<u>261,263</u>	<u>271,553</u>	<u>285,037</u>	<u>276,829</u>	<u>274,619</u>
\$	23,241	\$ 29,937	\$ 35,031	\$ 28,807	\$ 21,651	\$ 25,421
	68,533	67,217	55,070	34,715	48,606	54,469
	199,620	177,419	173,274	165,810	164,396	157,436
	3,880	3,753	1,876	1,268	493	2
	23,550	21,427	20,090	37,867	27,058	32,543
	7,410	9,743	9,265	19,197	18,012	16,966
	6,388	6,702	6,443	5,419	5,396	6,139
	16,676	7,460	8,003	11,762	14,332	12,060
	<u>349,298</u>	<u>323,658</u>	<u>309,052</u>	<u>304,845</u>	<u>299,944</u>	<u>305,036</u>
	56,417	53,472	46,912	41,997	41,495	39,138
	58,407	63,174	51,310	67,507	64,705	56,888
	11,204	12,176	11,285	7,067	10,608	9,876
	6,673	6,358	6,801	11,291	8,005	4,968
	-	-	-	-	644	820
	678	970	895	1,286	1,691	1,691
	57	52	63	78	380	380
	662	747	567	138	-	-
	1,055	1,056	963	911	986	986
	75	109	48	124	-	-
	<u>135,228</u>	<u>138,114</u>	<u>118,844</u>	<u>130,399</u>	<u>128,514</u>	<u>114,747</u>
\$	<u>484,526</u>	<u>461,772</u>	<u>427,896</u>	<u>435,244</u>	<u>428,458</u>	<u>419,783</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities	\$ (77,207)	\$ (234,441)	\$ (217,139)	\$ (248,230)
Business-type activities	46,034	44,039	49,365	40,760
Total primary governmental revenue (expenses), net	<u>(31,173)</u>	<u>(190,402)</u>	<u>(167,774)</u>	<u>(207,470)</u>
General revenues and other changes in net position:				
Governmental activities:				
Income taxes	190,455	184,098	176,056	175,958
Property taxes	13,072	12,365	12,269	10,059
Unrestricted investments earnings	2,190	2,154	1,164	793
Grants and entitlements not restricted to specific programs	-	-	-	-
Intergovernmental services	31,314	27,972	28,430	29,416
Gain on sale of capital assets	-	-	-	-
Other revenue grants	6,051	11,496	9,317	8,144
Transfers	493	45	(3,892)	(204)
Total government activities	<u>243,575</u>	<u>238,130</u>	<u>223,344</u>	<u>224,166</u>
Business-type activities:				
Unrestricted investments earnings	7,127	5,522	3,150	1,875
Gain on sale of capital assets and	12	121	-	-
Other revenue grants	-	-	-	-
Transfers	(493)	(45)	3,892	204
Total business-type activities	<u>6,646</u>	<u>5,598</u>	<u>7,042</u>	<u>2,079</u>
Total primary governmental general revenues and other changes in net position	<u>250,221</u>	<u>243,728</u>	<u>230,386</u>	<u>226,245</u>
Changes in Net Position				
Governmental activities	166,368	3,689	6,205	(24,064)
Business-type activities	52,680	49,637	56,407	42,839
Total primary governmental net change	<u>\$ 219,048</u>	<u>\$ 53,326</u>	<u>\$ 62,612</u>	<u>\$ 18,775</u>

	2015	2014	2013	2012	2011	2010
\$	(245,868)	\$ (220,382)	\$ (183,169)	\$ (157,027)	\$ (163,464)	\$ (159,491)
	29,264	19,873	26,826	6,820	8,647	14,327
	<u>(216,604)</u>	<u>(200,509)</u>	<u>(156,343)</u>	<u>(150,207)</u>	<u>(154,817)</u>	<u>(145,164)</u>
	171,053	163,653	158,176	158,128	152,864	146,886
	9,793	9,585	9,708	11,361	12,168	12,465
	850	454	508	1,017	1,240	1,605
	-	-	-	5,272	-	-
	24,536	26,740	2,215	-	-	-
	-	167	87	-	859	-
	5,640	10,534	8,728	4,789	4,707	4,572
	(724)	1,200	238	(289)	10,244	534
	<u>211,148</u>	<u>212,333</u>	<u>179,660</u>	<u>180,278</u>	<u>182,082</u>	<u>166,062</u>
	1,078	1,818	1,132	937	1,092	781
	48	673	-	-	-	-
	-	-	-	-	(6,836)	(6)
	724	(1,200)	(238)	289	(10,244)	(534)
	<u>1,850</u>	<u>1,291</u>	<u>894</u>	<u>1,226</u>	<u>(15,988)</u>	<u>241</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>
	(34,720)	(8,049)	(3,509)	23,251	18,618	6,571
	31,114	21,164	27,720	8,046	(7,341)	14,568
\$	<u>(3,606)</u>	<u>\$ 13,115</u>	<u>\$ 24,211</u>	<u>\$ 31,297</u>	<u>\$ 11,277</u>	<u>\$ 21,139</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 1,760	\$ 1,632	\$ 1,189	\$ 1,158
Restricted	3,825	3,748	3,764	3,814
Committed	13,045	16,676	9,480	4,754
Assigned	6,428	-	-	-
Unassigned (deficit)	21,564	18,432	7,755	6,028
Total general fund	<u>46,622</u>	<u>40,488</u>	<u>22,188</u>	<u>15,754</u>
Capital Improvement Fund				
Nonspendable	1,233	1,063	1,056	1,147
Restricted	49,803	41,541	49,833	44,496
Total capital improvement fund	<u>51,036</u>	<u>42,604</u>	<u>50,889</u>	<u>45,643</u>
Special Assessment Services Fund				
Nonspendable	3,553	3,453	2,243	2,145
Restricted	535	712	673	377
Unassigned (deficit)	(63,169)	(61,618)	(60,546)	(62,194)
Total special assessment services fund	<u>(59,081)</u>	<u>(57,453)</u>	<u>(57,630)</u>	<u>(59,672)</u>
Nonmajor Governmental Funds				
Nonspendable	1,634	1,682	1,698	1,520
Restricted	43,062	43,435	39,634	35,651
Committed	1,800	1,725	1,359	1,392
Unassigned (deficit)	(17,585)	(19,461)	(18,780)	(18,015)
Total nonmajor governmental funds	<u>28,911</u>	<u>27,381</u>	<u>23,911</u>	<u>20,548</u>
Total fund balance governmental funds	<u>\$ 67,488</u>	<u>\$ 53,020</u>	<u>\$ 39,358</u>	<u>\$ 22,273</u>

2015	2014	2013	2012	2011	2010
\$ 1,204	\$ 1,594	\$ 1,143	\$ 850	\$ 712	\$ 697
4,771	5,317	5,420	5,406	5,376	5,320
1,948	1,553	326	326	-	-
-	-	-	-	-	-
2,255	1,331	1,088	(1,574)	(5,762)	(19,729)
10,178	9,795	7,977	5,008	326	(13,712)
1,053	1,117	1,239	1,005	782	856
21,607	18,023	18,062	43,191	34,896	23,379
22,660	19,140	19,301	44,196	35,678	24,235
4,074	3,956	1,743	2,864	1,438	1,807
-	280	1,509	218	384	4,977
(64,667)	(61,144)	(54,046)	(53,293)	(53,153)	(56,328)
(60,593)	(56,908)	(50,794)	(50,211)	(51,331)	(49,544)
1,726	1,957	889	912	623	1,417
23,213	23,403	25,080	19,876	18,699	8,961
10,114	15,559	13,993	12,462	12,542	13,179
(2,041)	(2,775)	(2,447)	(2,359)	(1,996)	(9,097)
33,012	38,144	37,515	30,891	29,868	14,460
\$ 5,257	\$ 10,171	\$ 13,999	\$ 29,884	\$ 14,541	\$ (24,561)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues:				
Income taxes	\$ 189,434	\$ 183,618	\$ 176,362	\$ 175,679
Property taxes	12,642	12,223	12,025	10,733
Special assessments	28,977	27,386	29,188	30,449
Licenses and permits	2,964	3,213	2,942	2,870
Intergovernmental services	39,101	35,863	37,561	34,325
Charges for services	30,045	29,434	30,202	29,416
Investment earnings	2,512	2,154	1,164	793
Fines and forfeitures	10,824	11,737	11,429	9,113
Grants	35,329	25,599	21,056	25,876
Other revenue	8,624	7,631	6,375	7,362
Total revenues	<u>360,452</u>	<u>338,858</u>	<u>328,304</u>	<u>326,616</u>
Expenditures:				
General government	27,192	25,685	24,436	24,667
Public services	44,956	40,771	37,912	39,566
Public safety	178,826	161,819	167,086	170,181
Public utilities	45	300	2	30
Community environment	21,023	18,512	17,801	19,254
Health	10,401	9,991	9,932	7,243
Parks and recreation	3,289	2,948	2,700	2,813
Capital outlay	48,526	42,272	32,925	32,406
Debt service:				
Principal	15,346	18,319	18,530	18,466
Interest and fiscal charges	6,785	6,902	7,391	7,052
Debt issuance costs	394	-	165	185
Total expenditures	<u>356,783</u>	<u>327,519</u>	<u>318,880</u>	<u>321,863</u>
Excess of revenues over (under) expenditures	3,669	11,339	9,424	4,753
Other financing sources (uses):				
Transfers in	60,087	58,534	64,165	60,160
Transfers out	(59,594)	(58,489)	(68,057)	(60,364)
Issuance of debt	23,640	236	8,176	24,229
Premium on bond	2,407	230	771	2,806
Capital lease proceeds	-	-	2,200	-
Payments to escrow	(16,759)	-	-	(10,284)
Sale of capital assets	386	207	190	-
Total other financing sources (uses)	<u>10,167</u>	<u>718</u>	<u>7,445</u>	<u>16,547</u>
Net change in fund balance	<u>\$ 13,836</u>	<u>\$ 12,057</u>	<u>\$ 16,869</u>	<u>\$ 21,300</u>
Debt services as a percentage of noncapital expenditures	7.0%	8.8%	9.2%	9.7%

	2015	2014	2013	2012	2011	2010
\$	169,045	\$ 164,787	\$ 158,775	\$ 158,523	\$ 153,581	\$ 144,581
	9,911	9,552	9,598	11,381	11,845	11,936
	24,374	21,822	25,450	23,925	25,691	26,592
	2,459	2,476	2,414	2,283	2,303	2,363
	35,953	35,358	38,020	37,589	38,861	76,659
	28,515	27,532	28,130	27,249	27,987	24,347
	850	454	508	1,007	1,240	1,605
	7,032	7,491	8,590	7,952	5,829	5,648
	31,670	30,873	27,499	45,775	47,464	-
	5,485	10,104	8,505	4,538	4,544	4,277
	<u>315,294</u>	<u>310,449</u>	<u>307,489</u>	<u>320,222</u>	<u>319,345</u>	<u>298,008</u>
	25,925	26,951	28,465	17,392	15,923	15,844
	43,866	41,760	35,062	34,660	36,599	34,834
	170,965	168,872	163,565	165,245	172,055	159,374
	-	8	1	1	7	2
	21,070	20,969	19,273	27,799	26,047	31,079
	7,747	7,939	7,940	18,019	17,344	13,727
	2,845	2,959	3,487	3,018	2,791	2,660
	40,235	41,991	53,174	48,647	20,740	44,303
	21,076	25,523	23,307	27,401	18,329	25,396
	8,359	6,983	7,124	10,435	13,343	11,913
	-	219	-	-	-	-
	<u>342,088</u>	<u>344,174</u>	<u>341,398</u>	<u>352,617</u>	<u>323,178</u>	<u>339,132</u>
	(26,794)	(33,725)	(33,909)	(32,395)	(3,833)	(41,124)
	67,122	72,899	70,140	73,235	76,615	63,947
	(67,846)	(71,699)	(69,902)	(73,524)	(63,921)	(63,414)
	26,044	22,884	14,046	41,455	763	19,933
	2,784	1,972	884	1,498	89	171
	4,540	948	3,386	3,001	231	-
	(10,181)	-	-	-	-	-
	1	167	87	-	12,129	101
	<u>22,464</u>	<u>27,171</u>	<u>18,641</u>	<u>45,665</u>	<u>25,906</u>	<u>20,738</u>
\$	<u>(4,330)</u>	<u>(6,554)</u>	<u>(15,268)</u>	<u>13,270</u>	<u>22,073</u>	<u>(20,386)</u>
	10.8%	12.1%	11.8%	14.2%	11.7%	14.5%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Income taxes	\$ 189,434	\$ 183,618	\$ 176,362	\$ 175,679
Property taxes	12,642	12,223	12,025	9,906
Special assessments	28,977	27,386	29,188	30,449
Licenses and permits	2,964	3,213	2,942	2,870
Intergovernmental services	39,101	35,863	37,561	35,152
Charges for services	30,045	29,434	30,202	29,416
Investment earnings	2,512	2,154	1,164	793
Fines and forfeitures	10,824	11,737	11,429	9,113
Grants	35,329	25,599	21,056	25,876
Other revenue	8,624	7,631	6,375	7,362
Total	<u>\$ 360,452</u>	<u>\$ 338,858</u>	<u>\$ 328,304</u>	<u>\$ 326,616</u>

2015	2014	2013	2012	2011	2010
\$ 169,045	\$ 164,787	\$ 158,775	\$ 158,523	\$ 153,581	\$ 144,581
9,911	9,552	9,598	11,381	11,845	11,936
24,374	21,822	25,451	23,925	25,691	26,592
2,459	2,476	2,414	2,283	2,303	2,363
35,953	35,358	38,020	37,589	40,371	42,521
28,515	27,532	28,130	27,249	27,987	24,347
850	454	508	1,007	856	1,605
7,032	7,491	8,590	7,952	5,829	5,648
31,670	30,873	27,859	45,775	46,563	34,138
5,485	10,104	8,505	4,538	5,101	4,277
\$ 315,294	\$ 310,449	\$ 307,850	\$ 320,222	\$ 320,127	\$ 298,008

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Withholding	\$ 160,346	\$ 156,398	\$ 148,903	\$ 147,099
Utility	-	-	-	-
Business	20,674	19,502	19,821	20,735
Individuals	8,414	7,718	7,638	7,845
Total	<u>\$ 189,434</u>	<u>\$ 183,618</u>	<u>\$ 176,362</u>	<u>\$ 175,679</u>

2015	2014	2013	2012	2011	2010
\$ 145,346	\$ 139,396	\$ 131,343	\$ 128,215	\$ 129,855	\$ 124,108
-	-	10	1,867	321	589
16,330	18,898	19,710	19,956	15,468	13,051
7,369	6,493	7,712	8,485	7,937	6,833
<u>\$ 169,045</u>	<u>\$ 164,787</u>	<u>\$ 158,775</u>	<u>\$ 158,523</u>	<u>\$ 153,581</u>	<u>\$ 144,581</u>

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

Tax Collection Year	Real Property		Public Utility		Personal Property*	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value ¹	Assessed Value	Estimated Actual Value
2019	\$ 3,094,411	\$ 8,841,174	\$ 238,116	\$ 952,464	\$ -	\$ -
2018	3,104,398	8,869,709	215,375	861,500	-	-
2017	2,984,595	8,527,414	188,321	753,284	-	-
2016	2,994,559	8,555,883	167,719	670,876	-	-
2015	3,039,205	8,683,443	161,170	644,680	-	-
2014	3,060,991	8,745,689	150,560	602,241	-	-
2013	3,096,856	8,848,545	135,380	541,518	-	-
2012	3,629,878	10,371,080	123,218	492,972	-	-
2011	3,687,360	10,535,314	118,417	338,334	-	-
2010	3,741,678	10,690,509	112,681	450,724	8,483	1,022,045

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

Source: Lucas County Auditor

	Total		Ratio of Total	Direct
Assessed Value	Estimated Actual Value	Assessed Value to Total Estimated Actual Value	Tax Rate	
\$ 3,332,527	\$ 9,793,638	34.0%	4.4	
3,319,773	9,731,209	34.1%	4.4	
3,172,916	9,280,698	34.2%	4.4	
3,162,278	9,226,759	34.3%	4.4	
3,200,375	9,328,123	34.3%	4.4	
3,211,551	9,347,930	34.4%	4.4	
3,232,265	9,390,063	34.4%	4.4	
3,753,096	10,864,052	34.6%	4.4	
3,805,777	10,873,648	35.0%	4.4	
3,862,842	12,163,278	31.8%	4.4	

Table 8
City of Toledo, Ohio
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years¹
(Rate Per \$1,000 of Assessed Value)

Overlapping Subdivisions	2019	2018	2017	2016
City of Toledo				
General Fund	3.80	3.80	3.80	3.80
Police Pension	0.30	0.30	0.30	0.30
Fire Pension	0.30	0.30	0.30	0.30
Sub-Total - Toledo City	4.40	4.40	4.40	4.40
Regional Transit	2.50	2.50	2.50	2.50
Port Authority	0.40	0.40	0.40	0.40
Lucas County	17.52	17.37	17.07	17.07
MetroParks	2.30	2.30	2.30	2.30
Toledo-Lucas County Public Library	3.70	3.70	2.90	2.90
Sub-Total District Wide	30.82	30.67	29.57	29.57
 ²School Districts in the City of Toledo				
Maumee City School District	93.95	88.65	88.65	88.65
Ottawa Hills Local School District	139.05	139.05	139.05	140.05
Springfield Local School District	77.66	78.55	80.32	80.53
Sylvania City School District	87.99	88.56	88.45	83.30
Toledo City School District	72.85	73.58	73.58	73.10
Washington Local School District	83.50	83.50	83.50	83.50
 ³ Penta County Career Center	 3.20	 3.20	 3.20	 3.20
 ⁴Recreation Districts in Sylvania Schools; Toledo, Ohio				
Sylvania Joint Recreation District.	2.00	2.11	2.11	2.10
Olander Park	1.00	1.00	0.20	0.70
Sub-Total Recreation Districts	3.00	3.11	2.31	2.80
 Total Rate with Corresponding School District				
Maumee City School District	127.97	122.52	121.42	121.42
Ottawa Hills Local School District	169.87	169.72	168.62	169.62
Springfield Local School District	111.68	112.42	113.09	113.30
Sylvania City School District	121.81	122.34	120.33	115.67
Toledo City School District	103.67	104.25	103.15	102.67
Washington Local School District	114.32	114.17	113.07	113.07

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.

Source: Lucas County Auditor

2015	2014	2013	2012	2011	2010
3.80	3.80	3.80	3.80	3.80	3.80
0.30	0.30	0.30	0.30	0.30	0.30
0.30	0.30	0.30	0.30	0.30	0.30
4.40	4.40	4.40	4.40	4.40	4.40
2.50	2.50	2.50	2.50	2.50	2.50
0.40	0.40	0.40	0.40	0.40	0.40
17.07	16.92	15.07	14.07	14.07	14.07
2.30	2.30	2.30	1.70	1.70	1.70
2.90	2.90	2.90	2.00	2.00	2.00
29.57	29.42	27.57	25.07	25.07	25.07
88.75	84.95	84.55	84.65	79.45	79.45
142.65	142.65	135.65	134.75	133.05	126.05
74.75	75.15	75.15	75.05	75.05	70.85
83.50	83.60	83.60	83.00	78.30	67.70
73.10	67.40	67.40	65.90	67.70	67.70
83.50	78.60	78.60	78.60	73.70	73.70
3.20	3.20	3.20	3.20	3.20	3.20
2.10	2.10	2.10	1.65	1.65	1.62
0.70	0.70	0.70	0.70	0.70	0.70
2.80	2.80	2.80	2.35	2.35	2.32
121.52	117.57	115.32	112.92	107.72	107.72
172.22	172.07	163.22	159.82	158.12	151.12
107.52	107.77	105.92	103.32	103.32	99.12
115.87	115.82	113.97	110.42	105.72	95.09
102.67	96.82	94.97	90.97	92.77	92.77
113.07	108.02	106.17	103.67	98.77	98.77

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Nonprofit	\$ 15,904	\$ 15,685	\$ 15,482	\$ 17,014
Hospital	9,479	8,561	8,775	8,663
Manufacturing	27,076	25,073	21,918	23,787
Government	9,145	9,426	8,811	8,596
Services	19,262	20,190	18,196	15,807
Retail	1,359	1,687	1,560	1,294
Banking	841	871	840	840
Grocery	698	684	728	670
Transportation	634	419	379	361
Technology	-	-	-	-
Utility	208	-	367	-
Construction	-	124	201	230
Total	<u>\$ 84,606</u>	<u>\$ 82,720</u>	<u>\$ 77,257</u>	<u>\$ 77,262</u>

2015	2014	2013	2012	2011	2010
\$ 14,835	\$ 14,155	\$ 12,870	\$ 14,674	\$ 13,405	\$ 14,092
8,579	8,293	9,751	9,333	13,159	12,494
22,910	21,799	18,242	14,887	16,576	15,211
8,555	8,390	9,137	10,156	10,078	10,107
16,964	16,242	13,897	13,071	9,960	6,872
1,346	1,389	1,166	1,452	1,266	1,184
897	1,109	1,212	1,080	969	911
723	740	775	819	732	751
440	423	392	548	385	348
-	-	-	-	343	356
-	-	-	-	-	-
-	-	-	-	-	-
\$ 75,249	\$ 72,540	\$ 67,442	\$ 66,020	\$ 66,873	\$ 62,326

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	Delinquent Collections	Amount of Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2019	\$ 14,607	\$ 13,561	92.8%	\$ 711	\$ 14,272	97.7%
2018	13,955	12,988	93.1%	721	13,709	98.2%
2017	13,961	12,903	92.4%	720	13,623	97.6%
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%

Source: Lucas County Auditor

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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			
	General Obligation Bonds ⁴	Non-Taxable Revenue Bonds ⁴	Assessed Services Notes ³	General Fund Capital Projects Loans & Leases
2019	\$ 112,571	\$ 12,358	\$ 40,600	\$ 9,310
2018	119,821	8,795	40,200	13,657
2017	127,766	1,370	39,100	30,259
2016	140,345	2,020	38,500	34,924
2015	131,146	2,650	40,100	49,023
2014	123,648	3,250	40,700	49,652
2013	116,597	-	35,800	52,644
2012	123,859	-	35,600	47,640
2011	118,845	-	39,960	47,909
2010	130,166	-	41,060	52,716

Fiscal Year	Total Primary Government Debt	Percentage of Personal Income ²	Per Capita ²
2019	\$ 1,026,091	5.2%	2,407
2018	998,365	3.7%	1,659
2017	997,916	3.8%	1,651
2016	1,014,214	4.0%	1,683
2015	850,140	3.4%	1,382
2014	894,646	5.3%	2,046
2013	864,589	5.3%	1,990
2012	659,398	4.4%	1,549
2011	577,411	4.0%	1,408
2010	584,440	4.0%	1,406

Notes:

¹Information regarding outstanding debt can be found in Notes 8 & 9 of the financial statements. Short-term general obligation notes for 2017 and 2018 have been removed from this schedule in 2019

²Table 16 contains personal income and per capita data.

³These are long-term notes due in greater than one year from the issue date.

⁴Includes unamortized premiums on debt issuance

Business Type Activities						Total Primary Government Debt
Water Revenue Bonds ⁴	Sanitary Sewer Revenue Bonds ⁴	General Obligation Bonds ⁴	Bond Anticipation Notes ³	Capital Projects Loans	Capital Leases	
\$ 321,714	\$ 9,758	\$ 9,081	\$ 30,000	\$ 478,074	\$ 2,625	\$ 1,026,091
333,657	10,693	10,082	-	458,767	2,693	998,365
342,553	11,582	11,038	-	431,491	2,757	997,916
351,137	14,689	15,749	-	414,034	2,816	1,014,214
261,550	16,635	16,895	-	332,021	120	850,140
287,273	20,553	18,204	-	350,789	577	894,646
295,462	23,385	19,192	-	320,493	1,016	864,589
110,086	26,011	28,553	-	277,491	10,158	659,398
67,439	28,514	21,022	-	242,636	11,086	577,411
72,909	30,932	23,449	-	216,342	16,866	584,440

Table: 12
City of Toledo, Ohio
Ratio of Net General Bonded Debt to Assessed Value¹
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 Debt⁴	Less Balance in Debt Service Fund³	General Bonded Debt
2019	278,733	3,332,527	121,652	-	121,652
2018	276,491	3,319,773	129,903	-	129,903
2017	276,491	3,172,916	138,804	-	138,804
2016	279,217	3,162,278	156,094	-	156,094
2015	279,789	3,200,375	141,852	(994)	142,846
2014	281,031	3,211,552	141,120	-	141,120
2013	287,208	3,232,265	142,560	-	142,560
2012	287,208	3,753,096	142,184	-	142,184
2011	287,208	3,805,777	143,832	(190)	144,022
2010	287,208	4,128,523	152,563	(118)	152,681

¹Personal Property values were completely phased out after 2010.

²Source: Lucas County Auditor.

³The City pays general bonded debt service from current income tax revenues.

⁴Includes unamortized premiums on debt issuance.

Net Bonded Debt to Assessed Value	Bonded Debt Per Capita
3.7%	436.45
3.9%	469.83
4.4%	502.02
4.9%	559.04
4.5%	510.55
4.4%	502.15
4.4%	496.37
3.8%	495.06
3.8%	501.46
3.7%	531.60

Table 13
City of Toledo, Ohio
Computation of Direct and Overlapping Debt
at December 31, 2019
(Amounts in Thousands)

	<u>Amount of Debt</u>	<u>Applicable To City</u>	<u>City's Share</u>
Total direct debt	\$ 174,839	100.00%	\$ 174,839
Subdivision overlapping debt: **			
Toledo City School District	111,790	70.39%	78,689
Lucas County	97,708	42.49%	41,516
Sylvania City School District	71,165	3.24%	2,306
Maumee City School District	22,960	1.35%	310
Springfield Local School District	4,325	1.87%	81
Sylvania Area Joint Recreation Dist	6,240	3.24%	202
Total subdivision overlapping debt	<u>314,188</u>		<u>123,104</u>
Total direct and overlapping debt	<u>\$ 489,027</u>		<u>\$ 297,943</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

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

	<u>2019</u>	<u>2018</u>	<u>2017¹</u>	<u>2016¹</u>
Debt limit	\$ 349,915	\$ 348,576	\$ 333,005	\$ 333,156
Total net debt applicable to limit	<u>112,305</u>	<u>121,375</u>	<u>133,055</u>	<u>141,125</u>
Legal debt margin	<u>\$ 237,610</u>	<u>\$ 227,201</u>	<u>\$ 199,950</u>	<u>\$ 192,031</u>
Total net debt applicable to limit as a percentage of legal debt margin	47.26%	53.42%	66.54%	73.49%

Debt limit calculation for 2019

Assessed value	\$ 3,332,527
Debt Limit (10.5% of assessed value)	<u>X 10.5%</u>
Debt limit	<u><u>349,915</u></u>

¹ Debt limit and/or net debt applicable to limit has been revised from amounts previously reported.

<u>2015¹</u>	<u>2014</u>	<u>2013¹</u>	<u>2012</u>	<u>2011</u>	<u>2010¹</u>
\$ 332,039	\$ 336,039	\$ 337,213	\$ 339,388	\$ 394,075	\$ 399,607
140,879	143,540	141,120	145,180	138,879	146,401
<u>\$ 191,160</u>	<u>\$ 192,499</u>	<u>\$ 196,093</u>	<u>\$ 194,208</u>	<u>\$ 255,196</u>	<u>\$ 253,206</u>
73.70%	74.57%	71.97%	74.75%	54.42%	57.82%

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

Business-Type Activities										
Fiscal Year	Utility Service Income	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage			
				Principal	Interest					
Water Revenue Bonds										
2019	\$ 78,648	\$ 44,994	\$ 33,654	\$ 8,975	\$ 14,448	\$ 23,423	1.4			
2018	80,270	42,353	37,917	8,605	14,828	23,433	1.6			
2017	79,468	39,596	39,872	7,420	15,643	23,063	1.7			
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			
Sewer Revenue Bonds										
2019	\$ 87,890	\$ 38,103	\$ 49,787	\$ 865	\$ 458	\$ 1,323	37.6			
2018	81,954	36,488	45,466	830	477	1,307	34.8			
2017	77,709	32,806	44,903	2,975	573	3,548	12.7			
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			
Governmental Activities										
Fiscal Year	Total General Fund Revenues	Less: Income and Property Tax Revenue	Net Available Revenue	Debt Service		Total	Coverage			
				Principal	Interest					
Non-Tax Revenue Bonds										
2019	\$ 267,549	\$ 202,076	\$ 65,473	\$ 695	\$ 24	\$ 719	91.1			
2018	259,627	195,841	63,786	675	47	722	88.3			
2017	250,968	188,387	62,581	650	70	720	86.9			

Notes: The Governmental Activities Non-Tax Revenue Bonds were issued in December 2019. No principal or interest payments were made in 2019.

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
2019	278,733	\$ 19,900,137	\$ 46,290	35.1	23,324	4.0%
2018	276,491	27,065,000	44,834	35.2	23,096	5.7%
2017	276,491	26,301,910	43,458	34.2	21,849	6.5%
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%

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, 2019 and December 31, 2010

Employer	2019		
	Employees	Rank	Percentage of Total MSA Employees
Promedica Health Systems	14,465	1	5.08%
Mercy Health Partners	8,827	2	3.10%
University of Toledo ¹	6,662	3	2.34%
Whirlpool Corporation	6,182	4	2.17%
FCA US LLC	6,159	5	2.16%
Bowling Green State University	3,399	6	1.19%
Marathon Petroleum Co., LLC	3,399	7	1.19%
Cooper Tire & Rubber Co.	3,247	8	1.14%
Sauder Woodworking Company	2,850	9	1.00%
St. Rita's Medical Center	2,492	10	0.87%
Total From Top Ten (10) Employers	57,682		20.24%
All Other Employers	227,318		79.76%
Total Employees	285,000		100.00%
	2010		
	Employees	Rank	Percentage of Total MSA Employment
Promedica Health Systems	11,708	1	3.57%
The University of Toledo Medical Center	6,240	2	1.90%
Mercy Health Partners	5,551	3	1.69%
United Parcel Service	4,500	4	1.37%
Toledo City School District	4,400	5	1.34%
Lucas County	3,360	6	1.02%
Wal-Mart	2,756	7	0.84%
The City of Toledo	2,650	8	0.81%
Chrysler LLC	2,561	9	0.78%
Bowling Green State University	2,378	10	0.73%
Total From Top Ten (10) Employers	46,104		14.05%
All Other Employers	281,896		85.95%
Total Employees	328,000		100.00%

Source: Dun & Bradstreet reports and the Toledo Regional Growth Partnership

¹Medical College of Ohio merged with University of Toledo

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

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>General Government:</u>										
Building Inspection	20	22	22	21	20	19				
City Council	23	23	21	21	21	21				
Diversity & Inclusion	6	5	5	5	4	6				
Economic Development	5	5	6	6	4	6				
Finance										
Accounts	12	11	10	10	11	9				
Budget/Debt/Financial Admin	9	7	8	11	10	10				
ERP	1	1	1	2	2	4				
Purchasing	4	4	3	3	3	7				
Taxation and Treasury	41	40	39	37	41	41				
Subtotal Finance	67	63	61	63	67	71				
Human Resources	17	15	15	16	17	17				
Info/Communications Tech	16	13	15	15	12	12				
Law	27	24	25	23	22	23				
Mayor	11	11	9	9	10	10				
Municipal Court (Clerks)	80	78	76	78	81	81				
Municipal Court (Judges)	104	108	105	104	103	104				
Plan Commission	11	11	10	10	10	9				
Subtotal General Government	387	378	370	371	371	379	263	420	428	423
<u>Public Service:</u>										
Engineering Services	57	58	53	56	59	64				
Fleet and Facilities	85	84	74	75	81	85				
Solid Waste	14	13	12	14	14	14				
Streets, Bridges, and Harbor	183	163	158	162	172	164				
Transportation	40	43	40	40	43	47				
Subtotal Public Service	379	361	337	347	369	374	236	374	381	377
<u>Public Safety:</u>										
Uniformed Fire	541	519	544	544	523	517				
Fire Civilian	99	99	96	88	92	99				
Subtotal Fire	640	618	640	632	615	616				
Uniformed Police	633	627	620	614	628	612				
Police - Civilians	57	61	60	58	58	59				
Subtotal Police	690	688	680	672	686	671				
Subtotal Safety	1,330	1,306	1,320	1,304	1,301	1,287	1,518	1,138	1,160	1,152
<u>Public Utilities:</u>										
Sewer and Drainage	105	108	104	110	104	113				
Utilities Administration	85	86	85	80	76	66				
Water Distribution	120	129	117	126	125	130				
Water Reclamation	94	97	92	96	102	105				
Water Treatment	84	84	81	87	85	80				
Subtotal Public Utilities	488	504	479	499	492	494	641	552	563	564
<u>Community Environment:</u>										
Environmental Services	45	45	41	42	44	44				
Community Relations	1	1	1	1	2	2				
Neighborhoods	48	53	54	56	61	63				
Subtotal Com Environment	94	99	96	99	107	109	101	80	82	79
<u>Parks and Recreation:</u>										
Parks, Forestry, & Recreation	70	67	61	61	67	76	63	64	65	63
Totals	2,748	2,715	2,663	2,681	2,707	2,719	2,822	2,628	2,679	2,658

*Detailed information prior to 2014 is unavailable.

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

Function/Program	2019	2018	2017	2016
General government				
Building permits	2,938	3,788	3,459	2,875
Value of permits (in thousands)	261,495	231,869	328,589	117,100
Total board-ups	850	1,044	1,278	1,195
Total demolitions	445	410	467	469
Police				
Traffic citations	28,094	34,999	32,810	37,269
Red light cameras	123,925	127,689	133,470	87,476
Number of offenses	38,702	39,259	39,180	7,429
911 call volume	318,942	311,778	328,392	354,742
Non-emergency calls	84,754	85,880	99,877	98,521
Fire				
Emergency runs	52,804	52,831	53,904	56,249
Fire runs	6,685	7,046	6,758	6,589
Total runs	59,489	59,877	60,662	62,838
Public Utilities				
Water Customers	128,004	128,000	131,525	123,699
Sewer Customers	115,208	115,000	106,203	117,510
New water connections	49	107	150	349
Water main breaks	337	432	274	319
Average daily water consumption (millions of gallons)	66.0	67.2	66.7	69.0
Average daily water waste treatment (millions of gallons)	73.0	72.2	66.1	63.5
Other public works				
Traffic signs manufactured/installed	23,324	22,555	22,566	17,430
Energy reduction (traffic signals)	1.0%	1.0%	1.0%	1.0%
Traffic signals replaced	512	507	303	285
Traffic signal calls	4,870	3,551	3,825	3,674

Source: Respective city departments

2015	2014	2013	2012	2011	2010
4,162	3,446	3,192	3,492	3,631	4,984
355,428	162,718	101,687	140,436	297,612	168,415
858	1,325	1,152	1,594	774	748
404	265	726	382	412	325
49,165	54,855	59,345	50,418	41,990	23,895
44,621	54,021	63,574	71,664	27,166	20,008
8,183	8,726	9,278	11,944	13,194	35,568
213,987	213,789	225,677	443,697	438,287	389,112
69,783	84,768	87,298	93,843	91,373	87,412
52,059	48,709	47,458	48,949	47,112	41,154
6,839	6,713	6,307	6,930	7,274	6,958
58,898	55,422	53,765	55,879	54,386	48,112
124,574	125,559	126,647	125,343	123,474	129,935
118,418	119,333	120,400	119,275	117,922	107,538
149	198	257	220	715	725
297	377	402	365	300	315
69.3	78.0	78.0	120.0	78.0	75.8
67.9	72.5	62.1	70.0	71.0	70.7
15,321	13,081	13,938	13,000	29,879	29,879
3.5%	9.0%	8.0%	88.0%	17.9%	17.9%
288	336	320	301	358	324
4,026	4,136	4,200	1,044	5,612	5,648

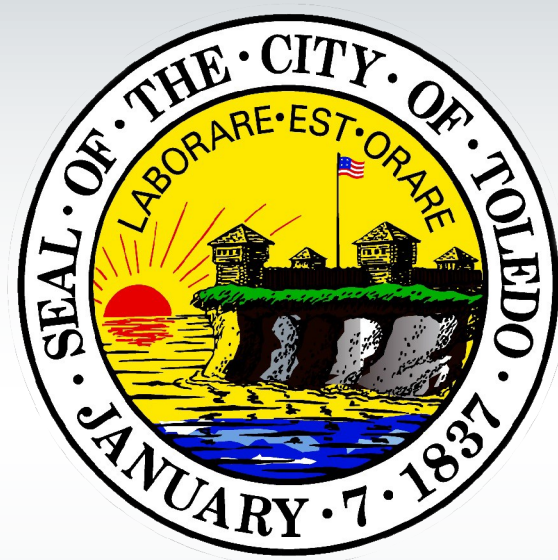
Table 20
City of Toledo, Ohio
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/ Program	2019	2018	2017	2016
Public safety				
Police				
Number of stations	2	2	3	3
Number of substations	2	2	1	1
Number of employees with arrest power	633	627	582	646
Number of neighborhood offices	-	-	-	-
Fire				
Number of stations	18	18	19	19
Number of firefighters	541	519	544	544
Public service				
Other Public Works				
Streets (in miles)	1,146	1,146	1,144	1,124
Rail (in miles)	1,200	1,200	1,200	1,200
Parks & recreation				
Acreage	2,149	2,160	2,162	2,185
Number of parks	138	138	140	144
Number of tree cuts	1,225	1,770	1,804	2,109
Number of tree trims	1,293	2,125	2,130	1,939
Public pools	7	7	7	7
Golf courses	4	4	3	4
Public utilities				
Water				
Water lines (in miles)	1,190	1,190	1,190	1,169
Storage capacity (in millions of gallons)	70	70	70	70
Plant capacity (in millions of gallons)	120	120	120	120
Wastewater				
Sanitary sewers (in miles)	1,100	1,100	1,100	1,027
Treatment capacity (in millions of gallons)	130	130	130	130

Source: Respective city departments

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
3	3	2	3	3	3
1	1	1	2	2	1
616	612	648	582	578	566
-	-	-	4	4	4
19	18	18	18	18	17
514	517	541	502	489	482
1,224	1,224	1,139	1,139	1,123	1,123
1,200	1,200	1,200	1,200	1,200	1,200
2,185	2,185	2,177	2,687	2,368	2,368
144	144	145	145	145	145
2,799					
9	10	10	11	12	12
4	4	4	4	4	4
1,168	1,168	1,165	1,188	1,165	1,165
94	78	78	80	78	78
120	150	150	150	150	150
961	961	961	955	960	960
130	102	102	102	102	102

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Division of Accounts
(419) 245-1648

www.toledo.oh.gov/services/finance