CITY OF TOLEDO, OHIO
2026
Annual Information Statement

---

in connection with Bonds and Notes of the City of Toledo

City of Toledo

In addition to providing information on an annual basis, the City of Toledo intends that this Annual Information Statement be used, together with information to be provided by the City specifically for that purpose, in connection with the original offering and issuance by the City of its bonds and notes.

Questions regarding information contained in this Annual Information Statement should be directed to:

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The date of this Annual Information Statement is May 6, 2026.

REGARDING THIS ANNUAL INFORMATION STATEMENT

The information and expressions of opinion in this Annual Information Statement are subject to change without notice. Neither the delivery of this Annual Information Statement nor any sale made under an Official Statement or other offering document of which it is a part shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since its date.

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APPENDIX A – Comparative Modified Accrual Basis Summary of General Fund Revenues, Expenditures and Balances for Fiscal Years 2021 through 2025 (Actual) and Fiscal Year 2026 (Budgeted)

APPENDIX B – Basic Financial Statements from the City's Annual Comprehensive Financial Report for Fiscal Year 2024 (Audited)

INTRODUCTORY STATEMENT

This "Annual Information Statement in connection with Bonds and Notes of the City of Toledo" (the Annual Statement) has been prepared by the City of Toledo, Ohio (the City), to provide financial and other information and operating data relating to the City for its Fiscal Year 2025 and as of its date. The City also intends that this Annual Statement be used in conjunction with specific offering information to be provided by the City in connection with the original issuance and sale by the City of issues of bonds or notes, which offering information, taken together with this Annual Statement, would serve as the Official Statement for each of those issues.

The City has entered into continuing disclosure agreements (collectively, the Continuing Disclosure Agreements) required pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 (the Rule) in connection with the primary offerings and issuances by the City of certain of its bond issues that require the provision and dissemination of annual financial information and operating data for its immediately preceding fiscal year of the type included in the final official statements for those offerings and timely notification of certain "material" events.

This Annual Statement includes the annual financial information and operating data for Fiscal Year 2025 agreed to be provided under the Continuing Disclosure Agreements. It also includes certain such information pertaining to post-Fiscal Year 2025 events as of its date.

The City has prepared and circulated to interested persons an annual information statement such as this in each year since 1979 and, in accordance with the Continuing Disclosure Agreements, has furnished copies of such statements and, as they have become available, its audited basic financial statements for each Fiscal Year to each nationally recognized municipal securities information repository (NRMSIR) designated from time to time by the SEC and to the Ohio Municipal Advisory Council, Ohio's state information depository (OMAC or the SID). In accordance with 2008 amendments to the Rule, annual information and operating data and "material" event filings on and after July 1, 2009, have been and are to be made in electronic format with the Municipal Securities Rulemaking Board (the MSRB), as the sole remaining NRMSIR, through its Electronic Municipal Market Access (EMMA) system. The City will furnish copies of this Annual Statement and its subsequent annual information statements, audited basic financial statements and material event notices with the MSRB through the EMMA system. The City will also continue to file those statements and notices with the SID pursuant to Continuing Disclosure Agreements entered into prior to July 1, 2009. As requested by the SID, those SID filings will also be made through the EMMA system, the MSRB and the SID having agreed that the SID will have access to filings on the EMMA system. The City also intends, and has agreed and will agree as and when required, to take further steps that may be necessary to comply or permit compliance with the Continuing Disclosure Agreements and applicable lawful disclosure requirements relating to City financings, including those required to permit municipal securities dealers purchasing bonds and notes of the City to comply with applicable SEC rules and regulations.

All financial and other information in this Annual Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

This Annual Statement contains statements that the City believes may be "forward-looking statements." Words such as "plan," "estimate," "project," "budget," "anticipate," "expect," "intend," "believe" and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involves known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the City's control and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The City undertakes no obligation, and does not plan, to issue any updates or revisions to such forward-looking statements.

The Ohio Municipal Advisory Council (OMAC) has requested that this paragraph be included in this Annual Statement. Certain information contained in this Annual Statement is attributed to OMAC. OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Annual Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

This Annual Statement should be considered in its entirety and no one subject considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.

References to provisions of Ohio law or the Ohio Constitution or the Charter of the City (the Charter) are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Annual Statement,

- "**Council**" or "**the Council**" means the Council of the City.
- "**County**" means the County of Lucas, Ohio.
- "**County Auditor**" means the Auditor of the County.
- "**Debt charges**" means principal (including any mandatory redemption payments) of and interest and any redemption premium on the obligations referred to; debt charges may also be referred to as "debt service."
- "**Fiscal Year**" means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as "Fiscal Year 2025") means the Fiscal Year ending on December 31 in that year.
- "**Revised Code**" means the Ohio Revised Code.
- "**State**" or "**Ohio**" means the State of Ohio.

THE CITY

General Information

The City is located in (and is the county seat of) Lucas County in northwestern Ohio, approximately 75 miles east of the Ohio-Indiana border. The City covers an area of 84 square miles and borders generally on Lake Erie and the City of Oregon to the east, the State of Michigan to the north, and Wood County to the south.

The City's 2020 population of 270,871 made it the fourth largest city in Ohio and the 79th largest in the United States. The City is the central city for the Toledo Metropolitan Statistical Area (Toledo MSA), comprised of the Ohio counties of Lucas, Fulton, Ottawa and Wood and the 94th largest of 384 metropolitan statistical areas (MSAs) in the United States. (Rankings based on 2020 Census figures.)

The City and the County are in the center of a trade area comprised of 14 counties in northwestern Ohio and southeastern Michigan with a total population of approximately 1.25 million and lie in the central portion of a triangle formed by the cities of Chicago, Detroit and Cleveland. In addition to those cities, other major metropolitan centers located within 250 miles of the City include the cities of Cincinnati, Columbus, Dayton and Akron, Ohio; Pittsburgh, Pennsylvania; Indianapolis, Indiana; and Windsor, Ontario.

Land use in the City, broken down by percent of tax valuation, is: Residential (68.35%), Commercial (26.09%), Industrial (5.09%), Public Utility and Railroad (0.44%), and Agricultural (0.03%). Source: County Auditor.

The City is served by diversified transportation facilities, including: five Interstate Highways; 11 State and U.S. Highways; four rail systems; its own Toledo Express Airport, a commercial airport with cargo handling facilities; Detroit Metropolitan Airport (located approximately 45 miles north of the City); and two general aviation airports. The Toledo Area Regional Transit Authority provides mass transit bus service in the City and surrounding areas, and the Toledo-Lucas County Port Authority (the Port Authority) provides cargo handling facilities for ships using the Port of Toledo at the mouth of the Maumee River and operates the City's commercial and general aviation airports under a long-term lease with the City. See **Economic and Community Development Activities – Transportation**.

The City and the County are provided with banking and financial services by three local commercial banks and savings and loan associations and local offices of numerous banks and savings and loan associations having principal offices elsewhere.

Five acute care hospitals are located within the City: ProMedica's Toledo Hospital and Russell J. Ebeid Children's Hospital; Mercy Health Partners' St. Vincent Medical Center and St. Anne's Community Hospital; and The University of Toledo Medical Center. ProMedica's Flower Hospital and Bay Park Hospital are located in the adjacent Cities of Sylvania and Oregon, respectively, and Mercy Health Partners' St. Charles Hospital is located in the City of Oregon, within the County.

One daily newspaper serves the City. The City is within the broadcast area of numerous radio stations and television stations. Multichannel cable television service, including educational, governmental and public access channels, and internet service are available from multiple providers in the City and surrounding communities.

Many cultural and recreational opportunities are available in the City and the County.

The Toledo Museum of Art, located on a 36-acre campus in the City, is a privately endowed, nonprofit institution noted for the quality of its permanent collection, art education programs and architecturally significant buildings, as well as for its displays of traveling exhibits. It is home to more than 30,000 works of art that include American and European paintings, works demonstrating the history of art in glass, ancient Greek, Roman, and Egyptian works, Asian and African art, medieval art, sculpture, decorative arts, graphic arts, and modern and contemporary art. Among other facilities, the main Museum building has 45 galleries, 15 classroom studios, a 1,750-seat Peristyle concert hall, a 176-seat lecture hall, and a resource center for educators. The Museum's 57,600-square-foot Glass Pavilion celebrates the City's role as the Glass City and features five galleries, a glass study room, classrooms, two hotshops, a multipurpose Glass Salon and public and private courtyard space.

The Great Lakes Historical Society's National Museum of the Great Lakes located in the City's Marina District features more than 40 interactive exhibits as well as displays of artifacts and a 617-foot Great Lakes iron ore freight ship and maritime park. In April 2024, the Museum broke ground on a 5,000 square foot expansion to provide additional space for temporary and traveling exhibits, new permanent exhibit space and a community education center.

The Valentine Theater, an historic theater first opened in 1895 and fully renovated in 1999, is located in the City's downtown and hosts a variety of musical, dance and theatrical productions by the Toledo Alliance for the Performing Arts (TAPA) (including Toledo Ballet and Toledo Symphony), the Toledo Jazz Orchestra, the Toledo Opera and the Ballet Theater of Toledo, as well as culturally and ethnically diverse traveling shows and attractions. The Valentine contains a 901-seat auditorium, three rehearsal halls and administrative offices. The Toledo Cultural Arts Center, Inc., a non-profit organization, owns and operates The Valentine and Studio A, a 100-seat black-box theater adjacent to The Valentine.

The Stranahan Theater and Great Hall was constructed in 1969 and known as the Masonic Auditorium until the mid-1990s. It is a 2,368-seat concert hall with an adjacent 10,000 square foot Great Hall, located in the southwestern area of the City near the City of Maumee. It is typically used for 170 or more events annually, including those of TAPA (including Toledo Ballet and Toledo Symphony) and

Toledo Repertoire and performances and traveling Broadway shows and musical and dance performers and attractions. In 2024, TAPA moved its headquarters to the Masonic Temple, adjacent to the Stranahan Theater and part of the Stranahan Theater complex.

Library services throughout the County are provided by the Toledo-Lucas County Public Library (the Library), a separate entity governed by a seven-member Board of Trustees, of whom four are appointed by the County's Board of County Commissioners and three by the judges of the County Court of Common Pleas. The Library provides services through its Main Library located in the Downtown area of the City and 19 branch libraries throughout the County, including 13 within the City. It has the fifth largest circulation of all public libraries in the State.

The Toledo Zoo and Aquarium, owned and operated by the Toledo Zoological Society, a nonprofit organization, has received national attention for its exhibitions. The Zoo, funded, in part, by ad valorem property tax levies approved by County voters for operations and capital improvements, has 78,084 members (2024).

The City owns and operates 125 parks covering 2,024 acres in the City.

The Metropolitan Park District of the Toledo Area (the Metroparks) operates a system of 19 Metroparks covering over 12,000 acres of protected natural land and 200 miles of trails, plus special use areas and two new parks in development, including the Glass City Riverwalk. See **Economic and Community Development Activities – Major Public Projects**. Overall, those parks welcomed more than eight million visits in 2024.

The Toledo Botanical Garden, operated by public/partnership between the Metroparks and the nonprofit Toledo Botanical Garden Board, Inc., in collaboration with the City, has over 60 acres of display gardens and relevant plant collections and is visited by more than 120,000 people annually.

The State's Maumee Bay State Park, a 1,336-acre park featuring both Lake Erie and inland lake beaches, a links-style public golf course and a resort and conference center, is located within eight miles of the City. Sailing, boating and fishing are common activities on Lake Erie and the Maumee River, which flows through the City.

The City is the home of the Toledo Mud Hens, a Class AAA professional baseball team whose parent club is the Detroit Tigers. The Mud Hens play in a 10,000-seat County-owned baseball stadium located in the Warehouse District in the Downtown area of the City. In 2016, the team completed its "Hensville" project, a $21 million renovation and conversion of three buildings adjacent to the stadium into a mixed-use development, consisting of restaurants, office and event space and retail shops.

The Huntington Center, a $105 million, 8,000-seat multipurpose arena opened by the County in 2009 and located in the Downtown area of the City, serves as the home of the Toledo Walleye, a Class AA professional hockey team, and as a venue for concerts and other activities. The arena was designed and certified as the first new Leadership in Energy and Environmental Design (LEED) sports arena in the United States.

The City is also home to the Glass City Wranglers, a semi-professional basketball team which is a member of the Basketball Super League. The Wranglers play games at the Glass City Center in the Downtown area of the City.

A total of 16 private and public golf courses are located in the County, three of which (the Collins Park, Detwiler Park and Ottawa Park Golf Courses) are owned by the City. One of the other courses, the Inverness Club, originally designed by renowned golf course architect Donald Ross, has hosted four U.S. Opens, two PGA Championships and two U.S. Senior Opens among other USGA and PGA events. Course architect Andrew Green led an ambitious and acclaimed restoration of that course in 2017 and 2018. In 2021, it hosted the Solheim Cup, a biennial trans-Atlantic match-play golf tournament for leading professional women golfers contested by teams selected to represent Europe and the United States, recognized as the most prestigious team event in women's golf. More than 130,000 attended, a new record for the event. In March 2026, it was announced that the Inverness Club will host the U.S. Girls' Junior in 2033, the U.S. Women's Amateur in 2036, the 145th U.S. Open in 2045 (the fifth U.S. Open to be played at Inverness) and the U.S. Women's Open at a date to be determined. Previously, it had been announced that the 2027 U.S. Women's Open and 2029 U.S. Amateur would be played at Inverness.

City Government

The City operates under and is governed by its Charter, which was first adopted by the voters in 1914 and has been and may be amended by the voters from time to time. The City is also subject to certain general State laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable, general laws.

Legislative authority in the City is vested in a 12-member Council. Six members of the Council are elected at-large and six from districts within the City, 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 annually elects one of its members to serve as the President of Council, its presiding officer.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters to that office for a four-year term. The Mayor has authority to hire certain assistants and, subject to Council approval, to appoint the directors of all City departments, the commissioners of all City divisions, the members of all City boards and commissions and, with the additional approval of the applicable board or commission, the chief administrative officers of agencies under their jurisdiction. The Mayor is responsible for preparing a detailed annual budget estimate, keeping the Council advised of the financial condition and needs of the City and, generally, exercising all other executive and administrative powers and performing such duties as are conferred by the Charter or by State law on mayors or municipal chief executive officers.

The Mayor has authority to introduce ordinances, resolutions and other matters before the Council, to take part in the discussion of all matters coming before the Council, to vote on legislation before the Council if necessary to break a tie vote and to veto any legislation passed by the Council. Vetoes may be overridden by a three-fourths vote of all members of the Council.

At the election held on November 5, 2024, the City submitted to voters an amendment to the Charter to change the number of consecutive terms permitted to be served by the Mayor from two terms to three. That amendment was approved.

The Director of Finance is appointed by the Mayor, subject to Council approval, and, as the City's chief fiscal officer, is responsible for the debt and cash management functions of the City, overseeing budget preparation and supervising the collection and administration of the City's income tax, the collection of other revenues, the accounting for financial transactions, and other support services. See **Financial Matters – Introduction**.

The Director of Law is appointed by the Mayor, subject to Council approval, and has duties that include prosecuting and defending lawsuits for and on behalf of the City, serving as Police Prosecutor, preparing contracts and written instruments with which the City is concerned, advising all department directors, City officers and the Council with respect to official City matters as well as performing other duties imposed on city attorneys by statute.

The Council, acting pursuant to the written request of the Mayor, has authority, by a two-thirds vote of its members, to change, abolish, combine and rearrange the departments and divisions of the City government and combine and distribute the functions and duties of such departments and divisions.

The members of Council, 11 of whom are Democrats and one of whom is an Independent, are as follows:

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	Name	Years of Service as of April 15, 2026	Occupation in Private Life
At-Large	Mac Driscoll (D)(a)	2½ years	Urban planner
At-Large	Erin Kramer (D)	5 months	Director of Admissions, Ownes Community College
At-Large	Dr. Brittany D. Jones (D)(b)	2½ years	Community data analyst
At-Large	Nick Komives (D)	8½ years	Community organizer
At-Large	Cerssandra McPherson (D)(c)	5¾ years	Retired Educator
At-Large	George Sarantou (I)(d)	4½ years	Financial Advisor
District 1	John Hobbs III (D)	5¾ years	Barber Instructor, Toledo Public Schools
District 2	Adam Martinez (D)	2½ years	Real Estate
District 3	Theresa Gadus (D)	6½ years	Forner Educational interpreter
District 4	Vanice S. Williams (D)(e)	5¾ years	Licensed teacher/child care owner
District 5	Sam Melden (D)	6½ years	Communications
District 6	Theresa Morris (D)	5¾ years	Retired Congressional assistant

(a) Mr. Driscoll was appointed by City Council in February 2024 to fill a vacancy created by the resignation of Katie Moline, who was appointed Lucas County Auditor. Mr. Driscoll was elected to fill the remainder of the term at the election held on November 5, 2024.

(b) Dr. Jones was appointed by City Council in February 2024 to fill a vacancy created by the resignation of Dr. Tiffany M. Preston Whitman, who is now the Director of City's Department of Diversity, Equity, and Inclusion. Dr. Jones was elected to fill the remainder of the term at the election held on November 5, 2024.

(c) Appointed by the County Probate Judge in September 2020 for the duration of a prior councilmember's suspension.

(d) Mr. Sarantou also previously served on Council for 12 years from 2002 through 2013. In addition, Mr. Sarantou served as the City's Director of Finance from 2014 to 2017.

(e) Ms. Williams was elected to serve as President of Council for 2026.

The current terms of all at-large members of Council will expire on January 1, 2030, and those of all members of Council elected from districts on January 1, 2028.

Current members of the City administration and executive management team with significant responsibility for City financial and related legal matters include the following:

Mayor – Wade Kapszukiewicz

Mr. Kapszukiewicz was elected to a four-year term on November 7, 2017 and took the oath of office on January 2, 2018. He serves as the 58th Mayor of the City. Prior to becoming the Mayor, Mr. Kapszukiewicz served for 13 years as Lucas County Treasurer. While serving as County Treasurer, he advocated for the State legislation, passed in 2010, to authorize the creation of county land banks and founded the Lucas County Land Bank. He has served as chairman of the Board of Directors of the Land Bank since August 2010. Prior to serving as County Treasurer, he served for nearly seven years as a member of the City Council, having been elected at age 26, and one term on the Lucas County Board of Education (now the Governing Board of the Lucas County Educational Service Center). Mr. Kapszukiewicz received a bachelor's degree in journalism and political science from Marquette University in 1994 and was the valedictorian of his class in the University's College of Communication, Journalism, and Performing Arts. He received a master's degree in public policy from the University of Michigan in 1996. After receiving his master's degree, Mr. Kapszukiewicz worked for two years as the Policy Analysis and Research Director of the New Ohio Institute, a public policy research organization that studied issues affecting Ohio's urban areas. In April 1998 he accepted the position of Manager of Planning and Development at the Lucas County Mental Health Board, where he worked until he began serving on City Council. While on City Council, Mr. Kapszukiewicz taught a course in American Government at Owens Community College and also worked at COMPASS, a social service agency that works with people with drug and alcohol addictions. Mr. Kapszukiewicz has also taught a course on urban policy as an adjunct professor at Lourdes University.

Deputy Mayor – Abby Arnold

Ms. Arnold was appointed by Mayor Kapszukiewicz as Deputy Mayor in January 2018. Ms. Arnold serves on a co-management team with the Chief of Staff, directly overseeing the City's Departments of Public Service, Public Utilities, and Information and Communication Technology. Prior to that appointment, Ms. Arnold served as Commissioner of Utilities Administration in the City's Department of Public Utilities for four years and as the Chief of Staff and Director of Real Estate in the Lucas County Auditor's Office for three years. Ms. Arnold received a Bachelor of Social Work degree from the University of Cincinnati in 2003, and a Master of Public Administration degree from Kent State University in 2016. Ms. Arnold played a key role in the implementation of the nationally-recognized Engage Toledo program.

Acting Director of Finance – Melanie Campbell

Ms. Campbell was appointed by Mayor Kapszukiewicz as the City's Acting Director of Finance in June 2020. Prior to that appointment, Ms. Campbell served the City as its Commissioner of Budget from 2011 through 2020. Prior to serving in that position, she participated in the implementation of the City's new ERP financial system in 2009 and 2010 and served as an analyst in the Department of Public Utilities in 2008. Ms. Campbell earned her Bachelor of Arts (Economics) degree from Providence College. She previously served as Interim Director of Finance from January 2018 to November 2018.

Director of Law – Dale R. Emch, Esq.

Mr. Emch was appointed by Mayor Kapszukiewicz as the City's Director of Law in January 2018. Prior to his appointment, Mr. Emch practiced law for 12 years in civil litigation, first in a firm and then in his own practice. He was a print journalist for 18 years before beginning his legal career. Mr. Emch earned a Bachelor's degree in journalism from The Ohio State University and a Juris Doctorate degree from the University of Toledo's College of Law from which he graduated cum laude.

Director of Public Utilities – Patekka Bannister

Ms. Bannister has dedicated her career to protecting natural resources and brings extensive experience in wastewater, drinking water, air quality, hazardous materials, emergency planning and stormwater programs. After serving four years as Deputy Director of Public Utilities, she was appointed Director of Public Works, overseeing utilities and transportation.

Her prior roles included providing oversight to the City's Collins Park Water Treatment Plant and Bay View Water Reclamation Plant, as the Commissioner of Plant Operations. In addition, Ms. Bannister has led stormwater and industrial pretreatment water quality programs for the City, and in that capacity she developed policies and programs for environmental compliance, actively encouraged green infrastructure projects, and supported efforts to engage the community. She continues to advance regional sustainability and climate adaptation efforts.

Ms. Bannister holds both a bachelor and master's degree in Environmental Management from the University of Findlay, and completed the Duke University Water Innovation Leadership Development (WILD) program as part of the first cohort.

Director of Economic Development – Brandon Sehlhorst

Mr. Sehlhorst was appointed by Mayor Kapszukiewicz as Commissioner of Economic Development for the City in July 2019 and Director of Economic Development for the City in March 2022. Mr. Sehlhorst previously served the City from January 2017 through November 2018 as its Manager of Real Estate. Prior to returning to the City, Mr. Sehlhorst served as Senior Manager, Site Selection for the Regional Growth Partnership of Northwest Ohio. In that role he led site selection and site redevelopment initiatives for 17 counties in Northwest Ohio. Mr. Sehlhorst holds a Master of Business Administration and Bachelor of Urban Planning and from the University of Cincinnati.

Commissioner of Taxation – John Zawisza

Mr. Zawisza was appointed as Commissioner of Taxation in January 2017. Prior to his appointment, he had served the City for 22 years in various positions in its Departments of Finance and Law. Mr. Zawisza earned his Bachelor's degree in Business Administration at The University of Toledo.

City Auditor – John Rivalsky, CPA

Mr. Rivalsky was appointed as City Auditor by the Council in March 2023. Mr. Rivalsky holds a Bachelor of Business Administration degree from Ohio University and is a licensed Certified Public Accountant. Prior to joining the City, Mr. Rivalsky had worked as a consultant with the accounting advisory firm CFGI, an analyst with Dana Inc. in Maumee, and as an associate controller with J.P Morgan Chase & Co. in Lewis Center, Ohio. As City Auditor, he assists various City departments in establishing and maintaining internal control procedures and advises Council members on various topics.

A copy of the City's organizational chart is set forth on the following page.

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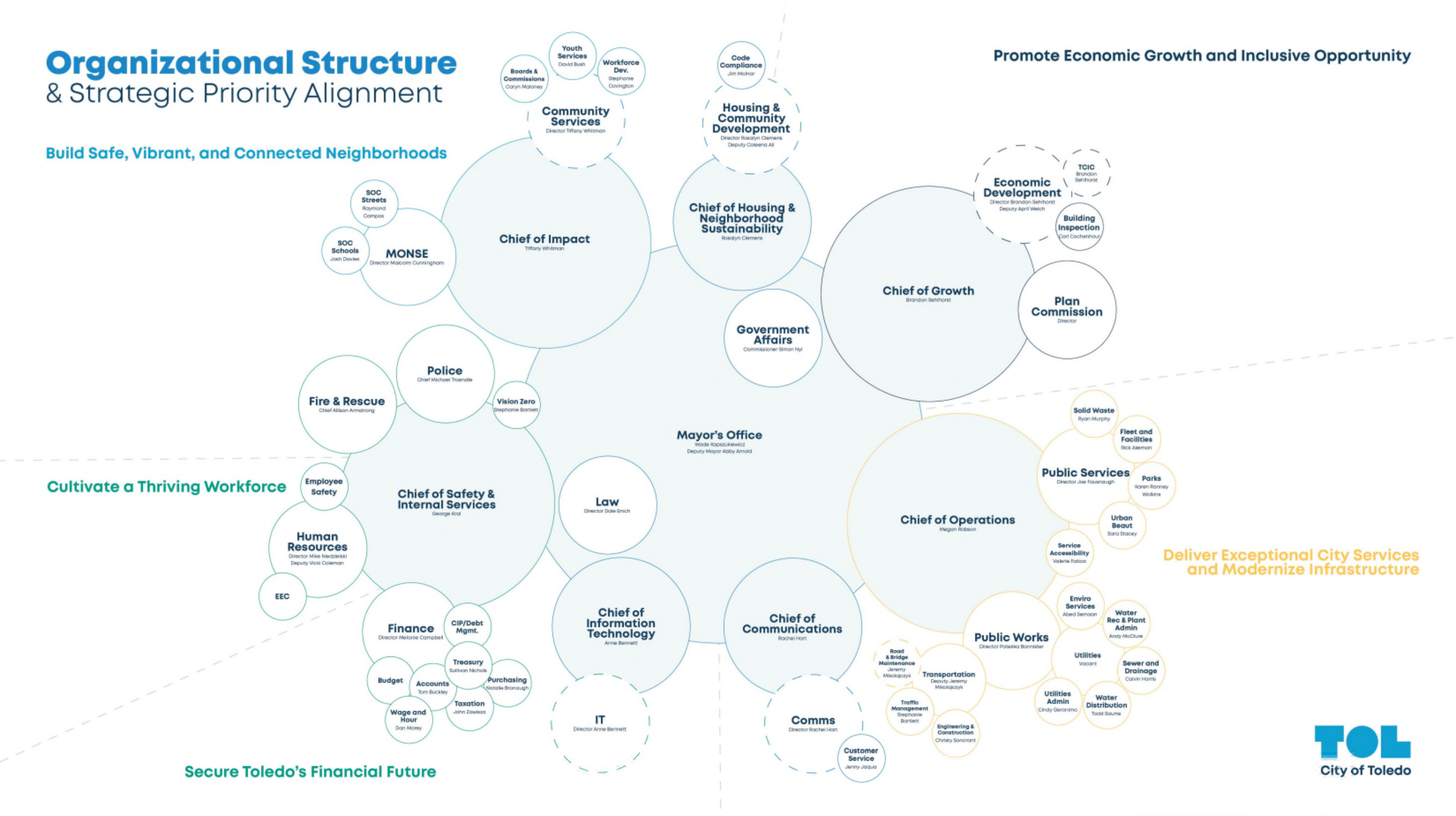
Organizational Structure
& Strategic Priority Alignment



Employees

The City had 2,782 full-time and part-time employees as of April 15, 2026. That number of employees has increased by approximately 138 since April 2021. The City also utilizes seasonal workers and temporary workers for specific projects from time to time on a contract basis. The State's public employee collective bargaining law applies generally to public employee relations and collective bargaining of the City and other political subdivisions statewide.

The vast majority of City employees hold position classifications that are in collective bargaining units. The full-time employees in those classifications are represented by the following bargaining units:

Bargaining Unit	Approximate Number of Employees	Labor Agreement Expiration
Ohio Council 8 of the American Federation of State, County and Municipal Employees (AFSCME), Local 7	777	12/31/2027
International Association of Fire Fighters, Local 92	558	12/31/2026
Toledo Police Patrolman's Association	474	12/31/2026
Ohio Council 8 of AFSCME, Local 2058, Supervisors	246	05/31/2027
Toledo Police Command Officers' Association	134	12/31/2026
International Brotherhood of Teamsters, Local 20	87	12/31/2027
Ohio Council 8 of AFSCME, Local 3411 (Clerk of Court – Deputy Clerks)	62	12/31/2027
Toledo Fire Chiefs' Association	24	12/31/2024(a)
United Auto Workers, Local 12 (Clerk of Courts – Supervision)	8	12/31/2028

(a) Negotiations for a new agreement are currently ongoing. Employees are continuing to work under the terms of the prior agreement.

The remaining City employees hold positions in the civil service classified exempt classification, have not formed a bargaining unit, or are not authorized to form or join a bargaining unit because they hold elective office or are confidential or management-level employees (exempt personnel).

Generally, wages and other economic benefits for City employees have been derived through negotiations with the bargaining units.

In 2025, the City and the City's largest bargaining unit, AFSCME Local 7, currently representing 777 employees, entered into a collective bargaining agreement covering the period from January 1, 2025, through December 31, 2027. Under the terms of that agreement, employees received a 4% base pay increase in January 2025 and a 4% increase in January 2026, and will receive a 4% increase in January 2027.

In 2025 the City adopted the recommendations of a Fact Finder and entered into a new collective bargaining agreement with International Association of Fire Fighters, Local 92, currently representing employees 558 employees, covering the period of April 1, 2024, to December 31, 2026. Under the terms of that agreement, employees in Local 92 received a 6% equity adjustment and a 3% increase back paid to April 1, 2024, a 3% increase in 2025 and a 4% increase in 2026.

In 2025, the City entered into new collective bargaining agreements with the Toledo Police Patrolman's Association (TPPA), currently representing 474 City employees. covering the period of April 1, 2024, to December 31, 2026. That agreement provides for an initial equity adjustment of 6%, a 3% base pay increase in April 2024, a 3% increase in January 2025 and a 4% increase in January 2026.

In 2025, the City and AFSCME Local 2058, currently representing 246 City supervisory employees, entered into a new collective bargaining agreement covering the period from June 1, 2024, through May 31, 2027. Under the terms of that agreement, the majority of the employees in Local 2058 received a 4% pay increase effective January 2025 and a 4% pay increase effective January 2026, and will receive a 4% pay increase effective January 2027. Those remaining members who enjoyed significant pay increases as part of a 2022 pay structure overhaul received a stipend in 2025 equal to 1.5% of their base wage and a 3% base pay increase in January 2026, and will receive a 3% base pay increase in January 2027.

In 2025, the City entered into a new collective bargaining agreement with the Toledo Police Command Officers' Association (TPCOA), currently representing 134 City employees, covering the period from April 1, 2024, to December 31, 2026. The new agreement reinstitutes a wage "spread" between TPCOA members and patrolmen. The agreement also provides improvements to fringe benefits such as vacation time, funeral pay, and holiday premium pay. Additionally, the agreement includes enhancements to the Career Enhancement Program and revisions to the tuition reimbursement program.

In 2025, the City and Teamsters Local 20, currently representing 87 employees, entered into a new collective bargaining agreement covering the period from January 1, 2025, through December 31, 2027. That agreement provides for a 5% base pay increase in January 2025, a 4% increase in January 2026 and a 3% increase in January 2027.

In 2025, the Municipal Court Clerk and AFSCME Local 3411, currently representing 62 Deputy Clerks, entered into a new three-year collective bargaining agreement through December 31, 2027. Under the terms of that agreement, employees in Local 3411 received a 4% pay increase effective January 2025 and a 4% pay increase effective January 2026, and will receive a 4% pay increase effective January 2027.

In 2021, the City entered into a collective bargaining agreement with the Toledo Fire Chiefs' Association (TFCA), currently representing 24 City employees. This agreement covers the period from January 1, 2021, through March 31, 2024. Under the terms of this agreement, employees in the TFCA received a 4% pay increase in January 2021, a 4% pay increase in January 2022, and a 4% pay increase effective January 2023. All employees in this unit received a COVID premium pay amount of $3,500. The City and the TFCA are currently negotiating a successor collective bargaining agreement.

In 2025, the Municipal Court Clerk and UAW Local 12, currently representing eight Deputy Clerk Supervisors, entered into a three-year collective bargaining agreement through December 31, 2028. Under the terms of that agreement, employees in Local 12 received a 4% pay increase effective January 2026 and will receive a 4% pay increase effective January 2027 and a 4% pay increase effective January 2028.

In the judgment of the City, its labor and employee relations are generally good and productive.

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ECONOMIC AND COMMUNITY DEVELOPMENT ACTIVITIES

Industry and Commerce

The City is active in promoting industrial and commercial development in the City and the Toledo MSA, working in concert with, among others, the County, the Port Authority, the Regional Growth Partnership, the Toledo Regional Growth Partnership, the University of Toledo and the State and JobsOhio, a private non-profit corporation created by the State, to provide financing information, marketing programs and, in some cases, infrastructure improvements, grants and other incentives and resources designed to encourage economic development and the creation and retention of jobs.

In March 2022, the City was honored by *Site Selection Magazine* for those efforts, ranking 1st of the nation's midsized cities (those with populations between 200,000 and 1 million) for the number of its corporate end user facility investment projects with at least $1 million of investment or 20,000 square feet of space or employing at least 20 people, sharing that honor with Savannah, Georgia. The City had 30 such projects within its metropolitan statistical area in 2020. The City has been recognized by *Site Selection Magazine* as among the top 10 mid-size cities in the nation for its economic development plans and accomplishments in 10 out of the last 12 years.

Among the notable results from the City's economic development efforts in recent years have been the following.

Toledo Community Improvement Corporation

In August 2025, the City launched the Toledo Community Improvement Corporation (TCIC) to prepare sites for jobs and housing. A Community Improvement Corporation (CIC) is a nonprofit organization authorized under Ohio law to advance economic development, redevelopment and housing. CICs can acquire, hold, and sell property, and forge public-private partnerships that transform vacant or underutilized land back to productive use. The TCIC will be supported by a dedicated revenue stream from the Rossford-Toledo Joint Economic Development Zone for the next 35 years, providing a stable, long-term funding source to assemble, prepare, and market sites for development.

In February 2026, the City announced a $20 million Shovel Ready Sites Fund, to be used to proactively acquire and prepare strategic sites enabling employers to move to and invest in facilities in the City. Additionally, the Fund will assist in housing development, support mixed use projects, reinvestment in aging commercial corridors and transformation of underutilized properties into productive community assets. The Fund is expected to be capitalized, among other sources, from a City nontax revenue bond issue in 2Q 2026. See **City Debt and Other Long-Term Obligations – Future Financings**. An initial project being financed through the Shovel Ready Sites Fund is the clearing and preparation for development of the 1400 North Summit site, a former industrial site along the Vistula portion of the Glass City Riverwalk.

Brownfield Redevelopment

The City's efforts to attract new jobs and housing has been bolstered by an unprecedented investment in brownfield redevelopment throughout the City. Over the past four years, the State has invested over $750 million in the Ohio Brownfield Remediation and Ohio Demolition and Site Revitalization Programs, which are competitive grant programs with a match requirement. The City has strategically leveraged $12.5 million of its American Rescue Plan allocation (see **COVID-19 Pandemic**) to secure over $19 million of grant funding from the State. This represents over $31 million in proactive remediation and demolition of over 20 commercial and industrial properties that are now better positioned to attract jobs and housing.

Owens Corning Worldwide Headquarters

In April 2026, Owens Corning, a Fortune 500 company, announced plans to invest $250 million to modernize its worldwide headquarters and support new and emerging technologies. The company also plans to add 25 new positions to its more than 1,000 employees in the City as a result of this investment. To incentivize this investment and ensure the City remains the preferred location for the company's headquarters, the City will extend the Tax Increment Financing incentive on the property. In exchange, Owens Corning committed to retaining its worldwide headquarters in the City's downtown for the next 30 years.

See **Economic and Community Development Activities – Economic and Demographic Information – Industry and Major Employers** for further discussion of Owens Corning.

Healthcare

The ProMedica Health System (ProMedica), the largest employer in the City, has been an active participant in development activities in the City.

ProMedica's headquarters campus is located in the City's downtown along Summit and Madison Streets, consisting of two buildings (the Junction and the Steam Plant) and a parking garage (the Depot). The campus, which opened in 2017, included the adaptive re-use of an historic building (the former Toledo Edison Steam Plant) and a renovated office building as well as a newly constructed six-story parking garage. Additionally, ProMedica invested in a significant public space immediately adjacent to its campus (Promenade Park), which now serves as a point of activation for the City's downtown.

In July 2019, ProMedica completed and opened its Generations Tower, a $400 million facility with 309 private patient rooms (some of which replaced double rooms in other parts of its Toledo and Children's hospitals) on nine floors and an additional four floors that that may be developed as demand requires, on a campus that also includes its similarly-sized Renaissance Tower that opened in 2008.

In March 2026, Nationwide Children's Hospital announced plans to invest $100 million to construct 150,000 square feet of new medical facilities to expand pediatric care in the area. The hospital system expects the project to create 500 jobs.

See also **Recent City Downtown Development Activities** and **Economic and Community Development Activities – Economic and Demographic Information – Industry and Major Employers** for further discussion of ProMedica and Nationwide.

Automotive

Stellantis, the resulting corporation from a January 2021 merger between Fiat Chrysler and PSA (the manufacturer of Peugeot automobiles), is the largest manufacturing employer in the City, and has continued to invest in its Toledo Assembly Complex in the City in recent years.

The Jeep pick-up was introduced as the Jeep Gladiator in November 2018, and production of the Gladiator at the Toledo Supplier Park (the South Plant) in the Complex began in April 2019. In December 2019, (then) Fiat Chrysler pledged to invest an additional $120 million in the South Plant for further retooling for the production of the Gladiator.

In December 2019, (then) Fiat Chrysler pledged to invest an additional $160 million in the Toledo North Plant (the North Plant) in the Complex for new equipment and training for production of a new electric plug-in hybrid version of the Wrangler JL; production of the Jeep Wrangler 4xe began in December 2020.

In 2022, Stellantis completed construction of a 250,000 square foot vehicle customization facility adjacent to the Toledo Assembly Complex. The company acquired the 40-acre vacant site from the City, which proactively prepared the property for redevelopment. The project resulted in the creation of 300 jobs.

On October 14, 2025, Stellantis announced plans to invest $13 billion over the next four years to expand its manufacturing capacity in the United States by 50%, including $400 million in its Toledo Assembly Complex in the City. According to reports, the investment represents the largest in the company's history, introducing five new vehicles and adding more than 5,000 jobs at plants in Illinois, Ohio, Michigan and Indiana.

Stellantis indicated that the Toledo Assembly Complex will be the home of an all-new midsize truck previously allocated to Stellantis' Belvidere, Illinois plant, potentially creating more than 900 additional jobs at the Toledo Assembly Complex. The new truck is scheduled to begin production in 2028. Stellantis also indicated its intent to continue in its Toledo operations as previously announced in January 2025, which include additional technologies and product actions for both the Jeep Wrangler and Jeep Gladiator, and more components critical to production at the Toledo Machining Plant.

In February 2026, Stellantis announced plans to phase out its plug-in hybrid (PHEV) programs in North America starting with the 2026 model year, instead focusing on electrified solutions. According to Stellantis, the transaction will have no impact on employment or operations at the Toledo Assembly Complex.

In February 2021, General Motors announced that it intended to invest an additional $75 million in 2021 in its GM Powertrain Division's Alexis Road transmission plant in the City to increase the plant's capacity to build 10-speed automatic transmissions for its full-size truck products, including the Chevrolet Silverado and GMC Sierra. That investment followed several other investments in that plant completed in the prior years – a $667.6 million investment in a 650,000-square-foot addition to prepare the plant for production of nine-speed front-wheel-drive and 10-speed rear-wheel-drive transmissions, a $55.7 million investment to support production of fuel-efficient eight-speed transmissions and six-speed rear-wheel-drive transmissions, and a $30.6 million investment for equipment and tooling to expand capacity for the production of the six-speed rear-wheel drive transmissions – to accommodate General Motors' product growth and meet increasing demand for those transmissions.

General Motors currently produces six-speed, eight-speed and 10-speed rear-wheel-drive transmissions and nine-speed front-wheel-drive transmissions at the plant that are used in a variety of GM's Chevrolet, Buick, GMC and Cadillac vehicles, including at least 28 cars, trucks, sport utility vehicles and sports cars. The State and the City have provided grants and tax incentives to General Motors in connection with certain of those projects.

In September 2022, General Motors announced it would invest $760 million in its Alexis Road transmission plant to enable production of electric vehicle (EV) propulsion systems. The name of the plant was changed to "Toledo Propulsion Systems", and renovations commenced. Toledo Propulsion Systems was the first GM plant in the United States to be refitted for EV propulsion production. The electric propulsion systems to be produced at Toledo Propulsion Systems are planned, initially, for GM's future Chevrolet Silverado EV and GMC Sierra EV and current GMC Hummer EV. Toledo Propulsion Systems is also expected to continue to produce transmissions for gasoline-powered vehicles for several more years. Plans for the EV conversion were delayed in December 2023 due to the delay of the rollout of the Chevrolet Silverado EV and GMC Sierra EV due to diminished market demand.

In April 2025, General Motors announced it was pivoting its Toledo Propulsion Systems facility away from EVs, and increasing the plant's capacity by switching one of its electric drive unit lines to produce transmissions for fuel engines. GM plant leadership indicated the change was made "to align with current market demand". The plant will shift to increase production of 10-speed transmissions given continued strong demand" for full-size trucks. Toledo Propulsion Systems currently has three transmission production lines and two EV unit production lines. One of the EV lines was installed in 2022 and never put into production.

In October 2025, GM announced that, due to market demand, it is cancelling its production of drive trains for EVs at the Toledo Propulsion Systems facility and that it will remove all of its EV production technology from the facility. According to reports, no jobs were affected and production of non-EV transmissions at the facility continues.

In March 2026, GM announced a $39 million investment in the Toledo Propulsion Systems facility. According to reports, the investment will be applied to establishing a new eight-speed, front-wheel drive automatic transmission variant in the production of the Chevrolet Equinox and other GMC vehicles.

In April 2026, GM announced an additional $40 million investment in the Toledo Propulsion Systems facility, as part of a larger $830 million investment to strengthen three propulsion sites across the

United States. According to reports, the investment will increase capacity of the 10-speed transmission at the facility.

In February 2026, plans were announced for a $40 million investment in a new, approximately 408,000 square foot industrial building at the Toledo Trade Center Industrial Park. The building will be occupied by a yet to be named automotive company with plans to create 200 jobs.

See also **Economic and Demographic Information – Industry and Major Employers – Automotive**.

Recent City Downtown Development Activities

In addition to the projects described above, recent activities in the City's downtown have included the following.

Polaris Logistics Group Headquarters

In March 2026, Polaris Logistics Group cut the ribbon on its headquarters in the City's downtown. The company is a full-service, third-party logistics broker that specializes in truckload, less-than-truckload and intermodal freight. The nearly $1 million project provides a modern office space for the company's 25 employees.

Toledo Pickle Company

In January 2025, the ribbon was cut to open Toledo Pickle Company, a large, modern pickleball-focused entertainment venue located on the Glass City Riverwalk in Toledo's Vistula Historic District. The 50,000 square foot facility features 12 indoor and outdoor courts, a full restaurant and bar, arcade games, climbing wall and event space. Although the club does offer memberships the business is open to the public. A $7 million investment was made by private investors to redevelop a former City maintenance building into this destination venue in a coordinated effort to activate the Glass City Riverwalk and continue the momentum from downtown into the surrounding neighborhoods.

Hilton Garden Inn, Hilton Homewood Suites and Glass City Center

In July 2020, the County announced a public-private partnership among the Lucas County Economic Development Corporation (LCEDC), Continental Real Estate Co. (Continental) and First Hospitality Group (FHG), pursuant to which the existing SeaGate Hotel would be demolished and there would be acquired and renovated a nearby hotel known as the "Park Inn By Radisson Hotel" located on land situated at the intersection of Summit and Monroe Streets in the City, adjacent and connected to the SeaGate Convention Centre (now known as the Glass City Center), with improvements to include (i) conversion of the existing hotel into a dual branded Hilton Garden Inn with approximately 216 rooms and Hilton Homewood Suites with 93 rooms, (ii) an approximately 120-seat restaurant, (iii) acquisition of parking rights sufficient to provide parking by guests, invitees and customers of the converted hotel, (iv) clearing, improving and equipping its site and related sites and (v) all sidewalks, access ways and utility connections necessary for the improvements described in (i) through (v) above. The Hilton-branded hotel opened in May 2022.

In April 2019, the County announced the expansion of the SeaGate Convention Centre (now known as the Glass City Center) with a 16,000 square foot ballroom on County-owned land adjacent to the former SeaGate Hotel. The ballroom increased capacity and meeting space in the current facility. In July 2020, the County reaffirmed that plan, including anticipated substantial improvements to the center, construction of the new dedicated ballroom, relocation of the related parking facility from Summit Street to Monroe Street, creating a pocket park and clearing, improving and equipping the site and related sites. The facility opened as the Glass City Center in August 2022.

Four Corners

In August 2020, the Lucas County Land Reutilization Corp. (LCLRC) acquired the Spitzer and Nicholas buildings, two of the oldest and largest structures in the City's downtown. The buildings have been vacant for many years, and are part of the “Four Corners” area, so named as it is the only intersection in the City’s downtown where all four original buildings remain. The City views the potential development of these buildings as one of three catalytic projects for the continued revitalization of the City’s downtown, the other two being the Glass City Riverwalk (see **Major Public Projects**) and the Jefferson Center (see **Other Downtown Projects** and **Other Recent Development Activities – Toledo Social Innovation District**).

Since taking ownership, the City and LCLRC have secured several grants from the State and leveraged the City’s American Rescue Plan funding (see **COVID-19 Pandemic**) to invest over $15 million in the buildings to prepare them for redevelopment. Additionally, the State has awarded the Spitzer Building a $9.6 million (June 2024) and the Nicholas Building a $10 million (December 2023) historic preservation tax credit. In September 2025, LCLRC announced that RKP Group was chosen to redevelop the properties. The goal of the Four Corners Project is to create up to 400 new residential units and an activated first-floor commercial corridor by revitalizing over 500,000 square feet of historic space. The total project is estimated to cost $190 million.

Other Downtown Projects

In January 2021, Libbey Glass LLC, a glassware and tableware manufacturer, announced that it planned to invest nearly $30 million over a four-year period to maintain and update operations in the City and create an additional stemware production line at its manufacturing facility in the northern area of the City and to remain headquartered in the City’s downtown. Those investments were made with assistance from JobsOhio, the City and the Regional Growth Partnership including a 10-year Municipal Job Retention Tax Credit Program with the City. See **Economic and Demographic Information – Industry and Major Employers**.

In October 2021, Prater Development, in a joint venture with Karp and Associates (known as RKP Group), broke ground on the redevelopment of Fort Industry Square, a collection of historic buildings located in the City’s downtown that had been vacant. The $60 million project is complete, with a portion of the commercial and retail space not yet leased out. The project includes 65,000 square feet of commercial office and retail space and approximately 85 studio, one- and two-bed and two-story loft apartments. Prater Development had previously redeveloped several other historic buildings in the Downtown, including the Standard Lofts and Berdan Building.

Subsequently, RKP Group increased its investment in the City’s downtown through the redevelopment of a former wholesale retail grocery warehouse built in the City’s Warehouse District in 1912. Now known as Overmyer Lofts, the 97,500 square foot redevelopment was completed in 2024 and added 75 additional residentials units and 2,500 square feet of commercial space to the downtown market.

In December 2024, plans were announced for a $17 million investment in Riverview Tower, formerly known as the Fiberglas Tower, which is expected to lead to the building being fully occupied for the first time since Owens Corning vacated the building for its new riverfront headquarters in 1996. The investment will convert floors 5-11 into 91 micro-unit apartments. The upper floors were already converted into 100 luxury apartments and the headquarters for Directions Credit Union in 2017. The project received a $3.88 million historic preservation tax credit from the State.

In February 2025, a $38 million renovation of the historic Jefferson Center was completed and opened, located in the City’s Uptown neighborhood. The facility was originally constructed in 1911 and listed on the National Register of Historic Places in 1972. The renovated facility, now rebranded as the “Innovation Post”, encompasses approximately 107,000 square feet and is intended to serve as a regional hub for innovation, workforce development and entrepreneurial activity. The project is a key component of the Uptown Social Innovation District, a multi-block initiative supported by more than $200 million in recent public and private investment. See also **Other Recent Development Activities – Toledo Social Innovation District**. The Innovation Post currently houses several anchor tenants, including Wurtec, a global provider of high-quality elevator components and tools that relocated its corporate headquarters and R&D operations to the facility, and Segula, a technology engineering firm. Additional tenants include WorkSpring, a strategic human resource management organization, and Junior Achievement of Northwestern Ohio, which delivers youth-focused financial literacy and career-readiness programming. Currently, over 200 employees work at the building and it is over 75% occupied. The Innovation Post is expected to serve as a central location for cross-sector collaboration, and to catalyze continued private investment in the City's core business district.

In June 2025, the State awarded a $3.7 million historic preservation tax credit to the Hotel Secor project in downtown Toledo. Plans are to convert the building's upper levels into 112 market-rate apartments and restore the building's exterior to its former prominence. The total project cost is $37 million.

In June 2025, Foundation Steel, a structural steel and steel buildings company, announced it will relocate its headquarters from the nearby Village of Swanton to downtown Toledo. At the same time, Mosser Construction, a leading general contractor, announced plans to move its office operations from the nearby City of Maumee. Together, the two firms have partnered to acquire and redevelop the historic 115-year-old Ohio Plate Glass Building in the City's Middlegrounds neighborhood. The project will transform the 47,000-square-foot property into a modern hub for their combined operations. Approximately 40 employees will work out of the facility, generating an estimated $3.3 million in new annual payroll for the City. The redevelopment represents a $10 million investment.

Other Recent Development Activities

Westgate North Village

In September 2025, plans were announced for the redevelopment of the former Sears and Elder-Beerman sites in West Toledo, commonly referred to as Westgate North Village. The developer of the property is Abbell Associates, which led the redevelopment of the Shops at Westgate in the early 2000s, including new regional tenants such as Costco, Fresh Market and Stein Mart. The $75 million commercial development includes big box retailers, restaurants and retail stores. Tenants are expected to be announced in May 2026 and construction began in March 2026.

Delta Hotel at the University of Toledo Medical Center Campus

In October 2024, the City celebrated the grand opening of the renovated Delta Hotel by Marriot at the University of Toledo Medical Center Campus. The building was previously a Radisson Hotel, which was closed several years ago. The City supported the $10 million redevelopment of the building with a $2 million loan leveraging its HUD Section 108 Loan Guarantee Program. See **Major Public Projects – Housing**. The hotel has 212 rooms and employs 45 people.

Innovation Hub

In July 2024, the Governor's office and the Ohio Department of Development announced the creation of the State's first "Innovation Hub", a new collaboration expected to enhance northwest Ohio's position as a global leader in glass science, engineering, technology and production. The new Northwest Ohio Glass Innovation Hub (Innovation Hub) will be supported by an approximately $31.3 million grant from the Ohio Innovation Hubs Program and $10.4 million in local investment. The Innovation Hub opened in April 2025, and is being led by the Northwest Ohio Innovation Consortium (NOIC) and headquartered at the Glass Center of Excellence on the campus of O-I Glass in the City of Perrysburg. The Center will serve as a physical location for O-I Glass and other partners, such as First Solar, Libbey Glass, Owens-Corning and Pilkington North America (see also **Economic and Demographic Information – Industry and Major Employers**), to research and develop new technology to solve the most pressing issues in the glass and solar industries.

Toledo Trade Center Industrial Park

In July 2022, NorthPoint Development announced a planned investment of $100 million to construct three speculative industrial buildings totaling 852,000 square feet at the former North Towne Square Mall property in the northern portion of the City, to be known as the Toledo Trade Center Industrial Park. The City had purchased the property in 2011 and, using State and federal funding, demolished and prepared the site for redevelopment prior to selling the property to NorthPoint Development. This project put back into productive use the City's largest available industrial site which has been vacant for nearly 20 years. The first building, a 285,000 square foot building, was completed in 2023. An automotive supplier currently occupies 150,000 square feet of the facility, with the remaining 135,000 square feet available for immediate occupancy. In February 2026, plans were announced for a $40 million investment in a new, approximately 408,000-square foot industrial building to be occupied by a yet to be named automotive company planning to create 200 jobs.

Toledo Colony Apartments

The County, through LCEDC, approved $3.5 million in assistance for a new 262-unit upscale apartment complex located on an 11-acre site near ProMedica Toledo Hospital known as Toledo Colony Apartments. Funding for the project was provided through the Lucas County Builds fund, used to assist various economic development projects in the County. The approximately $45 million project also includes a retail component and business center. Ground was broken on the project in 2023, and the project opened in May 2025.

Rolled Alloys

In July 2023, Rolled Alloys announced plans to construct a 222,000 square foot manufacturing facility with approximately 30,000 square feet of attached office space. The 45-acre site is located Monclova Township within the Monclova Township-City of Maumee-City of Toledo Joint Economic Development Zone (JEDZ). Rolled Alloys is a leader in the metals industry for both heat-resistant and corrosion-resistant alloys. The facility began operations in October 2024, serving industries such as aerospace, chemical processing, thermal processing, space exploration, and energy.

Yarder Manufacturing and Legacy Business Park

In June 2025, Yarder Manufacturing, in partnership with Mosser Construction, celebrated the groundbreaking of Legacy Business Park, a new 70-acre commercial and industrial park in Monclova Township. Occupying the first parcel (18 acres) is Yarder Manufacturing, a custom metal fabrication company, which is investing $12 million in a new 100,000 square foot building that will serve as its new corporate headquarters and state-of-the-art production facility.

Iron Processing Plant

Cleveland Cliffs finished construction in 2021 of the $1 billion iron briquet facility located on the border of the City and the City of Oregon. This facility refines iron ore into hot-briquetted iron, a raw material used by electric-arc mills in the production of steel. The iron ore, mined in Minnesota and Michigan, is shipped to Port Authority facilities on the Maumee River in the Port of Toledo and then moved from ships to the plant on a conveyor. Cliffs stressed the site's close proximity to a heavy concentration of electric arc furnace steel producers and logistical advantages including an existing dock, rail access, heavy haul roads for construction and operation logistics, and availability of critical utilities such as natural gas, electrical power, and water as important factors in locating there. The hot-briquetted iron produced at the plants is transported to mills in the Great Lakes region by rail and trucks on heavy load roads.

Electric Power Plant

In 2017, Oregon Clean Energy opened its $900 million, approximately 900-megawatt natural gas-fired electric power plant in the City of Oregon. The developers of that project are currently in the process of constructing a second power plant of approximately the same size and investment. In November 2023, an application to extend the certificate of construction was granted due to lingering effects of COVID-19 Pandemic-related supply chain delays as well as transition of the facility to a new owner, CPV Oregon Holdings, an affiliate of Competitive Power Ventures. The new facility will be located on a 50-acre site, with plans to break ground by mid-2027 and an anticipated start of operations by 2031. The addition of this facility positions the County well for expected high energy investment opportunities such as advanced manufacturing, re-shoring and data centers (see immediately below).

Data Centers

In 2025, construction began on a 715,000-square-foot, AI-optimized data center campus on roughly 280 acres in Middletown Township. The building will be occupied by Meta and represents a $800 million investment that is expected to create over 1,000 construction jobs and 100 permanent jobs. The project is targeting completion in 2027.

In November 2024 the City of Oregon approved a purchase agreement with Virginia-based development company UpTerra to support a 170+-acre data center development. This development is directly related to the energy, land and water available in the County that positions the County to serve as a hub for data center development.

Marina Lofts

In 2020, Continental Real Estate Companies (Continental) completed construction of a mixed-use development project in the City's Marina District, which is located on the east bank of the Maumee River directly across from the City's downtown. That development, on a site acquired by Continental from ProMedica, includes a 360-unit residential complex, a 6,000 square foot restaurant, a pool, a community center and a public park that is to be blended in with the Glass City Riverwalk Metropark being developed by the Metroparks in collaboration with the City. That project is fully leased. The Port Authority authorized the issuance of $44.5 million of taxable bonds to finance Continental's 289,000 square foot complex.

See **Major Public Projects** for a description of the Glass City Metropark, the second phase of which is now complete in the Marina District around the sites of the Marina Lofts and The National Museum of the Great Lakes.

First Solar Manufacturing Facilities

First Solar, Inc. (First Solar) is a leading American solar technology company and global provider of eco-efficient solar modules including photovoltaic modules. First Solar's flagship factory is in the City of Perrysburg in adjacent Wood County. In Lake Township (Wood County), First Solar has two additional manufacturing facilities for production of photovoltaic modules.

In January 2024, First Solar announced it had acquired a 1.2 million square foot facility in Troy Township (Wood County). The facility, formerly the Peloton Output Park, is expected to be repurposed into a new distribution center serving First Solar's manufacturing footprint.

In July 2024, First Solar announced it had commissioned a new research and development center at the Lake Township site. The new facility, to be called the "Jim Nolan Center for Solar Innovation", is believed to be the largest facility of its kind is the Western Hemisphere. It is expected to cover approximately 1.3 million square feet including a high-tech pilot manufacturing line, and is part of a $500 million investment by First Solar in research and development infrastructure.

Amazon

In November 2020, Amazon.com, Inc. completed construction of a fulfillment center in the City of Rossford, adjacent to the City. The center includes a 640,000 square-foot warehouse facility with parking spaces for approximately 1,800 autos and light trucks and 300 semis. Amazon's operations at the center include picking, packing and shipping small items such as books, electronics and toys. The center is located within the Rossford-Toledo Joint Economic Development Zone in which the City and the City of Rossford share the municipal income tax revenues generated on payrolls. See also **Toledo Community Improvement Corporation**.

In May 2021, Amazon.com, Inc. completed construction of a $25 million, 150,000 square foot Delivery Station in the City. That warehouse facility is located on a 58-acre site obtained from the City by Amazon. Formerly the site of a shopping center, the City had acquired that property in 2014 and prepared it for redevelopment.

In June 2024, Amazon announced that it would construct a second warehouse facility in northern Wood County. The 600,000 square foot facility was constructed on a 162-acre site, and was completed in 2025. In October 2025, Amazon announced an additional site in Wood County, a $30 million, 200,000 square foot warehouse facility located on a 37-acres site expected to employ approximately 150 full-time employees.

Toledo Social Innovation District

In 2022, the City along with community partners launched the Toledo Social Innovation District (TSID) which will connect Downtown Toledo, Uptown, Junction and numerous surrounding neighborhoods to allow for equitable access to workforce development, jobs, services, and community amenities. The long-term goal of the TSID is to focus on developing new technologies to improve the region's economic competitiveness while also strengthening the region's people, particularly low-income, minority, and people of color living in the most distressed neighborhoods adjacent to downtown Toledo. A core component of the project's strategy is improving safety and mobility for area residents, particularly pedestrians and cyclists. In June 2023, the U.S. Department of Transportation awarded the City a $20 million Rebuilding American Infrastructure with Sustainability and Equity grant to support its $53 million Connecting Toledo Neighborhoods to Opportunity project that will provide all new water, sanitary, road and streetscape infrastructure in the TSID. Construction is set to begin in 2027 and be complete by 2029.

Port Authority Economic Development Efforts

The Port Authority's economic development efforts, which are directed to enhancing cooperation between the public sector and the private business community on a regional basis, include serving as regional administrator of certain loan programs. Those programs include its Better Buildings Northwest Ohio program to promote energy efficiency and alternative energy implementation, the Microenterprise Development Initiative being undertaken in partnership with the nonprofit ECDI, that provides area entrepreneurs with small business loans. Through the Port Authority's four principal economic development financing programs, over 1,000 projects have been financed for more than $2 billion, helping to create or retain more than 30,000 jobs.

The City, in cooperation with the Port Authority, secured grant funding for the Port Authority to purchase, remediate and improve a 111-acre brownfield site that was the location of a former Jeep manufacturing plant. This project, branded as the "Overland Industrial Park", has made available 80 acres suitable for future industrial development. The site is located near Stellantis' Toledo Assembly Complex, with ready access to interstate highways and other important transportation facilities. The Port Authority has invested approximately $14 million for site remediation and initial transportation and utilities infrastructure improvements, including the installation of lighting and the completion of a road that serves as the main entrance to the site.

The Port Authority and City also cooperated in the development of the iron processing plant recently-completed by IronUnits, LLC, and an industrial park on the south side of Toledo Express Airport being branded as "Express Industrial Park". Improvements to Express Industrial Park have been funded in part through a joint economic development district involving the City and neighboring townships.

Major Public Projects

Bay View Water Reclamation Plant Improvements

In November 2023, City voters approved the City moving forward with improvements to the Bay View Water Reclamation Plant. Over a 15-year period, the City plans to invest approximately $629 million to upgrade the treatment facility and make other repairs to the wastewater system to meeting regulations and provide service to customers. The work is to be done in three "tiers" of priority: (i) Tier I, $242 million over the first five years, beginning in 2025, (ii) Tier 2, $308 million in the subsequent five years, and (iii) Tier 3, $79 million over the final five years. See also **Long-Term Financial Obligations Other than Bonds and Notes – Ohio EPA Loans**.

Toledo Museum of Art Renovation and Gallery Reinstallation

The Toledo Museum of Art is undertaking a multi-year renovation and gallery reinstallation project, which represents the first comprehensive overall of the museum in more than 40 years. The $24 million project will modernize the facility and strategically reposition the museum to align with expanded collections and curatorial capacity. The project is expected to be complete in 2027.

American Numismatic Society Museum

In November 2025, after 167 years in New York, the American Numismatic Society announced plans to relocate its world-renowned collection of over 800,000 coins, medals and artifacts to a new facility on the campus of the Toledo Museum of Art. The $20 million project is expected to be complete by 2028.

Toledo-Lucas County Health Department

In 2025, the Toledo-Lucas County Health Department announced plans to relocate from a City-owned building to the former Diocese of Toledo Building on Spielbusch Avenue. The $5 million project will allow the Health Department to acquire and renovate the building for its main operations. The City, as the largest funder of the Department, contributed $3.1 million to the project. This project will allow the City to demolish the existing facility, which is expected to save more than $10 million over the next 10 years in capital upgrades necessary to keep the building functional.

City Municipal Court

The City constructed an $18 million improvement to its Municipal Court building, the largest City-owned building. The project included replacement of the building's HVAC systems, two escalators, five elevators, the roof and redesign of the front entrance. Work began on the project in October 2023 and was completed in 2024.

County Canine Care and Control Facility

On October 4, 2025, the County opened a new, nearly 40,000 square foot facility for its Canine Care and Control operations. The facility, which provides 177 kennels, an adoption center, canine intake and administrative offices, will fundamentally change the way in which services are provided to the County. It is anticipated that the facility will activate the main corridor for the City's downtown, adding to the vibrancy of downtown but also making Canine Care and Control's operations, including adoption, far more visible and accessible to all residents of the County.

Metroparks

Metroparks Toledo, officially The Metropolitan Park District of the Toledo Area (the Metroparks), has been and continues to be engaged in a major capital improvement program to expand the system of parks, trails and open space for the community. That program includes investing over $200 million in a combination of Maumee River-based improvements that include the Glass City Riverwalk, improvements to International Park and Phase 2 of its newly opened Glass City Metropark over several years.

In November 2020, voters in the Metropolitan Park District of the Toledo Area, an area coterminous with the County, approved a 2.0-mill ad valorem property tax for the purpose of developing, improving, maintaining and operating the Park District, greenway trails, the Wildwood Preserve, Pearson, Oak Openings Preserve, Side Cut, Swan Creek Preserve and Toledo Botanical Garden Metroparks and other properties of the Park District; acquiring, developing, improving, maintaining and operating additional lands for park and trail purposes, and conserving and improving natural resources, wildlife habitat, streams and natural areas for a period of 10 years (the Tax Levy). The Metroparks will use proceeds of the Tax Levy and of $27 million of tax anticipation bonds issued in anticipation of those proceeds in June 2022, State and federal grants and gifts from the Toledo corporate community and individuals to fund its capital program. Additionally, in May 2025, voters approved the replacement of an existing 1.4-mill tax levy for the purpose of maintaining the Metroparks' 19 parks.

In 2020, the Metroparks, in partnership with the City, announced the Glass City Riverwalk project. That project involves the construction of a five-mile multipurpose trail that will span both sides of the Maumee River from the Veterans Glass City Skyway to the High Level Bridge. Funding for this project will include proceeds of a $23.6 million BUILD Grant that has been obtained from the U.S. Department of Transportation in a competitive process. Construction of portions of the Riverwalk commenced 2021 and is expected to continue through 2030, with an initial section now complete.

In 2019, the Metroparks, in partnership with the City, announced plans to create a $40 million metropark, to be known as the Glass City Metropark, on a 70-acre riverfront property in the Marina District. Phase One, completed in October 2020, included a realignment of the City's Riverside Drive, construction a 3,500-square-foot pavilion, rooftop plaza space, an event lawn for special events that will accommodate 5,000 people, a sledding hill, boardwalk and walking paths, water access for fishing, canoeing and kayaking, shoreline restoration, reforestation with more than 2,000 trees and prairie plants, storm water wetlands and bioswales and a vehicle parking area. Phase Two, completed in June 2023, features the Ribbon, a 1,000-foot ice skating and roller skating trail, The Garden by Poco Piatti, the first restaurant in a Metropark, Market Hall, a 9,500 square foot building housing the restaurant, skate rental, restrooms and changing rooms and three nature-themed play area, including a water playground and 40-foot play structure. In May 2024, the National Recreation and Park Association announced that the Glass City Metropark was the 2024 recipient of that group's Innovation in Park Design Award from the in 2024. In February 2024, Glass City Metropark won first place in park design from the Ohio Parks and Recreation Association and the best-of-show Governor's Award.

In September 2020, the Metroparks, in partnership with the City, completed development of the 70-acre Manhattan Marsh Preserve Metropark, its third park located within the City. The Manhattan Marsh Preserve Metropark is characterized by wetlands and features a 1.25-mile trail with multiple boardwalks and overlooks. Its opening fulfilled the Metroparks' goal of having a park within five miles of every County resident.

Wayman Palmer YMCA

On September 12, 2023, ground was broken on the new Wayman D. Palmer YMCA. This state-of-the-art facility will be equipped with several amenities such as an indoor pool, fitness center, gymnasiums and spaces for community partners. Construction is expected to cost approximately $28.7 million, paid for by the City, the YMCA, new market tax credits and federal grants. The new facility opened in March 2025. This community space is expected not only promote health and wellness, but serve as an anchor in the neighborhood for community development. In conjunction with the new YMCA, the City's Inez Nash Park is also being redesigned and renovated to include a multipurpose field, basketball courts and shared outdoor spaces. The renovations at the park were completed in 2025.

In February 2026, Wayman D. Palmer YMCA was recognized as the winner of the 2025 Audrey Nelson Community Development Achievement Award from the National Community Development Association. The award recognizes innovative and collaborative use of federal community development resources.

Housing

The City has actively sought to promote the development and renovation of housing units in the Downtown area of the City and other neighborhoods. As part of its efforts, the City issued bonds for four separate projects between 1995 and 1998, including $23.4 million of general obligation bonds and $11.5 million of housing revenue bonds, the proceeds of which were loaned to developers and used, together with equity raised from the syndication of low-income housing tax credits and historic tax credits, to renovate the former LaSalle's Department Store (the LaSalle Apartments), the former Commodore Perry Hotel (the Commodore Perry Apartments), the former Hillcrest Hotel (the Hillcrest Apartments) and four buildings near the Toledo Museum of Art (the Museum Place Apartments) into a total of approximately 450 residential living units and related commercial space. The City considered these projects to be important to promote further development and the enhancement of housing available in the Downtown and Uptown areas of the City and the area near the Toledo Art Museum, and it provided certain additional subsidies for each project.

Although each of the four projects was financed in part with the proceeds of general obligation bonds, loan agreements with the developers contemplated that the project owners would make loan payments to the City sufficient to pay the debt service on those bonds. As a result, through the end of 2025, the City had made an aggregate of $9.905 million in debt service payments (including $1.075 million in Fiscal Year 2025) on the general obligation bonds for which it has not been reimbursed. The City expects that it will be required to pay all or substantial portions of the debt service on those bonds from City funds available for the purpose in Fiscal Year 2026 and future years through 2028.

As was planned, those four projects have served as a catalyst for market-rate housing projects in the Downtown area of the City and other nearby neighborhoods. The Hillcrest Apartments were converted to market-rate apartments and attained full occupancy in 2014. Four other projects, the Bartley Lofts, the Ottawa, the River West Townhouses and the One Hundred South Huron Condominiums, have been completed in recent years, adding 148 market-rate condominium units in the Downtown area of the City and the City's Warehouse District. More than 2,400 other new affordable and market-rate rental units have been completed in the Downtown area of the City and the nearby Uptown and Warehouse Districts. Several hundred units are currently under construction and the City expects 600 additional units will become available in the next two to five years.

The Standart Lofts, a 70-unit apartment complex, was completely leased within four months after having been developed in 2012 at a cost of over $10 million. In 2018, the owners of the Standart Lofts completed an estimated $14 million renovation of the Berdan Building, an historic building constructed in 1902 but vacant since 1985, making 120 additional living units available near the Hensville development in the Warehouse District, with parking for tenants and visitors on a lower floor.

Collingwood Green, a mixed-income housing development in the Downtown area, has been developed by the Lucas County Housing Authority in five phases. Phase I, a 65-unit midrise building for the elderly that is fully occupied, and Phase II, a 68-unit family townhouse development, were completed in 2013 and 2015, respectively. Phase III, 55 two-, three- and four-bedroom affordable family units, was completed in February 2020. Phase IV, currently in development, will include 50 family townhomes and 75 senior apartments. Construction began in Fall 2025 with occupancy beginning in early 2026. A planned Phase V will consist of 75 one-bedroom senior housing apartments with commercial space on the bottom and to cost approximately $27.7 million, with occupancy expected to occur in Fall 2026.

The current strong demand for market-rate living accommodations in the Downtown area of the City is further evidenced by the increase in residential units placed on the market in recent years; residential occupancy levels were at approximately 96% in 2025. More than 3,700 people now live in the Downtown area of the City, and the City projects that number to continue to increase significantly in the next several years. With residential occupancy levels increasing, many new businesses including restaurants, retail establishments, art galleries and a new microbrewery have been completed or are under construction. See the discussion of housing being developed in Hensville and other portions of the Downtown area under **Economic and Community Development Activities – Industry and Commerce – Recent City Downtown Development Activities**.

In addition to the projects identified above, the City has assisted with a number of other housing development projects in recent years. Those projects include multifamily housing developments financed with low income housing tax credits and federal grants as well as private funding. The City's Department of Neighborhoods administers the Community Development Block Grant (CDBG) and HOME programs and coordinates the City's community development activities. The CDBG and HOME programs, funded by the U.S. Department of Housing and Urban Development (HUD), are designed to carry out a range of activities for neighborhood revitalization, economic development, public services and housing. The City's CDBG entitlement for the program year July 1, 2025, through June 30, 2026, is $7,046,960 and its HOME funding allocation for that program year is $1,965,724; the City currently anticipates (related legislation has not been passed by Council as of the date of this Annual Statement) its CDBG entitlement for the program year July 1, 2026, through June 30, 2027, will be $7,026,026 and its HOME funding allocation for that program year is $1,971,148.

In June 2023, City Council approved the expenditure of $10 million of American Rescue Plan Act (ARPA) dollars for the development of affordable housing projects which will provide over 200 units of family and senior housing for low- and moderate-income households and shelter housing for victims of domestic violence. This funding will be utilized to leverage more than $68 million in other funding sources including low-income housing tax credits, HOME funds, HUD section 202 supportive housing for the elderly funds, federal home loans, bank grants, private debt, and philanthropic contributions. ARPA funded housing will be occupied by households with income at or below 65% of the area median and will have a minimum affordability period of 20 years, enforced with a recorded restrictive covenant on the property. See also **American Rescue Plan Act of 2021 Resources**.

In April 2022, the City's Department of Housing and Community Development established an approximately $37 million loan pool under HUD's Section 108 Loan Guarantee Program (Loan Pool). The Loan Pool will be available to prospective borrowers Citywide and provides a ready source of long-term, fixed-rate and reasonably priced financing that is not available conventionally. The Loan Pool will bridge financing gaps and enable borrowers to proceed with their respective transactions, create and retain jobs, increase affordable housing, advance equity and equitable development opportunities and expand the existing tax base. Equitable development projects will include projects that support investments in communities and neighborhoods of color or provide financing to Black, Indigenous and People of Color (BIPOC)-led developers, businesses, or organizations. Although the Loan Pool will be available to eligible borrowers Citywide, the City will prioritize investments in projects using Section 108 Financing that are in targeted neighborhood revitalization areas including Junction, Englewood, Old South End and East Toledo, and promote equity and equitable development. The City may elect to support non-income producing projects and use a portion of annual CDBG allocation as a source of repayment. The Section 108 Loan Guarantee Program allows local governments to leverage five times their current CDBG award into federally guaranteed loans large enough to pursue physical and economic revitalization projects capable of redeveloping entire neighborhoods. Three projects have been approved by City Council: (i) $4.5 million for improvements to community and senior centers, (ii) $616,000 for Swayne Field, Inc. for renovations and improvements to the Swayne Field Shopping Center and (iii) $2.0 million for 935 Toledo, LLC, and 935, Lakshmi, LLC , for systems, furniture, equipment and training costs for a new Delta Hotel by Marriott located on the University of Toledo Medical Campus. In August 2025, the City closed the initial two loans, totaling $4 million: a $2 million loan for the Delta Hotel and a $2 million for improvements to community and senior centers.

The City has assisted in, and is experiencing positive results from, the activities of the Land Bank. The City and the Land Bank conducted a parcel by parcel, GIS-based, inventory in 2014 that determined the overall condition of the City's housing stock. This inventory has been used to guide investments in community development. In 2016, the Land Bank received a $15.7 million federal grant of Hardest Hit Funds, through a program administered by the U.S. Department of the Treasury. The Land Bank initially established a goal of renovating or demolishing 1,500 blighted properties in 1,500 days with the proceeds of that grant and, in 2019 it increased that goal to renovating or demolishing 2,000 blighted properties in 1,500 days. In August 2020, the 1,500th day of the effort, the Land Bank announced that it had completed the demolition or renovation of an additional 2,438 properties in total, exceeding its revised goal by 938 properties. Through the end of 2020 the Land Bank has demolished over 2,800 nuisance houses with a total investment of $30 million dollars of federal, state and local support. With the substantial completion of the Land Bank's targeted demolition program, in December, 2020, the organization's board approved a five-year strategic plan focused on investing in Toledo's neighborhoods. The "Building Neighborhoods" Strategic Plan serves as framework for the Land Bank's next five years. The Land Bank has also acquired vacant and abandoned residential, commercial, and industrial properties in the City that were sold to purchasers with the obligation that the property be renovated, re-occupied and restored to the tax rolls, generating economic activity and saving possible demolition costs. The Land Bank has acquired and sold vacant lots in the City to adjacent homeowners under its side lot program or to landlords, land contract vendors, and businesses to assist in reducing blight and strengthening the neighborhood. In December of 2022 the Land Bank partnered with the City and was awarded $9.8 million in grant funds from the State's Building Demolition and Site Revitalization Program to fund the demolition of approximately 1,027 blighted residential and commercial buildings and revitalize surrounding neighborhoods in Toledo. The grant requires a 25% match from the City of $3.3. million which has been appropriated by the City using American Rescue Plan Act dollars.

In July 2017, the City received a $2.9 million grant from HUD to help reduce lead based hazards in homes located within the City. The City continues to use those grant funds to help homeowners, property owners and tenants pay for lead testing and abatement. In 2021, the City partnered with the Toledo-Lucas County Health Department to administer a $1.2 million dollar settlement from BP Products North America Inc. and BP-Husky Refining LLC. and the United States for supplemental environmental projects with the purpose of reducing children's exposure to lead-based paint hazards.

Since 2017, the Toledo Museum of Art has acquired and converted the Museum Place Apartments and commercial/retail space. The Museum purchased the apartments from the Land Bank, to which the City had transferred ownership of the property. The five buildings making up the Museum Place Apartments have a total of 62 market-rate units. The ownership transfer does not relieve the City of the debt service liability on the general obligation bonds issued by the City to originally acquire the buildings, as discussed above.

In 2020, MVAH Partners announced a plan to invest $13 million to construct a 58-unit affordable independent living facility targeted for seniors. The project is located on 2.6-acres in West Toledo and was awarded Low-Income Housing Tax Credits through the State of Ohio. Construction of the project began in March 2021 and was completed in 2022. A second phase was completed in 2024 and includes an additional 50 units of affordable senior apartments. The new building is a $14 million investment and Low-Income Housing Tax Credits through the State were used.

In 2025, the Brailey Apartments, a 192-unit complex near the Inverness Club in the City, was completed. The $15 million project features six three-story buildings containing one- and two- bedroom units.

Education

Toledo City School District is the principal school system in the City and the sixth largest school system in the State. It serves approximately 19,512 pupils in 52 elementary, junior high and senior high schools and specialized learning centers. The Board currently receives approximately 35.90% of its funding from local sources, including taxes, tuition, fees and interest income, approximately 59.43% of its funding from State sources, approximately 1.00% of its funding from federal sources and 3.67% from other sources.

The University of Toledo is a State university located in the City that traces its origins to 1872. The Ohio Department of Higher Education reported that for the Fall Term of 2025 the University had a total full-time equivalent (FTE) enrollment of 14,290, consisting of 10,810 FTE undergraduate students and 3,480 FTE graduate and professional students, making it the seventh largest of 14 public universities in the State. For Fall 2025, the University recently reported that, together with its Medical Center, it had approximately 5,100 employees, including 1,300 instructional faculty and 3,800 other staff members. In its fiscal year ended June 30, 2025, the University and its Medical Center reported operating revenues of $936.5 million, including net patient service and other patient services revenue of $536.4 million, net tuition and fees of $154.2 million, grants, gifts and contract revenues of $85.8 million and $160.1 million of auxiliary and other revenues. The University's 13 colleges attract students from a broad region with a selection of approximately 5,000 course offerings in more than 300 undergraduate, graduate and professional programs.

Mercy College of Ohio, a private institution of higher learning with a focus on healthcare education, has its main campus in the City where approximately 1,000 students were enrolled in Fall 2025.

Within commuting distance of the City is another State university, Bowling Green State University. In Fall 2025, Bowling Green State University had a total enrollment of approximately 20,380 undergraduate and graduate students. In addition, there are three two-year community colleges located within the vicinity of the County. In February 2026, it was announced that Lourdes University in the City of Sylvania will be closing at the end of the current school year.

Economic and Demographic Information

Population

The City is and has been the most populous municipality in the counties comprising the Toledo MSA. According to Census figures the City's population comprised 54.0% of the total for those counties in 1980, 50.9% in 1990, 47.6% in 2000, 44.1% in 2010 and 41.9% in 2020.

The populations of the City and the County decreased by 5.7% and 2.4%, respectively, from 2010 to 2020. During the same period, the overall populations in the Toledo MSA and neighboring Ottawa County decreased by only 0.7% and 2.6%, respectively, as the population of neighboring Wood county increased by 5.4% and the population of Fulton County essentially remained the same.

The populations of the City and the County in the last five Censuses were:

Year	City	County
1980	354,635	471,741
1990	332,943	462,361
2000	313,619	455,054
2010	287,208	441,815
2020	270,871	431,279

Source: U.S. Bureau of the Census.

The populations of Wood, Fulton, Ottawa and Lucas counties, the counties now comprising the Toledo MSA, in the last five Censuses were:

County	1970	1980	1990	2000	2010	2020
Wood	89,722	107,372	113,269	121,065	125,488	132,248
Fulton	33,070	37,751	38,498	42,084	42,698	42,713
Lucas	483,551	471,741	462,361	455,054	441,815	431,279
Ottawa	37,099	40,076	40,029	40,985	41,428	40,364
Total MSA(a)	643,442	656,940	654,157	659,188	651,429	646,604

(a) Current MSA. The Toledo MSA was redefined in 2003 to include Ottawa County.
Source: U.S. Bureau of the Census.

According to the U.S. Census Bureau, adjacent Monroe County, Michigan had a population of 152,784 in 2010 and an estimated population of 154,809 in 2020.

The U.S. Census Bureau has estimated that in 2024 the City had a population of 267,463.

Industry and Major Employers

The City and the Toledo 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, glass products, 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, financial institutions and retailers.

Owens Corning (#387) and Welltower Inc. (#472), 2025 Fortune 500 corporations, have their headquarters in the City, and two other of the 2025 Fortune 500 corporations, The Andersons (#378, in the City of Maumee), Dana Incorporated (#410, in the City of Maumee) have their corporate headquarters in the Toledo MSA. O-I Glass (#500, in the City of Perrysburg in Wood County) has its headquarters in the Toledo MSA and was a 2024 Fortune 500 corporation.

The ProMedica Health System and Mercy Health are the first and fourth largest employers in the County, respectively. ProMedica is a nonprofit health care system with hospitals, urgent care, labs and senior care facilities in Ohio and Michigan. Mercy Health is a part of the Bon Secours Mercy Health System, the fifth largest Catholic health ministry and one of the 20 largest health care systems in the United States. See **Economic and Community Development Activities – Industry and Commerce – Healthcare**.

In December 2022, ProMedica transferred its 15% interest in 147 skilled nursing facilities previously owned in a joint venture with Toledo-based Welltower, to Welltower. In February 2023, ProMedica announced that it was selling its home health, hospice and palliative care businesses to Gentiva Health Services, an Atlanta-based health care system, at a purchase price for $710 million for approximately 120 ProMedica locations. The transaction closed in November 2023.

In January 2024, ProMedica announced its intent to transfer ownership of Paramount Health, a health insurance company owned by ProMedica, to Medical Mutual. That transaction closed on May 2024.

In December 2025, Moody's Ratings (Moody's) upgraded its rating on the ProMedica system from to "Baa3" with a positive outlook. In December 2025, S&P Global Ratings (S&P) upgraded its rating on the ProMedica system from to "BBB-" with a stable outlook. The current ratings are considered to be "investment grade".

In May 2023, Mercy Health announced it had acquired the assets and property of the former McLaren St. Luke's Hospital in the City of Maumee. Just prior to the announcement, St. Lukes had shut down the Hospital amid financial issues. Mercy Health hired over 400 former employees of St. Luke's, with some going to Mercy Health's Perrysburg Hospital. Over 800 St. Luke's employees were laid off beginning in March 2023. In May 2025, Mercy Health announced redevelopment plants for the former St. Luke's campus that include a mixed-use, walkable, connected district that will host medical buildings, commercial and retail spaces and housing for workforce, multi-family and seniors.

In March 2026, Nationwide Children's Hospital (located inside the Mercy Health – St. Vincent Medical Center) announced it will invest more than $100 million over five years to expand pediatric care in the region. The expansion is expected to include construction of two new, approximately 75,000 square foot pediatric medical facilities, one in the City's downtown area adjacent to the existing campus and one in a suburban location, with the exact locations to be announced later in 2026. According to the Hospital, approximately 300-500 new jobs will be created by the two new buildings.

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

In January 2021, Fiat Chrysler Automobiles (Fiat Chrysler) completed a merger with PSA, the manufacturer of Peugeot automobiles. The resulting corporation, the world's fourth largest auto group, is now known as Stellantis. Stellantis, now the largest manufacturing employer in the County, employed approximately 4,300 (as of October 2025) at its 3.64-million square foot Toledo Assembly Complex located on a 312-acre site in the City and approximately 440 (as of December 2023) at its 1.2-million square foot Toledo Machining Plant located on a 169-acre site in the nearby City of Perrysburg.

On October 14, 2025, Stellantis announced plans to invest $13 billion over the next four years to expand its manufacturing capacity in the United States by 50%, including $400 million in its Toledo Assembly Complex. According to reports, the investment represents the largest in the company's history, introducing five new vehicles and adding more than 5,000 jobs at plants in Illinois, Ohio, Michigan and Indiana. Stellantis indicated that the Toledo Assembly Complex will be the home of an all-new midsize truck previously allocated to Stellantis' Belvidere, Illinois plant. The new truck is scheduled to begin production in 2028. In February 2026, Stellantis announced plans to phase out its plug-in hybrid (PHEV) programs in North America starting with the 2026 model year, instead focusing on electrified solutions. According to Stellantis, the transaction will have no impact on employment or operations at the Toledo Assembly Complex.

General Motors' Toledo Propulsion Systems employed approximately 1,520 workers as of April 2025, at a 2.82-million-square-foot plant located on 151 acres in the City in which it currently manufactures and assembles both front-wheel and rear-wheel drive transmissions. That facility has been recognized by *Harbour Report* as the most productive powertrain plant in North America on multiple occasions. The six-speed and eight-speed rear-wheel-drive and six-speed front-wheel-drive transmissions manufactured and assembled at the plant are used in a variety of Chevrolet, Buick, GMC and Cadillac vehicles. In 2021, GM invested an additional $75 million in the plant to increase its capacity for production on 10-speed transmissions for full-size trucks.

In October 2025, GM announced that, due to market demand, it is cancelling its production of drive trains for EVs at the Toledo Propulsion Systems facility and that it will remove all of its EV production technology from the facility. According to reports, no jobs were affected and production of non-EV transmissions at the facility continues. In March 2026, GM announced a $39 million investment in the Toledo Propulsion Systems facility. According to reports, the investment will be applied to establishing a new eight-speed, front-wheel drive automatic transmission variant in the production of the Chevrolet Equinox and other GMC vehicles. In April 2026, GM announced an additional $40 million investment in the Toledo Propulsion Systems facility. According to reports, the investment will increase capacity of the 10-speed transmission at the facility.

See also **Economic and Community Development Activities – Industry and Commerce – Automotive**.

Owens Corning, a global producer of residential and commercial building materials, glass-fiber reinforcements and engineered materials for composite systems with net sales of $10.1 billion in 2025, employs approximately 25,000 in 31 countries. The Owens Corning headquarters are located in facilities in the City's downtown. See **Economic and Community Development Activities – Industry and Commerce – Owens Corning Worldwide Headquarters**. Owens Corning has been a Fortune 500 company for over 70 consecutive years. The company has been ranked in the top 10 of Corporate Responsibility Magazine's list of 100 Best Corporate Citizens for six consecutive years.

Welltower Inc. is a real estate investment trust (REIT) founded in 1970, is one of the world's preeminent residential wellness and healthcare infrastructure companies, with a portfolio of 1,500+ seniors and wellness housing communities at the intersection of housing, healthcare, and hospitality, creating communities for mature renters and older adults in the United States, United Kingdom and Canada.

Dana Incorporated, a designer and manufacturer of propulsion and energy-management solutions for vehicles and machinery with sales of $7.5 billion in 2025, currently employs approximately 27,000 workers in 24 countries across six continents. Dana has been a Fortune 500 company for 68 consecutive years. Dana's operations in the Toledo MSA have included its world headquarters and a division office and research and development center that are located in a company-owned technology center in the adjacent City of Maumee. Dana was named one of "America's Most Responsible Companies 2023" by *Newsweek* and recognized as one of the "World's Most Ethical Companies" for 2023 and 2024 by Ethisphere.

O-I Glass, a former Fortune 500 company originally founded in 1903 in the State by Michael J. Owens, the inventor of the automatic bottle-making machine, is one of the world's leading producers of glass containers. It is based in the City of Perrysburg in adjacent Wood County.

Libbey Glass LLC is headquartered in the City and is one of the largest glass tableware manufacturers in the world.

The Andersons, Inc., also based in the City of Maumee, is a Fortune 500 corporate conglomerate with a collection of agricultural-based businesses that include grain, fertilizers, and ethanol production for alternative energy fuel that reported revenue approximately $11.0 billion in 2025 and employs approximately 2,500 in 180 locations.

The Toledo MSA serves as a major transportation center, and significant employment is provided by transportation industry employers. See **Transportation**.

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, O-I Glass, Inc., Owens-Corning, Pilkington North America, Inc., and Libbey Glass LLC (formerly, Libbey, Inc.), earning the City the title of the "Glass Capital of the World." Stellantis, General Motors Company and Dana Incorporated 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 Cenovus Energy Inc. and Toledo Refining & Marketing Co. each operating a major refinery in the MSA. However, as is shown in the tables that follow, in recent years, private service industries and governmental employers have provided more than 80% of the total employment in the Toledo MSA and more than 75% of total payrolls in the County.

The following private and public employers have the largest work forces with the City's MSA as of December 31, 2024:

Employer(a)	**Nature of Activity or Enterprise**	**Number of Employees**
ProMedica Health Systems	Health care	15,000
Mercy Health	Health care	8,800
Whirlpool Corporation	Appliance manufacturing	6,182
FC US LLC (Stellantis)	Automotive manufacturing	6,159
The University of Toledo	Education and health care	5,700
Toledo City School District	Education	5,081
The City	Government	3,000
General Motors Powertrain	Automotive manufacturing	2,036
The Andersons	Agriculture-based business	1,636
Dana Inc.	Automotive manufacturing	1,549
Total from Top 10:		55,143
All Other Employers:		234,927
Total Employees		290,070

(a) See the discussions elsewhere in this Annual Statement regarding certain of these employers.
Source: The City's 2024 Annual Comprehensive Financial Report.

The following table indicates the division of labor between different industrial classifications in the Toledo MSA for the years 2021 through 2025 and for March 2025 and March 2026.

TOLEDO MSA EMPLOYMENT BY INDUSTRY(a)
(In Thousands)

						March	
Industries	**2021**	**2022**	**2023**	**2024**	**2025**	**2025**	**2026**
Service Providing							
Transportation and Utilities	30.1	35.5	37.7	37.9	36.7	37.3	34.8
Wholesale and Retail Trade	41.4	41.6	41.5	41.2	40.6	40.3	39.7
Finance, Insurance and Real Estate	10.4	10.4	10.7	10.8	11.1	11.0	11.0
Services	109.3	109.8	111.2	111.9	112.8	112.4	110.1
Government	42.7	42.7	43.9	44.4	44.5	45.3	44.9
Total Service Providing	233.9	240.0	245.0	246.2	245.7	246.3	240.5
Goods Producing							
Manufacturing							
Durable Goods	35.1	35.0	34.7	33.0	31.6	32.5	30.8
Nondurable Goods	10.4	10.6	10.7	10.8	10.6	10.7	9.9
Total Manufacturing	45.5	45.6	45.4	43.8	42.2	43.2	40.7
Construction	13.9	14.7	14.2	14.8	15.1	14.3	14.8
Mining	*	*	*	*	*	*	*
Total Goods Producing	59.4	60.3	59.7	58.6	57.3	57.5	55.5
Total Employment	293.3	300.3	304.7	304.8	303.0	303.8	296.0

* Not Available.
(a) Subtotals may not add to totals because of rounding or exclusion of minor groups.

Source: Ohio Department of Job and Family Services.

The table below shows the payrolls of employers in the County during the years from 2015 through 2024, and for the first three quarters of 2024 and 2025, broken down by type of employment.

TOTAL PAYROLL FOR COUNTY EMPLOYERS(a)
(In Thousands of Dollars)

	Agriculture Forestry And Fishing	Mining and Quarrying	Construc-tion	Manufac-turing	Transporta-tion and Utilities	Wholesale and Retail Trade	Insurance Finance and Real Estate	Services	State and Local Govern-ment	Total All Industries(b)
2015	7,818	9,083	517,258	1,670,587	330,243	1,019,071	487,478	3,939,708	1,336,930	9,318,173
2016	7,026	9,814	587,346	1,700,824	335,447	1,026,662	495,310	4,064,884	1,358,047	9,585,363
2017	6,607	10,928	538,711	1,644,843	348,252	1,040,665	508,063	4,130,047	1,337,175	9,565,292
2018	9,148	11,548	547,830	1,869,417	363,216	1,066,316	505,071	4,290,318	1,375,576	10,038,438
2019	8,450	12,231	654,224	2,051,150	337,390	1,068,399	522,875	4,308,327	1,425,358	10,388,405
2020	7,409	11,930	555,488	1,908,540	338,110	1,082,373	518,200	4,202,256	1,471,290	10,095,595
2021	7,816	13,740	587,427	1,987,526	374,580	1,178,696	539,985	4,448,623	1,502,643	10,641,036
2022	8,483	14,868	632,061	2,179,426	409,692	1,235,176	539,084	4,698,588	1,556,064	11,273,444
2023	10,969	15,095	646,313	2,270,296	401,877	1,255,571	550,860	4,851,914	1,633,196	11,636,088
2024	12,643	15,747	711,497	2,114,550	391,256	1,253,147	576,138	5,206,918	1,699,956	11,981,852
2024(c)	8,176	11,802	513,051	1,618,774	292,278	920,710	425,237	3,830,440	1,266,336	8,886,804
2025(c)	9,606	12,022	579,509	1,599,608	278,878	927,193	456,023	3,982,627	1,328,745	9,174,211

(a) As reported under Ohio Unemployment Compensation Law.
(b) This total, expressed in thousands, may not equal the sum of the industries listed because of the exclusion of minor industrial divisions and those with fewer than three employees.
(c) First three quarters.

Source: Ohio Department of Job and Family Services.

Employment

The following table shows comparative average employment and unemployment statistics for the indicated periods.

	Employed in			Unemployment Rate				
Year(a)	**City**	**County**	**MSA**	**City**	**County**	**MSA**	**State**	**U.S.**
2021	113,800	189,900	273,500	7.4%	6.4%	5.9%	5.3%	5.3%
2022	114,700	191,800	277,300	4.9	4.5	4.2	4.0	3.6
2023	116,000	194,200	281,500	4.9	4.4	4.1	3.7	3.6
2024	116,300	194,900	282,600	7.0	6.1	5.6	4.4	4.0
2025	115,200	193,000	279,700	6.8	6.0	5.6	4.6	4.3
2026								
Jan.	111,500	186,700	270,700	7.0	6.2	5.8	4.6	4.7
Feb.	113,200	189,600	274,800	5.8	5.4	5.2	4.7	4.7
Mar.	113,500	190,100	275,600	5.6	5.1	4.8	4.0	4.3

(a) Not seasonally adjusted.

Source: Ohio Department of Job and Family Services.

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Income and Spending

The following table sets forth indicators of per capita income and median family income in selected counties of the State, the State and the United States.

	OHIO COUNTIES								OHIO	U.S.
	Lucas	Cuyahoga	Franklin	Hamilton	Mahoning	Montgomery	Stark	Summit		
2024 Per Capita Personal Income	$37,575	$42,747	$43,731	$45,936	$34,566	$38,450	$36,762	$43,061	$40,552	$44,673
2024 Median Family Income	$85,517	$89,252	$97,149	$99,806	$77,622	$87,506	$86,156	$94,479	$92,749	$99,999

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2020-2024.

The following shows the average federal adjusted gross income for all residents of the respective school districts overlapping the City who filed Ohio personal income tax returns for calendar year 2023 (the most recent year for which such data is available) and for all such residents in all Ohio school districts.

School District of Residence	Average Amount	Approximate % of Real Property Tax Valuation of School District located in the City
Maumee City School District	$ 69,273	1.48%
Ottawa Hills Local School District	212,614	0.01
Springfield Local School District	87,192	1.91
Sylvania City School District	112,112	3.36
Toledo City School District	47,874	69.35
Washington Local School District	55,565	23.90
All Ohio School Districts	$110,922	N/A

Source: OMAC and the Ohio Department of Taxation.

Home Values and Housing Units

The following is Census information concerning housing in the City, with comparative County and State statistics:

	Median Value of Owner-Occupied Homes(a)	% Constructed Prior to 1940(a)	Number of Housing Units 2010(b)	Number of Housing Units 2024(a)	% Change
City	$114,500	31.0%	138,039	132,728	-3.8%
County	163,900	23.7	202,630	200,998	-0.8
State	214,800	19.0	5,127,508	5,292,391	+3.2

(a) Source: U.S. Census Bureau Selected Source Characteristics in the United States 2020-2024.
(b) Source: U.S. Census Bureau 2010: Decennial Census Summary File.

Building Permits

The number and estimated value of building permits issued in the City in recent years were:

Year	Number(a)	Value(a)
2021	2,809	$227,992,000
2022	2,790	739,320,000
2023	3,132	739,557,000
2024	913	900,483,000
2025	3,360	285,201,372

(a) Due to changes in City reporting software, this table is restated in its entirety from similar tables that appeared in prior City Annual Statements.

Source: The City's 2024 Annual Comprehensive Financial Report; 2025 figures are estimates by the Division of Building.

Transportation

The City and surrounding areas are served by a broad-based transportation system, including well-developed ground, air and water transportation facilities.

Ground Transportation

The Ohio Turnpike (Interstate 80/90) and Interstates 75, 280 and 475, complemented by six State routes and five U.S. highways, provide the City with direct east-west interstate highway access to such cities as Cleveland, Chicago, Boston, New York, Pittsburgh and Philadelphia and direct north-south access to such cities as Detroit, Cincinnati and Atlanta.

It has been estimated that over 40 trucking and cartage firms provide service in the area of the City.

The City is also a major rail center. Four freight rail systems utilize more than 1,200 miles of track within the City. Norfolk Southern Railway and CSX Corp. both operate freight rail service and major intermodal transportation facilities in the MSA. See **Industry and Major Employers**.

Amtrak operates out of Martin Luther King Jr. Plaza, the main passenger rail and intercity bus station of the City. That location is served by the Lake Shore Limited, operating daily between New York City/Boston and Chicago, and the Capitol Limited, operating between Washington DC and Chicago. For Amtrak's Fiscal Year 2025, Toledo ridership was 46,755. Additional daily interstate passenger service is provided by privately owned bus lines, including Greyhound and Barons Bus Lines, which runs daily bus trips through the City, providing service to Chicago, Cincinnati, Cleveland, Columbus, Detroit and Indianapolis.

The Toledo Area Regional Transit Authority (TARTA), a separate political subdivision, provides local bus service in the City and surrounding areas. TARTA has been funded in part by property taxes levied on its service area that was comprised of the City and five surrounding municipalities and one township. In recent years, those taxes provided approximately $12.8 million for operation and improvement of the system.

In December 2021, TARTA's board of trustees voted to amend the authority's charter to add the County as a new member jurisdiction after voters approved a one-half percent (0.5%) sales tax for TARTA that is collected in the County and the adjacent City of Rossford, the only current TARTA member that isn't in the County. Collection of that sales tax, which is estimated to generate approximately $30 million annually, began in 2022. Thereafter, TARTA conducted a comprehensive operational analysis – "TARTA Next" – with an aim of modernizing and improving public transit in the Toledo area. In 2023, TARTA launched routes in Holland and Springfield Townships and, in 2024, TARTA debuted routes with services in the City of Oregon.

TARTA ridership over the past five years has been as follows:

Year	Number of Passengers
2021	1,577,865
2022	1,874,162
2023	1,874,523
2024	2,148,584
2025	2,425,620

Source: TARTA.

Airports

The City is served by four airports. Commercial airline traffic is provided through the City's Eugene F. Kranz Toledo Express Airport (Toledo Express Airport) and Detroit Metropolitan Airport. Toledo Express Airport is a regional airport located approximately 15 miles southwest of the City, and Detroit Metropolitan Airport is located approximately 45 miles north of the City. The City is also served by two smaller, general aviation airports, including the City's Toledo Executive Airport (formerly known as Metcalf Field), which is located approximately five miles south of the City.

The City's two airports, Toledo Express Airport and Toledo Executive Airport, are both leased to the Port Authority. Under the terms of the lease, which has been extended to run through February 11, 2036, the Port Authority is required to administer the maintenance, operations and development of the City airports, and to account separately for revenues, expenses and other matters related to the airports.

The following is selected historical information pertaining to activity at Toledo Express Airport:

		(Landings/Takeoffs)		
Year	**Passengers Enplaning**	**Military Operations**	**Commercial Carrier**	**General**
2021	81,852	3,981	3,738	32,128
2022	85,451	3,634	4,383	31,475
2023	64,609	3,162	3,504	33,019
2024	59,838	2,745	4,769	31,623
2025	62,749	3,452	3,254	18,514

Source: Port Authority.

Toledo Express Airport remains a base for the 180th Fighter Wing, Ohio National Guard.

Toledo Express Airport is also the principal general aviation airfield in northwest Ohio. The General Aviation Facility at the Airport is used to clear certain international flight crews, passengers and cargo and can accommodate flights with up to 20 passengers and the arrival of multiple aircraft at one time.

Substantial areas on the south side of Toledo Express Airport are included in a foreign trade zone (which permits customs duty to be deferred on imported goods stored in the zone) or in a community reinvestment area designated by the County (which permits certain property tax incentives for construction projects). In addition, in 2014, the City and Swanton and Monclova Townships created a Joint Economic Development District surrounding Toledo Express Airport, later amended in 2021 and most recently in 2024 to include additional properties constituting approximately 40 acres.

The City's Toledo Executive Airport, managed and operated by the Port Authority and located in Wood County near interchanges on Interstate 75 and the Ohio Turnpike, provides an aircraft charter service, flight instruction facilities and facilities for fueling, maintenance and storage of private aircraft. Toledo Suburban Airport, a privately owned airport located within 10 miles northeast of the City in Ottawa Lake, Michigan, is the other general aviation airport serving the City.

Seaport

The Maumee River, which runs through the City, is the largest river flowing into the Great Lakes. The Port Authority was originally formed by the City and the County in 1955 to develop and enlarge the Port of Toledo at the mouth of that River. As required by its authorizing legislation, the Port Authority has adopted a plan for the Port of Toledo designating port-related uses to be made of various properties within the Seaport.

The Port Authority owns a general cargo transshipment facility known as Facility No. 1, located on a 135-acre site at the mouth of the Maumee River and partly within the City. Facility No. 1 includes over 500,000 square feet of transit sheds, 4,000 feet of dock, two mobile harbor cranes, a 15,000,000-gallon bulk liquid storage terminal, a dry bulk handling and storage facility and additional storage and fabrication areas within the Seaport. Facility No. 1 is part of a foreign trade zone.

The Port Authority also owns approximately 505 acres of land adjacent to Facility No. 1 on which facilities for the transshipment of coal are located. Adjacent to that site are additional facilities for the transshipment of iron ore.

The Port is now the largest land-mass seaport on the Great Lakes. The Ironville Docks, part of a public-private partnership with Midwest Terminals of Toledo, includes 20,000 feet of rail lines, providing access to a second Class-1 railroad, warehousing, lay-down areas and a multi-modal conveyor and material transfer system for rapid freight unloading and stacking. The site is very active with the trans-loading of material between rail car, truck and vessel.

The Port Authority also owns one of two remaining shipyards on the lower Great Lakes and leases for operation the only dry dock for ships in the lower portion of the Great Lakes with facilities to berth vessels up to 800 feet long.

Within the Port of Toledo, there are also privately owned grain storage facilities, petroleum docks and other general and bulk cargo facilities. The Port of Toledo also includes small boat marinas and waterfront recreational areas as well as the National Museum of the Great Lakes.

The table below sets forth certain indicators of the vessel traffic and cargo handled at Port Authority facilities for the last five years.

	Vessel Traffic		Net Tons of Cargo Handled				
	Foreign(a)	**Total**	**Total Receipts and Shipments**	**Coal**	**Iron Ore**	**Grain**	**All Overseas**
2021	41	544	11,428,753	2,440,648	5,327,184	1,282,104	993,158
2022	41	535	11,684,394	2,595,352	5,576,540	1,471,764	1,121,199
2023	12	532	11,715,814	2,947,501	5,630,376	1,006,259	240,534
2024	34	517	11,628,426	2,346,882	5,865,733	750,802	594,543
2025	48	493	10,717,411	2,203,499	5,335,450	828,469	866,298

(a) Foreign vessels do not include Canadian vessels, except those in overseas trade.

Source: Port Authority.

City Facilities

The City's facilities include office and administration buildings, parks and recreation buildings and facilities, maintenance and storage facilities, streets and bridges, covered walkways and tunnels, and the City's sanitary sewer, storm water drainage and waterworks system facilities. See also **Water System – Facilities and Operations, Sewer System – Facilities and Operations** and **Storm Water Management System**.

The City has leased approximately 35% of the rentable space in the 22-story One Government Center office building since 1983 when the building was completed. Many of the City's administrative offices are located in that building. The State and the County utilize the remaining office space. In 2018, the State conveyed One Government Center to the Port Authority and, at the request of the Port Authority, the City agreed to an amendment to its then current lease to extend for an initial term of 10 years through December 31, 2028, with an option to renew the lease for two successive and continuous terms of five years each. See **Long-Term Financial Obligations Other than Bonds and Notes – Lease Agreements**.

The City also leases 38,000 square feet of office and customer service space in the Downtown area of the City for its Department of Public Utilities and 25,000 square feet of office space for its engineering staff. The City's current lease for those spaces runs through May 31, 2029, and August 31, 2034, respectively. See **Long-Term Financial Obligations Other than Bonds and Notes – Lease Agreements**.

Water System

Facilities and Operations

The City owns and operates a waterworks system (the Water System) as a self-supporting enterprise that in 2025 produced an average of 67.5 million gallons of potable water per day, with a peak flow of 86.6 million gallons per day. Water is drawn from Lake Erie, treated at the City's Collins Park Water Treatment Plant (the Plant), which has capacity to treat up to 140 million gallons of water per day, and then distributed through approximately 1,165 miles of water lines, over 50% of which were installed before 1930. The estimated replacement cost of the Water System is $3.5 billion. The Water System is operated by the Divisions of Water Treatment and Water Distribution within the City's Department of Public Utilities.

The City has maintained and used the Water System's fund balance to pay costs of routine, ongoing maintenance and repairs and portions of the costs of improvements, extensions and replacements of parts of the Water System, as necessary. At December 31, 2024, the accrual-basis balance of the City's fund for Water System replacements amounted to $52.2 million, including an emergency reserve of $17.0 million, and the accrual-basis balance of the City's fund for Water System improvements and extensions amounted to $1 million. The City has spent an average of approximately $54.1 million annually for replacements, improvements and extensions for the Water System over the past 10 years, utilizing from proceeds of loans from governmental agencies and proceeds of Water System revenue bonds (Water Revenue Bonds) as well as Water System revenues and balances. It expects to spend approximately $13 million (including from funds already borrowed) for those purposes in 2026.

In 2012, the City began a major capital improvement program (the Capital Improvement Program) to rehabilitate and replace portions of the Water System's intake, treatment and distribution facilities. The original estimated cost of the Capital Improvement Program was $312 million, which included (i) improvements to the Plant estimated to cost $243.5 million, based on a "Collins Park Water Treatment Plant 20-year Master Plan & Needs Assessment" prepared by the City in 2011, and (ii) improvements to the intake and distribution facilities estimated to cost $68.4 million.

In 2012, the Ohio Environmental Protection Agency (Ohio EPA) conducted a sanitary survey of the Plant and by a letter dated June 10, 2013, advised the City of six "Significant Deficiencies" at the Plant and established a general timeline providing for remedial actions to be completed by 2018. At the urging of the Ohio EPA, in 2014, the City, with the assistance of its consulting engineering firm, prepared a "General Plan of Improvements for the Collins Park Water Treatment Plant" (the General Plan) to address all of the improvements to the Plant specified by the Ohio EPA. The General Plan, and a later amendment, were incorporated into the Capital Improvement Program, along with improvements identified by the City's consultants in more in-depth, City-initiated studies prompted by the Ohio EPA's sanitary surveys.

Following the detection of an unacceptable level of microcystin, a toxin derived from a large algae bloom in Lake Erie, in water that had been treated by the Water System that resulted in an advisory (the Water Advisory) to Water System customers instructing them to refrain from ingesting tap water during a two-day period in August 2014, the City amended the scope of the General Plan to include treatment barriers to remove algae toxins and accelerated certain of its previously planned improvements to the Water System, including significant improvements to its activated carbon feeding capacity and potassium permanganate treatment capacity in order to mitigate the possibility of similar events resulting from harmful algae blooms (HAB) and to address other water treatment issues. In the spring of 2015, the City constructed the HAB-related chemical feed improvements and installed early warning water quality monitoring buoys and sondes.

Also in response to the microcystin event, the City formed an independent panel in 2015, financed with an interest-free Ohio EPA loan, to review the General Plan and identify any additional improvements to the Water System required to address its water treatment needs and mitigate the possibility of future water events caused by harmful algal toxins. Based on its review, the panel endorsed the General Plan and recommended the addition of ozone treatment facilities at the Plant.

The City amended the General Plan to provide for ozone treatment at the Plant, an improvement that it had not originally planned but which was recommended by the panel that reviewed the City's Capital Improvement Program following the Water Advisory. Construction of that improvement began in 2018 and was operational in 2022.

In 2015, the Ohio EPA conducted a second sanitary survey and by a letter to the City dated September 15, 2015, identified three additional "Significant Deficiencies." Remedial improvements for two of those "Significant Deficiencies" were previously included in the General Plan reviewed by the Ohio EPA.

The Ohio EPA approved the General Plan on January 26, 2016. The Ohio EPA subsequently set specific dates for completion of remedial actions for elimination of the nine "Significant Deficiencies." To date, the City has addressed all six original of the "Significant Deficiencies" identified by the Ohio EPA in 2013, and one of the three "Significant Deficiencies" identified by the Ohio EPA in 2015. The remaining two were addressed by improvements completed in 2023. In 2018, the Ohio EPA conducted a third sanitary survey and no additional "Significant Deficiencies" were identified.

The total cost of all improvements outlined in the Capital Improvement Program is now estimated to be $513 million. Approximately $380 million of the improvements included in the current Capital Improvement Program represent improvements to the Plant, with the balance representing improvements to the Water System's water intake, low service pump station, raw water mains and distribution system. To date, the City has completed approximately 98% of the improvements included in the Capital Improvement Program.

In 2023 the City received a $2,463,591 grant from OEPA through the H2Ohio fund and $7,723,663 loan from OWDA for the design of the Raw Water Main Project. To date, the design is 90% complete with current construction costs estimated to be $200M and plans to be loan funded. Also in 2023, the City entered into a $3 million design loan agreement with OWDA for the Distribution System Improvement project. In 2025, the City entered into a Water Supply Revolving Loan Account (WSRLA) loan for the construction of the project. This project is currently estimated at $85 million and will consist of the construction of four new elevated storage tanks as well as the construction of a new booster pumping station and boundary control structures.

The City will pay the remaining costs of the improvements included in the Capital Improvement Program from the proceeds of Water Revenue Bonds and from Ohio Water Development Authority (OWDA) and Ohio EPA Water Supply Revolving Loan Account (WSRLA) loan funds. See **Outstanding Water System Revenue Bonds and Other Obligations**, **Long-Term Financial**

Obligations Other than Bonds and Notes, **Future Financings** and **Appendix B**. As of December 31, 2024, $536,250,371 of financing has been secured for the water system improvements, comprised of Water Revenue Bond issuances in 2012, 2015, 2016, 2018, 2020 and 2023; OWDA loans in 2012, 2014, 2019 and 2020; and Ohio EPA Water Supply Revolving Loan Application (WSRLA) loans in 2015, 2018, 2019, and 2020. Additionally, the City secured $101 million of Water Revenue Bonds for the acquisition and installation of water meters in the City, which were not included in the Capital Improvement Program. Water rate adjustments effective January 1, 2024, through December 31, 2027, have been authorized by City Council to generate funds required to provide for debt service on existing Water System obligations. The City will continue to reassess the existing rate structure annually and anticipates future rate adjustments in 2028 through 2031 may be required to provide funds for debt service on new Water System debt. See **Water System – Water Rates**.

Service Area and Users

The Water System is a regional utility that provides water service for approximately 130,000 residential, commercial/institutional and industrial customers in the City and certain surrounding areas in Northwest Ohio and Southeast Michigan. The City estimates that approximately 500,000 people are served by the Water System.

In 2025, the Water System sold 1.362 million cubic feet (mcf) of treated water within the City, 404 mcf of treated water to Lucas County, 136 mcf of treated water to the City of Perrysburg, 131 mcf of treated water to Monroe County (Michigan), 82 mcf of treated water to the City of Maumee, 77 mcf to the City of Sylvania, 143 mcf of treated water to adjacent Fulton County through Lucas County, and 176 mcf of treated water to Wood County's Northwest Water & Sewer District for resale to and use by its water customers.

Toledo Refining Company LLC (an operator of a major refinery near the City) was the Water System's largest private user by volume in 2025 at 264 mcf and the only private user whose usage volume exceeded 4% of the total volume produced by the Water System in that year. The following table shows the aggregate volume of water purchased by direct customers inside and outside the City and by bulk purchasers for use or distribution outside the City.

User Volume (in thousands of cubic feet)

Description	2021	2022	2023	2024	2025
Inside – Direct	1,343,970	1,577,520	1,416,287	1,416,355	1,362,060
Outside – Direct	338,155	371,101	358,858	393,560	401,218
Outside – Bulk	686,030	707,250	739,579	745,779	747,176
Total	2,368,155	2,655,871	2,514,724	2,555,694	2,510,454

Over the past five years, residential usage has accounted for approximately 38.4% of total usage, commercial usage for 10.9%, industrial usage for 20.8%, and bulk and hydrant meter usage for 29.9%. The user volume for each category of user for the years 2021 through 2025 was as follows:

User Volume (in thousands of cubic feet)

Description	2021	2022	2023	2024	2025
Residential	968,232	996,625	957,835	964,489	950,442
Commercial	259,361	296,970	262,847	276,136	277,936
Industrial	451,627	630,193	528,981	522,573	492,532
Other (Bulk & Hydrant Meters)	688,935	732,083	765,061	792,496	789,544
Total	2,368,155	2,655,871	2,514,724	2,555,694	2,510,454

The following table shows the aggregate volume of water purchased from the Water System by district for the last five years:

Water Consumption by District (in thousands of cubic feet)

District	**2021**	**2022**	**2023**	**2024**	**2025**	**Contract Expires**
Toledo Inside	1,343,970	1,577,520	1,416,287	1,416,355	1,362,060	N/A
Maumee	88,922	81,977	86,342	78,635	81,670	2060
Perrysburg	156,656	141,906	141,234	133,997	135,546	2060
Sylvania	72,444	75,956	74,330	79,704	76,930	2060
Monroe County	131,711	136,144	131,064	148,786	131,413	2060
Lucas County	361,205	394,197	382,174	394,798	402,793	2060
Wood County	145,507	155,678	171,156	173,884	176,014	2060
Fulton County	67,224	91,969	110,984	128,767	143,003	2060
Berkey	516	524	1,153	768	1,025	2042
Total:	2,368,155	2,655,871	2,514,724	2,555,694	2,510,454	

The following table shows the dollar amounts paid by the ten largest users of water purchased from the Water System in 2025:

	Water Revenue ($)	% of Total Revenue
The County	$19,742,935	18.7%
Northwestern Water & Sewer District	6,348,681	6.0
Toledo Refining Co. LLC	5,817,744	5.5
Fulton County	5,264,209	5.0
Monroe County	4,895,877	4.6
City of Perrysburg	4,751,399	4.5
City of Maumee	2,861,348	2.7
City Of Sylvania	2,849,208	2.7
IronUnits, LLC	1,486,348	1.4
University of Toledo	1,224,806	1.2
Top 10 Largest Users Total	$55,242,555	52.3%

See **Economic and Community Development Activities – Industry and Commerce – Other Recent Commercial Development Activities** for information concerning private bulk users Clean Energy Future LLC and IronUnits LLC (a subsidiary of Cliffs Natural Resources Inc.) for new plants currently under construction or recently completed.

Toledo Regional Water Commission

In December 2019, the contract communities (the County and all the other communities that purchase water from the City (i.e., the Counties of Fulton, Monroe (Michigan), and Wood (Northwestern Water and Sewer District) and the Cities of Maumee, Perrysburg and Sylvania, and the Village of Whitehouse) and the City agreed to a uniform water agreement; all parties have signed this agreement. The agreement includes details governing the development of water rates and necessary capital improvements based on the cost of service. The Toledo Regional Water Commission (TRWC) originally convened at the end of 2019 and established bylaws to govern operation of TRWC.

In 2020, TRWC completed its first full year of operations. This included approving a Water Capital Improvements Program and four years of rates (2020 through 2023) as part of the seven-year rate transition pursuant to the uniform water agreements. In 2023, rates through 2031 were approved. The 10 TRWC members are non-elected utility representatives from the following: the County; Fulton County; Monroe County; Michigan South County Water; Northwestern Water and Sewer District; City of Perrysburg; City of Maumee; City of Sylvania; the City; and the Village of Whitehouse.

Water Rates

The City's water user rates are set at a level sufficient to provide funds for costs of operating, maintaining and providing necessary replacements and improvements for the Water System and for debt service requirements on outstanding Water Revenue Bonds issued, and OWDA, Ohio EPA WSRLA and Ohio Public Works Commission (OPWC) loans obtained, for improvements to the Water System.

Historically, the Council has passed rate ordinances that have established rates for four-year periods. The Council has authority to increase water rates as may be necessary for those purposes. Current water rates are expected to generate approximately $104 million from metered sales in Fiscal Year 2026. As was contemplated by the regional water agreements entered into in October 2019, in November 2019, the City Council approved new schedules of water rates recommended by the newly formed Regional Water Commission and effective for the four-year period commencing on January 1, 2020, with a goal of keeping water rates equitable and predictable while planning for future capital needs at the Plant. In December 2023, City Council approved water rates for the next four year period commencing January 2024.

Under the current water rate schedules, individual customers inside the City are paying monthly rates that include a fixed charge of $6 to cover billing, meter reading and other customer service functions and a variable charge of $4.417 per 100 cubic feet of metered water consumed. Discounts are provided to seniors and those permanently and totally disabled for their primary, single metered, single family, owner-occupied permanent residences (in the amount of 25% for the first 667 cubic feet of water consumed monthly), to those of senior and disabled customers with eligible incomes at or below 200% of the federal poverty level (in the amount of 40% for all water metered monthly water consumption), to consumers with eligible incomes at or below 200% of the federal poverty level (in the amount of 25% for all metered water consumption), and to those consuming more than 160,000 cubic feet of metered water per month (approximately 44% for their monthly consumption in excess of 160,000 cubic feet). All such rates are scheduled to increase by 10% annually through 2026 and 6% in 2027.

Lucas County water customers located outside the boundaries of the Contract Community service areas are currently paying monthly rates that include a fixed charge of $6 to cover billing, meter reading and other customer service functions and a variable charge of $4.417 per 100 cubic feet of metered water consumed. The monthly variable charges paid by those Lucas County customers are to increase by 10% annually through 2026 and 6% in 2027 (except that variable charge paid by such customers for consumption over 160,000 cubic feet per month are to increase 10% per year in 2026 and 2027). Those customers who are seniors or are permanently and totally disabled or have an eligible income are eligible for the same discounts provided to such customers inside the City, as described above.

Wholesale rates being paid by the other Contracting Communities currently range from $35.13 for each 1,000 cubic feet of metered water (for the City of Perrysburg) to $36.97 for each 1,000 cubic feet of metered water (for Monroe County, the Northwestern Water and Sewer District, City of Sylvania, Fulton County and the Village of Whitehouse), all of which will be increased annually through 2027. Individual customers in those Contracting Communities pay additional rates for water service imposed by their respective Communities.

The City expects the current rates to be sufficient (i) to cover all costs of operation, maintenance and repair of the System and debt charges on both its outstanding loans and Water Revenue Bonds and the anticipated additional loans and Water Revenue Bonds to be incurred and issued through 2025, and those required to provide funds necessary to complete its currently planned Capital Improvement Program and its water meter replacement program and (ii) to meet coverage requirements set forth in the trust indenture securing the Water Revenue Bonds. See **Water System - Facilities and Operations** and **Future Financings**.

As of December 31, 2025, Water System accounts totaling $18.7 million were delinquent for more than 30 days, $17.1 million of which were delinquent for more than 90 days. The Water System collection rate for Fiscal Year 2025 was 96.5%.

Operating Results

The following summarizes operating results of the Water System in recent Fiscal Years, presented in accordance with generally accepted accounting principles as applicable to governments. (Similar figures for Fiscal Year 2025 are not available as of the date of this Annual Statement.)

	(in thousands of dollars)				
	2020	**2021**	**2022**	**2023**	**2024**
Operating revenues:					
Charges for services	$ 81,801	$ 84,017	$ 91,085	$ 92,193	$ 98,844
Other revenue	74	2	145	772	82
Total operating revenues	$ 81,875	$ 84,019	$ 91,230	$ 92,965	$ 98,926
Operating expenses:					
Personnel services	$ 17,516	$ 7,340	$ 13,293	$ 18,783	$ 20,533
Contractual services	18,411	17,813	18,609	20,650	22,833
Materials and supplies	6,400	6,485	6,874	8,932	11,869
Utilities	2,812	3,127	3,305	3,219	3,633
Depreciation	7,188	7,052	7,262	11,234	11,736
Total operating expenses	$ 52,327	$ 41,817	$ 49,343	$ 62,818	$ 70,604
Operating income (loss)	$ 29,548	$ 42,202	$ 41,887	$ 30,147	$ 28,322
Nonoperating revenues (expenses):					
Investment earnings	$ 2,087	$ 2,192	$ 3,143	$ 4,901	$ 3,851
(Decrease) in fair value of investments	0	(2,925)	(10,674)	3,765	2,365
Interest expense and fiscal charges	(15,306)	(15,662)	(14,978)	(9,793)	(13,662)
Gain (loss) on disposal of capital assets	10	40	59	4	50
Total nonoperating revenues (expenses)	$ (13,209)	$ (16,355)	$ (22,450)	$ (1,123)	$ (7,396)
Income before operating transfers and contributions	$ 16,339	$ 25,847	$ 19,437	$ 29,024	$20,926
Net Operating transfers in (out)	45	2,505	300	505	(731)
Change in net position	$ 16,384	$ 28,352	$ 19,737	$ 29,529	20,195
Net Position, beginning of year	$240,579	$256,963	$285,315	$298,549(a)	$328,078
GASB Statement No. 68 Adjustment	N/A	N/A	N/A	N/A	$ (598)
Net Position, end of year	$256,963	$285,315	$305,052	$328,078	$347,675

(a) Net position restated at beginning of year.

Outstanding Water System Revenue Bonds and Other Obligations

As of December 31, 2025, the City had outstanding an aggregate principal amount of $262,435,000 of Water Revenue Bonds issued to pay costs of improvements to the treatment and distribution facilities of the Water System. All of the Water Revenue Bonds are special obligations that have been secured by a pledge of and a lien on certain funds and net revenues of the Water System, all as provided in the trust indenture securing the Water Revenue Bonds. All debt service payments on the Water Revenue Bonds are to be made from Water System revenues after payment of operating and maintenance expenses of the Water System. The City's remaining annual debt service requirements on the Water Revenue Bonds outstanding on December 31, 2025, were as follows:

Year	Debt Service	Year	Debt Service
2026	$22,323,476	2035	$25,613,925
2027	22,434,218	2036	25,679,826
2028	22,659,624	2037	27,923,862
2029	22,763,906	2038	28,092,219
2030	22,879,351	2039	11,257,750
2031	25,286,501	2040	11,330,500
2032	24,526,535	2041	11,346,000
2033	25,471,732	2042	6,630,750
2034	25,547,504		

As of December 31, 2025, the City had an aggregate of $223,819,655 of outstanding loans from OWDA (in the principal amount of $222,873,031 and OPWC in the principal amount of $946,625) payable from revenues of the Water System after provision for costs of operating and maintaining the Water System and the payment of debt service on the Water Revenue Bonds has been made. See **Long-Term Financial Obligations Other than Bonds and Notes – Ohio Water Development Authority Loans** and **– Ohio Public Works Commission Issue 2 Loans** and **Future Financings**.

On August 19, 2025, the City redeemed the entire outstanding principal balance of its $12,305,000 City of Toledo, Ohio, Water System Revenue Refunding Bonds, Series 2015. The Series 2015 Bonds were redeemed with the proceeds of a $8,147,883.28 Fresh Water Refinance Loan from OWDA. The OWDA loan bears interest at a rate of 2.58% and matures July 1, 2030.

As discussed above, in 2015, the City also obtained $6.597 million of loans from the Ohio EPA, administered by OWDA. In 2018, the City obtained a third loan in the initial amount of $44.77 million from the Ohio EPA Those loans are payable from revenues of the Water System after provision for costs of operating and maintaining the Water System and the payment of debt service on the Water Revenue Bonds has been made. See **Water System – Facilities and Operations** and **Long-Term Financial Obligations Other than Bonds and Notes – Ohio EPA Loans**.

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The following provides summary information concerning Water System revenues and expenses in recent Fiscal Years, presented on an accrual basis, together with certain information as to net revenues available for debt service on the Water Revenue Bonds and the debt service coverage ratio on the Water Revenue Bonds. (Similar figures for Fiscal Year 2025 are not available as of the date of this Annual Statement).

	(dollar amounts shown in thousands of dollars)				
	2020	**2021**	**2022**	**2023**	**2024**
Operating Revenues	$81,875	$84,019	$91,230	$92,965	$ 98,926
Nonoperating Revenues(a)	2,087	2,192	3,143	4,901	3,851
Total Revenues	$83,962	$86,211	$94,373	$97,866	$102,777
Total Operating Expenses (net of depreciation)	$45,139	$34,765	$42,081	$51,584	$58,868
Net Revenues available for Debt Service	$38,823	$51,446	$52,292	$46,282	$43,909
Total Debt Service on Bonds	$23,430	$27,784	$28,140	$27,601	$23,063
Debt Service Coverage Ratio on Outstanding Bonds	1.66	1.85	1.86	1.68	1.90

(a) Consistently with indenture provisions, these amounts exclude nonoperating revenues that are proceeds from the sale of capital assets, which proceeds are excluded in determining the Debt Service Coverage Ratio and compliance with the City's rate covenant.

Sewer System

Facilities and Operations

The City owns and operates a sanitary sewage collection and treatment system (the Sewer System) as a self-supporting enterprise that in 2025 collected and treated approximately 57.7 million gallons of wastewater per day generated by residential, commercial, institutional and industrial users. The Wastewater system is comprised of approximately 1,100 miles of lines serving an area of approximately 85 square miles and is owned by the City. The local sewers serving 74% of the City's sewered area carry only sanitary sewage, while the remaining 26% of the City's sewered area is served by combined local sewers that carry sanitary sewage and, in wet weather, storm water. The local sewers flow into interceptor sewers that carry the wastewater to the City's Bay View Wastewater Treatment Plant (WWTP) for treatment. The WWTP is unusual in that it includes a traditional plant providing secondary treatment and a wet weather treatment facility (WWTF) providing the equivalent of primary treatment. The WWTP is a 130 million gallon per day (MGD) activated sludge plant, utilizing a biological process that provides nitrification and chemical phosphorous removal. The WWTP is designed with a firm capacity to provide full treatment to up to 195 MGD. In addition, the WWTF has a firm capacity to treat up to 205 MGD of storm water flows through a chemical high rate clarification process. This brings the total treatment capacity of the WWTP and the WWTF to 400 MGD. The WWTF is utilized once flows exceed the design parameters of the traditional WWTP. Treated effluent is discharged from the WWTP to the Maumee River, and the residual sludge is removed by truck and used as a soil enrichment substance to enhance the quality of topsoil or deposited in a landfill. The estimated replacement cost of the Sewer System is $2.5 billion.

The City believes its Sewer System collection and treatment facilities have been appropriately maintained and, while requiring the ongoing repairs, replacements and improvements commonly needed for sewer system facilities as they age, are in satisfactory operating condition. The City maintains reserves to pay portions of the cost of replacing portions of the Sewer System as necessary and of constructing certain extensions and improvements. As of December 31, 2025, the accrual-basis balance of the City's fund for Sewer System replacements amounted to $71.7 million, including an emergency reserve of $24.0

million and the accrual-basis balance of the City's fund for improvements and extensions amounted to $0.1 million. The City has spent an average of approximately $26.4 million for replacements, extensions and improvements for the Sewer System annually over the past 10 years, and expects to spend up to $8.5 million (including loan and bond funds) for those purposes in 2026.

Though appropriately maintained, the City believes the 100 year old WWTP needs to be modernized. Modernization will allow the City to continue to meet federal and State regulations and to lower the expense of sending waste to landfills. Voters overwhelmingly approved a referendum on the November 2023 ballot to make needed improvements to the WWTP and collection system. The City performed a sewer rate model study to fund the improvements, and increases went in affect July 10, 2024. The improvements will take place over a 15-year period at an approximate cost of $638.4 million. In 2025, the City entered into a $50 million Water Pollution Control Loan Fund (WPCLF) loan with OWDA for the cost of necessary contracts for design, construction management and commissioning phases of plant improvements program management.

On February 1, 2024, the Ohio EPA issued the City's current National Pollutant Discharge Elimination System (NPDES) permit to operate the WWTP and WWTF. The permit requires certain reports, tests, and studies regarding combined sewer overflows and treatment plant bypasses to identify future corrective actions that may be needed.

From 1991 until 2002, the City was involved in litigation in which the United States and the State sought injunctive relief and civil penalties against the City under the Clean Water Act for alleged discharges of pollutants from the WWTP in violation of permit limitations. In 2002, the parties entered into a consent decree (Consent Decree) providing a comprehensive settlement that involved the City's payment of certain civil penalties and undertaking of certain major capital projects and remedial actions. Under the terms of that Consent Decree, as amended in 2010, the City was required to (i) pay a $500,000 fine, (ii) construct supplemental environmental projects (i.e., improvements to an existing wetland and remediation of a closed landfill, both of which are located in the City) at a combined cost of approximately $1 million, (iii) make improvements to the WWTP and sanitary sewerage system to eliminate known sanitary sewer discharges and (iv) make improvements to eliminate or reduce combined sewer overflows.

Since 2003, the City has spent approximately $767.6 million on capital improvement and replacement projects, including Consent Decree projects, for the Sewer System. Consent Decree projects were funded with approximately $25.5 million of State and federal grants, $397.1 million of OWDA and OPWC loans (see **Long-Term Financial Obligations Other than Bonds and Notes** and **Appendix B**) and $104.4 million out of the Sewer System's reserves. The Consent Decree projects have been completed. In September 2022, in a conference call with Judge James G. Carr of the U.S. District Court for the Northern District of Ohio and representatives of Ohio EPA, the City was informed that the City has satisfied all requirements set forth in the Consent Decree.

Service Area and Users

The Sewer System collects and treats wastewater flows from approximately 104,000 residential, commercial/institutional and industrial users in the City, and approximately 6,200 users outside the City. It is the sole provider of such service in the City and serves an estimated 266,000 persons.

The user volume by each category of users for the years 2021 through 2025 was as follows:

	User Volume (in thousands of cubic feet)				
Category	**2021**	**2022**	**2023**	**2024**	**2025**
Residential	589,445	611,768	602,394	607,085	681,490
Commercial	240,210	287,242	284,318	296,532	293,239
Industrial	318,508	394,988	321,600	331,014	314,866
Governmental	13,648	14,253	13,744	16,435	10,287
Total	1,161,811	1,308,251	1,222,056	1,251,066	1,299,882

Sewer Rates

The City's sewer user rates are set so as to provide sufficient funds for operating, maintaining and providing replacements and improvements for the Sewer System and for debt service requirements on outstanding Sewer System revenue bonds and on loans from the OWDA and the OPWC for Sewer System improvements.

The Council has authority to increase sewer rates as may be necessary for those purposes. Current sewer rates are expected to generate approximately $106.3 million in charges for services in Fiscal Year 2026. The City's sewer rates have two components. Fixed rates are imposed on individual users based on their water meter size, whether they are industrial or nonindustrial users and whether they are located within or outside the corporate limits of the City. Additional sewer volume charges based on water consumption are also imposed.

In 2024, the Council enacted an ordinance providing for 3.75% rate increases effective on July 10, 2024 and then on January 1 in each year from 2025 through 2028, and a 3.0% increase effective January 1, 2029. For illustrative purposes, regular users (based on a nonindustrial user with a 5/8 inch meter that is located inside the corporate limits of the City), the increases raised normal monthly fixed charges to $23.47 for 2024 and sewer volume charges for regular users using 1,000 cubic feet of water (based on the standard of usage set by the American Waterworks Association and the Ohio EPA) are currently $58.41 per month. Those increases were required, in part, to pay costs of the scheduled capital improvement projects and related debt service. See **Sewer System – Facilities and Operations**.

Single service residential customers in the City are eligible for the same discounts as described previously for water customers.

The City has established an Industrial Pretreatment Program under which industrial customers pay a surcharge for discharges to the Sewer System exceeding defined levels. As of December 31, 2025, a total of 34 users of the Sewer System were being assessed that surcharge. The City anticipates that the surcharges will produce approximately $1.0 million in additional annual revenue for the next five years.

As of December 31, 2025, Sewer System accounts totaling $33.5 million were delinquent for more than 30 days, $31.3 million of which were delinquent for more than 90 days. The Sewer System's collection rate for Fiscal Year 2025 was 91.2%.

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Operating Results

The following summarizes operating results of the Sewer System in recent Fiscal Years, presented in accordance with generally accepted accounting principles as applicable to governments. (Similar figures for Fiscal Year 2025 are not available as of the date of this Annual Statement.)

	(in thousands of dollars)				
	2020	2021	2022	2023	2024
Operating revenues:					
Charges for services	$ 91,487	$ 90,486	$ 95,853	$ 94,419	$ 94,834
Other revenue	195	192	91	97	449
Total operating revenues	$ 91,682	$ 90,678	$ 95,944	$94,516	$95,283
Operating expenses:					
Personnel services	$ 17,078	$ 6,644	$ 12,549	$ 18,093	$ 20,004
Contractual services	17,477	12,729	16,922	19,997	24,726
Materials and supplies	2,236	3,513	2,717	3,098	3,752
Utilities	3,165	3,369	4,193	4,097	3,932
Depreciation	17,094	17,261	17,435	18,460	18,520
Total operating expenses	$ 57,050	$ 43,516	$ 53,816	$ 63,745	$ 70,934
Operating income (loss)	$ 34,632	$ 47,162	$ 42,128	$ 30,771	$ 24,349
Nonoperating revenues (expenses):					
Interest revenue	$ 1,131	$ 979	$ 1,188	$ 2,368	$ 3,690
(Decrease) in fair value of investments	0	(1,145)	(3,192)	1,545	288
Interest expense and fiscal charges	(12,034)	(12,688)	(9,591)	(9,311)	(8,696)
Gain (loss) on disposal of capital assets	25	68	18	0	18
Total nonoperating revenues (expenses)	$ (10,878)	$ (12,786)	$ (11,577)	$ (5,398)	$ (4,700)
Income before transfers and contributions	$ 23,754	$ 34,376	$ 30,551	25,373	19,649
Capital contributions	$ 449	$ 477	472	759	0
Net transfers in (out)	(75)	2,692	(75)	519	(1,012)
Change in net position	$ 24,128	$ 37,545	$ 30,948	$ 26,651	$ 18,637
Net Position, beginning of year	$360,696	$384,824	$422,369	$451,908(a)	$478,046(a)
Net Position, end of year	$384,824	$422,369	$453,317	$478,559	$496,683

(a) Net position restated at beginning of year.

Outstanding Sewer Revenue Bonds and Other Obligations

As of December 31, 2025, the City had no outstanding Sewer System revenue bonds.

As of December 31, 2025, the City had an aggregate of $287,828,143 of outstanding loans from OWDA (in the principal amount of $281,019,087) and OPWC (in the principal amount of $6,809,056) (the OWDA and OPWC Loans) payable from revenues of the Sewer System after provision for costs of operating and maintaining the Sewer System and for the payment of debt service on the Sewer Revenue Bonds has been made. See also **Long-Term Financial Obligations Other than Bonds and Notes – Ohio Water Development Authority Loans** and **– Ohio Public Works Commission Issue 2 Loans** and **Future Financings**.

The following provides summary information concerning Sewer System revenues and expenses in recent Fiscal Years, presented on an accrual basis, together with certain information as to net revenues available for debt service on the Sewer Revenue Bonds and other Sewer System obligations and the debt service coverage ratio for the Sewer Revenue Bonds. (Similar figures for Fiscal Year 2025 are not available as of the date of this Annual Statement.)

	(dollar amounts shown in thousands of dollars)				
	2020	**2021**	**2022**	**2023**	**2024**
Operating Revenues	$91,487	$90,486	$95,853	$94,419	$95,283
Nonoperating Revenues(a)	195	192	91	97	3,690
Total Revenues	$91,682	$90,678	$95,944	$94,516	$98,973
Total Operating Expenses (exclusive of depreciation)	$39,956	$26,255	$36,381	$45,285	$52,414
Net Revenues	$51,726	$64,423	$59,563	$49,231	$46,559
Total Debt Service on Bonds	$ 1,305	$ 1,417	$ 1,366	$ 1,320	$ 110
Debt Service Coverage Ratio on Outstanding Bonds	39.64	45.56	43.60	37.30	423.26
Net Revenues Available for Other Sewer System Obligations	$50,421	$63,006	$58,197	$47,911	$46,449
Repayment of OWDA and OPWC Loans	$25,812	$29,684	$30,118	$30,022	$31,859

(a) Consistently with indenture provisions, these amounts exclude nonoperating revenues that are proceeds from the sale of capital assets, which proceeds are excluded in determining the Debt Service Coverage Ratio and compliance with the City's rate covenant.

Storm Water Management System

In 2000, the City began charging residents and businesses a monthly fee for the City's storm water collection, detention and management system (the Storm Water Management System) that was established in 1999. The current monthly fee for single-family residences, enacted by the Council by ordinance in 2008, is $3.80. Commercial, industrial and other users pay greater fees based upon the amount of impermeable surface on their properties. The proceeds from the fee are deposited in a separate storm water management system fund and used for the operation, maintenance and improvement of the Storm Water Management System and related debt service.

The following summarizes operating results of the Storm Water Management System in recent Fiscal Years, presented in accordance with generally accepted accounting principles as applicable to governments. (Similar figures for Fiscal Year 2025 are not available as of the date of this Annual Statement.)

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	(in thousands of dollars)				
	2020	**2021**	**2022**	**2023**	**2024**
Operating revenues:					
Charges for services	$ 9,349	$ 8,901	$ 9,194	$ 9,148	$ 9,246
Other revenue	12	13	16	25	27
Total operating revenues	$ 9,361	$ 8,914	$ 9,210	$ 9,173	$ 9,273
Operating expenses:					
Personal services	$ 4,470	$ 1,198	$ 3,355	$ 5,076	$ 5,168
Contractual services	1,774	2,028	1,866	1,993	2,214
Materials and supplies	238	283	368	395	461
Utilities	0	0	3	0	0
Depreciation and amortization	1,297	1,086	1,217	1,258	1,279
Total operating expenses	$ 7,779	$ 4,595	$ 6,809	$ 8,722	$ 9,122
Operating income (loss)	$ 1,582	$ 4,319	$ 2,401	$ 451	$ 151
Nonoperating revenues (expenses):					
Investment Earnings	$ 711	$ 731	$ 878	$ 1,693	$ 1,856
(Decrease) in fair value of investments	0	(850)	(2,359)	459	458
Interest expense and fiscal charges	(47)	(85)	(41)	(40)	(55)
Gain (loss) on disposal of capital assets	0	0	(1)	(20)	194
Total nonoperating revenues (expenses)	$ 664	$ (204)	$ (1,523)	$ 2,092	$ 2,453
Income (loss) before Transfers and Contributions	$ 2,246	$ 4,115	$ 878	$ 2,543	$ 2,604
Capital Contributions	204	26	0	0	0
Net Operating transfers in (out)	(75)	225	(30)	(18)	(167)
Change in Net Position	$ 2,375	$ 4,366	$ 848	$ 2,525	$ 2,437
Net Position, beginning of year	$67,455	$69,830	$74,196	$75,040(a)	$77,565
GASB Statement No. 68 Adjustment	N/A	N/A	N/A	N/A	$ (614)
Net Position, end of year	$69,830	$74,196	$75,044	$77,565	$79,388

(a) Net position restated at beginning of year.

The City has spent an average of approximately $2.9 million annually for replacements and improvements for the Storm Water Management System over the past five Fiscal Years, and expects to spend approximately $3.6 million for those purposes in Fiscal Year 2026.

The City has (and as of December 31, 2025, had) an aggregate of $1,526,503 of outstanding loans from OWDA (in the principal amount of $1,061,820) and OPWC (in the principal amount of $464,883).

Other Utilities

Natural Gas and Electricity

Energy supplies in the City have been stable during the past decade. Electricity is supplied in the City primarily by the Toledo Edison Company, a subsidiary of FirstEnergy Corp. The primary supplier of natural gas is Columbia Gas of Ohio, Inc. Those suppliers have experienced no difficulty in meeting customer demand and have allowed and are allowing new connections for residential, commercial and industrial customers.

In 2006, the Council passed legislation to create a municipal electric utility and declare the Council's intention to seek opportunities to provide municipally generated electric power to its citizens and customers on the open market. Since 2012, that municipal electric utility has been operated to serve a single customer, the metals recycler OmniSource Corp., which agreed to purchase six megawatts of power from the utility annually. The City's utility purchases electricity wholesale from American Municipal Power-Ohio, a nonprofit municipal utilities group, to serve that customer. The City does not plan to build a grid, or to serve residential customers, but does plan to add small- and medium-sized commercial and industrial customers.

Solid Waste Collection and Disposal

The City owns and operates the Hoffman Road Landfill, a 262-acre facility located in the City. The City now estimates that the Hoffman Road Landfill has 78 years of remaining operating capacity based on current levels of use.

Residential solid waste and recycling collection services in the City are the responsibility of the Lucas County Solid Waste Management District (LCSWMD). The LCSWMD contracts with a private operator to provide those services, which were formerly provided by the City. LCSWMD bills the City for those services, and the City bills and collects fees covering a portion of the costs, with the balance being subsidized with appropriations from the City's General Fund.

Under State law, solid waste management planning for the City and the County is undertaken by the Board of Trustees of the LCSWMD.

FINANCIAL MATTERS

Introduction

The City's Fiscal Year corresponds with the calendar year.

The main sources of City revenue have been and are income and property taxes, municipal utility user charges, and State distributions as described below.

The responsibilities for the major financial functions of the City are divided among the Director of Finance, the City Auditor, the Mayor and the Council.

The Director of Finance is the City's fiscal and chief accounting officer, and is responsible for the debt and cash management functions of the City, overseeing preparation of City budgets and the supervision of the following divisions and offices:

> Division of Taxation – This Division is responsible for budgeting and collection of City income taxes and other revenues. The Commissioner of Taxation, who reports to the Director of Finance, manages these functions.
>
> Division of Treasury – This Division is responsible for licensing, special assessments and the investment of City moneys. The Commissioner of Treasury, who reports to the Director of Finance, manages these functions.
>
> Division of Accounts – This Division is responsible for all accounting for financial transactions involving local, State and federal funds. The Commissioner of Accounting, who manages these functions, reports to the Director of Finance.
>
> Division of Purchasing – This Division is responsible for overseeing the City's letting of contracts for construction projects and the procurement of materials, supplies and services, including applicable competitive bidding or proposal requirements, the initiation and flow of all City contract documents and the encumbrance of funds through the generation of purchase orders. It also operates the City's mailroom and print shop and maintains records with respect to City contracts. The Commissioner of Purchasing, who manages all of these functions, reports to the Director of Finance.

Office of Budget Management – This Office is responsible for developing, implementing and monitoring the operating budgets of the City. The Commissioner of Administrative Services, who manages these functions and maintains the City's position control schedules, reports to the Director of Finance.

Division of Debt and Capital Program Financing – This Division is responsible for structuring, paying, reconciling and monitoring all debts of the City as well as preparing and monitoring the City's Capital Improvement Budget. The City's Commissioner of Debt Management and Capital Improvement Programs manages these functions and reports to the Director of Finance. See **City Government**.

The City Auditor is primarily responsible for internal financial and operational audits of all departments, divisions, boards, commissions and other agencies of the City government.

The major policy and planning functions with respect to City financial affairs are under the direction of the Mayor. The Council must approve all budgets and appropriations of moneys. For property taxation purposes, assessment of real property is by the County Auditor subject to supervision by the State Tax Commissioner, and assessment of public utility property is by the State Tax Commissioner. Property taxes and special assessments are billed and collected by County officials.

Budgeting, Tax Levy and Appropriations Procedures

Detailed provisions for budgeting, tax levies and appropriations are made in the Revised Code. These include a review by county officials at several steps, and a requirement that the subdivision levy a property tax in an amount sufficient, with any other moneys available for the purpose, to pay the debt service on securities payable from property taxes.

The law requires generally that a subdivision prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of the next fiscal year. The tax budget then is presented for review by the county budget commission, comprised of the county auditor, treasurer and prosecuting attorney (the prosecutor may opt out in favor of a county commissioner selected by the board of county commissioners). However, a county budget commission may waive the requirement for a tax budget and require more limited information. In 2001, the Lucas County Budget Commission voted to waive the requirement for a tax budget for the subdivisions in the County for future Fiscal Years and has since required that alternate tax budget information be provided by the City and those other subdivisions.

Under the current requirements, City budgeting for each Fiscal Year formally begins in the prior July with the preparation and submission to the County Budget Commission of tax budget information. For debt service, the information is to include the net amounts of debt service payable during that Fiscal Year for which property tax levies must be made (after application of estimated receipts from other sources) and the portions of those levies to be inside and outside the ten-mill limitation. That tax budget information is then reviewed by the County Budget Commission.

As part of that review, the County Budget Commission is to determine and approve levies for debt service outside and inside the ten-mill limitation. The Revised Code provides that "if any debt charge is omitted from the budget, the commission shall include it therein."

The County Budget Commission then certifies to the City its action together with the estimate by the County Auditor of the tax rates outside and inside the ten-mill limitation. Thereafter, the Council is to approve the tax levies and certify them to the proper County officials. The approved and certified tax rates are then to be reflected in the tax bills sent to property owners for collection in the following calendar year. Real property taxes are payable in two equal installments, the first usually in January and the second in July.

The Council adopts a temporary appropriation measure before January 1 of each Fiscal Year, and then, by March 31, a permanent appropriation measure for that Fiscal Year. Although called "permanent," the annual appropriation measure may be, and often is, amended during the Fiscal Year. Annual appropriations may not exceed the County Budget Commission's official estimates of resources, and the County Auditor must certify that the City's appropriation measures do not appropriate moneys in excess of the amounts set forth in those estimates. No money of the City is to be expended unless first appropriated by the Council. The Director of Finance is not to allow the amount set aside for any appropriation to be overdrawn or the amount appropriated for any one item of expense to be drawn upon for any other purpose.

Under recent legislation (see **Ad Valorem Property Taxes – Considerations Regarding Real Property Tax Reform**), county budget commissions have been granted authority to reduce the amount or rate of a tax levy if the county budget commission determines the reduction is necessary to avoid "unnecessary" or "excessive" collections. County budget commissions are required to approve all properly authorized voted property tax levies without modification for the first year of a levy's collection, unless the levy is a renewal. Before reducing the amount or rate of a tax to avoid unnecessary or excessive collections, the county budget commission must provide the taxing authority an opportunity to present, at a public hearing, information on whether and to what extent the levy should be reduced.

For taxing authorities comprised of primarily elected members (such as school districts), a county budget commission cannot reduce levies below what the levies collected in the prior year, unless there are funds available in reserve balance accounts, nonexpendable trust funds or carryover amounts to offset the reduction, which amounts must be considered by the county budget commission. Further, for school districts, a county budget commission cannot reduce below 20 mills unless the school district has requested a reduction to forego increased revenue within inside millage or the 20-mill floor.

Financial Reports and Audits

The City maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Auditor of State (the State Auditor). The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

The City's accounting policies and financial reporting practices conform to generally accepted accounting principles as applicable to governments, including, among others, those recommended by the Governmental Accounting Standards Board (GASB) from time to time. Those principles, among other things, provide for a modified accrual basis of accounting for governmental funds (which include the general fund, all special revenue funds, debt service funds and capital project funds) and expendable trust funds, and for a full accrual basis of accounting for all other funds (other than agency funds), and for the preparation for each fund of balance sheets, statements of revenues and expenditures, and statements showing changes in fund balances. They also provide for a recognition of assets and liabilities of agency funds on a modified accrual basis of accounting. The significant City accounting policies are disclosed in the notes to basic financial statements in each City Annual Comprehensive Financial Report. See the Notes to the City's audited Basic Financial Statements for Fiscal Year 2024 attached as **Appendix B**.

The City has issued an Annual Comprehensive Financial Report (Annual Report), including General Purpose Financial Statements (GPFS), for each of the years from 1982 through 2001 and Basic Financial Statements for each of the years from 2002 through 2024. These Annual Reports are to be filed with the State Auditor within 150 days after the close of each Fiscal Year, unless the State Auditor grants an extension. The City also prepares annually a Schedule of Federal Assistance under federal program requirements. The City will provide on request copies of its Annual Report for Fiscal Year 2024 and has caused that Annual Report to be made available on the website of the State Auditor (www.auditor.state.oh.us). Requests may be made by writing to the office of the Director of Finance, Attention: Accounts Division, One Government Center, Suite 2050, Toledo, Ohio 43604-2293.

The City actively participates in the Government Finance Officers Association (GFOA) Certificate of Achievement Program. The Certificate of Achievement for Excellence in Financial Reporting is awarded by the GFOA's Special Review Committee to those governmental reporting agencies that comply with the reporting standards of the GFOA. The City has routinely received that Certificate for its Annual Reports, including most recently its Annual Report for Fiscal Year 2023. The City has submitted its Annual Report for 2024 to the GFOA for consideration for such a Certificate.

The Ohio Auditor of State (the State Auditor) performed the annual audit for Fiscal Years 2017 through 2019, and issued an unqualified independent auditor's report on the City's Basic Financial Statements for each of those Fiscal Years, as well as reports on internal controls and compliance. In 2020, the State Auditor authorized the City to contract with independent public accounting firms for its annual audits. The City has engaged Clark, Schaefer, Hackett & Co. to perform the annual audit for Fiscal Year 2025.

The most recent audit (including compliance audit) of the City's accounts was completed by Clark, Schaefer, Hackett & Co. for Fiscal Year 2024. The City's audited Basic Financial Statements for Fiscal Year 2024 are attached as **Appendix B** and are a part of this Annual Statement. No findings for recovery or citations were made in Clark, Schaefer, Hackett & Co.'s reports on compliance. However, in its report on internal controls and compliance, Clark, Schaefer, Hackett & Co. identified one significant deficiency not considered to be a material weakness. The City is implementing a corrective action plan to address this item, see the City's Planned Corrective Action set forth in **Appendix B**.

Appendix A to this Annual Statement contains a comparative modified accrual basis summary of actual General Fund revenues, expenditures and balances for the last five Fiscal Years and budgeted for Fiscal Year 2026.

Investment and Management of City Funds

Deposits and investments of City funds are governed by the Charter and Chapter 192 of the Toledo Municipal Code, enacted in 1986 and last amended in 2013 (the Investment Policy Ordinance). Under the Investment Policy Ordinance, the Director of Finance has general responsibility for carrying out the banking and investment policies of the City, and the Commissioner of Treasury has the day-to-day responsibility for investing and depositing City funds as they become available. Under the Investment Policy Ordinance and current practices, investments are made in (i) direct obligations of the United States, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae, and the Federal Farm Credit Banks, (ii) certificates of deposit with banking institutions having an office in the State, and demand deposits with banking institutions having an office in the City, which in each case meet City requirements relating to size, credit rating and collateralization of City deposits, (iii) federally insured certificates of deposit initiated through a reciprocal network of banks or savings and loan associations that are members of the Federal Deposit Insurance Corporation, (iv) securities of other political subdivisions meeting certain rating requirements, (v) the State Treasurer's subdivision investment pool (STAR Ohio) created pursuant to Section 135.45 of the Revised Code, and (vi) general obligation bond anticipation notes of the City. The Investment Policy Ordinance also provides specific requirements for diversification of investments.

As of December 31, 2025, the City's total portfolio of deposits and investments was approximately $494 million. The average maturity of investments in the portfolio was approximately 1.86 years, with approximately 50.7% of those investments having a maturity of one year or less and 32.7% having a maturity of one to three years and 16.6% having a maturity of four to five years. None of the deposits or investments have a maturity of greater than five years. That average maturity and allocation will necessarily change from time to time as City funds are received, invested and reinvested.

General Fund and Financial Outlook

The City's General Fund is its main operating fund, the fund from which most expenditures for public service, public safety, health, parks and recreation, community environment and general government functions are made. The General Fund receives revenues from many sources, but primarily from the City's municipal income tax, ad valorem property taxes levied by the City, charges for services and certain other nontax revenues, and local governmental assistance and casino tax distributions from the State.

As required by the Charter, the City administration submitted a proposed operating budget for Fiscal Year 2026 to the City Council in November 2025. The City administration's practice in recent years has been to budget its revenues and expenditures conservatively. As permitted by State law, the City Council approved a preliminary budget measure prior to January 1 and a full annual operating budget on March 31, 2026. The information shown in this Annual Statement as "budgeted" is that contained in the adopted budget.

The City's adopted budget for Fiscal Year 2026 contemplates that its aggregate General Fund revenues and transfers in and other financing sources will be approximately $25.4 million less than its aggregate General Fund expenditures and transfers out and other financing uses in Fiscal Year 2026. For detailed information concerning historical (and currently budgeted Fiscal Year 2026) General Fund revenues, expenditures and beginning and year-end balances, see **Certain Major General Fund Revenue Sources**, **Ad Valorem Property Taxes** and **Appendices A** and **B**.

Revenues from the City's income tax decreased to $236.8 in Fiscal Year 2025, compared to $237.7 in Fiscal Year 2024, $233.2 in Fiscal Year 2023, $224.6 million in Fiscal Year 2022 and $191.4 million in Fiscal Year 2021.

The City is currently projecting that its revenues from this source (excluding those from the City's ¼% municipal income tax for roads, streets and bridges (see **Municipal Income Tax**) will be $246.5 million in Fiscal Year 2026.

The City's revenues from its property tax levy (including payments made from State revenue sources under two statewide real property tax relief programs – the Non-Business Credit (formerly the "10% Rollback") and the Owner-Occupancy Credit (formerly the "2.5% Rollback") – were $20.5 million in Fiscal Year 2025, $16.5 million in Fiscal Year 2024, $14.8 million in Fiscal Year 2023, $14.4 million in Fiscal Year 2022 and $13.0 million in Fiscal Year 2021. The City is currently projecting that its revenues from this source will be $20.4 million in Fiscal Year 2026. See **Tax Valuation** and **Tax Table B**.

The City received $10.9 million of local government assistance fund distributions from the State in Fiscal Year 2025 and currently projects that it will receive $10.5 million of such distributions in Fiscal Year 2026. See **Local Government Assistance Funds**.

The City received $7.0 million from a tax on casino revenues imposed by the State in Fiscal Year 2025 and currently projects that it will receive $6.9 million of such revenues in Fiscal Year 2026. See **Casino Tax Revenues**.

The City's aggregate General Fund revenues were $334.1 million in Fiscal Year 2025, compared to $315.3 million in Fiscal Year 2024, $307.3 in Fiscal Year 2023, $285.0 in Fiscal Year 2022 and $258.8 million in Fiscal Year 2021. See **Appendix A**.

The City's aggregate direct General Fund expenditures were $334.1 million in Fiscal Year 2025, compared to $267.9 million in Fiscal Year 2024, $255.7 million in Fiscal Year 2023, $237.3 million in Fiscal Year 2022 and $245.7 million in Fiscal Year 2021.

The City ended Fiscal Year 2025 with a General Fund balance of $80.1 million (unaudited), compared to balances of $113.9 million for Fiscal Year 2024, $89.3 million for Fiscal Year 2023, $66.1 million for Fiscal Year 2022 and $54.7 million for Fiscal Year 2021. Under the adopted budget for Fiscal Year 2026, the General Fund balance is estimated to be $56.2 million at the end of Fiscal Year 2026. For further information regarding those total fund balances and restrictions and reserves, see **Appendices A** and **B**.

The City's General Fund budget for Fiscal Year 2026 is based on operating revenues of $337.3 million and operating expenditures of $335.9 million.

The assumptions for that budget include, among others, municipal income tax revenues of $246.5 million (compared to $236.8 million in Fiscal Year 2025) and State local government assistance distributions of $10.5 million (compared to $10.9 million in Fiscal Year 2025).

For Fiscal Year 2026, the City has budgeted $53.9 million of transfers out from the General Fund to the Capital Improvements Fund and other funds, and $27.1 million of transfers from other funds into the General Fund.

The City administration remains committed to taking actions required to bring the City's finances into structural balance. At the request of the City administration and Council, the ordinance extending the temporary ¾% component of the City's municipal income tax approved by the voters of the City at an election on March 19, 2024, retained authority for the Council to reallocate to the General Fund up to all of the 1/3 of the revenues from that component allocated to capital improvements through December 31, 2028.

In Fiscal Year 2025, revenues from that temporary component of the City's municipal income tax amounted to approximately $78.9 million, with approximately $26.3 million allocated to capital improvements. The City's budget for Fiscal Year 2025 reallocated (transferred back) $24.0 million of the temporary component to the General Fund. In Fiscal Year 2024, the City reallocated $24.0 million, and in Fiscal Year 2023 the City reallocated $18.0 million. The City was able to eliminate that reallocation altogether in Fiscal Years 2022 and 2021.

The City's adopted budget for Fiscal Year 2026 provides for a reallocation to the General Fund of approximately $24.0 million of the revenues from the portion of that component of the income tax allocated to capital improvements. See **Municipal Income Tax**.

The City administration and Council submitted to the electors of the City at an election on March 19, 2024, both (i) the question of an ordinance extending both the temporary ¾% component of the City income tax that was to expire on December 31, 2024, and the authority of the Council to reallocate to the General Fund up to all of the 1/3 of the revenues from that component allocated to capital improvements for a four-year period from January 1, 2025, through December 31, 2028, and (ii) the question of an ordinance authorizing an additional temporary ¼% income tax to provide funds necessary to pay costs of improving the City's system of roads, streets and bridges, including related debt charges, for the same four-year period. Voters of the City approved the passage of both such ordinances at that election; each was subsequently passed by the Council and went into effect on January 1, 2025. See **Municipal Income Tax**.

The City's near term financial outlook is positively affected by having proceeds of the additional temporary ¼% income tax available to pay costs of improving the City's system of roads, streets and bridges, including related debt charges, annually through 2028 (the City received $19.7 million from this source in Fiscal Year 2021, $24.5 million in Fiscal Year 2022, $26.4 million in Fiscal Year 2023, $26.1 in Fiscal Year 2024, $25.1 million in Fiscal Year 2025 and projects receipts of $26.6 million in Fiscal Year 2026) and by the $180.9 million of federal aid it received under the American Rescue Plan Act of 2021 in the years 2021 and 2022. See **American Rescue Plan Act of 2021 Resources**.

CERTAIN MAJOR GENERAL FUND REVENUE SOURCES

Major sources of revenue to the General Fund, in addition to ad valorem property taxes, have included the City's municipal income tax, certain charges for services and other nontax revenues, and State local government assistance, and casino tax revenue distributions. Information concerning ad valorem property taxes levied by the City is set forth under **Ad Valorem Property Taxes**. The Appendices provide further information regarding other revenue sources for the General Fund and other funds.

Municipal Income Tax

Ohio law authorizes a municipal income tax on both business profits and employee wages and salaries at a rate of up to 1% without, and above that rate with, voter authorization. Pursuant to an ordinance passed by Council on January 28, 1946, the City levied its first income tax at the rate of 1%, commencing March 1, 1946. That tax was subsequently approved by City voters in a referendum held on May 7, 1946. At an election in 1966, City voters authorized an increase of the tax rate to 1½%. This 1½% income tax is in effect for a continuing period of time.

In 1982, the City's electors authorized a further increase of the income tax rate from 1½% to 2¼% for a period of four years (from July 1, 1982 through June 30, 1986), which authorization has been extended through December 31, 2028, by votes of the electors of the City in 1985, 1989, 1993, 1997, 2002, 2005, 2008, 2012, 2016, 2020 and 2024. The latest extension, for a four-year period through December 31, 2028, was approved at an election on March 19, 2024.

The income tax is collected and administered by the City. However, for taxable years beginning on or after January 1, 2018, taxpayers subject to a municipal net profit tax may elect to file one municipal net profit tax return that covers its total municipal net profit tax liability to all municipal corporations through the Ohio Business Gateway for processing by the Ohio Department of Taxation. The Ohio Department of Taxation provides all administrative functions for those centrally-filed returns and distributes payments to the appropriate municipalities, as well as addressing audits and appeals.

Revenues from the original 1% tax first levied in 1946 can be used for any lawful purpose of the City. One-half of the revenues from the additional ½% tax approved in 1966 is required to be used for current operating expenses of the City and the other half is required to be used for capital improvements, including debt service on general obligation bonds and bond anticipation notes of the City issued for the purpose of capital improvements. The revenues from the additional ¾% tax first approved in 1982 were originally required to be allocated as follows:

1/3 to Police and Fire Divisions for operations and capital expenditures
1/3 to capital improvements
1/3 to current operating expenses

Pursuant to voter approval in 2005, from January 1, 2005 through December 31, 2008, the revenues from that additional ¾% tax were allocated as follows:

1/3 to Police and Fire Divisions for operations and capital expenditures
1/6 to capital improvements
1/2 to current operating expenses

At subsequent elections in 2010, 2012, 2016, 2020 and 2024, the voters of the City approved ordinances providing for temporary extensions of the additional ¾% tax during periods from July 1, 2010 through December 31, 2012, from January 1, 2013 through December 31, 2016, from January 1, 2017 through December 31, 2020, from January 1, 2021 through December 31, 2024, and from January 1, 2025 through December 31, 2028, and for the revenues from that ¾% tax during those periods to be allocated as follows:

1/3 to Police and Fire Divisions for operations and capital expenditures
1/3 to capital improvements
1/3 to current operating expenses

but also extending to the Council, upon its determination of financial need and a request of the Mayor, to reallocate to the General Fund up to all of the 1/3 of the revenues from the temporary ¾% component of the City's municipal income tax allocated to capital improvements during those respective periods for use as determined by the Council.

The City administration and Council submitted to the voters of the City for their approval at an election on March 17, 2020 an ordinance providing (i) for the repeal of the existing ¾% income tax effective July 1, 2020, (ii) for the enactment of an additional 1¼% temporary income tax for a period commencing July 1, 2020 and ending December 31, 2030, with 40% of the proceeds of that tax to be allocated to the City's Capital Improvements Fund and used to pay costs of improving City roads, residential streets, sidewalks and other public infrastructure and capital improvements and related debt service and 60% of the proceeds of that tax to be allocated to the General Fund used to provide police and fire protection and safety services, park and recreational services and other general municipal operations and to support pre-kindergarten education for residents of the City, and (iii) that no proceeds of that tax allocated to the Capital Improvements Fund may be transferred from that Fund to the General Fund. However, the voters rejected that ordinance.

The City administration and Council submitted to the voters of the City at an election on March 19, 2024, both (i) the question of an ordinance extending both the temporary ¾% component of the City income tax that was to expire on December 31, 2024, and the authority of the Council to reallocate to the General Fund up to all of the 1/3 of the revenues from that component allocated to capital improvements for a four-year period from January 1, 2025, through December 31, 2028, and (ii) the question of an ordinance extending the temporary ¼% income tax to provide funds necessary to pay costs of improving the City's system of roads, streets and bridges, including related debt charges, that was to expire on December 31, 2024. Voters of the City approved the passage of both such ordinances, and each was subsequently passed by the Council went into effect on January 1, 2025.

The City has used portions of its income tax revenues for debt service since 1946. Currently, the City pays debt service on most of its general obligation debt from such revenues. Exceptions include debt service payments (i) on debt issued in anticipation of special assessments, (ii) from certain loan repayments, (iii) from federal interest subsidy payments, and (iv) in the case of BANs, from proceeds of renewal BANs and the bonds anticipated. See **Debt Table C**. Historically, the revenues from the portion of the continuing 1½% levy required to be used for capital improvements have been sufficient to provide for the debt service payments on all other general obligation debt of the City, and, based on the revenues from that portion of the continuing 1½% levy budgeted for Fiscal Year 2025, the City does not expect that it will be required to utilize any other income tax revenues for that purpose in that Fiscal Year.

The City's income tax rates and collections for Fiscal Years 2021 through 2025 have been, and its rate and budgeted collections for Fiscal Year 2026 are, as follows:

Fiscal Year	**Amount**	**Rate(a)(b)**
2021	$211,175,176	2½%
2022	249,009,091	2½
2023	259,143,531	2½
2024	263,841,973	2½
2025	261,970,923	2½
2026(budgeted)	273,152,985(c)	2½

(a) Residents have historically been permitted, as a credit against their City income tax liability, up to a maximum of 100% of 2-1/4% paid as municipal income tax on the same income in another municipal corporation.

(b) As described above, the City's aggregate income tax rate was increased from 2¼% to 2½% as of January 1, 2021. The annual proceeds of the additional temporary ¼% income tax first approved by City voters on November 3, 2020, estimated to be approximately $24.4 million, are required to be deposited into a separate fund and used only to pay costs of improving the City's system of roads, streets and bridges, including related debt charges.

(c) The City's Fiscal Year 2026 income tax collections through February 28, 2026, were $20.8 million or 7.6% of the budgeted amount. Through February 28, 2025, the City had income tax collections of $21.2 million or 7.8% of its actual receipts for Fiscal Year 2025.

The additional ¾% tax first approved in 1982 (which has constituted 1/3 of the total 2¼% levy) provided $63,352,553 in Fiscal Year 2021, $74,702,727 in Fiscal Year 2022, $77,728,059 in Fiscal Year 2023, $79,235,778 in Fiscal Year 2024 and $78,947,130 in Fiscal Year 2025. That levy is budgeted to provide approximately $82,170,205 in Fiscal Year 2026.

The additional ¼% tax first approved in November 2020 is budgeted to provide $26.6 million in Fiscal Year 2026. The proceeds from that tax are required to be placed in a separate fund and used only to pay costs of improving the City's system of roads, streets and bridges, including related debt charges.

The Council exercised its authority, at the request of the Mayor, to reallocate to the General Fund portions of the revenues from the temporary additional ¾% component of the City's municipal income tax (the Temporary ¾% Tax) allocated to capital improvements in Fiscal Years 2016 through 2025 and budgeted Fiscal Year 2026, as follows:

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Fiscal Year	Revenues from the Temporary ¾% Tax(a)	Amount Reallocated to the General Fund(a)
2017	$19,600,000	$ 0
2018	20,600,000	0
2019	21,000,000	0
2020	20,200,000	8,500,000
2021	21,300,000	0
2022	25,000,000	0
2023	25,900,000	18,000,000
2024	25,200,000	24,000,000
2025	26,300,000	24,000,000
2026(c)	27,400,000	24,000,000

(a) Amounts rounded to the nearest $100,000.
(b) Budgeted.

The City administration currently expects a reallocation of $24 million in Fiscal Year 2026. See **General Fund and Financial Outlook**.

Based on employer payments of employee wage and salary withholding income taxes, the ten largest municipal income tax payers in the City in Fiscal Year 2025 were, in alphabetical order:

Bon Secours Mercy Health	Owens Corning
The City	ProMedica
The County	Toledo City School District
FCA US LLC	Toledo Hospital
General Motors Corporation	The University of Toledo

The employee salary withholding taxes for the ten largest municipal income taxpayers in recent Fiscal Years are set forth below:

Fiscal Year	Employee Payroll Tax	Percentage of Total City Income Tax Revenue
2021	$58,961,664	27.9%
2022	68,394,146	27.6
2023	63,542,127	23.5
2024	72,989,512	27.0
2025	68,151,565	26.0

No employer, through its employee salary and wage withholdings, contributed more than 5% of total City income tax receipts in Fiscal Year 2025.

Certain of the income subject to the municipal income tax is also subject to State income tax.

Effective January 1, 2022, Ohio's 20-day rule — requiring employers to withhold municipal income taxes for the municipality in which an employee has worked for more than 20 days during the calendar year — was reinstated to the form in which it existed prior to COVID-19 era modifications (see **COVID-19 Pandemic**). If an employee has worked in a municipality 20 days or less during a calendar year, an employer is not required to withhold municipal income taxes for that municipality for that calendar year. An employee can only be considered working in one municipality per calendar day.

Nontax Revenues

The City's nontax revenues (moneys not raised by taxation) include, but are not limited to, the following:

- Charges for services provided to the public and other political subdivisions and for various services provided to City departments and agencies that are paid from moneys in restricted funds of the City, including, among others, court fees and charges, franchise fees from a cable television provider, emergency medical services charges and overhead cost allocations.
- Investment earnings on any funds of the City that are credited to the City's General Fund.
- Fees for licenses and permits.
- Fines and forfeitures, including civil penalties.
- Payments in lieu of taxes authorized by State statute.
- Parking revenues. See Footnote (b) in the Table that follows under this heading.
- Proceeds from the sale of assets.
- Rental income.
- Gifts and donations.

The following table summarizes collections for the past five Fiscal Years and budgeted for Fiscal Year 2026 (rounded to the nearest $1,000) of certain of the more significant sources of nontax revenues for the City's General Fund and special revenue funds in which it accounts for certain payments in lieu of taxes and for its continuing revenues received from a parking system franchise granted to the Port Authority. For the portions of such revenues credited to (or budgeted for) the General Fund, see **Appendix A,** and for information concerning such revenues received in other City funds see the discussions under **Financial Matters – Investment and Management of City Funds** and **Appendix B**.

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Fiscal Year	Charges for Services	Investment Earnings(a)	Licenses and Permits	Fines and Forfeitures	Payment in Lieu of Taxes	Other	Total
2021	$26,420,000	$1,977,000	$3,201,000	$2,408,000	$5,047,000	$1,577,000	$40,630,000
2022	24,741,000	2,788,000	3,192,000	2,454,000	5,096,000	13,000	38,284,000
2023	24,940,000	9,343,000	289,000	2,594,000	103,000	823,000	38,092,000
2024	26,395,000	8,630,000	3,415,000	2,857,000	93,000	994,000	42,384,000
2025	31,710,000(b)	5,843,000	3,189,000	2,795,000	65,000	2,131,000	45,733,000
2026(d)	38,940,000(c)	4,244,000	3,412,000	2,807,000	100,000	677,000	50,180,000

(a) Variations in amounts reflect market interest rates and the overall size of the City's investment portfolio from time to time.
(b) Increase reflects additional revenue from ambulance transport billing.
(c) Increase reflects additional projected revenue from proposed municipal solid waste fee increase.
(d) Budgeted.

Local Government Assistance Funds

Statutory state level local government assistance funds, comprised of designated State revenues, are another source of revenue to the City's General Fund. Most are distributed to each county and then allocated on a formula basis, or in some cases on an agreement basis, among the county and cities, villages and townships, and in some cases park districts, in the county. City receipts from those funds in Fiscal Years 2021 through 2025 have been, and are budgeted to be in Fiscal Year 2026, as shown in the following table:

Fiscal Year	Amount
2021	$ 9,523,703
2022	10,138,231
2023	6,200,949(a)
2024	7,138,604(a)
2025	10,908,228
2026(budgeted)	10,459,430

(a) See discussion below regarding the State's withholding of local government assistance funds.

The amounts of and formula for distribution of these funds have been and may be revised from time to time.

In September 2023, the City was notified that the State withheld approximately $560,000 from the City's distribution of local government assistance funds and intends to withhold a similar amount over the next 11 months in order to "claw back" amounts of such funds aggregating approximately $6.8 million equating to revenues the City derived from its photo-enforcement camera program during the time it was still in operation. The City filed a declaratory judgment action in Lucas County Common Pleas Court asking the court to declare the withholding of the City's local government funds unlawful based upon an injunction barring the enforcement of the State law from July 2019 to August 2022. Following the State's challenge to the venue, in October 2024 the case was ordered to be transferred to the Franklin County Court of Common Pleas. The trial court ruled in favor of the State and the City appealed the decision to the Ohio Tenth District Court of Appeals. Oral arguments were held on April 8, 2026, and the case is decisional with the Court of Appeals.

See also **Nontax Revenues**.

Casino Tax Revenues

In Fiscal Year 2012, the City began receiving revenues from a tax on casino revenues imposed by the State pursuant to a vote of the electors of the State authorizing the constitutional amendment permitting four casinos to be constructed and operated in the City and the cities of Cleveland, Columbus and Cincinnati. The first two casinos in the State opened in the City and the City of Cleveland in May 2012, followed by a third that opened in Columbus in October 2012, and the final that opened in Cincinnati in March 2013.

The City's shares of the proceeds of that State tax, established by the constitutional amendment, were in Fiscal Years 2021 through 2025, and its share in Fiscal Year 2026 is budgeted to be, as follows:

Fiscal Year	**Amount**
2021	$6,889,707
2022	6,847,047
2023	6,775,565
2024	6,831,382
2025	7,049,152
2026 (budgeted)	6,880,000

AD VALOREM PROPERTY TAXES

The discussion of ad valorem property taxes under ***Ad Valorem Property Taxes*** *reflects significant legislation enacted by the General Assembly and signed into law by the Governor on December 19, 2025, and, further, should be read in the context of (i) other legislation currently pending or which may be introduced in the General Assembly, (ii) ballot initiatives which may be proposed by electors and (iii) court proceedings which may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of City securities. See also* ***Considerations Regarding Real Property Tax Reform****.*

All references under **Ad Valorem Property Taxes** to "mills" refer to mills for each $1 of taxable value, to a "Tax Year" refer to a year in which a tax is placed on the tax duplicate, and to a "Collection Year" refer to a year in which a tax is collected.

Tax Valuation

The following table shows the recent tax valuations of property subject to ad valorem taxes levied by the City.

Collection Year	**Real(a)**	**Public Utility(b)**	**Total Tax Valuation**
2022(c)	$3,538,202,750	$256,597,890	$3,794,800,640
2023	3,503,212,440	279,785,730	3,782,998,170
2024	3,498,198,360	290,087,350	3,788,285,710
2025(d)	4,420,316,370	320,528,840	4,740,845,210
2026	4,368,655,127	334,026,212	4,702,681,339

(a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Auditor. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.
(b) Tangible personal property of all public utilities and real property of railroads.
(c) Reflects triennial adjustment.
(d) Reflects sexennial reappraisal.

Source: County Auditor.

Taxes collected on "Real" in one calendar year (i.e., a Collection Year) are levied in the preceding calendar year (i.e., a Tax Year) on tax values as of January 1 of that preceding year. "Public Utility" (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on tax values determined as of December 31 of the second year preceding the Collection Year.

Largest Property Tax Payers

Based on County Auditor records of tax values for Collection Year 2026, the largest City ad valorem property taxpayers are:

Name of Taxpayer	Nature of Business	Tax Value
Toledo Edison Company(a)	Public Utility	$143,946,893
American Transmission Systems, Inc.(a)	Public Utility	101,688,244
Columbia Gas of Ohio, Inc.	Public Utility	89,634,466
GLP Capital LP	Casino	57,208,070
General Motors LLC	Automotive	17,130,470
Norfolk Southern Combined Railroad	Railroad	16,289,455
The City	Government	12,667,060
Westgate Village Retail LLC	Real Estate Holdings	8,425,830
University Residences at Westwood II, LLC	Apartment Complexes	6,967,530
LC Country Club B LLC an Ohio LLC	Apartment Complexes	5,965,090
First TDT LLC	Hotels	5,687,500
GMR Toledo LLC	Medical Office	5,477,510
Jamestown Apartments 17 LLC A Michigan LLC	Apartment Complexes	4,887,930
Clinic Campus LLC	Medical Office	4,791,510
Toledo VA Company LLL An Ohio LLC	Medical Office	4,776,210

(a) Toledo Edison Company and American Transmission Systems, Inc. are affiliates of FirstEnergy Corp.

Pursuant to statutory requirements for sexennial reappraisals, in 2024 the County Auditor adjusted the true value of taxable real property to reflect current fair market values. These adjustments were first reflected in Tax Year 2024 (Collection Year 2025) and in the ad valorem taxes distributed to the City in Collection Year 2025 and thereafter. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The County Auditor completed such a triennial adjustment in Tax Year 2021 (Collection Year 2022).

The "tax valuation" of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value (CAUV). Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its tax valuation.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of tax valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property, and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

These tax credits apply only to certain voted levies on real property, and do not apply to unvoted levies, or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. These credits are discussed further following **Tax Table A**.

Overlapping Governmental Entities

The major political subdivisions or other governmental entities that overlap all or a portion of the territory of the City are listed below. The parenthetical "%" is that approximate percentage of the recent real property tax valuation of the overlapping entity that is located within the City.

(1) The County (functions allocated to counties by Ohio law, such as elections, health and human services and a portion of the judicial system). (40.69%)

(2) Toledo City School District (K-12 educational responsibilities) (98.76%). The City's tax value is split among various school districts as follows:

Toledo City School District	69.35%
Washington Local School District	23.90%
Sylvania City School District	3.36%
Springfield Local School District	1.91%
Maumee City School District	1.48%
Ottawa Hills Local School District	0.01%

(3) Toledo-Lucas County Port Authority (public port facilities in the Port of Toledo). (40.69%)

(4) Sylvania Park District (park and recreation areas). (6.82%)

(5) Sylvania Area Joint Recreational District. (6.82%)

(6) Toledo-Lucas County Library District (public library system). (40.69%)

(7) Penta County Joint Vocational School District (vocational educational responsibilities). (1.66%)

Source: County Auditor and Ohio Department of Taxation data.

Each of these entities operates independently, with its own separate budget, taxing power and sources of revenue. Only the City, the County and the school districts may levy ad valorem property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills) described under **City Debt and Other Long-Term Obligations – Indirect Debt and Unvoted Property Tax Limitations**.

Tax Rates

Tax Table A sets forth the tax rates at which the City and overlapping taxing subdivisions levied ad valorem property taxes and the general categories of purposes for which such taxes were levied in recent years. The Charter provides that the total tax rate the City may levy for current operating expenses without a vote of its electors is 4.445 mills less that number of mills the City levies within the ten-mill limitation for the purpose of paying debt service on its unvoted general obligation bonds and bond anticipation notes. No millage is levied currently or has been levied recently for debt service; the City pays that debt service from municipal income tax revenues and other sources. See **Debt Table C**.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both: (i) the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year, and (ii) amounts realized from new and existing taxes on the tax valuation of real property added to the tax duplicate since the preceding year.

The tax credit provisions do not apply to amounts realized from taxes levied at whatever rate required to produce a specified amount or an amount to pay debt service, or from taxes levied inside the ten-mill limitation or any applicable charter tax rate limitation, and therefore do not apply to any of the City's own current levies. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the tax levies subject to these tax credits. A resulting "effective tax rate" reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. See **Tax Table A**.

Residential and agricultural real property tax amounts paid by taxpayers generally have been further reduced by an additional 10% (12.5% in the case of owner-occupied residential property). Those reductions have been eliminated for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for Tax Year 2013. Further, the 10% credit is being phased out, and the 2.5% credit increased, each beginning in Tax Year 2026. See **Non-Business and Owner-Occupancy Credits**.

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TAX TABLE A
TAX RATES FOR THE CITY AND OVERLAPPING TAXING SUBDIVISIONS
FOR TAX YEARS 2021 THROUGH 2025 (COLLECTION YEARS 2022 THROUGH 2026)

			LUCAS COUNTY(a)			CITY AND LOCAL SCHOOL DISTRICTS				CITY					
The City within(b):	TARTA	PORT AUTHORITY	GENERAL	VOTED LEVIES	LIBRARY	GENERAL	PERMANENT IMPROVEMENTS	BOND RETIREMENT	PENTA COUNTY JVSD GENERAL	GENERAL	POLICE & FIRE PENSION	RECREATION DISTRICT	TOTAL RATE	EFFECTIVE RATE AGR/RES	EFFECTIVE RATE OTHER
TAX YEAR 2021															
Toledo CSD	2.50	0.40	2.00	19.72	3.70	65.33	2.00	4.15		3.80	0.60		104.20	68.48	93.18
Maumee CSD, PC JVSD	2.50	0.40	2.00	19.72	3.70	86.50	2.65	4.40	3.20	3.80	0.60		129.47	78.61	102.74
Washington LSD	2.50	0.40	2.00	19.72	3.70	84.20	3.20	2.65		3.80	0.60		122.77	76.11	95.78
Sylvania CSD	2.50	0.40	2.00	19.72	4.70(c)	81.80	1.30	3.40		3.80	0.60	1.70	121.92	72.87	89.88
Ottawa Hills LSD	2.50	0.40	2.00	19.72	3.70	139.95	4.00	2.68		3.80	0.60		179.35	104.79	147.78
Springfield LSD, PC JVSD	2.50	0.40	2.00	19.72	3.70	75.13	2.25	0.36	3.20	3.80	0.60		113.66	67.86	79.33
TAX YEAR 2022															
Toledo CSD	0.00	0.40	2.00	19.72	3.70	65.35	2.00	4.02		3.80	0.60		101.59	66.36	90.30
Maumee CSD, PC JVSD	0.00	0.40	2.00	19.72	3.70	86.50	2.65	2.00	3.20	3.80	0.60		124.57	74.24	97.22
Washington LSD	0.00	0.40	2.00	19.72	3.70	84.20	3.20	2.65		3.80	0.60		120.27	74.14	94.15
Sylvania CSD	0.00	0.40	2.00	19.72	4.70(c)	81.80	1.30	3.20		3.80	0.60	1.65	119.17	70.78	86.60
Ottawa Hills LSD	0.00	0.40	2.00	19.72	3.70	139.95	4.00	3.10		3.80	0.60		177.27	103.26	144.72
Springfield LSD, PC JVSD	0.00	0.40	2.00	19.72	3.70	75.05	2.25	0.42	3.20	3.80	0.60		111.14	65.81	76.82
TAX YEAR 2023															
Toledo CSD	0.00	0.40	2.00	19.72	3.70	65.35	2.00	3.84		3.80	0.60		101.41	66.24	90.69
Maumee CSD, PC JVSD	0.00	0.40	2.00	19.72	3.70	86.50	2.65	5.00	3.20	3.80	0.60		127.57	77.17	101.09
Washington LSD	0.00	0.40	2.00	19.72	3.70	84.20	3.20	2.65		3.80	0.60		120.27	74.18	94.51
Sylvania CSD	0.00	0.40	2.00	19.72	4.70(c)	81.80	1.30	3.10		3.80	0.60	1.65	119.07	70.66	86.95
Ottawa Hills LSD	0.00	0.40	2.00	19.72	3.70	139.95	4.00	2.10		3.80	0.60		176.27	102.31	143.89
Springfield LSD, PC JVSD	0.00	0.40	2.00	19.72	3.70	75.00	2.25	0.46	3.20	3.80	0.60		111.13	65.72	76.97
TAX YEAR 2024															
Toledo CSD	0.00	0.40	2.00	21.97	4.70	67.92	2.00	5.67		3.80	0.60		109.06	62.80	83.29
Maumee CSD, PC JVSD	0.00	0.40	2.00	21.97	4.70	86.50	2.65	3.50	3.20	3.80	0.60		129.32	66.03	90.10
Washington LSD	0.00	0.40	2.00	21.97	4.70	84.20	3.20	2.00		3.80	0.60		122.87	63.13	82.16
Sylvania CSD	0.00	0.40	2.00	21.97	5.70(c)	81.80	1.30	2.33		3.80	0.60	1.59	121.49	59.72	78.88
Ottawa Hills LSD	0.00	0.40	2.00	21.97	4.70	152.85	4.00	1.65		3.80	0.60		191.97	92.75	136.24
Springfield LSD, PC JVSD	0.00	0.40	2.00	21.97	4.70	73.95	2.25	0.00	3.20	3.80	0.60		112.87	55.95	68.34
TAX YEAR 2025															
Toledo CSD	0.00	0.40	2.00	21.97	4.57	68.46	1.50	4.00		3.80	0.60		107.30	62.12	84.87
Maumee CSD, PC JVSD	0.00	0.40	2.00	21.97	4.57	86.50	2.65	3.40	3.20	3.80	0.60		129.09	66.89	92.47
Washington LSD	0.00	0.40	2.00	21.97	4.57	84.20	3.20	2.00		3.80	0.60		122.74	63.89	84.56
Sylvania CSD	0.00	0.40	2.00	21.97	5.57(c)	81.80	1.30	2.27		3.80	0.60	1.52	121.23	60.77	79.55
Ottawa Hills LSD	0.00	0.40	2.00	21.97	4.57	152.85	4.00	1.65		3.80	0.60		191.84	95.12	137.12
Springfield LSD, PC JVSD	0.00	0.40	2.00	21.97	4.57	74.15	2.25	0.00	3.20	3.80	0.60		112.94	57.31	70.41

(a) Includes levies for the County, the Toledo Lucas County Public Library District and the Metropolitan Park District of the Toledo Area, and the Sylvania Township Park District.
(b) "CSD" means City School District, "LSD" means Local School District and "PC JVSD" means Penta County Career Center.
(c) Includes 1.00 for the Sylvania Township Park District.

Source: County Treasurer

Collections

Tax Table B below sets forth the amounts billed and collected for City ad valorem taxes and special assessments for recent Collection Years.

TAX TABLE B
REAL, TANGIBLE PERSONAL AND PUBLIC UTILITY PROPERTY TAX AND SPECIAL ASSESSMENT CURRENT AND DELINQUENT COLLECTIONS
(In Thousands of Dollars)

Tax Year		Collection Year	Dollars of Current Amount Levied	Dollars of Current Amount Collected	Percent of Current Levy Collected	Dollars of Unpaid Amount Billed	Dollars of Unpaid Amount Collected	Total Dollars Collected	Total Collections as a Percentage of Current Levy
2015	Real and Public Utility(a)	2016	13,914	12,887	92.6	3,394	872	13,760	98.9
	Tangible Personal	2016	0	0	--	253	1	1	--
	Special Assessments	2016	32,884	27,962	85.0	18,718	3,046	31,008	94.3
2016	Real and Public Utility(a)	2017	13,961	12,904	92.4	3,394	720	13,624	97.6
	Tangible Personal	2017	0	0	--	251	<1	<1	--
	Special Assessments	2017	31,102	26,482	85.2	21,571	3,144	29,626	95.3
2017	Real and Public Utility(a)	2018	13,954	12,988	93.1	3,468	721	13,709	98.2
	Tangible Personal	2018	0	0	--	0	<1	<1	--
	Special Assessments	2018	28,804	24,270	84.3	23,978	3,130	27,400	95.1
2018	Real and Public Utility(a)	2019	14,607	13,561	92.8	3,909	712	14,273	97.7
	Tangible Personal	2019	0	0	--	0	<1	<1	--
	Special Assessments	2019	31,084	26,178	84.2	26,533	2,906	29,084	93.6
2019	Real and Public Utility(a)	2020	14,663	13,705	93.5	4,242	857	14,562	99.3
	Tangible Personal	2020	0	0	--	0	<1	<1	--
	Special Assessments	2020	30,704	25,801	84.0	30,149	3,437	29,239	95.2
2020	Real and Public Utility(a)	2021	14,956	13,833	92.5	4,250	751	14,584	97.5
	Tangible Personal	2021	0	0	--	0	<1	<1	--
	Special Assessments	2021	33,705	28,211	83.7	32,088	3,205	31,416	93.2
2021	Real and Public Utility(a)	2022	16,697	15,400	92.2	5,380	838	16,238	97.3
	Tangible Personal	2022	0	0	--	0	<1	<1	--
	Special Assessments	2022	29,672	24,154	81.4	37,902	3,670	27,824	93.8
2022	Real and Public Utility(a)	2023	16,645	15,542	93.4	5,842	985	16,527	99.3
	Tangible Personal	2023	0	0	--	0	<1	<1	--
	Special Assessments	2023	31,199	26,011	83.4	43,168	3,797	29,808	95.5
2023	Real and Public Utility(a)	2024	16,669	15,465	92.8	6,154	985	16,450	98.7
	Tangible Personal	2024	0	0	--	0	<1	<1	--
	Special Assessments	2024	32,310	27,047	83.7	47,166	3,608	30,655	94.9
2024	Real and Public Utility(a)	2025	20,860	19,189	92.0	7,232	1,116	20,305	97.3
	Tangible Personal	2025	0	0	--	0	<1	<1	--
	Special Assessments	2025	33,873	28,299	83.5	50,593	3,876	32,175	95.0

(a) Amounts shown include approximately $2 million that was paid to the County Health District to pay the City's share of the District's operating expenses in accordance with an agreement between the City and the County for the creation of the County wide district.

Source: County Auditor.

Real property taxes are payable in two installments, the first usually by February and the second in July.

Included in the “Dollars of Current Amount Levied”, “Dollars of Current Amount Collected” and “Percent of Current Levy Collected” figures above are payments made from State revenue sources under three Statewide real property tax relief programs – the Homestead Exemption, the Non-Business Credit and the Owner-Occupancy Credit.

Homestead Exemption

A Homestead Exemption provides a property tax credit for the residence, or “homestead,” of certain qualifying individuals, e.g., a homeowner who is either (i) 65 years of age or older, (ii) permanently and totally disabled or (iii) certain surviving spouses of an individual who previously received the exemption, who meet certain income guidelines. In addition, there is an enhanced credit for military veterans who are totally disabled or spouses of first responders killed in the line of duty, without regard to income guidelines. For Collection Year 2026, the Homestead Exemption exempts $28,000 of the homestead’s market value from taxation ($56,000 for the enhanced exemption), thereby reducing the property owner’s ad valorem property tax liability. Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead Exemption granted. The State assistance reflected in the City’s tax collections for Collection Year 2025 related to the Homestead Exemption was $570,407. Counties are authorized to offer a property tax exemption that would “piggyback” on the existing Homestead Exemption. The exemption would be available to the same homeowners who meet the means test for the existing exemption, and offer the same benefit amount, as the State Homestead Exemption described above, but with no reimbursements to local governments. The County has not implemented this “piggyback” exemption.

Non-Business and Owner-Occupancy Credits

The Non-Business Credit (formerly the “10% Rollback”) and the Owner-Occupancy Credit (formerly the “2.5% Rollback”) apply to all non-business properties, and reduces each property owner’s ad valorem property tax liability as to “qualifying levies” by 10% and, if the property is owner-occupied and the owner does not claim any other property as a primary residence, an additional 2.5%, respectively. Payments to taxing subdivisions have been made in amounts approximately equal to the Non-Business Credit and Owner-Occupancy Credit granted. The State assistance reflected in the City’ tax collections for Collection Year 2025 related to the Non-Business Credit and Owner-Occupancy Credit was $1,574,581. Counties are authorized to offer a credit for owner-occupied homes that would “piggyback” on the existing Owner-Occupancy Credit. The locally authorized credit can equal up to 2.5% of the amount of taxes to be levied by qualifying levies on the property or home, but with no reimbursements to local governments. The County has not implemented this “piggyback” exemption.

The Non-Business Credit and Owner-Occupancy Credit and related reimbursements have been eliminated with respect to new or replacement tax levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for Tax Year 2013 (all other levies being “qualifying levies”). See **Tax Rates**.

Further, the Non-Business Credit is being phased out, beginning with Tax Year 2026, in accordance with the following schedule: reduced to (i) 7.5% in Tax Year 2026, (ii) 5.0% in Tax Year 2027, (iii) 2.5% in Tax Year 2028 and (iv) 0% in Tax Year 2029 and thereafter. The Owner-Occupancy Credit is being increased, beginning with Tax Year 2026, in accordance with the following schedule: increased to (i) 5.70% in Tax Year 2026, (ii) 8.92% in Tax Year 2027, (iii) 12.15% in Tax Year 2028 and (iv) 15.38% in Tax Year 2029 and thereafter.

Delinquency Procedures

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties. Under the Revised Code, taxes become a lien of the State on the first day of January, annually, and continue until the taxes, including any penalties, interest or other charges, are paid. Real estate taxes and special assessments that are not paid in the year they are due are to be certified by the county auditor's office as delinquent. Any amount of a previous tax bill not paid before new tax bills are mailed for the next half of the year is considered delinquent and becomes subject to a 10% penalty. A list of delinquent properties is compiled by the county auditor (the "delinquent land duplicate"). If delinquent taxes (and special assessments) are not paid within 60 days after a copy of the county auditor's delinquent land duplicate is delivered to the county treasurer, then the county treasurer is to enforce the lien of the State that attached on January 1 of the year the taxes first became payable. Under State law (Section 323.25 of the Revised Code), the county treasurer is to enforce the lien "in the same way mortgage liens are enforced," that is, by an action in the court of common pleas for foreclosure and sale of the property in satisfaction of the delinquency. If the county treasurer fails to bring an action to enforce the lien, then the State tax commissioner is to do so. In addition, one year after certification of a delinquent land list, the county prosecuting attorney is authorized to institute foreclosure proceedings in the name of the county treasurer to foreclose the lien.

The property owner may arrange a payment plan with the county treasurer providing for payments over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years' delinquency. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

A program authorized by State legislation permits certain of the larger counties to "sell" rights to collect delinquent real estate taxes. That program has been implemented by the County, and the party purchasing those rights has reportedly filed many additional foreclosure actions. The City estimates that approximately half of the delinquent parcels are located in areas of the City where development is not currently economically feasible and have fair market values less than the accumulated delinquent taxes and special assessments on them.

In recent years, the State legislature has enacted several programs with respect to forestalling the foreclosure process or the forfeiture of property due to tax delinquency that may have the effect of delaying or eliminating the collection of certain property taxes.

Of the 114,164 nonexempt parcels in the City for Collection Year 2025, the number of delinquent parcels was approximately 101,243 against 269 of which foreclosure proceedings have been commenced by County officials or assignees.

Considerations Regarding Real Property Tax Reform

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors and (iii) court proceedings may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of City securities. There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of any such securities, will not have a materially adverse effect on the market value or marketability of or security for those securities. Prospective purchasers of City securities should consult their own counsel regarding pending or proposed State property tax legislation, related ballot initiatives and court proceedings, as to all of which the City expresses no opinion.

Specifically, on May 9, 2025, the Ohio Attorney General's Office certified, and on May 14, 2025, the Ohio Ballot Board voted to certify a petition title and summary of a proposed amendment to the Ohio Constitution from Citizens for Property Tax Reform, "Abolishment of Taxes on Real Property", proposing to add a new Section 14 to Article XII of the Ohio Constitution abolishing taxes on real property, including "land, all growing crops, all buildings, all structures, and all improvements permanently attached to land." The proposed amendment is limited to the abolishment of real property taxes and does not address any implications of that. In order to appear on the ballot, the petitioners must collect signatures from registered voters equal to at least 10% of the vote cast in the most recent gubernatorial election (approximately 413,000). Those signatures must come from voters in at least 44 of Ohio's 88 counties, and for each of those counties the number must equal at least 5% of the vote cast in the most recent gubernatorial election. All petitions must be filed with the Ohio Secretary of State no later than 125 days prior to the general election at which the proposed amendment is to appear (for the November 3, 2026 election, that would be July 1, 2026). If sufficient signatures are verified by the Ohio Secretary of State's Office at least 105 days before the election (there is a brief opportunity to collect additional signatures if those originally filed are determined to be insufficient), the full text of the proposed amendment would be placed on the ballot at the next regular or general election that occurs subsequent to 125 days after the filing of such petition. At soonest, the proposed Constitutional amendment could appear on the ballot at the November 3, 2026 election.

Additionally, the 2025 State Budget Act contained provisions limiting a variety of levy options for school districts after January 1, 2026. These included replacement levies, fixed-sum ("emergency") levies, substitute levies and renewals with an increase. The Governor vetoed this provision, but, on July 21, 2025, the Ohio House of Representatives, and on September 30, 2025, the Ohio Senate, voted to override the veto. As a result, the vetoed statutory changes became law on or about January 1, 2026. Among others, a practical effect of those provisions was that school districts (see **Tax Rates**) with emergency levies, substitute levies or combined school district income tax and fixed-sum property tax levies with a limited term were no longer able to renew those levies after January 1, 2026; however, see discussion below regarding House Bill 129's restoration of the authority to renew certain of these levies under certain circumstances.

The 2025 State Budget Act also included a number of other property tax related measures which were also vetoed by the Governor. It is unclear if the General Assembly intends to vote to override any of those vetoes. If the vetoes are overridden and the provisions become law, it is possible that they could have a material impact on the City. Many of the provisions and concepts that were the subject of the Governor's vetoes are now contained in other enacted legislation, described below.

On December 19, 2025, the Governor signed into law (effective March 20, 2026) the following bills relating to various aspects of ad valorem property tax reform:

- House Bill 186, which among provisions related to school district levies, also phases out the Non-Business Credit and increases the Owner-Occupancy Credit. See **Non-Business and Owner-Occupancy Credits**.

- House Bill 309, which, generally, enhances the authority of county budget commissions to reduce voter-approved levies if deemed unnecessary or excessive, after a public hearing. See **Financial Matters – Budgeting, Tax Levy and Appropriations Procedures**.

- House Bill 335, which, generally, caps property tax growth related to inside millage to inflation. See **Tax Rates**.

CARES ACT RESOURCES

The federal CARES Act, signed into law in March, 2020, created a $150 billion Coronavirus Relief Fund (CRF) to assist state and local governments with costs related to the COVID-19 pandemic. Under federal guidelines, the State is to distribute $1.2 billion of these funds to cities, counties and other local governments so they can be spent by December 31, 2021.

The City received $25.08 million of such resources in Fiscal Year 2020. As required, those moneys were deposited into a special "CARES Act Fund".

Consistently with the requirements of the CARES Act, the City expended the CRF resources it received for police and fire department overtime and other related labor costs ($24.49 million), costs of personal protective equipment and other supplies ($191,000), information technology needed to enable City employees to work remotely during the pandemic ($403,000) and related administrative costs ($3,000) by December 31, 2020.

The City transferred its appropriations for those eligible expenditures from the General Fund to the CARES Act Fund. Each such transfer reduced General Fund appropriations and subsequent expenditures below the budgeted amounts and created a favorable variance to the budgeted year-end balance for the General Fund in Fiscal Year 2020.

AMERICAN RESCUE PLAN ACT OF 2021 RESOURCES

The City received distributions of direct federal aid under the American Rescue Plan Act of 2021 (ARPA), passed by Congress and signed by President Biden on March 11, 2021. Those distributions totaled approximately $180.9 million. On May 21, 2021, the City received an initial distribution of $90.5 million of such ARPA aid. The City received a second distribution of such ARPA aid in a like amount in mid-2022. Additionally, the City is using interest earnings totaling $4.1 million to support additional projects within the Toledo Recovery Plan (see discussion below).

ARPA generally provides that such aid to state and local governments may be used to cover costs incurred to (i) support public health expenditures to mitigate COVID-19 impacts, medical expenses, behavioral healthcare, and certain public health and safety staff, (ii) address negative economic impacts caused by public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector, (iii) replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic, (iv) provide premium pay for essential workers, offering additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors and (v) invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

The City has developed a "Toledo Recovery Plan" for the allocation of the ARPA aid it receives. This plan was developed after a months-long community engagement process. Using data captured through this process, the City developed the Toledo Recovery Plan, which consists of 25 projects aligned with the City's five targeted investment areas to promote a comprehensive, multifaceted approach to recovery from the pandemic. City Council approved this Toledo Recovery Plan framework in December 2021. The City has committed to utilize "SMART Analysis" to ensure oversight and promote a strong and equitable recovery in the City. In general terms, the Toledo Recovery Plan currently calls for approximately $78.5 million to be allocated for municipal recovery revenue replacement and for premium pay for essential workers and the remaining $106.5 million (including interest earnings) for a variety of capital and operational projects and programming.

Through December 31, 2025, ARPA funds totaling $180.9 million have been appropriated by City Council.

CITY DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for the City's general obligation debt, certain special assessment notes and long-term economic development obligations, applicable debt and ad valorem property tax limitations, outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the City.

As used in this Annual Statement, "BANs" refers to notes issued in anticipation of the issuance of general obligation bonds.

The City is not, and to the knowledge of current City officials has not in at least the last 50 years been, in default in the payment of debt service on any of the bonds or notes on which the City is obligor or in a condition of default under any financing documents relating to any issue of revenue bonds on which it is obligor. However, the City makes no representation as to the existence of a condition of default resulting from a default by any private entity under any financing documents relating to industrial development or housing revenue bonds of which the City was the issuer.

Security for General Obligation Debt; Bonds and BANs

Unvoted Bonds. The basic security for unvoted City general obligation bonds is the City's ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the City, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities. See the discussion under **Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for debt charges on unvoted general obligation debt of the City and all overlapping taxing subdivisions.

Voted Bonds. The basic security for voted City general obligation bonds is the authorization by the electors for the City to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the City. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities).

The City did not, as of the end of Fiscal Year 2025, and does not now, have any outstanding voted general obligation debt or unused authority to issue any such debt.

BANs. While BANs are outstanding, Ohio law requires the levy of an ad valorem property tax in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes (the maximum maturity for special assessment BANs is five years). Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

Statutory Direct Debt Limitations

The Revised Code provides two limitations applicable to general obligation debt of cities that are directly based on tax valuation.

- The net principal amount of both voted and unvoted debt of a city, excluding "exempt debt" (discussed below), may not exceed 10½% of the total tax valuation of all property in the city as listed and assessed for taxation.

- The net principal amount of the unvoted debt of a city, excluding exempt debt, may not exceed 5½% of that valuation.

These two limitations, which are referred to as the "direct debt limitations," may be amended from time to time by the General Assembly.

A city's ability to incur unvoted general obligation debt (whether or not exempt from the direct debt limitations) also is restricted by the indirect debt limitation discussed below under **Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt a city may issue is exempt from the direct debt limitations ("exempt debt"). Exempt debt includes, among others:

- General obligation debt:
  - That is "self-supporting" (that is, nontax revenues from the facility or category of facilities financed are sufficient to pay operating and maintenance expenses and related debt service and other requirements) issued for city utility systems or facilities; airports or landing fields; railroads and other mass transit systems; parking facilities; health care facilities; solid waste facilities; urban development; recreation, sports, convention, museum and other public attraction facilities; facilities for natural resource exploration, development, recovery, use or sale; correctional and other related rehabilitation facilities.
  - For highway improvements if the city has covenanted to pay debt service and financing costs from distributions of motor vehicle license and fuel taxes.
  - Issued in anticipation of the levy or collection of special assessments.
  - To pay final judgments or court-approved settlements.
  - That is voted for water or sanitary or storm water sewerage facilities to the extent that another subdivision has agreed to pay amounts equal to debt service to the city.
  - For permanent improvements not in excess of 1.1% of the city's tax valuation to the extent debt service is expected to be paid from tax increment financing payments in lieu of taxes pursuant to ordinance pledges or covenants.
- Unvoted general obligation bonds to the extent that debt service will be met from lawfully available municipal income taxes or other municipal excises or taxes (other than ad valorem property taxes) to be applied to that debt service pursuant to ordinance covenants.
- Revenue debt and mortgage revenue bonds to finance municipal utilities.
- Notes anticipating the levy or collection of special assessments for certain city services.
- Notes anticipating the collection of current revenues or the proceeds of a specific tax levy.
- Securities issued for certain energy conservation improvements or certain emergency purposes.
- Debt issued in anticipation of the receipt of federal or State grants for permanent improvements, or to evidence loans from the State capital improvements fund or State infrastructure bank.

- Voted debt for urban redevelopment purposes not in excess of 2% of the city's tax valuation.

- Debt issued to make a single payment on certain accrued liability of the city under an agreement relating to the police and fireman's disability and pension fund.

- Securities issued under certain circumstances for city educational and cultural facilities or a sports facility.

BANs issued in anticipation of exempt bonds also are exempt debt.

The City may incur debt for operating purposes, such as current tax or other revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority.

In the calculation of debt subject to the direct debt limitations, the amount in a city's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Because the City generally appropriates moneys into its Bond Retirement Fund to pay debt service on its general obligation debt only as it is required, there is generally only a relatively small amount on deposit in that Fund and, therefore, little or no deduction to be made from the gross nonexempt debt in calculating the debt subject to the direct debt limitations.

Without consideration of amounts in the City's Bond Retirement Fund, and based on outstanding debt, and current tax valuation, the City's voted and unvoted nonexempt general obligation debt capacities as of December 31, 2025, were:

Limitation	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation
10½% = $493,781,540	$139,335,000	$354,446,540
5½% = $258,647,473	$139,335,000	$119,312,473

This is further detailed in **Debt Table A**.

Indirect Debt and Unvoted Property Tax Limitations

Voted general obligation debt may be issued by the City if authorized by vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt service on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt also may be issued by the City without a vote of the electors. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt service on (a) those bonds (or the bonds in anticipation of which BANs are issued), and (b) all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax required for such debt service, in any year is 10 mills or less per $1.00 of tax valuation. This indirect debt limitation, the product of what is commonly referred to as the "ten-mill limitation," is imposed by a combination of provisions of Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. This 10 mills is allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the City. The current allocation of the 10 mills (sometimes referred to as the "inside millage") in the City within the Toledo City School District (the largest school district overlapping taxing subdivision) is as follows: 4.4 City, 2.0 County, and 3.6 School District. Of the entire 10 mills, 5.6 mills is currently being levied by the taxing subdivisions overlapping the City, because the City is not currently levying a tax within that limitation for debt service or other purposes. The City is levying 4.40 mills for current operating expenses within the 4.445-mill Charter tax rate limitation described below.

Current Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt service on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. As previously stated, the City anticipates that debt service on its unvoted general obligation debt will be paid from municipal income tax and certain nontax revenues (and, as to BANs, proceeds of renewal BANs and the bonds anticipated) rather than from the inside millage. See **Debt Table C**. To the extent the inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may actually be required to pay debt service on a subdivision's unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. In the case of the City, however, a law applicable to all Ohio cities and villages requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt service on City unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

In lieu of the ten-mill limitation briefly discussed above, the electors of a charter municipality such as the City may authorize the levy of a tax at a rate subject to a different limitation. The electors of the City have authorized the Council to levy each year for current operating expenses of the City a tax of up to 4.445 mills (the "Charter tax rate limitation") on all taxable property in the City without further authorization from the electors, but subject to change by further action of the electors. No portion of the 4.445 mills can be preempted by any overlapping taxing subdivision. However under the Charter, the authority for the City to levy such millage to be reduced in each year by the number of mills levied by the City within the ten-mill limitation to pay debt service on unvoted general obligation bonds and BANs of the City or current operating expenses.

In the case of BANs, the highest annual debt service estimated for the anticipated bonds is used to calculate the millage required.

Revenue bonds and notes and mortgage revenue bonds, notes issued in anticipation of the collection of special assessments for City services, economic development obligations secured only by non-tax revenues and certain urban renewal bonds and tax increment bonds are not included in debt subject to the indirect limitation since they are not general obligations of the City, and the full faith and credit and property taxing power of the City are not pledged for their payment.

The indirect limitation applies to all unvoted general obligation debt even if debt service on some of it is expected to be paid in fact from income tax revenues, special assessments, utility earnings or other sources.

If the City were to convert to the anticipated bonds the $1,260,000 of its outstanding unvoted general obligation BANs outstanding as of December 31, 2025, at the interest rate assumed in the ordinance authorizing the BANs, the highest debt service requirement in any year for all City debt subject to the ten-mill limitation would have been an estimated $22,253,340 in 2026. That debt included unvoted general obligation bonds outstanding or bonds anticipated by BANs outstanding. The payment of that annual debt service would require a levy of 4.7321 mills based on the City's current tax valuation. Of this maximum annual debt service requirement, all was expected by the City to be paid from sources other than ad valorem taxes, such as municipal income tax revenues, certain loan repayments and federal interest subsidy payments; see **Debt Table C**. If those other sources for any reason were not available, the debt service could not be met from the amounts produced by the millage currently allocated to the City within the ten-mill limitation.

The total millage theoretically required by the City, the County and the Springfield Local School District (the combination of overlapping taxing subdivisions that, with the City, have the highest millage requirements for debt service on unvoted general obligation debt in any year) for their outstanding unvoted general obligation debt outstanding as of December 31, 2025 is estimated to be 5.7892 mills for 2026 (the year of the highest projected aggregate millage requirements for debt service). There thus remained 4.2108 mills within the ten-mill limitation that had yet to be allocated to debt service and that were available to the City and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

COVID-19 PANDEMIC

The spread of the strain of coronavirus commonly known as COVID-19 (COVID-19 or the Pandemic) began altering the behavior of businesses and people early in Fiscal Year 2020 in a manner that had negative effects on global, state and local economies and, in turn, on state and local governments and their revenues and expenses.

As the initial effects of the Pandemic became known, the City actively monitored its revenue collections and implemented certain mitigation and expense reduction measures. As a part of its response to the Pandemic, the federal government provided assistance under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the American Rescue Plan Act of 2021 (ARPA) and other legislation to assist states in addressing the adverse impacts of COVID-19.

The amounts of the reductions (and any offsets) in any local tax sources, additional grant assistance received as well as both Pandemic-related expenses and any operational cost savings experienced by the City in Fiscal Years 2020 and 2021, are all taken into account in the information provided in this Annual Information Filing. See, e.g., **Certain Major General Fund Revenue Sources – Municipal Income Tax** and – **Local Government Assistance Funds** and **Appendix A**. See also **CARES Act Resources** and **American Rescue Plan Act of 2021 Resources**.

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Debt Outstanding

The following discussions and Debt Tables provide information concerning the City's outstanding debt (bonds and notes), and projected debt service information with respect to such debt.

DEBT TABLE A
PRINCIPAL AMOUNTS OF OUTSTANDING DEBT;
LEEWAY FOR ADDITIONAL DEBT WITHIN DIRECT DEBT LIMITATIONS
AS OF DECEMBER 31, 2025(a)

A.	Total Debt:		$ 454,230,000
B.	Exempt Debt:		$ 314,895,000
	Category	Outstanding Principal Amount	
	Water Revenue Bonds	$262,435,000	
	Special Assessment Services Notes(b)(c)	22,700,000	
	Special Assessment Services Notes(b)(d)	22,480,000	
	Nontax Revenue Debt(e)	7,280,000	
	Total Exempt Debt	$314,895,000	
C.	Total Nonexempt Debt (A minus B):		$ 139,335,000
D.	5½% of Tax Valuation (Unvoted Debt Limitation):		$ 258,647,473
E.	Total Limited Tax Nonexempt Bonds and BANs outstanding:		
	Bonds	$138,075,000	
	BANs	1,260,000	$ 139,335,000
F.	Debt Leeway Within 5½% Unvoted Direct Limitation (But Subject to Indirect Debt Limitation) (D minus E):		$ 119,312,473
G.	10½% of Tax Valuation (Voted and Unvoted Debt Limitation):		$ 493,781,540
H.	Total Nonexempt Bonds and BANs Outstanding:		
	Bonds	$138,075,000	
	BANs	1,260,000	$ 139,335,000
I.	Debt Leeway Within 10½% Direct Debt Limitation (G minus H):		$ 354,446,540

(a) Debt leeway in this table determined without considering moneys in the Bond Retirement Fund.
(b) Excluded from direct debt and indirect debt limitations. These notes are payable solely and exclusively from special assessments levied for certain City services and are to be retired in their entirety from special assessments in one year. See City Services Special Assessment Notes below.
(c) For City services provided in 2024.
(d) For City services provided in 2025.
(e) Includes the industrial development bonds described under **Economic Development Obligations** below. See **Debt Table G**.

DEBT TABLE B
VARIOUS CITY AND OVERLAPPING
GENERAL OBLIGATION (GO) DEBT ALLOCATIONS (PRINCIPAL AMOUNTS)
AS OF DECEMBER 31, 2025

	Amount	Per Capita(a)	% of City's Current Tax Valuation(b)
City Nonexempt GO Debt(c)	$139,335,000	$ 520.95	2.96%
Total City GO Debt (Exempt and nonexempt)	139,335,000	520.95	2.96
Highest Total Overlapping GO Debt(d)(e)	406,091,299	1,581.31	8.64

(a) Based on the estimated 2024 population of 267,463.

(b) The City's current tax valuation is $4,702,681,339.

(c) Total City GO debt, less exempt debt.

(d) Includes, in addition to "Total City GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions resulting in the calculation of highest total overlapping debt based on percent of tax valuation of territory of the subdivisions located within the City (% figures are resulting percent of total debt of subdivisions allocated to the City in this manner), as follows:

$ 56,757,952	of County debt (40.69%);
$149,685,594	of Toledo City School District debt (98.76%); and
$ 60,312,753	of Toledo-Lucas County Public Library debt (40.69%).

(e) Each parcel of property within the corporate limits of the City is within only one city or local school district. This amount has been calculated using the debt of the Toledo City School District, because its debt allocable to area within the City is the highest of all the city and local school districts having territory within the corporate limits of the City.

Allocation of GO debt of the remaining overlapping debt issuing subdivisions is as follows:

$ 9,107	of Ottawa Hills Local School District (0.13%);
$ 1,223,261	of Maumee City School District debt (10.74%)
$ 98,400	of Springfield Local School District debt (8.20%)
$ 2,970,110	of Sylvania City School District debt (6.82%); and
$ 143,902	of Sylvania Area Joint Recreational District debt (6.82%); and
$42,778,727	of Washington Local School District debt (94.79%).

Sources of tax valuation and GO debt figures for overlapping subdivisions: County Auditor, OMAC and Ohio Department of Taxation data.

DEBT TABLE C
DEBT SERVICE REQUIREMENTS ON CITY GENERAL OBLIGATION DEBT DURING THE YEARS FROM 2026 THROUGH 2046

	Debt Service On:			Portion of Debt Service Anticipated to be Paid From:
Calendar Year	Bonds Outstanding on December 31, 2025(a)	Bonds in Anticipation of Which BANs Were Outstanding on December 31, 2025(a)(b)	Total Debt Service as of December 31, 2025	Income Tax Revenues(c)
2026	$22,240,740	$ 12,600	$22,253,340	$22,253,340
2027	21,318,131	110,600	21,428,731	21,428,731
2028	20,678,494	108,500	20,786,994	20,786,994
2029	16,757,325	111,400	16,868,725	16,868,725
2030	14,861,763	109,000	14,970,763	14,970,763
2031	13,185,550	111,600	13,297,150	13,297,150
2032	11,981,800	108,900	12,090,700	12,090,700
2033	10,342,288	111,200	10,453,488	10,453,488
2034	8,755,100	108,200	8,863,300	8,863,300
2035	8,680,938	110,200	8,791,138	8,791,138
2036	7,064,600	111,900	7,176,500	7,176,500
2037	7,062,038	108,300	7,170,338	7,170,338
2038	5,944,513	109,700	6,054,213	6,054,213
2039	4,371,575	110,800	4,482,375	4,482,375
2040	3,197,275	111,600	3,308,875	3,308,875
2041	1,686,325	107,100	1,793,425	1,793,425
2042	1,688,000	107,600	1,795,600	1,795,600
2043	0	107,800	107,800	107,800
2044	0	107,700	107,700	107,700
2045	0	112,300	112,300	112,300
2046	0	111,300	111,300	111,300

(a) All such debt remains outstanding as of the date of this Annual Statement.

(b) Assumes the BANs outstanding on December 31, 2025 are retired with bonds dated October 1, 2026, having a first interest payment on December 1, 2027, and a first principal payment on December 1, 2026, bearing interest paid semiannually and at the interest rate per year, and maturing in equal principal installments over the number of years, referred to in the ordinance authorizing the BANs.

(c) Debt service is expected to be paid from the revenues indicated, but is secured by the City's ability to levy ad valorem property taxes within the ten-mill limitation imposed by law.

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Debt Table D shows the principal amount of City general obligation debt outstanding as of January 1 in the years indicated (all of which was unvoted):

DEBT TABLE D
GENERAL OBLIGATION DEBT OUTSTANDING(a)

Year	Exempt General Obligation	Total General Obligation
2022	$65,625	$113,215,617
2023	0	124,116,423
2024	0	132,785,000
2025	0	135,075,000
2026	0	139,335,000

Bond Anticipation Notes

$1,260,000 of the unvoted general obligation debt of the City was, as of December 31, 2025, was in the form of BANs. Those BANs remain outstanding as of April 15, 2026.

As part of its debt management policy, the City expects to pay the debt service on its outstanding BANs at maturity from City municipal income tax revenues, special assessments or the proceeds of the sale of renewal BANs or the bonds anticipated, or a combination of these sources.

Debt Table E lists the City's outstanding BANs as of January 1, 2026. These outstanding BANs, or the bonds anticipated, are reflected in **Debt Tables A**, **B**, **C** and **D** above.

DEBT TABLE E
OUTSTANDING GENERAL OBLIGATION BOND ANTICIPATION NOTES
AS OF DECEMBER 31, 2025

Description	Dated Date	Maturity Date	Interest Rate	Principal Amount
Sidewalk Improvement Notes, Series 2025	10/10/25	10/09/26	4.16%	$1,260,000

City Services Special Assessment Notes

The City has the authority to issue, and has in each year for a period in excess of 40 years issued, notes payable solely from special assessments levied to pay the cost of certain City services such as lighting, sprinkling, sweeping, cleaning, removing snow from and treating the surface of streets, alleys and other public ways in the City and planting, maintaining, trimming and removing trees in the streets. These notes are special obligations of the City. The City does not and cannot pledge ad valorem property taxes or its full faith or credit and does not pledge any of its other revenues, except for the anticipated special assessments, for the payment of the debt charges on them. Bonds are not issued to fund these notes. The ordinance authorizing each issue of these notes appropriates the anticipated special assessments, and those assessments, are deemed to be appropriated first to the payment of the debt charges on the notes. None of the anticipated special assessments may be otherwise appropriated and used until after such debt charges have been paid. The special assessments are collected in full in one year in two semiannual installments. The real property taxes levied against any property against which those special assessments have been levied are not to be paid without also paying the special assessments. During the five most recent years, the collections of the current amount of the special assessments levied has averaged 85.1%, and the combined total of such current collections and collections of delinquent special assessments from prior years has averaged 95.5% of the current amount levied. (Similar figures for Fiscal Year 2025 are not available as of the date of this Annual Statement.)

CURRENT AND DELINQUENT COLLECTIONS OF SPECIAL ASSESSMENTS

(In Thousands of Dollars)

Collection Year	Dollars of Current Amount Levied	Dollars of Current Amount Collected	Percent of Current Levy Collected	Total of Dollars Unpaid Amount Billed	Total of Dollars Unpaid Amount Collected	Total Dollars Collected	Collections as a Percentage of Current Levy
2020	$26,733	$22,740	85.1%	$26,512	$2,690	$25,430	95.1%
2021	28,445	24,586	86.4	28,694	2,631	27,218	95.7
2022	23,827	20,463	85.9	32,290	2,941	23,404	98.2
2023	25,094	20,271	80.8	32,798	2,920	23,191	92.4
2024	26,039	22,678	87.1	33,190	2,346	25,024	96.1

Debt Table F lists the City's City Services Special Assessment Notes outstanding as of December 31, 2025. Except as otherwise noted, all of those Notes remain outstanding as of this date. These Notes are also reflected as exempt debt in **Debt Table A** above.

DEBT TABLE F
OUTSTANDING CITY SERVICES SPECIAL ASSESSMENT NOTES
AS OF DECEMBER 31, 2025

Project Year	Description	Dated Date	Maturity Date	Interest Rate	Principal Amount Outstanding
2024	City Services Special Assessment	12/03/24	06/01/26	5.269%	$ 9,100,000
	Notes (Services 2024)(a)	12/03/24	12/01/26	5.220%	$13,600,000
2025	City Services Special Assessment	12/02/25	06/01/27	3.915%	$ 8,990,000
	Notes (Services 2025)(b)	12/02/25	12/01/27	3.837%	$13,490,000

(a) The special assessments anticipated by these Notes are to be collected in 2026.
(b) The special assessments anticipated by these Notes are to be collected in 2027.

Economic Development Obligations

The City has from time to time utilized its authority to issue and incur industrial development revenue obligations payable from nontax revenues of the City to support certain commercial and industrial development projects, including expansions and improvements of major manufacturing facilities in the City now owned and operated by a subsidiary of Stellantis (see **Economic and Community Development Activities – Industry and Commerce**), the redevelopment of a former shopping mall site, a former industrial facility site, and land acquisitions and site improvements to prepare sites in the City's Marina District and South Toledo and in the area of Stellantis' Toledo Assembly Complex for redevelopment.

Debt Tables G and **H** list the City's outstanding economic development obligations payable from nontax revenues and provide related debt service information:

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DEBT TABLE G
OUTSTANDING CITY ECONOMIC DEVELOPMENT OBLIGATIONS
AS OF DECEMBER 31, 2025(a)

Project	Obligation	Initial Amount	Outstanding Amount	Interest Rate	Final Maturity	Approximate Annual Debt Service(b)
A. Improvements supporting or part of expansion of facilities now owned by Fiat Chrysler Automobiles	Industrial Development Bond	$3,725,000	$ 615,000	5.00%	2026	$645,700
B. Land acquisition and remediation in the Marina District	Industrial Development Bond	$3,555,000	$3,205,000	2.80%-5.00%	2032	$353,400
C. Land acquisition for one or more industrial facilities	Industrial Development Bond	$4,515,000	$3,460,000	2.80%-5.00%	2039	$312,700

(a) No additional economic development obligations have been issued since December 31, 2025.
(b) All of these annual debt service requirements are payable from any nontax revenues of the City if moneys from expected sources are not available for the purpose.

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DEBT TABLE H
DEBT SERVICE REQUIREMENTS ON OUTSTANDING CITY ECONOMIC DEVELOPMENT OBLIGATIONS 2026 THROUGH 2039 AS OF DECEMBER 31, 2025(a)

Calendar Year	Total Debt Service on Nontax Revenue Bonds Outstanding on December 31, 2025	Portion of Debt Service Anticipated to be Paid From: Payments in Lieu of Taxes (PILOTs)(b)	Other Nontax Revenues(c)
2026	$1,118,463.75	$645,750.00	$472,713.75
2027	890,523.75	0.00	890,523.75
2028	891,513.75	0.00	891,513.75
2029	891,493.75	0.00	891,493.75
2030	890,288.75	0.00	890,288.75
2031	887,606.25	0.00	887,606.25
2032	888,768.75	0.00	888,768.75
2033	314,168.75	0.00	314,168.75
2034	311,043.75	0.00	311,043.75
2035	312,756.25	0.00	312,756.25
2036	313,812.50	0.00	313,812.50
2037	314,531.25	0.00	314,531.25
2038	309,912.50	0.00	309,912.50
2039	310,125.00	0.00	310,125.00

(a) No additional economic development obligations have been issued by the City since December 31, 2025.

(b) The City expects that the debt service will be paid from payments in lieu of taxes from Stellantis (successor to Fiat Chrysler Automobiles). See **Industry and Major Employers**. Based on current State law, the City anticipates that any such payments in lieu of taxes (PILOTs) that were not timely made by Stellantis would be treated in the same manner as delinquent property taxes and be a lien on the real property that was the subject of the tax exemption granted by the City. Debt service will be paid from other non-tax revenues if those PILOTs are not made.

(c) Annual non-tax revenues (net of PILOTs) under the City's amended budget for 2026 are estimated to be $50,080,000.

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DEBT TABLE I
OUTSTANDING GO BONDS AND REVENUE DEBT
AS OF DECEMBER 31, 2025

OUTSTANDING GO BONDS

The following debt is reflected in **Debt Tables A**, **B**, **C** and **D**.

Issue	Date of Issuance	Outstanding Principal Amount
Capital Improvement and Refunding Bonds, Series 2012	10/09/2012	$ 1,580,000
Capital Improvement and Refunding Bonds, Series 2015	10/15/2015	6,805,000
Capital Improvement and Refunding Bonds, Series 2016	11/01/2016	8,540,000
Capital Improvement and Equipment Bonds, Series 2017	11/01/2017	4,210,000
Building Acquisition Bonds, Series 2018	09/19/2018	1,945,000
Capital Improvement and Refunding Bonds, Series 2019	12/11/2019	3,345,000
Capital Improvement Bonds, Series 2020	11/17/2020	11,850,000
Various Purpose Refunding Bonds, Series 2020	11/17/2020	2,560,000
Various Purpose Improvement Bonds, Series 2022	11/15/2022	29,835,000
Various Purpose Improvement Bonds, Series 2023	10/31/2023	19,630,000
Various Purpose Improvement and Refunding Bonds, Series 2024	11/13/2024	27,825,000
Various Purpose Improvement Bonds, Series 2025	12/03/2025	19,950,000

OUTSTANDING REVENUE DEBT

The following debt is reflected in **Debt Table A**

Issue	Date of Issuance	Outstanding Principal Amount
Water System Revenue Refunding Bonds, Series 2012RA	10/08/2012	$ 2,530,000
Water System Revenue Bonds, Series 2016	09/07/2016	50,145,000
Water System Revenue Bonds, Series 2020	12/17/2020	71,500,000
Water System Revenue Bonds, Series 2023	02/14/2023	138,260,000

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Utility Revenue Bonds

See the discussions under **The City – Water System** and **– Sewer System** of the City's utility revenue bonds, all of which were outstanding as of December 31, 2025.

Long-Term Financial Obligations Other than Bonds and Notes

Ohio Water Development Authority Loans

The City has entered into loan agreements with the Ohio Water Development Authority (OWDA) pursuant to which OWDA has provided or agreed to provide loans to the City to pay costs of certain municipal wastewater collection and treatment facilities of the Sewer System. The aggregate principal amount of the City's obligations under those OWDA loan agreements was approximately $281,019,087as of December 31, 2025, with an undisbursed amount available to the City of approximately $78,815,375. See **Appendix B** and **Future Financings**. Under those agreements, the City made $29,977,148 of loan payments in Fiscal Year 2025 and is to make a total of $29,306,268 of loan payments in Fiscal Year 2026. Each such outstanding loan is payable in substantially equal semiannual installments. Final payments on those outstanding loans are to be made by 2056.

The payments on such OWDA loans are required to be made from the City's Sewer System revenues after payment of operation and maintenance expenses of the Sewer System and payment of the amounts required by the trust indenture securing the Sewer Revenue Bonds. The loan agreements grant no security or property interest to OWDA in any property of the City, do not pledge the general credit of the City or create a debt subject to the direct or indirect debt limitations, and do not require the application of the general resources of the City for repayment.

Assuming that, as expected, the City draws all undisbursed available amounts under the loan agreements, the City projects that its aggregate loan payment requirements on these OWDA loans will be approximately as follows through 2056:

Period	**Payments**
2026	$ 36,983,628
2027-2031	146,848,853
2032-2036	108,769,805
2037-2041	47,812,389
2042-2046	8,059,834
2047-2051	3,880,122
2052-2056	2,679,198

The City expects to enter into a number of additional such loan agreements with OWDA over the next several years in connection with its Sewer System improvement projects. See **Sewer System – Facilities and Operations**.

Through December 31, 2025, the City had also entered into loan agreements with OWDA pursuant to which OWDA has provided 16 loans to the City to pay costs of improvements to the Water System. The aggregate principal amount of the City's obligations under those OWDA loan agreements was approximately $222,873,031as of December 31, 2025, with an undisbursed amount available to the City of approximately $13,251,047. See **Appendix B**. Under those loans, the City made $10,461,415 of loan payments in Fiscal Year 2025 and is to make $12,292,919 of loan payments in Fiscal Year 2026. Those loans are payable in substantially equal semiannual installments. Final payments under those agreements are to be made by 2054.

The payments under those OWDA loan agreements are required to be made from the City's Water System revenues after payment of operation and maintenance expenses of the Water System and payment of the amounts required in the trust indenture securing the Water Revenue Bonds. The loan agreements grant no security or property interest to OWDA in any property of the City, do not pledge the general credit of the City or create a debt subject to the direct or indirect debt limitations, and do not require the application of the general resources of the City for repayment.

See **Water System – Facilities and Operations** and **Future Financings – Water System Improvement Financings**.

The City has also entered into two loan agreements with OWDA pursuant to which OWDA has provided loans to the City to pay costs of improvements to the Storm Water Management System. The aggregate principal amount of the City's obligation under that OWDA loan agreement was approximately $1,061,820 as of December 31, 2025. See **Appendix B**. Under that loan, the City made $82,756 of loan payments in Fiscal Year 2025 and is to make $85,375 of loan payments in Fiscal Year 2025. These outstanding loans are also payable in substantially equal semiannual installments. The final payments under these agreements are to be made in 2036.

The payments under that OWDA loan agreement are required to be made from the City's Storm Water Management System revenues after payment of operation and maintenance expenses of the Storm Water Management System. The loan agreement grants no security or property interest to OWDA in any property of the City, do not pledge the general credit of the City or create a debt subject to the direct or indirect debt limitations, and do not require the application of the general resources of the City for repayment.

The City expects to enter into a number of additional loan agreements with OWDA for loans over the next several years in connection with its Water System improvement projects. See **Water System – Facilities and Operations**.

Ohio EPA Loans

The Ohio EPA, together with OWDA, administers a Water Pollution Control Loan Fund (WPCLF) to provide financial and technical assistance to public entities for planning, design and construction of projects to protect or improve the quality of the State's water resources.

In 2017, the City entered into a loan agreement with OWDA pursuant to which the City borrowed $10.3 million from the Ohio EPA's Water Pollution Control Loan Fund for the Swan Creek North Sewer Separation Project. Under that agreement, the City is to make payments aggregating $515,000 annually for a period of 20 years, commencing in 2021 and ending in 2041, to repay the loan. The City expects to continue to make those payments from amounts in its Sewer Revenue Fund or Capital Improvement Program Fund.

In 2017, the City also entered into a loan agreement with OWDA pursuant to which the City borrowed $50.45 million from the Ohio EPA's Water Pollution Control Loan Fund for the Downtown Combined-Sewage Overflow (CSO) Storage Basis Project. Under that agreement, the City is to make payments aggregating $2,522,500 annually for a period of 20 years, commencing in 2021 and ending in 2040, to repay the loan. The City expects to continue to make those payments from amounts in its Sewer Revenue Fund or Capital Improvement Program Fund.

In 2018, the City also entered into a loan agreement with OWDA pursuant to which the City borrowed $3.9 million from Ohio EPA's Water Pollution Control Loan Fund for the Paine and Fassett Regulator Modifications Project. Under that agreement, the City is to make payments aggregating $197,174 annually for a period of 20 years, commencing in 2021 and ending in 2041, to repay the loan. The City expects to continue to make those payments from amounts in its Sewer Revenue Fund or Capital Improvement Program Fund.

In 2023, the City also entered into a loan agreement with OWDA pursuant to which the City borrowed $18.5 million from Ohio EPA's Water Pollution Control Loan Fund for the -65 Chlorination and De-Chlorination Renovations Project. Under that agreement, the City is to make payments aggregating $616,667 annually for a period of 30 years, commencing in 2027 and ending in 2056 to repay the loan. The City expects to continue to make those payments from amounts in its Sewer Revenue Fund or Capital Improvement Program Fund.

In 2025, the City also entered into a loan agreement with OWDA pursuant to which the City borrowed \$47.5 million from Ohio EPA's Water Pollution Control Loan Fund for the Bay View Water Reclamation Plant Improvements project. Under that agreement, the City is to make payments aggregating \$3,164,867 annually for a period of 15 years, commencing in 2029 and ending in 2045 to repay the loan. The City expects to continue to make those payments from amounts in its Sewer Revenue Fund or Capital Improvement Program Fund.

In 2025, The City entered into a \$85.3 million loan with the Ohio EPA's Water Supply Revolving Loan Account (WSRLA). The loan is for the Water Distribution System Improvements Project which consists of the construction of four new elevated storage tanks with each holding two million gallons of finished water as well as the construction of a new booster pumping station and boundary control structures.

In 2026, the City entered into a zero interest principal forgiveness loan with the Ohio EPA's Water Supply Loan Account (WSRLA)

The City expects to enter into Water Pollution Control Loan Fund loans over the next several years in connection with its Sewer System improvement projects. See **Sewer System – Facilities and Operations**.

The Ohio EPA, together with OWDA, administers a Water Pollution Control Loan Fund (WPCLF) and a Water Supply Revolving Loan Account (WSRLA) to provide financial and technical assistance to public entities for planning, design and construction of projects to protect or improve the quality of the State's water resources (WPCLF) and projects that address human health and drinking water infrastructure needs (WSRLA). The City has entered into four WSRLA loan agreements with the Ohio Environmental Protection Agency pursuant to which the City has borrowed moneys to assist in its efforts to mitigate the possibility of future water events caused by algal toxins. One loan, in the initial amount of \$5.14 million, is to be repaid in equal semiannual amounts of \$257,024 payable through January 1, 2037. A second loan, in the initial amount of \$1.457 million, is to be repaid in equal semiannual amounts of \$58,310, payable through July 1, 2036. A third loan in the initial amount of \$44.77 million, obtained by the City in 2018, is to be repaid in equal semiannual amounts of \$2,238,539 starting in 2022 and payable through July 1, 2041.The fourth loan in the initial amount of \$37.844 million, obtained by the City in 2020 is to be repaid in equal semiannual amounts of \$1,892,200 starting in 2024 and payable through July 1, 2043.

These loans bear no interest and are required to be made from the City's Water System revenues after payment of operation and maintenance expenses of the Water System and payment of the amounts required by the trust indenture securing the Water Revenue Bonds. The loan agreements grant no security or property interest to Ohio EPA in any property of the City, do not pledge the general credit of the City or create a debt subject to the direct or indirect debt limitations, and do not require the application of the general resources of the City for repayment.

See **Water System – Facilities and Operations** and **Future Financings – Water System Improvement Financings**.

Ohio Public Works Commission Issue 2 Loans

The City has entered into a number of loan agreements with the Ohio Public Works Commission (OPWC) pursuant to which the City has borrowed moneys to pay costs of certain street, bridge, drainage, sanitary sewer, storm sewer and water improvements. As of December 31, 2025, those loans were outstanding in the aggregate principal amount of \$11,094,011. Those loans bear no interest and are to be repaid over periods ranging from 10 to 20 years from the date they are obtained. The aggregate amount payable on such loans in 2026 is \$1,437,846 of which \$599,657 is to be paid from moneys in the City's Capital Improvement Program Fund, \$112,450 from moneys in its Water Revenue Fund, \$653,245 from moneys in its Sewer Revenue Fund and \$72,494 from moneys in its Storm Water Revenue Fund. The maximum aggregate annual amount payable on such loans is \$1,437,846 in 2026.

In 2021, the City entered into project agreements with OPWC pursuant to which the City is entitled to receive a loan in an amount not to exceed $1,535,200 and a grant in an amount not to exceed $1,535,200.

In 2022, the City entered into project agreements with OPWC pursuant to which the City is entitled to receive loans in an amount not to exceed $2,221,622 and grants in an amount not to exceed $10,617,442.

In 2023, the City entered into project agreements with OPWC pursuant to which the City is entitled to receive loans in an amount not to exceed $669,633 and grants in an amount not to exceed $2,494,921.

In 2024, the City entered into project agreements with OPWC pursuant to which the City is entitled to receive loans in an amount not to exceed $1,173,410 and grants in an amount not to exceed $2,444,647.

In 2025, the City entered into project agreements with OPWC pursuant to which the City is entitled to receive loans in an amount not to exceed $449,527 and grants in an amount not to exceed $1,718,755.

Lease-Purchase Agreements

The City has entered into "lease-purchase agreements" to finance certain permanent improvements, such as fire trucks and other motor vehicles and equipment and the acquisition of a parcel of real estate. The payments under the lease-purchase agreements include principal and interest components and are subject to the availability and annual appropriation of funds for that purpose by the City Council. The lease-purchase agreements do not constitute debt and are thus not subject to either the direct or indirect debt limitations.

In 2016, the City entered into a lease-purchase agreement providing for the leasing and eventual acquisition of 10.68-acre site for an underground storm water storage basin. That agreement provides for a two-year lease term that commenced on July 1, 2015, and is to end on June 30, 2035, with annual rental payments payable annually on July 1 of each year from 2015 through 2034 in amounts that began at $125,000 and have increased and will continue to increase by two percent each year. The payment made under this agreement in Fiscal Year 2025 was $152,374 and the payment in Fiscal Year 2026 is to be in the amount of $155,422. At the end of the term of the agreement, the title to the site is to be conveyed to the City upon a further payment in the sum of $1 million.

Lease Agreements

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 five-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 10 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. The City made rental payments totaling $1.695 million under that lease in 2025.

See the Notes to the Basic Financial Statements in **Appendix B** for information concerning the City's lease agreements, all as of December 31, 2024.

Other

See the Notes in **Appendix B** for information concerning the City's long-term obligations for compensated absences and landfill closure and post-closure care costs, and net pension liability, all as of December 31, 2024.

The City agreed to pay special assessments for certain energy conservation improvements made to City buildings and facilities petitioned for and levied by the City under an energy services agreement with the Port Authority and the Toledo Ohio Advanced Energy Improvement Corporation. The remaining special assessments to be paid by the City are in the annual amount of $704,490 in each of the years from 2022 through 2026, and $77,410 for each of the years from 2027 through 2034.

Future Financings

General Obligation Financings

The City plans to issue approximately $2.8 million of unvoted general obligation BANs in October 2026 to provide funds to retire, together with other funds available for the purpose, $1.26 million of maturing BANs. The City plans for those BANs to be privately placed.

The City plans to issue approximately $12.1 million of unvoted general obligation bonds in May 2026 for the purpose of paying costs of (i) improving the City's street system, in cooperation with the Department of Transportation of the State of Ohio and otherwise, by (A) improving streets by constructing, reconstructing and rehabilitating the pavement base, bridges, curbs, drainage improvements, driveway approaches, pedestrian ramps, bicycle paths and sidewalks, widening, realigning, adjusting radius cutbacks, manholes and catch basins, preparing the surface and surfacing and resurfacing, and installing traffic signs, signals and signalization, where necessary, and (B) improving bridges by constructing, reconstructing, replacing, rehabilitating, restoring and widening bridge decks, supporting piers, abutments, arches, beams, columns and other structural steel components and bridge bearing systems and related embankments and drainage facilities, restoring and installing expansion joints, bridge railings and traffic barrier railings and constructing, reconstructing and rehabilitating the pavement base, curbs, drainage improvements, driveway approaches, bicycle paths and sidewalks and surfacing and resurfacing the roadway on those bridges and approaches to those bridges, where necessary, in each case as designated in the plans approved or to be approved by Council and together with the necessary appurtenances and work incidental thereto, and acquiring real estate and interests in real estate in connection therewith, and (ii) acquiring fire apparatus and equipment for use by the City's Department of Fire and Rescue Operations. Depending on market conditions, the City may issue unvoted general obligation bonds to refund certain of its outstanding Series 2015 Bonds for debt charges savings.

At this time, the City has no other plans to undertake or participate in any other new major capital improvement projects for which it plans to issue general obligation securities before the end of 2026.

City Services Special Assessment Financing

The City plans to issue approximately $14.31 million of special obligation City Services Special Assessments Notes in December 2026, to provide funds to pay, in anticipation of the levy and collection of the special assessments, a part of the cost of the City's 2026 City Services program. The City plans for those Notes to be privately placed. See **City Services Special Assessment Notes**.

Water System Improvement Financings

At this time, the City has no other plans to issue Water System Bonds or enter into any other long-term Water System undertakings before the end of 2026.

Sewer System Improvement Financings

In 2025, the City entered into two loan agreements with the Ohio Water Development Authority (OWDA) for an aggerate amount of 17.490 million for the Arlington Avenue Sewer Repair Project.

At this time, the City has no other plans to issue Sewer System Bonds or enter into any other long-term Sewer System undertakings before the end of 2026.

Nontax Revenue Financing

Additionally, the City plans to issue approximately $18.7 million of unvoted nontax revenue bonds (federally taxable) in May 2026 for the purpose of providing funds necessary to fund a loan to the Toledo Community Improvement Corporation (TCIC) to enable TCIC to acquire, assemble, prepare, hold, market and dispose of sites in the City to companies or developers of (i) commercial and industrial (job-creating) developments and (ii) housing facilities. See also **Economic and Community Development Activities – Industry and Commerce – Toledo Community Improvement Corporation**.

At this time, the City has no other plans to undertake or participate in any new major capital improvement projects for which it plans to issue nontax revenue securities for the remainder of 2026.

Retirement Expenses

Present and retired employees of the City are covered under two statewide public employee retirement (including disability retirement) systems. The Ohio Police and Fire Pension Fund (OP&F) covers uniformed members of the police and fire departments. All other eligible City employees are covered by the Ohio Public Employees Retirement System (OPERS).

OPERS and OP&F are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. In 2012, the General Assembly passed five separate pension reform measures intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. The reform legislation passed with respect to OPERS and OP&F provided for (i) no change in the City contribution rates with respect to its employees' earnable salaries, (ii) no change in OPERS employee contribution rate, and (iii) an increase in the OP&F employee contribution rate from 10% to 12.25% in annual increments of 0.75% that began on July 2, 2013. With certain transition provisions applicable to certain current employees, the reform legislation has, among other changes, increased minimum age and service requirements for retirement and disability benefits, revised the calculation of an employee's final average salary on which pension benefits are based to include the five highest years (rather than the three highest years), provided for OPERS pension benefits to be calculated on a lower, fixed formula, changed provisions with respect to future cost-of-living adjustments to limit those adjustments to the lesser of any increase in the Consumer Price Index or three percent. The OP&F reform legislation also authorizes the OP&F board to further adjust member contribution rates or further adjust age and service requirements after November 1, 2017, if, after an actuarial investigation, the board determines that an adjustment is appropriate.

For further information on the OPERS and OP&F pension plans, see the Notes to the Basic Financial Statements included in **Appendix B**. Financial and other information for OPERS and OP&F can also be found on the respective website for each retirement system including its Annual Comprehensive Financial Report.

City employees covered by OPERS currently contribute at a statutory rate of 10.0% of earnable salary or compensation. As the employer, the City's statutory contribution rate for those employees is 14.0% of the same base. City employees covered by OP&F currently contribute at a statutory rate of 12.25% of gross salary. As the employer, the City's statutory contribution rates, applied to the same base, are 19.5% for police personnel and 24.0% for fire personnel. These employee and employer contribution rates are the current maximums permitted under current State law.

All of the City's contributions to OPERS and OP&F have been treated as current expenses and included in the City's operating expenditures. The City's aggregate employer contributions to OPERS for the years ended December 31 in 2024, 2023, 2022, 2021, and 2020 were approximately $13.9 million, $13.0 million, $11.7 million, $11.1 million, and $10.3 million, respectively, and were 92% of the required contributions in 2024, 92% of the required contributions in 2023, 92% of the required contributions in 2022, 92% of the required contributions in 2021, and 92% of the required contributions in 2020. The remaining 8% of the 2024 contributions was made in the first month of 2025, the remaining 8% of the 2023 contributions was made in the first month of 2024, the remaining 8% of the 2022 contributions was made in the first month of 2023, the remaining 8% of the 2021 contribution was made in the first month of 2022, and the remaining 8% of the 2020 contribution was made in the first month of 2021. (Similar figures for Fiscal Year 2025 are not available as of the date of this Annual Statement.)

The City's aggregate employer contributions to OP&F for the years ending on December 31 in 2024, 2023, 2022, 2021, and 2020 were approximately $23.4 million, $23.1 million, $22.2 million, $20.8 million, and $19.2 million, respectively, and were 93% of the required contribution in 2024, 93% of the required contribution in 2023, 93% of the required contribution in 2022, 93% of the required contribution in 2021, and 92% of the required contribution in 2020. The remaining 7% of the 2024 contribution was made in the first month of 2025, the remaining 7% of the 2023 contribution was made in the first month of 2024, the remaining 7% of the 2022 contribution was made in the first month of 2023, the remaining 7% of the 2021 contribution was made in the first month of 2022, and the remaining 8% of the 2020 contribution was made in the first month of 2021. (Similar figures for Fiscal Year 2025 are not available as of the date of this Annual Statement.)

The City did not "pick up" any portion of its employees' contributions to OPERS and OP&F in 2025, and no longer provides any such pick-ups.

The City's Basic Financial Statements have reflected a net pension liability determined in accordance with GASB Statement No. 68 and GASB Statement No. 71, since they were implemented beginning with Fiscal Year 2015. The City's net pension liability as of December 31, 2025 is reported and explained in the Notes to the Basic Financial Statements included in **Appendix B**.

Federal law requires City employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, City employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. OPERS and OP&F are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

LEGAL MATTERS

Litigation

The City is a party to various legal proceedings seeking damages or injunctive or other relief generally incidental to its operations. Those proceedings are unrelated to any outstanding City debt or the security therefor. The ultimate disposition of those proceedings is not now determinable, but 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 therefor.

Under Ohio law, City moneys, accounts and investments are not subject to attachment to satisfy tort judgments against the City in State courts. 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 motorist coverage) and other benefits that 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 in the past satisfied, and continues to satisfy, its general, motor vehicle, police, fire and emergency medical services tort liability (after the reductions described above) by relying on tax receipts and other available City revenues. Based on experience and its evaluation of pending claims, the City believes that the amount available from those sources, and unencumbered at the date of this Annual Statement, is sufficient to meet the claims and judgments that may arise in 2026. 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.

Bond Counsel

The City retains the legal services of Squire Patton Boggs (US) LLP as Bond Counsel in connection with the issuance of the bonds and notes of the City. Legal matters incident to the issuance of those bonds and notes and with regard to the tax-exempt status of the interest on those bonds and notes are subject to the legal opinion of that Bond Counsel.

The City has also retained the legal services of Squire Patton Boggs (US) LLP from time to time as special counsel in connection with matters that do not relate to City bonds or notes.

Squire Patton Boggs (US) LLP also serves and has served as bond counsel for one or more of the political subdivisions that territorially overlap the City.

RATINGS

Moody's Ratings (Moody's) and S&P Global Ratings (S&P) have assigned their ratings of "A1" and "A," respectively, to the City's outstanding uninsured general obligation bonds, certain of which are insured. No application for a rating of those bonds has been made to any other rating service.

Moody's and S&P have assigned their underlying ratings of "A2" and "A", respectively, on all of the City's outstanding insured Nontax Revenue Bonds, certain of which are insured. No application for a rating of the Nontax Revenue Bonds has been made to any other rating service.

Moody's and S&P have assigned their underlying ratings of "Aa3" and "AA-," respectively, to the City's outstanding Water Revenue Bonds, none of which are insured. No application for a rating of the Water Revenue Bonds has been made to any other rating service.

The ratings and assessments reflect only the views of the respective rating services, and any explanation of the meaning or significance of the rating may only be obtained from the respective rating service. The City furnished to each rating service certain information and materials, some of which have not been included in this Annual Statement, relating to the City and its outstanding obligations. Generally, rating services base their ratings on such information and materials and on their own investigations, studies, and assumptions. There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service, if in its judgment circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market value of the outstanding obligations.

The City expects to furnish the rating services with information and materials that they may request. However, the City assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the outstanding obligations.

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CONCLUDING STATEMENT

To the extent that any statements made in this Annual Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of those statements have been or will be realized. Information in this Annual Statement has been derived by the City from official and other sources and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Annual Statement nor any statement that may have been or that may be made orally or in writing is to be construed as or as part of a contract with the original purchasers or subsequent owners of the obligations of the City.

This Annual Statement has been prepared and delivered by the City and been duly signed for and on behalf of the City by its Mayor and its Acting Director of Finance.

CITY OF TOLEDO, OHIO

By: /s/ Wade Kapszukiewicz
Mayor

By: /s/ Melanie Campbell
Acting Director of Finance

APPENDIX A

Comparative Modified Accrual Basis Summary of General Fund Revenues, Expenditures and Balances for Fiscal Years 2021 through 2025 (Actual) and Fiscal Year 2026 (Budgeted)

(amounts in thousands)

	2021(a)	2022(a)	2023(a)	2024(a)	2025(b)	Budgeted 2026(c)(d)
REVENUES:						
Income Tax(e)	$191,447	$224,561	$233,184	$237,707	$236,841	$246,511
Property Taxes	12,985	14,439	14,766	14,701	18,363	17,833
Licenses and Permits	3,201	3,192	3,357	3,415	3,189	3,412
Intergovernmental	20,984	22,327	17,763(i)	18,676(i)	23,366	22,857
Charges for Services	26,420	24,741	24,940	26,395	31,710	38,940(j)
Investment Earnings	1,977	2,788	7,490	8,630	5,843	4,244
(Decrease) in fair value of investments	(2,206)	(9,474)	1,854	1,901	0	0
Fines and Forfeitures	2,408	2,454	2,594	2,857	2,795	2,807
Lease Revenue	98	0	0	0	0	0
All Other Revenue	1,479	13	1,319	994	2,131	677
Total Revenues	$258,793	$285,041	$307,267	$315,276	$324,238	$337,281
EXPENDITURES						
Current:						
General Government(f)	$ 28,283	$ 29,128	$ 31,518	$32,770	$38,726	$38,754
Public Service	3,418	1,788	1,905	1,988	2,171	2,231
Public Safety(f)	191,003	169,792	191,652	195,886	256,042(k)	260,025(k)
Public Utility	0	0	29	0	0	0
Community Environment	9,929	10,030	12,881	16,056	15,323	18,022
Health	8,856	9,507	9,637	9,9988	15,082(l)	10,903
Parks and Recreation	4,082	4,670	5,014	5,547	6,767	5,968
Capital Outlay	3	10,737	1,132	3,131	0	0
Debt Service						
Principal Retirement	147	1,412	1,641	2,199	0	0
Interest & Fiscal Charges	3	253	253	259	0	0
Total Expenditures	$245,724	$237,317	$255,662	$267,904	$334,111	$335,903
Excess (Deficiency) of Revenues over Expenditures	$ 13,069	$47,724	$51,605	$47,372	$(9,873)	$1,378
Other Financing Sources (Uses):						
Transfers In	2,287	2,224	20,326	26,356	29,556	27,075
Transfers (Out)(g)	(45,520)	(49,708)	(51,482)	(52,401)	(52,022)	(53,887)
Inspection of Lease	0	10,731	531	2,599	0	0
Inception of subscription-based information technology arrangement	0	0	549	476	0	0
Sale of Capital Assets	71	117	46	4	0	0
TOTAL OTHER FINANCING SOURCES AND (USES)	$ (43,162)	$ (36,636)	$ (30,030)	$ (22,966)	$(22,466)	$(26,812)
Net Change in Fund Balance	$ (30,093)	$ 11,088	$ 21,575	$24,406	$(32,339)	$(25,434)
Fund Balance (Deficit) at Beginning of Year(h)	$ 84,635	$ 54,687	$ 66,053	$89,341	$113,925	$81,586
Reserve for Inventory	145	278	1,713	178	0	0
Fund Balance (Deficit) at Year-End(h)	$ 54,687	$ 66,053	$ 89,341	$113,925	$81,586	$56,152

(a) Audited.
(b) Unaudited; budget basis.
(c) Budgeted numbers approved on March 31, 2026.
(d) The City's budget is conservatively prepared and the City has a history of outperforming its budgets.
(e) Does not include proceeds of the temporary ¼% income tax that are required to be placed in a separate fund and used only to pay costs of improving the City's system of roads, streets and bridges, including related debt charges.
(f) Variability reflects, in part, the use of CARES Act and ARPA resources from the City's CARES Act Fund. See **CARES Act Resources** and **American Rescue Plan Act of 2021 Resources**.
(g) Amounts include mandatory and discretionary transfers of municipal income tax revenues to the City's Capital Improvements Fund.
(h) Total fund balances. See **Appendix B** for information concerning restricted amounts and reserves.

(i) Reflects State withholding from the City's distribution of local government assistance funds. See **Other Major General Fund Revenue Sources – Local Government Assistance Funds**.
(j) Increase reflects additional projected revenue from proposed municipal solid waste fee increase.
(k) Reflects the estimated impact of recent collective bargaining agreements. See **The City – Employees**.
(l) Reflects expenses relating to relocation of the Health Department building, some of which will be returned to the City over time.

APPENDIX B-1

Basic Financial Statements from the City's Annual Comprehensive Financial Report for Fiscal Year 2024 (Audited)

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OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

City Council
City of Toledo
One Government Center Suite 2020
Toledo, OH 43604

We have reviewed the *Independent Auditors' Report* of the City of Toledo, Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 21, 2025

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio (the "City"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 30, 2025

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City of Toledo, Ohio
Statement of Net Position
December 31, 2024
(Amounts in Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents with Treasurer/Treasury	$ 2,196	$ 12,893	$ 15,089
Cash and cash equivalents held by escrow agent	-	15,975	15,975
Cash and cash equivalents - other	285	1,246	1,531
Investments	216,163	231,027	447,190
Restricted investments	69,270	43,122	112,392
Receivables (net of allowances)	170,271	58,418	228,689
Due from other governments	19,483	-	19,483
Internal balances	14,913	(14,913)	-
Prepaid items	4,638	15	4,653
Inventory	9,818	7,461	17,279
Net OPEB asset (Note 14)	3,257	1,762	5,019
Capital assets:			
Land and construction in progress	216,567	251,130	467,697
Other capital assets, net of accumulated depreciation	464,208	1,239,949	1,704,157
Total assets	1,191,069	1,848,085	3,039,154
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	29	29
Pension (Note 13)	133,526	16,810	150,336
OPEB (Note 14)	16,554	1,511	18,065
Total deferred outflows of resources	150,080	18,350	168,430
LIABILITIES			
Accounts payable	33,384	10,694	44,078
Customer deposits	5,420	988	6,408
Accrued wages and benefits	10,609	-	10,609
Retainage payable	1,345	5,451	6,796
Due to other governments	-	177	177
Accrued interest payable	707	6,945	7,652
Other current liabilities	4,843	-	4,843
Notes payable	47,125	-	47,125
Unearned revenue	44,378	-	44,378
Long-term liabilities:			
Due within one year	27,478	61,209	88,687
Due in more than one year:			
Net pension liability (Note 13)	462,221	51,281	513,502
Net OPEB liability (Note 14)	27,767	-	27,767
Other amounts due in more than one year	206,714	795,606	1,002,320
Total liabilities	871,991	932,351	1,804,342
DEFERRED INFLOWS OF RESOURCES			
Revenues levied for the next year	16,298	-	16,298
Deferred charge on refunding	-	6,777	6,777
Leases	1,761	-	1,761
Pension (Note 13)	14,382	309	14,691
OPEB (Note 14)	26,146	1,098	27,244
Total deferred inflows of resources	58,587	8,184	66,771
NET POSITION			
Net investment in capital assets	536,118	677,695	1,213,813
Restricted for:			
Debt service	195	13,183	13,378
Replacement	-	66,599	66,599
Capital improvement	73,370	8,575	81,945
Community programs	11,272	-	11,272
Other purposes	23,830	-	23,830
OPEB	3,257	1,762	5,019
Unrestricted (deficit)	(237,471)	158,086	(79,385)
Total net position	$ 410,571	$ 925,900	$ 1,336,471

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Activities
For the Year Ended December 31, 2024
(Amounts in Thousands)

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	$ 40,874	$ 12,385	$ 2,329	$ 87
Public service	50,764	27,353	2,043	19,721
Public safety	252,877	12,361	27,757	1,679
Public utilities	25,601	-	4,481	-
Community environment	63,798	4,882	38,104	9,408
Health	16,415	11,628	3,935	-
Parks and recreation	11,834	88	5,708	-
Interest	7,011	-	-	-
Total governmental activities	469,174	68,697	84,357	30,895
Business-type activities:				
Water	84,266	98,926	-	321
Sewer	79,630	95,283	-	-
Utilities administration	17,272	16,763	-	-
Storm utility	9,177	9,273	-	-
Property management	963	-	-	-
Municipal tow lot	1,512	3,564	-	-
Toledo public power	560	608	-	-
Total business-type activities	193,380	224,417	-	321
Total	$ 662,554	$ 293,114	$ 84,357	$ 31,216

General revenues:

Income taxes
Property taxes
Investment earnings
Increase in fair value of investments
Intergovernmental services
Gain on disposal of capital assets
Other revenue

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position as previously reported

Restatement - change in accounting principle

Net position at January 1 (restated)

Net position at December 31

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (26,073)	$ -	$ (26,073)
(1,647)	-	(1,647)
(211,080)	-	(211,080)
(21,120)	-	(21,120)
(11,404)	-	(11,404)
(852)	-	(852)
(6,038)	-	(6,038)
(7,011)	-	(7,011)
(285,225)	-	(285,225)
-	14,981	14,981
-	15,653	15,653
-	(509)	(509)
-	96	96
-	(963)	(963)
-	2,052	2,052
-	48	48
-	31,358	31,358
(285,225)	31,358	(253,867)
276,594	-	276,594
15,657	-	15,657
8,630	9,458	18,088
1,901	3,111	5,012
35,597	-	35,597
18	262	280
3,710	-	3,710
342,107	12,831	354,938
1,318	(1,318)	-
343,425	11,513	354,938
58,200	42,871	101,071
357,437	884,902	1,242,339
(5,066)	(1,873)	(6,939)
352,371	883,029	1,235,400
$ 410,571	$ 925,900	$ 1,336,471

City of Toledo, Ohio
Balance Sheet
Governmental Funds
December 31, 2024
(Amounts in Thousands)

	General	Capital Improvements	Special Assessments Services	Local Fiscal Recovery Grant
ASSETS				
Cash and cash equivalents with Treasurer	$ 2,196	$ -	$ -	$ -
Cash and cash equivalents - other	205	-	-	-
Investments	215,392	-	-	-
Restricted investments	3,842	414	2,022	61,940
Receivables (net of allowances)	81,116	9,260	51,679	141
Due from other:				
Funds	-	59,977	-	-
Governments	5,780	-	-	-
Inventory of supplies	4,157	1,056	2,699	-
Total assets	$ 312,688	$ 70,707	$ 56,400	$ 62,081
LIABILITIES				
Accounts payable	$ 13,159	$ 4,308	$ 384	$ 8,502
Deposits	2,836	11	-	-
Accrued wages and benefits payable	10,609	-	-	-
Compensated absences payable	41	40	27	-
Retainage payable	-	242	-	46
Due to other:				
Funds	91,628	-	18,825	8,280
Unearned revenue	-	-	-	37,726
Notes payable	-	-	45,500	-
Total liabilities	118,273	4,601	64,736	54,554
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year, leases, and unavailable revenue	80,490	-	51,530	-
FUND BALANCES				
Nonspendable	4,157	1,056	2,699	-
Restricted	3,842	65,050	-	7,527
Committed	15,363	-	-	-
Assigned	24,742	-	-	-
Unassigned (deficit)	65,821	-	(62,565)	-
Total fund balances (deficit)	113,925	66,106	(59,866)	7,527
Total liabilities, deferred inflows of resources, and fund balances	$ 312,688	$ 70,707	$ 56,400	$ 62,081

See accompanying notes to the basic financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 2,196
80	285
771	216,163
1,052	69,270
26,346	168,542
59,004	118,981
14,649	20,429
915	8,827
$ 102,817	$ 604,693
$ 4,705	$ 31,058
2,572	5,419
-	10,609
102	210
1,057	1,345
2,442	121,175
6,652	44,378
1,625	47,125
19,155	261,319
15,247	147,267
1,598	9,510
65,201	141,620
4,417	19,780
-	24,742
(2,801)	455
68,415	196,107
$ 102,817	$ 604,693

City of Toledo, Ohio
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2024
(Amounts in Thousands)

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

Total fund balances for governmental funds		$ 196,107
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		672,076
Revenue will be collected beyond the 60 day period used in the governmental fund statements. Revenue and the corresponding receivable are included in the government-wide statements		
Special assessments	$ 52,427	
Income taxes	55,485	
Delinquent property taxes	6,577	
Capital grants	2,184	
Operating grants	885	
Intergovernmental services/reimbursements/settlements	11,650	129,208
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.		15,164
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	(137,500)	
Non-taxable revenue bonds	(8,308)	
Compensated absences	(52,450)	
Loans outstanding from state agencies	(3,472)	
Financed purchase note payable	(15)	
Lease payable	(13,312)	
Subscription based information technology arrangement payable	(1,570)	
Accrued interest	(694)	
Landfill closure	(14,723)	(232,044)
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	129,965	
Deferred inflows-pensions	(14,192)	
Net pension liability	(451,130)	(335,357)
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	16,222	
Deferred inflows-OPEB	(25,914)	
Net OPEB asset	2,876	
Net OPEB liability	(27,767)	(34,583)
Total net position of governmental activities		$ 410,571

See accompanying notes to the basic financial statements.

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City of Toledo, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024
(Amounts in Thousands)

	General	Capital Improvements	Special Assessments Services	Local Fiscal Recovery Grant
REVENUES				
Income taxes	$ 237,707	$ -	$ -	$ -
Property taxes	14,701	-	-	-
Special assessments	-	-	25,379	-
Licenses and permits	3,415	-	-	-
Intergovernmental services	18,676	300	-	56,371
Charges for services	26,395	567	-	-
Investment earnings	8,630	990	113	1,610
Increase in fair value of investments	1,901	27	-	2,058
Fines and forfeitures	2,857	-	-	-
Grants	-	21,426	-	-
Other revenue	994	46	5	-
Total revenues	315,276	23,356	25,497	60,039
EXPENDITURES				
Current:				
General government	32,770	171	737	2,110
Public service	1,988	-	23,220	1,578
Public safety	195,886	-	-	18,719
Public utilities	-	-	-	4,060
Community environment	16,056	-	-	20,790
Health	9,988	-	660	1,975
Parks and recreation	5,547	-	-	5,172
Capital outlay	3,131	64,423	-	1,686
Debt service:				
Principal retirement	2,279	2,199	115	272
Interest	259	373	2,629	8
Bond issuance costs	-	574	-	-
Total expenditures	267,904	67,740	27,361	56,370
Excess (deficiency) of revenues over (under) expenditures	47,372	(44,384)	(1,864)	3,669
OTHER FINANCING SOURCES (USES)				
Transfers in	26,356	52,743	-	-
Transfers (out)	(52,401)	(41,058)	-	-
Payments to refunding bond escrow agent	-	(15,240)	-	-
Issuance of bonds and loans	-	32,397	-	-
Premium on bonds and notes issued	-	560	-	-
Inception of lease	2,599	-	-	-
Inception of subscription-based information technology arrangement	476	-	-	-
Sale of capital assets	4	2	7	-
Total other financing sources (uses)	(22,966)	29,404	7	-
Net change in fund balances	24,406	(14,980)	(1,857)	3,669
Fund balances (deficit) at January 1	89,341	80,868	(58,763)	3,858
Increase (decrease) in inventory	178	218	754	-
Fund balances (deficit) at December 31	$ 113,925	$ 66,106	$ (59,866)	$ 7,527

See accompanying notes to the basic financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 26,135	$ 263,842
-	14,701
494	25,873
-	3,415
21,535	96,882
1,919	28,881
198	11,541
-	3,986
1,312	4,169
26,683	48,109
5,250	6,295
83,526	507,694
245	36,033
14,641	41,427
6,397	221,002
674	4,734
25,624	62,470
1,682	14,305
97	10,816
26,137	95,377
12,970	17,835
5,588	8,857
-	574
94,055	513,430
(10,529)	(5,736)
16,701	95,800
(1,023)	(94,482)
-	(15,240)
-	32,397
1,730	2,290
540	3,139
-	476
23	36
17,971	24,416
7,442	18,680
61,068	176,372
(95)	1,055
$ 68,415	$ 196,107

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City of Toledo, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes in Governmental Fund Balances
to the Statement of Activities
For the Year Ended December 31, 2024
(Amounts in Thousands)

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

Net change in fund balances for governmental funds		$ 18,680
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/amortization expense (excluding internal service fund activity):		
Capital asset additions	$ 88,777	
Depreciation/amortization expense	(31,599)	57,178
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position (excludes internal service funds activity).		(2,224)
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	789	
Income taxes	12,752	
Delinquent property taxes	956	
Capital grants	(746)	
Operating grants	491	
Intergovernmental services/reimbursements	4,101	18,343
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.		(14,144)
The long-term liability for landfill closure is not recorded in the funds, but is reported in the statement of activities. This amount is the current year change in the liability, reported as an expense in the statement of activities.		(1,097)
The issuances of loans, notes, and subscription-based information technology arrangements (SBITA's) are reported as an other financing source in the funds, however, the statement of activities, they are not reported as revenue as they increase liabilities on the statement of net position (excluding internal service funds activity).		(35,599)
Repayment of bond, loan, lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces liabilities on the statement of net position (excluding internal service funds activity).		33,428
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		1,055
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	(157)	
Premiums incurred in the current year	(2,291)	
Amortization of bond premiums	2,367	(81)
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.		(1,779)
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	31,362	
OPEB	552	31,914
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	(47,223)	
OPEB	(251)	(47,474)
Changes in net position of governmental activities		$ 58,200

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2024
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
ASSETS				
Current:				
Cash and cash equivalents with Treasury	$ 4,520	$ 2,279	$ 5,990	$ 104
Cash and cash equivalents held by escrow agent	15,865	110	-	-
Cash and cash equivalents - other	2	-	1,244	-
Investments	32,169	60,589	-	25,548
Restricted investments	13,649	776	-	-
Receivables (net of allowances)	20,854	33,700	426	3,438
Interfund loans receivable	41,645	-	-	-
Due from other:				
Funds	-	32,304	4,839	1,696
Prepaid items	-	14	1	-
Inventory of supplies	6,155	1,306	-	-
Total current assets	134,859	131,078	12,500	30,786
Noncurrent:				
Investments	54,279	29,299	-	29,143
Restricted investments	28,697	-	-	-
Net OPEB asset (Note 14)	624	608	358	172
Capital assets:				
Land and construction in progress	200,433	41,481	-	9,216
Other capital assets, net of accumulated depreciation	538,940	661,523	3,168	36,318
Total noncurrent assets	822,973	732,911	3,526	74,849
Total assets	957,832	863,989	16,026	105,635
DEFERRED OUTFLOWS OF RESOURCES				
Pension (Note 13)	5,927	5,992	3,271	1,620
OPEB (Note 14)	535	522	305	149
Deferred charge on refunding	29	-	-	-
Total deferred outflows of resources	6,491	6,514	3,576	1,769
LIABILITIES				
Current:				
Accounts payable	3,908	5,614	864	308
Customer deposits	772	2	-	214
Retainage payable	5,279	-	-	172
Due to other:				
Funds	37,303	-	-	16,449
Governments	30	129	-	18
Interfund loans payable	-	41,645	-	-
Accrued interest payable	3,048	3,845	19	33
Other current liabilities	-	-	-	-
Current portion of:				
Compensated absences payable	1,744	1,867	1,115	395
Bonds, loans, notes, financed purchases, SBITA and leases payable, net	23,297	30,821	718	1,252
Total current liabilities	75,381	83,923	2,716	18,841
Noncurrent:				
Compensated absences payable	1,299	1,282	599	504
Bonds, loans, notes financed purchases, SBITA and leases payable, net	514,885	270,079	2,513	4,445
Net pension liability (Note 13)	18,173	17,697	10,397	5,014
Total noncurrent liabilities	534,357	289,058	13,509	9,963
Total liabilities	609,738	372,981	16,225	28,804
DEFERRED INFLOWS OF RESOURCES				
Pension (Note 13)	75	117	88	29
OPEB (Note 14)	389	391	211	107
Deferred charge on refunding	6,446	331	-	-
Total deferred inflows of resources	6,910	839	299	136
NET POSITION				
Net investment in capital assets	231,841	402,549	(63)	43,368
Restricted:				
Debt service	5,727	7,436	-	20
Replacement	30,955	34,994	-	650
Capital improvement	745	140	-	7,690
OPEB	624	608	358	172
Unrestricted	77,783	50,956	2,783	26,564
Total net position	$ 347,675	$ 496,683	$ 3,078	$ 78,464

See accompanying notes to the basic financial statements.

Total Enterprise Funds	Governmental Activities Internal Services Funds
$ 12,893	$ -
15,975	-
1,246	-
118,306	-
14,425	-
58,418	1,729
41,645	-
38,839	20,603
15	4,638
7,461	991
309,223	27,961
112,721	-
28,697	-
1,762	381
251,130	350
1,239,949	8,349
1,634,259	9,080
1,943,482	37,041
16,810	3,561
1,511	332
29	-
18,350	3,893
10,694	2,818
988	1
5,451	-
53,752	3,496
177	-
41,645	-
6,945	13
-	4,843
5,121	100
56,088	595
180,861	11,866
3,684	-
791,922	2,391
51,281	11,091
846,887	13,482
1,027,748	25,348
309	190
1,098	232
6,777	-
8,184	422
677,695	5,713
13,183	-
66,599	-
8,575	-
1,762	381
158,086	9,070
$ 925,900	$ 15,164

City of Toledo, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	$ 98,844	$ 94,834	$ 16,574	$ 12,725
Other revenue	82	449	189	721
Total operating revenue	98,926	95,283	16,763	13,446
OPERATING EXPENSES				
Personnel services	20,533	20,004	12,051	5,168
Contractual services	22,833	24,726	3,448	3,499
Materials and supplies	11,869	3,752	884	502
Utilities	3,633	3,932	33	582
Depreciation/amortization	11,736	18,520	742	1,282
Other	-	-	-	865
Total operating expenses	70,604	70,934	17,158	11,898
Operating income (loss)	28,322	24,349	(395)	1,548
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	3,851	3,690	61	1,856
Increase in fair value of investments	2,365	288	-	458
Interest expense and fiscal charges	(13,662)	(8,696)	(114)	(315)
Gain on disposal of capital assets	50	18	-	194
Total nonoperating revenues (expenses)	(7,396)	(4,700)	(53)	2,193
Income (loss) before transfers and contributions	20,926	19,649	(448)	3,741
Capital contributions	321	-	-	-
Transfers in	-	-	2,005	1,263
Transfers (out)	(1,052)	(1,012)	-	(2,522)
Change in net position	20,195	18,637	1,557	2,482
Net position as previously reported	328,078	478,559	1,669	76,596
Restatement - change in accounting principle	(598)	(513)	(148)	(614)
Net position at January 1 (restated)	327,480	478,046	1,521	75,982
Net position at December 31	$ 347,675	$ 496,683	$ 3,078	$ 78,464

See accompanying notes to the basic financial statements.

	Total Enterprise Funds	Governmental Activities Internal Services Funds
	$ 222,977	$ 89,762
	1,441	423
	224,418	90,185
	57,756	12,109
	54,506	70,327
	17,007	6,846
	8,180	1,463
	32,280	1,122
	865	-
	170,594	91,867
	53,824	(1,682)
	9,458	-
	3,111	-
	(22,787)	(116)
	262	19
	(9,956)	(97)
	43,868	(1,779)
	321	-
	3,268	-
	(4,586)	-
	42,871	(1,779)
	884,902	16,943
	(1,873)	-
	883,029	16,943
	$ 925,900	$ 15,164

City of Toledo, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year ended December 31, 2024
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 103,439	$ 106,649	$ 16,140	$ 12,657
Cash paid to employees	(19,630)	(19,451)	(11,483)	(5,415)
Cash paid to suppliers	(57,533)	(31,795)	(4,554)	(1,687)
Other receipts	82	449	189	4,674
Net cash provided by operating activities	26,358	55,852	292	10,229
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	2,005	1,263
Transfers (out)	(1,052)	(1,012)	-	(2,522)
Net cash provided by (used in) noncapital financing activities	(1,052)	(1,012)	2,005	(1,259)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital grants and contributions	321	-	-	-
Purchases of property, plant and equipment	(32,538)	(25,714)	(233)	(4,608)
Sale of capital assets	50	-		-
Principal payments	(23,070)	(23,722)	(467)	(1,538)
Issuance of bonds, loans, and notes	3,698	4,299	-	-
Interest and fiscal charges paid	(13,346)	(9,393)	(104)	(316)
Net cash (used in) capital and related financing activities	(64,885)	(54,530)	(804)	(6,462)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	57,870	15,068	-	13,362
Purchase of investments	(30,502)	(33,049)	-	(20,321)
Investment income received on investments	6,240	3,993	61	2,326
Net cash provided by (used in) investing activities	33,608	(13,988)	61	(4,633)
Change in cash and cash equivalents	(5,971)	(13,678)	1,554	(2,125)
Cash and cash equivalents at January 1	26,358	16,067	5,680	2,229
Cash and cash equivalents at December 31	$ 20,387	$ 2,389	$ 7,234	$ 104
Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 28,322	$ 24,349	$ (395)	$ 1,548
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	11,736	18,520	742	1,282
Change in assets, liabilities, deferred outflows and deferred inflows:				
Decrease (increase) in receivables	4,595	(2,790)	22	528
Decrease (increase) in due from other funds	-	14,607	(456)	268
(Increase) in prepaid expenses	-	-	-	-
Decrease (increase) in inventory of supplies	(138)	(204)	-	-
Increase (decrease) in accounts payable and customer deposits	(4,114)	898	(189)	263
Increase (decrease) in retainage payable	53	(91)	-	92
Increase (decrease) in due to other funds	(15,001)	-		6,491
Increase in due to other governments	2	10		2
(Decrease) in other current liabilities	-	-	-	-
(Increase) in net OPEB asset	(624)	(608)	(358)	(172)
Decrease in deferred outflows - pension	2,381	1,762	1,663	680
Decrease in deferred outflows - OPEB	734	665	446	203
Increase (decrease) in deferred inflows - pension	(155)	(245)	83	(56)
Increase in deferred inflows - OPEB	236	243	117	66
(Decrease) in net pension liability	(1,781)	(1,176)	(1,564)	(533)
(Decrease) in net OPEB liability	(423)	(400)	(254)	(118)
Increase (decrease) in compensated absences payable	535	312	435	(315)
Net cash provided by operating activities	$ 26,358	$ 55,852	$ 292	$ 10,229

Noncash Transactions:

During 2024, the Water enterprise fund acquired $285 in intangible capital assets through a SBITA transactions.
During 2024, the Utility Administrative Services enterprise fund acquired $233 in intangible capital assets through SBITA transactions.
During 2024, the internal service funds acquired $1,236 in intangible capital assets through SBITA transactions.

See accompanying notes to the basic financial statements.

Total Enterprise Funds	Governmental Activities Internal Services Funds
$ 238,885	$ 94,301
(55,979)	(11,691)
(95,569)	(82,348)
5,394	424
92,731	686
3,268	-
(4,586)	-
(1,318)	-
321	-
(63,093)	(398)
50	-
(48,797)	(185)
7,997	-
(23,159)	(103)
(126,681)	(686)
86,300	-
(83,872)	-
12,620	-
15,048	-
(20,220)	-
50,334	-
$ 30,114	$ -
$ 53,824	$ (1,682)
32,280	1,122
2,355	701
14,419	5,855
-	(355)
(342)	75
(3,142)	(806)
54	-
(8,510)	924
14	-
-	(5,565)
(1,762)	(381)
6,486	2,009
2,048	501
(373)	69
662	131
(5,054)	(1,735)
(1,195)	(277)
967	100
$ 92,731	$ 686

City of Toledo, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024
(Amounts in Thousands)

	Custodial Funds
ASSETS	
Cash and cash equivalents - other	$ 891
Receivables (net of allowances)	19,602
Total assets	20,493
LIABILITIES	
Due to other:	
Governments	176
NET POSITION	
Restricted for other governments	$ 20,317

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2024
(Amounts in Thousands)

	Custodial Funds
ADDITIONS	
Fines and forfeitures for other governments	$ 10,457
Licenses, permits, and fees for other governments	42
Special assessments collected for other governments	5,088
Total additions	15,587
DEDUCTIONS	
Fines and forfeiture distributions to other governments	10,082
Licenses, permits, and fee distributions to other governments	42
Special assessments distributed to other governments	4,411
Total deductions	14,535
Net increase in fiduciary net position	1,052
Net position at January 1	19,265
Net position at December 31	$ 20,317

See accompanying notes to the basic financial statements.

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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 2024 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 2024.

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 $881 in revenues from the JEDZ in 2024.

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 2024.

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 $40 in revenues from the JEDD in 2024.

City of Toledo-Lake Township

In August 2009, the City entered into a contract with Lake Township to create a JEDD. The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in an income tax that shall be imposed based on the City's Municipal Code at a rate of 2.25%. The City will receive 40% of the net revenues generated by this agreement. The City did not receive revenues from the JEDD in 2024.

City of Toledo-Troy Township

In September 2010, the City entered into a contract with Troy Township to create a JEDD. The purpose of this contract is to facilitate economic development; create or preserve jobs and employment opportunities and to improve the economic welfare of the people and businesses located in the State, Township, City and District. The agreement results in an income tax that shall be imposed based on the City's Municipal Code at a rate of 2.25%. The City will receive 40% of the net revenues generated by this agreement. The City received $570 in revenues from the JEDD in 2024.

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 $56 in revenues from the JEDD in 2024.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

Incarceration Agreements with Other Governments

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 2021, Toledo paid Wood County $130 under this agreement. In January 2021, the City entered into a new contract with Lucas County, which reserves and guarantees 5 bed for offenders convicted under Toledo Municipal Code at a per diem rate established by the Corrections Center of Northwest Ohio and paid on a quarterly basis. The per diem rate of 2024 is $77.81.

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.

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

Fund Financial Statements:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
>
> *Local Fiscal Recovery Grant Fund:* Accounts for Federal American Rescue Plan Act funding for state and local governments to address the continued impact of COVID-19.

Other governmental funds of the City are used to account for:

> *Nonmajor Special Revenue Funds:* Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
>
> *Nonmajor Capital Projects Funds*: Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
>
> *Nonmajor Debt Service Funds:* Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
>
> *Nonmajor Permanent Fund:* Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

The City has separate Enterprise Funds for the following major enterprises: water, sewer, and utility administrative services.

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

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

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

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.

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, fines and fees collected by the Toledo Municipal Court and remitted to other governments (excluding those remitted or due to the City of Toledo), and for special assessments collected and distributed to other governmental entities.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus (continued)

Fund Financial Statements:

All Governmental Funds are accounted for using a flow of current financial resources measurement focus. Using this method, only current assets, current liabilities and deferred inflows 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 and Fiduciary 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

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

Unearned Revenue

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

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 represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. 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, 2024, but which were levied to finance 2025 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. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 13 and 14 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position. In addition, deferred outflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information

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

Cash and Cash Equivalents

Cash balances of the City's 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 accounts 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 2024, 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 2024, 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.

STAR Ohio reserves the right to limit participant transactions to $250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of $100 million or more. For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. In addition, assets having an estimated useful life of more than one year that are below the $5,000 threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

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:

Description	Estimated Useful Life	
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 is reporting an intangible right to use assets related to leased equipment and subscription-based information technology software. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - vacation, sick leave and comp time. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation
The City’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave
The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

Comp Time
The City’s policy permits employees to accumulate earned but unused comp time, which are eligible for payment at the employee's current pay rate upon separation from employment.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB assets and/or 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.

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, leases, subscription-based information technology arrangements (SBITAs) 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

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.

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 use by City Council. City Council demonstrates its intent for use of assigned amounts through passage of appropriation legislation or resolution.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classifications (continued)

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

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.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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.

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.

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 fair 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;

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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

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.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (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.

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 lease proceeds remaining to be spent. At December 31, 2024, the City had un-invested cash in the amount of $15,975 being held by a third-party trustee.

Cash and Cash Equivalents - Other

At December 31, 2024, the amount recorded in the City general ledger for the Toledo Municipal Courts was $1,106. Of this total, $138, $77, and $891, was reported in the City's General Fund, Nonmajor Governmental Funds, and Custodial Fund, respectively, at December 31, 2024. The bank balance of monies held by the Toledo Municipal Courts was $1,269 at December 31, 2024. 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 City maintains various petty cash accounts. The carrying amount of these accounts are reported in the General Fund, Nonmajor Governmental Funds, Water Fund, and Utility Administrative Services Fund are $67, $3, $2, and $1,244 respectively.

Deposits with Financial Institutions

At December 31, 2024, the carrying amount of all City deposits, including $250 of nonnegotiable certificates of deposit, was $15,340 and the bank balance was $20,711. 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 fair 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 fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

(Amounts in Thousands)

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments

As of December 31, 2024, the City had the following investments and maturities:

		Investment Maturities		
Measurement/ Investment type	Measurement Value	1 Year or Less	1 to 3 Years	4 to 5 Years
Fair Value:				
FFCB	$ 48,517	$ 19,605	$ 23,011	$ 5,901
FHLB	142,364	47,976	92,390	1,998
FHLMC	61,421	32,900	5,469	23,052
FNMA	47,449	32,905	3,500	11,044
Municipal Bonds	138,365	41,264	48,166	48,935
Treasury Bonds	2,001	-	-	2,001
Amortized Cost:				
STAR Ohio	119,214	119,214	-	-
Total	$ 559,331	$ 293,864	$ 172,536	$ 92,931

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), Municipal Bonds, and Treasury 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 and the Money Market Fund 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.

(Amounts in Thousands)

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

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

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

1. City funds either invested in certificates of deposit or deposited in non-demand savings accounts with any one depository shall not exceed 10 percent of the aggregate principal amount of the City's investment portfolio.

2. City funds invested in certificates of deposits in a depository may not exceed 10 percent of the equity capital of the depository at any one time.

3. No more than $10 million may be invested at any one time through repurchase agreements with any one institution.

4. No more than 40 percent of the aggregate principal amount of the City's investment portfolio shall be invested at any one time in STAR Ohio.

5. No obligation of any of the government agencies or instrumentalities shall be purchased if such purchase would cause more than 25 percent of the aggregate principal amount of the City's investment portfolio as of the settlement date to be invested in the obligations of that individual government agency or instrumentality.

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

As of December 31, 2024, the City had the following investment concentrations:

Measurement/ Investment type	Measurement Amount	% of Total
Fair Value:		
FFCB	$ 48,517	8.68%
FHLB	142,364	25.45%
FHLMC	61,421	10.98%
FNMA	47,449	8.48%
Municipal Bonds	138,365	24.74%
Treasury Bonds	2,001	0.36%
Amortized Cost:		
STAR Ohio	119,214	21.31%
Total	$ 559,331	100.00%

(Amounts in Thousands)

NOTE 3 - RECEIVABLES

Receivables at December 31, 2024 consist of the following:

	Taxes	Customer and Other	Special Assessments	Notes Receivable	Leases Receivable
Governmental Funds:					
General	$ 80,985	$ 8,582	$ -	$ -	$ 1,085
Capital Improvements	-	9,270	-	-	-
Special Assessments Services	-	149	51,530	-	-
Local Fiscal Recovery	-	-	-	-	-
Nonmajor Governmental Funds	12,414	11,152	897	30,614	783
Total Governmental Funds	93,399	29,153	52,427	30,614	1,868
Enterprise Funds:					
Water	-	28,144	-	-	-
Sewer	-	43,288	-	-	-
Utility Administrative Services	-	426	-	-	-
Nonmajor Enterprise Funds	-	5,436	-	4,935	-
Total Enterprise Funds	-	77,294	-	4,935	-
Internal Service Funds	-	2,075	-	-	-
Total	$ 93,399	$ 108,522	$ 52,427	$ 35,549	$ 1,868

	Interest Receivable	Gross Receivables	Less: Allowance for Uncollectibles	Receivables Net
Governmental Funds (continued):				
General	$ 1,526	$ 92,178	$ (11,062)	$ 81,116
Capital Improvements	(5)	9,265	(5)	9,260
Special Assessments Services	-	51,679	-	51,679
Local Fiscal Recovery	141	141	-	141
Nonmajor Governmental Funds	10	55,870	(29,524)	26,346
Total Governmental Funds	1,672	209,133	(40,591)	168,542
Enterprise Funds (continued):				
Water	443	28,587	(7,733)	20,854
Sewer	370	43,657	(9,957)	33,700
Utility Administrative Services	-	426	-	426
Nonmajor Enterprise Funds	459	10,831	(7,393)	3,438
Total Enterprise Funds	1,272	83,501	(25,083)	58,418
Internal Service Funds	-	2,075	(346)	1,729
Total	$ 2,944	$ 294,709	$ (66,020)	$ 228,689

Receivables have not been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year with the exception of the opioid settlement receivable which will be collected over the course of the settlement agreements. 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 8).

(Amounts in Thousands)

NOTE 3 - RECEIVABLES (continued)

Lease Receivable

The City is reporting leases receivable of $1,085 in the General Fund and $783 in the Nonmajor Governmental Funds. For 2024, the City recognized lease revenue (a component of charges for services revenue) of $91 and interest revenue of $56 in these funds related to lease payments received. A description of the City's leasing arrangements is as follows:

Cell Tower and Other Leases – The City has entered into various lease agreements as lessor for cell towers and other leases for land use at varying years and terms as follows:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Land Use - Cell Tower	1997	46	2043	Annual
Land Use - Cell Tower	2024	35	2059	Annual
Land Use - Right-of-Way	2005	20	2025	Annual
Land Use - Right-of-Way	2015	30	2045	Monthly
Land Use - Cell Tower	1997	30	2027	Annual
Land/Sports Complex Use	2021	15	2036	Annual
Land - Parking Spaces	2019	5	2024	Annual
Land Use - Cell Tower	1996	30	2026	Monthly
Land Use - Cell Tower	2023	30	2053	Annual

Lease revenue is reported in the General Fund, the Expendable Trust Fund (a Nonmajor Governmental Fund), and the Cemetery Maintenance Fund (a Nonmajor Governmental Fund).

The following is a schedule of future lease payments under the lease agreements:

Year	Principal	Interest	Total
2025	$ 45	$ 545	$ 590
2026	41	52	93
2027	38	51	89
2028	42	50	92
2029	47	51	98
2030-2034	301	227	528
2035-2039	337	175	512
2040-2044	382	120	502
2045-2049	211	76	287
2050-2054	224	39	263
2055-2059	200	11	211
	$ 1,868	$ 1,397	$ 3,265

NOTE 4 - INCOME TAX

For 2024, the City levied a Municipal Income Tax of 2.50% on substantially all income earned within the City. The residents of the City are required to pay income tax on the income earned outside 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.

(Amounts in Thousands)

NOTE 4 - INCOME TAX (continued)

Prior to 2021, the income tax was 2.25%, which included a permanent 1.50% and a temporary 0.75%. In November 2020, the City's voters approved an additional 0.25% income tax for a four-year period, to be dedicated to road improvements, bringing the total income tax rate from 2.25% to 2.50%. Voters also approved renewal of the temporary 0.75% in November 2020.

Of the original 2.25% income tax, the first 1.50% is a permanent levy, of which 0.25% is dedicated to capital improvements. The remaining 0.75% was renewed in November 2020 and approved the City to use 0.25% of the 0.75% for operating expenses rather than capital improvements. This allows funds to be transferred from the Capital Improvements Fund to the General Fund through December 31, 2024. The required transfers to the Capital Improvements Fund for 2024 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 and then file a reconciliation annually. Corporations and certain individual taxpayers are required to pay their estimated tax quarterly and file a tax return annually. The City administers the collection of income taxes and the assessments of interest and penalties. Income tax proceeds are used to pay the cost of administering the tax and recorded in the General Fund.

NOTE 5 - PROPERTY TAX

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

Real property taxes are payable annually and semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first was due January 31st, 2024, with the remainder payable by July 31, 2024.

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 35 percent of true value. The 2023 public utility property taxes became a lien on December 31, 2023, were levied on October 1, 2024 and will be collected in 2025 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, 2024 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 2024 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, 2024 was $4.40 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2024 property tax receipts were based are as follows:

Public Utility Real and Tangible Personal Property	$	335,159
Real Property (Other than Public Utility)		4,405,686
Total Assessed Value	$	4,740,845

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/Committed of the Toledo Housing Advisory Commission. As of December 31, 2024, the City had 771 participants in the CRA Program and abated $719 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 ta 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 Enterprise Zone Programs.

The City determines approval of projects based upon their contribution to the economic welfare of the community, including job creation and retention. Approved projects receive 100% tax exemption on new real and personal property investment for up to fifteen years, with 45% 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, 2024, the City had no participants in the Enterprise Zone Program. The Enterprise Zone Program impacts the City's General Fund.

NOTE 6 - TAX INCENTIVE AND ABATEMENT PROGRAMS (continued)

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 three 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 ten years, for businesses within the State Enterprise Zone. For businesses within the Enterprise Community Zone, the maximum tax credit available is 80% of the total payroll taxes of eligible employees per year, for up to ten years. Participants are monitored for compliance during the incentive period by the Tax Incentive Review Council. As of December 31, 2024, the City had 1 active participating business claiming $55 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 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. As of December 31, 2024, the City had 18 participants and paid $1,042 in TEI awards. The TEI program impacts the City's General Fund.

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(Amounts in Thousands)

NOTE 7 - CAPITAL ASSETS

The following activity occurred during the year related to the City's governmental activities capital assets:

Governmental Activities:	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
Capital Assets not being Depreciated/Amortized:				
Land	$ 25,428	$ -	$ (345)	$ 25,083
Construction in Progress	133,888	79,972	(22,376)	191,484
Total Capital Assets not being Depreciated/Amortized	159,316	79,972	(22,721)	216,567
Capital Assets being Depreciated/Amortized:				
Buildings	81,093	-	(47)	81,046
Furniture & Fixtures	2,276	-	(334)	1,942
Improvements	83,456	-	-	83,456
Infrastructure	988,166	19,009	(137)	1,007,038
Machinery & Equipment	107,043	8,068	(907)	114,204
Intangible Right to Use:				
Leased Equipment	1,613	2,343	(769)	3,187
Leased Buildings	15,196	797	(155)	15,838
Subscription-Based Information Technology Software	5,584	1,712	(1,335)	5,961
Total Capital Assets being Depreciated/Amortized	1,284,427	31,929	(3,684)	1,312,672
Less: Accumulated Depreciation/Amortization:				
Buildings	45,677	1,653	(32)	47,298
Furniture & Fixtures	2,212	-	(329)	1,883
Improvements	49,786	2,348	-	52,134
Infrastructure	642,575	19,014	(137)	661,452
Machinery & Equipment	71,080	6,283	(907)	76,456
Intangible Right to Use:				
Leased Equipment	953	545	(769)	729
Leased Buildings	3,566	2,088	(155)	5,499
Subscription-Based Information Technology Software	2,482	1,866	(1,335)	3,013
Total Accumulated Depreciation/Amortization	818,331	33,797	(3,664)	848,464
Total Capital Assets being Depreciated/Amortized, net	466,096	(1,868)	(20)	464,208
Governmental Activities Capital Assets, net	$ 625,412	$ 78,104	$ (22,741)	$ 680,775

(Amounts in Thousands)

NOTE 7 - CAPITAL ASSETS (continued)

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

General Government	$ 4,077
Public Service	4,911
Public Safety	3,399
Public Utilities	19,263
Community Environment	426
Health	974
Parks and Recreation	747
Total Depreciation - Governmental Activities	$ 33,797

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, 2024, 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.

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(Amounts in Thousands)

NOTE 7 - CAPITAL ASSETS (continued)

The following activity occurred during the year related to the City's Business-Type Activities capital assets:

Business-Type Activities:	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
Capital Assets not being Depreciated/Amortized:				
Land	$ 5,590	$ -	$ -	$ 5,590
Construction in Progress	300,329	49,794	(104,583)	245,540
Total Capital Assets not being Depreciated/Amortized	305,919	49,794	(104,583)	251,130
Capital Assets being Depreciated/Amortized:				
Buildings	79,701	-	-	79,701
Furniture & Fixtures	369	-	-	369
Improvements	211,226	80,831	-	292,057
Infrastructure	1,392,734	31,267	-	1,424,001
Machinery & Equipment	115,238	5,661	(892)	120,007
Intangible Right to Use:				
Leased Building	6,455	-	-	6,455
Subscription-Based Information Technology Software	718	517	-	1,235
Total Capital Assets being Depreciated/Amortized	1,806,441	118,276	(892)	1,923,825
Less: Accumulated Depreciation/Amortization				
Buildings	35,006	1,749	-	36,755
Furniture & Fixtures	362	2	-	364
Improvements	69,913	7,210	-	77,123
Infrastructure	453,584	18,560	-	472,144
Machinery & Equipment	92,171	3,715	(708)	95,178
Intangible Right to Use:				
Leased Building	1,222	816	-	2,038
Subscription-Based Information Technology Software	46	228	-	274
Total Accumulated Depreciation/Amortization	652,304	32,280	(708)	683,876
Total Capital Assets being Depreciated/Amortized, net	1,154,137	85,996	(184)	1,239,949
Business-Type Activities Capital Assets, net	$ 1,460,056	$ 135,790	$ (104,767)	$ 1,491,079

(Amounts in Thousands)

NOTE 7 - CAPITAL ASSETS (continued)

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

Water	$	11,736
Sewer		18,520
Utility Administrative Services		742
Nonmajor Enterprise		1,282
Total Depreciation - Business-Type Activities	$	32,280

NOTE 8 - NOTES PAYABLE

The City's Notes Payable obligations at December 31, 2024 and a schedule of current year activity are as follows:

	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2024	Increase	Decrease	Balance 12/31/2024	Amount Due In One Year
Governmental Activities:								
General Obligations:								
Special Assessments 2023	2024	6.06	$ 1,960	$ 1,960	$ -	$ (1,960)	$ -	$ -
Special Assessments 2024	2025	4.39	1,625	-	1,625	-	1,625	1,625
Revenue Obligations:								
Assessed Services 2022	2024	5.845/5.746	20,880	20,880	-	(20,880)	-	-
Assessed Services 2023	2025	6.932/6.901	22,800	22,800	-	-	22,800	22,800
Assessed Services 2024	2026	5.269/5.220	22,700	-	22,700	-	22,700	-
				$ 45,640	$ 24,325	$ (22,840)	$ 47,125	$ 24,425

The City carries notes in the Special Assessment Improvement Fund (a nonmajor governmental fund) to cover capital costs related to constructing and reconstructing sidewalks, including, where necessary, driveway aprons, between certain termini on certain designated streets. In 2024, the City retired $1,960 and reissued $1,625 of General Obligation 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 one-year period. In 2024, the City retired $20,880 in special assessment notes for City services that were issued in 2022 and issued $22,700 in special assessment notes for City services that will mature on December 1, 2026. The $20,800 of special assessment notes for City services issued in 2023 will mature December 1, 2025.

(Amounts in Thousands)

NOTE 9 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 101 (see Note 16 for detail), the City has restated compensated absences as of January 1, 2024, for Governmental Activities, which is reflected in the schedule below. The City's Governmental Activities Long-Term Obligations at December 31, 2024 and a schedule of current year activity are as follows.

	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Restated Balance 1/1/2024	Increase	Decrease	Balance 12/31/2024	Amount Due In One Year
Government Activities:									
General Obligation Bonds:									
Capital Projects	Various	Various	1.50-6.08	$ 207,470	$ 125,895	$ 31,260	$ (27,340)	$ 129,815	$ 14,250
Unamortized Premiums	Various	Various	N/A	19,048	9,825	2,290	(2,290)	9,825	1,273
Total General Obligation Bonds				226,518	135,720	33,550	(29,630)	139,640	15,523
Non-Tax Revenue Bonds:									
Marina Area Refunding (Series 2019B)	2019	2032	2.60-5.00	3,555	3,335	-	(65)	3,270	65
Vehicle Storage Project Refunding (Series 2019A)	2019	2026	5.00	3,725	1,755	-	(555)	1,200	585
Medco Project Refunding (Series 2019C)	2019	2039	2.55-5.00	4,515	3,845	-	(190)	3,655	195
Unamortized Premiums				569	259	-	(76)	183	-
Total Non-Tax Revenue Bonds				12,364	9,194	-	(886)	8,308	845
Loans Outstanding:									
State Agencies (Direct Borrowing):									
Ohio Public Works Commission Capital Projects	Various	Various	0.00	9,512	3,374	724	(626)	3,472	597
State Infrastructure Bank Marina District - Riverside	2010	2019	3.00	3,968	453	-	(453)	-	-
Total Loans from State Agencies				13,480	3,827	724	(1,079)	3,472	597
Financed Purchase Notes Payable (Direct Borrowing):									
Police Vehicles	2021	2025	1.85	828	93	-	(78)	15	15
Other Obligations:									
Landfill Closure					13,626	1,097	-	14,723	-
Compensated Absences					38,306	14,454	-	52,760	6,666
Subscription-Based Information Technology Arrangement Payable					2,537	1,712	(2,287)	1,962	1,104
Lease Payable					12,583	3,139	(2,410)	13,312	2,728
Net Pension Liability					469,800	-	(7,579)	462,221	-
Net OPEB Liability					29,662	-	(1,895)	27,767	-
Total Other Obligations					566,514	20,402	(14,171)	572,745	10,498
Total Governmental Activities					$ 715,348	$ 54,676	$ (45,844)	$ 724,180	$ 27,478

The change in compensated absences liability is presented as a net change in the preceding governmental activities long-term debt obligations schedule.

Internal service funds predominately serve the governmental funds. The long-term liabilities for all the internal service fund compensated absences, lease obligations, SBITA obligations, and notes payable are included in the totals for the governmental activities.

(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, 2024 for the City's Governmental Activities:

	General Obligation Bonds			Non-Taxable Revenue Bonds		
Year	Principal	Interest	Total	Principal	Interest	Total
2025	$ 14,250	$ 6,126	$ 20,376	$ 845	$ 269	$ 1,114
2026	13,065	5,435	18,500	885	233	1,118
2027	13,105	4,745	17,850	695	196	891
2028	13,645	4,148	17,793	715	177	892
2029	11,215	3,543	14,758	735	156	891
2030-2034	38,800	11,450	50,250	2,835	457	3,292
2035-2039	21,180	4,191	25,371	1,415	146	1,561
2040-2042	4,555	5,098	9,653	-	-	-
	$ 129,815	$ 44,736	$ 174,551	$ 8,125	$ 1,634	$ 9,759

	State Agency Loans (Direct Borrowings)			Financed Purchase Notes Payable (Direct Borrowings)		
Year	Principal	Interest	Total	Principal	Interest	Total
2025	$ 597	$ -	$ 597	$ 15	$ 1	$ 16
2026	600	-	600	-	-	-
2027	533	-	533	-	-	-
2028	437	-	437	-	-	-
2029	299	-	299	-	-	-
2030-2034	859	-	859	-	-	-
2035-2038	147	-	147	-	-	-
	$ 3,472	$ -	$ 3,472	$ 15	$ 1	$ 16

	Leases Payable			Subscription-Based Information Technology Arrangements Payable		
Year	Principal	Interest	Total	Principal	Interest	Total
2025	$ 2,728	$ 362	$ 3,090	$ 1,104	$ 60	$ 1,164
2026	2,838	294	3,132	760	26	786
2027	2,748	209	2,957	98	3	101
2028	2,579	130	2,709	-	-	-
2029	484	72	556	-	-	-
2030-2034	1,567	203	1,770	-	-	-
2035	368	11	379	-	-	-
	$ 13,312	$ 1,281	$ 14,593	$ 1,962	$ 89	$ 2,051

(Amounts in Thousands)

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

Due to the implementation of GASB Statement No. 101 (see Note 16 for detail), the City has restated compensated absences as of January 1, 2024, for Business-Type Activities, which is reflected in the schedule below. The City's Business-Type Activities Long-Term Obligations at December 31, 2024 and a schedule of current year activity are as follows.

Business-Type Activities	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Restated Balance 1/1/2024	Increase	Decrease	Balance 12/31/2024	Amount Due In One Year
General Obligation Bonds:									
Tow Lot (Series 2015)	2015	2024	4.00-5.00	$ 1,305	$ 155	$ -	$ (155)	$ -	$ -
Property Management	Various	Various	2.00-7.00	8,680	4,775	-	(1,140)	3,635	1,075
Premium	Various	Various	-	150	86	-	(18)	68	-
Total General Obligation Bonds					5,016	-	(1,313)	3,703	1,075
Revenue Obligation Bonds:									
Water System	Various	Various	2.00-5.00	323,365	295,775	-	(10,910)	284,865	12,505
Premium	Various	Various	N/A	58,543	32,740	-	(1,870)	30,870	-
Sanitary Sewer System	Various	Various	2.00-5.00	5,145	105	-	(105)	-	-
Premium	Various	Various	N/A	13	1	-	(1)	-	-
Total Revenue Obligation Bonds					328,621	-	(12,886)	315,735	12,505
Loans Outstanding:									
State Agencies (Direct Borrowing):									
Ohio Public Works Commission									
Water System	Various	Various	0.00	2,249	1,172	-	(113)	1,059	112
Sanitary Sewer System	Various	Various	0.00	13,714	7,424	-	(686)	6,738	653
Storm Water System	Various	Various	0.00	2,446	665	-	(125)	540	72
Ohio Water Dev Authority									
Water System	Various	Various	0.00-3.25	279,275	227,086	3,698	(10,420)	220,364	10,461
Sanitary Sewer System	Various	Various	0.51-4.66	622,070	309,550	4,299	(22,749)	291,100	29,977
Storm Water System	Various	Various	2.25-3.34	1,727	1,217	-	(80)	1,137	83
Total State Agency Loans					547,114	7,997	(34,173)	520,938	41,358
Financed Purchase Note Payable (Direct Borrowing):									
Norfolk Southern	2016	2035	2.50	2,967	2,308	-	(92)	2,216	97
Other Obligations:									
Compensated Absences					7,838	967	-	8,805	5,121
Subscription-Based Information Technology Arrangement Payable					569	517	(297)	789	308
Lease payable					5,360	-	(731)	4,629	745
Net Pension Liability					56,335	-	(5,054)	51,281	-
Net OPEB Liability					1,195	-	(1,195)	-	-
Total Other Obligations					71,297	1,484	(7,277)	65,504	6,174
Total Business-Type Activities					$ 954,356	$ 9,481	$ (55,741)	$ 908,096	$ 61,209

The change in compensated absences liability is presented as a net change in the preceding business-type activities long-term debt obligations schedule.

(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, 2024 for the City's Business-Type Activities:

	General Obligation Bonds			Revenue Obligation Bonds		
Year	Principal	Interest	Total	Principal	Interest	Total
2025	$ 1,075	$ 83	$ 1,158	$ 12,505	$ 11,839	$ 24,344
2026	840	51	891	13,285	11,330	24,615
2027	850	34	884	13,940	10,786	24,726
2028	870	17	887	14,740	10,211	24,951
2029	-	-	-	15,455	9,602	25,057
2030-2034	-	-	-	88,015	37,991	126,006
2035-2039	-	-	-	100,115	18,453	118,568
2040-2042	-	-	-	26,810	2,497	29,307
	$ 3,635	$ 185	$ 3,820	$ 284,865	$ 112,709	$ 397,574

	State Agency Loans (Direct Borrowings)			Financed Purchase Note Payable (Direct Borrowings)		
Year	Principal	Interest	Total	Principal	Interest	Total
2025	$ 41,358	$ 11,721	$ 53,079	$ 97	$ 55	$ 152
2026	40,757	10,726	51,483	102	53	155
2027	40,888	9,741	50,629	108	50	158
2028	34,404	8,778	43,182	114	48	162
2029	32,332	8,023	40,355	120	45	165
2030-2034	151,487	29,802	181,289	699	176	875
2035-2039	104,175	15,274	119,449	976	24	1,000
2040-2044	37,538	7,993	45,531	-	-	-
2045-2049	24,098	3,747	27,845	-	-	-
2050-2054	13,745	812	14,557	-	-	-
2055-2056	156	9	165	-	-	-
	$ 520,938	$ 106,626	$ 627,564	$ 2,216	$ 451	$ 2,667

	Leases Payable			Subscription-Based Information Technology Arrangements Payable		
Year	Principal	Interest	Total	Principal	Interest	Total
2025	$ 745	$ 131	$ 876	$ 308	$ 23	$ 331
2026	780	108	888	322	14	336
2027	818	84	902	159	5	164
2028	857	59	916	-	-	-
2029	446	36	482	-	-	-
2030-2034	795	104	899	-	-	-
2035	188	6	194	-	-	-
	$ 4,629	$ 528	$ 5,157	$ 789	$ 42	$ 831

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

New Bonds and Loans Issuances Supporting Governmental Activities

Series 2024 General Obligation Capital Improvement Bonds
On October 28, 2024, the City issued $31,260 in Series 2024 Various Purpose Improvement and Refunding Bonds. The Various Improvement Bonds portion was issued to finance the following projects: (1) $12,200 for 2024 street and bridge projects (2) $600 for fire apparatus, (3) $350 for motor vehicle and equipment, and (4) $3,900 for urban beautification equipment. The Refunding Bonds portion was issued to currently refund: (1) $3,155 of the Series 2012 Various Improvement bonds, (2) $7,345 of the Series 2013A Street Improvement bonds, and (3) $7,345 of the Various Improvement Series 2014 bonds. The bonds were issued at a $2,290 premium which is reported in the General Obligation Debt Service Fund (a nonmajor debt service fund) ($1,730) and the Capital Improvement Fund ($560). Bond premiums in excess of issuance costs incurred were deposited in the General Obligation Debt Service Fund (a nonmajor debt service fund). The bonds will be retired from the Capital Improvements Fund.

Ohio Public Works Commission (OPWC) loans
During 2024, the City issued four OPWC loan totaling $724 supporting Governmental Activities. These loans support the following projects: the Upton Avenue (Central to Monroe) road improvement project, Starr Avenue Improvements, Summit Street-Cherry Street Intersection Improvements, and Hawley Street (Dorr to Avondale) Improvements. The loans will be retired from the Capital Improvements Fund.

Subscription-Based Information Technology Agreements (SBITA) Payable
During 2024, the City entered into seven new SBITAs totaling $2,229 for the right to use technology and software. The future payments on the SBITAs continue through 2027. The City reports an intangible capital asset and corresponding liability for the future scheduled payments under the agreements. The leases payable will be repaid from the General Fund, the Information Technology Internal Service Fund, the Water Enterprise Fund and the Utility Administrative Services enterprise fund.

Lease Payable
During 2024, the City entered into six new leases agreements totaling $3,139 for the right to use office space and equipment. The future payments on the leases continue through 2030. The City reports an intangible capital asset and corresponding liability for the future scheduled payments under the agreements. The leases payable will be repaid from the General Fund and the Golf Improvement (nonmajor governmental fund).

Note and Loan Issuances Supporting Business-Type Activities

Ohio Water Development Authority (OWDA) loans
During 2024, the City issued six OWDA loans totaling $3,698 supporting the Water System. The loans in 2024 were issued to finance the following construction and improvement projects: Collins Park Treatment Plant Basin Upgrades, Filter and Pipe Gallery Upgrades, High Service Pump Station Improvements, Leadline Replacement Program, Raw Water Replacement Program, and Water Distribution System Improvement. These loans will be retired from the Water Fund.

During 2024, the City issued three OWDA loans totaling $4,299 supporting the Sanitary Sewer System (including $7 of capitalized interest). The loans in 2024 were issued to finance the following construction and improvement projects: Long Term Control Plan 2C Design, the Downtown Storage Basin project, and the I-65 Chlorination and De-Chlorination Renovations project. These loans will be retired from the Sewer Fund.

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

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.

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 2024 principal and interest payments on the non-tax revenue bonds required 1.78% of General Fund net revenues. Principal and interest paid for the current year and total General Fund net revenues were $1,120 and $62,868, respectively.

Business-Type Activities: The City has issued revenue bonds to support Water and Sewer operations. The 2024 principal and interest payments on the Water revenue bonds required 57.82% of net revenues. Principal and interest paid for the current year and total net revenues were $23,163 and $40,058, respectively. The 2024 principal and interest payments on the Sewer revenue bonds required 0.26% of net revenues. Principal and interest paid for the current year and total net revenues were $110 and $42,869, respectively.

Ohio Public Works Commission

Ohio Public Works Commission (OWPC) extends both grants and loans to the City. Monies received by the City after the grant commitment has been fulfilled by OPWC are then considered loans. Only the loan portion need be repaid by the City. 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, 2024 was $512,602. Of this amount, $220,364 are obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. Of this amount, $291,101 are obligations incurred to help finance the sanitary sewage facilities and are to be repaid from charges from sanitary sewer services; $1,137 are obligations incurred to help finance storm sewer and bio-swale services.

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.

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

State Infrastructure Bank Loan

The City has entered into State Infrastructure Bank loan agreement with the Ohio Department of Transportation (ODOT) pursuant to which ODOT provided to the City a loan totaling $3,968 to pay costs of certain street improvements in the City's Marina District. The aggregate outstanding principal amount of the City's obligations under the ODOT loan agreement was paid in full as of December 31, 2024.

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.

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 permit modification, received in June 2021, increases the total permitted disposal capacity by 6,875,693 cubic yards to a total of 27,145,143 cubic yards. Accordingly, the percentage used relative to the permitted capacity in 2021 decreases notably compared to previous reporting years. Based on the remaining permitted air space and estimated annual tonnage to be taken in assuming it remains the same as the reporting year, the estimated remaining life of the landfill is 105.2 years.

The $14,723 reported as landfill closure and post-closure care liability at December 31, 2024 represents the cumulative amount reported to date based on the use of 51.0% of the permitted disposal capacity of the landfill. The worst-case closure scenario pursuant to Ohio Administrative Code (OAC) 3745-27-15 (C)(1)(a) was updated with the new permit in 2021. The closure cost estimate for financial assurance purposes was updated to reflect Ohio EPA's request in May 2024 to increase the closure acreage. The base post-closure care costs remain unchanged and are updated for inflation accordingly. Each are adjusted annually by an inflation factor published by the Ohio Environmental Protection Agency. The City will recognize the remaining estimated cost of closure and post-closure care of $14,145 as the remaining permitted capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2024 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.

Water Infrastructure Liabilities

Collins Park Water Treatment Capital Improvements

The City is currently implementing a $500,000 program of water system improvements that began in 2012 and will continue through 2024. 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 (2022); upgrades to the existing treatment Basins 5 and 6 (2022); rebuild of the existing filters and renovation of equipment and valves in the plant piping galleries (2023); upgrades to the existing treatment Basins 1 through 4 (2023); and improvements to the High Service Pumping Station (2023).

As of May 2021, $512,990 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, 2019 and 2021; and Ohio EPA Water Supply Revolving Loan Application (WSRLA) loans in 2015, 2018 and 2019. Outstanding obligation related to this project are disclosed in the city's debt schedules.

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

Water Infrastructure Liabilities (continued)

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.

Net Pension Liability and Net OPEB Liability

The City pays obligations related to employee compensation from the fund benefitting from their service. In 2024, the net pension liability and net OPEB liability will be liquidated primarily from the General fund, the Water Enterprise Fund and the Sewer Enterprise Fund. See Notes 13 and 14 for further information.

NOTE 10 – 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.

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.

(Amounts in Thousands)

NOTE 10 - OTHER COMMITMENTS (continued)

Encumbrances

Outstanding 2024 encumbrances will be funded with 2025 budgetary resources. Outstanding encumbrances for the Year Ended December 31, 2024 were as follows:

Governmental Funds:		
General	$	2,429
Capital Improvements		31,364
Local Fiscal Recovery		24,623
Special Assessments Services		596
Nonmajor Governmental		18,914
Total Governmental Funds		77,926
Enterprise Funds:		
Water		22,995
Sewer		17,334
Utility Administrative Services		297
Nonmajor Enterprise		766
Total Enterprise Funds		41,392
Internal Service Funds		1,681
Total	$	120,999

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 receipted 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.

(Amounts in Thousands)

NOTE 11 - INTERFUND ACTIVITY (continued)

The amounts below represent the net balance of amounts due to and due from City funds as of December 31, 2024.

	Due From Other Funds	Due To Other Funds
Governmental Funds:		
General	$ -	$ 91,628
Capital Improvements	59,977	-
Special Assessments Services	-	18,825
Local Fiscal Recovery	-	8,280
Nonmajor Governmental	59,004	2,442
Total Governmental Funds	118,981	121,175
Enterprise Funds:		
Water	-	37,303
Sewer	32,304	-
Utility Administrative Services	4,839	-
Nonmajor Enterprise	1,696	16,449
Total Enterprise Funds	38,839	53,752
Internal Service Funds	20,603	3,496
Total	$ 178,423	$ 178,423

The amounts below represent the balance of interfund loans between City funds as of December 31, 2024.

	Interfund Loan Receivable	Interfund Loan Payable
Enterprise Funds:		
Water	$ 41,645	$ -
Sewer	-	41,645
Total Enterprise Funds	$ 41,645	$ 41,645

During 2020, the City made a $41,645 interfund loan from the Water Fund to the Sewer Fund to finance the Sewer Fund's portion of the Automated Meter Reading (AMR)/Advanced Metering Infrastructure (AMI) and Leak Detection System (the Project). To finance the Project, the City issued $78,090 in Series 2020 water system revenue bonds. In accordance with a Cost Allocation Certificate, $41,645 was determined to be the Sewer's portion of the project. The Water fund made an interfund loan to the Sewer Fund. The interfund loan will be paid over the life of the bonds.

(Amounts in Thousands)

NOTE 11 - INTERFUND ACTIVITY (continued)

Interfund transfers for the Year Ended December 31, 2024, consisted of the following, as reported on the Fund Statements:

	Transfers In						
Transfers Out	General Fund	Capital Improvements	Nonmajor Governmental Funds	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Total
Governmental Funds:							
General	$ -	$ 51,945	$ 456	$ -	$ -	$ -	$ 52,401
Capital Improvements	24,000		15,795	-	-	1,263	41,058
Nonmajor Governmental	-	798	225	-	-	-	1,023
Total Governmental Funds	24,000	52,743	16,476	-	-	1,263	94,482
Enterprise Funds:							
Water	-	-	75	-	-	977	1,052
Sewer	-	-	75	-	-	937	1,012
Utility Administrative Services	-	-	-	-	-	-	-
Nonmajor Enterprise Funds	2,356	-	75	-	-	91	2,522
Total Enterprise Funds	2,356	-	225	-	-	2,005	4,586
Total	$ 26,356	$ 52,743	$ 16,701	$ -	$ -	$ 3,268	$ 99,068

In 2024, the General Fund transferred $51,945 into the Capital Improvement Fund. This amount represents 2024 income tax collection amounts required and authorized by Toledo Municipal Code, Toledo City Council, and the Mayor.

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(Amounts in Thousands)

NOTE 12 - FUND BALANCE

A summary of Fund Balances as of December 31, 2024 by category is as follows:

	General	Capital Improvements	Special Assessments Services	Local Fiscal Recovery	Nonmajor Governmental	Total
Nonspendable:						
Inventory	$ 4,157	$ 1,056	$ 2,699	$ -	$ 915	$ 8,827
Cemetery Perpetual Care	-	-	-	-	683	683
Total Nonspendable	4,157	1,056	2,699	-	1,598	9,510
Restricted for:						
Cemetery Perpetual Care	-	-	-	-	13	13
Landfill Activities	3,842	-	-	-	-	3,842
Capital Improvements	-	65,050	-	-	-	65,050
Grant Programs	-	-	-	-	11,162	11,162
Street Projects	-	-	-	-	19,057	19,057
Local Fiscal Recovery	-	-	-	7,527	-	7,527
Various Trust Purposes	-	-	-	-	16,734	16,734
Westfield Muni Public	-	-	-	-	-	-
Improvement TIF	-	-	-	-	14,704	14,704
OneOhio OPIOD	-	-	-	-	1,280	1,280
Downtown Toledo Parking	-	-	-	-	495	495
Right of Way Activities	-	-	-	-	27	27
Other Purposes	-	-	-	-	1,537	1,537
Debt Service	-	-	-	-	192	192
Total Restricted	3,842	65,050	-	7,527	65,201	141,620
Committed to:						
Budget Stabilization	15,363	-	-	-	-	15,363
Cemetery Activities	-	-	-	-	1,110	1,110
General Obligation Debt	-	-	-	-	1,593	1,593
Facilities Maintenance	-	-	-	-	1,615	1,615
Parks and Recreation	-	-	-	-	99	99
Total Committed	15,363	-	-	-	4,417	19,780
Assigned for:						
Subsequent year appropriations	24,742	-	-	-	-	24,742
Unassigned (deficit)	65,821	-	(62,565)	-	(2,801)	455
Total Fund Balances	$ 113,925	$ 66,106	$ (59,866)	$ 7,527	$ 68,415	$ 196,107

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 2024. 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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability and Net OPEB Liability (Asset)

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB 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 net pension/OPEB liability (asset) represents the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/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 this estimate annually.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 14 for the OPEB disclosures.

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 is a cost-sharing, multiple employer public employee retirement system which 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

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.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. 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. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. 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 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	State and Local
2024 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2024 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.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan was $13,947 for 2024. Of this amount, $450 is reported as accrued wages and benefits payable.

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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 that 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.

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 after 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 (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year.

(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

	Police	Firefighters
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2024 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 $23,370 for 2024. Of this amount, $685 is reported as accrued wages and benefits payable.

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

The net pension liability for OPERS was measured as of December 31, 2023, 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, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OP&F	Total
Proportion of the net pension liability prior measurement date	0.540426%	3.858229%	
Proportion of the net pension liability current measurement date	0.558005%	3.802954%	
Change in proportionate share	0.017579%	-0.055275%	
Proportionate share of the net pension liability	$ 146,084	$ 367,418	$ 513,502
Pension expense	18,119	36,460	54,579

(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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

At December 31, 2024, 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	$ 2,388	$ 11,795	$ 14,183
Net difference between projected and actual earnings on pension plan investments	29,488	41,636	71,124
Changes of assumptions	-	23,220	23,220
Changes in employer's proportionate percentage/ difference between employer contributions	2,537	1,955	4,492
Contributions subsequent to the measurement date	13,947	23,370	37,317
Total deferred outflows of resources	$ 48,360	$ 101,976	$ 150,336

	OPERS - Traditional	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 4,110	$ 4,110
Changes of assumptions	-	5,582	5,582
Changes in employer's proportionate percentage/ difference between employer contributions	496	4,503	4,999
Total deferred inflows of resources	$ 496	$ 14,195	$ 14,691

$37,317 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/increase to the net pension liability/asset in the year ending December 31, 2025.

(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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

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:			
2025	$ 8,765	$ 16,967	$ 25,732
2026	10,533	19,106	29,639
2027	18,817	29,055	47,872
2028	(4,198)	(1,720)	(5,918)
2029	-	957	957
Thereafter	-	46	46
Total	$ 33,917	$ 64,411	$ 98,328

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, 2023, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions – OPERS (continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2023, compared to the December 31, 2022 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 2.30%, simple through 2024, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of 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 a gain of 11.20% for 2023.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions – OPERS (continued)

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	24.00 %	2.85 %
Domestic equities	21.00	4.27
Real estate	13.00	4.46
Private equity	15.00	7.52
International equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. 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 benefit 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 to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability:			
Traditional Pension Plan	$ 229,982	$ 146,084	$ 76,313

(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - OP&F

OP&F's 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 retirement plan involve estimates of the value 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. A comprehensive experience study was performed during 2022 by OP&F's actuary and completed as of December 31, 2021. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2023, compared to December 31, 2022, are presented below.

Valuation date	1/1/23 with actuarial liabilities rolled forward to 12/31/23
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year

Healthy Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - OP&F (continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2023 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	18.60 %	4.10 %
Non-US equity	12.40	4.90
Private markets	10.00	7.30
Core fixed income *	25.00	2.40
High yield fixed income	7.00	4.10
Private credit	5.00	6.80
U.S. inflation linked bonds *	15.00	2.10
Midstream energy infrastructure	5.00	5.80
Real assets	8.00	6.00
Gold	5.00	3.50
Private real estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: assumptions are geometric.
* levered 2x

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

Discount Rate - Total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payment 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.

(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - OP&F (continued)

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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	$ 486,672	$ 367,418	$ 268,246

NOTE 14 - POSTEMPLOYMENT BENEFITS

Net OPEB Liability (Asset)

See Note 14 for a description of the net OPEB liability (asset).

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. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

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

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit;

Group C 32 years of total service credit with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified heath care service credit and at least age 52;

Group C 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements	**Age and Service Requirements**	**Age and Service Requirements**
December 1, 2014 or Prior	***December 1, 2014 or Prior***	***December 1, 2014 or Prior***
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	***January 1, 2015 through December 31, 2021***	***January 1, 2015 through December 31, 2021***
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

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

The base allowance is determined by OPERS and is currently $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51.00% and 90.00% of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10.00% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20.00% per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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 allowing 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. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.00% of earnable salary. 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. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.00%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City was not required to make contractually contributions to OPERS to fund healthcare during 2024.

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 post-employment health care 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. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: 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. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, 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.

The City's contractually required contribution to OP&F was $552 for 2024. Of this amount, $16 is reported as due to other governments.

(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Net OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. 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:

	OPERS	OP&F	Total
Proportion of the net OPEB liability prior measurement date	0.537355%	3.858229%	
Proportion of the net OPEB liability/asset current measurement date	0.556033%	3.802954%	
Change in proportionate share	0.018678%	-0.055275%	
Proportionate share of the net OPEB liability	$ -	$ 27,767	$ 27,767
Proportionate share of the net OPEB (asset)	(5,019)	-	(5,019)
OPEB expense	(730)	707	(23)

(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Net OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB (continued)

At December 31, 2024, 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	$ -	$ 1,335	$ 1,335
Net difference between projected and actual earnings on OPEB plan investments	3,013	2,050	5,063
Changes of assumptions	1,292	9,555	10,847
Changes in employer's proportionate percentage/ difference between employer contributions	5	263	268
Contributions subsequent to the measurement date	-	552	552
Total deferred outflows of resources	$ 4,310	$ 13,755	$ 18,065

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 714	$ 5,103	$ 5,817
Changes of assumptions	2,159	17,883	20,042
Changes in employer's proportionate percentage/ difference between employer contributions	274	1,111	1,385
Total deferred inflows of resources	$ 3,147	$ 24,097	$ 27,244

$552 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/increase to the net OPEB asset or liability in the year ending December 31, 2025.

(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Net OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB (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:

	OPERS	OP&F	Total
Year Ending December 31:			
2025	$ (314)	$ (814)	$ (1,128)
2026	151	(1,328)	(1,177)
2027	2,346	(772)	1,574
2028	(1,020)	(2,398)	(3,418)
2029	-	(2,518)	(2,518)
Thereafter	-	(3,064)	(3,064)
Total	$ 1,163	$ (10,894)	$ (9,731)

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 (the plan as understood by the employers and plan members) 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, 2022, rolled forward to the measurement date of December 31, 2023.

(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions – OPERS (continued)

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	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75% including wage inflation
Prior Measurement date	2.75 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	5.70%
Prior Measurement date	5.22%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	3.77%
Prior Measurement date	4.05%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2038
Prior Measurement date	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care 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 was a gain of 14.00% for 2023.

(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions – OPERS (continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic equities	25.00	4.27
Real Estate Investment Trusts (REITs)	5.00	4.68
International equities	25.00	5.16
Risk parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

Discount Rate - A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. 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 the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, 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 (Asset) to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70%, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70%) or one-percentage-point higher (6.70%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB (asset)/liability	$ 2,758	$ (5,019)	$ (11,460)

(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions – OPERS (continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset 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 with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. 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 the health care 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 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	$ 5,527	$ 5,019	$ 4,782

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, 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 retirement plan involve estimates of the value 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.

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.

(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions - OP&F (continued)

Key methods and assumptions used in the December 31, 2023, compared to the December 31, 2022 actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	
Current measurement date	3.50% to 10.50%
Prior measurement date	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.07%
Prior measurement date	4.27%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions - OP&F (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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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.

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, 2023, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	18.60 %	4.10 %
Non-US equity	12.40	4.90
Private markets	10.00	7.30
Core fixed income *	25.00	2.40
High yield fixed income	7.00	4.10
Private credit	5.00	6.80
U.S. inflation linked bonds *	15.00	2.10
Midstream energy infrastructure	5.00	5.80
Real assets	8.00	6.00
Gold	5.00	3.50
Private real estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: assumptions are geometric.
* levered 2x

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

Discount Rate - Total OPEB liability was calculated using the discount rate of 4.07%. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38% was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07%.

(Amounts in Thousands)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions - OP&F (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 4.07%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07%), or one percentage point higher (5.07%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	$ 34,201	$ 27,767	$ 22,348

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 exceeded coverage in any of the last three years, and the City added coverage through new policies in 2024, 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 "other current liabilities" in the Risk Management Internal Service Fund. Changes in the claim liability amount in years 2021 - 2024 follows:

Year	Beginning Balance	Current Year Claims and Changes in Estimate	Claims Payments	Ending Balance
2021	$ 1,200	$ 5,764	$ (364)	$ 6,600
2022	6,600	767	(767)	6,600
2023	6,600	692	(1,252)	6,040
2024	6,040	(3,463)	(815)	1,762

(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 2024, 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* (Terrorism Included)	$ 600,000,000	$ 250,000
* Vehicles (Physical Damage) $250,000 max per vehicle	5,000,000	50,000
* Leased/Rented Contractors Equipment	5,000,000	50,000
Accident/Liability Policy - Intern Program	25,000	-
Accident/Liability Policy - Youth Commission	25,000	-
Accident/Liability Policy - Adult Probation Program	25,000	-
BUSTR/Cleanup for Underground Fuel Tanks	Total cost of cleanup	50,000
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 the Toledo Clerk of Courts	3,000,000	50,000
Employee Tool Insurance	211,000	500
Boat Policy (Pacific Skiff)	1,000,000	5,000
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
Professional Liability for TMC	10,000,000	-
Toledo Express IBDD	1,000,000	-
Holy Trinity Parking Lot	1,000,000	-
Kwik & Paramount Parking Lots	1,000,000	25
Accident/Liability Policy - TPS Co-op Program	25,000	-
Cyber and Privacy Policy	2,000,000	500,000
Environment/Chessie Circle Trail	3,000,000	25
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 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 by the City from January 2006 through December 2014 which retains liability for claims over a ten-year period, 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.

(Amounts in Thousands)

NOTE 15 - RISK MANAGEMENT (continued)

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 $3,081 reported at December 31, 2024 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.

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 drugs rebates and stop-loss reimbursements received by the City. Beginning in 2020, the City began utilizing the newly established Healthcare Self-Insurance Internal Service Fund to report all healthcare related self-insurance activities. The actuarially determined claims liability is reported in the Healthcare Self-Insurance Internal Service Fund at December 31, 2024.

The liability is reported as "other current liabilities" in the Healthcare Self-Insurance Internal Service Fund. Changes in the claim liability amount for this category in 2021 - 2024 were as follows:

Year	Beginning Balance	Current Year Claims and Changes in Estimate	Claims Payments	Ending Balance
2021	$ 4,148	$ 37,205	$ (37,330)	$ 4,023
2022	4,023	41,374	(40,977)	4,420
2023	4,420	43,404	(43,456)	4,368
2024	4,368	46,780	(48,067)	3,081

NOTE 16 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2024, the City has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*", GASB Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*", Implementation Guide No. 2023-1 and GASB Statement No. 101, "*Compensated Absences*".

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously report by the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

(Amounts in Thousands)

NOTE 16 - ACCOUNTABILITY AND COMPLIANCE (continued)

Change in Accounting Principles (continued)

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 affected the presentation of changes in accounting principles disclosures in the City's financial statements.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the City.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 impacted the City's net position, both current year and the prior year (see below).

Deficit Fund Balances

Fund balances at December 31, 2024 included the following individual fund deficits:

	Deficit
Governmental funds:	
Special Assessments Services Fund	$ 59,866
Nonmajor governmental funds:	
Federal Block Grants	112
Special Assessment Improvement Fund	1,634
Jeep Muni Public Improvement TIF	1,055
Total Government Funds	62,667
Enterprise Funds:	
Nonmajor enterprise funds:	
Property Management Fund	1,961
Small Business Development Fund	115
Total Enterprise Funds	2,076
Total	$ 64,743

The General Fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

Restatement of Net Position

During 2024, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "*Compensated Absences*". The effect of this change on net position at the beginning of the year for the governmental activities, business type activities, and enterprise funds is separately displayed in the financial statements.

NOTE 17 - CONTINGENCIES

Litigation

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

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

Based on historical experience and its evaluation of pending claims, the City believes that the amount available from those sources and unencumbered at December 31, 2024 and at the date of this Statement, is sufficient to meet the claims and judgments that may arise in 2025. 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 judgment which may be entered against it.

Grants

In 2024, 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

In January 2025, the City Council passed legislation authorizing the Mayor to enter into agreements with the State of Ohio Department of Transportation (ODOT), and to accept and deposit grant proceeds of an amount not to exceed $15,449 for seven safety projects.

In March 2025, City Council passed legislation authorizing the Mayor to enter into agreements with the State of Ohio, Ohio Public Works Commission (OPWC) and to accept and deposit grant and loan proceeds of an amount not to exceed $2,168 for five roadway projects.

In March of 2025, City Council passed legislation authorizing the Mayor to apply for, enter into agreements, accept and deposit loan proceeds from the Ohio EPA Water Pollution Control Loan Fund (WPCLF) and the Ohio Water Development Authority (OWDA) into the Sanitary Sewer Loan Replacement Fund for Bay View Water Reclamation Plant Improvements Program Management of an amount not to exceed $50,000.

In May 2025, City Council passed legislation authorizing the Mayor and Department of Public Utilities to apply for, accept, and enter into a cooperative agreement between the City and Ohio Water Development Authority (OWDA) providing for the refinancing of the outstanding principal balance of the City's $12,305 Water System Revenue Refunding Bonds, Series 2015, dated August 18, 2015.

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CITY OF TOLEDO, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Grant Number	Federal Assistance Listing Number	Passed through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE FOREST SERVICE				
Inflation Reduction Act Urban & Community Forestry Program	n/a	10.727	$	5,186
U.S. DEPARTMENT OF COMMERCE				
(Passed through Great Lakes Commission):				
Habitat Conservation:				
Collins Park Stream Restoration Feasibility Study	n/a	11.463		75,474
Restoration of Ottawa River in Jermaine Park Project	n/a	11.463		17,154
Total U.S. Department of Commerce				92,628
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants:				
41st Year CDBG Grant	n/a	14.218		8,399
43rd Year CDBG Grant	n/a	14.218	2,187	161,664
45th Year CDBG Grant	n/a	14.218	22,385	351,178
COVID-19 - 45th Year CDBG Grant	n/a	14.218	105,518	352,168
46th Year CDBG Grant	n/a	14.218		134,397
47th Year CDBG Grant	n/a	14.218		343,277
48th Year CDBG Grant	n/a	14.218	46,520	217,896
49th Year CDBG Grant	n/a	14.218	1,425,196	3,043,812
50th Year CDBG Grant	n/a	14.218	765,767	2,446,857
Total CDBG - Entitlement Grants Cluster			2,367,573	7,059,648
Emergency Solutions Grants Program:				
36th Year Emergency Shelter	n/a	14.231	75,879	75,879
37th Year Emergency Shelter	n/a	14.231	416,409	416,409
38th Year Emergency Shelter	n/a	14.231	235,388	235,388
Total Emergency Solutions Grants Program			727,676	727,676
HOME Investment Partnerships Program:				
HOME Investment Partnerships Program	n/a	14.239	781,667	1,985,848
COVID-19 - HOME Investment Partnerships Program	n/a	14.239		34,051
Total HOME Investment Partnerships Program			781,667	2,019,899
Lead-Based Paint Hazard Control in Privately-Owned Housing	n/a	14.900	62,202	738,133
Total U.S. Department of Housing and Urban Development			3,939,118	10,545,356
U.S. DEPARTMENT OF JUSTICE				
(Passed through Ohio's Office of Criminal Justice):				
Violence Against Women Formula Grants	n/a	16.588		32,182
Project Safe Neighborhoods	n/a	16.609		56,430
Edward Byrne Memorial Justice Assistance Grant Program:				
2020 Justice Assistance Grant	n/a	16.738		24,631
2021 Justice Assistance Grant	n/a	16.738		12,199
2022 Justice Assistance Grant	n/a	16.738		140,179
2023 Justice Assistance Grant	n/a	16.738		147,167
Mobile Field Force Equipment	n/a	16.738		34,920
ARPA - Crime Backlog Reduction	n/a	16.738		3,627
Total Edward Byrne Memorial Justice Assistance Grant Program				362,723
Paul Coverdell Forensic Sciences Improvement Grant Program	n/a	16.742		34,722
Total U.S. Department of Justice				486,057
U.S. DEPARTMENT OF TRANSPORTATION				
(Passed through Ohio Department of Transportation):				
Highway Planning and Construction:				
Broadway Street Reconstruction	PID111306	20.205		2,621,422
Collingwood Boulevard Reconstruction	PID111200	20.205		1,282,994
Manhattan Boulevard Resurfacing	PID111368	20.205		1,168,163
Tremainsville Road Resurfacing	PID115948	20.205		1,468,841
Lagrange Street Resurfacing	PID115953	20.205		500,000
Safe Route to School	PID115458	20.205		296,000
Chessie Circle Trail - Bowman Park to University Hills	PID103417	20.205		48,809
Anthony Wayne - Glendale to Turnpike	PID103508	20.205		483,431
Lewis - Laskey to Alexis	PID111121	20.205		1,093,413
Summit-Cherry Intersection	PID113857	20.205		1,400,000
Safety Projects	PID118202	20.205		97,032
Laskey Road Resurfacing	PID118064	20.205		500,000
AWT Streetscape	PID117198	20.205		85,991
Martin Luther King Bridge Project	PID111533	20.205		1,893,462
Total Highway Planning and Construction				12,939,558
(Passed through Ohio Department of Public Safety):				
Highway Safety Cluster:				
State and Community Highway Safety	n/a	20.600		37,645
Total Highway Safety Cluster				37,645
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	n/a	20.608		31,240
Total U.S. Department of Transportation				13,008,443

(Continued)

CITY OF TOLEDO, OHIO
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Grant Number	Federal Assistance Listing Number	Passed through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY				
(Passed through Ohio Office of Budget and Management, except as noted):				
Emergency Rental Assistance				
COVID-19 - City Emergency Rental Assistance	HR133-CRF-Local	21.023	$ 2,726,551	9,260,640
Total Emergency Rental Assistance			2,726,551	9,260,640
Coronavirus State and Local Fiscal Recovery Funds				
COVID-19 - Local Fiscal Recovery Fund (Direct Award)	HB4219-CLFRF-Local	21.027	18,608,460	56,361,355
COVID-19 - ARPA Violent Crime Intervention Grant	NCIC-OH-0770000	21.027		758,795
COVID-19 - ARPA Community Violence Prevention Program	NCIC-OH-0770000	21.027		82,960
COVID-19 - ARPA EMA First Responder Wellness Grant	NCIC-OH-0770000	21.027		368,337
Total Coronavirus State and Local Fiscal Recovery Funds			18,608,460	57,571,447
Total U.S. Department of The Treasury			21,335,011	66,832,087
U.S. ENVIRONMENTAL PROTECTION AGENCY				
(Passed through Ohio Environmental Protection Agency):				
Air Pollution Control Program Support:				
2016 State Air Grant	n/a	66.001		69,235
2022 State Air Grant	n/a	66.001		21,978
Ambient Air Monitoring	n/a	66.001		9,500
PM 2.5 Monitoring	n/a	66.001		84,262
2024 State Air Grant	n/a	66.001		695,578
2024 Title V	n/a	66.001		192,907
Total Air Pollution Control Program Support				1,073,460
Capitalization Grants for Drinking Water State Revolving Funds	n/a	66.468		1,881,847
Nonpoint Source Implementation Grants	n/a	66.460		54,707
Geographic Programs - Great Lakes Restoration Initiative	n/a	66.469		145,647
ARRA - Brownfield Assessment and Cleanup Cooperative Agreements	n/a	66.818		136,166
Total U.S. Environmental Protection Agency				3,291,827
U.S. DEPARTMENT OF HOMELAND SECURITY				
(Passed through Ohio Department of Public Safety):				
Assistance to Firefighters Grant	n/a	97.044		17,478
Homeland Security Grant Program	n/a	97.067		904,976
Total U.S. Department of Homeland Security				922,454
Total Expenditures of Federal Awards			$ 25,274,129	95,184,038

See accompanying notes to the schedule of expenditures of federal awards.

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the City of Toledo, Ohio (the “City”) under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule includes the federal grant activity of the City of Toledo and is presented on the modified accrual basis of accounting, which is described in Note 1 to the City’s Annual Comprehensive Financial Report. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

The City passes certain federal awards received from the U.S. Department of Housing and Urban Development and Department of the Treasury to other governments or not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of Federal awards to subrecipients on a modified accrual basis. As a direct recipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award’s performance goals.

NOTE E – HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current loan balance of the City’s local program income account as of December 31, 2024 is $12,220,223.

NOTE F – MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio (the "City") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficient may exist that were not identified. We identified a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

City's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 30, 2025

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

To the Honorable Wade Kapszukiewicz, Mayor, Members of City Council and the Audit Committee
City of Toledo, Ohio:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Toledo, Ohio's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated June 30, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 30, 2025

CITY OF TOLEDO, OHIO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

- *ALN 21.023 – COVID-19 Emergency Rental Assistance Program*
- *ALN 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds*

Dollar threshold to distinguish between Type A and Type B Programs:	$2,855,521
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2024-001 – Significant Deficiency/Financial Reporting

Condition:	During the course of our audit, we identified misstatements in the financial statements that were not initially identified by the City's internal control over financial reporting. A deficiency in internal control exists when the design of operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. In this case, the internal controls over the preparation and review of the City's financial statements did not operate as designed and we consider this a significant deficiency. Immaterial adjustments were identified and posted by the client to correct capital assets, due from other governments, revenues levied for the next year and unavailable revenue, and compensated absences to correct the recording of GASB Statement No. 101, *Compensated Absences*.
Recommendation:	We recommend the City enhance its internal control over financial reporting with steps such as management's analysis of the financials compared to prior years to ensure the preparation of complete, accurate and reliable financial statements in accordance with generally accepted accounting principles.
View of Responsible Officials:	See Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

None

City of Toledo

Finance

One Government Center
Suite 2050
Toledo, Ohio 43604
phone 419-245-1648
fax 419-936-3096

toledo.oh.gov

June 30, 2025

SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
December 31, 2024

Finding Number	Status	Explanation
2023-001	Uncorrected	Repeat finding as 2024-001.

City of Toledo

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June 30, 2025

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2024

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	The City will enhance its internal controls over financial reporting with steps such as management's analysis of the financials compared to prior years to ensure the preparation of complete, accurate and reliable financial statements in conformity with generally accepted accounting principles.	9-30-2025	Melanie Campbell, Interim Finance Director