



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CITY OF TOLEDO, OHIO

LUCAS COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Members of Council
City of Toledo
One Government Center
Suite 2050
Toledo, Ohio 43604

We have reviewed the *Independent Auditors' Report* of the City of Toledo, Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 18, 2022

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CITY OF TOLEDO, OHIO

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant Number	Federal AL Number	Passed through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
CDBG Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants:				
40th Year CDBG Grant		14.218		123,633
41st Year CDBG Grant		14.218		125,010
42nd Year CDBG Grant		14.218		298,232
43rd Year CDBG Grant		14.218	418,500	423,085
44th Year CDBG Grant		14.218		152,032
45th Year CDBG Grant		14.218	157,033	676,631
COVID-19 - 45th Year CDBG Grant		14.218	1,183,890	2,055,691
46th Year CDBG Grant		14.218	1,995,800	4,031,406
47th Year CDBG Grant		14.218	694,263	2,183,201
Total CDBG Entitlement Grants Cluster			4,449,486	10,068,921
Emergency Solutions Grants Program:				
33rd Year Emergency Shelter		14.231	26,915	26,915
COVID-19 - 33rd Year Emergency Shelter -1		14.231	779,796	779,796
COVID-19 - 33rd Year Emergency Shelter -2		14.231	750,000	750,000
34th Year Emergency Shelter		14.231	432,112	432,112
35th Year Emergency Shelter		14.231	113,355	124,229
Total Emergency Solutions Grants Program			2,102,178	2,113,052
HOME Investment Partnerships Program		14.239	2,301,439	2,691,153
Total U.S. Department of Housing and Urban Development				14,873,126
U.S. DEPARTMENT OF JUSTICE				
<i>(Passed through Ohio's Office of Criminal Justice):</i>				
COVID-19 Coronavirus Emergency Supplemental Funding Program:				
COVID-19 Coronavirus Emergency Supplemental Funds Program	HR748-CESF-Local	16.034		62,257
COVID-19 Coronavirus Emergency Supplemental Funds Grant	HR748-CESF-Local	16.034		108,248
Total COVID-19 Coronavirus Emergency Supplemental Funding Program				170,505
Violence Against Women Formula Grants:				
Violence Against Women Formula Grants	n/a	16.588		8,419
Violence Against Women Formula Grants	n/a	16.588		15,256
Total Violence Against Women Formula Grants				23,675
Edward Byrne Memorial Justice Assistance Grant Program:				
2018 Justice Assistance Grant	n/a	16.738		429
2019 Justice Assistance Grant	n/a	16.738		25,351
2020 Justice Assistance Grant	n/a	16.738		14,058
2020 Justice Assistance Grant	n/a	16.738		151,025
TPD Justice Assistance	n/a	16.738		69,061
Total Edward Byrne Memorial Justice Assistance Grant Program				259,924
Paul Coverdell Forensic Science Grant	n/a	16.742		1,736
Total U.S. Department of Justice				455,840
U.S. DEPARTMENT OF TRANSPORTATION				
<i>(Passed through Ohio Department of Transportation):</i>				
Highway Planning and Construction Cluster:				
Marengo St Bridge	PID103758	20.205		1,415,773
Traffic Signals Upgrade	PID113429	20.205		153,614
Lagrange-Utica to Oakland	PID104276	20.205		40,850
Douglas-Laskey to Alexis	PID98910	20.205		18,630
Alexis-Jackman to Flanders	PID100196	20.205		62,325
Summit-Lagrange to Chestnut	PID99000	20.205		8,799
Wenz-Angola to Hill	PID104417	20.205		804,009
Chessie Circle Trail - Bowman Park to University Hills	PID103417	20.205		469,887
Holland-Sylvania - Bancroft to City Limits	PID104487	20.205		359,360
Jefferson Cycle Track - Summit to Collingwood	PID107485	20.205		1,479,200
Bennett - Laskey to Alexis	PID98909	20.205		1,330,042
Airport Highway - South to Byrne	PID108793	20.205		623,893
Dorr - Reynolds to Byrne	PID108794	20.205		1,271,160
Total Highway Planning and Construction Cluster				8,037,542
<i>(Passed through Ohio Department of Public Safety):</i>				
Highway Safety Cluster:				
State and Community Highway Safety:				
Traffic Enforcement Program	n/a	20.600		26,387
Traffic Enforcement Program 2	n/a	20.600		2,750
Total State and Community Highway Safety				29,137
National Priority Safety Programs:				
National Priority Safety Programs	n/a	20.616		24,908
National Priority Safety Programs 2	n/a	20.616		3,513
Total National Priority Safety Programs				28,421
Total Highway Safety Cluster				57,558
Total U.S. Department of Transportation				8,095,100

(Continued)

CITY OF TOLEDO, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Grant Number</u>	<u>Federal AL Number</u>	<u>Passed through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF TREASURY</u>				
<i>(Passed through Ohio Budget and Management):</i>				
Emergency Rental Assistance				
COVID-19 - City Emergency Rental Assistance	HR133-CRF-Local	21.023		6,995,126
COVID-19 - County Emergency Rental Assistance	HR1319-CRF-Local	21.023		4,048,034
COVID-19 - City Emergency Rental Assistance 2	HR133-CRF-Local	21.023		602,940
Total Emergency Rental Assistance				<u>11,646,100</u>
COVID-19 - Local Fiscal Recovery Fund (Direct Award)		21.027		<u>5,579,000</u>
Total U.S. Department of Treasury				<u>17,225,100</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
<i>(Passed through Ohio Environmental Protection Agency):</i>				
Air Pollution Control Program Support:				
PM 2.5 Monitoring	n/a	66.001		41,262
2020 State Air Grant	n/a	66.001		526,397
2020 Title V	n/a	66.001		161,745
PM 2.5 Monitoring	n/a	66.001		24,749
2022 State Air Grant	n/a	66.001		161,664
2022 Title V	n/a	66.001		65,389
Total Air Pollution Control Program Support				<u>981,206</u>
Covid-19 Environmental Justice Grant	n/a	66.312		85,464
Clean Water State Revolving Fund Cluster:				
International Park Storage Basin	n/a	66.458		2,480
LTCP 2C Design	n/a	66.458		372,308
Total Clean Water State Revolving Fund Cluster				<u>374,788</u>
Great Lakes Restoration Initiative	n/a	66.469		<u>200,111</u>
Total U.S. Environmental Protection Agency				<u>1,641,569</u>
Total Federal Awards			<u>\$ 8,853,103</u>	<u>42,290,735</u>

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, 2021. 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 accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Toledo and is presented on the modified accrual basis of accounting, which is described in Note 1 to the City of Toledo, Ohio's (the City) 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 10-percent 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 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, 2021 is \$11,018,480.

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, 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, 2021 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, 2022, wherein we noted the City adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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, 2022

**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

Qualified and Unmodified Opinions

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 the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on CDBG Entitlement Grants Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the CDBG Entitlement Grants Cluster for the year ended December 31, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2021.

Basis for Qualified and Unmodified Opinions

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.

Matter Giving Rise to Qualified Opinion on the CDBG Entitlement Grants Cluster

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the CDBG Entitlement Grants Cluster as described in finding number 2021-001 – Allowable Costs.

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our audit 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 compliance and, accordingly, we express no opinion on the response.

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, 2021, 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, 2022, 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 auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 30, 2022

CITY OF TOLEDO, OHIO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

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?	None noted
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified not considered to be material weaknesses?	No
Type of auditors’ report issued on compliance for major programs:	Qualified for CDBG Entitlement Grants Cluster and Unmodified for all other major programs
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major programs:	
• <i>ALN 14.218 – CDBG Entitlement Grants Cluster</i>	
• <i>ALN 14.231 – Emergency Shelter Solutions Grants</i>	
• <i>ALN 14.239 – HOME Investment Partnerships Program</i>	
• <i>ALN 21.023 – COVID-19 Emergency Rental Assistance Program</i>	
• <i>ALN 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$1,268,722
Auditee qualified as low-risk auditee?	No

CITY OF TOLEDO, OHIO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021
(continued)

Section II – Financial Statement Findings

None noted

Section III – Federal Award Findings and Questioned Costs

Finding 2021-001 – Allowable Costs

CDBG – Entitlement Grants Cluster – ALN. 14.218

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Criteria: 2 CFR 225, Appendix B requires where employees work on multiple activities or cost objectives, a distribution of their salaries and wages to be supported by personnel activity reports or equivalent documentation. Personnel activity reports are required under various circumstances, including when employees work on more than one federal award. Personnel activity reports must reflect after-the-fact distribution of actual activity of each employee, must account for the total activity for which each employee is compensated, must be prepared at least monthly and must be signed by the employee. 2 CFR 225, Appendix B goes on to state, budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards.

Condition: We performed tests to determine if the City was in compliance with time and effort documentation requirements for payroll charged to the federal program. The City allocates payroll and benefits for certain employees working on the federal program. Employees spending less than 100% of their time on the program do not track actual time spent on the program, and instead their time is charged based on a budget estimate.

Context: The timesheets were completed using budgeted hours instead of actual for the period from January 1, 2021 to December 31, 2021. Total payroll of \$2,784,768 for that period was charged to CDBG.

Cause: The Department of Neighborhoods had a number of employees working remotely during 2021 and controls over time and effort documentation deteriorated. In addition, the department suffered staff shortages which created delays in the budgeted payroll true up process at year end.

Effect: Unallowable costs may have been charged to these programs due to the lack of tracking actual time instead of budgeted. As noted above, payroll costs charged to the programs were not properly supported and thus are considered questioned costs.

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

*Views of
Responsible
Officials:*

Management concurs, See Corrective Action Plan.



Finance

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June 30, 2022

**SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
December 31, 2021**

Finding Number	Status	Explanation
2020-001	Corrected	There were no material misstatements identified in the current year audit.

Sincerely,

Melanie Campbell
Interim Finance Director



Finance

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Toledo, Ohio 43604
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toledo.oh.gov

June 30, 2022

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2021

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-001	As an action plan for this item, the Interim Finance Director will review with the Department of Neighborhoods to establish procedures to ensure that payroll charges to the grants are supported by accurately prepared and reviewed personnel activity reports or periodic time studies.	9-30-2022	Melanie Campbell, Interim Finance Director.

Sincerely,

Melanie Campbell
Interim Finance Director



TOL
City of Toledo

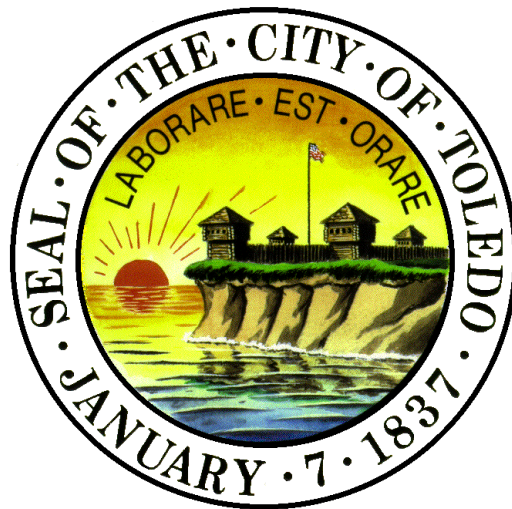
2021
Annual Comprehensive
Financial Report

For the Year Ended December 31, 2021

CITY OF TOLEDO, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021



WADE KAPSZUKIEWICZ
MAYOR

MELANIE CAMPBELL
ACTING FINANCE DIRECTOR

City of Toledo, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021

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City of Toledo, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021

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INTRODUCTORY SECTION

CITY OF TOLEDO



Wade Kapszukiewicz
Mayor

Melanie Campbell
Acting Director of Finance

June 30, 2022

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

As Acting Director of Finance for the City of Toledo, Ohio (the City), I am pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2021.

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

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

As part of the annual preparation of the ACFR, the City is subject to an annual independent audit of its basic financial statements, which serves to strengthen the City's accounting, budgetary, and internal control of its financial and operational systems. The firm of Clark, Schaefer, Hackett & Co., located in the City of Toledo, Ohio, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2021. The independent auditors' report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

ONE GOVERNMENT CENTER, SUITE 2050, TOLEDO, OHIO 43604-2284
Telephone: (419) 245-1648 • FAX: (419) 245-1863

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

City	Area	Population		
		2020	2010	2000
Columbus	217.2 sq miles	905,748	787,033	711,470
Cleveland	77.7 sq. miles	372,624	396,815	478,403
Cincinnati	77.9 sq. miles	309,317	296,943	331,285
Toledo	80.7 sq. miles	270,871	287,208	313,619
Akron	62.0 sq. miles	190,469	199,110	217,074
Dayton	55.7 sq. miles	137,644	141,527	166,179

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

ECONOMIC CONDITION AND OUTLOOK

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

The City has experienced significant development momentum over the past few years that has resulted in thousands of new jobs and over \$2 billion of capital investment. This momentum has led to national recognition. In March 2022, Site Selection Magazine announced Toledo ranked in the Top 10 among mid-sized cities for new business investment. This is the sixth consecutive year Site Selection Magazine has ranked Toledo in the Top 10. Below is a summary of the major economic development projects driving this momentum.

- In May 2022, Perrysburg-based TarpStop LLC announced plans to expand its manufacturing operations to the former Teledyne facility, which has been vacant for several years. The company will occupy 100,000 square feet and create 55 jobs with an associated annual payroll of \$3,500,000. TarpStop will retain its building in Perrysburg for office operations.
- In October 2021, the City announced plans to sell the former 59-acre North Towne Square Mall property to NorthPoint Development to build the city’s next industrial park. Kansas City-based NorthPoint Development will purchase the site for \$2,655,000 and build three speculative industrial buildings that will total 865,000 square feet. The total investment is estimated to be over \$85 million and is expected to create more than 500 jobs.
- In October 2021, JAM Best One Fleet Service, a Toledo-based tire retread and fleet service company, announced plans to expand its operations to a new location and create jobs. The company will invest \$4 million to redevelop the dilapidated former P&J Industries building into its main service, office and operations center. The project is expected to create 50 jobs.

- In September 2021, the City sold the former 40-acre Textileather property to Stellantis to build a 250,000 square foot vehicle customization facility to support production of the Jeep Wrangler and Gladiator. The \$23 million facility will be owned by Stellantis and leased to a supplier that is expected to employ 300 people with an associated annual payroll of \$12 million. Construction of the facility finished in May 2022.
- In June 2021, Cleveland-Cliffs cut the ribbon on its one billion-dollar HBI direct reduction plant. The facility employs 160 full-time equivalent workers and employed 1,100 construction workers. Cleveland-Cliffs' Toledo plant is the most technologically-advanced direct reduction facility in the world. The plant enables higher quality steel with significantly less greenhouse gas emissions than conventional steel making. Cleveland-Cliffs is the largest flat-rolled steel producer and largest manufacturer of iron ore pellets in North America.
- In May 2021, Amazon cut the ribbon at its 150,000 square foot delivery station at the former Southwyck Mall property. The City acquired the property in 2014 with the goal of attracting a redevelopment project that would positively impact the Reynolds Road Corridor. After several years of inactivity, the City and its economic development partners began to form a strategy for the site that targeted a large job creation project in the logistics and distribution industry. The site was repositioned and marketed as the City's largest available pad-ready industrial site. The site's location within the region and access to major roadways and interstates were major factors in Amazon's decision to move forward. The company's delivery station will provide consumer direct delivery services up to a 45-minute radius of the site. Amazon will directly employ 110 employees and will contract with an additional 300 independent contractors for delivery services. The company invested \$25 million in the new facility.
- In January 2021, Libbey Glass LLC announced it would maintain its Toledo operations, add a stemware line and remain headquartered in Downtown Toledo. The company invested more than \$30 million in its Champlain Street facility, which employs 844 workers.
- In February 2021, Bitwise Industries, a Fresno, California-based tech company, announced plans to partner with ProMedica to open a regional office in Toledo's Uptown neighborhood. The company will create 378 full-time equivalent jobs with an annual payroll of \$20,373,000. ProMedica and Bitwise will invest \$30 million to redevelopment the historic Jefferson Center as a new tech hub. Construction began in April 2022.
- In February 2021, General Motors announced plans to invest \$75 million at its GM Powertrain Division's Alexis Road transmission plant to increase capacity for 10-speed transmission for the Chevrolet Silverado and GMC Sierra. General Motors currently produces six-speed, eight-speed and ten-speed rear-wheel-drive transmissions and 6-speed front-wheel-drive transmissions at the plant that are used in a variety of GM vehicles, including at least 28 cars, trucks, sport utility vehicles and sports cars. The transmission plant employs 1,500 workers. General Motors' announcement follows one made in September 2020 where the company announced a \$39 million upgrade to enhance the production of eight-speed rear-wheel-drive transmission.
- Several major job creation projects have occurred within the City's Joint Economic Development Districts (JEDDs), Joint Economic Development Zones (JEDZs) and Municipal Utility Districts (MUDs). These special economic development tools allow the City to receive a portion of the income tax revenue that is generated within the specified geographic area.
 - o City of Toledo-City of Maumee-Monclova Township JEDZ
 - In March 2021, the City sold 6.51 acres within the Triad Business Park for \$290,000 to Service Spring. The company purchased the property to expand its existing manufacturing facility to the north. Service Spring will create 20 full-time equivalent jobs and invest \$12 million in expanding the facility. The sale of this property represents the last available city-owned property in the Triad Business Park. Construction on the facility finished in 2021.

- In January 2020, the City sold 51 acres within the Triad Business Park for \$1,050,000 to Rolled Alloys Inc. The company will relocate its corporate office, manufacturing and distribution facility from Michigan into a new 250,000 square foot facility. The \$28 million project is expected to create 200 jobs with an associated annual payroll of \$11,000,000. Due to the impacts of COVID-19, the company plans to start construction in Fall 2022.

o City of Toledo-Troy Township JEDD

- In May 2021, Peloton Interactive Inc. announced plans for a one million square foot manufacturing plant that will cost \$400 million and employ nearly 2,200 workers with an estimated annual payroll of \$138 million. In February 2022, Peloton announced it was canceling its plans for this facility. However, construction of the building is nearly complete and it will be marketed as a speculative industrial building.
- In November 2020, NSG Group announced the start of production for its transparent conductive oxide coated glass for its largest customer First Solar. The new \$265 million, 500,000 square foot glass production facility employs 150 workers.

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

- In December 2020, construction finished on the second 105,000 square foot spec building at the 250-acre Land-Air Industrial Park. The completion of this building increases the competitiveness of Northwest Ohio when competing for job creation projects that require speed to market. The first spec building was acquired by Johnson who hired 60 workers.

o City of Toledo-City of Rossford MUD

- In February 2021, one of the nation's largest industrial developers, Scannell Properties announced it had acquired 200-acres in the Crossroads and will start development by building a 300,000 square foot spec warehouse.
- In November 2020, Amazon opened its 700,000 square foot fulfillment center in Rossford that will employ 1,000 workers.

- In May 2020, Continental Real Estate Companies cut the ribbon on its \$50 million mixed-use project at the Marina District in East Toledo. The project includes a 360-unit upscale apartment complex called Marina Lofts and 60,000 square feet of Class A office space and convenience retail. In addition to the Marina Lofts, Continental is also expected to break ground on the Colony project in early 2022. The Colony project involves the redevelopment of 10-acres of vacant and underutilized property in West Toledo into a \$50 million mixed-use project that will include a 120-room Home2 Suites hotel by Hilton, a 262-unit apartment complex and a commercial building for a new restaurant and retail space. This multi-million-dollar project will have a positive return on investment for the City resulting in more than 300 construction jobs and 86 permanent jobs. The payroll from the construction jobs alone is estimated to generate more than half a million dollars in income taxes for the City, while the permanent jobs are expected to generate \$50,000 annually. In conjunction with this project, there will also be infrastructure upgrades that will improve water redundancy and storm water drainage that will benefit all property owners in surrounding area. This project will create peripheral development momentum similar to what the City is now experiencing in East Toledo near the Marina Lofts project.
- In conjunction with the Marina Lofts project, Metroparks Toledo is redeveloping 67-acres within the Marina District into the Glass City Metropark. This new metropark will be a regional destination with unique amenities such as a lighted sledding hill, a concert knoll for up to 6,000 people, a refrigerated ice-skating ribbon, a splash and play area, a river boardwalk, a fishing platform, an earth-bermed pavilion with seating for 150 people and overnight camping. Construction on the project is expected to be complete in December 2022.

- Metroparks Toledo, in partnership with the City, also plans to construct a \$200 million project called the Glass City Riverwalk. This project will be a multi-purpose walkway that will traverse both sides of the Maumee Riverfront from the Anthony Wayne Bridge to the Veteran's Glass City Skyway. In September 2020, the U.S. Department of Transportation awarded Toledo Metropolitan Area Council of Governments (TMACOG) a \$23.6 million BUILD grant to support the Glass City Riverwalk project. The project will start construction in Spring 2023.
- The Windsor Companies, a Columbus developer, announced its plans in April 2020 to construct a 120 to 125-unit apartment complex in the Uptown neighborhood. The Village on the Green project will have a series of two to three-story buildings on 2.8 acres with ground floor commercial space. The project will provide one bedroom and two-bedroom apartments ranging in size from 700 to 1,300 square feet. The developer expects to break ground in late 2022.

The Toledo MSA serves as a major transportation center, and significant employment is provided by transportation industry employers. The City's economy, historically associated with the glass and automotive industries, has become increasingly diversified. The Toledo MSA remains the home of four of the nation's largest glass manufacturing companies: Owens-Illinois, Inc., Owens-Corning, Pilkington North America, Inc., and Libbey, Inc., earning the City the title of the "Glass Capital of the World". Fiat Chrysler Automobiles, General Motors Company and Dana Holding Corporation continue to provide a major automotive industry presence in the Toledo MSA. The Toledo MSA is also one of the larger oil refining centers between Chicago and the eastern seaboard, with BP Oil Co. and Sun Refining and Marketing each operating a major refinery in the MSA. However, private service industries and governmental employers have provided more than three-fourths of the total employment in the Toledo MSA and more than 70% of total payrolls in the County in recent years.

MAJOR CITY INITIATIVES

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

ACCOUNTING SYSTEM

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

BUDGETING AND LONG-TERM FINANCIAL PLANNING

The Toledo Charter identifies the City's fiscal year as beginning on January 1st, while requiring that the Mayor prepare a balanced budget estimate on or before November 15th for the following year. A final balanced budget is required to be approved by City Council no later than March 31st.

In 2020, the City's uninsured outstanding general obligation bonds were rated "A2" by Moody's Investors Service and "A-" by Standard and Poor's. In 2021, the City did not issue long-term general obligation debt and therefore did not request an opinion from any rating agency. In a Credit Opinion issued in 2021, Moody's Investors Service affirmed the City's A2 rating and revised its outlook from negative to stable. The City monitors its leeway within the direct debt limitation. The City's legal debt margin information is contained in Table 14 of the Statistical Section.

INTERNAL CONTROL

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

As a recipient of Federal and State financial assistance, the City is responsible for ensuring that adequate internal controls are in place and that the City has complied with applicable laws and regulations related to those programs. The City's internal control structure is periodically evaluated and modified by management to better protect and defend the integrity of the City's financial position.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

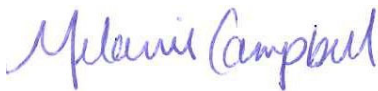
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. The certificate is valid for a period of one year. This is the thirty-eighth year since 1982 that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. We believe that our current year report continues to conform to the stringent guidelines and requirement of the program, and the City continues to submit a ACFR to the GFOA to determine its current eligibility for another certificate.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Melanie Campbell
Acting Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Toledo
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF TOLEDO, OHIO
LIST OF PRINCIPAL CITY OFFICIALS
 As of 12-31-2021

Mayor: Wade Kapszukiewicz

MEMBERS OF COUNCIL

District Seats

	<u>Length of Current Terms</u>
District 1: John Hobbs III (West-Central).....	Two Years
District 2: Matt Cherry (President) (South-West).....	Eight Years
District 3: Theresa Gadus (East Toledo-Historic South).....	Two Years
District 4: Vanice S. Williams (Central City).....	Two Years
District 5: Sam Melden (North-West).....	Two Years
District 6: Theresa Morris (North Toledo-Point Place).....	One Year

At-Large Seats

Dr. Cecelia Adams.....	Seven Years
Nick Komives.....	Four Years
Rob Ludeman.....	Twelve Years
Cerssandra McPherson.....	Two Years
Katie Moline.....	Two Years
Dr. Tiffany M. Preston Whitman.....	Two Years

Appointed Positions

Clerk of Council.....Gerald E. Dendinger.....	Twenty-Six Years
Acting Director of Finance.....Melanie Campbell.....	Three Years
Treasurer.....Vacant (1)	
City Auditor.....John A. Jaksetic, CPA.....	Eight Years

(1) Mr. Richard Jackson held this position from January 1 through November 30, 2020. This position remained vacant at December 31, 2021.



Residents of Toledo

City Council

Mayor
Wade Kapszukiewicz

- Administration
- Administrative Service
- Special Projects
- City/County Partnership
- Direct Service
- Infrastructure
- Public Safety

Law Director
Dale Emch

Deputy Mayor
Abby Arnold

Deputy Mayor
Karen Poore

- TLC Health Dept. Commissioner
Eric Zgodzinski
- TLC Plan Commission Director
Tom Gibbons
- Civil Service Commission

Director of Marketing and Communication
Gretchen DeBacker

Deputy Director of Marketing and Communication
Rachel Hart

Legislative Liaison
Austin Mack

Human Relations Commission
Caryn Maloney

Director of Transportation
Doug Stephens

Engineering and Construction Administrator
Christy Soncrant

Traffic Management Commissioner
Sean Burnett

Road and Bridge Maintenance Commissioner
Jeremy Mikolajczyk

Director of Parks and Youth Services
Joe Fausnaugh

Commissioner of Parks Recreation and Community Enrichment
Karen Raney Wolkins

Commissioner of Youth Services
Vacant

Commissioner of Educational Engagement and Workforce Development
Vacant

Director of Public Service
Paul Rasmusson

Deputy Director
Megan Robson

Solid Waste Manager
Ryan Murphy

Facilities and Fleet Commissioner
Rick Akeman

Urban Beautification Commissioner
Dennis Kennedy

Director of Public Utilities
Ed Moore

Deputy Director
Patekka Bannister

Field Operations Commissioner
Abed Seman

Utilities Administration Commissioner
Cindy Geranimo

Plant Operations Commissioner
Patekka Bannister

Director of Diversity Equity and Inclusion
Lacy DeBerry

Director of Human Resources
Tyrome Alexander

Deputy Director of Human Resources
Victoria Coleman

Information Technology Director
Anne Bennett

Engage Toledo Commissioner
Jenny Jaqua

Director of Finance
Vacant

Deputy Director, Budget Commissioner
Melanie Campbell

Accounts Commissioner
Tom Buckley

CIP/Debt Management, Purchasing Commissioner
Bryan Benner

Treasury Commissioner
Vacant

Taxation Commissioner
John Zawisza

Director of Building and Code Compliance
Vacant

Code Compliance Commissioner
Vacant

Building Inspection Commissioner
Ken Fischer

Director of Housing and Community Development
Rosalyn Clemens

Housing Commissioner
Tiffanie McNair

Admin Services and Fiscal Monitoring Commissioner
Bonita Bonds

Director of Economic Development
Brandon Seihorst

Deputy Director
Sandy Spang

Safety Director
Brian Byrd

Deputy Director
Angel Tucker

Save Our Community
Vacant

Police Chief
George Kral

Fire Chief
Allison Armstrong

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**FINANCIAL
SECTION**

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, 2021, 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, 2021, 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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. 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.

Change in Accounting Principles

As described in Note 16 to the basic financial statements, the City adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

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 and other required supplementary information, as identified in the table of contents, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 auditing standards generally accepted in the United States of America. 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, 2022, 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, 2022

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City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

As management of the City of Toledo, Ohio (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

Key financial highlights for 2021 are as follow:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2021 by \$997.8 million. Of this amount (\$119.1 million) is considered unrestricted. The unrestricted net position of the City's business-type activities is \$195.6 million and may be used to meet the on-going obligations of the business-type activities, including water, sewer, utilities administrative service and six nonmajor enterprise funds including Storm Sewer, Property Management, Small Business Development, Municipal Tow Lot, Marina Operations (which has ceased activity), and Toledo Public Power. The unrestricted net position of the governmental activities is (\$314.7 million).
- The City's total net position increased \$130.1 million or 15.00% in 2021 from 2020. Net position of the governmental activities increased \$60.1 million in 2021 from 2020, which represents a 38.78% increase from 2020. Net position of the business-type activities increased \$70.0 million or 9.83% from 2020.
- The net cost of the City's programs (total expenses less program revenues) decreased approximately \$25.6 million. For 2021 and 2020, the net cost of governmental activities was \$201.4 million and \$194.4 million, respectively. For 2021 and 2020, the net cost of business-type activities was (\$71.9 million) and (\$39.3 million), respectively.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$101.6 million. The combined fund balance of the governmental funds decreased \$14.7 million from 2020.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

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

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Capital Improvements Fund the Special Assessments Services Fund, and the Local Fiscal Recovery Grant Fund all of which are considered to be major funds. Data from the other 22 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary Funds

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

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

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information (RSI)

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and custodial funds are presented immediately following the required supplementary information.

The City has included a special budgetary comparison section for the governmental funds. This includes the General Fund, Capital Improvements Fund, Special Assessment Services Fund, the Local Fiscal Recovery Grant Fund and the nonmajor governmental funds broken out individually to report revenues for the fund as well as expenditures reported by major service area and funds center.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

Government-Wide Financial Analysis

The Statement of Net Position provides the perspective of the City as a whole. The 2020 governmental activities balances for capital assets, net, and long-term obligations have been restated by \$1,676 due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87 and GASB Statement No. 96. The table below provides a summary of the City's net position at December 31, 2021 compared to December 31, 2020.

Net Position
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	Restated 2020	2021	2020	2021	Restated 2020
Assets						
Current and Other Assets	\$ 412,124	\$ 304,608	\$ 454,771	\$ 472,237	\$ 866,895	\$ 776,845
Capital Assets, net	551,801	531,743	1,368,082	1,300,713	1,919,883	1,832,456
Total Assets	<u>963,925</u>	<u>836,351</u>	<u>1,822,853</u>	<u>1,772,950</u>	<u>2,786,778</u>	<u>2,609,301</u>
Deferred Outflows of Resources	<u>69,878</u>	<u>80,355</u>	<u>6,515</u>	<u>11,817</u>	<u>76,393</u>	<u>92,172</u>
Liabilities						
Long-Term Liabilities						
Net Pension Liability	310,012	328,533	28,505	39,083	338,517	367,616
Net OPEB Liability	40,350	86,307	-	27,229	40,350	113,536
Other Long-Term Amounts	169,671	187,115	969,048	973,796	1,138,719	1,160,911
Other Liabilities	<u>192,711</u>	<u>73,487</u>	<u>24,173</u>	<u>18,352</u>	<u>216,884</u>	<u>91,839</u>
Total Liabilities	<u>712,744</u>	<u>675,442</u>	<u>1,021,726</u>	<u>1,058,460</u>	<u>1,734,470</u>	<u>1,733,902</u>
Deferred Inflows of Resources	<u>105,984</u>	<u>86,292</u>	<u>24,959</u>	<u>13,656</u>	<u>130,943</u>	<u>99,948</u>
Net Position						
Net Investment in Capital Assets	426,609	394,750	541,190	518,257	967,799	913,007
Restricted	103,159	87,820	45,852	96,875	149,011	184,695
Unrestricted (deficit)	<u>(314,693)</u>	<u>(327,598)</u>	<u>195,641</u>	<u>97,519</u>	<u>(119,052)</u>	<u>(230,079)</u>
Total Net Position	<u>\$ 215,075</u>	<u>\$ 154,972</u>	<u>\$ 782,683</u>	<u>\$ 712,651</u>	<u>\$ 997,758</u>	<u>\$ 867,623</u>

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "*Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.*" The net other postemployment benefits (OPEB) liability/(asset) are reported pursuant to GASB Statement 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*" For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting the net OPEB asset and deferred outflows related to pension and OPEB.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

Analysis of Net Position

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by approximately \$997.8 million at the close of the most recent fiscal year.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

The largest portion of the City's net position (97.00%) reflects an investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and right-to-use intangible assets); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these assets

An additional portion of the City's net position (14.93%) represents resources that are subject to use restrictions. The remaining balance of the unrestricted net position (a deficit of 11.93%) meets the government's on-going obligations to citizens and creditors. It is important to note that although the total unrestricted net position is a deficit of \$119.1 million the unrestricted net position of the City's business-type activities \$195.6 million may not be used to fund governmental activities. As of the end of the current fiscal year, the City has unrestricted deficit net position related to government type activities of \$314.7 million.

- The overall net position of the City increased \$130.1 million or 15.00% in 2021. The net position for governmental activities increased \$60.1 million or 38.78%.
- The net position of business-type activities of the City increased by \$70.0 million or 9.83%. The increase stems from rate increases authorized by City Council that systematically upgrades the public utility infrastructure and decreased pension and OPEB expenses related to the Ohio Public Employees Retirement System (OPERS).

The following table provides a summary of the change in net position from 2020 to 2021. Interest earnings and increase (decrease) in fair value of investments for 2020 have been reclassified to conform to 2021 presentation.

Changes in Net Position
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services and Sales	\$ 70,252	\$ 70,873	\$ 201,630	\$ 200,090	\$271,882	\$270,963
Operating Grants and Contributions	34,939	31,914	-	-	34,939	31,914
Capital Grants and Contributions	20,414	20,714	616	773	21,030	21,487
Total Program Revenues	<u>125,605</u>	<u>123,501</u>	<u>202,246</u>	<u>200,863</u>	<u>327,851</u>	<u>324,364</u>
General Revenue:						
Income Taxes	212,867	180,076	-	-	212,867	180,076
Property Taxes	14,940	13,143	-	-	14,940	13,143
Investment Earnings	2,590	1,604	3,902	3,789	6,492	5,393
Increase (Decrease) in Fair Value of Investments	(3,349)	(74)	(4,920)	162	(8,269)	88
Intergovernmental Services	31,351	34,959	-	-	31,351	34,959
Other	2,133	3,545	123	35	2,256	3,580
Total General Revenues	<u>260,532</u>	<u>233,253</u>	<u>(895)</u>	<u>3,986</u>	<u>259,637</u>	<u>237,239</u>
Total Revenues	<u>386,137</u>	<u>356,754</u>	<u>201,351</u>	<u>204,849</u>	<u>587,488</u>	<u>561,603</u>

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Expenses						
General Government	29,443	26,252	-	-	29,443	26,252
Public Service	35,965	43,820	-	-	35,965	43,820
Public Safety	192,493	188,922	-	-	192,493	188,922
Public Utilities	17,501	11,838	-	-	17,501	11,838
Community Environment	35,725	24,214	-	-	35,725	24,214
Health	4,531	11,929	-	-	4,531	11,929
Parks and Recreation	6,467	5,333	-	-	6,467	5,333
Interest and Fiscal Charges	4,888	5,618	-	-	4,888	5,618
Water	-	-	57,479	67,633	57,479	67,633
Sewer	-	-	56,204	69,084	56,204	69,084
Other Enterprise Activities	-	-	16,657	24,820	16,657	24,820
Total Expense	<u>327,013</u>	<u>317,926</u>	<u>130,340</u>	<u>161,537</u>	<u>457,353</u>	<u>479,463</u>
Increase in Net Position						
Before Transfers	59,124	38,828	71,011	43,312	130,135	82,140
Transfers	<u>979</u>	<u>479</u>	<u>(979)</u>	<u>(479)</u>	<u>-</u>	<u>-</u>
Change in Net Position	60,103	39,307	70,032	42,833	130,135	82,140
Net Position - Beginning of Year	<u>154,972</u>	<u>115,665</u>	<u>712,651</u>	<u>669,818</u>	<u>867,623</u>	<u>785,483</u>
Net Position - Ending	<u>\$ 215,075</u>	<u>\$ 154,972</u>	<u>\$ 782,683</u>	<u>\$ 712,651</u>	<u>\$ 997,758</u>	<u>\$ 867,623</u>

Governmental Activities: Governmental activities increased the City's net position by \$60.1 million. Key elements of the net position are as follows:

- Income tax revenue, which represents 55.13% of the City's governmental revenue, finished 2021 \$32.8 million or 18.21% higher than the prior year, driven by a 0.25% increase in the income tax rate for road improvements.
- Operating grants and contributions increased \$3.0 million primarily due to Local Fiscal Recover Grant funding from the federal government.
- Capital grants and contributions decreased by \$0.3 million due primarily to decrease in capital improvement grant funding in 2021.
- The City's decrease in the fair value of investments is reported in accordance with GASB; however, the City intends to hold all investments until maturity thus eliminating the risk of fair value fluctuations.
- Public safety expenses increased by \$3.6 million due primarily to increased costs related to collective bargaining agreements.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

Business-Type Activities: Net position of the City's Business-type activities increased \$70.0 million. Key elements of the changes in net position are as follows:

- Charges for services increased \$1.5 million or 0.77% in 2021.
- Expenses were \$31.2 million lower in 2021 versus the previous year due primarily to decreased pension and OPEB expenses related to the Ohio Public Employee Retirement System (OPERS).

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of December 31, 2021, the City's governmental funds reported a combined ending fund balance of \$101.6 million, a decrease of \$14.7 million in comparison with the prior year. There is an *unassigned fund balance* deficit of \$39.1 million. The *nonspendable fund balance* of \$9.2 million represents the City's prepaid items and investment in inventory. The \$112.4 million *restricted fund balance* is not available for new spending because it has already been restricted by parties outside of the City or pursuant to enabling legislation. There is a *committed fund balance* of \$14.4 million that is primarily the City's Budget Stabilization Fund of \$12.4 million and assigned fund balance of \$4.7 million for subsequent year appropriations.

General Fund: The General Fund is the chief operating fund of the City. At December 31, 2021, the total fund balance of the general fund was \$54.7 million. The fund balance of the City's General Fund decreased \$30.1 million during 2021. The City's income tax revenue increased by \$9.8 million or 5.37%. Expenditures increased \$47.8 million primarily in the area of public safety as the result of wage rate increases approved in collective bargaining agreements settled in 2021 and approximately \$25 million in COVID-19 related expenditures that were paid from the CARES Act Fund in 2020 versus the General Fund. The General Fund made transfers out of \$45.5 million in 2021 compared to \$40.0 million in 2020.

Capital Improvement Fund: The Capital Improvement Fund is used to account for construction, acquisition and major improvements of the City's buildings, infrastructure and parklands. The operating transfers of funds received herein are derived from the income taxes that are earmarked by voters for capital improvement, construction grants and bond sales. At December 31, 2021, total fund balance of the capital improvements fund is \$52.6 million. The fund balance of the Capital Improvements Fund decreased \$3.0 million during 2021 mainly due to a decrease in grant funding.

Special Assessments Services Fund: The Special Assessments Services Fund accounts for the proceeds of special assessments levied against property owners benefiting from street cleaning, street lighting, surface treatment, weed cutting, snow removal and tree and ditch maintenance. Costs of assessments are charged to property owners two years after incurred. At December 31, 2021, total fund balance of the Special Assessments Services Fund was a deficit of \$55.0 million, thus decreasing the deficit by \$2.9 million from the prior year.

Local Fiscal Recovery Grant Fund: The 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. During 2021, the City received \$90.474 million in federal funding, however, \$85.0 million of this total has been offset by unearned revenue liability account and will be recognized as eligible expenditures are incurred and or identified. At December 31, 2021, total fund balance of the Local Fiscal Recovery Grant Fund was a deficit of \$0.6 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

Proprietary Funds

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

The City operates three major enterprise activities: water, sewer, and utility administration. The City also operates six nonmajor enterprise funds: Storm Sewer, Property Management, Small Business Development, Municipal Tow Lot, Marina Operations (no activity during 2021), and Toledo Public Power. These activities are accounted for in separate enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the City intends that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City reports on its enterprise funds using the full accrual basis of accounting.

Water: The total net position of the Water Fund at the end of the year amounted to \$285.3 million, of which \$68.7 million is unrestricted. The net position of the Water Fund increased \$28.4 million or 11.03% in 2021. Operating revenues increased by \$2.1 million or 2.62% from 2020. Operating expenses decreased by \$10.5 million or 20.08%, due to decreased plant operations costs in the areas of contract services, depreciation expense and OPEB expense.

Sewer: The total net position of the Sewer Fund at the end of the year amounted to \$422.4 million of which \$94.9 million is unrestricted. The net position of the Sewer Fund increased \$37.5 million or 9.76%. Operating expenses decreased by \$13.5 million or 23.72%, due to decreased plant operations costs in the areas of contract services and OPEB expense.

Utility Administrative Services: The total net position of the Utility Administrative Services Fund at the end of the year amounted to \$2.3 million, of which \$2.2 million is unrestricted. The net position of the Utility Administrative Services Fund decreased by \$0.2 million. Operating revenues for fiscal year 2021 increased by \$0.1 million or 0.84%. Operating expenses for fiscal year 2021 decreased by \$5.4 million or 37.61%.

Nonmajor: The total net position of the nonmajor enterprise funds at the end of the year amounted to \$72.7 million of which \$29.8 million is unrestricted. The net position of the nonmajor enterprise funds increased \$4.4 million, or 6.41%. Operating revenues for fiscal year 2021 increased by \$0.3 million or 2.29% under comparable revenue in 2020. Operating expenses for fiscal year 2021 decreased \$2.6 million or 25.95% under comparable expenses in 2020.

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

General Fund Budgetary Highlights

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

Budgetary information is presented for the General Fund. In the General Fund, the original and final budgeted amount in the area of expenditures and other financing uses, increased \$8.5 million from \$284.0 million to \$292.5 million. Actual revenues and other financing sources of \$261.2 million were more than final budgeted revenues and other financing sources by \$11.3 million. The other change was between the final budgeted expenditures and other financing uses and actual expenditures and other financing uses. Actual expenditures and other financing uses came in \$1.3 million lower than the final budgeted amounts.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

The following schedule is a summary of comparable General Fund revenue for 2021 and 2020. Interest earnings and increase (decrease) in fair value of investments for 2020 have been reclassified to conform to 2021 presentation.

Revenues and Other Financing Sources

(Amounts in Thousands)

	2021	Percentage of Total	Increase (Decrease) from 2020	Percentage Change from 2020
Income Taxes	\$ 191,447	73.3%	\$ 9,752	5.4%
Property Taxes	12,985	5.0%	29	0.2%
Licenses and Permits	3,201	1.2%	574	21.9%
Intergovernmental Services	20,984	8.0%	3,798	22.1%
Charges for Services	26,420	10.1%	(1,257)	-4.5%
Investment Earnings	1,977	0.8%	373	23.3%
Increase (Decrease) in Fair Value of Investments	(2,206)	-0.8%	(2,132)	2881.1%
Fines and Forfeitures	2,408	0.9%	(2,305)	-48.9%
All Other Revenue	1,577	0.6%	1,025	185.7%
Sale of Capital Assets	71	0.0%	71	100.0%
Transfers In	2,287	0.9%	(24,531)	-91.5%
Total	<u>\$ 261,151</u>	<u>100.0%</u>	<u>\$ (14,603)</u>	

Key elements of the changes in revenues are as follows:

- Income tax revenue increased primarily due to recovery from the economic impact of the COVID-19 pandemic.
- Intergovernmental services revenue increased due to increased casino and local government revenues.
- Fines and forfeitures revenue decreased due to the suspension of the photo enforcement traffic citation program.
- The fair value of investments decreased, however, the City intends to hold all investments to maturity thus eliminating the risk in fair value fluctuations.
- Transfer in decreased, as there were no transfers from the Capital Improvement Fund or the Workers' Compensation Internal Service Fund, which were completed in the prior year.

The 2021 final General Fund total expense budget was \$292.5 million.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

The following schedule is a summary of comparable General Fund expenditures for 2021 and 2020:

Expenditures and Other Financing Uses
(Amounts in Thousands)

	2021	Percentage of Total	Increase (Decrease) from 2020	Percentage Change from 2020
General Government	\$ 28,283	9.7%	\$ 3,030	12.0%
Public Service	3,418	1.2%	(1,139)	-25.0%
Public Safety	191,003	65.6%	41,337	27.6%
Community Environment	9,929	3.4%	2,807	39.4%
Health	8,856	3.0%	485	5.8%
Parks and Recreation	4,082	1.4%	1,885	85.8%
Capital outlay	3	0.0%	3	100.0%
Principal retirement	147	0.1%	(551)	-78.9%
Interest and Fiscal Charges	3	0.0%	(17)	-85.0%
Transfers Out	45,520	15.6%	5,473	13.7%
Total	<u>\$ 291,244</u>	<u>100.0%</u>	<u>\$ 53,313</u>	

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

- General government increased primarily due to increases in personnel and contractual services costs.
- Public safety expenditures increased primarily due to 2020 expenditures being paid for from the CARES Act fund (a nonmajor governmental fund) rather than the General Fund. COVID-19 related expenditures funded by the CARES Act were required to be reported in a separate fund. Public safety expenditures also increased due to wage rate increases included in collective bargaining agreements.
- Parks and Recreation expenditures increased due to increased youth and recreational programming.
- Transfers out increased due to increased income tax collections and associated transfer to the Capital Improvement Fund.

General Fund Balance: Total fund balance in the General Fund was a positive balance of \$54.7 million. The fund balance is comprised of the following:

- *Nonspendable* – Inventory of \$2.1 million comprised in 2021.
- *Restricted* – This category applies to funds which can only be spent for a specific purpose stipulated by external resource providers or through enabling legislation. The restricted fund balance of the General Fund totaled \$3.8 million in 2021.
- *Committed* - The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. This is classified under the committed category of fund balance and totaled \$12.4 million in 2021. The City did not utilize monies in the Budget Stabilization Designation for expenditures in 2021.
- *Assigned* – The City's assigned fund balance of \$4.7 million represents subsequent year appropriations.

City of Toledo, Ohio
Management’s Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

- *Unassigned* – This is the residual classification for the remaining funds that have not been reported in any other classification. In 2021, the unassigned fund balance totaled \$31.6 million.

Capital Asset and Debt Administration

Capital assets: The City’s capital assets, net of depreciation and amortization for governmental and business-type activities as of December 31, 2021, amounts to \$1.92 billion. This investment in capital assets includes land, buildings, water and sewer distribution systems, improvements, machinery and equipment, park facilities, roads, curbs, gutters, streets, sidewalks, drainage systems, and intangible right to use assets (leased equipment and subscription-based information technology software). The 2020 governmental activities balances for intangible right to use capital assets have been restated by \$1,676 due to the implementation of GASB Statement No. 87 and GASB Statement No. 96.

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

	Governmental Activities		Business-Type Activities		Total	
	Restated		2021	2020	2021	Restated 2020
	2021	2020				
Land	\$ 25,639	\$ 26,040	\$ 5,616	\$ 5,716	\$ 31,255	\$ 31,756
Construction in Progress	159,835	134,070	453,020	480,387	612,855	614,457
Intangible Right to Use:						
Lease Equipment	59	81	-	-	59	81
Subscription-Based Information Technology Software	2,190	1,595	-	-	2,190	1,595
Building	28,224	30,613	48,196	49,876	76,420	80,489
Furniture and Fixtures	93	116	14	20	107	136
Improvements	29,098	30,428	107,306	111,674	136,404	142,102
Infrastructure	285,144	287,945	732,992	629,649	1,018,136	917,594
Machinery and Equipment	21,519	20,855	20,938	23,391	42,457	44,246
Total	\$ 551,801	\$ 531,743	\$ 1,368,082	\$ 1,300,713	\$ 1,919,883	\$ 1,832,456

Major capital asset events during 2021 included the following:

- Total investment in capital assets increased \$87.4 million or 4.77%.
- Business-type capital assets increased by \$67.4 million or 5.18% net of \$25.4 million in current year depreciation expense. The increase is attributed to the City’s continued investment into its water and sewer system infrastructure.
- Governmental capital assets increased by \$20.1 million or 3.77% net of \$27.1 million in current year depreciation and amortization expense.

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

Long-Term Debt: At December 31, 2021, the City had \$1.518 billion of long-term bonds, notes, loans and other obligations outstanding net of unamortized premiums and discounts in governmental and business-type activities. General obligation bonds are supported by the full faith and credit of the City. All assessment obligations issued by the City are general obligations of the City. There were no special assessment bonds outstanding at December 31, 2021. The revenue bonds of the City represent bonds secured solely by specified revenue sources. See Note 9 for further information on the City’s long-term debt.

City of Toledo, Ohio
Management’s Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

Notes payable: In addition to the long-term debt described above and reported in the table below, the City also had \$2.1 million in general obligation special assessment notes, \$8.3 million in general obligation notes, and \$40.8 million in revenue obligation assessed services notes. The general obligation notes were issued to cover capital costs related to constructing and reconstructing streets and sidewalks, including, where necessary, driveway aprons, between certain termini on certain designated streets, and storm sewers. The revenue obligation notes were issued to cover capital costs related to City services such as street lighting, street sweeping, snow removal, surface treatment of unimproved streets, leaf pick up and tree planting, and trimming and removal in the public right away. See Note 8 for further information on the City’s notes payable obligations.

The 2020 governmental activities balances for other long-term obligations have been restated by \$1,676 due to the implementation of GASB Statement No. 87 and GASB Statement No. 96.

Long-Term Debt Outstanding
(Amounts in Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	Restated				Restated	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General Obligation Bonds	\$ 104,919	\$ 118,226	\$ 7,118	\$ 8,126	\$ 112,037	\$ 126,352
Revenue Bonds	-	-	380,535	420,593	380,535	420,593
Non-taxable revenue bonds	10,836	11,607	-	-	10,836	11,607
Bond Anticipation Notes	-	-	30,000	30,000	30,000	30,000
Loans Outstanding	5,585	6,849	543,822	507,260	549,407	514,109
Lease-Purchase Notes Payable	645	341	2,476	2,553	3,121	2,894
Other Obligations	398,048	464,932	33,602	71,576	431,650	536,508
Total	<u>\$ 520,033</u>	<u>\$ 601,955</u>	<u>\$ 997,553</u>	<u>\$ 1,040,108</u>	<u>\$ 1,517,586</u>	<u>\$ 1,642,063</u>

Total long-term debt outstanding at December 31, 2021 decreased \$124.5 million or 7.58% as compared to the amount outstanding at December 31, 2020 (as restated).

On December 31, 2021, the City’s bond ratings with Standard & Poor’s Corporation and Moody’s Investor Services, Inc. were A- and A2, respectively.

Debt Limitations

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

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

City of Toledo, Ohio
Management’s Discussion and Analysis
For the Year Ended December 31, 2021
(Continued)

These two limitations are referred to as “direct debt limitations.” Without consideration of amounts in the City’s bond retirement fund and based on outstanding debt as of December 31, 2021 as well as current assessed valuation, the City’s voted and nonvoted nonexempt debt capacities within the direct debt limitations were (amounts in thousands):

	<u>Limitation</u>	<u>Debt Outstanding</u>	<u>Debt Capacity Within Limitation</u>
10.50%	\$ 356,912	\$ 113,216	\$ 243,696
5.50%	\$ 186,954	\$ 113,216	\$ 73,738

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

As of December 31, 2021, the total millage theoretically required by the City and the combination of overlapping taxing subdivisions was estimated to be 7.2075 mills, up from the prior year of 7.1415 mills for the year of the highest potential debt service. The City and the overlapping taxing subdivisions had the highest millage requirements for debt service on nonvoted general obligation debt in any year for their outstanding nonvoted general obligation debt. The remaining 2.7925 mills within the ten-mill limitation was yet to be allocated to debt service and that was available to the City and overlapping subdivisions in connection with the issuance of additional nonvoted general obligation debt.

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

Economic Factors and 2022 Budgets and Rates

The City of Toledo is committed to controlling costs, putting the highest premium on safety for our citizens and adopting a budget designed to promote both the community’s interests and the long-term fiscal stability of the City with steadily growing fund balances. Controlling personnel costs, materials, services and supply costs have contributed to a formula of success. Our total General Fund budget for 2022 is \$282.8 million.

Request for Information

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

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

City of Toledo, Ohio
Statement of Net Position
December 31, 2021
(Amounts in Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents with Treasurer/Treasury	\$ 7,016	\$ 21,586	\$ 28,602
Cash and cash equivalents held by escrow agent	-	35,539	35,539
Cash and cash equivalents - other	265	190	455
Investments	137,990	193,597	331,587
Restricted investments	95,255	138,489	233,744
Receivables (net of allowances)	120,866	68,177	189,043
Due from other governments	18,863	-	18,863
Internal balances	11,645	(11,645)	-
Prepaid items	3,638	16	3,654
Inventory	9,382	5,399	14,781
Lease receivable	1,152	-	1,152
Net OPEB asset (Note 14)	6,052	3,423	9,475
Capital assets:			
Land and construction in progress	185,474	458,636	644,110
Other capital assets, net of accumulated depreciation	366,327	909,446	1,275,773
Total assets	<u>963,925</u>	<u>1,822,853</u>	<u>2,786,778</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	52	52
Pension (Note 13)	43,822	4,483	48,305
OPEB (Note 14)	26,056	1,980	28,036
Total deferred outflows of resources	<u>69,878</u>	<u>6,515</u>	<u>76,393</u>
LIABILITIES			
Accounts payable	35,595	7,908	43,503
Customer deposits	5,267	1,887	7,154
Accrued wages and benefits	2,548	-	2,548
Retainage payable	1,016	6,238	7,254
Due to other governments	-	71	71
Accrued interest payable	689	7,369	8,058
Other current liabilities	11,443	-	11,443
Notes payable	51,185	700	51,885
Unearned revenue	84,968	-	84,968
Long-term liabilities:			
Due within one year	15,940	47,732	63,672
Due in more than one year:			
Net pension liability (Note 13)	310,012	28,505	338,517
Net OPEB liability (Note 14)	40,350	-	40,350
Other amounts due in more than one year	153,731	921,316	1,075,047
Total liabilities	<u>712,744</u>	<u>1,021,726</u>	<u>1,734,470</u>
DEFERRED INFLOWS OF RESOURCES			
Revenues levied for the next year	13,480	-	13,480
Deferred charge on refunding	-	805	805
Leases	1,142	-	1,142
Pension (Note 13)	54,973	13,165	68,138
OPEB (Note 14)	36,389	10,989	47,378
Total deferred inflows of resources	<u>105,984</u>	<u>24,959</u>	<u>130,943</u>
NET POSITION			
Net investment in capital assets	426,609	541,190	967,799
Restricted for:			
Debt service	206	11,894	12,100
Replacement	-	27,631	27,631
Capital improvement	72,075	6,327	78,402
Community programs	12,601	-	12,601
Other purposes	18,277	-	18,277
Unrestricted (deficit)	(314,693)	195,641	(119,052)
Total net position	<u>\$ 215,075</u>	<u>\$ 782,683</u>	<u>\$ 997,758</u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Activities
For the Year Ended December 31, 2021
(Amounts in Thousands)

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 29,443	\$ 18,225	\$ 284	\$ -
Public service	35,965	24,393	412	8,246
Public safety	192,493	10,549	8,644	-
Public utilities	17,501	-	623	-
Community environment	35,725	4,854	21,372	11,767
Health	4,531	12,151	1,879	-
Parks and recreation	6,467	80	1,725	401
Interest and fiscal charges	4,888	-	-	-
Total governmental activities	<u>327,013</u>	<u>70,252</u>	<u>34,939</u>	<u>20,414</u>
Business-type activities:				
Water	57,479	84,019	-	113
Sewer	56,204	90,678	-	477
Utilities administration	9,000	14,365	-	-
Storm utility	4,680	8,914	-	26
Property management	1,068	-	-	-
Small business development	1	-	-	-
Municipal tow lot	1,107	2,916	-	-
Toledo public power	801	738	-	-
Total business-type activities	<u>130,340</u>	<u>201,630</u>	<u>-</u>	<u>616</u>
Total	<u>\$ 457,353</u>	<u>\$ 271,882</u>	<u>\$ 34,939</u>	<u>\$ 21,030</u>

General revenues:

Income taxes
Property taxes
Investment earnings
(Decrease) in fair value of investments
Intergovernmental services
Gain on forgiveness of debt
Gain on disposal of capital assets
Other revenue
Transfers
Total general revenues and transfers
Change in net position
Net position at January 1
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
\$	(10,934)	\$	-	\$ (10,934)
	(2,914)		-	(2,914)
	(173,300)		-	(173,300)
	(16,878)		-	(16,878)
	2,268		-	2,268
	9,499		-	9,499
	(4,261)		-	(4,261)
	(4,888)		-	(4,888)
	<u>(201,408)</u>		<u>-</u>	<u>(201,408)</u>
	-	26,653		26,653
	-	34,951		34,951
	-	5,365		5,365
	-	4,260		4,260
	-	(1,068)		(1,068)
	-	(1)		(1)
	-	1,809		1,809
	-	(63)		(63)
	-	<u>71,906</u>		<u>71,906</u>
	<u>(201,408)</u>	<u>71,906</u>		<u>(129,502)</u>
	212,867	-		212,867
	14,940	-		14,940
	2,590	3,902		6,492
	(3,349)	(4,920)		(8,269)
	31,351	-		31,351
	650	-		650
	13	123		136
	1,470	-		1,470
	979	(979)		-
	<u>261,511</u>	<u>(1,874)</u>		<u>259,637</u>
	60,103	70,032		130,135
	154,972	712,651		867,623
\$	<u>215,075</u>	<u>\$ 782,683</u>		<u>\$ 997,758</u>

**City of Toledo, Ohio
Balance Sheet
Governmental Funds
December 31, 2021
(Amounts in Thousands)**

	General	Capital Improvements	Special Assessments Services	Local Fiscal Recovery Grant
ASSETS				
Cash and cash equivalents with Treasurer	\$ 7,016	\$ -	\$ -	\$ -
Cash and cash equivalents - other	186	-	-	-
Investments	137,886	104	-	-
Restricted investments	3,828	565	515	89,664
Receivables (net of allowances)	52,612	1,563	53,156	151
Lease receivable	1,152	-	-	-
Due from other:				
Funds	-	59,033	-	-
Governments	5,556	-	-	-
Inventory of supplies	2,096	939	4,196	-
Total assets	\$ 210,332	\$ 62,204	\$ 57,867	\$ 89,815
LIABILITIES				
Accounts payable	\$ 24,121	\$ 591	\$ 1,102	\$ 154
Deposits	2,896	19	-	-
Accrued wages and benefits payable	2,547	-	-	-
Compensated absences payable	284	-	20	-
Retainage payable	-	666	-	-
Due to other:				
Funds	91,763	-	17,954	5,244
Unearned revenue	-	-	-	84,968
Notes payable	-	8,300	40,800	-
Total liabilities	121,611	9,576	59,876	90,366
DEFERRED INFLOWS OF RESOURCES				
Leases	1,142	-	-	-
Revenues levied for the next year and unavailable revenue	32,892	-	53,011	-
Total deferred inflows of resources	34,034	-	53,011	-
FUND BALANCES				
Nonspendable	2,096	939	4,196	-
Restricted	3,828	51,689	515	-
Committed	12,447	-	-	-
Assigned	4,723	-	-	-
Unassigned (deficit)	31,593	-	(59,731)	(551)
Total fund balances (deficit)	54,687	52,628	(55,020)	(551)
Total liabilities, deferred inflows of resources, and fund balances	\$ 210,332	\$ 62,204	\$ 57,867	\$ 89,815

See accompanying notes to the basic financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 7,016
79	265
-	137,990
683	95,255
11,882	119,364
-	1,152
52,645	111,678
13,307	18,863
1,258	8,489
<u>\$ 79,854</u>	<u>\$ 500,072</u>
\$ 4,560	\$ 30,528
2,351	5,266
1	2,548
4	308
350	1,016
12,629	127,590
-	84,968
2,085	51,185
<u>21,980</u>	<u>303,409</u>
-	1,142
8,007	93,910
<u>8,007</u>	<u>95,052</u>
1,941	9,172
56,333	112,365
1,924	14,371
-	4,723
(10,331)	(39,020)
<u>49,867</u>	<u>101,611</u>
<u>\$ 79,854</u>	<u>\$ 500,072</u>

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City of Toledo, Ohio
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2021
(Amounts in Thousands)

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

Total fund balances for governmental funds	\$	101,611	
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			541,158
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	\$	54,158	
Income taxes		10,629	
Delinquent property taxes		5,804	
Capital grants		507	
Operating grants		743	
Intergovernmental services/reimbursements		8,589	80,430
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.			16,409
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		(102,239)	
Non-taxable revenue bonds		(10,836)	
Compensated absences		(35,154)	
Loans outstanding from state agencies		(5,585)	
Lease-purchase note payable		(645)	
Lease payable		(59)	
Subscription-based information technology arrangements payable		(2,132)	
Accrued interest		(689)	
Landfill closure		(10,027)	(167,366)
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		42,576	
Deferred inflows-pensions		(51,962)	
Net pension liability		(304,285)	(313,671)
The net OPEB liability is not due and payable in the current period, the net OPEB asset is not available for current expenses; therefore, the liability, asset, and related deferred inflows/outflows are not reported in governmental funds (excluding the portion reported in the internal service funds).			
Deferred outflows-OPEB		25,441	
Deferred inflows-OPEB		(33,951)	
Net OPEB asset		5,364	
Net OPEB liability		(40,350)	(43,496)
Total net position of governmental activities	\$		215,075

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021
(Amounts in Thousands)

	General	Capital Improvements	Special Assessments Services	Local Fiscal Recovery Grant
REVENUES				
Income taxes	\$ 191,447	\$ -	\$ -	\$ -
Property taxes	12,985	-	-	-
Special assessments	-	-	27,846	-
Licenses and permits	3,201	-	-	-
Intergovernmental services	20,984	-	-	5,506
Charges for services	26,420	-	-	-
Investment earnings	1,977	14	7	592
(Decrease) in fair value of investments	(2,206)	-	-	(1,143)
Fines and forfeitures	2,408	-	-	-
Grants	-	8,682	-	-
Lease revenue	98	-	-	-
Other revenue	1,479	-	-	-
Total revenues	258,793	8,696	27,853	4,955
EXPENDITURES				
Current:				
General government	28,283	73	1,062	284
Public service	3,418	-	23,523	412
Public safety	191,003	-	-	4,175
Public utilities	-	2	-	535
Community environment	9,929	-	-	65
Health	8,856	-	334	4
Parks and recreation	4,082	-	-	9
Capital outlay	3	38,242	-	22
Debt service:				
Principal retirement	147	2,094	-	-
Interest and fiscal charges	3	411	861	-
Note issuance costs	-	35	-	-
Total expenditures	245,724	40,857	25,780	5,506
Excess (deficiency) of revenues over (under) expenditures	13,069	(32,161)	2,073	(551)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,287	45,098	-	-
Transfers (out)	(45,520)	(19,059)	-	-
Issuance of lease-purchase note	-	828	-	-
Issuance of loans	-	519	-	-
Premium on note issued	-	45	-	-
Inception of subscription-based information technology arrangement	-	1,438	-	-
Sale of capital assets	71	602	28	-
Total other financing sources (uses)	(43,162)	29,471	28	-
Net change in fund balances	(30,093)	(2,690)	2,101	(551)
Fund balances (deficit) at January 1	84,635	55,605	(57,921)	-
Increase (decrease) in inventory	145	(287)	800	-
Fund balances (deficit) at December 31	\$ 54,687	\$ 52,628	\$ (55,020)	\$ (551)

See accompanying notes to the basic financial statements.

Nonmajor Governmental Funds		Total Governmental Funds	
\$	19,728	\$	211,175
	-		12,985
	202		28,048
	-		3,201
	18,985		45,475
	1,699		28,119
	2		2,592
	-		(3,349)
	1,367		3,775
	36,319		45,001
	-		98
	4,672		6,151
	<u>82,974</u>		<u>383,271</u>
	533		30,235
	14,697		42,050
	3,130		198,308
	644		1,181
	30,136		40,130
	1,553		10,747
	1,450		5,541
	16,207		54,474
	12,906		15,147
	4,267		5,542
	-		35
	<u>85,523</u>		<u>403,390</u>
	<u>(2,549)</u>		<u>(20,119)</u>
	19,190		66,575
	(1,017)		(65,596)
	-		828
	-		519
	-		45
	-		1,438
	144		845
	<u>18,317</u>		<u>4,654</u>
	15,768		(15,465)
	33,990		116,309
	109		767
\$	<u>49,867</u>	\$	<u>101,611</u>

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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, 2021
(Amounts in Thousands)

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

Net change in fund balances for governmental funds		\$ (15,465)
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	\$ 52,369	
Depreciation/amortization expense	<u>(25,612)</u>	26,757
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).		
		(5,454)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The amount of this net effect of the reversal of prior year items against current year accruals:		
Special assessments	(2,677)	
Income taxes	1,692	
Delinquent property taxes	1,955	
Capital grants	114	
Operating grants	213	
Intergovernmental services/reimbursements	<u>906</u>	2,203
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.		
		(2,997)
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.		
		5,836
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).		
Loans	(519)	
Notes	(828)	
SBITAs	<u>(1,438)</u>	(2,785)
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).		
		15,135
Forgiveness of debt is not reported in the governmental funds, but reduces liabilities on the statement of net position.		
		650
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		767
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in the funds, an interest expenditure is reported when due.		
(Increase) in accrued interest payable	(231)	
Amortization of bond premiums	<u>1,012</u>	781
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.		
		(3,439)
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	27,071	
OPEB	<u>491</u>	27,562
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net OPEB liability/(asset) are reported as pension expense and OPEB expense, respectively, in the statement of activities.		
Pension	(18,581)	
OPEB	<u>29,133</u>	<u>10,552</u>
Changes in net position of governmental activities		<u>\$ 60,103</u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2021
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
ASSETS				
<u>Current:</u>				
Cash and cash equivalents with Treasury	\$ 8,787	\$ 6,716	\$ 5,738	\$ 345
Cash and cash equivalents held by escrow agent	33,966	1,573	-	-
Cash and cash equivalents - other	1	-	189	-
Investments	19,077	26,483	-	5,470
Restricted investments	57,391	781	-	396
Receivables (net of allowances)	19,784	41,365	495	6,533
Interfund loans receivable	41,645	-	-	-
Due from other:				
Funds	-	66,318	6,240	992
Prepaid items	-	14	2	-
Inventory of supplies	4,499	900	-	-
Total current assets	<u>185,150</u>	<u>144,150</u>	<u>12,664</u>	<u>13,736</u>
<u>Noncurrent:</u>				
Investments	66,088	40,463	-	36,016
Restricted investments	79,921	-	-	-
Net OPEB asset (Note 14)	1,179	1,191	717	336
Capital assets:				
Land and construction in progress	371,236	83,253	-	4,147
Other capital assets, net of accumulated depreciation	263,163	610,491	93	35,699
Total noncurrent assets	<u>781,587</u>	<u>735,398</u>	<u>810</u>	<u>76,198</u>
Total assets	<u>966,737</u>	<u>879,548</u>	<u>13,474</u>	<u>89,934</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension (Note 13)	1,612	1,400	1,078	393
OPEB (Note 14)	725	585	504	166
Deferred charge on refunding	47	5	-	-
Total deferred outflows of resources	<u>2,384</u>	<u>1,990</u>	<u>1,582</u>	<u>559</u>
LIABILITIES				
<u>Current:</u>				
Accounts payable	3,000	3,012	914	982
Customer deposits	1,185	652	-	50
Retainage payable	5,273	905	-	60
Due to other:				
Funds	84,355	-	-	840
Governments	6	59	-	6
Interfund loans payable	-	41,645	-	-
Accrued interest payable	2,046	5,283	-	40
Other current liabilities	-	-	-	-
Notes payable	-	-	-	700
Current portion of:				
Compensated absences payable	12	7	55	-
Bonds, loans, and notes payable, net	15,651	30,991	-	1,016
Total current liabilities	<u>111,528</u>	<u>82,554</u>	<u>969</u>	<u>3,694</u>
<u>Noncurrent:</u>				
Compensated absences payable	1,617	1,902	1,004	500
Bonds, loans, and notes payable, net	551,518	356,387	-	8,388
Net pension liability (Note 13)	9,815	9,918	5,972	2,800
Total noncurrent liabilities	<u>562,950</u>	<u>368,207</u>	<u>6,976</u>	<u>11,688</u>
Total liabilities	<u>674,478</u>	<u>450,761</u>	<u>7,945</u>	<u>15,382</u>
DEFERRED INFLOWS OF RESOURCES				
Pension (Note 13)	4,665	4,583	2,579	1,338
OPEB (Note 14)	3,858	3,825	2,195	1,111
Deferred charge on refunding	805	-	-	-
Total deferred inflows of resources	<u>9,328</u>	<u>8,408</u>	<u>4,774</u>	<u>2,449</u>
NET POSITION				
Net investment in capital assets	198,511	306,247	93	36,339
Restricted:				
Debt service	4,879	6,974	-	41
Replacement	12,477	14,157	-	997
Capital improvement	767	100	-	5,460
Unrestricted	68,681	94,891	2,244	29,825
Total net position	<u>\$ 285,315</u>	<u>\$ 422,369</u>	<u>\$ 2,337</u>	<u>\$ 72,662</u>

See accompanying notes to the basic financial statements.

		Governmental Activities	
Total Enterprise Funds		Internal Services Funds	
\$	21,586	\$	-
	35,539		-
	190		-
	51,030		-
	58,568		-
	68,177		1,502
	41,645		-
	73,550		29,014
	16		3,638
	5,399		893
	<u>355,700</u>		<u>35,047</u>
	142,567		-
	79,921		-
	3,423		688
	458,636		350
	909,446		10,293
	<u>1,593,993</u>		<u>11,331</u>
	<u>1,949,693</u>		<u>46,378</u>
	4,483		1,246
	1,980		615
	52		-
	<u>6,515</u>		<u>1,861</u>
	7,908		5,067
	1,887		1
	6,238		-
	85,195		1,457
	71		-
	41,645		-
	7,369		-
	-		11,443
	700		-
	74		6
	47,658		175
	<u>198,745</u>		<u>18,149</u>
	5,023		-
	916,293		2,505
	28,505		5,727
	<u>949,821</u>		<u>8,232</u>
	<u>1,148,566</u>		<u>26,381</u>
	13,165		3,011
	10,989		2,438
	805		-
	<u>24,959</u>		<u>5,449</u>
	541,190		7,262
	11,894		-
	27,631		-
	6,327		-
	195,641		9,147
\$	<u>782,683</u>	\$	<u>16,409</u>

City of Toledo, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year ended December 31, 2021
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 84,017	\$ 90,486	\$ 14,365	\$ 12,306
Other revenue	2	192	-	262
Total operating revenue	<u>84,019</u>	<u>90,678</u>	<u>14,365</u>	<u>12,568</u>
OPERATING EXPENSES				
Personnel services	7,340	6,644	4,778	1,198
Contractual services	17,813	12,729	3,396	3,038
Materials and supplies	6,485	3,513	789	324
Utilities	3,127	3,369	35	813
Depreciation	7,052	17,261	2	1,092
Other	-	-	-	865
Total operating expenses	<u>41,817</u>	<u>43,516</u>	<u>9,000</u>	<u>7,330</u>
Operating income (loss)	<u>42,202</u>	<u>47,162</u>	<u>5,365</u>	<u>5,238</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	2,192	979	-	731
(Decrease) in fair value of investments	(2,925)	(1,145)	-	(850)
Interest expense and fiscal charges	(15,662)	(12,688)	-	(327)
Gain (loss) on disposal of capital assets	40	68	-	15
Total nonoperating revenues (expenses)	<u>(16,355)</u>	<u>(12,786)</u>	<u>-</u>	<u>(431)</u>
Income (loss) before transfers and contributions	<u>25,847</u>	<u>34,376</u>	<u>5,365</u>	<u>4,807</u>
Capital contributions	113	477	-	26
Transfers in	2,538	2,767	-	1,364
Transfers (out)	(146)	(75)	(5,605)	(1,822)
Change in net position	28,352	37,545	(240)	4,375
Net position at January 1	256,963	384,824	2,577	68,287
Net position at December 31	<u>\$ 285,315</u>	<u>\$ 422,369</u>	<u>\$ 2,337</u>	<u>\$ 72,662</u>

See accompanying notes to the basic financial statements.

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Services Funds</u>
\$ 201,174	\$ 66,414
456	273
<u>201,630</u>	<u>66,687</u>
19,960	4,573
36,976	55,878
11,111	5,272
7,344	2,839
25,407	1,452
865	-
<u>101,663</u>	<u>70,014</u>
<u>99,967</u>	<u>(3,327)</u>
3,902	-
(4,920)	-
(28,677)	(125)
123	13
<u>(29,572)</u>	<u>(112)</u>
<u>70,395</u>	<u>(3,439)</u>
616	-
6,669	-
<u>(7,648)</u>	<u>-</u>
<u>70,032</u>	<u>(3,439)</u>
712,651	19,848
<u>\$ 782,683</u>	<u>\$ 16,409</u>

City of Toledo, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year ended December 31, 2021
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 77,896	\$ 71,040	\$ 4,454	\$ 13,520
Cash paid to employees	(15,700)	(15,988)	(9,717)	(4,102)
Cash paid to suppliers	(26,556)	(15,906)	(4,128)	(2,704)
Other receipts	2	192	-	262
Net cash provided by (used in) operating activities	<u>35,642</u>	<u>39,338</u>	<u>(9,391)</u>	<u>6,976</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	1,064
Transfers (out)	(146)	(75)	-	(1,822)
Net cash (used in) noncapital financing activities	<u>(146)</u>	<u>(75)</u>	<u>-</u>	<u>(758)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	113	477	-	26
Purchases of property, plant and equipment	(79,602)	(11,491)	-	(1,599)
Sale of capital assets	40	-	-	-
Principal payments	(67,562)	(31,336)	-	(1,179)
Issuance of bonds, loans, and notes	96,894	1,688	-	700
Interest and fiscal charges paid on bonds, loans, and notes	(18,339)	(12,746)	-	(329)
Net cash (used in) capital and related financing activities	<u>(68,456)</u>	<u>(53,408)</u>	<u>-</u>	<u>(2,381)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	149,334	33,810	-	4,212
Purchase of investments	(111,830)	(33,742)	-	(9,723)
Investment income received on investments	(734)	(166)	-	(118)
Net cash provided by (used in) investing activities	<u>36,770</u>	<u>(98)</u>	<u>-</u>	<u>(5,629)</u>
Change in cash and cash equivalents	3,810	(14,243)	(9,391)	(1,792)
Cash and cash equivalents at January 1	38,944	22,532	15,318	2,137
Cash and cash equivalents at December 31	<u>\$ 42,754</u>	<u>\$ 8,289</u>	<u>\$ 5,927</u>	<u>\$ 345</u>
Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 42,202	\$ 47,162	\$ 5,365	\$ 5,238
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	7,052	17,261	2	1,092
Change in assets, liabilities, deferred outflows and deferred inflows:				
Decrease (increase) in receivables	(6,121)	(18,389)	(247)	1,306
Decrease (increase) in due from other funds	(834)	(1,057)	(9,664)	1,772
Decrease in prepaid expenses	-	-	-	-
Decrease (increase) in inventory of supplies	(813)	484	17	-
Increase in accounts payable and customer deposits	337	3,095	74	472
Increase (decrease) in retainage payable	1,372	67	-	(10)
Increase in due to other governments	6	59	-	6
Increase in other current liabilities	805	-	-	-
(Decrease) in compensated absences payable	(41)	(55)	(52)	(20)
Decrease in deferred outflows - pension	1,077	649	498	188
Increase in deferred inflows - pension	1,643	1,348	746	270
(Decrease) in net pension liability	(3,878)	(3,732)	(1,855)	(1,112)
(Increase) in net OPEB asset	(1,179)	(1,191)	(717)	(336)
Decrease in deferred outflows - OPEB	1,142	920	598	282
Increase in deferred inflows - OPEB	2,412	2,226	1,297	555
(Decrease) in net OPEB liability	(9,540)	(9,509)	(5,453)	(2,727)
Net cash provided by (used in) operating activities	<u>\$ 35,642</u>	<u>\$ 39,338</u>	<u>\$ (9,391)</u>	<u>\$ 6,976</u>

See accompanying notes to the basic financial statements.

		Governmental Activities	
Total Enterprise Funds		Internal Services Funds	
\$	166,910	\$	68,035
	(45,507)		(9,421)
	(49,294)		(58,056)
	456		273
	<u>72,565</u>		<u>831</u>
	1,064		-
	(2,043)		-
	<u>(979)</u>		<u>-</u>
	616		-
	(92,692)		(195)
	40		-
	(100,077)		(516)
	99,282		-
	<u>(31,414)</u>		<u>(120)</u>
	<u>(124,245)</u>		<u>(831)</u>
	187,356		-
	(155,295)		-
	<u>(1,018)</u>		<u>-</u>
	31,043		-
	(21,616)		-
	78,931		-
\$	<u>57,315</u>	\$	<u>-</u>
\$	99,967	\$	(3,327)
	25,407		1,452
	(23,451)		(61)
	(9,783)		(51)
	-		556
	(312)		24
	3,978		2,734
	1,429		-
	71		-
	805		4,371
	(168)		(60)
	2,412		408
	4,007		967
	(10,577)		(2,045)
	(3,423)		(688)
	2,942		536
	6,490		1,430
	<u>(27,229)</u>		<u>(5,415)</u>
\$	<u>72,565</u>	\$	<u>831</u>

City of Toledo, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021
(Amounts in Thousands)

	Custodial Funds
ASSETS	
Cash and cash equivalents - other	\$ 689
Receivables (net of allowances)	19,472
Total assets	20,161
 LIABILITIES	
Due to other:	
Governments	358
 NET POSITION	
Restricted for other governments	\$ 19,803

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, 2021
(Amounts in Thousands)

	Custodial Funds
ADDITIONS	
Fines and forfeitures for other governments	\$ 7,897
Licenses, permits, and fees for other governments	46
Special assessments collected for other governments	3,368
Total additions	11,311
DEDUCTIONS	
Fines and forfeiture distributions to other governments	7,501
Licenses, permits, and fee distributions to other governments	46
Special assessments distributed to other governments	3,151
Total deductions	10,698
Net increase in fiduciary net position	613
Net position at January 1	19,190
Net position at December 31	\$ 19,803

See accompanying notes to the basic financial statements.

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City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

Component Unit

Toledo Community Improvement Corporation

The Toledo Community Improvement Corporation (TCIC) is the City of Toledo’s designated agency and instrumentality for industrial, commercial, distribution and research development. The TCIC board is made up of nine members, all of which are appointed by the City. The TCIC is considered a blended component unit of the City, but there is no financial activity for the 2021 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 2021.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations (continued)

City of Toledo-City of Maumee-Monclova Township

In October 2003 and amended in 2010, the City entered into a contract with the City of Maumee and Monclova Township to create a JEDZ. The purpose of this contract is to facilitate planned, orderly, new, and expanded commercial and industrial growth within the region; creating retaining and enhancing employment opportunities for the benefit of the City of Toledo, the City of Maumee and Monclova Township, and their residents and all of the residents of the region. The agreement results in an income tax that shall be imposed based on the City of Maumee's Municipal Code at a rate of 1.5%. The City will receive one-fourth of the net revenues generated by this agreement. The City received \$1,391 in revenues from the JEDZ in 2021.

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 2021.

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 \$36 in revenues from the JEDD in 2021.

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 2021.

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 \$598 in revenues from the JEDD in 2021.

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 \$48 in revenues from the JEDD in 2021.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

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 2021 is \$71.85.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

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

Proprietary Funds:

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

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

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

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

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.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus (continued)

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

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

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

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Under the accrual basis, revenue from income taxes is recognized in the period in which the income is earned (see Note 4). Revenue from property taxes is recognized in the year in which the taxes are levied (see Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Note 13 and Note 14 for deferred outflows of resources related the City's net pension liability 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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, deferred charges on debt refunding, leases, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 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. The deferred inflow 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. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. 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.

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

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 measureable. Allocations of cost, such as depreciation and amortization, are not recognized in Governmental Funds.

Budgetary Information

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

Cash and Cash Equivalents

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents (continued)

Cash and cash equivalents held by escrow represent amounts held by third parties for debt service requirements and lease proceeds remaining to be spent. These amounts are reported as “Cash and Cash Equivalents Held by Escrow Agent”.

During 2021, 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 2021, the City invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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

Inventory of Supplies

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

Prepayments

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

Restricted Assets

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

Capital Assets

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

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

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

The City updated the capital asset policy in 2016 to move the capitalization threshold from \$500 to \$5,000 (amounts not in thousands). Assets depreciated under the previous methodology continue their original depreciation and remain a part of the City’s financial statements until disposed.

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.

Interfund Transactions

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

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

Compensated Absences

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

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

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

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

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability/asset, 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.

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, lease-purchase notes payable, and long-term loans are recognized as a liability on the Fund Financial Statements when due.

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

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

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 (resolution) 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.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

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;
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;

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

10. Federally insured certificates of deposit initiated through a Federal Deposit Insurance Corporation member bank or savings and loan association having an office in Lucas County and under an arrangement whereby the full amount of the deposit is allocated among a reciprocal network of participating Federal Deposit Insurance Corporation member banks or savings and loan associations, wherever located, such that full amount of the City's deposit is covered by federal deposit insurance; and
11. The STAR Plus Federally Insured Cash Account, an investment program offered in conjunction with STAR Ohio under which funds invested through the program are deposited in various federally insured banks, savings banks or savings and loan associations located anywhere in the United States in such a manner that the full amount of the public moneys deposited is covered by federal deposit insurance.

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.

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, 2021, the City had un-invested cash in the amount of \$35,539 being held by a third-party trustee. In addition, at December 31, 2021, the City had \$199 of restricted investments which are being held by a third-party trustee as fiscal agent for future debt service payments.

Cash and Cash Equivalents Other

At December 31, 2021, the amount recorded by the City's for the Toledo Municipal Courts was \$944. Of this total, \$178, \$77, and \$689, was reported in the City's General Fund, Nonmajor Governmental Funds, and Custodial Fund, respectively, at December 31, 2021. The bank balance of monies held by the Toledo Municipal Courts was \$1,213 at December 31, 2021. 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 Utility Administrative Services Fund, Water Fund, General Fund, and Nonmajor Governmental Funds are \$189, \$1, \$8, and \$2, respectively.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Deposits with Financial Institutions

At December 31, 2021, the carrying amount of all City deposits, including \$17,500 of nonnegotiable certificates of deposit, was \$45,850 and the bank balance was \$49,802. 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.

Investments

As of December 31, 2021, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities		
		1 Year or Less	1 to 3 Years	4 to 5 Years
Fair Value:				
FFCB	\$ 48,111	\$ -	\$ 17,887	\$ 30,224
FHLB	139,233	-	18,340	120,893
FHLMC	31,455	-	9,850	21,605
FNMA	33,440	-	6,924	26,516
Municipal Bonds	241,002	78,915	143,348	18,739
Amortized Cost:				
STAR Ohio	54,842	54,842	-	-
Total	\$ 548,083	\$ 133,757	\$ 196,349	\$ 217,977

Fair Value Measurement: The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

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

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

Credit Risk for investments is addressed by the City's investment policy requirement that all investments are authorized by Code and that the portfolio be diversified both by types of investment and issuer. The City's investments in federal agency securities were rated AA+ by Standard & Poor's and Aaa by Moody's. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating.

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

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

1. City funds either invested in certificates of deposit or deposited in non-demand savings accounts with any one depository shall not exceed 10 percent of the aggregate principal amount of the City's investment portfolio.
2. City funds invested in certificates of deposits in a depository may not exceed 10 percent of the equity capital of the depository at any one time.
3. No more than \$10 million may be invested at any one time through repurchase agreements with any one institution.
4. No more than 40 percent of the aggregate principal amount of the City's investment portfolio shall be invested at any one time in STAR Ohio. Within this 40 percent, up to \$15,000 may be further invested through a STAR Plus Federally Insured Cash Account.
5. No obligation of any of the government agencies or instrumentalities shall be purchased if such purchase would cause more than 25 percent of the aggregate principal amount of the City's investment portfolio as of the settlement date to be invested in the obligations of that individual government agency or instrumentality.
6. The maximum aggregate amount that may be invested for a period longer than 3 years for any one fund shall be 25 percent of the lowest total of all outstanding investments for that fund which occurred during the 12 months immediately prior to the purchase of any security with maturity longer than 3 years. Compliance with this limitation shall be determined as of the settlement date only.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

As of December 31, 2021, the City had the following investment concentrations:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Fair Value:		
FFCB	\$ 48,111	8.78%
FHLB	139,233	25.40%
FHLMC	31,455	5.74%
FNMA	33,440	6.10%
Municipal Bonds	241,002	43.97%
Amortized Cost:		
STAR Ohio	<u>54,842</u>	<u>10.01%</u>
Total	<u>\$ 548,083</u>	<u>100.00%</u>

Reconciliation of Cash and Investments Disclosed to Financial Statements

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the financial statements as of December 31, 2021:

<u>Cash and Investments per Note</u>	
Carrying Amount of Deposits	\$ 45,850
Investments	548,083
Cash and Cash Equivalents Held by Escrow Agent	35,539
Cash and Cash Equivalents Other	<u>1,144</u>
Total	<u>\$ 630,616</u>
 <u>Cash and investments on Financial Statements</u>	
Governmental Activities	\$ 240,526
Business-Type Activities	389,401
Fiduciary Activities	<u>689</u>
Total	<u>\$ 630,616</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 3 – RECEIVABLES

Receivables at December 31, 2021 consist of the following:

	<u>Taxes</u>	<u>Customer and Other</u>	<u>Special Assessments</u>	<u>Notes Receivable</u>
Governmental Funds:				
General	\$ 52,095	\$ 7,991	\$ -	\$ -
Capital Improvements	-	1,568	-	-
Special Assessments Services	-	145	53,011	-
Local Fiscal Recovery Grant	-	151	-	-
Nonmajor Governmental Funds	2,636	6,812	1,147	30,614
Total Governmental Funds	<u>54,731</u>	<u>16,667</u>	<u>54,158</u>	<u>30,614</u>
Enterprise Funds:				
Water	-	22,705	-	-
Sewer	-	50,403	-	-
Utility Administrative Services	-	495	-	-
Nonmajor Enterprise Funds	-	5,620	-	15,612
Total Enterprise Funds	<u>-</u>	<u>79,223</u>	<u>-</u>	<u>15,612</u>
Internal Service Funds	<u>-</u>	<u>1,848</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 54,731</u>	<u>\$ 97,738</u>	<u>\$ 54,158</u>	<u>\$ 46,226</u>
			Less:	
	<u>Interest Receivable</u>	<u>Gross Receivables</u>	<u>Allowance for Uncollectibles</u>	<u>Receivables Net</u>
Governmental Funds (continued):				
General	\$ 428	\$ 60,514	\$ (7,902)	\$ 52,612
Capital Improvements	-	1,568	(5)	1,563
Special Assessments Services	-	53,156	-	53,156
Local Fiscal Recovery Grant	-	151	-	151
Nonmajor Governmental Funds	197	41,406	(29,524)	11,882
Total Governmental Funds	<u>625</u>	<u>156,795</u>	<u>(37,431)</u>	<u>119,364</u>
Enterprise Funds (continued):				
Water	763	23,468	(3,684)	19,784
Sewer	243	50,646	(9,281)	41,365
Utility Administrative Services	-	495	-	495
Nonmajor Enterprise Funds	200	21,432	(14,899)	6,533
Total Enterprise Funds	<u>1,206</u>	<u>96,041</u>	<u>(27,864)</u>	<u>68,177</u>
Internal Service Funds	<u>-</u>	<u>1,848</u>	<u>(346)</u>	<u>1,502</u>
Total	<u>\$ 1,831</u>	<u>\$ 254,684</u>	<u>\$ (65,641)</u>	<u>\$ 189,043</u>

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 3 – RECEIVABLES (continued)

Lease Receivable

The City is reporting leases receivable of \$1,152 in the general fund. For 2021, the City recognized lease revenue of \$98 and interest revenue of \$34 in the general fund 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 for cell towers and other leases for land use with multiple companies at varying years and terms as follows:

<u>Company</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Sprint Spectrum	1997	47	2043	Annual
Sprint Spectrum	1996	27	2023	Annual
Columbia Gas	2005	20	2025	Annual
Verizon Wireless	2015	30	2045	Monthly
Airtouch Cellular	1997	30	2037	Annual
Toledo Celtics, Inc.	2021	15	2036	Annual
Toledo Sailing Club	2019	5	2024	Annual
Toledo MSA	1996	20	2026	Monthly

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

<u>Year</u>	<u>General Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 73	\$ 35	\$ 108
2023	75	32	107
2024	43	30	73
2025	44	29	73
2026	39	28	67
2027-2031	213	120	333
2032-2036	287	83	370
2037-2041	241	42	283
2042-2046	137	6	143
	<u>\$ 1,152</u>	<u>\$ 405</u>	<u>\$ 1,557</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 4 – INCOME TAX

For 2021, 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.

Prior to 2021, the income tax was 2.25%, which included a permanent 1.5% 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 1.5% 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 2021 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, 2021, with the remainder payable by July 31, 2021.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined at December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. The 2021 public utility property taxes became a lien on December 31, 2020, were levied on October 1, 2021 and will be collected in 2022 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, 2021 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 2021 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, 2021 was \$4.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

Public Utility Real and Tangible Personal Property	\$ 242,940
Real Property (Other than Public Utility)	<u>3,156,219</u>
Total Assessed Value	<u>\$ 3,399,159</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 5 – PROPERTY TAX (continued)

Special Assessment Services, Improvements and Bond Retirement

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

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

NOTE 6 – TAX INCENTIVE AND ABATEMENT PROGRAMS

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

The City offers the following tax incentive and abatement programs:

Community Reinvestment Area

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

The City determines the type of development to support by specifying the eligibility of residential, commercial or industrial projects. The City grants property tax abatements on improvement projects based on the increase in property valuation resulting from the improvements, for up to fifteen years. Participating properties are subject to annual inspections by the CRA Housing Council/Committed of the Toledo Housing Advisory Commission. As of December 31, 2021, the City had 1,526 participants in the CRA Program and abated \$9,875 property taxes. The CRA program impacts the City's General Fund.

Enterprise Zone Program

The Enterprise Zone Program is an economic development tool administered by the City of Toledo pursuant to ORC 5709 that provides real and personal property tax exemptions to businesses making investments within an enterprise zone. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program can provide tax exemptions for a portion of the value of new real and personal property investment (when that personal property is still taxable) when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are generally not eligible. Businesses may not participate in both the CRA and 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, 2021, the City had no participants in the Enterprise Zone Program. The Enterprise Zone Program impacts the City's General Fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
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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, 2021, the City had 1 active participating business claiming \$2,686 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, 2021, the City had 22 participants and paid \$1,011 in TEI awards. The TEI program impacts the City's General Fund.

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

NOTE 7 – CAPITAL ASSETS

Due to the implementation of GASB Statement No. 87 and GASB Statement No. 96 at December 31, 2020, the City has reported capital assets for the right to use subscription-based information technology software and leased equipment which are reflected in the schedule below (see Note 16). The following activity occurred during the year related to the City’s governmental activities capital assets:

Governmental Activities:	Restated Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 26,040	\$ -	\$ (401)	\$ 25,639
Construction in Progress	134,070	45,355	(19,590)	159,835
Total Capital Assets not being Depreciated	160,110	45,355	(19,991)	185,474
<i>Capital Assets being Depreciated:</i>				
Buildings	71,260	185	(1,464)	69,981
Furniture & Fixtures	5,341	-	(1,596)	3,745
Improvements	72,911	145	-	73,056
Infrastructure	871,173	11,598	-	882,771
Machinery & Equipment	143,130	13,445	(70,472)	86,103
Total Capital Assets being Depreciated	1,163,815	25,373	(73,532)	1,115,656
<i>Capital Assets being Amortized:</i>				
Intangible Right to Use:				
Leased Equipment	81	-	-	81
Subscription-Based Information Technology Software	1,595	1,438	-	3,033
Total Capital Assets being Amortized	1,676	1,438	-	3,114
<i>Less: Accumulated Depreciation</i>				
Buildings	40,647	1,443	(333)	41,757
Furniture & Fixtures	5,225	23	(1,596)	3,652
Improvements	42,483	1,475	-	43,958
Infrastructure	583,228	14,399	-	597,627
Machinery & Equipment	122,275	8,859	(66,550)	64,584
Total Accumulated Depreciation	793,858	26,199	(68,479)	751,578
<i>Less: Accumulated Amortization</i>				
Intangible Right to Use:				
Leased Equipment	-	22	-	22
Subscription-Based Information Technology Software	-	843	-	843
Total Accumulated Amortization	-	865	-	865
Total Capital Assets being Depreciated/Amortized, net	371,633	(253)	(5,053)	366,327
Governmental Activities Capital Assets, net	\$ 531,743	\$ 45,102	\$ (25,044)	\$ 551,801

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
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NOTE 7 – CAPITAL ASSETS (continued)

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

General Government	\$ 865
Public Service	5,084
Public Safety	1,844
Public Utility	15,762
Community Environment	346
Health	1,024
Parks and Recreation	<u>1,274</u>
Total Depreciation - Governmental Activities	<u>\$ 26,199</u>

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

General Government	\$ 240
Community environment	22
Public Safety	<u>603</u>
Total Amortization - Governmental Activities	<u>\$ 865</u>

The Department of Housing and Neighborhood Revitalization has purchased land and buildings using Block Grant Funds. The intent of such purchases ultimately is to resell the property for a nominal amount to adjacent property owners or developers for redevelopment purposes. As of December 31, 2021, the Department owned approximately 88 parcels at an estimated historical cost of \$1,672. Due to the uncertainty of the market value or the ability to locate developers, the purchase costs have been recorded as program expenditures in the Block Grant Funds in the year of purchase and revenues from the sale of properties are recorded as Program Revenue in the year of sale.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
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NOTE 7 – CAPITAL ASSETS (continued)

The following activity occurred during the year related to the City’s business-type activities capital assets:

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021
<i>Business-Type Activities:</i>				
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 5,716	\$ -	\$ (100)	\$ 5,616
Construction in Progress	480,387	93,888	(121,255)	453,020
Total Capital Assets not being Depreciated	<u>486,103</u>	<u>93,888</u>	<u>(121,355)</u>	<u>458,636</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	79,714	-	-	79,714
Furniture & Fixtures	377	-	(7)	370
Improvements	161,569	586	(1,379)	160,776
Infrastructure	1,032,543	118,701	(470)	1,150,774
Machinery & Equipment	116,412	2,156	(10,668)	107,900
Total Capital Assets being Depreciated	<u>1,390,615</u>	<u>121,443</u>	<u>(12,524)</u>	<u>1,499,534</u>
<i>Less: Accumulated Depreciation</i>				
Buildings	29,838	1,680	-	31,518
Furniture & Fixtures	357	6	(7)	356
Improvements	49,895	4,803	(1,228)	53,470
Infrastructure	402,894	14,891	(3)	417,782
Machinery & Equipment	93,021	4,026	(10,085)	86,962
Total Accumulated Depreciation	<u>576,005</u>	<u>25,406</u>	<u>(11,323)</u>	<u>590,088</u>
Total Capital Assets being Depreciated, net	<u>814,610</u>	<u>96,037</u>	<u>(1,201)</u>	<u>909,446</u>
Business-Type Activities Capital Assets, net	<u>\$ 1,300,713</u>	<u>\$ 189,925</u>	<u>\$ (122,556)</u>	<u>\$ 1,368,082</u>

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

Water	\$ 7,052
Sewer	17,261
Utility Administrative Services	2
NonMajor	1,092
Total Depreciation - Business-Type Activities	<u>\$ 25,407</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 8 – NOTES PAYABLE

The City's Notes Payable obligations at December 31, 2021 and a schedule of current year activity are as follows:

	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2021	Increase	Decrease	Balance 12/31/2021	Amount Due In One Year
<u>Governmental Activities:</u>								
General Obligations:								
Special Assessments 2020	2021	1.20	2,460	\$ 2,460	\$ -	\$ (2,460)	\$ -	\$ -
Special Assessments 2021	2022	1.20	2,085	-	2,085	-	2,085	2,085
Capital Projects	2022	0.75	8,300	-	8,300	-	8,300	8,300
Revenue Obligations:								
Assessed Services 2019	2021	2.22-2.79	20,200	20,200	-	(20,200)	-	-
Assessed Services 2020	2022	2.173-2.177	20,700	20,700	-	-	20,700	20,700
Assessed Services 2021	2023	1.36-1.497	20,100	-	20,100	-	20,100	-
				<u>\$ 43,360</u>	<u>\$ 30,485</u>	<u>\$ (22,660)</u>	<u>\$ 51,185</u>	<u>\$ 31,085</u>
<u>Business-Type Activities:</u>								
General Obligations:								
Storm Sewers	2022	0.75	700	\$ -	\$ 700	\$ -	\$ 700	\$ 700

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 2021, the City retired \$2,460 and reissued \$2,085 of General Obligation Notes for the purpose of supporting special assessment projects.

The City carries notes in the Capital Improvement Fund to cover capital costs related to the City's street system, including construction, reconstruction, rehabilitation of pavement, bridges, bicycle paths, sidewalks, and installation of traffic signs and signals. On November 18, 2021, the City issued \$8,300 of General Obligation Bond Anticipation Notes to finance the City's 2021 street system and bridges. The notes were issued at a \$45 premium with \$35 in issuance costs were incurred both of which were reported in the Capital Improvements Fund. The notes will be retired from the Capital Improvements Fund.

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 2021, the City retired \$20,200 in special assessment notes for City services that were issued in 2019 and issued \$20,100 in special assessment notes for City services that will mature on December 1, 2023. The \$20,700 of special assessment notes for City services issued in 2020 will mature December 1, 2022.

The City carries notes in the Storm Sewer Fund (a nonmajor enterprise fund) to cover the capital costs related to the City's improvement of the storm sewer drainage system by constructing a storm sewer main and acquisition of necessary easements. On November 18, 2021, the City issued \$700 of General Obligation Notes for the purpose of supporting storm sewer capital projects. The notes will be retired from the Storm Sewer Fund (a nonmajor enterprise fund).

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
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NOTE 9 – LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 87 and GASB Statement No. 96, at December 31, 2020, the City has reported obligations for subscription-based information technology arrangements payable and leases payable which are reflected in the schedule below (see Note 16). The City's Governmental Activities Long-Term Obligations at December 31, 2021 and a schedule of current year activity follows.

	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Restated Balance 1/1/2021	Increase	Decrease	Balance 12/31/2021	Amount Due In One Year
Government Activities:									
General Obligation Bonds:									
Capital Projects	Various	Various	1.50-6.08	\$ 147,370	\$ 108,741	\$ -	\$ (12,371)	\$ 96,370	\$ 12,821
Unamortized Premiums	Various	Various	N/A	13,512	9,485	-	(936)	8,549	-
Total General Obligation Bonds				160,882	118,226	-	(13,307)	104,919	12,821
Non-Tax Revenue Bonds:									
Marina Area Refunding (Series 2019B)	2019	2032	2.60-5.00	3,555	3,500	-	(55)	3,445	55
Vehicle Storage Project Refunding (Series 2019A)	2019	2026	5.00	3,725	3,265	-	(480)	2,785	500
Medco Project Refunding (Series 2019C)	2019	2039	2.55-5.00	4,515	4,355	-	(160)	4,195	170
Unamortized Premiums				569	487	-	(76)	411	-
Total Non-Tax Revenue Bonds				12,364	11,607	-	(771)	10,836	725
Loans Outstanding:									
State Agencies (Direct Borrowing):									
Ohio Public Works Commission									
Capital Projects	Various	Various	0.00	10,040	4,318	519	(572)	4,265	572
Ohio Water Dev Authority									
Capital Projects	Various	Various	4.02-4.12	9,843	147	-	(147)	-	-
State Infrastructure Bank									
Marina District - Riverside	2010	2019	3.00	3,968	1,734	-	(414)	1,320	427
Total Loans from State Agencies				23,851	6,199	519	(1,133)	5,585	999
Other Loans (Direct Borrowing):									
JobsOhio Capital Projects	Various	Various	0.00-6.55	650	650	-	(650)	-	-
Total Loans Outstanding				24,501	6,849	519	(1,783)	5,585	999
Lease-Purchase Notes Payable (Direct Borrowing):									
Single & Double Axle Trucks	2015	2021	1.85	4,997	341	-	(341)	-	-
Police Vehicles	2021	2024	8.05	828	-	828	(183)	645	276
Total Lease-Purchase Notes Payable				5,825	341	828	(524)	645	276
Other Obligations:									
Landfill Closure					15,863	-	(5,836)	10,027	-
Compensated Absences					32,553	3,198	(283)	35,468	314
Subscription-Based Information									
Technology Arrangements Payable					1,595	1,438	(901)	2,132	783
Lease Payable					81	-	(22)	59	22
Net Pension Liability					328,533	-	(18,521)	310,012	-
Net OPEB Liability					86,307	-	(45,957)	40,350	-
Total Other Obligations					464,932	4,636	(71,520)	398,048	1,119
Total Governmental Activities					\$ 601,955	\$ 5,983	\$ (87,905)	\$ 520,033	\$ 15,940

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

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

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding at December 31, 2021 for the City's Governmental Activities:

Year	General Obligation Bonds			Non-Taxable Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 12,821	\$ 3,703	\$ 16,524	\$ 725	\$ 384	\$ 1,109
2023	12,585	3,216	15,801	765	348	1,113
2024	9,740	2,700	12,440	810	310	1,120
2025	10,205	2,297	12,502	845	269	1,114
2026	8,735	1,921	10,656	885	233	1,118
2027-2031	34,100	4,838	38,938	3,675	776	4,451
2032-2036	8,184	607	8,791	1,845	296	2,141
2037-2039	-	-	-	875	60	935
	<u>\$ 96,370</u>	<u>\$ 19,282</u>	<u>\$ 115,652</u>	<u>\$ 10,425</u>	<u>\$ 2,676</u>	<u>\$ 13,101</u>

Year	State Agency Loans (Direct Borrowings)			Lease-Purchase Notes Payable (Direct Borrowings)		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 999	\$ 36	\$ 1,035	\$ 276	\$ 24	\$ 300
2023	1,040	24	1,064	276	24	300
2024	1,053	10	1,063	93	8	101
2025	564	-	564	-	-	-
2026	497	-	497	-	-	-
2027-2031	1,243	-	1,243	-	-	-
2032-2036	150	-	150	-	-	-
2037-2039	39	-	39	-	-	-
	<u>\$ 5,585</u>	<u>\$ 70</u>	<u>\$ 5,655</u>	<u>\$ 645</u>	<u>\$ 56</u>	<u>\$ 701</u>

Year	Lease Payable			Subscription-Based Information Technology Arrangements Payable		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 22	\$ 1	\$ 23	\$ 783	\$ 65	\$ 848
2023	22	1	23	527	41	568
2024	15	-	15	543	25	568
2025	-	-	-	279	9	288
	<u>\$ 59</u>	<u>\$ 2</u>	<u>\$ 61</u>	<u>\$ 2,132</u>	<u>\$ 140</u>	<u>\$ 2,272</u>

City of Toledo, Ohio
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NOTE 9 – LONG-TERM OBLIGATIONS (continued)

The City's Business-Type Activities Long-Term Obligations at December 31, 2021 and a schedule of current year activity are as follows.

Business-Type Activities	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2021	Increase	Decrease	Balance 12/31/2021	Amount Due In One Year
General Obligation Bonds:									
Tow Lot (Series 2015)	2015	2024	4.00-5.00	\$ 1,305	\$ 610	\$ -	\$ (150)	\$ 460	\$ 150
Property Management Premium	Various	Various	2.00-7.00	12,055	7,375	-	(840)	6,535	665
	Various	Various	-	150	141	-	(18)	123	-
Total General Obligation Bonds					8,126	-	(1,008)	7,118	815
Revenue Obligation Bonds:									
Water System Premium	Various	Various	2.00-5.00	398,805	360,075	-	(35,415)	324,660	8,986
Sanitary Sewer System Premium	Various	Various	N/A	60,005	51,718	-	(3,548)	48,170	-
	Various	Various	2.00-5.00	18,765	8,245	-	(1,025)	7,220	1,025
	Various	Various	N/A	1,003	555	-	(70)	485	-
Total Revenue Obligation Bonds					420,593	-	(40,058)	380,535	10,011
Bond Anticipation Notes:									
Water System	2019	2021	2.20	30,000	30,000	-	(30,000)	-	-
Water System	2021	2023	1.59	30,000	-	30,000	-	30,000	-
Total Bond Anticipation Notes					30,000	30,000	(30,000)	30,000	-
Loans Outstanding:									
State Agencies (Direct Borrowing):									
Ohio Public Works Commission									
Water System	Various	Various	0.00	2,249	1,509	-	(112)	1,397	112
Sanitary Sewer System	Various	Various	0.00	13,925	8,634	748	(646)	8,736	664
Storm Water System	Various	Various	0.00	2,445	1,041	-	(125)	916	125
Ohio Water Dev Authority									
Water System	Various	Various	0.00-3.25	242,525	98,083	66,894	(2,035)	162,942	6,553
Sanitary Sewer System	Various	Various	0.51-4.66	631,067	396,559	940	(29,038)	368,461	29,220
Storm Water System	Various	Various	2.25-3.34	1,727	1,434	-	(64)	1,370	76
Total State Agency Loans					507,260	68,582	(32,020)	543,822	36,750
Lease-Purchase Note Payable (Direct Borrowing):									
Norfolk Southern	2016	2035	2.50	2,967	2,553	-	(77)	2,476	82
Other Obligations:									
Compensated Absences					5,264	55	(222)	5,097	74
Net Pension Liability					39,083	-	(10,578)	28,505	-
Net OPEB Liability					27,229	-	(27,229)	-	-
Total Other Obligations					71,576	55	(38,029)	33,602	74
Total Business-Type Activities					\$ 1,040,108	\$ 98,637	\$ (141,192)	\$ 997,553	\$ 47,732

City of Toledo, Ohio
Notes to the Basic Financial Statements
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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, 2021 for the City’s Business-Type Activities:

Year	General Obligation Bonds			Revenue Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 815	\$ 209	\$ 1,024	\$ 10,011	\$ 16,409	\$ 26,420
2023	1,250	178	1,428	13,655	15,917	29,572
2024	1,295	131	1,426	11,545	15,251	26,796
2025	1,075	83	1,158	13,135	14,718	27,853
2026	840	51	891	14,045	14,078	28,123
2027-2031	1,720	52	1,772	79,670	59,385	139,055
2032-2036	-	-	-	100,545	37,903	138,448
2037-2041	-	-	-	82,960	11,633	94,593
2042-2044	-	-	-	6,314	316	6,630
	<u>\$ 6,995</u>	<u>\$ 704</u>	<u>\$ 7,699</u>	<u>\$ 331,880</u>	<u>\$ 185,610</u>	<u>\$ 517,490</u>

Year	State Agency Loans ⁽¹⁾ (Direct Borrowings)			Lease-Purchase Note Payable (Direct Borrowings)		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 36,750	\$ 12,105	\$ 48,855	\$ 82	\$ 62	\$ 144
2023	34,374	10,349	44,723	87	60	147
2024	36,978	9,874	46,852	91	58	149
2025	37,713	9,032	46,745	97	55	152
2026	36,880	8,139	45,019	102	53	155
2027-2031	153,105	29,014	182,119	601	224	825
2032-2036	126,037	13,798	139,835	1,416	119	1,535
2037-2041	56,829	4,183	61,012	-	-	-
2042-2046	9,740	1,918	11,658	-	-	-
2047-2051	8,655	885	9,540	-	-	-
2052-2053	1,728	64	1,792	-	-	-
	<u>\$ 538,789</u>	<u>\$ 99,361</u>	<u>\$ 638,150</u>	<u>\$ 2,476</u>	<u>\$ 631</u>	<u>\$ 3,107</u>

⁽¹⁾ The following OWDA loans were in transit at year-end. The total loans in transit are included as loans payable on the City’s financial statements, however, the total amount of \$5,033 is not reflected in the above amortization schedule of future debt service payments as a revised amortization schedule for these loans are not available.

OWDA Loan	Fund	Description	Amount
8416	Water	Collins Park WTP, Basins 5 and 6 Upgrades	309
8654	Water	Collins Park WTP, Basins 1 through 4 Upgrades	943
8792	Water	Filter and Pipe Gallery Upgrade Improvements	3,360
9174	Water	High Service Pump Station Improvements	421
		Total	<u>\$ 5,033</u>

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

New Bond and Loans Issuances Supporting Governmental Activities

Ohio Public Works Commission (OPWC) loans

During 2021, the City issued ten OPWC loans totaling \$519 supporting Governmental Activities. These loans supported the following road improvement projects: LaGrange Street from Utica to Oakland, East Central Avenue from Brigham to Buckeye, Alexis Road from Talmadge to Jackman, Coining Drive from Jackman to Transport, Enterprise Blvd from Alexis to Matzinger, Oak Street from Woodville to Front, Hill Avenue from I-475 to Holland-Sylvania Road, Marine Road from Byrne to Y, Dorr Street from Reynolds to Byrne, and Airport Highway from Byrne to South. The loans will be retired from the Capital Improvements Fund.

Lease-Purchase Note Payable

On June 1, 2021, the City entered into a three-year lease-purchase note payable for the acquisition of police vehicles. The note bears an interest rate of 8.046% and matures May 1, 2024. Principal and interest payments are made from the Capital Improvements Fund.

Subscription-Based Information Technology Agreements (SBITA) Payable

The City entered into \$3,033 of SBITAs for the right to use technology and software. Of this total, \$1,438 were entered into during 2021 with the remainder entered into prior to 2021. The future payments on the SBITAs continue through 2025. Due to the implementation of GASB Statement No. 96, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under the agreements.

Lease Payable

The City has entered into a \$81 lease agreement for the use for the right to use equipment. The lease was entered into in 2019 for a five-year period. Due to the implementation of GASB Statement No. 87, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under the lease.

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

Water System Revenue Bonds, Series 2018

During 2021, the City issued \$30,000 in 2021 Water System Revenue Bonds to retire previously issued Series 2019 Water Bond Anticipation Notes issued for continued improvements at the Collins Park Water Treatment plant. The City expects to spend this amount on capital improvements at the Collins Park Water Treatment plant through 2022. The bond anticipation notes will be retired from the Water Fund.

Ohio Public Works Commission (OPWC) loans

During 2021, the City issued two OPWC loans totaling \$748 supporting the Sanitary Sewer System. The loans were issued to finance a Large Diameter Sewer Rehabilitation and a Sanitary Sewer Lining. These loans will be retired from the Sewer Fund.

Ohio Water Development Authority (OWDA) loans

During 2021, the City issued eight OWDA loans totaling \$66,894 supporting the Water System (including \$354 of capitalized interest). The loans in 2021 were issued to finance the following construction and improvement projects: Ozone Treatment Facilities, Collins Park Treatment Plant Basin Upgrades, and Filter and Pipe Gallery Upgrades, High Service Pump Station Improvements, and the refinancing of the City's 2012A Water Bonds under the OWDA's Fresh Water Refinance Loan Program. These loans will be retired from the Water Fund.

During 2021, the City issued three OWDA loans totaling \$1,490 supporting the Sanitary Sewer System. The new loans in 2021 were issued to finance the following construction and improvement projects: Discharge Elimination Program, Swan Creek North, and Downtown Storage Basin. These loans will be retired from the Sewer Fund.

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

Defeased Debt

During 2018, the City in-substance defeased \$3,250 of general obligation bonds previously issued for the purchase of the LaSalle property. The City sold the property and used the proceeds to establish an escrow account to make future debt service requirements on the debt. On November 22, 2017 the City authorized an escrow agreement with The Bank New York Mellon Trust Company, N.A. to serve as the trustee of funds that are irrevocably committed to pay for debt service related to the LaSalle property bonds. As of December 31, 2021, the balance of the refunded bonds was \$1,700. Since the bonds are in-substance defeased, neither the refunded bonds or the escrow account are reported on the financial statements.

General Obligation Bonds

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

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 2021 principal and interest payments on the non-tax revenue bonds required 2.05% of General Fund net revenues. Principal and interest paid for the current year and total General Fund net revenues were \$1,114 and \$54,361, respectively.

Business-Type Activities: The City has issued revenue bonds to support Water and Sewer operations. The 2021 principal and interest payments on the Water revenue bonds required 55.10% of net revenues. Principal and interest paid for the current year and total net revenues were \$27,139 and \$49,254, respectively. The 2021 principal and interest payments on the Sewer revenue bonds required 2.20% of net revenues. Principal and interest paid for the current year and total net revenues were \$1,417 and \$64,423, respectively.

Bond Anticipation Notes

During 2021, the City issued \$30,000 in 2021 Water Bond Anticipation Notes to retire previously issued Series 2019 Water Bond Anticipation Notes issued for continued improvements at the Collins Park Water Treatment plant. The City expects to spend this amount on capital improvements at the Collins Park Water Treatment plant through 2023. The notes mature in 2023 and will be retired from the Water Fund through the issuance of bonds.

Ohio Public Works Commission

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

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

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

Ohio Water Development Authority

Loans payable to the Ohio Water Development Authority (OWDA) are authorized by the Clean Water Act and authorized 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, 2021 was \$532, 773. Of this amount, \$162,942 are obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. Of this amount, \$368,461 are obligations incurred to help finance the sanitary sewage facilities and are to be repaid from charges from sanitary sewer services; \$1,370 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.

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 \$1,320 as of December 31, 2021.

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

JobsOhio Capital Projects Loan

In 2015, the City entered into a loan agreement with JobsOhio for \$650 for a term of 15 years at 1% interest ("the loan"). The loan includes deferral of all interest and principal payments for five years. If, by December 31, 2019 Fiat Chrysler Automobiles retains 4,110 existing jobs and \$282 million in payroll while also maintaining and expanding the Wrangler production facility in Toledo, the loan will be forgiven and all obligation of the City for repayment will be released. On April 27, 2021, JobsOhio cancelled the loan obligation and the forgiveness has been reported as a gain on debt forgiveness in the financial statements.

Landfill Closure and Post-Closure Care Costs

The City operates the Hoffman Road landfill and accounts for this activity in the General Fund. State and federal regulations require the City to place a final cover on the Hoffman Road site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. The closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste. The City records a liability in the Government- Wide Statement of Net Position for the closure and post-closure care costs based on landfill capacity used as of each balance sheet date. A new cell was constructed in 2005 resulting in an increase in constructed disposal capacity; therefore, the landfill can continue to accept solid waste. 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 80 years.

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

Landfill Closure and Post-Closure Care Costs (continued)

The \$10,027 reported as landfill closure and post-closure care liability at December 31, 2021 represents the cumulative amount reported to date based on the use of 49.5 % 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 accordingly, while the base post-closure care costs remain unchanged. 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 \$ \$10,229 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 2021 using the worst-case scenario determined by the permit to install. Actual costs may be higher due to inflation, changes in technology, or changes in regulation.

Pollution Remediation, Water and Sewer Infrastructure Liabilities

Toledo Waterways Initiative

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

As of August 31, 2020, the TWI construction program is 100% complete at a cost of \$527 million. The program entered the Compliance Phase of the program in April of 2022 which will initiated a 12-month effort to collect data on all the facilities with the TWI program, a final report will be due within a 6-month period.

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.

Water rate adjustments effective January 1, 2020 through 2023 have been authorized by City Council to retire existing water system debt. The city will reassess the existing rate structure annually and anticipates future rate adjustments in 2024 through 2027 to retire new water system debt.

Compensated absences

Compensated absences will be paid from the fund from which the employees' salaries are paid. In 2021, compensated absences in the Governmental Activities were liquidated at a rate of approximately 87.1 percent from the general fund, 10.1 percent from other governmental funds, and 2.8 percent from the internal service funds. Compensated absences in the Business-Type Activities were liquidated primarily from the Water and Sewer Enterprise Funds.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
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NOTE 9 – LONG-TERM OBLIGATIONS (continued)

Net Pension Liability and Net OPEB Liability

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

NOTE 10 – 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.

Encumbrances

Outstanding 2021 encumbrances will be funded with 2021 budgetary resources. Outstanding encumbrances for the Year Ended December 31, 2021 were as follows:

Governmental Funds:

General	\$ 1,956
Capital Improvements	12,591
Special Assessments Services	827
Nonmajor Governmental	<u>13,551</u>
Total Governmental Funds	<u>28,925</u>

Enterprise Funds:

Water	80,495
Sewer	9,021
Utility Administrative Services	13
Nonmajor Enterprise	<u>1,922</u>
Total Enterprise Funds	<u>91,451</u>

Internal Service Funds 2,192

Total	<u>\$ 122,568</u>
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City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 11 – INTERFUND ACTIVITY

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

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

The amounts below represent the net balance of amounts due to and due from City funds as of December 31, 2021.

	Due From Other Funds	Due To Other Funds
<i>Governmental Funds:</i>		
General	\$ -	\$ 91,763
Capital Improvements	59,033	-
Special Assessments Services	-	17,954
Local Fiscal Recovery	-	5,244
Nonmajor Governmental	52,645	12,629
Total Governmental Funds	111,678	127,590
 <i>Enterprise Funds:</i>		
Water	-	84,355
Sewer	66,318	-
Utility Administrative Services	6,240	-
Nonmajor Enterprise	992	840
Total Enterprise Funds	73,550	85,195
 <i>Internal Service Funds</i>	29,014	1,457
Total	\$ 214,242	\$ 214,242

The amounts below represent the balance of interfund loans between City funds as of December 31, 2021.

	Interfund Loan Receivable	Interfund Loan Payable
<i>Enterprise Funds:</i>		
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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 11 – INTERFUND ACTIVITY (continued)

Interfund transfers for the Year Ended December 31, 2021, consisted of the following, as reported on the Fund Statements:

Transfers Out	Transfers In						Total
	General Fund	Capital Improvements	Nonmajor Governmental Funds	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	
Governmental Funds:							
General	\$ 540	\$ 44,235	\$ 745	\$ -	\$ -	\$ -	\$ 45,520
Capital Improvements	-	-	17,995	-	-	1,064	19,059
Nonmajor Governmental	-	792	225	-	-	-	1,017
Total Governmental Funds	540	45,027	18,965	-	-	1,064	65,596
Enterprise Funds:							
Water	-	71	75	-	-	-	146
Sewer	-	-	75	-	-	-	75
Utility Administrative Services	-	-	-	2,538	2,767	300	5,605
Nonmajor Enterprise Funds	1,747	-	75	-	-	-	1,822
Total Enterprise Funds	1,747	71	225	2,538	2,767	300	7,648
Total	\$ 2,287	\$ 45,098	\$ 19,190	\$ 2,538	\$ 2,767	\$ 1,364	\$ 73,244

In 2021, the General Fund transferred \$44,235 into the Capital Improvement Fund. This amount represents 2021 income tax collection amounts required and authorized by Toledo Municipal Code, Toledo City Council, and the Mayor.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 12 – FUND BALANCE

A summary of Fund Balances as of December 31, 2021 by category is as follows:

	General	Capital Improvements	Special Assessments Services	Local Fiscal Recovery	Nonmajor Governmental	Total
<i>Nonspendable:</i>						
Inventory	\$ 2,096	\$ 939	\$ 4,196	\$ -	\$ 1,258	\$ 8,489
Cemetery Perpetual Care	-	-	-	-	683	683
Total Nonspendable	<u>2,096</u>	<u>939</u>	<u>4,196</u>	<u>-</u>	<u>1,941</u>	<u>9,172</u>
<i>Restricted for:</i>						
Cemetery Perpetual Care	-	-	-	-	13	13
Landfill Activities	3,828	-	-	-	-	3,828
Capital Improvements	-	51,689	-	-	-	51,689
Grant Programs	-	-	-	-	21,953	21,953
Street Projects	-	-	-	-	6,662	6,662
Special Assessments	-	-	515	-	-	515
Various Trust Purposes	-	-	-	-	14,309	14,309
Westfield Muni Public Improvement TIF	-	-	-	-	12,754	12,754
Downtown Toledo Parking	-	-	-	-	424	424
Right of Way Activities	-	-	-	-	27	27
Debt Service	-	-	-	-	191	191
Total Restricted	<u>3,828</u>	<u>51,689</u>	<u>515</u>	<u>-</u>	<u>56,333</u>	<u>112,365</u>
<i>Committed to:</i>						
Budget Stabilization	12,447	-	-	-	-	12,447
Cemetery Activities	-	-	-	-	771	771
General Obligation Debt	-	-	-	-	342	342
Facilities Maintenance	-	-	-	-	712	712
Parks and Recreation	-	-	-	-	99	99
Total Committed	<u>12,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,924</u>	<u>14,371</u>
<i>Assigned for:</i>						
Subsequent year appropriations	<u>4,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,723</u>
Unassigned (deficit)	<u>31,593</u>	<u>-</u>	<u>(59,731)</u>	<u>(551)</u>	<u>(10,331)</u>	<u>(39,020)</u>
Total Fund Balances	<u>\$ 54,687</u>	<u>\$ 52,628</u>	<u>\$ (55,020)</u>	<u>\$ (551)</u>	<u>\$ 49,867</u>	<u>\$ 101,611</u>

The City maintains monies that are committed by City Council for Budget Stabilization to cover unexpected revenue shortfalls and/or expenditure increases. The City did not utilize these monies in 2021. Consistent with its policy of adding to the Budget Stabilization set forth in an ordinance passed by City Council in 1998, the City intends to restore and then increase the committed amount for Budget Stabilization each year by an amount equal to one-half the amount by which actual annual General Fund Revenues exceed actual annual General Fund Expenditures for the prior year. Withdrawals are permitted only when income tax revenues for any calendar year will represent an annual growth rate which is 1.5% or more below the average annual growth rate over an economic cycle. In accordance with Ohio Revised Code Section 5705.13, the Budget Stabilization commitment cannot exceed 5% of the previous year's revenue credited to the General Fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
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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

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 liability and the net OPEB liability/asset represent 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/asset 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/asset 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. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care 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) (continued)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. 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. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in the OPERS’ Traditional Pension Plan.

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.

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

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

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 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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the 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 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

City of Toledo, Ohio
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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. 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 percent 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), 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.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate es

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

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

The City's contractually required contribution for the Traditional Pension Plan was \$11,077 for 2021. Of this amount, \$254 is reported as accrued wages and benefits.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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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 July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent 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, 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. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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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
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 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 \$20,800 for 2021. Of this amount, \$453 is reported as accrued wages and benefits.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2020, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Net Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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	0.54850800%	3.84768700%	
Proportion of the net pension liability current measurement date	<u>0.53280800%</u>	<u>3.80837310%</u>	
Change in proportionate share	<u>-0.01570000%</u>	<u>-0.03931390%</u>	
Proportionate share of the net pension liability	\$ 78,897	\$ 259,620	\$ 338,517
Pension expense	1,050	17,508	18,558

At December 31, 2021, 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	\$ -	\$ 10,854	\$ 10,854
Changes of assumptions	-	4,354	4,354
Changes in employer's proportionate percentage/ difference between employer contributions	960	260	1,220
Contributions subsequent to the measurement date	11,077	20,800	31,877
Total deferred outflows of resources	<u>\$ 12,037</u>	<u>\$ 36,268</u>	<u>\$ 48,305</u>

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

Net Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	OPERS - Traditional	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 3,300	\$ 10,115	\$ 13,415
Net difference between projected and actual earnings on pension plan investments	30,752	12,593	43,345
Changes in employer's proportionate percentage/ difference between employer contributions	2,826	8,552	11,378
Total deferred inflows of resources	\$ 36,878	\$ 31,260	\$ 68,138

\$31,877 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2022.

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:			
2022	\$ (14,077)	\$ (4,833)	\$ (18,910)
2023	(5,112)	3,244	(1,868)
2024	(12,535)	(12,401)	(24,936)
2025	(4,194)	(1,972)	(6,166)
2026	-	170	170
Thereafter	-	-	-
Total	\$ (35,918)	\$ (15,792)	\$ (51,710)

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

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, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

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

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.70% for 2020.

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions – OPERS (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board’s investment consultant.

For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	25.00 %	1.32 %
Domestic equities	21.00	5.64
Real estate	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	<u>100.00 %</u>	<u>5.43 %</u>

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2020 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability: Traditional Pension Plan	\$ 150,497	\$ 78,897	\$ 19,362

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

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2021, are presented below.

Valuation date	1/1/20 with actuarial liabilities rolled forward to 12/31/20
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	8.00%
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 simple

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

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

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

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
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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 approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

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, 2020 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2.5x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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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 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 361,425	\$ 259,620	\$ 174,420

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 13 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, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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 and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2021 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City was not required to make contractually required contributions to OPERS to fund healthcare during 2020.

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

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.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. 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 2021, 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 OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$491 for 2021. Of this amount, \$11 is reported as due to other governments.

City of Toledo, Ohio
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (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, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.54681500%	3.84768700%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.53189800%</u>	<u>3.80837310%</u>	
Change in proportionate share	<u>-0.01491700%</u>	<u>-0.03931390%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 40,350	\$ 40,350
Proportionate share of the net OPEB (asset)	(9,475)	-	(9,475)
OPEB expense	(57,688)	3,196	(54,492)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Changes of assumptions	\$ 4,659	\$ 22,287	\$ 26,946
Changes in employer's proportionate percentage/ difference between employer contributions	599	-	599
Contributions subsequent to the measurement date	-	491	491
Total deferred outflows of resources	<u>\$ 5,258</u>	<u>\$ 22,778</u>	<u>\$ 28,036</u>

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

Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB (continued)

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 8,552	\$ 6,656	\$ 15,208
Net difference between projected and actual earnings on OPEB plan investments	5,047	1,499	6,546
Changes of assumptions	15,351	6,433	21,784
Changes in employer's proportionate percentage/difference between employer contributions	1,709	2,131	3,840
Total deferred inflows of resources	<u>\$ 30,659</u>	<u>\$ 16,719</u>	<u>\$ 47,378</u>

\$491 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022.

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:			
2022	\$ (13,275)	\$ 1,068	\$ (12,207)
2023	(9,342)	1,423	(7,919)
2024	(2,193)	863	(1,330)
2025	(591)	1,094	503
2026	-	578	578
Thereafter	-	542	542
Total	<u>\$ (25,401)</u>	<u>\$ 5,568</u>	<u>\$ (19,833)</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (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, 2019, rolled forward to the measurement date of December 31, 2020.

City of Toledo, Ohio
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (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	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate	
Current measurement date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. 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 10.50% for 2020.

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

Actuarial Assumptions – OPERS (continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. 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 2.00%. 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Change in Benefit Terms - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

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

Actuarial Assumptions – OPERS (continued)

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB asset	\$ 2,356	\$ 9,475	\$ 15,329

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 that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. 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 that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB asset	\$ 9,707	\$ 9,475	\$ 9,218

Actuarial Assumptions - OP&F

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of 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.

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

Actuarial Assumptions - OP&F (continued)

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple per year

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

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

Actuarial Assumptions - OP&F (continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2.5x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12% at December 31, 2020 and 2.75% at December 31, 2019, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 2.96% for 2020 and 3.56% for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (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 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 50,315	\$ 40,350	\$ 32,131

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

NOTE 15 – RISK MANAGEMENT

Property and Liability

The City has elected pursuant to ORC §2744.08(A)(2)(a) to use public funds for the purpose of handling third-party property losses and liabilities in lieu of purchasing general municipality liability insurance. Claims activity is accounted for within the Risk Management Fund, which derives revenue on a pro-rata basis from other City funds to cover liability losses. Settled claims have not materially exceeded coverage in any of the last three years, and the City added coverage through new policies in 2020, without significant reduction in coverage from the prior year policies. In addition, the City has the ability to issue general obligation bonds to pay final judgments that may arise.

The liability is reported as a current liability in the Risk Management Internal Service Fund. Changes in the claim liability amount in years 2018 - 2021 follows:

<u>Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims and Change in Estimate</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2018	\$ 5,500	\$ 1,146	\$ (5,446)	\$ 1,200
2019	1,200	688	(688)	1,200
2020	1,200	1,245	(1,245)	1,200
2021	1,200	5,764	(364)	6,600

City of Toledo, Ohio
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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 2021, the City contracted with various insurance companies to provide the following coverage:

	Coverage (in Whole Dollars)	Deductible (in Whole Dollars)
Property Policy for the City	\$ 600,000,000	\$ 250,000
Accident/Liability Policy - Intern Program	25,000	-
Accident/Liability Policy - Youth Commission	25,000	-
Accident/Liability Policy - Adult Probation Program	25,000	-
Boat Policy (Swan Creek & Trailer)	1,000,000	1,000
BUSTR/Cleanup for Underground Fuel Tanks	Total cost of cleanup	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 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
Ocean Marine Policy (Zodiac)	1,000,000	500
Professional Liability for TMC	10,000,000	-
Toledo Express JEDD	1,000,000	-
Holy Trinity Parking Lot	1,000,000	-
Accident/Liability Policy - TPS Co-op Program	25,000	-
Cyber & Privacy Policy	2,000,000	500,000
Environment/Municipal Golf Courses	1,000,000	10,000
Liquor Liability/Municipal Golf Courses	1,000,000	1,000

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

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

Workers’ Compensation (continued)

The City participated in Individual Retrospective Rating from January 2006 through December 2014 and retains liability for claims over a ten-year period. Claims with a date of injury prior to January 1, 2009 are closed out and have no further liability. In the Retrospective Rating plan, the City agreed to assume a portion of the risk in return for a reduction in premium. The greater the percentage of risk the City assumed, the greater the reduction in the premium. If the City’s loss experience is better than predicted by the experience-rating system, its total obligation will be less than what it would have paid under experience rating. If its experience is worse than predicted, its total obligation will be more than it would have been assessed under experience rating, limited to a maximum premium. The City has assumed the risk of individual claims up to a maximum of \$300,000.

The City has agreed to pay all claims up to a maximum of 150% of what the City would have paid had the City remained an experience-rated risk. Claims exceeding these limits will be paid by the BWC. Ten years after each year the City elected the retrospective plan for workers’ compensation, the City settles reserves (if any) on claims that are still open. The City has established a Workers’ Compensation Internal Service Fund to account for and finance its uninsured risks of loss in the program.

The claims liability of \$820 reported at December 31, 2021 was determined after review of the City’s actuarial report provided by a third-party actuary. This estimate complies with GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, as amended by GASB Statement No. 30, Risk Financing Omnibus, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling claims. The liability is reported as a current liability in the Statement of Net Position for the Internal Service Funds. The liability decreased in 2017 to reflect the reduction in claim liability, primarily as a result of the sub-contracting of the City’s refuse workers beginning in 2011, additional safety training, better claims management, and the implementation of changes related to worker safety based upon training provided by the Safety Council of Northwest Ohio. The liability is associated with the Individual Retrospective Rating plan, and the City expects this liability to gradually decrease until eliminated entirely in the year 2024, the final year for which the City is required to make a payment to the BWC under the Individual Retrospective Rating Plan.

The liability is reported as a current liability in the Workers’ Compensation Internal Service Fund. Changes in the Workers’ Compensation claim liability amount in 2018 - 2021 were:

Year	Beginning Balance	Current Year Claims and Change in Estimate	Claims Payments	Ending Balance
2018	\$ 5,000	\$ 3,614	\$ (5,264)	\$ 3,350
2019	3,350	4,413	(5,415)	2,348
2020	2,348	4,407	(5,031)	1,724
2021	1,724	4,069	(4,973)	820

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.

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

Health, Dental, and Prescription Drug Benefits (continued)

The claims liability of \$4,023 reported at December 31, 2021 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, 2021.

The liability is reported as a current liability in the Healthcare Self-Insurance Internal Service Fund. Changes in the claim liability amount for this category in years 2018 - 2021 follows:

Year	Beginning Balance	Current Year Claims and Change in Estimate	Claims Payments	Ending Balance
2018	\$ 4,129	\$ 26,530	\$ (26,931)	\$ 3,728
2019	3,728	29,559	(29,245)	4,042
2020	4,042	29,715	(29,609)	4,148
2021	4,148	37,205	(37,330)	4,023

NOTE 16 – ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2021, the City has implemented GASB Statement No. 87, “*Leases*”, GASB Statement No. 89, “*Accounting for Interest Cost Incurred before the End of a Construction Period*”, and GASB Statement No. 96, “*Subscription-Based Information Technology Arrangements*”.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the City.

GASB Statement No. 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City’s 2021 financial statements. The City recognized \$1,178 in leases receivable in the governmental activities at January 1, 2020, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases. The City also recognized \$81 of leases payable in the governmental activities at January 1, 2020; however, this entire amount was offset by the intangible asset, right to use lease - equipment. The implementation of GASB No. 87 did not have an effect on the beginning net position or fund balance of the City as previously reported.

City of Toledo, Ohio
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NOTE 16 – ACCOUNTABILITY AND COMPLIANCE (continued)

Change in Accounting Principles (continued)

GASB Statement No. 96 enhances the relevance and consistency of information of the subscription-based information technology arrangements (SBITAs). It establishes requirements for SBITA accounting based on the principle that SBITAs are financings of the right to use an underlying asset. A government is required to recognize a subscription liability and an intangible right to use subscription asset. These changes were incorporated in the City’s 2021 financial statements. The City recognized \$1,595 in SBITAs payable in the governmental activities at January 1, 2020; however, this entire amount was offset by the intangible asset, right to use subscription-based information technology software. The implementation of GASB No. 96 did not have an effect on the beginning net position or fund balance of the City as previously reported.

For 2021, the City has applied GASB Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*” to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The following pronouncements are postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

Deficit Fund Balances/Net Position

Fund balances/net position at December 31, 2021 included the following individual fund deficits:

	<u>Deficit</u>
<i>Governmental Funds:</i>	
Special Assessments Services Fund	\$ 55,020
Local Fiscal recovery Fund	551
<i>Nonmajor Governmental:</i>	
Special Assessment Improvement Fund	1,190
Jeep Muni Public Improvement TIF	9,140
Total Governmental Funds	65,901
<i>Enterprise Funds:</i>	
<i>Nonmajor Enterprise:</i>	
Property Management Fund	2,329
Small Business Development Fund	89
Total Enterprise Funds	2,418
Total	\$ 68,319

These deficits will be eliminated by future charges for services, reduction of expenditures or future bond sales, where appropriate. The deficit balance in the Special Assessments Services Fund is due primarily to the City’s issuance of \$40,800 of special assessment notes which are reported as a fund liability and the reporting of \$17,954 in amounts due to other funds. The special assessment notes are issued for the interim financing of various improvements to be assessed from benefitting property owners. The City pays the actual costs of these services, which are then levied as special assessments and collected two years after the service has been rendered. At December 31, 2021, the City has reported a special assessments receivable in the amount of \$53,156 in the Special Assessments Services Fund.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 16 – ACCOUNTABILITY AND COMPLIANCE (continued)

Deficit Fund Balances/Net Position (continued)

The deficit balance in the Local Fiscal Recovery Grant Fund is a result of the reporting of investments at fair value. The fund reported a decrease in fair value of investments, not an actual loss on investments. The City plans to hold all investments to maturity thus eliminating the risk of fluctuations in fair value.

The deficit balance in the Special Assessment Improvement Fund is due primarily to the City's issuance of \$2,085 of general obligation notes which are reported as a fund liability and the reporting of \$903 in amounts due from other funds. This deficit will be reduced as special assessments are collected to retire the obligations and as transfers are received from the Capital Improvements Fund for amounts not certified in prior years.

The Jeep Muni Public Imp TIF receives payments in lieu of taxes, with its deficit due and payable to the Capital Improvement fund.

The deficit balance in the Property Management Fund is due to the reporting of long-term housing improvement bonds payable as a fund liability. The deficit will be reduced as transfers are received from the Capital Improvement fund to make required debt service payments. Any proceeds from the sale of property for which the bonds were issued may be used to reduce the bond obligation.

The deficit balance in the Small Business Development Fund is due to of the sale of capital assets. This deficit balance will be eliminated in 2022.

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, 2021 and at the date of this Statement, is sufficient to meet the claims and judgments that may arise in 2022. 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 2021, 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Amounts in Thousands)

NOTE 18 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

NOTE 19 – SUBSEQUENT EVENTS

In March 2021, Congress passed the American Rescue Plan Act of 2021 (ARP) to provide a combined \$350 billion in assistance to eligible state, local, territorial, and Tribal governments to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. This bill provides additional relief to address the continued impact of COVID-19 (i.e., coronavirus disease 2019) on the economy, public health, state and local governments, individuals, and businesses. The City received \$90,474 of its total in 2021 and will receive the balance in the first half of 2022. With this grant, the City is responding to many of the needs of its citizens. In 2022, the City approved funding for additional police and fire classes, expansion of the ShotSpotter, lead line replacement, parks infrastructure revitalization, sidewalks replacement, youth engagement, and universal pre-K.

In March 2022, the City received an additional \$19,409 for Emergency Rental assistance from the U.S. Department of Justice.

In January of 2022, City Council passed legislation authorizing the Mayor to enter into agreements with and accept financial assistance from the State of Ohio, Ohio Public Works Commission (OPWC) in an amount not to exceed \$3,444 for five roadway projects, including: Lewis Avenue - Laskey to Alexis, Jackman Rd. - Alexis to Brim, Starr Avenue - Starr to Belt, Upton Avenue - Monroe to Central, and the Summit/Cherry Intersection; and authorizing the expenditure of said grant and loan proceeds.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.532808%	0.548508%	0.539616%	0.533193%
City's proportionate share of the net pension liability	\$ 78,897	\$ 108,415	\$ 147,790	\$ 83,648
City's covered payroll	\$ 73,664	\$ 77,564	\$ 73,215	\$ 70,449
City's proportionate share of the net pension liability as a percentage of its covered payroll	107.10%	139.77%	201.86%	118.74%
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%	84.66%

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

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

See accompanying notes to the required supplementary information

	2017	2016	2015	2014
	0.543004%	0.585192%	0.585985%	0.585985%
\$	123,307	\$ 101,362	\$ 70,676	\$ 69,078
\$	73,825	\$ 64,392	\$ 71,842	\$ 62,938
	167.03%	157.41%	98.38%	109.75%
	77.25%	81.08%	86.45%	86.36%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability	3.808373%	3.847687%	3.878850%	3.917280%
City's proportionate share of the net pension liability	\$ 259,620	\$ 259,201	\$ 316,616	\$ 240,421
City's covered payroll	\$ 91,438	\$ 92,034	\$ 88,613	\$ 85,955
City's proportionate share of the net pension liability as a percentage of its covered payroll	283.93%	281.64%	357.30%	279.71%
Plan fiduciary net position as a percentage of the total pension liability	70.65%	69.89%	63.07%	70.91%

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

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

See accompanying notes to the required supplementary information

	2017	2016	2015	2014
	3.934855%	4.272305%	4.108544%	4.108544%
\$	249,230	\$ 274,840	\$ 212,840	\$ 200,099
\$	89,039	\$ 91,976	\$ 84,450	\$ 81,411
	279.91%	298.82%	252.03%	245.79%
	68.36%	66.77%	72.20%	73.00%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 11,077	\$ 10,313	\$ 10,859	\$ 10,250
Contributions in relation to the contractually required contribution	<u>(11,077)</u>	<u>(10,313)</u>	<u>(10,859)</u>	<u>(10,250)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 79,121	\$ 73,664	\$ 77,564	\$ 73,215
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 9,158	\$ 8,859	\$ 7,727	\$ 8,621	\$ 8,182
<u>(9,158)</u>	<u>(8,859)</u>	<u>(7,727)</u>	<u>(8,621)</u>	<u>(8,182)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 70,449	\$ 73,825	\$ 64,392	\$ 71,842	\$ 62,938
13.00%	12.00%	12.00%	12.00%	13.00%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 20,800	\$ 19,186	\$ 19,378	\$ 18,661
Contributions in relation to the contractually required contribution	<u>(20,800)</u>	<u>(19,186)</u>	<u>(19,378)</u>	<u>(18,661)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 98,249	\$ 91,438	\$ 92,034	\$ 88,613
Contributions as a percentage of covered payroll	21.06%	21.06%	21.06%	21.06%

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

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 18,070	\$ 17,888	\$ 18,478	\$ 17,194	\$ 13,905
<u>(18,070)</u>	<u>(17,888)</u>	<u>(18,478)</u>	<u>(17,194)</u>	<u>(13,905)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 85,955	\$ 89,039	\$ 91,976	\$ 84,450	\$ 81,411
21.02%	20.09%	20.09%	20.36%	17.08%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability/asset	0.531898%	0.546815%	0.538490%	0.532090%
City's proportionate share of the net OPEB liability/(asset)	\$ (9,475)	\$ 75,529	\$ 70,206	\$ 57,783
City's covered payroll	\$ 73,664	\$ 77,564	\$ 73,215	\$ 70,449
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	12.86%	97.38%	95.89%	82.02%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	115.57%	47.80%	46.33%	54.14%

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

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

See accompanying notes to the required supplementary information

2017

0.541421%

\$ 54,685

\$ 73,825

74.07%

54.05%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability	3.808373%	3.847687%	3.878850%	3.917280%
City's proportionate share of the net OPEB liability	\$ 40,350	\$ 38,007	\$ 35,325	\$ 221,948
City's covered payroll	\$ 91,438	\$ 92,034	\$ 88,613	\$ 85,955
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	44.13%	41.30%	39.86%	258.21%
Plan fiduciary net position as a percentage of the total OPEB liability	45.42%	47.08%	46.57%	14.13%

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

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

See accompanying notes to the required supplementary information

2017

3.934855%

\$ 186,779

\$ 89,039

209.77%

15.96%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 79,121	\$ 73,664	\$ 77,564	\$ 73,215
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

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

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 704	\$ 1,516	\$ 1,376	\$ 1,536	\$ 729
<u>(704)</u>	<u>(1,516)</u>	<u>(1,376)</u>	<u>(1,536)</u>	<u>(729)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 70,449	\$ 73,825	\$ 64,392	\$ 71,842	\$ 62,938
1.00%	2.05%	2.14%	2.14%	1.16%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 491	\$ 457	\$ 460	\$ 443
Contributions in relation to the contractually required contribution	<u>(491)</u>	<u>(457)</u>	<u>(460)</u>	<u>(443)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 98,249	\$ 91,438	\$ 92,034	\$ 88,613
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

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

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 430	\$ 430	\$ 444	\$ 404	\$ 5,863
<u>(430)</u>	<u>(430)</u>	<u>(444)</u>	<u>(404)</u>	<u>(5,863)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 85,955	\$ 89,039	\$ 91,976	\$ 84,450	\$ 81,411
0.50%	0.48%	0.48%	0.48%	7.20%

City of Toledo, Ohio

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

(Continued)

City of Toledo, Ohio

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017-2020.
-

For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017-2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2021
(Amounts in Thousands)

	Budgeted amounts		Actuals	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Income taxes	\$ 178,400	\$ 178,400	\$ 191,447	\$ 13,047
Property taxes	12,758	12,758	12,985	227
Licenses and permits	2,992	3,592	3,201	(391)
Intergovernmental services	16,815	19,803	20,984	1,181
Charges for services	27,806	27,106	26,420	(686)
Investment earnings	468	1,100	1,977	877
(Decrease) in fair value of investments	-	-	(2,206)	(2,206)
Fines and forfeitures	7,545	2,485	2,408	(77)
Lease revenue	-	-	98	98
Other revenue	835	1,941	1,479	(462)
Total revenues	247,619	247,185	258,793	11,608
EXPENDITURES				
Current:				
General government	29,658	30,930	28,283	2,647
Public service	4,148	4,204	3,418	786
Public safety	185,179	186,546	191,003	(4,457)
Community environment	10,287	12,107	9,929	2,178
Health	9,755	9,819	8,856	963
Parks and recreation	3,718	5,361	4,082	1,279
Capital outlay	-	3	3	-
Debt service:				
Principal retirement	147	147	147	-
Interest and fiscal charges	4	4	3	1
Total expenditures	242,896	249,121	245,724	3,397
Excess of revenues over (under) expenditures	4,723	(1,936)	13,069	15,005
OTHER FINANCING SOURCES (USES)				
Transfers in	12,602	2,708	2,287	(421)
Transfers out	(41,135)	(43,377)	(45,520)	(2,143)
Sale of capital assets	-	-	71	71
Total other financing sources (uses)	(28,533)	(40,669)	(43,162)	(2,493)
Net change in fund balance	\$ (23,810)	\$ (42,605)	(30,093)	\$ 12,512
Fund balance at beginning of year			84,635	
Increase in inventory			145	
Fund balance at year end			\$ 54,687	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special assessments	\$ 33,148	\$ 33,148	\$ 27,846	\$ (5,302)
Investment earnings	-	-	7	7
Other revenue	2,865	2,865	-	(2,865)
Total revenues	<u>36,013</u>	<u>36,013</u>	<u>27,853</u>	<u>(8,160)</u>
EXPENDITURES				
Current:				
General government	1,382	1,390	1,062	328
Public service	32,937	33,511	23,523	9,988
Health	420	463	334	129
Capital outlay	5	-	-	-
Debt service:				
Principal retirement	20,200	20,200	-	20,200
Interest and fiscal charges	886	883	861	22
Total expenditures	<u>55,830</u>	<u>56,447</u>	<u>25,780</u>	<u>30,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,817)</u>	<u>(20,434)</u>	<u>2,073</u>	<u>22,507</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	20,000	20,000	-	(20,000)
Proceeds (Loss) from Sale of Capital Assets	-	-	28	28
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>28</u>	<u>(19,972)</u>
Net change in fund balance	<u>\$ 183</u>	<u>\$ (434)</u>	2,101	<u>\$ 2,535</u>
Fund balance (deficit) at beginning of year			(57,921)	
Increase in inventory			800	
Fund balance (deficit) at year end			<u>\$ (55,020)</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Local Fiscal Recovery Grant
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental services	\$ -	\$ 90,474	\$ 5,506	\$ (84,968)
Investment earnings	-	-	592	592
(Decrease) in fair value of investments	-	-	(1,143)	(1,143)
Total revenues	<u>-</u>	<u>90,474</u>	<u>4,955</u>	<u>(85,519)</u>
EXPENDITURES				
Current:				
General government	-	504	284	220
Public service	-	972	412	560
Public safety	-	4,247	4,175	72
Public utilities	-	535	535	-
Community environment	-	65	65	-
Health	-	4	4	-
Parks and recreation	-	9	9	-
Capital outlay	-	218	22	196
Total expenditures	<u>-</u>	<u>6,554</u>	<u>5,506</u>	<u>1,048</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 83,920</u>	(551)	<u>\$ (86,567)</u>
Fund balance at beginning of year			-	
Fund balance (deficit) at year end			<u>\$ (551)</u>	

City of Toledo, Ohio
Notes to the Budgetary Required Supplementary Information
December 31, 2021

Annual Budget Process

Annual budgets are adopted on a GAAP basis for all Governmental Funds, other than Capital Projects Funds, and all Proprietary Funds. On a GAAP basis, 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.

The City's budgetary process is as follows:

Budget

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

Estimated Resources

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

Appropriations

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

Budgetary Level of Control

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

City of Toledo, Ohio
Notes to the Budgetary Required Supplementary Information
December 31, 2021

Annual Budget Process (continued)

Encumbrances

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

Lapsing of Appropriations

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

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021
(Amounts in Thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents - other	\$ 79	\$ -	\$ -	\$ -	\$ 79
Restricted investments	-	-	-	683	683
Receivables (net of allowances)	8,099	15	3,768	-	11,882
Due from other:					
Funds	31,934	533	19,779	399	52,645
Governments	13,307	-	-	-	13,307
Inventory of supplies	1,258	-	-	-	1,258
Total assets	<u>\$ 54,677</u>	<u>\$ 548</u>	<u>\$ 23,547</u>	<u>\$ 1,082</u>	<u>\$ 79,854</u>
LIABILITIES					
Accounts payable	\$ 3,332	\$ -	\$ 1,228	\$ -	\$ 4,560
Deposits	1,965	-	-	386	2,351
Retainage payable	25	-	325	-	350
Due to other:					
Funds	3,489	9,140	-	-	12,629
Accrued wages and benefits payable	1	-	-	-	1
Compensated absences payable	4	-	-	-	4
Notes payable	-	-	2,085	-	2,085
Total liabilities	<u>8,816</u>	<u>9,140</u>	<u>3,638</u>	<u>386</u>	<u>21,980</u>
Deferred inflows of resources:					
Revenues levied for the next year and unavailable revenue	<u>6,852</u>	<u>15</u>	<u>1,140</u>	<u>-</u>	<u>8,007</u>
Fund balances:					
Nonspendable	1,258	-	-	683	1,941
Restricted	36,169	191	19,960	13	56,333
Committed	1,582	342	-	-	1,924
Unassigned (deficit)	<u>-</u>	<u>(9,140)</u>	<u>(1,191)</u>	<u>-</u>	<u>(10,331)</u>
Total fund balances (deficit)	<u>39,009</u>	<u>(8,607)</u>	<u>18,769</u>	<u>696</u>	<u>49,867</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 54,677</u>	<u>\$ 548</u>	<u>\$ 23,547</u>	<u>\$ 1,082</u>	<u>\$ 79,854</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021
(Amounts in Thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
REVENUES					
Income taxes	\$ -	\$ -	\$ 19,728	\$ -	\$ 19,728
Special assessments	-	-	202	-	202
Intergovernmental services	14,091	3,506	1,388	-	18,985
Charges for services	1,699	-	-	-	1,699
Investment earnings	2	-	-	-	2
Fines and forfeitures	1,367	-	-	-	1,367
Grants	36,319	-	-	-	36,319
Other revenue	4,672	-	-	-	4,672
Total revenues	58,150	3,506	21,318	-	82,974
EXPENDITURES					
Current:					
General government	533	-	-	-	533
Public service	14,697	-	-	-	14,697
Public safety	3,130	-	-	-	3,130
Public utilities	644	-	-	-	644
Community environment	30,136	-	-	-	30,136
Health	1,553	-	-	-	1,553
Parks and recreation	1,450	-	-	-	1,450
Capital outlay	826	-	15,381	-	16,207
Debt service:					
Principal retirement	291	12,615	-	-	12,906
Interest and fiscal charges	12	4,224	31	-	4,267
Total expenditures	53,272	16,839	15,412	-	85,523
Excess (deficiency) of revenues over (under) expenditures	4,878	(13,333)	5,906	-	(2,549)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,195	16,195	1,800	-	19,190
Transfers (out)	(1,017)	-	-	-	(1,017)
Sale of capital assets	144	-	-	-	144
Total other financing sources (uses)	322	16,195	1,800	-	18,317
Net change in fund balances	5,200	2,862	7,706	-	15,768
Fund balances (deficit) at beginning of year	33,700	(11,469)	11,063	696	33,990
Increase in inventory	109	-	-	-	109
Fund balances (deficit) at end of year	\$ 39,009	\$ (8,607)	\$ 18,769	\$ 696	\$ 49,867

City of Toledo, Ohio
Fund Descriptions - Nonmajor Special Revenue Funds

Federal Block Grants

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

Operation Grants

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

Urban Development Action Grants

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

Street Construction Maintenance and Repair

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

Cemetery Maintenance

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

Golf Improvements

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

Parkland Replacement

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

Cemeteries Property Acquisition Site Development

To account for monies received for investments, removals and lots in municipal cemeteries and used for the expansion of municipal cemeteries.

Marina Development

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

Expendable Trusts

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

Toledo City Parks

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

Toledo Home Program

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

Right of Way

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

Downtown Toledo Parking

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021
(Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants	Street Construction Maintenance and Repair
ASSETS				
Cash and cash equivalents - other	\$ -	\$ -	\$ -	\$ -
Receivables (net of allowances)	1,983	2,839	-	308
Due from other:				
Funds	-	11,899	688	3,898
Governments	2,696	1,054	-	8,348
Inventory of supplies	-	-	-	1,247
Total assets	<u>\$ 4,679</u>	<u>\$ 15,792</u>	<u>\$ 688</u>	<u>\$ 13,801</u>
LIABILITIES				
Accounts payable	\$ 620	\$ 1,440	\$ -	\$ 277
Deposits	1,485	141	-	-
Retainage	15	-	-	10
Due to other:				
Funds	1,642	-	-	-
Accrued wages and benefits payable	-	-	-	-
Compensated absences payable	-	-	-	4
Total liabilities	<u>3,762</u>	<u>1,581</u>	<u>-</u>	<u>291</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	<u>483</u>	<u>743</u>	<u>-</u>	<u>5,602</u>
FUND BALANCES				
Nonspendable	-	-	-	1,247
Restricted	434	13,468	688	6,661
Committed	-	-	-	-
Total fund balances	<u>434</u>	<u>13,468</u>	<u>688</u>	<u>7,908</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,679</u>	<u>\$ 15,792</u>	<u>\$ 688</u>	<u>\$ 13,801</u>

Cemetery Maintenance	Golf Improvements	Parkland Replacement	Cemeteries Property Acquisition Site Development	Marina Development	Expendable Trusts
\$ -	\$ 1	\$ -	\$ -	\$ 1	\$ 77
4	759	16	-	4	944
264	-	372	510	129	13,607
-	-	-	-	-	-
-	-	-	-	-	11
<u>\$ 268</u>	<u>\$ 760</u>	<u>\$ 388</u>	<u>\$ 510</u>	<u>\$ 134</u>	<u>\$ 14,639</u>
\$ 4	\$ 124	\$ -	\$ -	\$ 5	\$ -
-	-	-	3	-	319
-	-	-	-	-	-
-	440	-	-	-	-
-	1	-	-	-	-
-	-	-	-	-	-
<u>4</u>	<u>565</u>	<u>-</u>	<u>3</u>	<u>5</u>	<u>319</u>
-	-	-	-	-	-
-	-	-	-	-	11
-	-	-	-	-	14,309
<u>264</u>	<u>195</u>	<u>388</u>	<u>507</u>	<u>129</u>	<u>-</u>
<u>264</u>	<u>195</u>	<u>388</u>	<u>507</u>	<u>129</u>	<u>14,320</u>
<u>\$ 268</u>	<u>\$ 760</u>	<u>\$ 388</u>	<u>\$ 510</u>	<u>\$ 134</u>	<u>\$ 14,639</u>

(Continued)

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2021
(Amounts in Thousands)

	<u>Toledo City Parks</u>	<u>Toledo Home Program</u>	<u>Right Of Way</u>	<u>Downtown Toledo Parking</u>
ASSETS				
Cash and cash equivalents - other	\$ -	\$ -	\$ -	\$ -
Receivables (net of allowances)	-	1,242	-	-
Due from other:				
Funds	99	-	44	424
Governments	-	1,209	-	-
Inventory of supplies	-	-	-	-
Total assets	<u>\$ 99</u>	<u>\$ 2,451</u>	<u>\$ 44</u>	<u>\$ 424</u>
LIABILITIES				
Accounts payable	\$ -	\$ 862	\$ -	\$ -
Deposits	-	-	17	-
Retainage	-	-	-	-
Due to other:				
Funds	-	1,407	-	-
Accrued wages and benefits payable	-	-	-	-
Compensated absences payable	-	-	-	-
Total liabilities	<u>-</u>	<u>2,269</u>	<u>17</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	<u>-</u>	<u>24</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	158	27	424
Committed	99	-	-	-
Total fund balances	<u>99</u>	<u>158</u>	<u>27</u>	<u>424</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 99</u>	<u>\$ 2,451</u>	<u>\$ 44</u>	<u>\$ 424</u>

**Total
Nonmajor
Special Revenue
Funds**

\$	79
	8,099
	31,934
	13,307
	<u>1,258</u>
\$	<u>54,677</u>
\$	3,332
	1,965
	25
	3,489
	1
	<u>4</u>
	<u>8,816</u>
	<u>6,852</u>
	1,258
	36,169
	<u>1,582</u>
	<u>39,009</u>
\$	<u>54,677</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021
(Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants	Street Construction Maintenance and Repair
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ -	\$ 14,091
Charges for services	-	-	-	3
Investment earnings	-	-	-	-
Fines and forfeitures	-	-	-	273
Grants	9,598	24,687	-	-
Other revenue	-	468	-	155
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	9,598	25,155	-	14,522
EXPENDITURES				
Current:				
General government	-	2	-	469
Public service	-	-	-	14,697
Public safety	-	1,913	-	62
Public utilities	-	70	-	574
Community environment	10,086	14,995	-	12
Health	-	1,486	-	-
Parks and recreation	-	1,360	-	-
Capital outlay	-	165	-	661
Debt service:				
Principal retirement	-	268	-	-
Interest and fiscal charges	-	12	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	10,086	20,271	-	16,475
Excess (deficiency) of revenues over (under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(488)	4,884	-	(1,953)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	225
Transfers (out)	-	-	-	(792)
Sale of capital assets	-	-	-	8
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	(559)
Net change in fund balances	(488)	4,884	-	(2,512)
Fund balances at beginning of year	922	8,584	688	10,319
Increase (decrease) in inventory	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	101
Fund balances at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 434	\$ 13,468	\$ 688	\$ 7,908

Cemetery Maintenance	Golf Improvements	Parkland Replacement	Cemeteries Property Acquisition Site Development	Marina Development	Expendable Trusts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	1,153	15	28	26	433
-	-	-	-	-	2
-	-	-	-	-	1,094
-	-	-	-	-	88
-	-	-	-	-	3,975
<u>41</u>	<u>1,153</u>	<u>15</u>	<u>28</u>	<u>26</u>	<u>5,592</u>
-	-	-	1	-	61
-	-	-	-	-	-
-	-	-	-	-	1,155
-	-	-	-	-	-
-	1,367	-	-	-	985
-	-	-	-	-	67
-	-	-	-	9	81
-	-	-	-	-	-
-	22	-	-	-	-
-	1	-	-	-	-
-	<u>1,390</u>	<u>-</u>	<u>1</u>	<u>9</u>	<u>2,349</u>
<u>41</u>	<u>(237)</u>	<u>15</u>	<u>27</u>	<u>17</u>	<u>3,243</u>
-	175	-	-	-	570
-	-	-	-	-	-
-	-	-	-	-	136
-	<u>175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706</u>
41	(62)	15	27	17	3,949
223	257	373	480	112	10,363
-	-	-	-	-	8
<u>\$ 264</u>	<u>\$ 195</u>	<u>\$ 388</u>	<u>\$ 507</u>	<u>\$ 129</u>	<u>\$ 14,320</u>

(Continued)

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Toledo City Parks</u>	<u>Toledo Home Program</u>	<u>Right Of Way</u>	<u>Downtown Toledo Parking</u>
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants	-	1,946	-	-
Other revenue	-	73	1	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	2,019	1	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public service	-	-	-	-
Public safety	-	-	-	-
Public utilities	-	-	-	-
Community environment	-	2,691	-	-
Health	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	2,691	-	-
Excess (deficiency) of revenues over (under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	-	(672)	1	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	225	-
Transfers (out)	-	-	(225)	-
Sale of capital assets	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(672)	1	-
Fund balances at beginning of year	99	830	26	424
Increase (decrease) in inventory	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Fund balances at end of year	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 99	\$ 158	\$ 27	\$ 424

**Total
Nonmajor
Special Revenue
Funds**

\$	14,091
	1,699
	2
	1,367
	36,319
	<u>4,672</u>
	<u>58,150</u>

	533
	14,697
	3,130
	644
	30,136
	1,553
	1,450
	826
	290
	<u>13</u>
	<u>53,272</u>

	<u>4,878</u>
--	--------------

	1,195
	(1,017)
	<u>144</u>
	<u>322</u>

	5,200
	33,700
	<u>109</u>

\$	<u><u>39,009</u></u>
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City of Toledo, Ohio
Fund Descriptions - Nonmajor Debt Service Funds

Jeep Municipal Public Improvement TIF

This is the Municipal Public Improvement Tax Increment Equivalent fund established by Ordinance 1233-98 on December 8, 1998 that collects payments in lieu of taxes while accounting for the City's costs associated with public improvements associated with the Jeep Project.

General Obligation

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

Special Assessment

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021
(Amounts in Thousands)

	Jeep Municipal Public Improvement TIF	General Obligation	Special Assessment	Total Nonmajor Debt Service Funds
ASSETS				
Receivables (net of allowance)	\$ -	\$ -	\$ 15	\$ 15
Due from other:				
Funds	-	342	191	533
Total assets	<u>\$ -</u>	<u>\$ 342</u>	<u>\$ 206</u>	<u>\$ 548</u>
LIABILITIES				
Due to other:				
Funds	\$ 9,140	\$ -	\$ -	\$ 9,140
Total liabilities	<u>9,140</u>	<u>-</u>	<u>-</u>	<u>9,140</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	-	-	15	15
FUND BALANCES				
Restricted	-	-	191	191
Committed	-	342	-	342
Unassigned (deficit)	(9,140)	-	-	(9,140)
Total fund balances (deficit)	<u>(9,140)</u>	<u>342</u>	<u>191</u>	<u>(8,607)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 342</u>	<u>\$ 206</u>	<u>\$ 548</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021
(Amounts in Thousands)

	Jeep Municipal Public Improvement TIF	General Obligation	Special Assessment	Total Nonmajor Debt Service Funds
REVENUES				
Intergovernmental services	\$ 3,506	\$ -	\$ -	\$ 3,506
Total revenues	<u>3,506</u>	<u>-</u>	<u>-</u>	<u>3,506</u>
EXPENDITURES				
Debt service:				
Principal retirement	480	12,135	-	12,615
Interest and fiscal charges	164	4,060	-	4,224
Total expenditures	<u>644</u>	<u>16,195</u>	<u>-</u>	<u>16,839</u>
Excess of revenues over (under) expenditures	2,862	(16,195)	-	(13,333)
OTHER FINANCING SOURCES				
Transfers in	-	16,195	-	16,195
Total other financing sources	<u>-</u>	<u>16,195</u>	<u>-</u>	<u>16,195</u>
Net change in fund balances	2,862	-	-	2,862
Fund balances (deficit) at beginning of year	<u>(12,002)</u>	<u>342</u>	<u>191</u>	<u>(11,469)</u>
Fund balances (deficit) at end of year	<u>\$ (9,140)</u>	<u>\$ 342</u>	<u>\$ 191</u>	<u>\$ (8,607)</u>

City of Toledo, Ohio
Fund Descriptions - Nonmajor Capital Projects Funds

Special Assessment Improvements

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

Franklin Park/Westfield Municipal Public Improvement TIF

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

Ironville Site TIF

This is the Municipal Improvement Tax Increment Equivalent fund established by 511-18 that collects payments in lieu of taxes while accounting for the City's cost associated with public infrastructure improvements associated with the Ironville neighborhood.

Tax Road Improvements

For a period commencing January 1, 2021 and ending December 31, 2024, there shall be and is hereby levied an annual tax at the uniform rate of one-quarter percent (1/4%) per year on the income of every person residing in or earning or receiving income in the Municipality in order to provide funds necessary to pay costs of improving the City's system of roads, streets and bridges, including related debt charges.

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021
(Amounts in Thousands)

	Special Assessment Improvements	Franklin Park/ Westfield Municipal Public Improvement TIF	Ironville Site TIF	Tax Road Improvements
ASSETS				
Receivables (net of allowances)	\$ 1,132	\$ -	\$ -	\$ 2,636
Due from other:				
Funds	903	14,713	83	4,080
Total assets	<u>\$ 2,035</u>	<u>\$ 14,713</u>	<u>\$ 83</u>	<u>\$ 6,716</u>
LIABILITIES				
Accounts payable	\$ -	\$ 24	\$ -	\$ 1,204
Retainage payable	9	-	-	316
Notes payable	2,085	-	-	-
Total liabilities	<u>2,094</u>	<u>24</u>	<u>-</u>	<u>1,520</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	1,132	-	-	8
FUND BALANCES				
Restricted	-	14,689	83	5,188
Unassigned (deficit)	(1,191)	-	-	-
Total fund balances	<u>(1,191)</u>	<u>14,689</u>	<u>83</u>	<u>5,188</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,035</u>	<u>\$ 14,713</u>	<u>\$ 83</u>	<u>\$ 6,716</u>

**Total
Nonmajor
Capital Projects
Funds**

\$ 3,768

19,779

\$ 23,547

\$ 1,228

325

2,085

3,638

1,140

19,960

(1,191)

18,769

\$ 23,547

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021
(Amounts in Thousands)

	Special Assessment Improvements	Franklin Park/ Westfield Municipal Public Improvement TIF	Ironville Site TIF	Tax Road Improvements
REVENUES				
Income taxes	\$ -	\$ -	\$ -	\$ 19,728
Special assessments	202	-	-	-
Intergovernmental services	-	1,305	83	-
Total revenues	<u>202</u>	<u>1,305</u>	<u>83</u>	<u>19,728</u>
EXPENDITURES				
Capital outlay	205	636	-	14,540
Debt service:				
Interest and fiscal charges	31	-	-	-
Total expenditures	<u>236</u>	<u>636</u>	<u>-</u>	<u>14,540</u>
Excess of revenues over (under) expenditures	(34)	669	83	5,188
OTHER FINANCING SOURCES				
Transfers in	1,800	-	-	-
Total Other Financing Sources	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,766	669	83	5,188
Fund balances (deficit) at beginning of year	<u>(2,957)</u>	<u>14,020</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of year	<u>\$ (1,191)</u>	<u>\$ 14,689</u>	<u>\$ 83</u>	<u>\$ 5,188</u>

**Total
Nonmajor
Capital
Projects
Funds**

\$	19,728
	202
	<u>1,388</u>
	21,318
	<u>15,381</u>
	31
	<u>15,412</u>
	5,906
	<u>1,800</u>
	<u>1,800</u>
	7,706
	<u>11,063</u>
\$	<u><u>18,769</u></u>

City of Toledo, Ohio
Fund Description - Nonmajor Permanent Fund

Cemetery Perpetual Care

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

City of Toledo, Ohio
Fund Descriptions - Nonmajor Enterprise Funds

Storm Sewer

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

Property Management

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

Small Business Development

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

Municipal Tow Lot

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

Marina Operations

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

Toledo Public Power

To account for the revenues and expenses of the operations of the distribution of electric power per agreement.

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

City of Toledo, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2021
(Amounts in Thousands)

	<u>Storm Sewer</u>	<u>Property Management</u>	<u>Small Business Development</u>	<u>Municipal Tow Lot</u>
ASSETS				
<u>Current:</u>				
Cash and cash equivalents with Treasury	\$ 345	\$ -	\$ -	\$ -
Investments	5,470	-	-	-
Restricted investments	-	-	-	-
Receivables (net of allowances)	2,620	3,460	-	67
Due from other:				
Funds	-	884	-	104
Total current assets	<u>8,435</u>	<u>4,344</u>	<u>-</u>	<u>171</u>
<u>Noncurrent:</u>				
Investments	36,016	-	-	-
Net OPEB asset	336	-	-	-
Land and construction in progress	3,424	-	26	697
Other capital assets, net of accumulated depreciation	35,686	-	-	13
Total noncurrent assets	<u>75,462</u>	<u>-</u>	<u>26</u>	<u>710</u>
Total assets	<u>83,897</u>	<u>4,344</u>	<u>26</u>	<u>881</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	393	-	-	-
OPEB	166	-	-	-
Total deferred outflows of resources	<u>559</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
<u>Current:</u>				
Accounts payable	712	-	-	76
Customer deposits	-	-	-	-
Retainage payable	60	-	-	-
Due to other:				
Funds	725	-	115	-
Governments	6	-	-	-
Accrued interest payable	22	16	-	2
Notes payable	700	-	-	-
Current portion of:				
Bonds, loans, and capital lease payable, net	201	665	-	150
Total current liabilities	<u>2,426</u>	<u>681</u>	<u>115</u>	<u>228</u>
<u>Noncurrent:</u>				
Compensated absences payable	500	-	-	-
Bonds, loans, and capital lease payable, net	2,085	5,992	-	311
Net pension liability	2,800	-	-	-
Total noncurrent liabilities	<u>5,385</u>	<u>5,992</u>	<u>-</u>	<u>311</u>
Total liabilities	<u>7,811</u>	<u>6,673</u>	<u>115</u>	<u>539</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	1,338	-	-	-
OPEB	1,111	-	-	-
Total deferred inflows of resources	<u>2,449</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	36,064	-	26	249
Restricted:				
Debt Service	41	-	-	-
Replacement	997	-	-	-
Capital improvement	5,064	-	-	-
Unrestricted (deficit)	32,030	(2,329)	(115)	93
Total net position (deficit)	<u>\$ 74,196</u>	<u>\$ (2,329)</u>	<u>\$ (89)</u>	<u>\$ 342</u>

Marina Operations	Toledo Public Power	Total Nonmajor Enterprise Funds
\$ -	\$ -	\$ 345
-	-	5,470
-	396	396
-	386	6,533
<u>1</u>	<u>3</u>	<u>992</u>
<u>1</u>	<u>785</u>	<u>13,736</u>
-	-	36,016
-	-	336
-	-	4,147
-	-	<u>35,699</u>
-	-	<u>76,198</u>
<u>1</u>	<u>785</u>	<u>89,934</u>
-	-	393
-	-	<u>166</u>
-	-	<u>559</u>
1	193	982
-	50	50
-	-	60
-	-	840
-	-	6
-	-	40
-	-	700
-	-	<u>1,016</u>
<u>1</u>	<u>243</u>	<u>3,694</u>
-	-	500
-	-	8,388
-	-	<u>2,800</u>
-	-	<u>11,688</u>
<u>1</u>	<u>243</u>	<u>15,382</u>
-	-	1,338
-	-	<u>1,111</u>
-	-	<u>2,449</u>
-	-	36,339
-	-	41
-	-	997
-	396	5,460
-	146	29,825
<u>\$ -</u>	<u>\$ 542</u>	<u>\$ 72,662</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2021
(Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot
OPERATING REVENUES				
Charges for services	\$ 8,901	\$ -	\$ -	\$ 2,667
Other revenue	13	-	-	249
Total operating revenues	<u>8,914</u>	<u>-</u>	<u>-</u>	<u>2,916</u>
OPERATING EXPENSES				
Personal services	1,198	-	-	-
Contract services	2,028	-	-	1,010
Materials and supplies	283	-	-	41
Utilities	-	-	-	21
Depreciation	1,086	-	1	5
Other	-	865	-	-
Total operating expenses	<u>4,595</u>	<u>865</u>	<u>1</u>	<u>1,077</u>
Operating income (loss)	<u>4,319</u>	<u>(865)</u>	<u>(1)</u>	<u>1,839</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	731	-	-	-
(Decrease) in fair value of investments	(850)	-	-	-
Interest expense and fiscal charges	(85)	(203)	-	(30)
Gain (Loss) on sale of capital assets	-	166	(151)	-
Total nonoperating revenues (expenses)	<u>(204)</u>	<u>(37)</u>	<u>(151)</u>	<u>(30)</u>
Income (loss) before transfers and contributions	<u>4,115</u>	<u>(902)</u>	<u>(152)</u>	<u>1,809</u>
Capital contributions	26	-	-	-
Transfers in	300	1,064	-	-
Transfers (out)	(75)	-	-	(1,747)
Change in net position	4,366	162	(152)	62
Net position (deficit) at beginning of year	<u>69,830</u>	<u>(2,491)</u>	<u>63</u>	<u>280</u>
Net position (deficit) at end of year	<u>\$ 74,196</u>	<u>\$ (2,329)</u>	<u>\$ (89)</u>	<u>\$ 342</u>

Toledo Public Power	Total Nonmajor Enterprise Funds
\$ 738	\$ 12,306
-	262
<u>738</u>	<u>12,568</u>
-	1,198
-	3,038
-	324
792	813
-	1,092
-	865
<u>792</u>	<u>7,330</u>
<u>(54)</u>	<u>5,238</u>
-	731
-	(850)
(9)	(327)
-	15
<u>(9)</u>	<u>(431)</u>
<u>(63)</u>	<u>4,807</u>
-	26
-	1,364
-	(1,822)
<u>(63)</u>	<u>4,375</u>
<u>605</u>	<u>68,287</u>
<u>\$ 542</u>	<u>\$ 72,662</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Storm Sewer</u>	<u>Property Management</u>	<u>Small Business Development</u>	<u>Municipal Tow Lot</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 10,361	\$ (266)	\$ -	\$ 2,705
Cash paid to employees	(4,102)	-	-	-
Cash paid to suppliers	(966)	-	-	(1,027)
Other cash receipts	13	-	-	249
Net cash provided by (used in) operating activities	<u>5,306</u>	<u>(266)</u>	<u>-</u>	<u>1,927</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer in	-	1,064	-	-
Transfer (out)	(75)	-	-	(1,747)
Net cash provided by (used in) noncapital financing activities	<u>(75)</u>	<u>1,064</u>	<u>-</u>	<u>(1,747)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	26	-	-	-
Purchases of property, plant, and equipment	(1,866)	267	-	-
Principal payments	(189)	(840)	-	(150)
Proceeds from the issuance of bonds, loans, and notes	700	-	-	-
Interest and fiscal charges paid on bonds, loans, and capital leases	(65)	(225)	-	(30)
Net cash (used in) capital and related financing activities	<u>(1,394)</u>	<u>(798)</u>	<u>-</u>	<u>(180)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	4,212	-	-	-
Purchase of investments	(9,723)	-	-	-
Investment income received on investments	(118)	-	-	-
Net cash (used in) investing activities	<u>(5,629)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	(1,792)	-	-	-
Cash and cash equivalents at beginning of year	2,137	-	-	-
Cash and cash equivalents at end of year	<u>\$ 345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Toledo Public Power	Total Nonmajor Enterprise Funds
\$ 720	\$ 13,520
-	(4,102)
(711)	(2,704)
-	262
<u>9</u>	<u>6,976</u>
-	1,064
<u>-</u>	<u>(1,822)</u>
-	(758)
-	26
-	(1,599)
-	(1,179)
-	700
<u>(9)</u>	<u>(329)</u>
<u>(9)</u>	<u>(2,381)</u>
-	4,212
-	(9,723)
<u>-</u>	<u>(118)</u>
<u>-</u>	<u>(5,629)</u>
-	(1,792)
-	2,137
<u>\$ -</u>	<u>\$ 345</u>

(continued)

City of Toledo, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Storm Sewer</u>	<u>Property Management</u>	<u>Small Business Development</u>	<u>Municipal Tow Lot</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 4,319	\$ (865)	\$ (1)	\$ 1,839
Adjustments:				
Depreciation	1,086	-	1	5
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Decrease (increase) in receivables	484	998	-	142
Decrease (increase) in due from other funds	2,000	(399)	-	(129)
Decrease in due from governments	6	-	-	-
Increase in accounts payable and customer deposits	321	-	-	70
(Decreased) in retainage payable	(10)	-	-	-
(Decrease) in compensated absences payable	(20)	-	-	-
Decrease in deferred outflows - pension	188	-	-	-
Increase in deferred inflows - pension	270	-	-	-
(Decrease) in net pension liability	(1,112)	-	-	-
Decrease in deferred outflows - OPEB	282	-	-	-
Increase in deferred inflows - OPEB	555	-	-	-
(Increase) in net OPEB asset	(336)	-	-	-
(Decrease) in net OPEB liability	(2,727)	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 5,306</u>	<u>\$ (266)</u>	<u>\$ -</u>	<u>\$ 1,927</u>

<u>Toledo Public Power</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ (54)	\$ 5,238
-	1,092
(318)	1,306
300	1,772
-	6
81	472
-	(10)
-	(20)
-	188
-	270
-	(1,112)
-	282
-	555
-	(336)
-	(2,727)
<u>\$ 9</u>	<u>\$ 6,976</u>

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City of Toledo, Ohio
Fund Descriptions - Internal Service Funds

Municipal Garage

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

Capital Replacement

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

Storeroom and Printshop

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

Information Technology

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

Risk Management

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

Facility Operations

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

Workers' Compensation

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

Healthcare Self-Insurance

To account for the City's self-funded medical, dental, and prescription drug plan. This fund was established late in 2019 to report all healthcare related self-insurance activities.

City of Toledo, Ohio
Combining Statement of Net Position
Internal Service Funds
December 31, 2021
(Amounts in Thousands)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>
ASSETS				
<u>Current:</u>				
Receivables (net of allowances)	\$ 812	\$ -	\$ 2	\$ -
Due from other:				
Funds	5,683	-	552	2,821
Prepaid Items	-	-	-	-
Inventory of supplies	893	-	-	-
Total current assets	<u>7,388</u>	<u>-</u>	<u>554</u>	<u>2,821</u>
<u>Noncurrent:</u>				
Land and construction in progress	350	-	-	-
Other capital assets, net of accumulated depreciation	701	7,144	-	-
Net OPEB asset	337	-	-	169
Total noncurrent assets	<u>1,388</u>	<u>7,144</u>	<u>-</u>	<u>169</u>
Total assets	<u>8,776</u>	<u>7,144</u>	<u>554</u>	<u>2,990</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	395	-	-	443
OPEB	165	-	-	236
Total deferred outflows of resources	<u>560</u>	<u>-</u>	<u>-</u>	<u>679</u>
LIABILITIES				
<u>Current:</u>				
Accounts payable	784	-	168	760
Customer deposits	-	-	-	1
Due to other:				
Funds	-	1,457	-	-
Other current liabilities	-	-	-	-
Current portion of:				
Compensated absences payable	-	-	-	6
Bonds, loans, and capital lease payable, net	-	-	-	-
Total current liabilities	<u>784</u>	<u>1,457</u>	<u>168</u>	<u>767</u>
<u>Noncurrent:</u>				
Bonds, loans, and capital lease payable, net	-	-	-	-
Net pension liability	2,809	-	-	1,404
Total noncurrent liabilities	<u>2,809</u>	<u>-</u>	<u>-</u>	<u>1,404</u>
Total liabilities	<u>3,593</u>	<u>1,457</u>	<u>168</u>	<u>2,171</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	1,434	-	13	606
OPEB	1,170	-	9	515
Total deferred inflows of resources	<u>2,604</u>	<u>-</u>	<u>22</u>	<u>1,121</u>
NET POSITION				
Net investment in capital assets	1,051	6,443	-	-
Unrestricted (deficit)	2,088	(756)	364	377
Total net position	<u>\$ 3,139</u>	<u>\$ 5,687</u>	<u>\$ 364</u>	<u>\$ 377</u>

Risk Management	Facility Operations	Workers' Compensation	Healthcare Self-Insurance	Total Internal Service Funds
\$ -	\$ 79	\$ 22	\$ 587	\$ 1,502
10,245	2,295	1,138	6,280	29,014
-	-	3,638	-	3,638
-	-	-	-	893
<u>10,245</u>	<u>2,374</u>	<u>4,798</u>	<u>6,867</u>	<u>35,047</u>
-	-	-	-	350
-	2,448	-	-	10,293
<u>37</u>	<u>112</u>	<u>26</u>	<u>7</u>	<u>688</u>
<u>37</u>	<u>2,560</u>	<u>26</u>	<u>7</u>	<u>11,331</u>
<u>10,282</u>	<u>4,934</u>	<u>4,824</u>	<u>6,874</u>	<u>46,378</u>
109	202	30	67	1,246
<u>62</u>	<u>100</u>	<u>13</u>	<u>39</u>	<u>615</u>
<u>171</u>	<u>302</u>	<u>43</u>	<u>106</u>	<u>1,861</u>
79	99	813	2,364	5,067
-	-	-	-	1
-	-	-	-	1,457
<u>6,600</u>	<u>-</u>	<u>820</u>	<u>4,023</u>	<u>11,443</u>
-	-	-	-	6
-	175	-	-	175
<u>6,679</u>	<u>274</u>	<u>1,633</u>	<u>6,387</u>	<u>18,149</u>
-	2,505	-	-	2,505
<u>307</u>	<u>931</u>	<u>213</u>	<u>63</u>	<u>5,727</u>
<u>307</u>	<u>3,436</u>	<u>213</u>	<u>63</u>	<u>8,232</u>
<u>6,986</u>	<u>3,710</u>	<u>1,846</u>	<u>6,450</u>	<u>26,381</u>
339	460	132	27	3,011
<u>238</u>	<u>381</u>	<u>102</u>	<u>23</u>	<u>2,438</u>
<u>577</u>	<u>841</u>	<u>234</u>	<u>50</u>	<u>5,449</u>
-	(232)	-	-	7,262
<u>2,890</u>	<u>917</u>	<u>2,787</u>	<u>480</u>	<u>9,147</u>
<u>\$ 2,890</u>	<u>\$ 685</u>	<u>\$ 2,787</u>	<u>\$ 480</u>	<u>\$ 16,409</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>
OPERATING REVENUES				
Charges for services	\$ 8,807	\$ 348	\$ 157	\$ 6,303
Other revenue	233	-	-	1
Total operating revenues	<u>9,040</u>	<u>348</u>	<u>157</u>	<u>6,304</u>
OPERATING EXPENSES				
Personal services	1,857	-	-	1,270
Contract services	833	-	83	2,017
Materials and supplies	4,763	-	109	79
Utilities	23	-	-	2,570
Depreciation	57	1,307	-	-
Total operating expenses	<u>7,533</u>	<u>1,307</u>	<u>192</u>	<u>5,936</u>
Operating income (loss)	<u>1,507</u>	<u>(959)</u>	<u>(35)</u>	<u>368</u>
NONOPERATING REVENUES (EXPENSES)				
Interest expense and fiscal charges	-	(7)	-	-
Gain (loss) on disposal of capital assets	13	-	-	-
Total nonoperating revenues (expenses)	<u>13</u>	<u>(7)</u>	<u>-</u>	<u>-</u>
Change in net position	1,520	(966)	(35)	368
Net position (deficit) at beginning of year-restated	<u>1,619</u>	<u>6,653</u>	<u>399</u>	<u>9</u>
Net position at end of year	<u>\$ 3,139</u>	<u>\$ 5,687</u>	<u>\$ 364</u>	<u>\$ 377</u>

Risk Management	Facility Operations	Workers' Compensation	Healthcare Self-Insurance	Total Internal Service Funds
\$ 7,505	\$ 2,790	\$ -	\$ 40,504	\$ 66,414
-	37	2	-	273
<u>7,505</u>	<u>2,827</u>	<u>2</u>	<u>40,504</u>	<u>66,687</u>
619	627	102	98	4,573
6,461	946	5,132	40,406	55,878
-	317	4	-	5,272
-	246	-	-	2,839
-	88	-	-	1,452
<u>7,080</u>	<u>2,224</u>	<u>5,238</u>	<u>40,504</u>	<u>70,014</u>
<u>425</u>	<u>603</u>	<u>(5,236)</u>	<u>-</u>	<u>(3,327)</u>
-	(118)	-	-	(125)
-	-	-	-	13
<u>-</u>	<u>(118)</u>	<u>-</u>	<u>-</u>	<u>(112)</u>
425	485	(5,236)	-	(3,439)
<u>2,465</u>	<u>200</u>	<u>8,023</u>	<u>480</u>	<u>19,848</u>
<u>\$ 2,890</u>	<u>\$ 685</u>	<u>\$ 2,787</u>	<u>\$ 480</u>	<u>\$ 16,409</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 10,189	\$ 348	\$ 197	\$ 6,261
Cash paid to employees	(4,623)	-	-	(2,050)
Cash paid to suppliers	(5,605)	1	(197)	(4,212)
Other receipts	233	-	-	1
Net cash provided by operating activities	<u>194</u>	<u>349</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of property, plant, and equipment	(194)	(1)	-	-
Principal payments	-	(341)	-	-
Interest and fiscal charges paid on bonds, loans, and leases	-	(7)	-	-
Net cash (used in) capital and related financing activities	<u>(194)</u>	<u>(349)</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 1,507	\$ (959)	\$ (35)	\$ 368
Adjustments:				
Depreciation	57	1,307	-	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Decrease (increase) in receivables	(86)	-	-	-
Decrease (increase) in due from other funds	1,468	1	40	(42)
Decrease in prepaid expenses	-	-	-	-
Decrease in inventory of supplies	24	-	-	-
Increase (decrease) in accounts payable and customer deposits	(10)	-	14	454
Increase (decrease) in compensated absences payable	(66)	-	-	6
Decrease (increase) in deferred outflows - pension	216	-	2	42
Increase (decrease) in deferred inflows - pension	390	-	(4)	261
Increase (decrease) in net pension liability	(1,149)	-	(10)	(222)
Decrease (increase) in deferred outflows - OPEB	284	-	1	83
Increase (decrease) in deferred inflows - OPEB	653	-	(1)	352
(Increase) in net OPEB asset	(337)	-	-	(169)
(Decrease) in net OPEB liability	(2,757)	-	(7)	(1,133)
Increase (decrease) in other current liabilities	-	-	-	-
Net cash provided by operating activities	<u>\$ 194</u>	<u>\$ 349</u>	<u>\$ -</u>	<u>\$ -</u>

Risk Management	Facility Operations	Workers' Compensation	Healthcare Self-Insurance	Total Internal Service Funds
\$ 1,845	\$ 3,218	\$ 5,473	\$ 40,504	\$ 68,035
(820)	(1,505)	(325)	(98)	(9,421)
(1,025)	(1,462)	(5,150)	(40,406)	(58,056)
-	37	2	-	273
-	288	-	-	831
-	-	-	-	(195)
-	(175)	-	-	(516)
-	(113)	-	-	(120)
-	(288)	-	-	(831)
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 425	\$ 603	\$ (5,236)	\$ -	\$ (3,327)
-	88	-	-	1,452
-	(9)	-	34	(61)
(5,660)	437	5,473	(1,768)	(51)
-	-	556	-	556
-	-	-	-	24
36	47	334	1,859	2,734
-	-	-	-	(60)
219	(25)	21	(67)	408
189	54	50	27	967
(397)	(207)	(123)	63	(2,045)
148	33	26	(39)	536
168	171	64	23	1,430
(37)	(112)	(26)	(7)	(688)
(491)	(792)	(235)	-	(5,415)
5,400	-	(904)	(125)	4,371
\$ -	\$ 288	\$ -	\$ -	\$ 831

City of Toledo, Ohio
Fund Descriptions - Custodial Funds

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

3% State Surcharge

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

1% State Surcharge

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

Ohio EPA Surcharge

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

ESID and DTID Special Assessments

To account for special assessments levied and paid to the Downtown Toledo Improvement District (DTID) and various Energy Special Improvement District's (ESID).

Municipal Court

To account for bonds and other costs remitted to the Municipal Court pending final disposition of the various cases and payment to third parties, excluding the City. While records of the Municipal Court are the responsibility of a separate elected Clerk of Courts and not the Finance Department, the balances have been included in these financial statements in compliance with GASB Statement No. 61.

City of Toledo, Ohio
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021
(Amounts in Thousands)

	<u>3% State Surcharge</u>	<u>1% State Surcharge</u>	<u>Ohio EPA Surcharge</u>	<u>ESID and DTID Special Assessments</u>	<u>Municipal Court</u>	<u>Total Custodial Funds</u>
ASSETS						
Cash and cash equivalents - other	\$ -	\$ -	\$ -	\$ -	\$ 689	\$ 689
Receivables (net of allowances)	249	38	71	19,114	-	19,472
Total assets	<u>249</u>	<u>38</u>	<u>71</u>	<u>19,114</u>	<u>689</u>	<u>20,161</u>
LIABILITIES						
Due to other:						
Governments	249	38	71	-	-	358
NET POSITION						
Restricted for other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,114</u>	<u>\$ 689</u>	<u>\$ 19,803</u>

City of Toledo, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>3% State Surcharge</u>	<u>1% State Surcharge</u>	<u>ESID and DTID Special Assessments</u>	<u>Municipal Court</u>	<u>Total Custodial Funds</u>
ADDITIONS					
Fines and forfeitures for other governments	\$ -	\$ -	\$ -	\$ 7,897	\$ 7,897
Licenses, permits, and fees for other governments	39	7	-	-	46
Special assessments collected for other governments	-	-	3,368	-	3,368
Total additions	<u>39</u>	<u>7</u>	<u>3,368</u>	<u>7,897</u>	<u>11,311</u>
DEDUCTIONS					
Fines and forfeiture distributions to other governments	-	-	-	7,501	7,501
Licenses, permits, and fee distributions to other governments	39	7	-	-	46
Special assessments distributed to other governments	-	-	3,151	-	3,151
Total deductions	<u>39</u>	<u>7</u>	<u>3,151</u>	<u>7,501</u>	<u>10,698</u>
Net increase (decrease) in fiduciary net position	-	-	217	396	613
Net position at beginning of year	<u>-</u>	<u>-</u>	<u>18,897</u>	<u>293</u>	<u>19,190</u>
Net position at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,114</u>	<u>\$ 689</u>	<u>\$ 19,803</u>

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City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
REVENUES				
Income taxes	\$ 178,400	\$ 178,400	\$ 191,447	\$ 13,047
Property taxes	12,758	12,758	12,985	227
Licenses and permits	2,992	3,592	3,201	(391)
Intergovernmental services	16,815	19,803	20,984	1,181
Charges for services	27,806	27,106	26,420	(686)
Investment earnings	468	1,100	1,977	877
(Decrease) in fair value of investments	-	-	(2,206)	(2,206)
Fines and forfeitures	7,545	2,485	2,408	(77)
Lease revenue	-	-	98	98
Other revenue	835	1,941	1,479	(462)
Total revenues	<u>247,619</u>	<u>247,185</u>	<u>258,793</u>	<u>11,608</u>
EXPENDITURES				
Current:				
General government				
Accounts				
Personnel services	974	982	932	50
Materials and supplies	4	7	6	1
Contractual services	396	396	234	162
Accounts total	<u>1,374</u>	<u>1,385</u>	<u>1,172</u>	<u>213</u>
Auditor				
Personnel services	114	117	115	2
Contractual services	2	2	3	(1)
Auditor total	<u>116</u>	<u>119</u>	<u>118</u>	<u>1</u>
City council				
Personnel services	1,613	1,621	1,636	(15)
Materials and supplies	20	20	7	13
Contractual services	240	263	203	60
City council total	<u>1,873</u>	<u>1,904</u>	<u>1,846</u>	<u>58</u>
Code enforcement				
Materials and supplies	3	3	3	-
Contractual services	39	40	1	39
Code enforcement total	<u>42</u>	<u>43</u>	<u>4</u>	<u>39</u>
Diversity and inclusion				
Personnel services	649	653	343	310
Materials and supplies	-	1	1	-
Contractual services	324	393	147	246
Debt and other	50	50	10	40
Diversity and inclusion total	<u>1,023</u>	<u>1,097</u>	<u>501</u>	<u>596</u>

General government continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
General government (continued)				
Educational engagement and workforce development				
Personnel services	-	59	-	59
Contractual services	-	50	-	50
Educational engagement and workforce development total	<u>-</u>	<u>109</u>	<u>-</u>	<u>109</u>
Engage Toledo				
Personnel services	259	294	484	(190)
Materials and supplies	20	20	11	9
Contractual services	7	7	20	(13)
Engage Toledo total	<u>286</u>	<u>321</u>	<u>515</u>	<u>(194)</u>
Facility operations				
Contractual services	697	697	608	89
Facility operations total	<u>697</u>	<u>697</u>	<u>608</u>	<u>89</u>
Finance administration				
Personnel services	243	298	166	132
Materials and supplies	16	16	11	5
Contractual services	163	163	43	120
Finance administration total	<u>422</u>	<u>477</u>	<u>220</u>	<u>257</u>
Finance ERP				
Personnel services	120	120	104	16
Contractual services	231	233	212	21
Finance ERP total	<u>351</u>	<u>353</u>	<u>316</u>	<u>37</u>
Financial analysis				
Personnel services	326	326	280	46
Materials and supplies	1	-	-	-
Contractual services	17	19	19	-
Financial analysis total	<u>344</u>	<u>345</u>	<u>299</u>	<u>46</u>
General fund utilities				
Contractual services	1,285	1,285	1,080	205
General fund utilities total	<u>1,285</u>	<u>1,285</u>	<u>1,080</u>	<u>205</u>
General non-departmental services				
Personnel services	(1,550)	(1,550)	24	(1,574)
Contractual services	12,994	13,154	12,925	229
General non-departmental services total	<u>11,444</u>	<u>11,604</u>	<u>12,949</u>	<u>(1,345)</u>
Human relations commission				
Personnel services	148	148	119	29
Materials and supplies	5	5	3	2
Contractual services	83	83	34	49
Human relations commission total	<u>236</u>	<u>236</u>	<u>156</u>	<u>80</u>

General government continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
General government (continued)				
Human resources				
Personnel services	1,072	1,080	937	143
Materials and supplies	42	42	12	30
Contractual services	1,122	1,199	651	548
Human resources total	<u>2,236</u>	<u>2,321</u>	<u>1,600</u>	<u>721</u>
Law				
Personnel services	1,180	1,218	1,025	193
Materials and supplies	19	22	22	-
Contractual services	182	182	222	(40)
Law total	<u>1,381</u>	<u>1,422</u>	<u>1,269</u>	<u>153</u>
Office of the mayor				
Personnel services	1,176	1,379	1,123	256
Materials and supplies	18	30	26	4
Contractual services	393	238	237	1
Debt and other	35	18	18	-
Office of the mayor total	<u>1,622</u>	<u>1,665</u>	<u>1,404</u>	<u>261</u>
Purchasing and supplies				
Personnel services	413	415	380	35
Materials and supplies	5	1	1	-
Contractual services	52	57	57	-
Purchasing and supplies total	<u>470</u>	<u>473</u>	<u>438</u>	<u>35</u>
Safety administration				
Personnel services	37	37	4	33
Contractual services	75	75	46	29
Safety administration total	<u>112</u>	<u>112</u>	<u>50</u>	<u>62</u>
Streets, bridges & harbor				
Personnel services	338	533	405	128
Materials and supplies	1	1	-	1
Contractual services	317	624	90	534
Streets, bridges & harbor total	<u>656</u>	<u>1,158</u>	<u>495</u>	<u>663</u>
Taxation				
Personnel services	2,680	2,683	2,366	317
Materials and supplies	109	99	79	20
Contractual services	309	322	322	-
Taxation total	<u>3,098</u>	<u>3,104</u>	<u>2,767</u>	<u>337</u>

General government continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General government (continued)				
Treasury				
Personnel services	369	369	309	60
Materials and supplies	16	16	16	-
Contractual services	205	206	151	55
Treasury total	<u>590</u>	<u>591</u>	<u>476</u>	<u>115</u>
Youth services				
Personnel services	-	59	-	59
Contractual services	-	50	-	50
Youth services total	<u>-</u>	<u>109</u>	<u>-</u>	<u>109</u>
<i>General government total</i>	<u>29,658</u>	<u>30,930</u>	<u>28,283</u>	<u>2,647</u>
Public service				
General fund utilities				
Contractual services	3,709	3,709	3,174	535
General fund utilities total	<u>3,709</u>	<u>3,709</u>	<u>3,174</u>	<u>535</u>
Parks & forestry				
Personnel services	6	6	1	5
Materials and supplies	1	2	2	-
Contractual services	282	311	241	70
Parks & forestry total	<u>289</u>	<u>319</u>	<u>244</u>	<u>75</u>
Transportation				
Personnel services	-	48	-	48
Contractual services	150	128	-	128
Transportation total	<u>150</u>	<u>176</u>	<u>-</u>	<u>176</u>
<i>Public service total</i>	<u>4,148</u>	<u>4,204</u>	<u>3,418</u>	<u>786</u>
Public safety				
Clerk of municipal court				
Personnel services	5,110	5,110	4,703	407
Materials and supplies	447	447	417	30
Contractual services	1,948	548	525	23
Clerk of municipal court total	<u>7,505</u>	<u>6,105</u>	<u>5,645</u>	<u>460</u>
Fire				
Personnel services	73,432	72,512	77,685	(5,173)
Materials and supplies	1,523	1,543	1,275	268
Contractual services	4,480	4,775	4,694	81
Fire total	<u>79,435</u>	<u>78,830</u>	<u>83,654</u>	<u>(4,824)</u>
General non-departmental services				
Contractual services	78	78	65	13
General non-departmental services total	<u>78</u>	<u>78</u>	<u>65</u>	<u>13</u>

Public safety continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Public safety (continued)				
Law				
Personnel services	882	903	822	81
Law total	<u>882</u>	<u>903</u>	<u>822</u>	<u>81</u>
Municipal court judges				
Personnel services	7,595	7,593	6,993	600
Materials and supplies	162	187	167	20
Contractual services	3,132	3,107	2,867	240
Municipal court judges total	<u>10,889</u>	<u>10,887</u>	<u>10,027</u>	<u>860</u>
Police				
Personnel services	76,359	76,792	77,354	(562)
Materials and supplies	1,019	1,250	1,049	201
Contractual services	6,670	7,239	8,177	(938)
Police total	<u>84,048</u>	<u>85,281</u>	<u>86,580</u>	<u>(1,299)</u>
Safety administration				
Contractual services	2,342	4,462	4,210	252
Safety administration total	<u>2,342</u>	<u>4,462</u>	<u>4,210</u>	<u>252</u>
<i>Public safety total</i>	<u>185,179</u>	<u>186,546</u>	<u>191,003</u>	<u>(4,457)</u>
Community environment				
Building inspection				
Personnel services	1,581	1,705	1,551	154
Materials and supplies	28	28	14	14
Contractual services	317	361	249	112
Building inspection total	<u>1,926</u>	<u>2,094</u>	<u>1,814</u>	<u>280</u>
Code enforcement				
Personnel services	857	862	812	50
Materials and supplies	14	14	10	4
Contractual services	600	1,829	1,914	(85)
Code enforcement total	<u>1,471</u>	<u>2,705</u>	<u>2,736</u>	<u>(31)</u>
Economic development				
Personnel services	811	821	661	160
Materials and supplies	7	20	16	4
Contractual services	1,841	1,827	1,540	287
Economic development total	<u>2,659</u>	<u>2,668</u>	<u>2,217</u>	<u>451</u>

Community environment continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Community environment (continued)				
Engineering services				
Personnel services	257	257	202	55
Materials and supplies	9	9	4	5
Contractual services	117	119	54	65
Engineering services total	<u>383</u>	<u>385</u>	<u>260</u>	<u>125</u>
General non-departmental services				
Contractual services	-	250	-	250
General non-departmental services total	<u>-</u>	<u>250</u>	<u>-</u>	<u>250</u>
Housing				
Personnel services	108	115	49	66
Materials and supplies	25	41	10	31
Contractual services	357	846	155	691
Debt and other	500	-	-	-
Housing total	<u>990</u>	<u>1,002</u>	<u>214</u>	<u>788</u>
Neighborhoods administration				
Personnel services	175	181	165	16
Materials and supplies	6	8	8	-
Contractual services	363	364	315	49
Neighborhoods administration total	<u>544</u> #	<u>553</u> #	<u>488</u> #	<u>65</u>
Parks and forestry				
Contractual services	1,166	1,275	1,335	(60)
Parks and forestry total	<u>1,166</u>	<u>1,275</u>	<u>1,335</u>	<u>(60)</u>
Planning commission				
Personnel services	779	805	733	72
Materials and supplies	20	20	18	2
Contractual services	114	115	57	58
Planning commission total	<u>913</u>	<u>940</u>	<u>808</u>	<u>132</u>
Waste disposal				
Contractual services	235	235	57	178
Waste disposal total	<u>235</u>	<u>235</u>	<u>57</u>	<u>178</u>
<i>Community environment total</i>	<u>10,287</u>	<u>12,107</u>	<u>9,929</u>	<u>2,178</u>
Health				
Environmental services				
Personnel services	214	214	138	76
Materials and supplies	5	5	5	-
Contractual services	13	13	13	-
Environmental services total	<u>232</u>	<u>232</u>	<u>156</u>	<u>76</u>

Health continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health (continued)				
General non-departmental services				
Contractual services	2,304	2,304	2,303	1
General non-departmental services total	<u>2,304</u>	<u>2,304</u>	<u>2,303</u>	<u>1</u>
Municipal court judges				
Personnel services	341	343	343	-
Municipal court judges total	<u>341</u>	<u>343</u>	<u>343</u>	<u>-</u>
Parks & forestry				
Contractual services	639	640	786	(146)
Parks & forestry total	<u>639</u>	<u>640</u>	<u>786</u>	<u>(146)</u>
Waste disposal				
Personnel services	1,269	1,286	1,064	222
Materials and supplies	182	182	157	25
Contractual services	4,788	4,832	4,047	785
Waste disposal total	<u>6,239</u>	<u>6,300</u>	<u>5,268</u>	<u>1,032</u>
<i>Health total</i>	<u>9,755</u>	<u>9,819</u>	<u>8,856</u>	<u>963</u>
Parks and recreation				
Economic Development				
Contractual services	-	2	2	-
Economic Development total	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Parks, recreation and community enrichment				
Personnel services	-	133	19	114
Contractual services	-	50	-	50
Parks, recreation and community enrichment total	<u>-</u>	<u>183</u>	<u>19</u>	<u>164</u>
Parks & forestry				
Personnel services	552	558	408	150
Materials and supplies	38	123	82	41
Contractual services	1,832	1,817	1,423	394
Contractual services	40	60	60	-
Parks & forestry total	<u>2,462</u>	<u>2,558</u>	<u>1,973</u>	<u>585</u>
Recreation				
Personnel services	421	424	332	92
Materials and supplies	49	116	74	42
Contractual services	786	2,078	1,682	396
Recreation total	<u>1,256</u>	<u>2,618</u>	<u>2,088</u>	<u>530</u>
<i>Parks and recreation total</i>	<u>3,718</u>	<u>5,361</u>	<u>4,082</u>	<u>1,279</u>

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
General Fund
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Capital outlay:				
Fire and rescue				
Capital outlay	-	3	3	-
Fire and rescue total	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Debt service:				
Principal retirement	147	147	147	-
Interest and fiscal charges	4	4	3	1
Debt service total	<u>151</u>	<u>151</u>	<u>150</u>	<u>1</u>
Total expenditures	<u>242,896</u>	<u>249,121</u>	<u>245,724</u>	<u>3,397</u>
Excess of revenues over (under) expenditures	<u>4,723</u>	<u>(1,936)</u>	<u>13,069</u>	<u>15,005</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,602	2,708	2,287	(421)
Transfers out	(41,135)	(43,377)	(45,520)	(2,143)
Sale of capital assets	-	-	71	71
Total other financing sources (uses)	<u>(28,533)</u>	<u>(40,669)</u>	<u>(43,162)</u>	<u>(2,493)</u>
Net change in fund balance	<u>\$ (23,810)</u>	<u>\$ (42,605)</u>	(30,093)	<u>\$ 12,512</u>
Fund balance at beginning of year			84,635	
Increase in inventory			145	
Fund balance at year end			<u>\$ 54,687</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Investment earnings	\$ 46	\$ 46	\$ 14	\$ (32)
Grants	1,535	38,816	8,682	(30,134)
Other revenue	162	1,449	-	(1,449)
Total revenues	<u>1,743</u>	<u>40,311</u>	<u>8,696</u>	<u>(31,615)</u>
EXPENDITURES				
General government				
Debt management				
Contractual services	6	26	24	2
Debt management total	<u>6</u>	<u>26</u>	<u>24</u>	<u>2</u>
Facility operations				
Contractual services	142	142	24	118
Facility operations total	<u>142</u>	<u>142</u>	<u>24</u>	<u>118</u>
Finance ERP				
Contractual services	11	11	10	1
Finance ERP total	<u>11</u>	<u>11</u>	<u>10</u>	<u>1</u>
Office of the mayor				
Personnel services	15	15	15	-
Office of the mayor total	<u>15</u>	<u>15</u>	<u>15</u>	<u>-</u>
<i>General government total</i>	<u>174</u>	<u>194</u>	<u>73</u>	<u>121</u>
Public safety				
Fire and rescue				
Contractual services	-	357	-	357
Fire and rescue total	<u>-</u>	<u>357</u>	<u>-</u>	<u>357</u>
<i>Public safety total</i>	<u>-</u>	<u>357</u>	<u>-</u>	<u>357</u>
Public Utilities				
Utilities Admin Services				
Personnel services	16	16	2	14
Utilities Admin Services total	<u>16</u>	<u>16</u>	<u>2</u>	<u>14</u>
<i>Public Utilities total</i>	<u>16</u>	<u>16</u>	<u>2</u>	<u>14</u>
Capital outlay				
Building inspection				
Contractual services	-	117	21	96
Building inspection total	<u>-</u>	<u>117</u>	<u>21</u>	<u>96</u>

Capital outlay continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
Capital outlay (continued)				
City Council				
Contractual services	-	144	-	144
City council total	-	144	-	144
Code enforcement				
Contractual services	-	20	-	20
Code enforcement total	-	20	-	20
Diversity and inclusion				
Personnel services	-	-	1	(1)
Diversity and inclusion total	-	-	1	(1)
Debt management				
Personnel services	74	74	117	(43)
Debt management total	74	74	117	(43)
Economic development				
Contractual services	-	1,420	62	1,358
Capital outlay	-	190	185	5
Economic development total	-	1,610	247	1,363
Engineering services				
Personnel services	3,007	3,007	1,504	1,503
Materials and supplies	15	55	16	39
Contractual services	216	216	25	191
Capital outlay	3,663	62,945	21,320	41,625
Engineering services total	6,901	66,223	22,865	43,358
Environmental Services				
Contractual services	-	115	-	115
Environmental services total	-	115	-	115
Facility operations				
Materials and supplies	-	24	17	7
Contractual services	-	5,711	618	5,093
Capital outlay	-	5	-	5
Facility operations total	-	5,740	635	5,105
Fire				
Materials and supplies	-	1,060	656	404
Contractual services	-	281	113	168
Capital outlay	-	2,533	1	2,532
Fire total	-	3,874	770	3,104

Capital outlay continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay (continued)				
Fleet				
Contractual services	-	90	72	18
Capital outlay	-	32	30	2
Fleet total	-	122	102	20
Information & communication technology				
Contractual services	-	4,377	386	3,991
Capital outlay	-	1,439	1,439	-
Information & communication technology total	-	5,816	1,825	3,991
Law				
Contractual services	-	200	62	138
Law total	-	200	62	138
Municipal court judges				
Contractual services	-	145	-	145
Capital outlay	-	53	53	-
Municipal court judges total	-	198	53	145
Parks & forestry				
Personnel services	187	187	194	(7)
Materials and supplies	-	149	147	2
Contractual services	-	1,811	1,208	603
Capital outlay	-	1,045	277	768
Parks & forestry total	187	3,192	1,826	1,366
Planning commission				
Personnel services	84	84	89	(5)
Planning commission total	84	84	89	(5)
Police				
Materials and supplies	-	61	60	1
Contractual services	-	1,493	658	835
Capital outlay	-	4,791	859	3,932
Police total	-	6,345	1,577	4,768
Recreation				
Materials and supplies	-	14	14	-
Contractual services	-	665	377	288
Recreation total	-	679	391	288

Capital outlay continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay (continued)				
Streets, bridges & harbor				
Personnel services	168	168	118	50
Materials and supplies	190	252	13	239
Contractual services	10	5,753	3,735	2,018
Capital outlay	-	3,192	2,439	753
Streets, bridges & harbor total	<u>368</u>	<u>9,365</u>	<u>6,305</u>	<u>3,060</u>
Taxation				
Contractual services	-	4	-	4
Taxation total	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
Transportation				
Personnel services	720	720	583	137
Materials and supplies	8	585	365	220
Contractual services	5	505	192	313
Capital outlay	-	-	-	-
Transportation total	<u>733</u>	<u>1,810</u>	<u>1,140</u>	<u>670</u>
Waste disposal				
Materials and supplies	-	67	46	21
Contractual services	-	467	171	296
Capital outlay	-	-	(1)	1
Waste disposal total	<u>-</u>	<u>534</u>	<u>216</u>	<u>318</u>
<i>Capital outlay total</i>	<u>8,347</u>	<u>106,266</u>	<u>38,242</u>	<u>68,024</u>
Debt service:				
Principal retirement	1,792	2,372	2,094	278
Interest and fiscal charges	510	490	411	79
Debt issuance cost	-	35	35	-
Debt service total	<u>2,302</u>	<u>2,897</u>	<u>2,540</u>	<u>357</u>
Total expenditures	<u>10,839</u>	<u>109,730</u>	<u>40,857</u>	<u>68,873</u>
Excess of revenues over (under) expenditures	<u>(9,096)</u>	<u>(69,419)</u>	<u>(32,161)</u>	<u>37,258</u>

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Capital Improvements
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in	39,884	39,884	45,098	5,214
Transfers (out)	(28,980)	(19,555)	(19,059)	496
Issuance of bonds	8,300	8,300	-	(8,300)
Issuance of notes	-	-	828	828
Issuance of loans	4,535	6,306	519	(5,787)
Premium on notes issued	-	-	45	45
Sale of capital assets	-	-	602	602
Inception of subscription asset	-	-	1,438	1,438
Total other financing sources (uses)	<u>23,739</u>	<u>34,935</u>	<u>29,471</u>	<u>(5,464)</u>
Net change in fund balance	<u>\$ 14,643</u>	<u>\$ (34,484)</u>	(2,690)	<u>\$ 31,794</u>
Fund balance at beginning of year			55,605	
(Decrease) in inventory			(287)	
Fund balance at year end			<u>\$ 52,628</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Special assessments	\$ 33,148	\$ 33,148	\$ 27,846	\$ (5,302)
Investment earnings	-	-	7	7
Other revenue	2,865	2,865	-	(2,865)
Total revenues	<u>36,013</u>	<u>36,013</u>	<u>27,853</u>	<u>(8,160)</u>
EXPENDITURES				
Current:				
General government				
Debt management				
Personnel services	49	49	40	9
Contractual services	-	3	3	-
Debt management total	<u>49</u>	<u>52</u>	<u>43</u>	<u>9</u>
Diversity and inclusion				
Contractual services	42	42	-	42
Diversity and inclusion total	<u>42</u>	<u>42</u>	<u>-</u>	<u>42</u>
Finance ERP				
Contractual services	51	51	48	3
Finance ERP total	<u>51</u>	<u>51</u>	<u>48</u>	<u>3</u>
Human resources				
Personnel services	11	11	11	-
Human resources total	<u>11</u>	<u>11</u>	<u>11</u>	<u>-</u>
Office of the mayor				
Personnel services	15	15	15	-
Office of the mayor total	<u>15</u>	<u>15</u>	<u>15</u>	<u>-</u>
Streets, bridges & harbor				
Personnel services	358	360	237	123
Materials and supplies	4	4	-	4
Contractual services	569	572	531	41
Streets, bridges & harbor total	<u>931</u>	<u>936</u>	<u>768</u>	<u>168</u>
Treasury				
Personnel services	252	252	177	75
Materials and supplies	4	4	-	4
Contractual services	27	27	-	27
Treasury total	<u>283</u>	<u>283</u>	<u>177</u>	<u>106</u>
General government total	<u>1,382</u>	<u>1,390</u>	<u>1,062</u>	<u>328</u>
Public service				
Engineering services				
Personnel services	98	98	70	28
Contractual services	20	20	1	19
Engineering services total	<u>118</u>	<u>118</u>	<u>71</u>	<u>47</u>

Public service continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actuals</u>
Public service (continued)				
General fund utilities				
Contractual services	3,461	3,461	2,997	464
General fund utilities total	<u>3,461</u>	<u>3,461</u>	<u>2,997</u>	<u>464</u>
Parks & forestry				
Personnel services	4,965	4,926	3,942	984
Materials and supplies	224	224	158	66
Contractual services	2,363	2,382	1,708	674
Parks & forestry total	<u>7,552</u>	<u>7,532</u>	<u>5,808</u>	<u>1,724</u>
Streets, bridges & harbor				
Personnel services	7,909	7,924	7,144	780
Materials and supplies	2,620	2,620	1,958	662
Contractual services	6,601	7,180	4,897	2,283
Streets, bridges & harbor total	<u>17,130</u>	<u>17,724</u>	<u>13,999</u>	<u>3,725</u>
Treasury				
Materials and supplies	197	197	16	181
Contractual services	4,479	4,479	632	3,847
Treasury total	<u>4,676</u>	<u>4,676</u>	<u>648</u>	<u>4,028</u>
<i>Public service total</i>	<u>32,937</u>	<u>33,511</u>	<u>23,523</u>	<u>9,988</u>
Health				
Parks & forestry				
Personnel services	178	218	217	1
Materials and supplies	27	27	27	-
Contractual services	215	218	90	128
Parks & forestry total	<u>420</u>	<u>463</u>	<u>334</u>	<u>129</u>
<i>Health total</i>	<u>420</u>	<u>463</u>	<u>334</u>	<u>129</u>
Capital outlay:				
Streets, bridges & harbor				
Capital outlay	5	-	-	-
Streets, bridges & harbor total	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Capital outlay total</i>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Special Assessment Services
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Debt service:				
Principal retirement	20,200	20,200	-	20,200
Interest and fiscal charges	886	883	861	22
Debt service total	<u>21,086</u>	<u>21,083</u>	<u>861</u>	<u>20,222</u>
Total expenditures	<u>55,830</u>	<u>56,447</u>	<u>25,780</u>	<u>30,667</u>
Excess of revenues over (under) expenditures	<u>(19,817)</u>	<u>(20,434)</u>	<u>2,073</u>	<u>22,507</u>
OTHER FINANCING SOURCES				
Issuance of debt	20,000	20,000	-	(20,000)
Sale of capital assets	-	-	28	28
Total other financing sources	<u>20,000</u>	<u>20,000</u>	<u>28</u>	<u>(19,972)</u>
Net change in fund balance	<u>\$ 183</u>	<u>\$ (434)</u>	2,101	<u>\$ 2,535</u>
Fund balance (deficit) at beginning of year			(57,921)	
(Decrease) in inventory			800	
Fund balance (deficit) at year end			<u>\$ (55,020)</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Local Fiscal Recovery Grant
For the Year Ended December 31, 2021
(Amounts in Thousands)

	Budgeted amounts		Actuals	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental services	\$ -	\$ 90,474	\$ 5,506	\$ (84,968)
Investment earnings	-	-	592	592
(Decrease) in fair value of investments	-	-	(1,143)	(1,143)
Total revenues	-	90,474	4,955	(85,519)
EXPENDITURES				
Current:				
General government				
Diversity and inclusion				
Debt and other	-	20	-	20
Diversity and inclusion total	-	20	-	20
Facility operations				
Personnel services	-	33	33	-
Facility operations total	-	33	33	-
Fleet operations				
Personnel services	-	96	96	-
Fleet operations total	-	96	96	-
General non-departmental services				
Debt and other	-	155	155	-
General non-departmental services total	-	155	155	-
Office of the mayor				
Debt and other	-	200	-	200
Office of the mayor total	-	200	-	200
<i>General government total</i>	-	504	284	220
Public service				
Engineering services				
Personnel services	-	1	1	-
Engineering services total	-	1	1	-

Public service continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Local Fiscal Recovery Grant
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public service (continued)				
Parks & forestry				
Personnel services	-	83	83	-
Parks & forestry total	-	83	83	-
Streets, bridges & harbor				
Personnel services	-	283	283	-
Materials and supplies	-	500	-	500
Streets, bridges & harbor total	-	783	283	500
Transportation				
Personnel services	-	45	45	-
Contractual services	-	60	-	60
Transportation total	-	105	45	60
<i>Public service total</i>	-	972	412	560
Public safety				
Fire & rescue				
Personnel services	-	1,975	1,975	-
Materials and supplies	-	72	-	72
Fire & rescue total	-	2,047	1,975	72
Police				
Personnel services	-	2,200	2,200	-
Police total	-	2,200	2,200	-
<i>Public safety total</i>	-	4,247	4,175	72
Public utilities				
Building inspection				
Personnel services	-	2	2	-
Building inspection total	-	2	2	-
Engineering services				
Personnel services	-	12	12	-
Engineering services total	-	12	12	-
Environmental services				
Personnel services	-	2	2	-
Environmental services total	-	2	2	-

Public utilities continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Local Fiscal Recovery Grant
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public utilities (continued)				
Sewer and drainage services				
Personnel services	-	180	180	-
Sewer and drainage services total	-	180	180	-
Streets, bridges and harbor				
Personnel services	-	12	12	-
Streets, bridges and harbor total	-	12	12	-
Utility administration				
Personnel services	-	4	4	-
Utility administration total	-	4	4	-
Water distribution				
Personnel services	-	212	212	-
Water distribution total	-	212	212	-
Water treatment				
Personnel services	-	111	111	-
Water treatment total	-	111	111	-
<i>Public utilities total</i>	-	535	535	-
Community environment:				
Building inspection				
Personnel services	-	20	20	-
Building inspection total	-	20	20	-
Code enforcement				
Personnel services	-	27	27	-
Code enforcement total	-	27	27	-
Engineering services				
Personnel services	-	4	4	-
Engineering services total	-	4	4	-
Housing				
Personnel services	-	7	7	-
Housing total	-	7	7	-

Community environment continues on next page

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major Governmental Funds
Local Fiscal Recovery Grant
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment (continued)				
Streets, bridges and harbor				
Personnel services	-	7	7	-
Streets, bridges and harbor total	-	7	7	-
<i>Community environment total</i>	-	65	65	-
Health:				
Parks and forestry				
Personnel services	-	4	4	-
Parks and forestry total	-	4	4	-
<i>Health total</i>	-	4	4	-
Parks and recreation:				
Parks and forestry				
Personnel services	-	5	5	-
Parks and forestry total	-	5	5	-
Recreation				
Personnel services	-	4	4	-
Recreation total	-	4	4	-
<i>Parks and recreation total</i>	-	9	9	-
Capital outlay:				
Engineering services				
Personnel services	-	15	15	-
Engineering services total	-	15	15	-
Streets, bridges & harbor				
Personnel services	-	3	3	-
Capital outlay	-	196	-	196
Streets, bridges & harbor total	-	199	3	196
Transporation				
Personnel services	-	4	4	-
Transportation total	-	4	4	-
<i>Capital outlay total</i>	-	218	22	196
Total expenditures	-	6,554	5,506	1,048
Net change in fund balance	\$ -	\$ 83,920	(551)	\$ (86,567)
Fund balance at beginning of year			-	
Fund balance (deficit) at year end			\$ (551)	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Federal Block Grants
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Grants	\$ 9,120	\$ 27,727	\$ 9,598	\$ (18,129)
Total revenues	<u>9,120</u>	<u>27,727</u>	<u>9,598</u>	<u>(18,129)</u>
EXPENDITURES				
Current:				
Community environment				
Beautification action team				
Personnel services	-	145	-	145
Materials and supplies	-	16	-	16
Contractual services	-	533	15	518
Beautification action team total	<u>-</u>	<u>694</u>	<u>15</u>	<u>679</u>
Code enforcement				
Personnel services	749	1,208	641	567
Materials and supplies	5	20	6	14
Contractual services	625	1,832	239	1,593
Code enforcement total	<u>1,379</u>	<u>3,060</u>	<u>886</u>	<u>2,174</u>
Economic development				
Contractual services	-	901	354	547
Economic development total	<u>-</u>	<u>901</u>	<u>354</u>	<u>547</u>
Housing division				
Personnel services	1,016	1,949	907	1,042
Materials and supplies	29	100	11	89
Contractual services	1,441	5,387	1,936	3,451
Housing division total	<u>2,486</u>	<u>7,436</u>	<u>2,854</u>	<u>4,582</u>
Law				
Personnel services	52	91	52	39
Law total	<u>52</u>	<u>91</u>	<u>52</u>	<u>39</u>
Neighborhoods administration				
Personnel services	1,165	2,274	1,059	1,215
Materials and supplies	10	53	22	31
Contractual services	220	1,704	323	1,381
Neighborhoods administration total	<u>1,395</u>	<u>4,031</u>	<u>1,404</u>	<u>2,627</u>

Community environment continues on the next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Federal Block Grants
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment (continued)				
Planning commission				
Personnel services	87	115	113	2
Planning commission total	<u>87</u>	<u>115</u>	<u>113</u>	<u>2</u>
Utility Administration				
Contractual services	-	42	42	-
Utility Administration total	<u>-</u>	<u>42</u>	<u>42</u>	<u>-</u>
Third party partners				
Contractual services	3,723	7,891	4,366	3,525
Third party partners total	<u>3,723</u>	<u>7,891</u>	<u>4,366</u>	<u>3,525</u>
<i>Community environment total</i>	<u>9,122</u>	<u>24,261</u>	<u>10,086</u>	<u>14,175</u>
Total expenditures	<u>9,122</u>	<u>24,261</u>	<u>10,086</u>	<u>14,175</u>
Net change in fund balance	<u>\$ (2)</u>	<u>\$ 3,466</u>	(488)	<u>\$ (3,954)</u>
Fund balance at beginning of year			922	
Fund balance at year end			<u>\$ 434</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Operation Grants
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Grants	\$ 34,206	\$ 54,299	\$ 24,687	\$ (29,612)
Other revenue	-	748	468	(280)
Total revenues	<u>34,206</u>	<u>55,047</u>	<u>25,155</u>	<u>(29,892)</u>
EXPENDITURES				
Current:				
General government				
Non-departmental				
Contractual services	-	-	2	(2)
Non-departmental total	<u>-</u>	<u>-</u>	<u>2</u>	<u>(2)</u>
<i>General government total</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>(2)</u>
Public safety				
Fire				
Personnel services	-	725	-	725
Materials and supplies	51	164	-	164
Contractual services	10	123	-	123
Capital outlay	-	8	-	8
Fire total	<u>61</u>	<u>1,020</u>	<u>-</u>	<u>1,020</u>
Law				
Personnel services	75	75	71	4
Contractual services	100	100	38	62
Law total	<u>175</u>	<u>175</u>	<u>109</u>	<u>66</u>
Municipal court judges				
Personnel services	465	564	212	352
Materials and supplies	1	2	1	1
Contractual services	1,067	1,437	484	953
Municipal court judges total	<u>1,533</u>	<u>2,003</u>	<u>697</u>	<u>1,306</u>
Police				
Personnel services	167	1,665	309	1,356
Materials and supplies	53	835	422	413
Contractual services	3	521	76	445
Police total	<u>223</u>	<u>3,021</u>	<u>807</u>	<u>2,214</u>
Streets, bridges and harbor				
Contractual services	-	298	300	(2)
Streets, bridges and harbor total	<u>-</u>	<u>298</u>	<u>300</u>	<u>(2)</u>
<i>Public safety total</i>	<u>1,992</u>	<u>6,517</u>	<u>1,913</u>	<u>4,604</u>
Public utilities				
Environmental services				
Contractual services	110	459	70	389
Environmental services total	<u>110</u>	<u>459</u>	<u>70</u>	<u>389</u>
<i>Public utilities total</i>	<u>110</u>	<u>459</u>	<u>70</u>	<u>389</u>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Operation Grants
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Code enforcement				
Contractual services	-	43	-	43
Code enforcement total	-	43	-	43
Economic development				
Contractual services	-	8	-	8
Economic development total	-	8	-	8
Housing division				
Personnel services	1,261	2,824	545	2,279
Materials and supplies	65	117	15	102
Contractual services	24,929	30,975	12,078	18,897
Housing division total	26,255	33,916	12,638	21,278
Neighborhoods administration				
Personnel services	61	48	16	32
Contractual services	3,433	5,866	2,103	3,763
Neighborhoods administration total	3,494	5,914	2,119	3,795
Planning commission				
Personnel services	232	255	238	17
Planning commission total	232	255	238	17
<i>Community environment total</i>	<i>29,981</i>	<i>40,136</i>	<i>14,995</i>	<i>25,141</i>
Health				
Environmental services				
Personnel services	1,625	2,378	849	1,529
Materials and supplies	70	150	38	112
Contractual services	719	2,504	561	1,943
Environmental services total	2,414	5,032	1,448	3,584
Waste disposal				
Contractual services	-	38	38	-
Waste disposal total	-	38	38	-
<i>Health total</i>	<i>2,414</i>	<i>5,070</i>	<i>1,486</i>	<i>3,584</i>

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Operation Grants
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Parks and recreation				
Parks & forestry				
Materials and supplies	-	3	3	-
Contractual services	10	1,531	1,357	174
Parks & Forestry total	<u>10</u>	<u>1,534</u>	<u>1,360</u>	<u>174</u>
<i>Parks and recreation total</i>	<u>10</u>	<u>1,534</u>	<u>1,360</u>	<u>174</u>
Capital outlay				
Environmental services				
Capital outlay	30	245	158	87
Environmental services total	<u>30</u>	<u>245</u>	<u>158</u>	<u>87</u>
Parks & forestry				
Capital outlay	-	7	7	-
Parks & forestry total	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>
<i>Capital outlay total</i>	<u>30</u>	<u>252</u>	<u>165</u>	<u>87</u>
Debt service:				
Principal retirement	-	-	268	(268)
Interest and fiscal charges	-	-	12	(12)
<i>Debt service total</i>	<u>-</u>	<u>-</u>	<u>280</u>	<u>(280)</u>
Total expenditures	<u>34,537</u>	<u>53,968</u>	<u>20,271</u>	<u>33,697</u>
Excess of revenues over (under) expenditures	<u>(331)</u>	<u>1,079</u>	<u>4,884</u>	<u>3,805</u>
OTHER FINANCING SOURCES				
Transfers in	-	7	-	(7)
Total other financing sources	<u>-</u>	<u>7</u>	<u>-</u>	<u>(7)</u>
Net change in fund balance	<u>\$ (331)</u>	<u>\$ 1,086</u>	<u>4,884</u>	<u>\$ 3,798</u>
Fund balance at beginning of year			8,584	
Fund balance at year end			<u>\$ 13,468</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Urban Development Action Grants
For the Year Ended December 31, 2021
(Amounts in Thousands)

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

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Street Construction Maintenance and Repair
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Intergovernmental services	\$ 17,088	\$ 17,088	\$ 14,091	\$ (2,997)
Charges for services	4	4	3	(1)
Fines and forfeitures	156	156	273	117
Other revenue	20	20	155	135
Total revenues	<u>17,268</u>	<u>17,268</u>	<u>14,522</u>	<u>(2,746)</u>
EXPENDITURES				
Current:				
General government				
Diversity & Inclusion				
Contractual services	42	42	8	34
Diversity & Inclusion total	<u>42</u>	<u>42</u>	<u>8</u>	<u>34</u>
Finance ERP				
Contractual services	26	26	25	1
Finance ERP total	<u>26</u>	<u>26</u>	<u>25</u>	<u>1</u>
Human resources				
Personnel services	22	22	23	(1)
Human resources total	<u>22</u>	<u>22</u>	<u>23</u>	<u>(1)</u>
Office of the mayor				
Personnel services	15	15	15	-
Office of the mayor total	<u>15</u>	<u>15</u>	<u>15</u>	<u>-</u>
Streets, bridges & harbor				
Personnel services	365	368	355	13
Materials and supplies	3	3	1	2
Contractual services	404	404	42	362
Streets, bridges & harbor total	<u>772</u>	<u>775</u>	<u>398</u>	<u>377</u>
<i>General government total</i>	<u>877</u>	<u>880</u>	<u>469</u>	<u>411</u>
Public service				
Engineering services				
Personnel services	855	855	748	107
Materials and supplies	13	13	7	6
Contractual services	397	400	226	174
Engineering services total	<u>1,265</u>	<u>1,268</u>	<u>981</u>	<u>287</u>
General fund utilities				
Contractual services	379	379	269	110
General fund utilities total	<u>379</u>	<u>379</u>	<u>269</u>	<u>110</u>

Public service continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Street Construction Maintenance and Repair
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public service (continued)				
Streets, bridges & harbor				
Personnel services	5,288	5,298	5,391	(93)
Materials and supplies	2,443	2,438	1,434	1,004
Contractual services	2,665	3,015	2,439	576
Streets, bridges & harbor total	<u>10,396</u>	<u>10,751</u>	<u>9,264</u>	<u>1,487</u>
Transportation				
Personnel services	3,266	3,269	2,785	484
Materials and supplies	542	542	525	17
Contractual services	1,159	1,179	873	306
Transportation total	<u>4,967</u>	<u>4,990</u>	<u>4,183</u>	<u>807</u>
<i>Public service total</i>	<u>17,007</u>	<u>17,388</u>	<u>14,697</u>	<u>2,691</u>
Public safety				
Police				
Personnel services	59	59	62	(3)
Police total	<u>59</u>	<u>59</u>	<u>62</u>	<u>(3)</u>
<i>Public safety total</i>	<u>59</u>	<u>59</u>	<u>62</u>	<u>(3)</u>
Public Utilities				
Streets, bridges & harbor				
Personnel services	(35)	(35)	574	(609)
Streets, bridges & harbor total	<u>(35)</u>	<u>(35)</u>	<u>574</u>	<u>(609)</u>
<i>Public utilities total</i>	<u>(35)</u>	<u>(35)</u>	<u>574</u>	<u>(609)</u>
Community environment				
Building inspection				
Personnel services	13	13	12	1
Building inspection total	<u>13</u>	<u>13</u>	<u>12</u>	<u>1</u>
<i>Community environment total</i>	<u>13</u>	<u>13</u>	<u>12</u>	<u>1</u>
Capital outlay				
Engineering services				
Contractual services	-	535	279	256
Engineering services total	<u>-</u>	<u>535</u>	<u>279</u>	<u>256</u>
Streets, bridges & harbor				
Capital outlay	460	460	382	78
Streets, bridges & harbor total	<u>460</u>	<u>460</u>	<u>382</u>	<u>78</u>

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Street Construction Maintenance and Repair
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay (continued)				
Transportation				
Capital outlay	30	30	-	30
Transportation total	30	30	-	30
<i>Capital outlay total</i>	<i>490</i>	<i>1,025</i>	<i>661</i>	<i>364</i>
Total expenditures	18,411	19,330	16,475	2,855
Excess of expenditures over revenues	(1,143)	(2,062)	(1,953)	109
OTHER FINANCING SOURCES (USES)				
Transfers in	225	225	225	-
Transfers (out)	(798)	(798)	(792)	6
Sale of capital assets	-	-	8	8
Total other financing sources (uses)	(573)	(573)	(559)	14
Net change in fund balance	<u>\$ (1,716)</u>	<u>\$ (2,635)</u>	(2,512)	<u>\$ 123</u>
Fund balance at beginning of year			10,319	
Increase in inventory			101	
Fund balance at year end			<u>\$ 7,908</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Cemetery Maintenance
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charge for services	\$ -	\$ -	\$ 41	\$ 41
Total revenues	<u>-</u>	<u>-</u>	<u>41</u>	<u>41</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	41	<u>\$ 41</u>
Fund balance at beginning of year			223	
Fund balance at year end			<u>\$ 264</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Golf Improvements
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,510	\$ 1,510	\$ 1,153	\$ (357)
Total revenues	<u>1,510</u>	<u>1,510</u>	<u>1,153</u>	<u>(357)</u>
EXPENDITURES				
Current:				
Community environment				
Recreation				
Material and Supplies	456	381	259	122
Contractual Services	1,229	1,291	1,108	183
Community environment total	<u>1,685</u>	<u>1,672</u>	<u>1,367</u>	<u>305</u>
Debt service:				
Principal retirement	-	22	22	-
Interest and fiscal charges	-	1	1	-
Debt service total	<u>-</u>	<u>23</u>	<u>23</u>	<u>-</u>
Total expenditures	<u>1,685</u>	<u>1,695</u>	<u>1,390</u>	<u>305</u>
Excess of expenditures over revenues	<u>(175)</u>	<u>(185)</u>	<u>(237)</u>	<u>(52)</u>
OTHER FINANCING SOURCES				
Transfers in	175	175	175	-
Total other financing sources	<u>175</u>	<u>175</u>	<u>175</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (10)</u>	<u>(62)</u>	<u>\$ (52)</u>
Fund balance at beginning of year			257	
Fund balance at year end			<u>\$ 195</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Parkland Replacement
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 8	\$ 8	\$ 15	\$ 7
Total revenues	-	-	15	7
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	15	<u>\$ 7</u>
Fund balance at beginning of year			373	
Fund balance at year end			<u>\$ 388</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Cemeteries Property Acquisition and Site Development
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 28	\$ 28
EXPENDITURES				
Current:				
General government				
Parks & forestry				
Contractual services	-	-	1	(1)
General government total	-	-	1	(1)
Total expenditures	-	-	1	(1)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	27	<u>\$ 28</u>
Fund balance at beginning of year			480	
Fund balance at year end			<u>\$ 507</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Marina Development
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 26	\$ 26	\$ 26	\$ -
Total revenues	<u>26</u>	<u>26</u>	<u>26</u>	<u>-</u>
EXPENDITURES				
Current:				
Parks and recreation				
Recreation				
Contractual services	19	19	9	10
Total expenditures	<u>19</u>	<u>19</u>	<u>9</u>	<u>10</u>
Net change in fund balance	<u>\$ 7</u>	<u>\$ 7</u>	17	<u>\$ 10</u>
Fund balance at beginning of year			112	
Fund balance at year end			<u>\$ 129</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Expendable Trusts
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ 421	\$ 433	\$ 12
Investment earnings	-	2	2	-
Fines and forfeitures	-	1,113	1,094	(19)
Grants	-	90	88	(2)
Other revenue	-	4,113	3,975	(138)
Total revenues	<u>-</u>	<u>5,739</u>	<u>5,592</u>	<u>(147)</u>
EXPENDITURES				
Current:				
General government				
City council				
Contractual Services	-	40	-	40
City council total	<u>-</u>	<u>40</u>	<u>-</u>	<u>40</u>
Municipal court judges				
Contractual Services	-	229	1	228
Municipal court judges total	<u>-</u>	<u>229</u>	<u>1</u>	<u>228</u>
Office of the mayor				
Contractual Services	-	67	-	67
Office of the mayor total	<u>-</u>	<u>67</u>	<u>-</u>	<u>67</u>
Streets, bridges & harbor				
Contractual Services	-	60	60	-
Streets, bridges & harbor total	<u>-</u>	<u>60</u>	<u>60</u>	<u>-</u>
Treasury				
Contractual Services	-	538	-	538
Treasury total	<u>-</u>	<u>538</u>	<u>-</u>	<u>538</u>
<i>General government total</i>	<u>-</u>	<u>934</u>	<u>61</u>	<u>873</u>

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Expendable Trusts
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public safety				
Clerk of municipal court				
Contractual Services	-	220	-	220
Clerk of municipal court total	-	220	-	220
Fire				
Contractual services	-	15	-	15
Fire total	-	15	-	15
Law				
Contractual services	-	162	130	32
Law total	-	162	130	32
Municipal court judges				
Personnel services	-	104	-	104
Materials and supplies	-	2,147	67	2,080
Contractual services	-	8,773	792	7,981
Capital outlay	-	214	-	214
Municipal court judges total	-	11,238	859	10,379
Police				
Materials and supplies	-	608	-	608
Contractual services	-	3,974	166	3,808
Police total	-	4,582	166	4,416
<i>Public safety total</i>	-	16,217	1,155	15,062
Community environment				
Economic development				
Contractual services	-	22	-	22
Economic development total	-	22	-	22

Community environment continues on next page

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Expendable Trusts
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment (continued)				
Housing division				
Contractual services	-	1	-	1
Housing division total	-	1	-	1
Municipal court judges				
Materials and supplies	-	40	3	37
Contractual services	-	191	5	186
Municipal court judges total	-	231	8	223
Neighborhoods administration				
Personnel services	-	35	15	20
Materials and supplies	-	36	33	3
Contractual services	-	834	249	585
Neighborhoods administration total	-	905	297	608
Recreation				
Personnel services	-	6	6	-
Materials and supplies	-	15	3	12
Contractual services	-	192	66	126
Recreation total	-	213	75	138
Streets, bridges & harbor				
Personnel services	-	655	332	323
Materials and supplies	-	69	8	61
Contractual services	-	860	265	595
Capital outlay	-	11	-	11
Streets, bridges & harbor total	-	1,595	605	990
<i>Community environment total</i>	-	2,967	985	1,982
Health				
Environmental services				
Contractual services	-	219	-	219
Environmental services total	-	219	-	219
Waste disposal				
Contractual services	-	426	67	359
Waste disposal total	-	426	67	359
<i>Health total</i>	-	645	67	578

(continued)

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Expendable Trusts
For the Year Ended December 31, 2021
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Parks and recreation				
Natural resources administration				
Contractual services	-	1	-	1
Natural resources administration total	-	1	-	1
Parks & forestry				
Materials and supplies	-	75	58	17
Contractual services	-	545	23	522
Capital outlay	-	69	-	69
Parks & forestry total	-	689	81	608
Recreation				
Contractual services	-	1	-	1
Recreation total	-	1	-	1
Youth commission				
Contractual Services	-	1	-	1
Youth commission total	-	1	-	1
<i>Parks and recreation total</i>	-	692	81	611
Total expenditures	-	21,455	2,349	19,106
Excess of revenues over (under) expenditures	-	(15,716)	3,243	18,959
OTHER FINANCING SOURCES (USES)				
Transfers in	-	600	570	(30)
Transfers (out)	-	(10)	-	10
Sale of capital assets	-	-	136	136
Total other financing sources (uses)	-	590	706	116
Net change in fund balance	\$ -	\$ (15,126)	3,949	\$ 19,075
Fund balance at beginning of year			10,363	
Increase in inventory			8	
Fund balance at year end			<u>\$ 14,320</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Toledo City Parks
For the Year Ended December 31, 2021
(Amounts in Thousands)

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

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Toledo Home Program
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Grants	\$ 2,575	\$ 7,543	\$ 1,946	\$ (5,597)
Other revenue	-	72	73	1
Total revenues	<u>2,575</u>	<u>7,615</u>	<u>2,019</u>	<u>(5,596)</u>
EXPENDITURES				
Current:				
Community environment				
Housing division				
Personnel services	266	522	89	433
Materials and supplies	19	39	10	29
Contractual services	2,290	7,971	2,592	5,379
Total expenditures	<u>2,575</u>	<u>8,532</u>	<u>2,691</u>	<u>5,841</u>
Excess of expenditures over revenues	<u>-</u>	<u>(917)</u>	<u>(672)</u>	<u>245</u>
OTHER FINANCING SOURCES				
Transfers in	-	54	-	(54)
Total other financing sources	<u>-</u>	<u>54</u>	<u>-</u>	<u>(54)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (863)</u>	<u>(672)</u>	<u>\$ 191</u>
Fund balance at beginning of year			<u>830</u>	
Fund balance at year end			<u>\$ 158</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Right of Way
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenue	\$ -	\$ -	\$ 1	\$ 1
Total revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	225	225	225	-
Transfers (out)	<u>(225)</u>	<u>(225)</u>	<u>(225)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1</u>	<u>\$ 1</u>
Fund balance at beginning of year			<u>26</u>	
Fund balance at year end			<u>\$ 27</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
Downtown Toledo Parking
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenue	\$ 165	\$ 165	\$ -	\$ (165)
Total revenues	<u>165</u>	<u>165</u>	<u>-</u>	<u>(165)</u>
Net change in fund balance	<u>\$ 165</u>	<u>\$ 165</u>	-	<u>\$ (165)</u>
Fund balance at beginning of year			<u>424</u>	
Fund balance at year end			<u>\$ 424</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Debt Service Funds
Jeep Municipal Public Improvement TIF
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental services	\$ 3,000	\$ 3,000	\$ 3,506	\$ 506
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,506</u>	<u>506</u>
EXPENDITURES				
Debt service:				
Principal retirement	480	480	480	-
Interest and fiscal charges	163	163	164	(1)
Total expenditures	<u>643</u>	<u>643</u>	<u>644</u>	<u>(1)</u>
Net change in fund balance	<u>\$ 2,357</u>	<u>\$ 2,357</u>	2,862	<u>\$ 505</u>
Fund balance (deficit) at beginning of year			<u>(12,002)</u>	
Fund balance (deficit) at year end			<u>\$ (9,140)</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Debt Service Funds
General Obligation
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt service:				
Principal retirement	\$ 12,175	\$ 12,175	\$ 12,135	\$ 40
Interest and fiscal charges	4,429	4,429	4,060	369
Total expenditures	<u>16,604</u>	<u>16,604</u>	<u>16,195</u>	<u>409</u>
Excess of expenditures over revenues	<u>(16,604)</u>	<u>(16,604)</u>	<u>(16,195)</u>	<u>409</u>
OTHER FINANCING SOURCES				
Transfers in	16,604	16,604	16,195	(409)
Total other financing sources	<u>16,604</u>	<u>16,604</u>	<u>16,195</u>	<u>(409)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance at beginning of year			342	
Fund balance at year end			<u>\$ 342</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Debt Service Funds
Special Assessment
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance at beginning of year			191	
Fund balance at year end			<u>\$ 191</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Capital Projects Funds
Special Assessment Improvements
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special assessments	\$ 189	\$ 189	\$ 202	\$ 13
Total revenues	<u>189</u>	<u>189</u>	<u>202</u>	<u>13</u>
EXPENDITURES				
Capital outlay				
Engineering services				
Contractual services	750	750	205	545
Capital outlay total	<u>750</u>	<u>750</u>	<u>205</u>	<u>545</u>
Debt service:				
Principal retirement	2,460	2,460	-	2,460
Interest and fiscal charges	30	30	31	(1)
Debt service total	<u>2,490</u>	<u>2,490</u>	<u>31</u>	<u>2,459</u>
Total expenditures	<u>3,240</u>	<u>3,240</u>	<u>236</u>	<u>3,004</u>
Excess of expenditures over revenues	<u>(3,051)</u>	<u>(3,051)</u>	<u>(34)</u>	<u>3,017</u>
OTHER FINANCING SOURCES				
Transfer in	225	1,800	1,800	-
Issuance of debt	2,830	2,830	-	(2,830)
Total other financing sources	<u>3,055</u>	<u>4,630</u>	<u>1,800</u>	<u>(2,830)</u>
Net change in fund balance	<u>\$ 4</u>	<u>\$ 1,579</u>	1,766	<u>\$ 187</u>
Fund balance (deficit) at beginning of year			<u>(2,957)</u>	
Fund balance (deficit) at year end			<u>\$ (1,191)</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Capital Projects Funds
Franklin Park/Westfield Municipal Public Improvement TIF
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ 1,305	\$ 1,305
Investment earnings	35	35	-	(35)
Total revenues	<u>35</u>	<u>35</u>	<u>1,305</u>	<u>1,270</u>
EXPENDITURES				
Capital outlay				
Engineering services				
Contractual services	-	2,584	61	2,523
Engineering services total	<u>-</u>	<u>2,584</u>	<u>61</u>	<u>2,523</u>
Transportation				
Contractual services	-	649	575	74
Transportation total	<u>-</u>	<u>649</u>	<u>575</u>	<u>74</u>
<i>Capital outlay total</i>	<u>-</u>	<u>3,233</u>	<u>636</u>	<u>2,597</u>
Total expenditures	<u>-</u>	<u>3,233</u>	<u>636</u>	<u>2,597</u>
Net change in fund balance	<u>\$ 35</u>	<u>\$ (3,198)</u>	669	<u>\$ 3,867</u>
Fund balance at beginning of year			<u>14,020</u>	
Fund balance at year end			<u>\$ 14,689</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Capital Projects Funds
Ironville Site TIF
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ 83	\$ 83
Total revenues	<u>-</u>	<u>-</u>	<u>83</u>	<u>83</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	83	<u>\$ 83</u>
Fund balance at beginning of year			-	
Fund balance at year end			<u>\$ 83</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Capital Projects Funds
Tax Road Improvements
For the Year Ended December 31, 2021
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Income taxes	\$ 17,000	\$ 17,000	\$ 19,728	\$ 2,728
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>19,728</u>	<u>2,728</u>
EXPENDITURES				
Capital outlay				
Engineering services				
Contractual services	-	18,674	14,540	4,134
Engineering services total	<u>-</u>	<u>18,674</u>	<u>14,540</u>	<u>4,134</u>
Taxation				
Contractual services	270	270	-	270
Taxation total	<u>270</u>	<u>270</u>	<u>-</u>	<u>270</u>
<i>Capital outlay total</i>	<u>270</u>	<u>18,944</u>	<u>14,540</u>	<u>4,404</u>
Total expenditures	<u>270</u>	<u>18,944</u>	<u>14,540</u>	<u>4,404</u>
Net change in fund balance	<u>\$ 16,730</u>	<u>\$ (1,944)</u>	5,188	<u>\$ 7,132</u>
Fund balance at beginning of year			-	
Fund balance at year end			<u>\$ 5,188</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Permanent Fund
Cemetery Perpetual Care
For the Year Ended December 31, 2021
(Amounts in Thousands)

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

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**STATISTICAL
SECTION**

City of Toledo, Ohio

Statistical Section

This part of the City of Toledo, Ohio's Annual Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Tables</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	238 - 247
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	248 - 258
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	260 - 268
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	269 - 270
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	271 - 275

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

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

	<u>2021</u>	<u>2020</u>	<u>2019 (2)</u>	<u>2018 (4)</u>
Governmental activities:				
Net investment in capital assets	\$ 426,609	\$ 394,750	\$ 379,486	\$ 374,777
Restricted	103,159	87,820	84,887	76,880
Unrestricted (deficit)	(314,693)	(327,598)	(348,708)	(494,892)
Total governmental activities	<u>215,075</u>	<u>154,972</u>	<u>115,665</u>	<u>(43,235)</u>
Business-type activities:				
Net investment in capital assets	541,190	518,257	496,629	471,255
Restricted	45,852	96,875	74,748	45,714
Unrestricted (deficit)	195,641	97,519	98,441	100,169
Total business-type activities	<u>782,683</u>	<u>712,651</u>	<u>669,818</u>	<u>617,138</u>
Primary government activities:				
Net investment in capital assets	967,799	913,007	876,115	846,032
Restricted	149,011	184,695	159,635	122,594
Unrestricted (deficit)	(119,052)	(230,079)	(250,267)	(394,723)
Total primary government activities	<u>\$ 997,758</u>	<u>\$ 867,623</u>	<u>\$ 785,483</u>	<u>\$ 573,903</u>

Notes:

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

<u>2017 (3)</u>	<u>2016 (2)</u>	<u>2015</u>	<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>
\$ 397,325	\$ 327,948	\$ 349,748	\$ 377,025	\$ 379,066	\$ 368,093
49,575	60,434	49,575	58,721	59,009	81,257
(493,824)	(216,715)	(196,638)	(198,341)	26,195	18,429
<u>(46,924)</u>	<u>171,667</u>	<u>202,685</u>	<u>237,405</u>	<u>464,270</u>	<u>467,779</u>
425,274	451,710	404,882	391,748	372,533	388,287
115,302	51,990	75,073	89,146	88,854	33,221
26,925	31,550	14,429	(17,624)	5,265	17,424
<u>567,501</u>	<u>535,250</u>	<u>494,384</u>	<u>463,270</u>	<u>466,652</u>	<u>438,932</u>
822,599	779,658	754,630	768,773	751,599	756,380
164,877	112,424	124,648	147,867	147,863	114,478
(466,899)	(185,165)	(182,209)	(215,965)	31,460	35,853
<u>\$ 520,577</u>	<u>\$ 706,917</u>	<u>\$ 697,069</u>	<u>\$ 700,675</u>	<u>\$ 930,922</u>	<u>\$ 906,711</u>

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

	2021	2020	2019	2018
Government activities				
Charges for services:				
General government	\$ 18,225	\$ 17,470	\$ 21,544	\$ 21,461
Public service	24,393	22,557	27,097	27,125
Public safety	10,549	12,614	19,633	19,098
Public utilities	-	-	-	1
Community environment	4,854	4,173	2,387	3,440
Health	12,151	12,823	8,642	13,407
Parks and recreation	80	80	456	130
Interest and fiscal charges	-	1,156	-	-
Operating grants	34,939	31,914	4,070	4,765
Capital grants	20,414	20,714	35,208	19,155
Total governmental activities program revenues	<u>125,605</u>	<u>123,501</u>	<u>119,037</u>	<u>108,582</u>
Business-type activities:				
Charges for services:				
Water	84,019	81,875	78,648	80,270
Sewer	90,678	91,682	87,890	81,954
Storm utility	8,914	9,361	10,099	9,831
Utilities administration	14,365	14,246	18,192	17,867
Parking	-	-	-	-
Toledo public power	738	505	630	814
Property management	-	-	-	-
Erie street market	-	-	-	-
Small business development	-	-	-	-
Municipal Tow lot	2,916	2,421	2,652	2,333
Capital grants	616	733	1,708	1,988
Total business-type activities revenues	<u>202,246</u>	<u>200,823</u>	<u>199,819</u>	<u>195,057</u>
Total primary governmental revenues	<u>\$ 327,851</u>	<u>\$ 324,324</u>	<u>\$ 318,856</u>	<u>\$ 303,639</u>
Government-type activities				
General government	\$ 29,443	\$ 26,252	\$ 32,651	\$ 30,167
Public service	35,965	43,820	71,781	58,908
Public safety	192,493	188,922	33,072	205,485
Public utilities	17,501	11,838	7,193	5,748
Community environment	35,725	24,214	23,193	19,430
Health	4,531	11,929	13,360	11,871
Parks and recreation	6,467	5,333	8,729	4,392
Interest and fiscal charges	4,888	5,618	6,265	7,022
Total governmental activities expenses	<u>327,013</u>	<u>317,926</u>	<u>196,244</u>	<u>343,023</u>
Business-type activities				
Water	57,479	67,633	64,075	63,263
Sewer	56,204	69,084	64,042	65,316
Utility administration	9,000	14,437	14,088	12,261
Storm utility	4,681	7,826	8,935	7,924
Property management	1,068	1,255	753	471
Small business development	1	5	135	8
Toledo public power	801	461	701	787
Municipal Tow lot	1,106	836	1,056	988
Erie street market	-	-	-	-
Total business-activities expenses	<u>130,340</u>	<u>161,537</u>	<u>153,785</u>	<u>151,018</u>
Total primary government expenses	<u>\$ 457,353</u>	<u>\$ 479,463</u>	<u>\$ 350,029</u>	<u>\$ 494,041</u>

	2017	2016	2015	2014	2013	2012
\$	15,612	\$ 14,616	\$ 17,835	\$ 22,583	\$ 37,121	\$ 72,061
	28,858	29,997	27,852	21,517	26,198	-
	19,282	16,715	15,338	17,406	17,042	15,907
	-	-	14	22	-	351
	3,021	2,875	2,440	2,389	2,527	2,928
	13,476	12,507	10,454	10,575	11,709	9,813
	122	68	479	138	164	635
	-	-	-	-	-	-
	4,358	7,698	9,022	14,160	20,492	29,533
	17,964	15,786	19,996	14,486	10,630	16,590
	<u>102,693</u>	<u>100,262</u>	<u>103,430</u>	<u>103,276</u>	<u>125,883</u>	<u>147,818</u>
	79,468	72,878	63,323	57,205	52,476	44,112
	77,709	73,438	70,863	69,890	69,719	66,608
	10,115	9,885	9,921	11,046	9,620	10,331
	17,628	17,706	16,222	12,163	9,945	12,462
	-	-	-	-	-	-
	1,049	631	688	774	588	136
	-	11	-	1,745	-	-
	-	2	97	107	146	115
	-	-	-	8	-	-
	2,247	2,219	1,854	2,566	2,536	2,007
	1,178	343	1,524	2,483	640	1,448
	<u>189,394</u>	<u>177,113</u>	<u>164,492</u>	<u>157,987</u>	<u>145,670</u>	<u>137,219</u>
\$	<u>292,087</u>	<u>277,375</u>	<u>267,922</u>	<u>261,263</u>	<u>271,553</u>	<u>285,037</u>
\$	22,753	\$ 24,154	\$ 23,241	\$ 29,937	\$ 35,031	\$ 28,807
	60,478	64,777	68,533	67,217	55,070	34,715
	193,527	211,044	199,620	177,419	173,274	165,810
	3,567	3,735	3,880	3,753	1,876	1,268
	19,005	20,944	23,550	21,427	20,090	37,867
	9,302	9,561	7,410	9,743	9,265	19,197
	2,871	5,202	6,388	6,702	6,443	5,419
	8,329	9,076	16,676	7,460	8,003	11,762
	<u>319,832</u>	<u>348,493</u>	<u>349,298</u>	<u>323,658</u>	<u>309,052</u>	<u>304,845</u>
	60,012	56,931	56,417	53,472	46,912	41,997
	57,838	58,723	58,407	63,174	51,310	67,507
	12,113	11,721	11,204	12,176	11,285	7,067
	7,698	6,638	6,673	6,358	6,801	11,291
	568	652	678	970	895	1,286
	6	47	57	52	63	78
	710	543	662	747	567	138
	1,084	1,089	1,055	1,056	963	911
	-	9	75	109	48	124
	<u>140,029</u>	<u>136,353</u>	<u>135,228</u>	<u>138,114</u>	<u>118,844</u>	<u>130,399</u>
\$	<u>459,861</u>	<u>484,846</u>	<u>484,526</u>	<u>461,772</u>	<u>427,896</u>	<u>435,244</u>

(continued)

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

	2021	2020	2019	2018
Governmental activities	\$ (201,408)	\$ (194,425)	\$ (77,207)	\$ (234,441)
Business-type activities	71,906	39,326	46,034	44,039
Total primary governmental revenue (expenses), net	<u>(129,502)</u>	<u>(155,099)</u>	<u>(31,173)</u>	<u>(190,402)</u>
General revenues and other changes in net position:				
Governmental activities:				
Income taxes	212,867	180,076	190,455	184,098
Property taxes	14,940	13,143	13,072	12,365
Unrestricted investments earnings	2,590	1,530	2,190	2,154
(Decrease) in fair value of investments	(3,349)	-	-	-
Grants and entitlements not restricted to specific programs	-	-	-	-
Intergovernmental services	31,351	34,959	31,314	27,972
Gain on forgiveness of debt	650	-	-	-
Gain on sale of capital assets	13	99	-	-
Other revenue	1,470	3,446	6,051	11,496
Transfers	979	479	493	45
Total government activities	<u>261,511</u>	<u>233,732</u>	<u>243,575</u>	<u>238,130</u>
Business-type activities:				
Unrestricted investments earnings	3,902	3,951	7,127	5,522
(Decrease) in fair value of investments	(4,920)	-	-	-
Gain on sale of capital assets and	123	35	12	121
Transfers	(979)	(479)	(493)	(45)
Total business-type activities	<u>(1,874)</u>	<u>3,507</u>	<u>6,646</u>	<u>5,598</u>
Total primary governmental general revenues and other changes in net position	<u>259,637</u>	<u>237,239</u>	<u>250,221</u>	<u>243,728</u>
Changes in Net Position				
Governmental activities	60,103	39,307	166,368	3,689
Business-type activities	70,032	42,833	52,680	49,637
Total primary governmental net change	<u>\$ 130,135</u>	<u>\$ 82,140</u>	<u>\$ 219,048</u>	<u>\$ 53,326</u>

	2017	2016	2015	2014	2013	2012
\$	(217,139)	\$ (248,230)	\$ (245,868)	\$ (220,382)	\$ (183,169)	\$ (157,027)
	49,365	40,760	29,264	19,873	26,826	6,820
	(167,774)	(207,470)	(216,604)	(200,509)	(156,343)	(150,207)
	176,056	175,958	171,053	163,653	158,176	158,128
	12,269	10,059	9,793	9,585	9,708	11,361
	1,164	793	850	454	508	1,017
	-	-	-	-	-	-
	-	-	-	-	-	5,272
	28,430	29,416	24,536	26,740	2,215	-
	-	-	-	-	-	-
	-	-	-	167	87	-
	9,317	8,144	5,640	10,534	8,728	4,789
	(3,892)	(204)	(724)	1,200	238	(289)
	223,344	224,166	211,148	212,333	179,660	180,278
	3,150	1,875	1,078	1,818	1,132	937
	-	-	-	-	-	-
	-	-	48	673	-	-
	3,892	204	724	(1,200)	(238)	289
	7,042	2,079	1,850	1,291	894	1,226
	230,386	226,245	212,998	213,624	180,554	181,504
	6,205	(24,064)	(34,720)	(8,049)	(3,509)	23,251
	56,407	42,839	31,114	21,164	27,720	8,046
\$	62,612	\$ 18,775	\$ (3,606)	\$ 13,115	\$ 24,211	\$ 31,297

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund				
Nonspendable	\$ 2,096	\$ 1,951	\$ 1,760	\$ 1,632
Restricted	3,828	3,857	3,825	3,748
Committed	12,447	13,377	13,045	16,676
Assigned	4,723	26,616	6,428	-
Unassigned (deficit)	31,593	38,834	21,564	18,432
Total general fund	<u>54,687</u>	<u>84,635</u>	<u>46,622</u>	<u>40,488</u>
Capital Improvement Fund				
Nonspendable	939	1,226	1,233	1,063
Restricted	51,689	54,379	49,803	41,541
Total capital improvement fund	<u>52,628</u>	<u>55,605</u>	<u>51,036</u>	<u>42,604</u>
Special Assessment Services Fund				
Nonspendable	4,196	3,396	3,553	3,453
Restricted	515	464	535	712
Unassigned (deficit)	(59,731)	(61,781)	(63,169)	(61,618)
Total special assessment services fund	<u>(55,020)</u>	<u>(57,921)</u>	<u>(59,081)</u>	<u>(57,453)</u>
Local Fiscal Recovery Grant Fund				
Unassigned (deficit)	(551)	-	-	-
Total special assessment services fund	<u>(551)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonmajor Governmental Funds				
Nonspendable	1,941	1,824	1,634	1,682
Restricted	56,333	45,239	43,062	43,435
Committed	1,924	1,886	1,800	1,725
Unassigned (deficit)	(10,331)	(14,959)	(17,585)	(19,461)
Total nonmajor governmental funds	<u>49,867</u>	<u>33,990</u>	<u>28,911</u>	<u>27,381</u>
Total fund balance governmental funds	<u>\$ 101,611</u>	<u>\$ 116,309</u>	<u>\$ 67,488</u>	<u>\$ 53,020</u>

2017	2016	2015	2014	2013	2012
\$ 1,189	\$ 1,158	\$ 1,204	\$ 1,594	\$ 1,143	\$ 850
3,764	3,814	4,771	5,317	5,420	5,406
9,480	4,754	1,948	1,553	326	326
-	-	-	-	-	-
7,755	6,028	2,255	1,331	1,088	(1,574)
<u>22,188</u>	<u>15,754</u>	<u>10,178</u>	<u>9,795</u>	<u>7,977</u>	<u>5,008</u>
1,056	1,147	1,053	1,117	1,239	1,005
49,833	44,496	21,607	18,023	18,062	43,191
<u>50,889</u>	<u>45,643</u>	<u>22,660</u>	<u>19,140</u>	<u>19,301</u>	<u>44,196</u>
2,243	2,145	4,074	3,956	1,743	2,864
673	377	-	280	1,509	218
(60,546)	(62,194)	(64,667)	(61,144)	(54,046)	(53,293)
<u>(57,630)</u>	<u>(59,672)</u>	<u>(60,593)</u>	<u>(56,908)</u>	<u>(50,794)</u>	<u>(50,211)</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,698	1,520	1,726	1,957	889	912
39,634	35,651	23,213	23,403	25,080	19,876
1,359	1,392	10,114	15,559	13,993	12,462
(18,780)	(18,015)	(2,041)	(2,775)	(2,447)	(2,359)
<u>23,911</u>	<u>20,548</u>	<u>33,012</u>	<u>38,144</u>	<u>37,515</u>	<u>30,891</u>
\$ 39,358	\$ 22,273	\$ 5,257	\$ 10,171	\$ 13,999	\$ 29,884

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:				
Income taxes	\$ 211,175	\$ 181,695	\$ 189,434	\$ 183,618
Property taxes	12,985	12,956	12,642	12,223
Special assessments	28,048	26,233	28,977	27,386
Licenses and permits	3,201	2,627	2,964	3,213
Intergovernmental services	45,475	41,635	39,101	35,863
Charges for services	28,119	29,421	30,045	29,434
Investment earnings	2,592	1,610	2,512	2,154
(Decrease) in fair value of investments	(3,349)	-	-	-
Fines and forfeitures	3,775	5,713	10,824	11,737
Grants	45,001	51,293	35,329	25,599
Lease revenue	98	-	-	-
Other revenue	6,151	4,107	8,624	7,631
Total revenues	<u>383,271</u>	<u>357,290</u>	<u>360,452</u>	<u>338,858</u>
Expenditures:				
General government	30,235	27,326	27,192	25,685
Public services	42,050	39,096	44,956	40,771
Public safety	198,308	178,973	178,826	161,819
Public utilities	1,181	170	45	300
Community environment	40,130	23,281	21,023	18,512
Health	10,747	10,240	10,401	9,991
Parks and recreation	5,541	3,883	3,289	2,948
Capital outlay	54,474	41,420	48,526	42,272
Debt service:				
Principal	15,147	13,154	15,346	18,319
Interest and fiscal charges	5,542	5,973	6,785	6,902
Debt issuance costs	35	360	394	-
Total expenditures	<u>403,390</u>	<u>343,876</u>	<u>356,783</u>	<u>327,519</u>
Excess of revenues over (under) expenditures	(20,119)	13,414	3,669	11,339
Other financing sources (uses):				
Transfers in	66,575	82,697	60,087	58,534
Transfers out	(65,596)	(65,448)	(59,594)	(58,489)
Issuance of debt	1,347	21,304	23,640	236
Premium on bonds/notes	45	841	2,407	230
Capital lease proceeds	-	-	-	-
Payments to escrow	-	(4,203)	(16,759)	-
Inception of subscription-based information technology arrangement	1,438	-	-	-
Sale of capital assets	845	-	386	207
Total other financing sources (uses)	<u>4,654</u>	<u>35,191</u>	<u>10,167</u>	<u>718</u>
Net change in fund balance	<u>\$ (15,465)</u>	<u>\$ 48,605</u>	<u>\$ 13,836</u>	<u>\$ 12,057</u>
Debt services as a percentage of noncapital expenditures	5.9%	6.4%	7.0%	8.8%

	2017	2016	2015	2014	2013	2012
\$	176,362	\$ 175,679	\$ 169,045	\$ 164,787	\$ 158,775	\$ 158,523
	12,025	10,733	9,911	9,552	9,598	11,381
	29,188	30,449	24,374	21,822	25,450	23,925
	2,942	2,870	2,459	2,476	2,414	2,283
	37,561	34,325	35,953	35,358	38,020	37,589
	30,202	29,416	28,515	27,532	28,130	27,249
	1,164	793	850	454	508	1,007
	-	-	-	-	-	-
	11,429	9,113	7,032	7,491	8,590	7,952
	21,056	25,876	31,670	30,873	27,499	45,775
	-	-	-	-	-	-
	6,375	7,362	5,485	10,104	8,505	4,538
	<u>328,304</u>	<u>326,616</u>	<u>315,294</u>	<u>310,449</u>	<u>307,489</u>	<u>320,222</u>
	24,436	24,667	25,925	26,951	28,465	17,392
	37,912	39,566	43,866	41,760	35,062	34,660
	167,086	170,181	170,965	168,872	163,565	165,245
	2	30	-	8	1	1
	17,801	19,254	21,070	20,969	19,273	27,799
	9,932	7,243	7,747	7,939	7,940	18,019
	2,700	2,813	2,845	2,959	3,487	3,018
	32,925	32,406	40,235	41,991	53,174	48,647
	18,530	18,466	21,076	25,523	23,307	27,401
	7,391	7,052	8,359	6,983	7,124	10,435
	165	185	-	219	-	-
	<u>318,880</u>	<u>321,863</u>	<u>342,088</u>	<u>344,174</u>	<u>341,398</u>	<u>352,617</u>
	9,424	4,753	(26,794)	(33,725)	(33,909)	(32,395)
	64,165	60,160	67,122	72,899	70,140	73,235
	(68,057)	(60,364)	(67,846)	(71,699)	(69,902)	(73,524)
	8,176	24,229	26,044	22,884	14,046	41,455
	771	2,806	2,784	1,972	884	1,498
	2,200	-	4,540	948	3,386	3,001
	-	(10,284)	(10,181)	-	-	-
	-	-	-	-	-	-
	190	-	1	167	87	-
	<u>7,445</u>	<u>16,547</u>	<u>22,464</u>	<u>27,171</u>	<u>18,641</u>	<u>45,665</u>
\$	<u>16,869</u>	<u>\$ 21,300</u>	<u>\$ (4,330)</u>	<u>\$ (6,554)</u>	<u>\$ (15,268)</u>	<u>\$ 13,270</u>
	9.2%	9.7%	10.8%	12.1%	11.8%	14.2%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Income taxes	\$ 211,175	\$ 181,695	\$ 189,434	\$ 183,618	\$ 176,362
Property taxes	12,985	12,956	12,642	12,223	12,025
Special assessments	28,048	26,233	28,977	27,386	29,188
Licenses and permits	3,201	2,627	2,964	3,213	2,942
Intergovernmental services	45,475	41,635	39,101	35,863	37,561
Charges for services	28,119	29,421	30,045	29,434	30,202
Investment earnings	2,592	1,610	2,512	2,154	1,164
(Decrease) in fair value of investments	(3,349)	-	-	-	-
Fines and forfeitures	3,775	5,713	10,824	11,737	11,429
Grants	45,001	51,293	35,329	25,599	21,056
Lease revenue	98	-	-	-	-
Other revenue	6,151	4,107	8,624	7,631	6,375
Total	<u>\$ 383,271</u>	<u>\$ 357,290</u>	<u>\$ 360,452</u>	<u>\$ 338,858</u>	<u>\$ 328,304</u>

	2016	2015	2014	2013	2012
\$	175,679	\$ 169,045	\$ 164,787	\$ 158,775	\$ 158,523
	9,906	9,911	9,552	9,598	11,381
	30,449	24,374	21,822	25,451	23,925
	2,870	2,459	2,476	2,414	2,283
	35,152	35,953	35,358	38,020	37,589
	29,416	28,515	27,532	28,130	27,249
	793	850	454	508	1,007
	-	-	-	-	-
	9,113	7,032	7,491	8,590	7,952
	25,876	31,670	30,873	27,859	45,775
	-	-	-	-	-
	7,362	5,485	10,104	8,505	4,538
\$	326,616	\$ 315,294	\$ 310,449	\$ 307,850	\$ 320,222

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Withholding	\$ 172,917	\$ 154,905	\$ 160,346	\$ 156,398	\$ 148,903	\$ 147,099
Utility	-	-	-	-	-	-
Business	26,874	18,457	20,674	19,502	19,821	20,735
Individuals	11,384	8,333	8,414	7,718	7,638	7,845
Total	<u>\$ 211,175</u>	<u>\$ 181,695</u>	<u>\$ 189,434</u>	<u>\$ 183,618</u>	<u>\$ 176,362</u>	<u>\$ 175,679</u>

Source: City Income Tax Department

2015	2014	2013	2012
\$ 145,346	\$ 139,396	\$ 131,343	\$ 128,215
-	-	10	1,867
16,330	18,898	19,710	19,956
7,369	6,493	7,712	8,485
<u>\$ 169,045</u>	<u>\$ 164,787</u>	<u>\$ 158,775</u>	<u>\$ 158,523</u>

Table 7
City of Toledo, Ohio
Assessed Value and Estimated Actual Value of Taxable Property¹
Last Ten Fiscal Years
(Amounts in Thousands)

Tax Levy Year	Tax Collection Year	Real Property		Public Utility		Total	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2020	2021	\$ 3,156,219	\$ 9,017,769	\$ 242,940	\$ 971,760	\$ 3,399,159	\$ 9,989,529
2019	2020	3,105,943	8,874,123	226,582	906,328	3,332,525	9,780,451
2018	2019	3,104,398	8,869,709	215,375	861,500	3,319,773	9,731,209
2017	2018	2,953,949	8,439,854	207,162	828,648	3,161,111	9,268,502
2016	2017	2,984,595	8,527,414	188,321	753,284	3,172,916	9,280,698
2015	2016	2,994,559	8,555,883	167,719	670,876	3,162,278	9,226,759
2014	2015	3,039,205	8,683,443	161,170	644,680	3,200,375	9,328,123
2013	2014	3,060,991	8,745,689	150,560	602,240	3,211,551	9,347,929
2012	2013	3,096,886	8,848,246	135,380	541,520	3,232,265	9,389,766
2011	2012	3,629,878	10,371,080	123,218	492,872	3,753,096	10,863,952

Note:

¹ amounts for collection years 2018 and 2019 revised based upon new source documentation.

Source:

Lucas County Auditor (Tax Year 2019)
Ohio Department of Taxation (Tax Years 2010-2018)

Ratio of Total Assessed Value to Total Estimated Actual Value	Direct Tax Rate
34.0%	4.4
34.1%	4.4
34.1%	4.4
34.1%	4.4
34.2%	4.4
34.3%	4.4
34.3%	4.4
34.4%	4.4
34.4%	4.4
34.6%	4.4

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

Overlapping Subdivisions	2021	2020	2019	2018
City of Toledo				
General Fund	3.80	3.80	3.80	3.80
Police Pension	0.30	0.30	0.30	0.30
Fire Pension	0.30	0.30	0.30	0.30
Sub-Total - Toledo City	4.40	4.40	4.40	4.40
Regional Transit	2.50	2.50	2.50	2.50
Port Authority	0.40	0.40	0.40	0.40
Lucas County	17.52	17.52	17.52	17.37
MetroParks	4.30	2.30	2.30	2.30
Toledo-Lucas County Public Library	3.70	3.70	3.70	3.70
Sub-Total District Wide	32.82	30.82	30.82	30.67
 ²School Districts in the City of Toledo				
Maumee City School District	93.95	93.95	93.95	88.65
Ottawa Hills Local School District	146.63	139.05	139.05	139.05
Springfield Local School District	78.17	78.48	77.66	78.55
Sylvania City School District	87.20	88.01	87.99	88.56
Toledo City School District	72.05	72.66	72.85	73.58
Washington Local School District	90.40	90.40	83.50	83.50
 ³Penta County Career Center				
	3.20	3.20	3.20	3.20
 ⁴Recreation Districts in Sylvania Schools; Toledo, Ohio				
Sylvania Joint Recreation District.	1.78	1.78	2.00	2.11
Olander Park	1.00	1.00	1.00	1.00
Sub-Total Recreation Districts	2.78	2.78	3.00	3.11
 Total Rate with Corresponding School District				
Maumee City School District	129.97	127.97	127.97	122.52
Ottawa Hills Local School District	179.45	169.87	169.87	169.72
Springfield Local School District	114.19	112.50	111.68	112.42
Sylvania City School District	122.80	121.61	121.81	122.34
Toledo City School District	104.87	103.48	103.67	104.25
Washington Local School District	123.22	121.22	114.32	114.17

Notes:

¹Represents Tax Collection Years

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

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

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

Source: Lucas County Auditor

2017	2016	2015	2014	2013	2012
3.80	3.80	3.80	3.80	3.80	3.80
0.30	0.30	0.30	0.30	0.30	0.30
0.30	0.30	0.30	0.30	0.30	0.30
4.40	4.40	4.40	4.40	4.40	4.40
2.50	2.50	2.50	2.50	2.50	2.50
0.40	0.40	0.40	0.40	0.40	0.40
17.07	17.07	17.07	16.92	15.07	14.07
2.30	2.30	2.30	2.30	2.30	1.70
2.90	2.90	2.90	2.90	2.90	2.00
29.57	29.57	29.57	29.42	27.57	25.07
88.65	88.65	88.75	84.95	84.55	84.65
139.05	140.05	142.65	142.65	135.65	134.75
80.32	80.53	74.75	75.15	75.15	75.05
88.45	83.30	83.50	83.60	83.60	83.00
73.58	73.10	73.10	67.40	67.40	65.90
83.50	83.50	83.50	78.60	78.60	78.60
3.20	3.20	3.20	3.20	3.20	3.20
2.11	2.10	2.10	2.10	2.10	1.65
0.20	0.70	0.70	0.70	0.70	0.70
2.31	2.80	2.80	2.80	2.80	2.35
121.42	121.42	121.52	117.57	115.32	112.92
168.62	169.62	172.22	172.07	163.22	159.82
113.09	113.30	107.52	107.77	105.92	103.32
120.33	115.67	115.87	115.82	113.97	110.42
103.15	102.67	102.67	96.82	94.97	90.97
113.07	113.07	113.07	108.02	106.17	103.67

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Nonprofit	\$ 18,471	\$ 16,412	\$ 15,904	\$ 15,685	\$ 15,482	\$ 17,014
Hospital	13,690	11,265	9,479	8,561	8,775	8,663
Manufacturing	28,663	23,411	27,076	25,073	21,918	23,787
Government	10,856	9,407	9,145	9,426	8,811	8,596
Services	19,400	17,817	19,262	20,190	18,196	15,807
Retail	2,219	861	1,359	1,687	1,560	1,294
Banking	900	855	841	871	840	840
Grocery	820	768	698	684	728	670
Transportation	648	564	634	419	379	361
Technology	-	-	-	-	-	-
Utility	-	-	208	-	367	-
Construction	151	774	-	124	201	230
Total	<u>\$ 95,818</u>	<u>\$ 82,134</u>	<u>\$ 84,606</u>	<u>\$ 82,720</u>	<u>\$ 77,257</u>	<u>\$ 77,262</u>

Source: City Income Tax Department

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	14,835	\$ 14,155	\$ 12,870	\$ 14,674
	8,579	8,293	9,751	9,333
	22,910	21,799	18,242	14,887
	8,555	8,390	9,137	10,156
	16,964	16,242	13,897	13,071
	1,346	1,389	1,166	1,452
	897	1,109	1,212	1,080
	723	740	775	819
	440	423	392	548
	-	-	-	-
	-	-	-	-
	-	-	-	-
	<u>\$ 75,249</u>	<u>\$ 72,540</u>	<u>\$ 67,442</u>	<u>\$ 66,020</u>

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

Tax Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Collections	Amount of Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2021	\$ 14,956	\$ 13,833	92.5%	\$ 751	\$ 14,584	97.5%
2020	14,663	13,705	93.5%	857	14,562	99.3%
2019	14,607	13,561	92.8%	711	14,272	97.7%
2018	13,955	12,988	93.1%	721	13,709	98.2%
2017	13,961	12,903	92.4%	720	13,623	97.6%
2016	13,914	12,887	92.6%	873	13,760	98.9%
2015	14,110	12,660	89.7%	1,151	13,811	97.9%
2014	14,163	12,451	87.9%	974	13,425	94.8%
2013	14,262	12,461	87.4%	1,048	13,509	94.7%
2012	16,543	14,415	87.1%	1,135	15,550	94.0%

Source: Lucas County Auditor

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

Fiscal Year	Governmental Activities			
	General Obligation Bonds ⁴	Non-Taxable Revenue Bonds ⁴	Assessed Services Notes ³	Loans and Lease-Purchase Notes Payable
2021	\$ 104,919	\$ 10,836	\$ 40,800	\$ 6,230
2020	118,226	11,607	40,900	7,190
2019	112,571	12,358	40,600	9,310
2018	119,821	8,795	40,200	13,657
2017	127,766	1,370	39,100	30,259
2016	140,345	2,020	38,500	34,924
2015	131,146	2,650	40,100	49,023
2014	123,648	3,250	40,700	49,652
2013	116,597	-	35,800	52,644
2012	123,859	-	35,600	47,640

Fiscal Year	Total Primary Government Debt	Percentage of Personal Income ²	Per Capita ²
2021	\$ 1,126,736	5.2%	2,653
2020	1,146,455	5.6%	2,681
2019	1,026,091	5.2%	2,407
2018	998,365	3.7%	1,659
2017	997,916	3.8%	1,651
2016	1,014,214	4.0%	1,683
2015	850,140	3.4%	1,382
2014	894,646	5.3%	2,046
2013	864,589	5.3%	1,990
2012	659,398	4.4%	1,549

Notes:

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

²Table 16 contains personal income and per capita data.

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

⁴Includes unamortized premiums on debt issuance.

	Business Type Activities					Total Primary Government Debt	
	Water Revenue Bonds ⁴	Sanitary Sewer Revenue Bonds ⁴	General Obligation Bonds ⁴	Bond Anticipation Notes ³	Capital Projects Loans		Lease-Purchase Notes Payable
\$	372,830	\$ 7,705	\$ 7,118	\$ 30,000	\$ 543,822	\$ 2,476	\$ 1,126,736
	411,793	8,800	8,126	30,000	507,260	2,553	1,146,455
	321,714	9,758	9,081	30,000	478,074	2,625	1,026,091
	333,657	10,693	10,082	-	458,767	2,693	998,365
	342,553	11,582	11,038	-	431,491	2,757	997,916
	351,137	14,689	15,749	-	414,034	2,816	1,014,214
	261,550	16,635	16,895	-	332,021	120	850,140
	287,273	20,553	18,204	-	350,789	577	894,646
	295,462	23,385	19,192	-	320,493	1,016	864,589
	110,086	26,011	28,553	-	277,491	10,158	659,398

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

Fiscal Year	Population¹	Assessed Value	Gross General Obligation Bonded Debt³	Less: Net Position Restricted for Debt Service²	Net General Obligation Bonded Debt	Net Bonded Debt to Assessed Value
2021	270,024	\$ 3,399,159	\$ 112,037	\$ 206	\$ 111,831	3.3%
2020	272,779	3,332,525	126,352	209	126,143	3.8%
2019	278,733	3,319,773	121,652	228	121,424	3.7%
2018	276,491	3,161,111	129,903	248	129,655	4.1%
2017	276,491	3,172,916	138,804	284	138,520	4.4%
2016	279,217	3,162,278	156,094	284	155,810	4.9%
2015	279,789	3,200,375	141,852	284	141,568	4.5%
2014	281,031	3,211,551	141,120	-	141,120	4.4%
2013	287,208	3,232,265	142,560	-	142,560	4.4%
2012	287,208	3,753,096	142,184	-	142,184	3.8%

Notes:

¹Source: Lucas County Auditor and Ohio Department of Taxation. Amounts for 2018 and 2019 revised from prior reporting.

²The City pays general bonded debt service from current income tax revenues.

³General obligation bonds (both Governmental and Business-Type Activities) including unamortized premiums (see Table 11).

**Net Bonded Debt
Per Capita**

\$	414.15
	462.44
	435.63
	468.93
	500.99
	558.02
	505.98
	502.15
	496.37
	495.06

Table 13
City of Toledo, Ohio
Computation of Direct and Overlapping Debt
at December 31, 2021
(Amounts in Thousands)

	<u>Amount of Debt</u>	<u>Applicable To City</u>	<u>City's Share</u>
Total direct debt ¹	\$ 162,785	100.00%	\$ 162,785
Subdivision overlapping debt: **			
Toledo City School District	87,755	70.26%	61,657
Lucas County	153,500	41.87%	64,270
Sylvania City School District	61,490	3.19%	1,962
Maumee City School District	17,340	1.45%	251
Ottawa Hills Local School District	8,110	0.01%	1
Springfield Local School District	3,225	1.84%	59
Sylvania Area Joint Recreation District	4,675	3.19%	149
Washington Local School District	48,495	23.25%	11,275
Total subdivision overlapping debt	<u>384,590</u>		<u>139,624</u>
Total direct and overlapping debt	<u>\$ 547,375</u>		<u>\$ 302,409</u>

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

Note:

¹ Consists of Governmental Activities bonds (including unamortized premiums), loans, lease-purchase notes payable, and assessed services notes payable which are long-term notes due in greater than one year from the issue date (see Note 8). Total direct debt above is reported in the Governmental Activities in Table 11.

** **Source:** Ohio Municipal Advisory Council

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt limit	\$ 356,912	\$ 356,912	\$ 349,915	\$ 348,576	\$ 333,005
Total net debt applicable to limit	<u>113,216</u>	<u>117,820</u>	<u>112,305</u>	<u>121,375</u>	<u>133,055</u>
Legal debt margin	<u>\$ 243,696</u>	<u>\$ 239,092</u>	<u>\$ 237,610</u>	<u>\$ 227,201</u>	<u>\$ 199,950</u>
Total net debt applicable to limit as a percentage of legal debt margin	46.46%	49.28%	47.26%	53.42%	66.54%

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 333,156	\$ 332,039	\$ 336,039	\$ 337,213	\$ 339,388
141,125	140,879	143,540	141,120	145,180
<u>\$ 192,031</u>	<u>\$ 191,160</u>	<u>\$ 192,499</u>	<u>\$ 196,093</u>	<u>\$ 194,208</u>
73.49%	73.70%	74.57%	71.97%	74.75%

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

Business-Type Activities								
Fiscal Year	Utility Service Income	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage	
				Principal	Interest			
Water Revenue Bonds								
2021	\$ 84,019	\$ 34,765	\$ 49,254	\$ 9,775	\$ 17,364	\$ 27,139	1.8	
2020	81,875	45,139	36,736	9,375	14,055	23,430	1.6	
2019	78,648	44,994	33,654	8,975	14,448	23,423	1.4	
2018	80,270	42,353	37,917	8,605	14,828	23,433	1.6	
2017	79,468	39,596	39,872	7,420	15,643	23,063	1.7	
2016	74,238	39,850	34,388	8,380	12,097	20,477	1.7	
2015	64,021	39,164	24,857	5,909	13,808	19,717	1.3	
2014	58,572	35,300	23,272	5,905	13,844	19,749	1.2	
2013	53,349	30,719	22,630	4,905	3,254	8,159	2.8	
2012	44,366	32,997	11,369	5,405	2,943	8,348	1.4	
Sewer Revenue Bonds								
2021	\$ 90,678	\$ 26,255	\$ 64,423	\$ 1,025	\$ 392	\$ 1,417	45.5	
2020	91,682	39,956	51,726	890	415	1,305	39.6	
2019	87,890	38,103	49,787	865	458	1,323	37.6	
2018	81,954	36,488	45,466	830	477	1,307	34.8	
2017	77,709	32,806	44,903	2,975	573	3,548	12.7	
2016	73,534	33,390	40,144	2,962	663	3,625	11.1	
2015	70,924	31,456	39,468	2,770	752	3,522	11.2	
2014	69,903	37,402	32,501	2,700	862	3,562	9.1	
2013	69,727	29,321	40,406	2,545	1,120	3,665	11.0	
2012	66,652	39,941	26,711	2,445	1,224	3,669	7.3	
Governmental Activities ¹								
Fiscal Year	Total General Fund Revenues	Less: Income and Property Tax Revenue	Net Available Revenue	Debt Service		Total	Coverage	
				Principal	Interest			
Non-Tax Revenue Bonds								
2021	\$ 258,793	\$ 204,432	\$ 54,361	\$ 695	\$ 419	\$ 1,114	48.8	
2020	249,066	194,651	54,415	675	439	1,114	48.8	
2019	267,549	202,076	65,473	695	24	719	91.1	
2018	259,627	195,841	63,786	675	47	722	88.3	
2017	250,968	188,387	62,581	650	70	720	86.9	

¹ The Governmental Activities had no revenue bond obligations prior to 2017.

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

Fiscal Year	City of Toledo Population¹	Personal Income²	Per Capita Personal Income²	Median Age³	Public School Enrollment⁴	Unemployment Rate⁵
2021	270,024	\$ 21,853,130	\$ 51,024	35.1	22,300	5.5%
2020	272,779	20,507,085	47,875	35.1	22,868	5.6%
2019	278,733	19,900,137	46,290	35.1	23,324	4.0%
2018	276,491	27,065,000	44,834	35.2	23,096	5.7%
2017	276,491	26,301,910	43,458	34.2	21,849	6.5%
2016	279,217	25,503,153	42,087	35.2	21,618	4.7%
2015	279,789	24,684,223	33,485	34.9	38,959	5.4%
2014	281,031	16,846,330	38,604	34.3	22,256	5.7%
2013	287,208	16,443,243	37,542	37.5	22,283	7.9%
2012	286,031	15,104,299	36,646	34.2	22,540	7.6%

Source:

¹ U.S. Census Bureau. 2021 population represents July 1, 2020 estimate. Latest information available.

² U.S. Bureau of Economic Analysis. Values are calculated using Lucas County statistics. 2021 per capita personal income computed using Census Bureau midyear population estimates. Estimates reflect county population estimates available as of March 2021. Latest information available.

³ U.S. Census Bureau. 2021 median age represents 2020 estimate. Latest information available.

⁴ Ohio Department of Education. School enrollment is based on the census at the start of the school year.

⁵ U.S. Bureau of Labor Statistics. Unemployment rate is an adjusted yearly average.

Table: 17
City of Toledo, Ohio
Principal Employers, Toledo Major Service Area
As of December 31, 2021 and December 31, 2012

<u>Employer</u>	<u>2021</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total MSA Employees</u>
ProMedica Health Systems	14,465	1	5.18%
Mercy Health	8,827	2	3.16%
University of Toledo	7,000	3	2.51%
Whirlpool Corporation	6,182	4	2.21%
FCA US LLC	6,159	5	2.21%
HCR Manorcare	3,293	6	1.18%
The City of Toledo	2,805	7	1.00%
General Motors Powertrain	2,036	8	0.73%
The Andersons Inc	1,636	9	0.59%
Dana Inc	1,549	10	0.56%
Total From Top Ten (10) Employers	53,952		19.33%
All Other Employers	225,111		80.67%
Total Employees	279,063		100.00%
	<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total MSA Employment</u>
Promedica Health Systems	12,414	1	3.46%
Mercy Health Partners	6,533	2	1.82%
University of Toledo	6,538	3	1.82%
Bowling Green State University	5,287	4	1.47%
Lucas County	3,700	5	1.03%
Toledo City School District	3,563	6	0.99%
The Kroger Company	2,786	7	0.78%
The City of Toledo	2,676	8	0.75%
Wal-Mart	2,407	9	0.67%
Sauder Woodworking Company	2,320	10	0.65%
Total From Top Ten (10) Employers	48,224		13.44%
All Other Employers	310,787		86.56%
Total Employees	359,011		100.00%

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

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>General Government:</u>										
Building Inspection	17	19	20	22	22	21	20	19		
City Council	25	27	23	23	21	21	21	21		
Diversity & Inclusion	3	3	6	5	5	5	4	6		
Economic Development	7	6	5	5	6	6	4	6		
Finance										
Accounts	10	11	12	11	10	10	11	9		
Budget/Debt/Financial Admin	5	5	9	7	8	11	10	10		
ERP	1	1	1	1	1	2	2	4		
Purchasing	5	5	4	4	3	3	3	7		
Taxation and Treasury	37	40	41	40	39	37	41	41		
Subtotal Finance	58	62	67	63	61	63	67	71		
Human Resources	19	15	17	15	15	16	17	17		
Info/Communications Tech	33	19	16	13	15	15	12	12		
Law	25	26	27	24	25	23	22	23		
Mayor	14	10	11	11	9	9	10	10		
Municipal Court (Clerks)	71	76	80	78	76	78	81	81		
Municipal Court (Judges)	106	106	104	108	105	104	103	104		
Plan Commission	12	11	11	11	10	10	10	9		
Subtotal General Government	390	380	387	378	370	371	371	379	263	420
<u>Public Service:</u>										
Engineering Services	52	51	57	58	53	56	59	64		
Fleet and Facilities	75	74	85	84	74	75	81	85		
Solid Waste	14	14	14	13	12	14	14	14		
Streets, Bridges, and Harbor	161	175	183	163	158	162	172	164		
Transportation	42	40	40	43	40	40	43	47		
Subtotal Public Service	344	354	379	361	337	347	369	374	236	374
<u>Public Safety</u>										
Uniformed Fire	537	518	541	519	544	544	523	517		
Fire Civilian	17	93	99	99	96	88	92	99		
Subtotal Fire	554	611	640	618	640	632	615	616		
Unifored Police	617	626	633	627	620	614	628	612		
Police - Civilians	53	46	57	61	60	58	58	59		
Subtotal Police	670	672	690	688	680	672	686	671		
Subtotal Safety	1,224	1,283	1,330	1,306	1,320	1,304	1,301	1,287	1,518	1,138
<u>Public Utilities:</u>										
Sewer and Drainage	114	103	105	108	104	110	104	113		
Utilities Administration	77	90	85	86	85	80	76	66		
Water Distribution	115	121	120	129	117	126	125	130		
Water Reclamation	89	97	94	97	92	96	102	105		
Water Treatment	87	85	84	84	81	87	85	80		
Subtotal Public Utilities	482	496	488	504	479	499	492	494	641	552
<u>Community Environment:</u>										
Environmental Services	44	45	45	45	41	42	44	44		
Community Relations	0	0	1	1	1	1	2	2		
Neighborhoods	55	49	48	53	54	56	61	63		
Subtotal Com Environment	99	94	94	99	96	99	107	109	101	80
<u>Parks and Recreation:</u>										
Parks, Forestry, & Recreation	62	62	70	67	61	61	67	76	63	64
Totals	2,601	2,669	2,748	2,715	2,663	2,681	2,707	2,719	2,822	2,628

*Detailed information prior to 2014 is unavailable.

Source: Respective city departments

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

Function/Program	2021	2020	2019	2018
General government				
Building permits	2,809	2,892	2,938	3,788
Value of permits (in thousands)	227,992	237,268	261,495	231,869
Total board-ups	354	620	850	1,044
Total demolitions	95	328	445	410
Police				
Traffic citations	20,298	18,813	28,094	34,999
Red light cameras	-	45,968	123,925	127,689
Number of offenses	11,053	35,496	38,702	39,259
911 call volume	170,050	302,050	318,942	311,778
Non-emergency calls ¹	7,899	85,350	84,754	85,880
Fire				
Emergency runs	55,803	51,960	52,804	52,831
Fire runs	6,924	6,541	6,685	7,046
Total runs	62,727	58,501	59,489	59,877
Public Utilities				
Water Customers	130,337	129,781	128,004	128,000
Sewer Customers	105,227	103,929	115,208	115,000
New water connections	104	344	49	107
Water main breaks	371	365	337	432
Average daily water consumption (millions of gallons)	67.0	64.7	66.0	67.2
Average daily water waste treatment (millions of gallons)	68.9	59.6	73.0	72.2
Other public works				
Traffic signs manufactured/installed	28,472	12,666	23,324	22,555
Energy reduction (traffic signals)	0.0%	-1.0%	1.0%	1.0%
Traffic signals replaced	127	234	512	507
Traffic signal calls	5,069	4,044	4,870	3,551

¹ In 2021, City and County 911 consolidated and City non-emergency calls through 911 is no longer available

Source: Respective city departments

2017	2016	2015	2014	2013	2012
3,459	2,875	4,162	3,446	3,192	3,492
328,589	117,100	355,428	162,718	101,687	140,436
1,278	1,195	858	1,325	1,152	1,594
467	469	404	265	726	382
32,810	37,269	49,165	54,855	59,345	50,418
133,470	87,476	44,621	54,021	63,574	71,664
39,180	7,429	8,183	8,726	9,278	11,944
328,392	354,742	213,987	213,789	225,677	443,697
99,877	98,521	69,783	84,768	87,298	93,843
53,904	56,249	52,059	48,709	47,458	48,949
6,758	6,589	6,839	6,713	6,307	6,930
60,662	62,838	58,898	55,422	53,765	55,879
131,525	123,699	124,574	125,559	126,647	125,343
106,203	117,510	118,418	119,333	120,400	119,275
150	349	149	198	257	220
274	319	297	377	402	365
66.7	69.0	69.3	78.0	78.0	120.0
66.1	63.5	67.9	72.5	62.1	70.0
22,566	17,430	15,321	13,081	13,938	13,000
1.0%	1.0%	3.5%	9.0%	8.0%	88.0%
303	285	288	336	320	301
3,825	3,674	4,026	4,136	4,200	1,044

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

Function/ Program	2021	2020	2019	2018	2017
Public safety					
Police					
Number of stations	2	2	2	2	3
Number of substations	2	2	2	2	1
Number of employees with arrest power	571	601	633	627	582
Number of neighborhood offices	-	-	-	-	-
Fire					
Number of stations	18	18	18	18	19
Number of firefighters	531	510	541	519	544
Public service					
Other Public Works					
Streets (in miles)	1,145	1,145	1,146	1,146	1,144
Rail (in miles)	1,200	1,200	1,200	1,200	1,200
Parks & recreation					
Acreage	2,048	2,368	2,149	2,160	2,162
Number of parks	130	129	138	138	140
Number of tree cuts	1,266	2,183	1,225	1,770	1,804
Number of tree trims	1,639	1,542	1,293	2,125	2,130
Public pools	6	6	7	7	7
Golf courses	3	4	4	4	3
Public utilities					
Water					
Water lines (in miles)	1,178	1,190	1,190	1,190	1,190
Storage capacity (in millions of gallons)	80	70	70	70	70
Plant capacity (in millions of gallons)	120	120	120	120	120
Wastewater					
Sanitary sewers (in miles)	1,100	1,100	1,100	1,100	1,100
Treatment capacity (in millions of gallons)	130	130	130	130	130

Source: Respective city departments

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
3	3	3	2	3
1	1	1	1	2
646	616	612	648	582
-	-	-	-	4
19	19	18	18	18
544	514	517	541	502
1,124	1,224	1,224	1,139	1,139
1,200	1,200	1,200	1,200	1,200
2,185	2,185	2,185	2,177	2,687
144	144	144	145	145
2,109	2,799			
1,939				
7	9	10	10	11
4	4	4	4	4
1,169	1,168	1,168	1,165	1,188
70	94	78	78	80
120	120	150	150	150
1,027	961	961	961	955
130	130	102	102	102

OHIO AUDITOR OF STATE KEITH FABER



CITY OF TOLEDO

LUCAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 8/30/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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