



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CITY OF TOLEDO, OHIO

LUCAS COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023



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

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

We have reviewed the *Independent Auditors' Report* of the City of Toledo, Lucas County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2023 through December 31, 2023. 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

September 17, 2024

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CITY OF TOLEDO, OHIO
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2023

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Grant Number</u>	<u>Federal Assistance Listing Number</u>	<u>Passed through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF COMMERCE				
<i>(Passed through Great Lakes Commission):</i>				
Habitat Conservation:				
Collins Park Stream Restoration Feasibility Study	n/a	11.463	\$	152,121
Restoration of Ottawa River in Jermaine Park Project	n/a	11.463		127,916
Total U.S. Department of Commerce				<u>280,037</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants:				
40th Year CDBG Grant	n/a	14.218	80,113	166,614
41st Year CDBG Grant	n/a	14.218	110,062	118,632
42nd Year CDBG Grant	n/a	14.218	36,235	294,446
43rd Year CDBG Grant	n/a	14.218	94,708	332,095
44th Year CDBG Grant	n/a	14.218		208,078
45th Year CDBG Grant	n/a	14.218	89,287	412,593
COVID-19 - 45th Year CDBG Grant	n/a	14.218	293,300	458,610
46th Year CDBG Grant	n/a	14.218	185,170	534,373
47th Year CDBG Grant	n/a	14.218	835,377	927,129
48th Year CDBG Grant	n/a	14.218	2,813,434	4,575,239
49th Year CDBG Grant	n/a	14.218	2,282,734	2,951,799
Total CDBG - Entitlement Grants Cluster			<u>6,820,420</u>	<u>10,979,608</u>
Emergency Solutions Grants Program:				
COVID-19 - 33rd Year Emergency Shelter -1	n/a	14.231	196,923	196,923
COVID-19 - 33rd Year Emergency Shelter -2	n/a	14.231	93,048	93,048
35th Year Emergency Shelter	n/a	14.231	61,875	61,875
36th Year Emergency Shelter	n/a	14.231	381,560	381,560
37th Year Emergency Shelter	n/a	14.231	222,080	222,080
Total Emergency Solutions Grants Program			<u>955,487</u>	<u>955,486</u>
HOME Investment Partnerships Program:				
HOME Investment Partnerships Program	n/a	14.239	1,674,343	2,003,630
COVID-19 - HOME Investment Partnerships Program	n/a	14.239		59,073
Total HOME Investment Partnerships Program			<u>1,674,343</u>	<u>2,062,703</u>
Economic Development Initiative, Community Project Fundings, and Miscellaneous Grants	n/a	14.251		<u>1,381,000</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing	n/a	14.900	<u>98,868</u>	<u>887,810</u>
Total U.S. Department of Housing and Urban Development			<u>9,549,118</u>	<u>16,266,607</u>
U.S. DEPARTMENT OF JUSTICE				
<i>(Passed through Ohio's Office of Criminal Justice):</i>				
Violence Against Women Formula Grants	n/a	16.588		<u>11,899</u>
Project Safe Neighborhoods	n/a	16.609		<u>16,413</u>
Public Safety Partnership and Community Policing Grants	n/a	16.710		<u>1,250,000</u>
Edward Byrne Memorial Justice Assistance Grant Program:				
2020 Justice Assistance Grant	n/a	16.738		229,546
2021 Justice Assistance Grant	n/a	16.738		11,269
Violent Crime Intervention Grant	n/a	16.738		245,812
Total Edward Byrne Memorial Justice Assistance Grant Program				<u>486,627</u>
Paul Coverdell Forensic Sciences Improvement Grant Program	n/a	16.742		<u>31,693</u>
Total U.S. Department of Justice				<u>1,796,632</u>
U.S. DEPARTMENT OF TRANSPORTATION				
<i>(Passed through Ohio Department of Transportation):</i>				
Highway Planning and Construction:				
Star Avenue Resurfacing	PID111208	20.205		400,000
Safe Route to School	PID110827	20.205		183,274
Safe Route to School	PID117110	20.205		186,395
Anthony Wayne - Glendale to Turnpike	PID103508	20.205		3,153,699
Jackman-Alexis to Brim	PID111528	20.205		370,798
Ottawa River Road Mini Roundabout	PID111529	20.205		404,240
Lewis - Lasky to Alexis	PID111121	20.205		3,034,045
Dorr and Detroit Intersection	PID112130	20.205		760,600
Safe Route to School - Washington Local	PID113487	20.205		390,190
Secor Bridge over Ottawa River	PID114072	20.205		2,000,000
AWT Streetscape	PID117198	20.205		72,700
Total Highway Planning and Construction				<u>10,955,941</u>
<i>(Passed through Ohio Department of Public Safety):</i>				
Highway Safety Cluster:				
State and Community Highway Safety	n/a	20.600		<u>36,579</u>
Total Highway Safety Cluster				<u>36,579</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	n/a	20.608		<u>29,637</u>
Total U.S. Department of Transportation				<u>11,022,157</u>

(Continued)

CITY OF TOLEDO, OHIO
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2023

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Grant Number</u>	<u>Federal Assistance Listing Number</u>	<u>Passed through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF THE TREASURY				
<i>(Passed through Ohio Office of Budget and Management, except as noted):</i>				
Emergency Rental Assistance				21,877,867
COVID-19 - City Emergency Rental Assistance	HR133-CRF-Local	21.023	\$ 4,502,870	21,877,867
Total Emergency Rental Assistance			<u>4,502,870</u>	<u>21,877,867</u>
Coronavirus State and Local Fiscal Recovery Funds				
COVID-19 - Local Fiscal Recovery Fund (Direct Award)	HB4219-CLFRF-Local	21.027	5,324,567	39,406,645
COVID-19 - ARPA Violent Crime Intervention Grant	NCIC-OH-0770000	21.027		217,187
COVID-19 - ARPA First Responder Wellness Grant	NCIC-OH-0770000	21.027		2,152,000
COVID-19 - ARPA Community Violence Prevention Program	NCIC-OH-0770000	21.027		90,440
COVID-19 - ARPA EMA First Responder Wellness Grant	NCIC-OH-0770000	21.027		3,227
Total Coronavirus State and Local Fiscal Recovery Funds			<u>5,324,567</u>	<u>41,869,499</u>
Total U.S. Department of The Treasury			<u>9,827,437</u>	<u>63,747,366</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<i>(Passed through Ohio Environmental Protection Agency):</i>				
Air Pollution Control Program Support:				
2016 State Air Grant	n/a	66.001		9,962
PM 2.5 Monitoring	n/a	66.001		53,421
2022 State Air Grant	n/a	66.001		662,357
2022 Title V	n/a	66.001		160,560
PM 2.5 Monitoring	n/a	66.001		7,950
2024 State Air Grant	n/a	66.001		179,151
2024 Title V	n/a	66.001		64,351
Total Air Pollution Control Program Support				<u>1,137,752</u>
COVID-19 - Environmental Justice Grant	n/a	66.312		<u>103,933</u>
Clean Water State Revolving Fund Cluster:				
Capitalization Grants for Clean Water State Revolving Funds:				
Downtown Storage Basin	n/a	66.458		614,885
LTCP 2C Design	n/a	66.458		181,286
Total Clean Water State Revolving Fund Cluster				<u>796,171</u>
Nonpoint Source Implementation Grants	n/a	66.460		<u>586,973</u>
Geographic Programs - Great Lakes Restoration Initiative	n/a	66.469		<u>84,315</u>
ARRA - Brownfield Assessment and Cleanup Cooperative Agreements	n/a	66.818		<u>246,390</u>
Total U.S. Environmental Protection Agency				<u>2,955,534</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>(Passed through Ohio Department of Public Safety):</i>				
Assistance to Firefighters Grant	n/a	97.044		<u>184,334</u>
Port Security Grant Program	n/a	97.056		<u>73,499</u>
Homeland Security Grant Program	n/a	97.067		<u>2,001,636</u>
Total U.S. Department of Homeland Security				<u>2,259,469</u>
Total Expenditures of Federal Awards			<u>\$ 19,376,555</u>	<u>98,327,802</u>

See accompanying notes to the schedule of expenditures of federal awards.

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the City of Toledo, Ohio (the “City”) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule includes the federal grant activity of the City of Toledo and is presented on the modified accrual basis of accounting, which is described in Note 1 to the City’s Annual Comprehensive Financial Report. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 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 and Department of the Treasury to other governments or not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of Federal awards to subrecipients on a modified accrual basis. As a direct recipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award’s performance goals.

NOTE E – HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current loan balance of the City’s local program income account as of December 31, 2023 is \$13,044,182.

NOTE F – MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio (the "City") as of and for the year ended December 31, 2023, 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 28, 2024, wherein we noted the City restated prior period balances for a correction of an error.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 28, 2024

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Toledo, Ohio's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2023, 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 28, 2024, 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 28, 2024

CITY OF TOLEDO, OHIO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
• ALN 21.023 – COVID-19 Emergency Rental Assistance Program	
• ALN 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds	
Dollar threshold to distinguish between Type A and Type B Programs:	\$2,949,834
Auditee qualified as low-risk auditee?	No

CITY OF TOLEDO, OHIO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2023
(continued)

Section II – Financial Statement Findings

Finding 2023-001 – Material Weakness/Financial Reporting

Condition: During the course of our audit, we identified misstatements in the financial statements that were not initially identified by the City’s internal control over financial reporting. A deficiency in internal control exists when the design of operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. In this case, the internal controls over the preparation and review of the City’s financial statements did not operate as designed and we consider this a material weakness.

Audit adjustments were necessary to correct capital assets, inventory of supplies, long-term obligations, and restate prior period net position.

Recommendation: We recommend the City enhance its internal controls over financial reporting with steps such as management’s analysis of the financials compared to prior years to ensure the preparation of complete, accurate and reliable financial statements in accordance with generally accepted accounting principles.

*Views of
Responsible
Officials:* See Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

None



Finance

One Government Center
Suite 2050
Toledo, Ohio 43604
phone 419-245-1648
fax 419-936-3096
➔ toledo.oh.gov

June 28, 2024

**SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
December 31, 2023**

Finding Number	Status	Explanation
2022-001	Uncorrected	Repeat finding as 2023-001
2022-002	Corrected	n/a
2022-003	Corrected	n/a



Finance

One Government Center
Suite 2050
Toledo, Ohio 43604
phone 419-245-1648
fax 419-936-3096
→ toledo.oh.gov

June 28, 2024

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2023**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	The City will enhance its internal controls over financial reporting with steps such as management's analysis of the financials compared to prior years to ensure the preparation of complete, accurate and reliable financial statements in conformity with generally accepted accounting principles.	9-30-2024	Melanie Campbell, Interim Finance Director.

FOR THE YEAR ENDED DECEMBER 31, 2023

Annual Comprehensive Financial Report

CITY OF TOLEDO, OHIO



TOL
City of Toledo
2023

CITY OF TOLEDO, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023



WADE KAPSZUKIEWICZ
MAYOR

MELANIE CAMPBELL
ACTING FINANCE DIRECTOR

City of Toledo, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

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City of Toledo, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

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INTRODUCTORY SECTION

CITY OF TOLEDO



Wade Kapszukiewicz
Mayor

Melanie Campbell
Acting Director of Finance

June 28, 2024

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, 2023.

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, 2023. 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, the fourth largest city in Ohio, is located on the coast of Lake Erie in Northwest Ohio, approximately 150 miles north of Columbus, 120 miles west of Cleveland, and 50 miles south of Detroit, Michigan. The City’s elevation is approximately 614 feet above sea level. 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, including being named the “Hottest Place to Live in 2024” by Barron’s, a national financial publication. Below is a summary of the major economic development projects driving this momentum.

- In June 2023, the City of Toledo was awarded a \$20 million Rebuilding American Infrastructure with Equity and Sustainability (“RAISE”) Grant from the U.S. Department of Transportation. This is the largest competitive grant the City has ever been awarded and will help to further the vision of the Toledo Social Innovation District in the Uptown Neighborhood. Born from the 2017 Downtown Toledo Master Plan and 2021 Comprehensive Economic Development Strategy for the Toledo Region, the Toledo Social Innovation District was created to diversify the region’s economic base and catalyze job creation. The vision for the district is a mixed-use, mixed-income neighborhood that are anchored by companies and institutions that foster research and equitable economic growth. The district is anchored by the Toledo Innovation Center that recently underwent a \$40 million renovation and will provide the space and resources to companies and individuals. The \$20 million RAISE grant will support the \$53 million project to upgrade infrastructure and enhance connectivity and quality of life for nearby neighborhoods.

- In March 2024, the City of Toledo was awarded a \$28 million Reconnecting Communities and Neighborhood Grant from the U.S. Department of Transportation, making this the largest competitive federal grant awarded to the City. The funding will support major improvements to the Front Street and Main Street corridors, better connecting East Toledo to the downtown riverfront and Glass City Metropark. An important focus of the grant is to upgrade the infrastructure of the Main Street Business District to better support the vibrancy of the area and support local businesses and residents. This grant has no match requirement and provide all of the funding necessary to complete the project.
- In May 2023, the City announced a partnership with Economic and Community Development Institute (“ECDI”) and the Center for Innovative Food Technology (“CIFT”) to establish a culinary innovation center in the iconic civic center auditorium at the Erie Street Market. The \$10 million project will provide space for food entrepreneurs to grow their business and refine their products. The project is expected to break ground in 2024.
- In February 2023, Chicago-based Abbell Credit Corp. announced plans to redevelop the former Elder Beerman and Sears sites in West Toledo as a premier retail destination for the region. The City partnered with Abbell to redevelop the 22 acre site by attracting a \$1,276,796 grant from the Ohio Brownfield Remediation Program for the removal of asbestos and demolition of the former department store. The developer plans to announce more details on plans for the site in Summer 2024.
- In January 2023, the City, Lucas County Land Bank, Connected Toledo announced the selection of Cincinnati-based The Model Group in partnership with Toledo-based ARK Restoration & Construction as the developer for the redevelopment of the historic Spitzer and Nicholas Buildings in downtown Toledo. The developer plans to invest \$200 million to convert both vacant skyscrapers into approximately 367 apartments. In late-2023, the project was awarded a \$10 million tax credit from the Ohio Historic Preservation Tax Credit Program – one of the largest historic tax credits ever awarded to project in the state. Construction is expected to start in 2025.
- In March 2023, construction of the \$200 million Glass City Riverwalk project began. The Riverwalk is a transformational project that will create 300 acres of new and revitalized downtown riverfront greenspace that will be connected by five miles of multi-use trails spanning both sides of the Maumee River. The project is accompanied by a \$50 million project to redevelop the former Marina District property into the Glass City Metropark, which officially opened in June 2023. The new metropark is located immediately adjacent to a new \$40 million mixed use project called the Marina Lofts. In May 2020, Continental Real Estate Companies cut the ribbon on a 360-unit upscale apartment complex called Marina Lofts and 60,000 square feet of Class A office space and convenience retail. In February 2024, the City announced the sale of its building at 1030 Water Street to Metroparks Toledo that will be undergo a \$7.2 million renovation into a family entertainment center.
- In addition to the Marina Lofts, Continental also broke ground on the Colony project in 2023. 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 feature 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. Construction is expected to be complete in late-2024.
- 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 purchased the site for \$2,655,000 and plans to build three speculative industrial buildings that will total 865,000 square feet. The total investment is estimated to be over \$100 million and is expected to create more than 500 jobs. The first spec building was completed in 2023. In January 2024, Mobis North America announced its plans to occupy the first spec building to produce electric vehicle battery plates. The company will invest \$9.5 million to establish the operation that will create 185 full-time jobs.

- 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 March 2024, Libbey was awarded a \$45.1 million grant from the U.S. Department of Energy that will leverage another \$45 million of investment from the company to decommission four furnaces at its facilities and replace them with two larger ones that can operate hybrid, utilizing either traditional natural gas or less-polluting electricity.
- A major job creation project in the City of Toledo-City of Maumee-Monclova Township JEDZ will have an impact on the City of Toledo. 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. 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. Construction is expected to be complete in mid-2024.

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.

In May of 2023, the City announced the launch of the draft Forward Toledo comprehensive land use plan with adoption by City Council anticipated in August of this year. This extensive framework is designed to guide the development and planning of Toledo for the next decade and beyond, reflecting our community's vision for the future of Toledo. The document represents nearly three years of work and the collective input of thousands of Toledoans. The plan was created by the Toledo-Lucas County Plan Commissions, with extensive input from city administration, Toledo City Council, and various executive committees. The development of Forward Toledo was heavily influenced by a 9-month public input process, which included 39 community events attended by 1,600 residents and resulted in over 3,000 survey responses. This input shaped the plan by prioritizing strategies around public feedback, including:

- **Increase Connectivity and Walkability:** Enhancing city-wide accessibility through better infrastructure.
- **Economic and Business Development:** Supporting local businesses and economic revitalization.
- **Housing Diversity and Affordability:** Expanding housing options to meet diverse needs.

ACCOUNTING SYSTEM

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

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

BUDGETING AND LONG-TERM FINANCIAL PLANNING

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

In 2023, the City's uninsured outstanding general obligation bonds were rated "A2" by Moody's Investors Service with a stable outlook and "A-" with a stable outlook by Standard and Poor's. The City monitors its leeway within the direct debt limitation. The City's legal debt margin information is contained in Table 14 of the Statistical Section.

INTERNAL CONTROL

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

As a recipient of Federal and State financial assistance, the City is responsible for ensuring 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

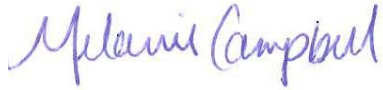
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. The certificate is valid for a period of one year. This is the fortieth 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, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF TOLEDO, OHIO
LIST OF PRINCIPAL CITY OFFICIALS
 As of 12-31-2023

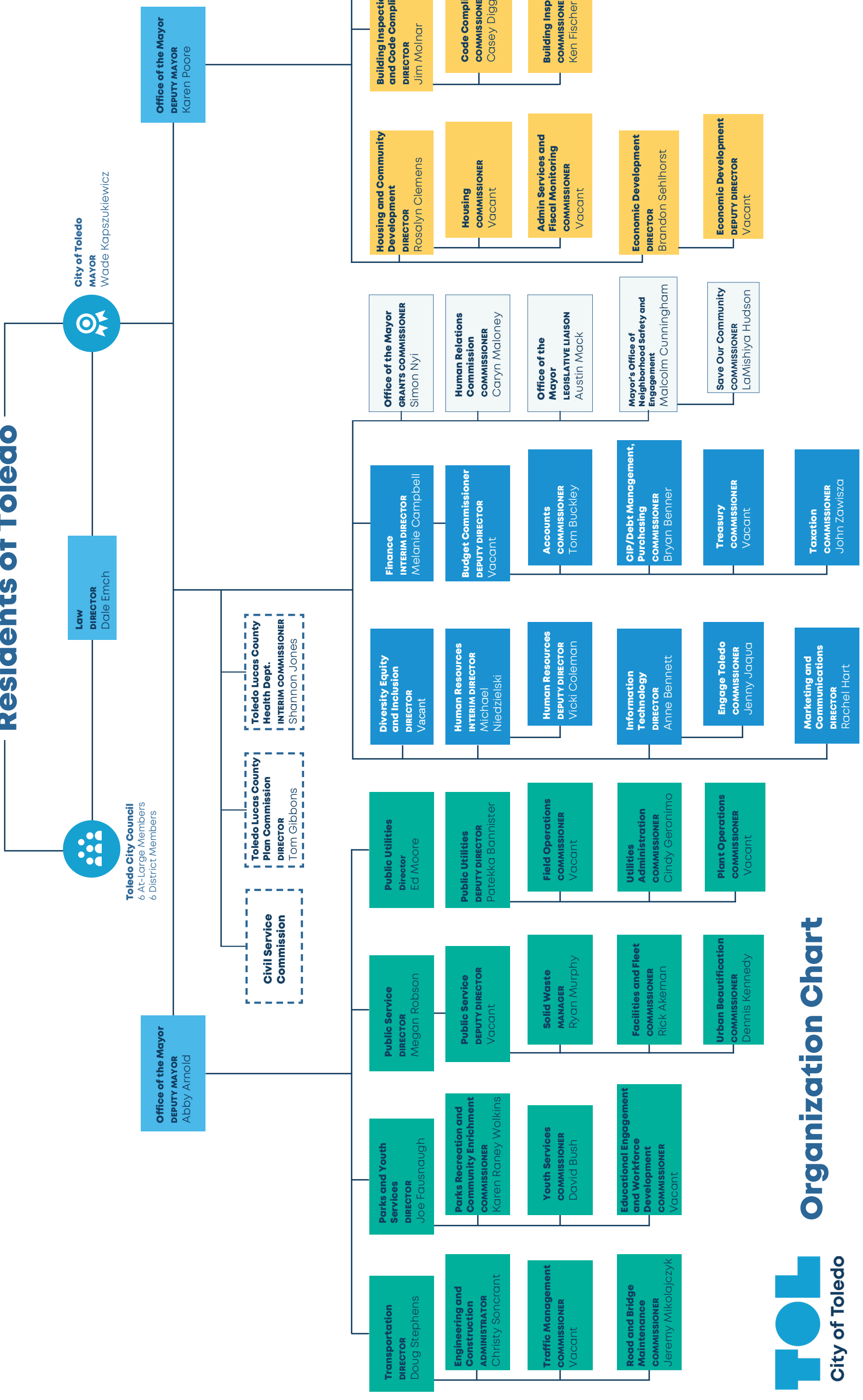
Mayor: Wade Kapszukiewicz

MEMBERS OF COUNCIL

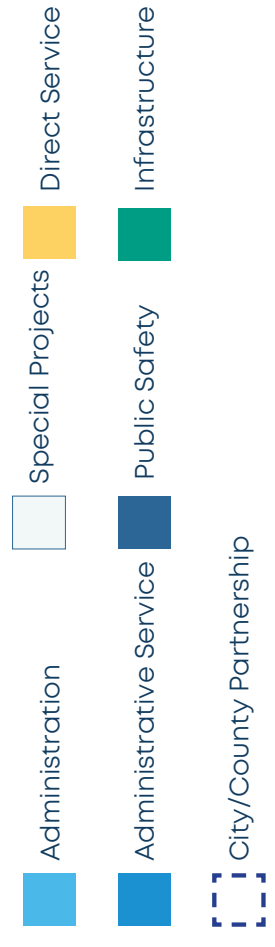
<u>District Seats</u>	<u>Length of Current Terms</u>
District 1: John Hobbs III (West-Central).....	Three Years
District 2: Matt Cherry (President) (South-West).....	Ten Years
District 3: Theresa Gadus (East Toledo-Historic South).....	Four Years
District 4: Vanice S. Williams (Central City).....	Three Years
District 5: Sam Melden (North-West).....	Four Years
District 6: Theresa Morris (North Toledo-Point Place).....	Three Years
<u>At-Large Seats</u>	
Carrie Hartman.....	One Year
Nick Komives.....	Six Years
Cerssandra McPherson.....	Three Years
Katie Moline.....	Four Years
George Sarantou.....	Two Years
Dr. Tiffany M. Preston Whitman.....	Three Years
<u>Appointed Positions</u>	
Clerk of Council.....Julie Gibbons.....	One Year
Acting Director of Finance.....Melanie Campbell.....	Five Years
Treasurer.....Vacant (1)	
City Auditor.....John Rivalsky.....	One Year

(1) Mr. Richard Jackson held this position from January 1 through November 30, 2020. This position was vacant at December 31, 2023.

Residents of Toledo



TOL City of Toledo Organization Chart



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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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Correction of an Error

As described in Note 16 to the financial statements, the City is reporting a prior period adjustment to correct for errors and omissions in the amounts previously reported in capital assets. 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, pension and OPEB schedules and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, 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 28, 2024

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City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Amounts in Thousands)

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, 2023. 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.

Amounts are reported in thousands in the Management's Discussion and Analysis to correspond with financial statement presentation.

Financial Highlights

Key financial highlights for 2023 are as follow:

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflow of resources at the close of 2023 by \$1,242,339. Of this amount (\$85,413) is considered unrestricted. The unrestricted net position of the City's business-type activities is \$157,697 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 (\$243,110).
- The City's total net position increased \$98,051 or 8.57% in 2023 from 2022 (as restated – see Note 16). Net position of the governmental activities increased \$40,628 in 2023 from 2022 (as restated), which represents a 12.82% increase from 2022. Net position of the business-type activities increased \$57,423 or 6.94% from 2022 (as restated).
- The net cost of the City's programs (total expenses less program revenues) increased approximately \$102,589. For 2023 and 2022, the net cost of governmental activities was \$285,141 and \$204,011 respectively. For 2023 and 2022, the net revenue of business-type activities was \$43,835 and \$65,294, respectively.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$176,372. The combined fund balance of the governmental funds increased \$12,262 from 2022.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains 29 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 25 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary Funds

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

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

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Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information (RSI)

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

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Government-Wide Financial Analysis

The Statement of Net Position provides the perspective of the City as a whole. The City has restated net position at December 31, 2022 to properly report capital asset balances and classifications at that date (see Note 7 and Note 16). The table below provides a summary of the City's net position at December 31, 2023 compared to December 31, 2022 (as restated).

Net Position
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	Restated		Restated		Restated	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 534,325	\$ 573,564	\$ 386,039	\$ 431,265	\$ 920,364	\$ 1,004,829
Capital Assets	625,412	571,748	1,460,056	1,399,413	2,085,468	1,971,161
Total Assets	<u>1,159,737</u>	<u>1,145,312</u>	<u>1,846,095</u>	<u>1,830,678</u>	<u>3,005,832</u>	<u>2,975,990</u>
Deferred Outflows of Resources	<u>185,737</u>	<u>109,745</u>	<u>26,892</u>	<u>7,952</u>	<u>212,629</u>	<u>117,697</u>
Liabilities						
Long-Term Liabilities						
Net Pension Liability	469,800	269,845	56,335	17,120	526,135	286,965
Net OPEB Liability	29,662	42,065	1,195	-	30,857	42,065
Other Long-Term Amounts	210,820	198,930	894,953	941,570	1,105,773	1,140,500
Other Liabilities	215,204	268,734	27,154	17,483	242,358	286,217
Total Liabilities	<u>925,486</u>	<u>779,574</u>	<u>979,637</u>	<u>976,173</u>	<u>1,905,123</u>	<u>1,755,747</u>
Deferred Inflows of Resources	<u>62,551</u>	<u>158,674</u>	<u>8,448</u>	<u>34,978</u>	<u>70,999</u>	<u>193,652</u>
Net Position						
Net Investment in Capital Assets	492,201	445,818	638,848	571,316	1,131,049	1,017,134
Restricted	108,346	128,896	88,357	97,570	196,703	226,466
Unrestricted (deficit)	<u>(243,110)</u>	<u>(257,905)</u>	<u>157,697</u>	<u>158,593</u>	<u>(85,413)</u>	<u>(99,312)</u>
Total Net Position	<u>\$ 357,437</u>	<u>\$ 316,809</u>	<u>\$ 884,902</u>	<u>\$ 827,479</u>	<u>\$ 1,242,339</u>	<u>\$ 1,144,288</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 is reported pursuant to GASB Statement 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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.

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

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

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

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

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

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

Analysis of Net Position

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by approximately \$1,242,339 at the close of the most recent fiscal year.

The largest portion of the City's net position (91.04%) reflects an investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and intangible right-to-use 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

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An additional portion of the City's net position (15.83%) represents resources that are subject to use restrictions. The remaining balance of the unrestricted net position (a deficit of 6.88%) 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 \$85,413 the unrestricted net position of the City's Business-Type Activities \$157,697 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 Governmental Activities of \$243,110.

- The overall net position of the City increased \$98,051 or 8.57% in 2023. The net position for Governmental Activities increased \$40,628 or 12.82%.
- The net position of Business-Type Activities of the City increased by \$57,423 or 6.94%. The increase is driven by rate increases authorized by City Council that systematically upgrades the public utility infrastructure.

The City has restated net position at December 31, 2022 as described in Note 7 and Note 16 to the financial statements. For the table below, the City has restated the beginning net position for 2022 to reflect the effect of the capital asset adjustments. The 2022 amounts previously reported for revenues and expenses have not been restated. The following table provides a summary of the change in net position from 2022 to 2023.

Changes in Net Position
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for Services and Sales	\$ 65,563	\$ 62,660	\$ 216,915	\$ 215,202	\$ 282,478	\$ 277,862
Operating Grants and Contributions	78,731	82,178	-	-	78,731	82,178
Capital Grants and Contributions	<u>26,577</u>	<u>21,256</u>	<u>759</u>	<u>-</u>	<u>27,336</u>	<u>21,256</u>
Total Program Revenues	<u>170,871</u>	<u>166,094</u>	<u>217,674</u>	<u>215,202</u>	<u>388,545</u>	<u>381,296</u>
General Revenue:						
Income Taxes	267,468	272,788	-	-	267,468	272,788
Property Taxes	15,263	13,759	-	-	15,263	13,759
Investment Earnings	7,490	4,769	9,105	5,234	16,595	10,003
Increase (Decrease) in Fair Value of Investments	1,854	(15,053)	5,769	(16,225)	7,623	(31,278)
Intergovernmental Services	30,622	34,976	-	-	30,622	34,976
Other	<u>1,779</u>	<u>88</u>	<u>7</u>	<u>76</u>	<u>1,786</u>	<u>164</u>
Total General Revenues	<u>324,476</u>	<u>311,327</u>	<u>14,881</u>	<u>(10,915)</u>	<u>339,357</u>	<u>300,412</u>
Total Revenues	<u>495,347</u>	<u>477,421</u>	<u>232,555</u>	<u>204,287</u>	<u>727,902</u>	<u>681,708</u>

(continued)

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Expenses						
General Government	38,562	30,323	-	-	38,562	30,323
Public Service	50,482	48,585	-	-	50,482	48,585
Public Safety	250,322	196,652	-	-	250,322	196,652
Public Utilities	18,101	20,499	-	-	18,101	20,499
Community Environment	61,653	48,411	-	-	61,653	48,411
Health	16,867	11,703	-	-	16,867	11,703
Parks and Recreation	13,077	8,967	-	-	13,077	8,967
Interest and Fiscal Charges	6,948	4,965	-	-	6,948	4,965
Water	-	-	72,611	64,321	72,611	64,321
Sewer	-	-	73,056	63,407	73,056	63,407
Other Enterprise Activities	-	-	28,172	22,180	28,172	22,180
Total Expense	<u>456,012</u>	<u>370,105</u>	<u>173,839</u>	<u>149,908</u>	<u>629,851</u>	<u>520,013</u>
Increase in Net Position						
Before Transfers	39,335	107,316	58,716	54,379	98,051	161,695
Transfers	<u>1,293</u>	<u>1,667</u>	<u>(1,293)</u>	<u>(1,667)</u>	<u>-</u>	<u>-</u>
Change in Net Position	40,628	108,983	57,423	52,712	98,051	161,695
Net position - Beginning of Year (restated)	<u>316,809</u>	<u>207,826</u>	<u>827,479</u>	<u>774,767</u>	<u>1,144,288</u>	<u>982,593</u>
Net Position - Ending	<u>\$ 357,437</u>	<u>\$ 316,809</u>	<u>\$ 884,902</u>	<u>\$ 827,479</u>	<u>\$ 1,242,339</u>	<u>\$ 1,144,288</u>

Governmental Activities: Governmental activities increased the City's net position by \$40,628. Key elements of the net position are as follows:

- Income tax revenue, which represents 54.00% of the City's governmental revenue, finished 2023 \$5,320 or 1.95% lower than the prior year.
- Charges for services increased by \$2,903 or 4.63%.
- Public safety expenses increased by \$53,670 primarily due to increased pension and OPEB expenses along with increased costs related to collective bargaining agreements.

Business-Type Activities: Net position of the City's Business-Type Activities increased \$57,423. Key elements of the changes in net position are as follows:

- The fair value of investments and interest earnings increased \$21,994 and \$3,871 from 2022 to 2023, respectively.
- Expenses were \$23,931 higher in 2023 versus 2022 due in large part to significant pension and OPEB expense increases related to the Ohio Public Employees Retirement System (OPERS).

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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, 2023, the City's governmental funds reported a combined ending fund balance of \$176,372 an increase of \$12,262 in comparison with the prior year. There is an *unassigned fund balance* deficit of \$4,363. The *nonspendable fund balance* of \$8,561 represents the City's prepaid items and investment in inventory. The \$148,852 *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 \$17,845 that is primarily the City's Budget Stabilization Fund of \$12,940 and assigned fund balance of \$5,477 for subsequent year appropriations.

General Fund: The General Fund is the chief operating fund of the City. At December 31, 2023, the total fund balance of the General Fund was \$89,341. The fund balance of the City's General Fund increased \$23,288 during 2023. The City's income tax revenue increased by \$8,623 or 3.84%. Expenditures increased \$18,345 primarily in the area of public safety as the City used less federal American Rescue Plan Act (ARPA) State and Local Fiscal Rescue Funds (SLFRF) for a portion of police and fire expenditures during 2023 compared to using the General Fund in 2022. The General Fund made transfers out of \$51,482 in 2023 compared to \$49,708 in 2022.

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, 2023, total fund balance of the capital improvements fund is \$80,868. The fund balance of the Capital Improvements Fund decreased \$10,585 during 2023.

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, 2023, total fund balance of the Special Assessments Services Fund was a deficit of \$58,763, thus increasing the deficit by \$2,224 from the prior year.

Local Fiscal Recovery Grant Fund: The Local Fiscal Recovery Grant Fund accounts for the proceeds of grant funds for fiscal recovery. At December 31, 2023, total fund balance of the Local Fiscal Recovery Grant Fund was \$3,858, thus increasing from the deficit of \$3,548 at December 31, 2022.

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 2023), 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.

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Water: The total net position of the Water Fund at the end of the year amounted to \$328,078 of which \$66,764 is unrestricted. The net position of the Water Fund increased \$29,529 or 9.89% in 2023. Operating revenues increased by \$1,735 or 1.90% from 2022. Operating expenses increased by \$13,475 or 27.31%, due to increased 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 \$478,559 of which \$60,619 is unrestricted. The net position of the Sewer Fund increased \$26,651 or 5.90%. Operating expenses increased by \$9,929 or 18.45%, due to increased 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 \$1,669, of which \$1,689 is unrestricted. The net position of the Utility Administrative Services Fund decreased by \$1,687. Operating revenues for fiscal year 2023 increased by \$1,835 or 13.12%. Operating expenses for fiscal year 2023 increased by \$4,351 or 36.41%.

Nonmajor: The total net position of the nonmajor enterprise funds at the end of the year amounted to \$76,596 of which \$28,625 is unrestricted. The net position of the nonmajor enterprise funds increased \$2,930, or 3.98%. Operating revenues for fiscal year 2023 decreased by \$429 or 3.05% under comparable revenue in 2022. Operating expenses for fiscal year 2023 increased \$1,619 or 16.32% over comparable expenses in 2022.

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 amounts in the area of expenditures and other financing uses, increased \$6,493 from \$323,881 to \$330,374. Actual revenues and other financing sources of \$328,719 were more than final budgeted revenues and other financing sources by \$12,526. 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 \$23,230 lower than the final budgeted amounts.

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The following schedule is a summary of comparable General Fund revenue for 2023 and 2022:

Revenues and Other Financing Sources				
(Amounts in Thousands)				
	<u>2023</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2022</u>	<u>Percentage Change from 2022</u>
Income Taxes	\$ 233,184	71.0%	\$ 8,623	3.8%
Property Taxes	14,766	4.5%	327	2.3%
Licenses and Permits	3,357	1.0%	165	5.2%
Intergovernmental Services	17,763	5.4%	(4,564)	-20.4%
Charges for Services	24,940	7.6%	199	0.8%
Investment Earnings	9,344	2.8%	16,030	-239.8%
Fines and Forfeitures	2,594	0.8%	140	5.7%
Other Revenue	1,319	0.4%	1,306	10046.2%
Sale of Capital Assets	46	0.0%	(71)	-60.7%
Inception of lease/SBITA	1,080	0.3%	(9,651)	-89.9%
Transfers In	<u>20,326</u>	<u>6.2%</u>	<u>18,102</u>	813.9%
Total	<u>\$ 328,719</u>	<u>100.0%</u>	<u>\$ 30,606</u>	

Key elements of the changes in revenues are as follows:

- Income tax revenue increased due to economic growth.
- Intergovernmental services revenue decreased due to decreased local government revenues.
- The fair value of investments increased in 2023 compared to a decrease in 2022. The City intends to hold all investments to maturity thus eliminating the risk in fair value fluctuations.

The 2023 final General Fund total expense budget was \$330,374.

City of Toledo, Ohio
Management’s Discussion and Analysis
For the Year Ended December 31, 2023
(Amounts in Thousands)

The following schedule is a summary of comparable General Fund expenditures for 2023 and 2022:

Expenditures and Other Financing Uses
(Amounts in Thousands)

	<u>2023</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2022</u>	<u>Percentage Change from 2022</u>
General Government	\$ 31,518	10.3%	\$ 2,390	8.2%
Public Service	1,934	0.6%	146	8.2%
Public Safety	191,652	62.4%	21,860	12.9%
Community Environment	12,881	4.2%	2,851	28.4%
Health	9,637	3.1%	130	1.4%
Parks and Recreation	5,014	1.6%	344	7.4%
Capital outlay	1,132	0.4%	(9,605)	-89.5%
Principal retirement	1,641	0.5%	229	16.2%
Interest and Fiscal Charges	253	0.1%	-	0.0%
Transfers Out	<u>51,482</u>	<u>16.8%</u>	<u>1,774</u>	<u>3.6%</u>
Total	<u>\$ 307,144</u>	<u>100.0%</u>	<u>\$ 20,119</u>	

Regrading General Fund expenditures:

- Community environment expenditures increased due to expenditures to address neighborhood blight.
- Public safety expenditures increased as the City used less ARPA SLFRF for a portion of Police and Fire expenditure during 2023 compared to 2022. Expenditures funded by the American Rescue Plan were required to be reported in a separate fund.
- 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 \$89,341. The fund balance is comprised of the following:

- *Nonspendable* – Inventory of \$3,492 comprised in 2023.
- *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 \$3,736 in 2023.
- *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 \$14,252 in 2023. The City did not utilize monies in the Budget Stabilization Designation for expenditures in 2023.
- *Assigned* – The City’s assigned fund balance of \$5,477 represents subsequent year appropriations.
- *Unassigned* – This is the residual classification for the remaining funds that have not been reported in any other classification. In 2023, the unassigned fund balance totaled \$62,384.

City of Toledo, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Amounts in Thousands)

Capital Asset and Debt Administration

Capital assets: The City's capital assets, net of depreciation for governmental and business-type activities as of December 31, 2023, amounts to \$2,085,468. This investment in capital assets includes land, buildings, water and sewer distribution systems, improvements, machinery and equipment, park facilities, roads, curbs, gutters, streets, sidewalks and drainage systems, and intangible right to use leased equipment and subscription-based information technology software. The City has restated capital asset balances as previously reported at December 31, 2022 as described in Note 7 to the financial statements.

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

	Governmental Activities		Business-Type Activities		Total	
	Restated		Restated		Restated	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 25,428	\$ 25,428	\$ 5,590	\$ 5,590	\$ 31,018	\$ 31,018
Construction in Progress	133,888	92,141	300,329	300,421	434,217	392,562
Intangible Right to Use:						
Leased Equipment	660	1,181	-	-	660	1,181
Leased Buildings	11,630	9,160	5,233	4,278	16,863	13,438
Subscription-Based Information						
Technology Software	3,102	2,485	672	-	3,774	2,485
Building	35,416	37,082	44,695	46,443	80,111	83,525
Furniture and Fixtures	64	51	7	9	71	60
Improvements	33,670	36,088	141,313	145,296	174,983	181,384
Infrastructure	345,591	334,191	939,150	871,717	1,284,741	1,205,908
Machinery and Equipment	<u>35,963</u>	<u>33,941</u>	<u>23,067</u>	<u>25,659</u>	<u>59,030</u>	<u>59,600</u>
Total	<u>\$ 625,412</u>	<u>\$ 571,748</u>	<u>\$ 1,460,056</u>	<u>\$ 1,399,413</u>	<u>\$ 2,085,468</u>	<u>\$ 1,971,161</u>

Major capital asset events during 2023 included the following:

- Total investment in capital assets increased \$114,307 or 5.80%.
- Business-type capital assets increased by \$60,643 or 4.33% net of \$31,648 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 \$53,664 or 9.39% net of \$36,864 in current year depreciation expense.

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

City of Toledo, Ohio
Management’s Discussion and Analysis
For the Year Ended December 31, 2023
(Amounts in Thousands)

Long-Term Debt: At December 31, 2023, the City had \$1,662,765 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, 2023. 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.

Notes payable: In addition to the long-term debt described above and reported in the table below, the City also had \$1,960 in general obligation special assessment notes and \$43,680 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.

Long-Term Debt Outstanding
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General Obligation Bonds	\$ 135,720	\$ 127,105	\$ 5,016	\$ 6,285	\$ 140,736	\$ 133,390
Revenue Bonds	-	-	328,621	349,830	328,621	349,830
Non-taxable revenue bonds	9,194	10,035	-	-	9,194	10,035
Bond Anticipation Notes	-	-	-	30,000	-	30,000
Loans Outstanding	3,827	4,771	547,114	543,318	550,941	548,089
Financed Purchase Notes	93	369	2,308	2,393	2,401	2,762
Other Obligations	<u>561,448</u>	<u>368,560</u>	<u>69,424</u>	<u>26,864</u>	<u>630,872</u>	<u>395,424</u>
Total	<u>\$ 710,282</u>	<u>\$ 510,840</u>	<u>\$ 952,483</u>	<u>\$ 958,690</u>	<u>\$ 1,662,765</u>	<u>\$ 1,469,530</u>

Total long-term debt outstanding at December 31, 2023 increased \$193,235 or 13.15% as compared to the amount outstanding at December 31, 2022.

On December 31, 2023, the City’s bond ratings with Standard & Poor’s Corporation and Moody’s Investor Services, Inc. were A- and A2, respectively.

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

- The net principal amount of both voted and non-voted 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 non-voted 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, 2023
(Amounts in Thousands)

Debt Limitations

These two limitations are referred to as “direct debt limitations.” Without consideration of amounts in the City’s bond retirement fund and based on outstanding debt as of December 31, 2023 as well as current assessed valuation, the City’s voted and non-voted nonexempt debt capacities within the direct debt limitations were (amounts in thousands):

	Limitation	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation
10.50%	\$ 397,215	\$ 132,785	\$ 264,430
5.50%	\$ 208,064	\$ 132,785	\$ 75,279

Non-voted 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, non-voted 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 non-voted 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, 2023, the total millage theoretically required by the City and the combination of overlapping taxing subdivisions was estimated to be 6.5489 mills, up from the prior year of 5.9798 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 non-voted general obligation debt in any year for their outstanding non-voted general obligation debt. The remaining 3.4511 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 non-voted 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 2024 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 2024 is \$332,569.

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, 2023
(Amounts in Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents with Treasurer/Treasury	\$ 4,864	\$ 33,792	\$ 38,656
Cash and cash equivalents held by escrow agent	45	16,449	16,494
Cash and cash equivalents - other	285	93	378
Investments	173,939	200,736	374,675
Restricted investments	153,518	75,889	229,407
Receivables (net of allowances)	158,039	60,878	218,917
Due from other governments	21,476	-	21,476
Internal balances	8,932	(8,932)	-
Prepaid items	4,283	15	4,298
Inventory	8,944	7,119	16,063
Capital assets:			
Land and construction in progress	159,316	305,919	465,235
Other capital assets, net of accumulated depreciation	466,096	1,154,137	1,620,233
Total assets	<u>1,159,737</u>	<u>1,846,095</u>	<u>3,005,832</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	37	37
Pension (Note 13)	160,673	23,296	183,969
OPEB (Note 14)	25,064	3,559	28,623
Total deferred outflows of resources	<u>185,737</u>	<u>26,892</u>	<u>212,629</u>
LIABILITIES			
Accounts payable	32,731	13,147	45,878
Customer deposits	5,667	1,122	6,789
Accrued wages and benefits	10,178	-	10,178
Retainage payable	1,092	5,397	6,489
Due to other governments	-	163	163
Accrued interest payable	864	7,325	8,189
Other current liabilities	10,408	-	10,408
Notes payable	45,640	-	45,640
Unearned revenue	108,624	-	108,624
Long-term liabilities:			
Due within one year	17,917	56,028	73,945
Due in more than one year:			
Net pension liability (Note 13)	469,800	56,335	526,135
Net OPEB liability (Note 14)	29,662	1,195	30,857
Other amounts due in more than one year	192,903	838,925	1,031,828
Total liabilities	<u>925,486</u>	<u>979,637</u>	<u>1,905,123</u>
DEFERRED INFLOWS OF RESOURCES			
Revenues levied for the next year	13,632	-	13,632
Deferred charge on refunding	-	7,328	7,328
Leases	1,342	-	1,342
Pension (Note 13)	17,746	682	18,428
OPEB (Note 14)	29,831	438	30,269
Total deferred inflows of resources	<u>62,551</u>	<u>8,448</u>	<u>70,999</u>
NET POSITION			
Net investment in capital assets	492,201	638,848	1,131,049
Restricted for:			
Debt service	201	13,183	13,384
Replacement	-	66,599	66,599
Capital improvement	75,503	8,575	84,078
Community programs	11,166	-	11,166
Other purposes	21,476	-	21,476
Unrestricted (deficit)	(243,110)	157,697	(85,413)
Total net position	<u>\$ 357,437</u>	<u>\$ 884,902</u>	<u>\$ 1,242,339</u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Activities
For the Year Ended December 31, 2023
(Amounts in Thousands)

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 38,562	\$ 11,785	\$ 2,598	\$ -
Public service	50,482	27,016	627	10,822
Public safety	250,322	10,424	34,143	280
Public utilities	18,101	-	1,693	-
Community environment	61,653	4,304	29,670	15,475
Health	16,867	11,799	1,994	-
Parks and recreation	13,077	235	8,006	-
Interest and fiscal charges	6,948	-	-	-
Total governmental activities	456,012	65,563	78,731	26,577
Business-type activities:				
Water	72,611	92,965	-	-
Sewer	73,056	94,516	-	759
Utilities administration	16,420	15,818	-	-
Storm utility	8,782	9,173	-	-
Property management	1,009	-	-	-
Municipal tow lot	1,393	3,757	-	-
Toledo public power	568	686	-	-
Total business-type activities	173,839	216,915	-	759
Total	\$ 629,851	\$ 282,478	\$ 78,731	\$ 27,336

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

Transfers

Total general revenues and transfers

Change in net position

Net position at January 1 (restated)
Net position at December 31

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (24,179)	\$ -	\$ (24,179)
(12,017)	-	(12,017)
(205,475)	-	(205,475)
(16,408)	-	(16,408)
(12,204)	-	(12,204)
(3,074)	-	(3,074)
(4,836)	-	(4,836)
(6,948)	-	(6,948)
<u>(285,141)</u>	<u>-</u>	<u>(285,141)</u>
-	20,354	20,354
-	22,219	22,219
-	(602)	(602)
-	391	391
-	(1,009)	(1,009)
-	2,364	2,364
-	118	118
-	<u>43,835</u>	<u>43,835</u>
<u>(285,141)</u>	<u>43,835</u>	<u>(241,306)</u>
267,468	-	267,468
15,263	-	15,263
7,490	9,105	16,595
1,854	5,769	7,623
30,622	-	30,622
18	7	25
1,761	-	1,761
<u>324,476</u>	<u>14,881</u>	<u>339,357</u>
1,293	(1,293)	-
<u>325,769</u>	<u>13,588</u>	<u>339,357</u>
40,628	57,423	98,051
316,809	827,479	1,144,288
<u>\$ 357,437</u>	<u>\$ 884,902</u>	<u>\$ 1,242,339</u>

City of Toledo, Ohio
Balance Sheet
Governmental Funds
December 31, 2023
(Amounts in Thousands)

	General	Capital Improvements	Special Assessments Services	Local Fiscal Recovery Grant
ASSETS				
Cash and cash equivalents with Treasurer	\$ 4,864	\$ -	\$ -	\$ -
Cash and equivalents held by escrow agent	-	-	-	-
Cash and cash equivalents - other	205	-	-	-
Investments	173,207	-	-	-
Restricted investments	3,736	33,983	3,034	111,709
Receivables (net of allowances)	83,121	1,239	50,153	457
Due from other:				
Funds	-	48,050	-	-
Governments	2,426	-	-	-
Inventory of supplies	3,492	1,128	1,945	-
Total assets	<u>\$ 271,051</u>	<u>\$ 84,400</u>	<u>\$ 55,132</u>	<u>\$ 112,166</u>
LIABILITIES				
Accounts payable	\$ 20,116	\$ 3,325	\$ 515	\$ 835
Deposits	3,132	11	-	-
Accrued wages and benefits payable	10,178	-	-	-
Compensated absences payable	144	-	-	-
Retainage payable	-	196	20	46
Due to other:				
Funds	84,771	-	19,807	13,331
Unearned revenue	-	-	-	94,096
Notes payable	-	-	43,680	-
Total liabilities	<u>118,341</u>	<u>3,532</u>	<u>64,022</u>	<u>108,308</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	<u>63,369</u>	<u>-</u>	<u>49,873</u>	<u>-</u>
FUND BALANCES				
Nonspendable	3,492	1,128	1,945	-
Restricted	3,736	79,740	-	3,858
Committed	14,252	-	-	-
Assigned	5,477	-	-	-
Unassigned (deficit)	62,384	-	(60,708)	-
Total fund balances (deficit)	<u>89,341</u>	<u>80,868</u>	<u>(58,763)</u>	<u>3,858</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 271,051</u>	<u>\$ 84,400</u>	<u>\$ 55,132</u>	<u>\$ 112,166</u>

See accompanying notes to the basic financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 4,864
45	45
80	285
732	173,939
1,056	153,518
20,639	155,609
62,796	110,846
19,050	21,476
1,313	7,878
<hr/>	<hr/>
\$ 105,711	\$ 628,460
<hr/>	<hr/>
\$ 4,314	\$ 29,105
2,523	5,666
-	10,178
-	144
830	1,092
7,891	125,800
14,528	108,624
1,960	45,640
<hr/>	<hr/>
32,046	326,249
<hr/>	<hr/>
12,597	125,839
<hr/>	<hr/>
1,996	8,561
61,518	148,852
3,593	17,845
-	5,477
(6,039)	(4,363)
<hr/>	<hr/>
61,068	176,372
<hr/>	<hr/>
\$ 105,711	\$ 628,460
<hr/>	<hr/>

City of Toledo, Ohio
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2023
(Amounts in Thousands)

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

Total fund balances for governmental funds	\$	176,372	
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			616,852
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	\$	51,638	
Income taxes		42,733	
Delinquent property taxes		5,621	
Capital grants		2,930	
Operating grants		394	
Intergovernmental services/reimbursements		7,549	
			110,865
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.			16,943
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		(133,395)	
Non-taxable revenue bonds		(9,194)	
Compensated absences		(33,096)	
Loans outstanding from state agencies		(3,827)	
Financed purchase note payable		(93)	
Lease payable		(12,583)	
Subscription based information technology arrangement payable		(2,537)	
Accrued interest		(864)	
Landfill closure		(13,626)	(209,215)
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		155,103	
Deferred inflows-pensions		(17,625)	
Net pension liability		(456,974)	(319,496)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds (excluding the portion reported in the internal service funds).			
Deferred outflows-OPEB		24,231	
Deferred inflows-OPEB		(29,730)	
Net OPEB liability		(29,385)	(34,884)
Total net position of governmental activities			\$ 357,437

See accompanying notes to the basic financial statements.

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City of Toledo, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023
(Amounts in Thousands)

	General	Capital Improvements	Special Assessments Services	Local Fiscal Recovery Grant
REVENUES				
Income taxes	\$ 233,184	\$ -	\$ -	\$ -
Property taxes	14,766	-	-	-
Special assessments	-	-	24,855	-
Licenses and permits	3,357	-	-	-
Intergovernmental services	17,763	425	-	39,670
Charges for services	24,940	567	-	-
Investment earnings	7,490	938	105	3,576
Increase in fair value of investments	1,854	375	-	3,567
Fines and forfeitures	2,594	-	-	-
Grants	-	9,209	-	-
Other revenue	1,319	580	84	-
Total revenues	307,267	12,094	25,044	46,813
EXPENDITURES				
Current:				
General government	31,518	73	675	2,131
Public service	1,905	-	22,398	310
Public safety	191,652	74	-	21,408
Public utilities	29	-	-	1,389
Community environment	12,881	-	-	6,471
Health	9,637	-	563	124
Parks and recreation	5,014	-	-	6,567
Capital outlay	1,132	59,413	792	727
Debt service:				
Principal retirement	1,641	2,671	110	269
Interest and fiscal charges	253	417	1,532	11
Bond issuance costs	-	394	-	-
Total expenditures	255,662	63,042	26,070	39,407
Excess (deficiency) of revenues over (under) expenditures	51,605	(50,948)	(1,026)	7,406
OTHER FINANCING SOURCES (USES)				
Transfers in	20,326	51,983	-	-
Transfers (out)	(51,482)	(37,016)	-	-
Issuance of bonds	-	22,300	-	-
Issuance of loans	-	115	-	-
Premium on bonds issued	-	381	-	-
Inception of lease	531	2,890	612	-
Inception of subscription-based information technology arrangement	549	-	181	-
Sale of capital assets	46	-	51	-
Total other financing sources (uses)	(30,030)	40,653	844	-
Net change in fund balances	21,575	(10,295)	(182)	7,406
Fund balances (deficit) at January 1	66,053	91,453	(56,539)	(3,548)
Increase (decrease) in inventory	1,713	(290)	(2,042)	-
Fund balances (deficit) at December 31	\$ 89,341	\$ 80,868	\$ (58,763)	\$ 3,858

See accompanying notes to the basic financial statements.

Nonmajor Governmental Funds		Total Governmental Funds	
\$	25,959	\$	259,143
	-		14,766
	229		25,084
	-		3,357
	20,879		78,737
	1,765		27,272
	174		12,283
	-		5,796
	1,209		3,803
	38,364		47,573
	5,434		7,417
	<u>94,013</u>		<u>485,231</u>
	165		34,562
	17,152		41,765
	8,500		221,634
	21		1,439
	41,301		60,653
	2,417		12,741
	55		11,636
	29,553		91,617
	14,809		19,500
	5,116		7,329
	-		394
	<u>119,089</u>		<u>503,270</u>
	<u>(25,076)</u>		<u>(18,039)</u>
	18,631		90,940
	(1,149)		(89,647)
	-		22,300
	-		115
	781		1,162
	429		4,462
	1,021		1,751
	43		140
	<u>19,756</u>		<u>31,223</u>
	(5,320)		13,184
	66,691		164,110
	(303)		(922)
\$	<u>61,068</u>	\$	<u>176,372</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, 2023
(Amounts in Thousands)

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

Net change in fund balances for governmental funds	\$	13,184
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	\$ 91,044	
Depreciation/amortization expense	<u>(35,882)</u>	55,162
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).		
		(522)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The amount of this net effect of the reversal of prior year items against current year accruals:		
Special assessments	1,173	
Income taxes	8,325	
Delinquent property taxes	497	
Capital grants	2,554	
Operating grants	(238)	
Intergovernmental services/reimbursements	<u>(2,217)</u>	10,094
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.		
		265
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.		
		(3,019)
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).		
		(28,628)
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).		
		19,500
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		(922)
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in the funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	(236)	
Premiums incurred in the current year	(1,162)	
Amortization of bond premiums	<u>1,042</u>	(356)
Internal service funds are used by management to charge costs to individual funds. The net revenue/(expenses) of certain activities of internal service funds is reported with governmental activities.		
		1,107
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	30,446	
OPEB	<u>546</u>	30,992
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net OPEB liability are reported as pension expense and OPEB expense, respectively, in the statement of activities.		
Pension	(58,204)	
OPEB	<u>1,975</u>	<u>(56,229)</u>
Changes in net position of governmental activities	<u>\$</u>	<u>40,628</u>

See accompanying notes to the basic financial statements.

City of Toledo, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2023
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
ASSETS				
<u>Current:</u>				
Cash and cash equivalents with Treasury	\$ 10,152	\$ 15,823	\$ 5,588	\$ 2,229
Cash and cash equivalents held by escrow agent	16,205	244	-	-
Cash and cash equivalents - other	1	-	92	-
Investments	21,447	39,513	-	14,315
Restricted investments	25,063	737	-	-
Receivables (net of allowances)	25,449	30,910	448	4,071
Interfund loans receivable	41,645	-	-	-
Due from other:				
Funds	-	46,911	4,383	1,859
Prepaid items	-	14	1	-
Inventory of supplies	6,017	1,102	-	-
Total current assets	<u>145,979</u>	<u>135,254</u>	<u>10,512</u>	<u>22,474</u>
<u>Noncurrent:</u>				
Investments	59,585	32,448	-	33,428
Restricted investments	50,089	-	-	-
Capital assets:				
Land and construction in progress	257,661	43,499	-	4,759
Other capital assets, net of accumulated depreciation	460,910	652,293	3,678	37,256
Total noncurrent assets	<u>828,245</u>	<u>728,240</u>	<u>3,678</u>	<u>75,443</u>
Total assets	<u>974,224</u>	<u>863,494</u>	<u>14,190</u>	<u>97,917</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension (Note 13)	8,308	7,754	4,934	2,300
OPEB (Note 14)	1,269	1,187	751	352
Deferred charge on refunding	35	2	-	-
Total deferred outflows of resources	<u>9,612</u>	<u>8,943</u>	<u>5,685</u>	<u>2,652</u>
LIABILITIES				
<u>Current:</u>				
Accounts payable	7,608	4,382	1,054	103
Customer deposits	716	252	-	154
Retainage payable	5,226	91	-	80
Due to other:				
Funds	52,127	-	-	9,958
Governments	28	119	-	16
Interfund loans payable	-	41,645	-	-
Accrued interest payable	2,738	4,544	9	34
Other current liabilities	-	-	-	-
Current portion of:				
Bonds, loans, notes, financed purchases, SBITA and leases payable, net	21,538	32,334	637	1,519
Total current liabilities	<u>89,981</u>	<u>83,367</u>	<u>1,700</u>	<u>11,864</u>
<u>Noncurrent:</u>				
Compensated absences payable	1,910	2,324	1,131	600
Bonds, loans, notes financed purchases, SBITA and leases payable, net	536,193	287,990	3,061	5,716
Net pension liability (Note 13)	19,954	18,873	11,961	5,547
Net OPEB liability (Note 14)	423	400	254	118
Total noncurrent liabilities	<u>558,480</u>	<u>309,587</u>	<u>16,407</u>	<u>11,981</u>
Total liabilities	<u>648,461</u>	<u>392,954</u>	<u>18,107</u>	<u>23,845</u>
DEFERRED INFLOWS OF RESOURCES				
Pension (Note 13)	230	362	5	85
OPEB (Note 14)	153	148	94	43
Deferred charge on refunding	6,914	414	-	-
Total deferred inflows of resources	<u>7,297</u>	<u>924</u>	<u>99</u>	<u>128</u>
NET POSITION				
Net investment in capital assets	223,887	375,370	(20)	39,611
Restricted:				
Debt service	5,727	7,436	-	20
Replacement	30,955	34,994	-	650
Capital improvement	745	140	-	7,690
Unrestricted	66,764	60,619	1,689	28,625
Total net position	<u>\$ 328,078</u>	<u>\$ 478,559</u>	<u>\$ 1,669</u>	<u>\$ 76,596</u>

See accompanying notes to the basic financial statements.

		Governmental Activities	
Total Enterprise Funds		Internal Services Funds	
\$	33,792	\$	-
	16,449		-
	93		-
	75,275		-
	25,800		-
	60,878		2,430
	41,645		-
	53,153		26,458
	15		4,283
	7,119		1,066
	<u>314,219</u>		<u>34,237</u>
	125,461		-
	50,089		-
	305,919		350
	1,154,137		8,210
	<u>1,635,606</u>		<u>8,560</u>
	<u>1,949,825</u>		<u>42,797</u>
	23,296		5,570
	3,559		833
	37		-
	<u>26,892</u>		<u>6,403</u>
	13,147		3,626
	1,122		1
	5,397		-
	62,085		2,572
	163		-
	41,645		-
	7,325		-
	-		10,408
	<u>56,028</u>		<u>185</u>
	<u>186,912</u>		<u>16,792</u>
	5,965		-
	832,960		2,140
	56,335		12,826
	1,195		277
	<u>896,455</u>		<u>15,243</u>
	<u>1,083,367</u>		<u>32,035</u>
	682		121
	438		101
	7,328		-
	<u>8,448</u>		<u>222</u>
	638,848		6,235
	13,183		-
	66,599		-
	8,575		-
	<u>157,697</u>		<u>10,708</u>
\$	<u>884,902</u>	\$	<u>16,943</u>

City of Toledo, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year ended December 31, 2023
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 92,193	\$ 94,419	\$ 15,818	\$ 13,124
Other revenue	772	97	-	492
Total operating revenue	<u>92,965</u>	<u>94,516</u>	<u>15,818</u>	<u>13,616</u>
OPERATING EXPENSES				
Personnel services	18,783	18,093	11,186	5,076
Contractual services	20,650	19,997	3,328	3,310
Materials and supplies	8,932	3,098	1,061	425
Utilities	3,219	4,097	34	594
Depreciation/amortization	11,234	18,460	691	1,263
Other	-	-	-	865
Total operating expenses	<u>62,818</u>	<u>63,745</u>	<u>16,300</u>	<u>11,533</u>
Operating income (loss)	<u>30,147</u>	<u>30,771</u>	<u>(482)</u>	<u>2,083</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	4,901	2,368	143	1,693
Increase in fair value of investments	3,765	1,545	-	459
Interest expense and fiscal charges	(9,793)	(9,311)	(120)	(199)
Gain (loss) on disposal of capital assets	4	-	3	(20)
Total nonoperating revenues (expenses)	<u>(1,123)</u>	<u>(5,398)</u>	<u>26</u>	<u>1,933</u>
Income (loss) before transfers and contributions	<u>29,024</u>	<u>25,373</u>	<u>(456)</u>	<u>4,016</u>
Capital contributions	-	759	-	-
Transfers in	580	594	-	1,315
Transfers (out)	(75)	(75)	(1,231)	(2,401)
Change in net position	29,529	26,651	(1,687)	2,930
Net position at January 1 (restated)	298,549	451,908	3,356	73,666
Net position at December 31	<u>\$ 328,078</u>	<u>\$ 478,559</u>	<u>\$ 1,669</u>	<u>\$ 76,596</u>

See accompanying notes to the basic financial statements.

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Services Funds</u>
\$ 215,554	\$ 88,987
1,361	335
<u>216,915</u>	<u>89,322</u>
53,138	12,032
47,285	66,359
13,516	7,200
7,944	1,536
31,648	1,003
865	-
<u>154,396</u>	<u>88,130</u>
<u>62,519</u>	<u>1,192</u>
9,105	-
5,769	-
(19,423)	(107)
(13)	18
<u>(4,562)</u>	<u>(89)</u>
<u>57,957</u>	<u>1,103</u>
759	4
2,489	-
<u>(3,782)</u>	<u>-</u>
57,423	1,107
827,479	15,836
<u>\$ 884,902</u>	<u>\$ 16,943</u>

City of Toledo, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year ended December 31, 2023
(Amounts in Thousands)

	Business-Type Activities			
	Water	Sewer	Utility Administrative Services	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 88,252	\$ 116,468	\$ 15,060	\$ 13,472
Cash paid to employees	(18,148)	(17,661)	(10,721)	(4,944)
Cash paid to suppliers	(46,415)	(23,474)	(4,104)	(2,153)
Other receipts	773	97	-	2,643
Net cash provided by operating activities	<u>24,462</u>	<u>75,430</u>	<u>235</u>	<u>9,018</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	580	594	-	1,315
Transfers (out)	(75)	(75)	(1,231)	(2,401)
Net cash provided by (used in) noncapital financing activities	<u>505</u>	<u>519</u>	<u>(1,231)</u>	<u>(1,086)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital grants and contributions	-	-	-	-
Purchases of property, plant and equipment	(49,770)	(32,001)	-	(2,890)
Sale of capital assets	4	-	4	-
Principal payments	(49,498)	(40,597)	(620)	(1,477)
Issuance of bonds, loans, and notes	40,725	4,114	-	-
Interest and fiscal charges paid	(13,226)	(11,907)	(122)	(219)
Net cash (used in) capital and related financing activities	<u>(71,765)</u>	<u>(80,391)</u>	<u>(738)</u>	<u>(4,586)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	73,140	10,808	-	16,582
Purchase of investments	(31,832)	(16,007)	-	(20,371)
Investment income received on investments	4,906	2,368	143	1,692
Net cash provided by (used in) investing activities	<u>46,214</u>	<u>(2,831)</u>	<u>143</u>	<u>(2,097)</u>
Change in cash and cash equivalents	(584)	(7,273)	(1,591)	1,249
Cash and cash equivalents at January 1	26,942	23,340	7,271	980
Cash and cash equivalents at December 31	<u>\$ 26,358</u>	<u>\$ 16,067</u>	<u>\$ 5,680</u>	<u>\$ 2,229</u>
Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 30,147	\$ 30,771	\$ (482)	\$ 2,083
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	11,234	18,460	691	1,263
Change in assets, liabilities, deferred outflows and deferred inflows:				
Decrease (increase) in receivables	(3,941)	(3,614)	108	1,371
Decrease (increase) in due from other funds	-	25,663	(866)	(159)
Decrease in due from other governments	-	-	-	3
Decrease (increase) in prepaid expenses	-	-	1	-
(Increase) in inventory of supplies	(558)	(113)	-	-
Increase (decrease) in accounts payable and customer deposits	4,719	3,890	318	(319)
Increase (decrease) in retainage payable	352	(80)	-	43
Increase (decrease) in due to other funds	(18,137)	-	-	4,601
Increase in due to other governments	11	21	-	-
Decrease in net OPEB asset	2,175	2,099	1,255	610
(Increase) in deferred outflows - pension	(5,315)	(5,232)	(3,418)	(1,497)
(Increase) in deferred outflows - OPEB	(1,226)	(1,187)	(729)	(344)
Increase in net pension liability	13,891	13,018	8,461	3,845
Increase in net OPEB liability	423	400	254	118
(Decrease) in deferred inflows - pension	(7,259)	(6,831)	(4,248)	(2,020)
(Decrease) in deferred inflows - OPEB	(2,192)	(2,097)	(1,211)	(617)
(Decrease) in other current liabilities	-	-	-	-
Increase in compensated absences payable	138	262	101	37
Net cash provided by operating activities	<u>\$ 24,462</u>	<u>\$ 75,430</u>	<u>\$ 235</u>	<u>\$ 9,018</u>

Noncash Transactions:

During 2023, the Water enterprise fund acquired \$632 and \$466 in intangible capital assets through lease transactions and SBITA transactions, respectively.
During 2023, the Sewer enterprise fund acquired \$790 and \$252 in intangible capital assets through lease transactions and SBITA transactions, respectively.
During 2023, the nonmajor enterprise funds acquired \$360 in capital assets through a lease transaction.

See accompanying notes to the basic financial statements.

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Services Funds</u>
\$ 233,252	\$ 90,167
(51,474)	(11,299)
(76,146)	(78,903)
3,513	335
<u>109,145</u>	<u>300</u>
2,489	-
(3,782)	-
(1,293)	-
-	4
(84,661)	(20)
8	-
(92,192)	(180)
44,839	-
(25,474)	(105)
<u>(157,480)</u>	<u>(301)</u>
100,530	-
(68,210)	-
9,109	-
<u>41,429</u>	<u>-</u>
(8,199)	(1)
58,533	1
<u>\$ 50,334</u>	<u>\$ -</u>
\$ 62,519	\$ 1,192
31,648	1,003
(6,076)	(958)
24,638	2,141
3	-
1	(4,283)
(671)	(87)
8,608	478
315	-
(13,536)	1,115
32	-
6,139	1,345
(15,462)	(3,246)
(3,486)	(683)
39,215	9,073
1,195	277
(20,358)	(4,641)
(6,117)	(1,396)
-	(1,030)
538	-
<u>\$ 109,145</u>	<u>\$ 300</u>

City of Toledo, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2023
(Amounts in Thousands)

	Custodial Funds
ASSETS	
Cash and cash equivalents - other	\$ 516
Receivables (net of allowances)	18,883
Total assets	19,399
LIABILITIES	
Due to other:	
Governments	134
NET POSITION	
Restricted for other governments	\$ 19,265

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, 2023
(Amounts in Thousands)

	Custodial Funds
ADDITIONS	
Fines and forfeitures for other governments	\$ 8,989
Licenses, permits, and fees for other governments	44
Special assessments collected for other governments	4,237
Total additions	13,270
DEDUCTIONS	
Fines and forfeiture distributions to other governments	8,921
Licenses, permits, and fee distributions to other governments	44
Special assessments distributed to other governments	4,368
Total deductions	13,333
Net decrease in fiduciary net position	(63)
Net position at January 1	19,328
Net position at December 31	\$ 19,265

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, 2023
(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 2023 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 2023.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(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 \$1,096 in revenues from the JEDZ in 2023.

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 2023.

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 \$24 in revenues from the JEDD in 2023.

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 2023.

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 \$388 in revenues from the JEDD in 2023.

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 \$54 in revenues from the JEDD in 2023.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(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 2023 is \$69.95.

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, 2023
(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, 2023
(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, 2023
(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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

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

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Unearned Revenue

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

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

Expenses/Expenditures

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

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

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

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

During 2023, 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 2023, 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 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is requested 24 hours in advance for 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Transactions (continued)

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

Compensated Absences

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

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

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

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Fund Balance Classifications

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

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

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

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

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

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

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classifications (continued)

The City considers restricted amounts to have been spent when expenditure is incurred for purposes of which both restricted and unrestricted Fund Balance is available. The City does not have a formal policy for its use of unrestricted Fund Balance amounts; therefore, it considers committed amounts used first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted Fund Balance classification could be used. See Note 12 for further detail on the components of fund balance classifications at year end.

Net Position

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

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

Estimates

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

Contributions of Capital

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

1. Direct obligations of the United States which include, but are not limited to, Treasury certificates, bills, bonds, notes as well as United States Treasury obligations, State and Local Government Series;
2. Bonds, notes, debentures or any other obligation or securities issued by the following Federal Government agencies or instrumentalities: Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement is at least equal to 100% of the price at which the repurchase securities are to be repurchased from the City, or such greater percentage as is agreed upon by the seller and the City prior to or upon entering into a particular transaction;
4. Bonds, notes and other negotiable instruments evidencing the obligation of the City to pay money;

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

5. Bonds, notes and other negotiable instruments of political entities other than the City which are rated at the time of acquisition by Moody's or Standard and Poor's in at least the third highest category when rated with a long term rating or in the highest category when rated with a short term rating;
6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Demand deposits which are deposited with an institution having all of the qualifications of a depository except that it needs only have an office located in the State rather than in the City and payable on demand of the City. Such deposits may include interest-bearing or non-interest bearing checking accounts, NOW accounts, savings accounts and other similar accounts authorized by the Federal Reserve Bank Board or the Federal Home Bank Board;
8. Non-demand savings accounts which are deposited in an institution having all of the qualifications of a depository except that it need only have an office located in the State rather than in the City that are not payable on demand but, instead, are payable at a certain date;
9. Negotiable or non-negotiable interest-bearing time certificates of deposit representing deposits of the City placed in an institution having all of the qualifications of a Depository except that it need only have an office located in the State rather than in the City;
10. Federally insured certificates of deposit initiated through a Federal Deposit Insurance Corporation member bank or savings and loan association having an office in Lucas County and under an arrangement whereby the full amount of the deposit is allocated among a reciprocal network of participating Federal Deposit Insurance Corporation member banks or savings and loan associations, wherever located, such that full amount of the City's deposit is covered by federal deposit insurance; and
11. The STAR Plus Federally Insured Cash Account, an investment program offered in conjunction with STAR Ohio under which funds invested through the program are deposited in various federally insured banks, savings banks or savings and loan associations located anywhere in the United States in such a manner that the full amount of the public moneys deposited is covered by federal deposit insurance.

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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Cash and Cash Equivalents Held by Escrow Agent

Cash and cash equivalents held by escrow represent amounts held by third parties for debt service requirements and lease proceeds remaining to be spent. At December 31, 2023, the City had un-invested cash in the amount of \$16,494 being held by a third-party trustee.

Cash and Cash Equivalents - Other

At December 31, 2023, the amount recorded in the City general ledger for the Toledo Municipal Courts was \$790. Of this total, \$195, \$79, and \$516, was reported in the City's General Fund, Nonmajor Governmental Funds, and Custodial Fund, respectively, at December 31, 2023. The bank balance of monies held by the Toledo Municipal Courts was \$1,285 at December 31, 2023. Of the bank balance, the Federal Depository Insurance Corporation (FDIC) will cover up to \$250 per account with any excess being collateralized through the Ohio Pooled Collateral System (OPCS).

The City maintains various petty cash accounts. The carrying amount of these accounts are reported in the General Fund, Nonmajor Governmental Funds, Water Fund and Utility Administrative Services Fund are \$10, \$1, \$1, and \$92, respectively.

Deposits with Financial Institutions

At December 31, 2023, the carrying amount of all City deposits, including \$250 of nonnegotiable certificates of deposit, was \$38,906 and the bank balance was \$44,180. 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments

As of December 31, 2023, 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	\$ 69,644	\$ -	\$ 50,699	\$ 18,945
FHLB	203,946	-	169,137	34,809
FHLMC	109,089	-	75,963	33,126
FNMA	34,122	-	34,122	-
Municipal Bonds	113,805	435	107,752	5,618
Treasury Bonds	1,962	1,962	-	-
Money Market Fund	1,056	1,056	-	-
Amortized Cost:				
STAR Ohio	70,208	70,208	-	-
Total	\$ 603,832	\$ 73,661	\$ 437,673	\$ 92,498

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

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

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

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

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

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

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

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

As of December 31, 2023, the City had the following investment concentrations:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Fair Value:		
FFCB	\$ 69,644	11.53%
FHLB	203,946	33.78%
FHLMC	109,089	18.07%
FNMA	34,122	5.65%
Municipal Bonds	113,805	18.85%
Treasury Bonds	1,962	0.32%
Money Market Fund	1,056	0.17%
Amortized Cost:		
STAR Ohio	<u>70,208</u>	<u>11.63%</u>
Total	<u>\$ 603,832</u>	<u>100.00%</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 3 – RECEIVABLES

Receivables at December 31, 2023 consist of the following:

	Taxes	Customer and Other	Special Assessments	Notes Receivable	Leases Receivable
Governmental Funds:					
General	\$ 80,380	\$ 10,763	\$ -	\$ -	\$ 665
Capital Improvements	-	1,044	-	-	-
Special Assessments Services	-	280	49,873	-	-
Local Fiscal Recovery	-	-	-	-	-
Nonmajor Governmental Funds	9,276	7,730	1,765	30,614	741
Total Governmental Funds	<u>89,656</u>	<u>19,817</u>	<u>51,638</u>	<u>30,614</u>	<u>1,406</u>
Enterprise Funds:					
Water	-	29,829	-	-	-
Sewer	-	38,825	-	-	-
Utility Administrative Services	-	448	-	-	-
Nonmajor Enterprise Funds	-	4,744	-	8,494	-
Total Enterprise Funds	<u>-</u>	<u>73,846</u>	<u>-</u>	<u>8,494</u>	<u>-</u>
Internal Service Funds	<u>-</u>	<u>2,781</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 89,656</u>	<u>\$ 96,444</u>	<u>\$ 51,638</u>	<u>\$ 39,108</u>	<u>\$ 1,406</u>

	Interest Receivable	Gross Receivables	Less: Allowance for Uncollectibles	Receivables Net
Governmental Funds (continued):				
General	\$ 1,755	\$ 93,563	\$ (10,442)	\$ 83,121
Capital Improvements	200	1,244	(5)	1,239
Special Assessments Services	-	50,153	-	50,153
Local Fiscal Recovery	457	457	-	457
Nonmajor Governmental Funds	11	50,137	(29,498)	20,639
Total Governmental Funds	<u>2,423</u>	<u>195,554</u>	<u>(39,945)</u>	<u>155,609</u>
Enterprise Funds (continued):				
Water	763	30,592	(5,143)	25,449
Sewer	279	39,104	(8,194)	30,910
Utility Administrative Services	-	448	-	448
Nonmajor Enterprise Funds	313	13,551	(9,480)	4,071
Total Enterprise Funds	<u>1,355</u>	<u>83,695</u>	<u>(22,817)</u>	<u>60,878</u>
Internal Service Funds	<u>-</u>	<u>2,781</u>	<u>(351)</u>	<u>2,430</u>
Total	<u>\$ 3,778</u>	<u>\$ 282,030</u>	<u>\$ (63,113)</u>	<u>\$ 218,917</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 8).

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 3 – RECEIVABLES (continued)

Lease Receivable

The City is reporting leases receivable of \$665 in the General Fund and \$741 in the Nonmajor Governmental Funds. For 2023, the City recognized lease revenue (a component of charges for services revenue) of \$112 and interest revenue of \$40 in these funds related to lease payments received. A description of the City’s leasing arrangements is as follows:

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

<u>Purpose</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Land Use - Cell Tower	1997	46	2043	Annual
Land Use - Cell Tower	1996	27	2023	Annual
Land Use - Right-of-Way	2005	20	2025	Annual
Land Use - Right-of-Way	2015	30	2045	Monthly
Land Use - Cell Tower	1997	30	2027	Annual
Land/Sports Complex Use	2021	15	2036	Annual
Land - Parking Spaces	2019	5	2024	Annual
Land Use - Cell Tower	1996	30	2026	Monthly
Land Use - Cell Tower	2023	30	2053	Annual

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 44	\$ 42	\$ 86
2025	46	41	87
2026	41	40	81
2027	38	39	77
2028	42	37	79
2029-2033	271	165	436
2034-2038	313	119	432
2039-2043	348	71	419
2044-2048	138	30	168
2049-2053	125	10	135
	<u>\$ 1,406</u>	<u>\$ 594</u>	<u>\$ 2,000</u>

NOTE 4 – INCOME TAX

For 2023, 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 4 – INCOME TAX (continued)

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

Of the original 2.25% income tax, the first 1.50% is a permanent levy, of which 0.25% is dedicated to capital improvements. The remaining 0.75% was renewed in November 2020 and approved the City to use 0.25% of the 0.75% for operating expenses rather than capital improvements. This allows funds to be transferred from the Capital Improvements Fund to the General Fund through December 31, 2024. The required transfers to the Capital Improvements Fund for 2023 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, 2023, with the remainder payable by July 31, 2023.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined at December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. The 2022 public utility property taxes became a lien on December 31, 2022, were levied on October 1, 2023 and will be collected in 2024 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, 2023 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 2023 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, 2023 was \$4.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

Public Utility Real and Tangible Personal Property	\$ 279,786
Real Property (Other than Public Utility)	<u>3,503,212</u>
Total Assessed Value	<u>\$ 3,782,998</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(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, 2023, the City had 817 participants in the CRA Program and abated \$633 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, 2023, 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, 2023
(Amounts in Thousands)

NOTE 6 – TAX INCENTIVE AND ABATEMENT PROGRAMS (continued)

Municipal Job Creation Tax Credit (MJCTC)

Pursuant to ORC 718.15, the City established the 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, 2023, the City had 1 active participating business claiming \$56 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, 2023, the City had 19 participants and paid \$1,352 in TEI awards. The TEI program impacts the City’s General Fund.

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City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 7 – CAPITAL ASSETS

The City has restated the balance of the Governmental Activities capital assets as previously reported to (1) correct for items previously included in construction in progress which were completed and have been reclassified to the appropriate classification, (2) record accumulated depreciation on the reclassified assets, and (3) to correct for other noncapitalized items previously included in construction in progress. The adjustments had the following effect on capital assets as previously reported:

	Balance 12/31/2022	Adjustment	Restated Balance 1/1/2023
<i>Governmental Activities:</i>			
<i>Capital Assets not being Depreciated/Amortized:</i>			
Land	\$ 25,388	\$ 40	\$ 25,428
Construction in Progress	<u>140,084</u>	<u>(47,943)</u>	<u>92,141</u>
Total Capital Assets not being Depreciated/Amortized	<u>165,472</u>	<u>(47,903)</u>	<u>117,569</u>
<i>Capital Assets being Depreciated/Amortized:</i>			
Buildings	67,978	13,157	81,135
Furniture & Fixtures	3,347	-	3,347
Improvements	73,056	10,400	83,456
Infrastructure	937,620	16,288	953,908
Machinery & Equipment	94,789	6,487	101,276
Intangible Right to Use:			
Leased Equipment	1,613	-	1,613
Leased Buildings	10,735	-	10,735
Subscription-Based Information Technology Software	<u>4,374</u>	<u>-</u>	<u>4,374</u>
Total Capital Assets being Depreciated/Amortized	<u>1,193,512</u>	<u>46,332</u>	<u>1,239,844</u>
<i>Less: Accumulated Depreciation/Amortization:</i>			
Buildings	41,978	2,075	44,053
Furniture & Fixtures	3,296	-	3,296
Improvements	45,863	1,505	47,368
Infrastructure	618,478	1,239	619,717
Machinery & Equipment	66,476	859	67,335
Intangible Right to Use:			
Leased Equipment	432	-	432
Leased Buildings	1,575	-	1,575
Subscription-Based Information Technology Software	<u>1,889</u>	<u>-</u>	<u>1,889</u>
Total Accumulated Depreciation/Amortization	<u>779,987</u>	<u>5,678</u>	<u>785,665</u>
Total Capital Assets being Depreciated/Amortized, net	<u>413,525</u>	<u>40,654</u>	<u>454,179</u>
Governmental Activities Capital Assets, net	<u>\$ 578,997</u>	<u>\$ (7,249)</u>	<u>\$ 571,748</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 7 – CAPITAL ASSETS (continued)

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

	Restated Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
Governmental Activities:				
<i>Capital Assets not being Depreciated/Amortized:</i>				
Land	\$ 25,428	\$ -	\$ -	\$ 25,428
Construction in Progress	92,141	77,511	(35,764)	133,888
Total Capital Assets not being Depreciated/Amortized	<u>117,569</u>	<u>77,511</u>	<u>(35,764)</u>	<u>159,316</u>
<i>Capital Assets being Depreciated/Amortized:</i>				
Buildings	81,135	-	(42)	81,093
Furniture & Fixtures	3,347	21	(1,092)	2,276
Improvements	83,456	-	-	83,456
Infrastructure	953,908	34,435	(177)	988,166
Machinery & Equipment	101,276	8,636	(2,869)	107,043
Intangible Right to Use:				
Leased Equipment	1,613	-	-	1,613
Leased Buildings	10,735	4,461	-	15,196
Subscription-Based Information Technology Software	4,374	1,750	(540)	5,584
Total Capital Assets being Depreciated/Amortized	<u>1,239,844</u>	<u>49,303</u>	<u>(4,720)</u>	<u>1,284,427</u>
<i>Less: Accumulated Depreciation/Amortization:</i>				
Buildings	44,053	1,652	(28)	45,677
Furniture & Fixtures	3,296	8	(1,092)	2,212
Improvements	47,368	2,418	-	49,786
Infrastructure	619,717	22,858	-	642,575
Machinery & Equipment	67,335	6,283	(2,538)	71,080
Intangible Right to Use:				
Leased Equipment	432	521	-	953
Leased Buildings	1,575	1,991	-	3,566
Subscription-Based Information Technology Software	1,889	1,133	(540)	2,482
Total Accumulated Depreciation/Amortization	<u>785,665</u>	<u>36,864</u>	<u>(4,198)</u>	<u>818,331</u>
Total Capital Assets being Depreciated/Amortized, net	<u>454,179</u>	<u>12,439</u>	<u>(522)</u>	<u>466,096</u>
Governmental Activities Capital Assets, net	<u>\$ 571,748</u>	<u>\$ 89,950</u>	<u>\$ (36,286)</u>	<u>\$ 625,412</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 7 – CAPITAL ASSETS (continued)

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

General Government	\$ 2,917
Public Service	6,486
Public Safety	5,977
Public Utilities	18,723
Community Environment	481
Health	959
Parks and Recreation	<u>1,321</u>
Total Depreciation - Governmental Activities	<u>\$ 36,864</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, 2023, the Department owned approximately 88 parcels at an estimated historical cost of \$1,672. Due to the uncertainty of the market value or the ability to locate developers, the purchase costs have been recorded as program expenditures in the Block Grant Funds in the year of purchase and revenues from the sale of properties are recorded as Program Revenue in the year of sale.

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City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 7 – CAPITAL ASSETS (continued)

The City has restated the balance of the Business-Type Activities capital assets as previously reported to (1) correct for items previously included in construction in progress which were completed and have been reclassified to the appropriate classification, (2) record accumulated depreciation on the reclassified assets, and (3) to correct for other noncapitalized items previously included in construction in progress. The adjustments had the following effect on capital assets as previously reported:

	Balance 12/31/2022	Adjustment	Restated Balance 1/1/2023
<i>Business-Type Activities:</i>			
<i>Capital Assets not being Depreciated/Amortized:</i>			
Land	\$ 5,590	\$ -	\$ 5,590
Construction in Progress	<u>475,747</u>	<u>(175,327)</u>	<u>300,420</u>
Total Capital Assets not being Depreciated/Amortized	<u>481,337</u>	<u>(175,327)</u>	<u>306,010</u>
<i>Capital Assets being Depreciated/Amortized:</i>			
Buildings	79,701	-	79,701
Furniture & Fixtures	369	-	369
Improvements	161,653	46,598	208,251
Infrastructure	1,183,165	123,854	1,307,019
Machinery & Equipment	110,290	4,318	114,608
Intangible Right to Use:			
Leased Building	<u>4,673</u>	<u>-</u>	<u>4,673</u>
Total Capital Assets being Depreciated/Amortized	<u>1,539,851</u>	<u>174,770</u>	<u>1,714,621</u>
<i>Less: Accumulated Depreciation/Amortization</i>			
Buildings	33,258	-	33,258
Furniture & Fixtures	361	-	361
Improvements	58,302	4,653	62,955
Infrastructure	433,795	1,506	435,301
Machinery & Equipment	87,748	1,200	88,948
Intangible Right to Use:			
Leased Building	<u>395</u>	<u>-</u>	<u>395</u>
Total Accumulated Depreciation/Amortization	<u>613,859</u>	<u>7,359</u>	<u>621,218</u>
Total Capital Assets being Depreciated/Amortized, net	<u>925,992</u>	<u>167,411</u>	<u>1,093,403</u>
Business-Type Activities Capital Assets, net	<u>\$ 1,407,329</u>	<u>\$ (7,916)</u>	<u>\$ 1,399,413</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 7 – CAPITAL ASSETS (continued)

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

	Restated Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
<i>Business-Type Activities:</i>				
<i>Capital Assets not being Depreciated/Amortized:</i>				
Land	\$ 5,590	\$ -	\$ -	\$ 5,590
Construction in Progress	300,420	89,699	(89,790)	300,329
Total Capital Assets not being Depreciated/Amortized	<u>306,010</u>	<u>89,699</u>	<u>(89,790)</u>	<u>305,919</u>
<i>Capital Assets being Depreciated/Amortized:</i>				
Buildings	79,701	-	-	79,701
Furniture & Fixtures	369	-	-	369
Improvements	208,251	2,975	-	211,226
Infrastructure	1,307,019	86,088	(373)	1,392,734
Machinery & Equipment	114,608	1,470	(840)	115,238
Intangible Right to Use:				
Leased Building	4,673	1,782	-	6,455
Subscription-Based Information Technology Software	-	718	-	718
Total Capital Assets being Depreciated/Amortized	<u>1,714,621</u>	<u>93,033</u>	<u>(1,213)</u>	<u>1,806,441</u>
<i>Less: Accumulated Depreciation/Amortization</i>				
Buildings	33,258	1,748	-	35,006
Furniture & Fixtures	361	1	-	362
Improvements	62,955	6,958	-	69,913
Infrastructure	435,301	18,378	(95)	453,584
Machinery & Equipment	88,948	3,690	(467)	92,171
Intangible Right to Use:				
Leased Building	395	827	-	1,222
Subscription-Based Information Technology Software	-	46	-	46
Total Accumulated Depreciation/Amortization	<u>621,218</u>	<u>31,648</u>	<u>(562)</u>	<u>652,304</u>
Total Capital Assets being Depreciated/Amortized, net	<u>1,093,403</u>	<u>61,385</u>	<u>(651)</u>	<u>1,154,137</u>
Business-Type Activities Capital Assets, net	<u>\$ 1,399,413</u>	<u>\$ 151,084</u>	<u>\$ (90,441)</u>	<u>\$ 1,460,056</u>

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

Water	\$ 11,234
Sewer	18,460
Utility Administrative Services	691
Nonmajor Enterprise	<u>1,263</u>
Total Depreciation - Business-Type Activities	<u>\$ 31,648</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 8 – NOTES PAYABLE

The City’s Notes Payable obligations at December 31, 2023 and a schedule of current year activity are as follows:

	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2023	Increase	Decrease	Balance 12/31/2023	Amount Due In One Year
<u>Governmental Activities:</u>								
General Obligations:								
Special Assessments 2022	2023	4.75	\$ 1,170	\$ 1,170	\$ -	\$ (1,170)	\$ -	\$ -
Special Assessments 2023	2024	6.06	1,960	-	1,960	-	1,960	1,960
Revenue Obligations:								
Assessed Services 2021	2023	1.36-1.497	20,100	20,100	-	(20,100)	-	-
Assessed Services 2022	2024	5.845/5.746	20,880	20,880	-	-	20,880	20,880
Assessed Services 2023	2025	6.932/6.901	22,800	-	22,800	-	22,800	-
				<u>\$ 42,150</u>	<u>\$ 24,760</u>	<u>\$ (21,270)</u>	<u>\$ 45,640</u>	<u>\$ 22,840</u>

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 2023, the City retired \$1,170 and reissued \$1,960 of General Obligation Notes for the purpose of supporting special assessment projects.

The City carries notes in the Special Assessments Services Fund to cover capital costs related to City services such as street lighting, street sweeping, snow removal, surface treatment of unimproved streets, leaf pick up and tree planting, and trimming and removal in the public right away. Costs of assessments are charged to property owners two years after incurred. Assessment notes finance the costs incurred over a one-year period. In 2023, the City retired \$20,100 in special assessment notes for City services that were issued in 2021 and issued \$22,880 in special assessment notes for City services that will mature on December 1, 2025. The \$20,880 of special assessment notes for City services issued in 2022 will mature December 1, 2024.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS

The City’s Governmental Activities Long-Term Obligations at December 31, 2023 and a schedule of current year activity are as follows.

	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2023	Increase	Decrease	Balance 12/31/2023	Amount Due In One Year
Government Activities:									
General Obligation Bonds:									
Capital Projects	Various	Various	1.50-6.08	\$ 193,495	\$ 117,400	\$ 22,300	\$ (13,805)	\$ 125,895	\$ 12,360
Unamortized Premiums	Various	Various	N/A	16,758	9,705	1,162	(1,042)	9,825	-
Total General Obligation Bonds				<u>210,253</u>	<u>127,105</u>	<u>23,462</u>	<u>(14,847)</u>	<u>135,720</u>	<u>12,360</u>
Non-Tax Revenue Bonds:									
Marina Area Refunding (Series 2019B)	2019	2032	2.60-5.00	3,555	3,390	-	(55)	3,335	65
Vehicle Storage Project Refunding (Series 2019A)	2019	2026	5.00	3,725	2,285	-	(530)	1,755	555
Medco Project Refunding (Series 2019C)	2019	2039	2.55-5.00	4,515	4,025	-	(180)	3,845	190
Unamortized Premiums				569	335	-	(76)	259	-
Total Non-Tax Revenue Bonds				<u>12,364</u>	<u>10,035</u>	<u>-</u>	<u>(841)</u>	<u>9,194</u>	<u>810</u>
Loans Outstanding:									
State Agencies (Direct Borrowing):									
Ohio Public Works Commission Capital Projects	Various	Various	0.00	9,512	3,878	115	(619)	3,374	618
State Infrastructure Bank Marina District - Riverside	2010	2019	3.00	3,968	893	-	(440)	453	453
Total Loans from State Agencies				<u>13,480</u>	<u>4,771</u>	<u>115</u>	<u>(1,059)</u>	<u>3,827</u>	<u>1,071</u>
Financed Purchase Notes Payable (Direct Borrowing):									
Police Vehicles	2021	2023	1.85	828	369	-	(276)	93	93
Other Obligations:									
Landfill Closure					10,607	3,019	-	13,626	-
Compensated Absences					33,361	-	(121)	33,240	144
Subscription-Based Information Technology Arrangement Payable					2,250	1,751	(1,464)	2,537	1,463
Lease Payable					10,432	4,462	(2,311)	12,583	1,976
Net Pension Liability					269,845	199,955	-	469,800	-
Net OPEB Liability					42,065	2,192	(14,595)	29,662	-
Total Other Obligations					<u>368,560</u>	<u>211,379</u>	<u>(18,491)</u>	<u>561,448</u>	<u>3,583</u>
Total Governmental Activities					<u>\$ 510,840</u>	<u>\$ 234,956</u>	<u>\$ (35,514)</u>	<u>\$ 710,282</u>	<u>\$ 17,917</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

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

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding at December 31, 2023 for the City's Governmental Activities:

Year	General Obligation Bonds			Non-Taxable Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 12,360	\$ 5,601	\$ 17,961	\$ 810	\$ 310	\$ 1,120
2025	13,055	4,975	18,030	845	269	1,114
2026	11,715	4,456	16,171	885	233	1,118
2027	11,795	3,958	15,753	695	196	891
2028	12,240	3,460	15,700	715	177	892
2029-2033	39,620	11,128	50,748	3,315	557	3,872
2034-2038	19,195	4,312	23,507	1,370	192	1,562
2039-2042	5,915	836	6,751	300	10	310
	<u>\$ 125,895</u>	<u>\$ 38,726</u>	<u>\$ 164,621</u>	<u>\$ 8,935</u>	<u>\$ 1,944</u>	<u>\$ 10,879</u>

Year	State Agency Loans (Direct Borrowings)			Financed Purchase Notes Payable (Direct Borrowings)		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,071	\$ 358	\$ 1,429	\$ 93	\$ 8	\$ 101
2025	583	299	882	-	-	-
2026	516	237	753	-	-	-
2027	449	173	622	-	-	-
2028	353	111	464	-	-	-
2029-2033	643	249	892	-	-	-
2034-2038	212	33	245	-	-	-
	<u>\$ 3,827</u>	<u>\$ 1,460</u>	<u>\$ 5,287</u>	<u>\$ 93</u>	<u>\$ 8</u>	<u>\$ 101</u>

Year	Leases Payable			Subscription-Based Information Technology Arrangements Payable		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,976	\$ 358	\$ 2,334	\$ 1,463	\$ 77	\$ 1,540
2025	2,019	299	2,318	822	33	855
2026	2,123	237	2,360	154	8	162
2027	2,108	173	2,281	98	3	101
2028	2,070	111	2,181	-	-	-
2029-2033	1,572	249	1,821	-	-	-
2034-2035	715	33	748	-	-	-
	<u>\$ 12,583</u>	<u>\$ 1,460</u>	<u>\$ 14,043</u>	<u>\$ 2,537</u>	<u>\$ 121</u>	<u>\$ 2,658</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

The City’s Business-Type Activities Long-Term Obligations at December 31, 2023 and a schedule of current year activity are as follows.

Business-Type Activities	Issue Date	Maturity Date	Interest Rate (%)	Original Issue Amount	Balance 1/1/2023	Increase	Decrease	Balance 12/31/2023	Amount Due In One Year
General Obligation Bonds:									
Tow Lot (Series 2015)	2015	2024	4.00-5.00	\$ 1,305	\$ 310	\$ -	\$ (155)	\$ 155	\$ 155
Property Management Premium	Various	Various	2.00-7.00	8,680	5,870	-	(1,095)	4,775	1,140
	Various	Various	-	150	105	-	(19)	86	-
Total General Obligation Bonds					6,285	-	(1,269)	5,016	1,295
Revenue Obligation Bonds:									
Water System Premium	Various	Various	2.00-5.00	323,365	308,610	-	(12,835)	295,775	10,910
Sanitary Sewer System Premium	Various	Various	N/A	58,543	34,610	-	(1,870)	32,740	-
	Various	Various	2.00-5.00	18,765	6,195	-	(6,090)	105	105
	Various	Various	N/A	1,003	415	-	(414)	1	-
Total Revenue Obligation Bonds					349,830	-	(21,209)	328,621	11,015
Bond Anticipation Notes:									
Water System	2021	2023	1.59	30,000	30,000	-	(30,000)	-	-
Total Bond Anticipation Notes					30,000	-	(30,000)	-	-
Loans Outstanding:									
State Agencies (Direct Borrowing):									
Ohio Public Works Commission									
Water System	Various	Various	0.00	2,249	1,284	-	(112)	1,172	112
Sanitary Sewer System	Various	Various	0.00	13,714	8,110	-	(686)	7,424	686
Storm Water System	Various	Various	0.00	2,446	790	-	(125)	665	125
Ohio Water Dev Authority									
Water System	Various	Various	0.00-3.25	268,545	192,772	40,725	(6,411)	227,086	10,394
Sanitary Sewer System	Various	Various	0.51-4.66	604,371	339,067	4,114	(33,631)	309,550	31,362
Storm Water System	Various	Various	2.25-3.34	1,727	1,295	-	(78)	1,217	80
Total State Agency Loans					543,318	44,839	(41,043)	547,114	42,759
Financed Purchase Note Payable (Direct Borrowing):									
Norfolk Southern	2016	2035	2.50	2,967	2,393	-	(85)	2,308	91
Other Obligations:									
Compensated Absences					5,426	539	-	5,965	-
Subscription-Based Information Technology Arrangement Payable					-	718	(149)	569	136
Lease payable					4,318	1,782	(740)	5,360	732
Net Pension Liability					17,120	39,215	-	56,335	-
Net OPEB Liability					-	1,195	-	1,195	-
Total Other Obligations					26,864	43,449	(889)	69,424	868
Total Business-Type Activities					<u>\$ 958,690</u>	<u>\$ 88,288</u>	<u>\$ (94,495)</u>	<u>\$ 952,483</u>	<u>\$ 56,028</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

The following is a schedule of Future Principal and Interest Payments to retire the Long-Term Obligations Outstanding at December 31, 2023 for the City’s Business-Type Activities:

Year	General Obligation Bonds			Revenue Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,295	\$ 131	\$ 1,426	\$ 11,015	\$ 12,258	\$ 23,273
2025	1,075	83	1,158	12,505	11,839	24,344
2026	840	51	891	13,285	11,330	24,615
2027	850	35	885	13,940	10,786	24,726
2028	870	17	887	14,740	10,212	24,952
2029-2033	-	-	-	84,125	41,391	125,516
2034-2038	-	-	-	110,015	22,842	132,857
2039-2042	-	-	-	36,255	4,310	40,565
	<u>\$ 4,930</u>	<u>\$ 317</u>	<u>\$ 5,247</u>	<u>\$ 295,880</u>	<u>\$ 124,968</u>	<u>\$ 420,848</u>

Year	State Agency Loans (Direct Borrowings)			Financed Purchase Note Payable (Direct Borrowings)		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 42,759	\$ 12,495	\$ 55,254	\$ 91	\$ 58	\$ 149
2025	39,505	11,341	50,846	97	55	152
2026	38,719	10,401	49,120	102	53	155
2027	38,787	9,472	48,259	108	50	158
2028	33,434	8,566	42,000	114	48	162
2029-2033	151,291	32,440	183,731	666	193	859
2034-2038	113,724	17,326	131,050	1,130	53	1,183
2039-2043	47,750	8,860	56,610	-	-	-
2044-2048	24,542	4,569	29,111	-	-	-
2049-2053	15,902	1,097	16,999	-	-	-
2054	701	11	712	-	-	-
	<u>\$ 547,114</u>	<u>\$ 116,578</u>	<u>\$ 663,692</u>	<u>\$ 2,308</u>	<u>\$ 510</u>	<u>\$ 2,818</u>

Year	Leases Payable			Subscription-Based Information Technology Arrangements Payable		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 732	\$ 153	\$ 885	\$ 136	\$ 17	\$ 153
2025	745	131	876	140	13	153
2026	780	108	888	144	9	153
2027	817	84	901	149	4	153
2028	856	59	915	-	-	-
2029-2033	1,063	129	1,192	-	-	-
2034-2035	367	17	384	-	-	-
	<u>\$ 5,360</u>	<u>\$ 681</u>	<u>\$ 6,041</u>	<u>\$ 569</u>	<u>\$ 43</u>	<u>\$ 612</u>

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

New Bonds and Loans Issuances Supporting Governmental Activities

Series 2023 General Obligation Capital Improvement Bonds

On November 3, 2023, the City issued \$22,300 in Series 2023 Capital Improvement Bonds. These bonds were used to finance the following projects: (1) \$1,000 for capital equipment vehicles, (2) \$1,200 for fire apparatus, (3) \$4,100 for landfill cell development, and (4) \$16,000 for 2024 street and bridge projects. The bonds were issued at a \$1,162 premium which is reported in the General Obligation Debt Service Fund (a nonmajor debt service fund) (\$781) and the Capital Improvement Fund (\$381). Bond premiums in excess of issuance costs incurred were deposited in the General Obligation Debt Service Fund (a nonmajor debt service fund). The bonds will be retired from the Capital Improvements Fund.

Ohio Public Works Commission (OPWC) loans

During 2023, the City issued one OPWC loan totaling \$827 supporting Governmental Activities. Of the total amount borrowed, the City received \$115 during fiscal year 2023. This loan supported the Upton Avenue (Central to Monroe) road improvement project. The loans will be retired from the Capital Improvements Fund.

Subscription-Based Information Technology Agreements (SBITA) Payable

During 2023, the City entered into five new SBITAs totaling \$1,751 for the right to use technology and software. The future payments on the SBITAs continue through 2028. The City reports an intangible capital asset and corresponding liability for the future scheduled payments under the agreements. The leases payable will be repaid from the General Fund, Capital Improvement Fund, and nonmajor governmental funds.

Lease Payable

During 2023, the City entered into three new leases agreements totaling \$4,462 for the right to use office space and equipment. The future payments on the leases continue through 2035. The City reports an intangible capital asset and corresponding liability for the future scheduled payments under the agreements. The leases payable will be repaid from the General Fund, Capital Improvement Fund, and nonmajor governmental funds.

Note and Loan Issuances Supporting Business-Type Activities

Ohio Water Development Authority (OWDA) loans

During 2023, the City issued four OWDA loans totaling \$40,680 supporting the Water System (including \$680 of capitalized interest). The loans in 2023 were issued to finance the following construction and improvement projects: Collins Park Treatment Plant Basin Upgrades, Filter and Pipe Gallery Upgrades, High Service Pump Station Improvements. In addition, the City issued an OWDA loan to refund an outstanding bond anticipation note. These loans will be retired from the Water Fund.

Ohio Public Works Commission (OPWC) loans

During 2022, the City issued two OWDA loans totaling \$4,114 supporting the Sanitary Sewer System. The first loan was issued to finance the LTCP 2C design project. The second loan was issued to refund the outstanding balance of the Series 2013 Sewer Refunding Bonds. This loan will be retired from the Sewer Fund.

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. On November, 15, 2023, the City refunded the outstanding balance of the bond anticipation notes through the issuance of a \$26,500 OWDA loan from the State's Fresh Water Refinance Loan Program.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

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, 2023, the refunded bonds were retired with no remaining obligation. Since the bonds were 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 2023 principal and interest payments on the non-tax revenue bonds required 1.88% of General Fund net revenues. Principal and interest paid for the current year and total General Fund net revenues were \$1,113 and \$59,317, respectively.

Business-Type Activities: The City has issued revenue bonds to support Water and Sewer operations. The 2023 principal and interest payments on the Water revenue bonds required 62.67% of net revenues. Principal and interest paid for the current year and total net revenues were \$25,932 and \$41,381, respectively. The 2023 principal and interest payments on the Sewer revenue bonds required 2.68% of net revenues. Principal and interest paid for the current year and total net revenues were \$1,320 and \$49,231, respectively.

Ohio Public Works Commission

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

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

Ohio Water Development Authority

Loans payable to the Ohio Water Development Authority (OWDA) are authorized by the Clean Water Act and authorized by the administration of the Environmental Protection Agency (EPA) to make grants to States to establish a state water pollution control revolving loan program. The amount of these loans outstanding at December 31, 2023 was \$537,676. Of this amount, \$226,909 are obligations incurred to help finance the water distribution system and are to be repaid from charges from water services. Of this amount, \$309,550 are obligations incurred to help finance the sanitary sewerage facilities and are to be repaid from charges from sanitary sewer services; \$1,217 are obligations incurred to help finance storm sewer and bio-swale services.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

Ohio Water Development Authority (continued)

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 \$453 as of December 31, 2023.

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

Landfill Closure and Post-Closure Care Costs

The City operates the Hoffman Road landfill and accounts for this activity in the General Fund. State and federal regulations require the City to place a final cover on the Hoffman Road site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. The closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste. The City records a liability in the Government- Wide Statement of Net Position for the closure and post-closure care costs based on landfill capacity used as of each balance sheet date. A permit modification, received in June 2021, increases the total permitted disposal capacity by 6,875,693 cubic yards to a total of 27,145,143 cubic yards. Accordingly, the percentage used relative to the permitted capacity in 2021 decreases notably compared to previous reporting years. Based on the remaining permitted air space and estimated annual tonnage to be taken in assuming it remains the same as the reporting year, the estimated remaining life of the landfill is 71.3 years.

The \$13,626 reported as landfill closure and post-closure care liability at December 31, 2023 represents the cumulative amount reported to date based on the use of 50.8% of the permitted disposal capacity of the landfill. The worst-case closure scenario pursuant to Ohio Administrative Code (OAC) 3745-27-15 (C)(1)(a) was updated with the new permit in 2021. The closure cost estimate for financial assurance purposes was updated to reflect Ohio EPA's request in May 2024 to increase the closure acreage. The base post-closure care costs remain unchanged and are updated for inflation accordingly. Each are adjusted annually by an inflation factor published by the Ohio Environmental Protection Agency. The City will recognize the remaining estimated cost of closure and post-closure care of \$13,197 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 2023 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
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NOTE 9 – LONG-TERM OBLIGATIONS (continued)

Water Infrastructure Liabilities

Collins Park Water Treatment Capital Improvements

The City is currently implementing a \$500,000 program of water system improvements that began in 2012 and will continue through 2024. The program is based on an Ohio EPA approved General Plan having the following objectives: a) improve treated water quality and provide redundant treatment capacity; b) replace, upgrade, and modernize existing infrastructure; and c) install short and long term Harmful Algae Bloom treatment barriers. Current projects now under construction include new ozone treatment improvements (2022); upgrades to the existing treatment Basins 5 and 6 (2022); rebuild of the existing filters and renovation of equipment and valves in the plant piping galleries (2023); upgrades to the existing treatment Basins 1 through 4 (2023); and improvements to the High Service Pumping Station (2023).

As of May 2021, \$512,990 of financing has been secured for the water system improvements, comprised of municipal revenue bond issuances in 2012, 2013, 2016 and 2018; Ohio Water Development Authority (OWDA) loans in 2012, 2014, 2019 and 2021; and Ohio EPA Water Supply Revolving Loan Application (WSRLA) loans in 2015, 2018 and 2019. Outstanding obligation related to this project are disclosed in the city's debt schedules.

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 2023, compensated absences in the Governmental Activities were liquidated at a rate of approximately 84.3 percent from the General Fund, 12.1 percent from other governmental funds, and 3.6 percent from the internal service funds. Compensated absences in the Business-Type Activities were liquidated primarily from the Water and Sewer Enterprise Funds.

Net Pension Liability and Net OPEB Liability

The City pays obligations related to employee compensation from the fund benefitting from their service. In 2023, the net pension liability and net OPEB liability will be liquidated primarily from the General fund, the Water Enterprise Fund and the Sewer Enterprise Fund. See Notes 13 and 14 for further information.

NOTE 10 – OTHER COMMITMENTS

Energy Special Improvement District

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

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

The legislation creating the Energy Services Agreement and its amendment commit the City to completing the special assessment process through the passage of an Assessing Ordinance when various energy efficiency improvements are completed and final costs are known.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 10 – OTHER COMMITMENTS (continued)

Encumbrances

Outstanding 2023 encumbrances will be funded with 2024 budgetary resources. Outstanding encumbrances for the Year Ended December 31, 2023 were as follows:

Governmental Funds:

General	\$ 2,428
Capital Improvements	25,629
Local Fiscal Recovery	24,982
Special Assessments Services	103
Nonmajor Governmental	<u>14,321</u>
Total Governmental Funds	<u>67,463</u>

Enterprise Funds:

Water	22,529
Sewer	13,840
Utility Administrative Services	187
Nonmajor Enterprise	<u>875</u>
Total Enterprise Funds	<u>37,431</u>

<i>Internal Service Funds</i>	<u>783</u>
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Total	<u>\$ 105,677</u>
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NOTE 11 – INTERFUND ACTIVITY

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

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

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 11 – INTERFUND ACTIVITY (continued)

The amounts below represent the net balance of amounts due to and due from City funds as of December 31, 2023.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<i>Governmental Funds:</i>		
General	\$ -	\$ 84,771
Capital Improvements	48,050	-
Special Assessments Services	-	19,807
Local Fiscal Recovery	-	13,331
Nonmajor Governmental	62,796	7,891
Total Governmental Funds	<u>110,846</u>	<u>125,800</u>
<i>Enterprise Funds:</i>		
Water	-	52,127
Sewer	46,911	-
Utility Administrative Services	4,383	-
Nonmajor Enterprise	1,859	9,958
Total Enterprise Funds	<u>53,153</u>	<u>62,085</u>
<i>Internal Service Funds</i>	<u>26,458</u>	<u>2,572</u>
Total	<u>\$ 190,457</u>	<u>\$ 190,457</u>

The amounts below represent the balance of interfund loans between City funds as of December 31, 2023.

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
<i>Enterprise Funds:</i>		
Water	\$ 41,645	\$ -
Sewer	-	41,645
Total Enterprise Funds	<u>\$ 41,645</u>	<u>\$ 41,645</u>

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, 2023
(Amounts in Thousands)

NOTE 11 – INTERFUND ACTIVITY (continued)

Interfund transfers for the Year Ended December 31, 2023, 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	\$ -	\$ 51,058	\$ 424	\$ -	\$ -	\$ -	\$ 51,482
Capital Improvements	18,000	-	17,758	-	-	1,258	37,016
Nonmajor Governmental	-	925	224	-	-	-	1,149
Total Governmental Funds	18,000	51,983	18,406	-	-	1,258	89,647
Enterprise Funds:							
Water	-	-	75	-	-	-	75
Sewer	-	-	75	-	-	-	75
Utility Administrative Services	-	-	-	580	594	57	1,231
Nonmajor Enterprise Funds	2,326	-	75	-	-	-	2,401
Total Enterprise Funds	2,326	-	225	580	594	57	3,782
Total	\$ 20,326	\$ 51,983	\$ 18,631	\$ 580	\$ 594	\$ 1,315	\$ 93,429

In 2023, the General Fund transferred \$51,058 into the Capital Improvement Fund. This amount represents 2023 income tax collection amounts required and authorized by Toledo Municipal Code, Toledo City Council, and the Mayor.

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City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 12 – FUND BALANCE

A summary of Fund Balances as of December 31, 2023 by category is as follows:

	General	Capital Improvements	Special Assessments Services	Local Fiscal Recovery	Nonmajor Governmental	Total
<i>Nonspendable:</i>						
Inventory	\$ 3,492	\$ 1,128	\$ 1,945	\$ -	\$ 1,313	\$ 7,878
Cemetery Perpetual Care	-	-	-	-	683	683
Total Nonspendable	<u>3,492</u>	<u>1,128</u>	<u>1,945</u>	<u>-</u>	<u>1,996</u>	<u>8,561</u>
<i>Restricted for:</i>						
Cemetery Perpetual Care	-	-	-	-	13	13
Landfill Activities	3,736	-	-	-	-	3,736
Capital Improvements	-	79,740	-	-	-	79,740
Grant Programs	-	-	-	-	11,868	11,868
Street Projects	-	-	-	-	16,528	16,528
Local Fiscal Recovery	-	-	-	3,858	-	3,858
Various Trust Purposes	-	-	-	-	16,675	16,675
Westfield Muni Public Improvement TIF	-	-	-	-	14,637	14,637
OneOhio OPIOD	-	-	-	-	463	463
Downtown Toledo Parking	-	-	-	-	495	495
Right of Way Activities	-	-	-	-	27	27
Other Purposes	-	-	-	-	620	620
Debt Service	-	-	-	-	192	192
Total Restricted	<u>3,736</u>	<u>79,740</u>	<u>-</u>	<u>3,858</u>	<u>61,518</u>	<u>148,852</u>
<i>Committed to:</i>						
Budget Stabilization	14,252	-	-	-	-	14,252
Cemetery Activities	-	-	-	-	1,026	1,026
General Obligation Debt	-	-	-	-	1,593	1,593
Facilities Maintenance	-	-	-	-	875	875
Parks and Recreation	-	-	-	-	99	99
Total Committed	<u>14,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,593</u>	<u>17,845</u>
<i>Assigned for:</i>						
Subsequent year appropriations	<u>5,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,477</u>
Unassigned (deficit)	<u>62,384</u>	<u>-</u>	<u>(60,708)</u>	<u>-</u>	<u>(6,039)</u>	<u>(4,363)</u>
Total Fund Balances	<u>\$ 89,341</u>	<u>\$ 80,868</u>	<u>\$ (58,763)</u>	<u>\$ 3,858</u>	<u>\$ 61,068</u>	<u>\$ 176,372</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 2023. 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, 2023
(Amounts in Thousands)

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

The net pension liability and the net OPEB liability reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

The net pension liability and the net OPEB liability 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 calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. 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 on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 14 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. 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.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
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NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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

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

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 amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
(Amounts in Thousands)

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

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

	State and Local
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2023 Actual Contribution Rates	
Employer:	
Pension ****	14.0 %
Post-employment Health Care Benefits ****	0.0
Total Employer	14.0 %
Employee	10.0 %

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

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

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 \$13,004 for 2023. Of this amount, \$335 is reported as accrued wages and benefits payable.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

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, statutory survivors and annuity beneficiaries. 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.

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

	Police	Firefighters
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$23,079 for 2023. Of this amount, \$511 is reported as accrued wages and benefits payable.

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

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>OPERS - Traditional</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.542573%	3.837743%	
Proportion of the net pension liability current measurement date	<u>0.540426%</u>	<u>3.858229%</u>	
Change in proportionate share	<u>-0.002147%</u>	<u>0.020486%</u>	
Proportionate share of the net pension liability	\$ 159,642	\$ 366,493	\$ 526,135
Pension expense	23,127	45,295	68,422

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

At December 31, 2023, 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	\$ 5,303	\$ 5,497	\$ 10,800
Net difference between projected and actual earnings on pension plan investments	45,503	53,357	98,860
Changes of assumptions	1,687	33,057	34,744
Changes in employer's proportionate percentage/ difference between employer contributions	896	2,589	3,485
Contributions subsequent to the measurement date	13,004	23,076	36,080
Total deferred outflows of resources	\$ 66,393	\$ 117,576	\$ 183,969
	OPERS - Traditional	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 8,352	\$ 8,352
Changes of assumptions	-	7,147	7,147
Changes in employer's proportionate percentage/ difference between employer contributions	800	2,129	2,929
Total deferred inflows of resources	\$ 800	\$ 17,628	\$ 18,428

\$36,080 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability in the year ending December 31, 2024.

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

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

Year Ending December 31:	OPERS - Traditional	OP&F	Total
2024	\$ 6,357	\$ 7,832	\$ 14,189
2025	10,547	18,396	28,943
2026	13,394	20,560	33,954
2027	22,291	30,651	52,942
2028	-	(567)	(567)
Total	<u>\$ 52,589</u>	<u>\$ 76,872</u>	<u>\$ 129,461</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, 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, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

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

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, 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 of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00 %</u>	

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

Discount Rate - The discount rate used to measure the total pension liability was 6.90%, 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, 2022 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability:			
Traditional Pension Plan	\$ 239,139	\$ 159,642	\$ 93,515

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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 retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful lives of the participants which was 5.81 years at December 31, 2022.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, compared to December 31, 2021, are presented below.

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

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

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: assumptions are geometric.

* levered 2.5x

** Numbers are net of expected 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 7.50%. A discount rate of 7.50% was used in the previous measurement date. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 483,477	\$ 366,493	\$ 269,247

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

Net OPEB Liability

See Note 13 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

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

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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.

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the 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 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City was not required to make contractually contributions to OPERS to fund healthcare during 2023.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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.

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 2023, 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.

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

The City’s contractually required contribution to OP&F was \$546 for 2023. Of this amount, \$12 is reported as due to other governments.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	OPERS	OP&F	Total
Proportion of the net OPEB liability prior measurement date	0.540539%	3.837743%	
Proportion of the net OPEB liability current measurement date	<u>0.537355%</u>	<u>3.858229%</u>	
Change in proportionate share	<u>-0.003184%</u>	<u>0.020486%</u>	
Proportionate share of the net OPEB liability	\$ 3,388	\$ 27,469	\$ 30,857
OPEB expense	(6,473)	1,770	(4,703)

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City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

At December 31, 2023, 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			
Differences between expected and actual experience	\$ -	\$ 1,638	\$ 1,638
Net difference between projected and actual earnings on OPEB plan investments	6,729	2,356	9,085
Changes of assumptions	3,309	13,689	16,998
Changes in employer's proportionate percentage/ difference between employer contributions	45	311	356
Contributions subsequent to the measurement date	-	546	546
Total deferred outflows of resources	<u>\$ 10,083</u>	<u>\$ 18,540</u>	<u>\$ 28,623</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 845	\$ 5,419	\$ 6,264
Changes of assumptions	272	22,468	22,740
Changes in employer's proportionate percentage/ difference between employer contributions	125	1,140	1,265
Total deferred inflows of resources	<u>\$ 1,242</u>	<u>\$ 29,027</u>	<u>\$ 30,269</u>

\$546 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2024.

City of Toledo, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

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

	OPERS	OP&F	Total
Year Ending December 31:			
2024	\$ 1,069	\$ (890)	\$ 179
2025	2,423	(650)	1,773
2026	2,098	(1,178)	920
2027	3,251	(614)	2,637
2028	-	(2,264)	(2,264)
Thereafter	-	(5,437)	(5,437)
Total	\$ 8,841	\$ (11,033)	\$ (2,192)

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, 2021, rolled forward to the measurement date of December 31, 2022.

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

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6% for 2022.

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

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. 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 4.05%. 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, 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 (4.22%) or one-percentage-point higher (6.22%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 11,532	\$ 3,388	\$ (3,332)

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

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 3,176	\$ 3,388	\$ 3,627

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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
Notes to the Basic Financial Statements
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NOTE 14 - DEFINED BENEFIT OPEB PLANS (continued)

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: assumptions are geometric.

* levered 2.5x

** Numbers are net of expected 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 - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

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

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27%), or one percentage point higher (5.27%) than the current rate.

	1% Decrease		Current Discount Rate		1% Increase
City's proportionate share of the net OPEB liability	\$ 33,826	\$	27,469	\$	22,103

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 exceeded coverage in any of the last three years, and the City added coverage through new policies in 2023, 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 2020 - 2023 follows:

Year	Beginning Balance		Current Year Claims and Changes in Estimate		Claims Payments		Ending Balance
2020	\$ 1,200	\$	1,245	\$	(1,245)	\$	1,200
2021	1,200		5,764		(364)		6,600
2022	6,600		767		(767)		6,600
2023	6,600		692		(1,252)		6,040

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 2023, 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	-
BUSTR/Cleanup for Underground Fuel Tanks	Total cost of cleanup	50,000
Commercial Liability for the Unique Center	1,000,000	5,000
Crime Policy for the City	3,000,000	75,000
Crime Policy for the Toledo Police	1,000,000	50,000
Crime Policy for the Toledo Clerk of Courts	3,000,000	50,000
Employee Tool Insurance	211,000	500
Boat Policy (Pacific Skiff)	1,000,000	5,000
Ocean Marine Policy (Hanson/Maurell)	1,000,000	1,000
Ocean Marine Policy (Sounder)	1,000,000	1,000
Ocean Marine Policy (Sea Ark)	1,000,000	500
Professional Liability for TMC	10,000,000	-
Toledo Express IBDD	1,000,000	-
Holy Trinity Parking Lot	1,000,000	-
Kwik & Paramount Parking Lots	1,000,000	25
Accident/Liability Policy - TPS Co-op Program	25,000	-
Cyber and Privacy Policy	2,000,000	500,000
Environment/Chessie Circle Trail	3,000,000	25
Environment/Municipal Golf Courses	1,000,000	10,000
Liquor Liability/Municipal Golf Courses	1,000,000	1,000
Boat Policy (Firestorm)	1,000,000	5,000

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.

There is no claims liability to be reported at December 31, 2023. 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 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 2020 - 2023 were:

<u>Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims and Changes in Estimate</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2020	2,348	4,407	(5,031)	1,724
2021	1,724	4,069	(4,973)	820
2022	820	3,894	(4,296)	418
2023	418	4,748	(5,166)	-

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 \$4,368 reported at December 31, 2023 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, 2023.

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 2020 - 2023 were as follows:

Year	Beginning Balance	Current Year Claims and Changes in Estimate	Claims Payments	Ending Balance
2020	4,042	29,715	(29,609)	4,148
2021	4,148	37,205	(37,330)	4,023
2022	4,023	41,374	(40,977)	4,420
2023	4,420	43,404	(43,456)	4,368

NOTE 16 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2023, the City has implemented GASB Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*”, certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, “*Omnibus 2022*”.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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NOTE 16 - ACCOUNTABILITY AND COMPLIANCE (continued)

Prior Period Adjustment/Restatement of Net Position

The City is reporting a prior period adjustment to correct for errors and omissions in the amounts previously reported in capital assets (see Note 7). The prior period adjustment had the following effect on net position as previously reported:

	Governmental Activities	Enterprise Funds		Nonmajor Enterprise	Business-Type Activities
		Water	Sewer		
Net position previously reported at 12/31/2022	\$ 324,058	\$ 305,052	\$ 453,317	\$ 73,670	\$ 835,395
Adjustment to capital assets	<u>(7,249)</u>	<u>(6,503)</u>	<u>(1,409)</u>	<u>(4)</u>	<u>(7,916)</u>
Restated net position at 1/1/2023	<u>\$ 316,809</u>	<u>\$ 298,549</u>	<u>\$ 451,908</u>	<u>\$ 73,666</u>	<u>\$ 827,479</u>

Deficit Fund Balances

Fund balances at December 31, 2023 included the following individual fund deficits:

	<u>Deficit</u>
<i>Governmental funds:</i>	
Special Assessments Services Fund	\$ 58,763
<i>Nonmajor governmental funds:</i>	
Federal Block Grants	295
Special Assessment Improvement Fund	2,010
Jeep Muni Public Improvement TIF	<u>3,734</u>
Total Government Funds	<u>64,802</u>
<i>Enterprise Funds:</i>	
<i>Nonmajor enterprise funds:</i>	
Property Management Fund	2,261
Small Business Development Fund	<u>115</u>
Total Enterprise Funds	<u>2,376</u>
Total	<u>\$ 67,178</u>

The General Fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

City of Toledo, Ohio
Notes to the Basic Financial Statements
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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, 2023 and at the date of this Statement, is sufficient to meet the claims and judgments that may arise in 2024. 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 2023, the City received Federal, State, and Local grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 18 – SUBSEQUENT EVENTS

In January 2024, the 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) and to accept and deposit said grant and loan proceeds of an amount not to exceed \$3,618 for six roadway projects.

In February and April 2024, respectively, City Council passed legislation authorizing the Mayor to enter into agreements with and accept financial assistance from the State of Ohio, Ohio Department of Transportation (ODOT) in an amount not to exceed \$296 for design and construction projects (February) and in an amount not to exceed \$1,622 for the construction of a multi-path across the Martin Luther King Jr. (MLK) bridge (April).

In March 2024, City Council passed legislation authorizing the Mayor to enter into agreements with and accept financial assistance from the State of Ohio, Ohio Department of Development (ODOD) in an amount not to exceed \$3,446 for the Lead Safe Program.

In April 2024, the City Council passed legislation authorizing the Restoring and Enhancing Tree Canopy for Resilience, Equity, and Engagement in Toledo (RE-TREE Toledo) Program for \$6,098. This is a comprehensive program to restore, expand, and protect urban trees and forests in Toledo's disadvantaged communities and close the "tree equity gap." Highlights of the program include: the planting of 10,748 trees (street trees, private residences and commercial properties, parks, and publicly owned vacant lots) in disadvantaged census tracts and the inclusion of 56 high school students from these communities who will participate in a paid forestry jobs training program.

In May 2024, the Department of Public Utilities introduced an ordinance for new sewer rates and amended Senior Low-Income discount. The last increase was in January 2020. If approved by City Council, the new rates and discount will be effective July 2024.

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 Ten Years
(Amounts in Thousands)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.540426%	0.542573%	0.532808%	0.548508%
City's proportionate share of the net pension liability	\$ 159,642	\$ 47,205	\$ 78,897	\$ 108,415
City's covered payroll	\$ 83,571	\$ 79,121	\$ 73,664	\$ 77,564
City's proportionate share of the net pension liability as a percentage of its covered payroll	191.03%	59.66%	107.10%	139.77%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	92.62%	86.88%	82.17%

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

2019	2018	2017	2016	2015	2014
0.539616%	0.533193%	0.543004%	0.585192%	0.585985%	0.585985%
\$ 147,790	\$ 83,648	\$ 123,307	\$ 101,362	\$ 70,676	\$ 69,078
\$ 73,215	\$ 70,449	\$ 73,825	\$ 64,392	\$ 71,842	\$ 62,938
201.86%	118.74%	167.03%	157.41%	98.38%	109.75%
74.70%	84.66%	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 Ten Years
(Amounts in Thousands)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	3.858229%	3.837743%	3.808373%	3.847687%
City's proportionate share of the net pension liability	\$ 366,493	\$ 239,760	\$ 259,620	\$ 259,201
City's covered payroll	\$ 105,199	\$ 98,249	\$ 91,438	\$ 92,034
City's proportionate share of the net pension liability as a percentage of its covered payroll	348.38%	244.03%	283.93%	281.64%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

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

2019	2018	2017	2016	2015	2014
3.878850%	3.917280%	3.934855%	4.272305%	4.108544%	4.108544%
\$ 316,616	\$ 240,421	\$ 249,230	\$ 274,840	\$ 212,840	\$ 200,099
\$ 88,613	\$ 85,955	\$ 89,039	\$ 91,976	\$ 84,450	\$ 81,411
357.30%	279.71%	279.91%	298.82%	252.03%	245.79%
63.07%	70.91%	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 Ten Years
(Amounts in Thousands)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 13,004	\$ 11,700	\$ 11,077	\$ 10,313
Contributions in relation to the contractually required contribution	<u>(13,004)</u>	<u>(11,700)</u>	<u>(11,077)</u>	<u>(10,313)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 92,886	\$ 83,571	\$ 79,121	\$ 73,664
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 10,859	\$ 10,250	\$ 9,158	\$ 8,859	\$ 7,727	\$ 8,621
<u>(10,859)</u>	<u>(10,250)</u>	<u>(9,158)</u>	<u>(8,859)</u>	<u>(7,727)</u>	<u>(8,621)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 77,564	\$ 73,215	\$ 70,449	\$ 73,825	\$ 64,392	\$ 71,842
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 23,076	\$ 22,247	\$ 20,800	\$ 19,186
Contributions in relation to the contractually required contribution	<u>(23,076)</u>	<u>(22,247)</u>	<u>(20,800)</u>	<u>(19,186)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 109,241	\$ 105,199	\$ 98,249	\$ 91,438
Contributions as a percentage of covered payroll	21.12%	21.15%	21.17%	20.98%

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 19,378	\$ 18,661	\$ 18,070	\$ 17,888	\$ 18,478	\$ 17,194
<u>(19,378)</u>	<u>(18,661)</u>	<u>(18,070)</u>	<u>(17,888)</u>	<u>(18,478)</u>	<u>(17,194)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 92,034	\$ 88,613	\$ 85,955	\$ 89,039	\$ 91,976	\$ 84,450
21.06%	21.06%	21.02%	20.09%	20.09%	20.36%

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 Seven Years
(Amounts in Thousands)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability/asset	0.537355%	0.540539%	0.531898%	0.546815%
City's proportionate share of the net OPEB liability/(asset)	\$ 3,388	\$ (16,931)	\$ (9,475)	\$ 75,529
City's covered payroll	\$ 83,571	\$ 79,121	\$ 73,664	\$ 77,564
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	4.05%	21.40%	12.86%	97.38%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	0.538490%	0.532090%	0.541421%
\$	70,206	\$ 57,783	\$ 54,685
\$	73,215	\$ 70,449	\$ 73,825
	95.89%	82.02%	74.07%
	46.33%	54.14%	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 Seven Years
(Amounts in Thousands)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability	3.858229%	3.837743%	3.808373%	3.847687%
City's proportionate share of the net OPEB liability	\$ 27,469	\$ 42,065	\$ 40,350	\$ 38,007
City's covered payroll	\$ 105,199	\$ 98,249	\$ 91,438	\$ 92,034
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	26.11%	42.81%	44.13%	41.30%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%

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

<u>2019</u>	<u>2018</u>	<u>2017</u>
3.878850%	3.917280%	3.934855%
\$ 35,325	\$ 221,948	\$ 186,779
\$ 88,613	\$ 85,955	\$ 89,039
39.86%	258.21%	209.77%
46.57%	14.13%	15.96%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 92,886	\$ 83,571	\$ 79,121	\$ 73,664
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ 704	\$ 1,516	\$ 1,376	\$ 1,536
-	-	(704)	(1,516)	(1,376)	(1,536)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 77,564	\$ 73,215	\$ 70,449	\$ 73,825	\$ 64,392	\$ 71,842
0.00%	0.00%	1.00%	2.05%	2.14%	2.14%

City of Toledo, Ohio

Schedules of the Required Supplementary Information

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

	2023	2022	2021	2020
Contractually required contribution	\$ 546	\$ 526	\$ 491	\$ 457
Contributions in relation to the contractually required contribution	(546)	(526)	(491)	(457)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 109,241	\$ 105,199	\$ 98,249	\$ 91,438
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 460	\$ 443	\$ 430	\$ 430	\$ 444	\$ 404
<u>(460)</u>	<u>(443)</u>	<u>(430)</u>	<u>(430)</u>	<u>(444)</u>	<u>(404)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 92,034	\$ 88,613	\$ 85,955	\$ 89,039	\$ 91,976	\$ 84,450
0.50%	0.50%	0.50%	0.48%	0.48%	0.48%

City of Toledo, Ohio

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- 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.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 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.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- There were no changes in assumptions for 2023.

(Continued)

City of Toledo, Ohio

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

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.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- 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.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, 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 8.25% 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.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

(Continued)

City of Toledo, Ohio

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

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.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 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.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

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 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

City of Toledo, Ohio

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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.
- There were no changes in benefit terms from the amounts reported for 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.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

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 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%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.
- For 2023, 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 changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

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, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Income taxes	\$ 222,302	\$ 222,302	\$ 233,184	\$ 10,882
Property taxes	14,175	14,175	14,766	591
Licenses and permits	3,311	3,311	3,357	46
Intergovernmental services	22,302	22,302	17,763	(4,539)
Charges for services	28,055	28,055	24,940	(3,115)
Investment earnings	2,247	2,247	7,490	5,243
Increase in fair value of investments	-	-	1,854	1,854
Fines and forfeitures	2,486	2,486	2,594	108
Other revenue	559	559	1,319	760
Total revenues	<u>295,437</u>	<u>295,437</u>	<u>307,267</u>	<u>11,830</u>
EXPENDITURES				
Current:				
General government	38,475	39,123	31,518	7,605
Public service	2,407	2,416	1,905	511
Public safety	197,391	201,734	191,652	10,082
Public utilities	474	974	29	945
Community environment	20,281	20,486	12,881	7,605
Health	10,243	10,913	9,637	1,276
Parks and recreation	5,527	5,645	5,014	631
Capital outlay	-	-	1,132	(1,132)
Debt service:				
Principal retirement	-	-	1,641	(1,641)
Interest and fiscal charges	-	-	253	(253)
Total expenditures	<u>274,798</u>	<u>281,291</u>	<u>255,662</u>	<u>25,629</u>
Excess of revenues over expenditures	<u>20,639</u>	<u>14,146</u>	<u>51,605</u>	<u>37,459</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,656	20,656	20,326	(330)
Transfers out	(49,083)	(49,083)	(51,482)	(2,399)
Inception of lease	-	-	531	531
Inception of subscription-based information technology agreement	-	-	549	549
Sale of capital assets	100	100	46	(54)
Total other financing sources (uses)	<u>(28,327)</u>	<u>(28,327)</u>	<u>(30,030)</u>	<u>(1,703)</u>
Net change in fund balance	<u>\$ (7,688)</u>	<u>\$ (14,181)</u>	21,575	<u>\$ 35,756</u>
Fund balance at beginning of year			66,053	
Increase in inventory			1,713	
Fund balance at year end			<u>\$ 89,341</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, 2023
(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	\$ 30,126	\$ 30,126	\$ 24,855	\$ (5,271)
Investment earnings	-	-	105	105
Other revenue	8,654	8,654	84	(8,570)
Total revenues	<u>38,780</u>	<u>38,780</u>	<u>25,044</u>	<u>(13,736)</u>
EXPENDITURES				
Current:				
General government	911	915	675	240
Public service	37,374	37,462	22,398	15,064
Health	1,024	1,024	563	461
Capital outlay	-	-	792	(792)
Debt service:				
Principal retirement	20,100	20,100	110	19,990
Interest and fiscal charges	1,526	1,526	1,532	(6)
Total expenditures	<u>60,935</u>	<u>61,027</u>	<u>26,070</u>	<u>34,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,155)</u>	<u>(22,247)</u>	<u>(1,026)</u>	<u>21,221</u>
OTHER FINANCING SOURCES:				
Issuance of debt	21,560	21,560	-	(21,560)
Inception of lease	-	-	612	612
Inception of subscription-based information technology agreement	-	-	181	181
Sale of capital assets	-	-	51	51
Total other financing sources	<u>21,560</u>	<u>21,560</u>	<u>844</u>	<u>(20,716)</u>
Net change in fund balance	<u>\$ (595)</u>	<u>\$ (687)</u>	<u>(182)</u>	<u>\$ 505</u>
Fund balance (deficit) at beginning of year			(56,539)	
(Decrease) in inventory			(2,042)	
Fund balance (deficit) at year end			<u>\$ (58,763)</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, 2023
(Amounts in Thousands)

	Budgeted amounts		Actuals	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ 39,670	\$ 39,670
Investment earnings	-	-	3,576	3,576
Increase in fair value of investments	-	-	3,567	3,567
Total revenues	-	-	46,813	46,813
EXPENDITURES				
Current:				
General government	-	5,459	2,131	3,328
Public service	-	3,861	310	3,551
Public safety	-	23,185	21,408	1,777
Public utilities	-	12,084	1,389	10,695
Community environment	-	42,022	6,471	35,551
Health	-	2,800	124	2,676
Parks and recreation	-	14,861	6,567	8,294
Capital outlay	-	2,925	727	2,198
Debt service:				
Principal retirement	-	269	269	-
Interest and fiscal charges	-	11	11	-
Total expenditures	-	107,477	39,407	68,070
Excess (deficiency) of revenues over (under) expenditures	-	(107,477)	7,406	114,883
Net change in fund balance	\$ -	\$ (107,477)	7,406	\$ 114,883
Fund balance (deficit) at beginning of year			(3,548)	
Fund balance at year end			\$ 3,858	

City of Toledo, Ohio
Notes to the Budgetary Required Supplementary Information
December 31, 2023

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, 2023

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

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023
(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 Equivalents Held by Escrow Agent	\$ -	\$ -	\$ 45	\$ -	\$ 45
Cash and cash equivalents - other	80	-	-	-	80
Investments	-	-	-	732	732
Restricted investments	1,056	-	-	-	1,056
Receivables (net of allowances)	9,598	9	11,032	-	20,639
Due from other:					
Funds	38,448	1,785	22,199	364	62,796
Governments	19,050	-	-	-	19,050
Inventory of supplies	1,313	-	-	-	1,313
Total assets	\$ 69,545	\$ 1,794	\$ 33,276	\$ 1,096	\$ 105,711
LIABILITIES					
Accounts payable	\$ 3,515	\$ -	\$ 799	\$ -	\$ 4,314
Deposits	2,123	-	-	400	2,523
Retainage payable	-	-	830	-	830
Due to other:					
Funds	4,157	3,734	-	-	7,891
Unearned revenue	14,528	-	-	-	14,528
Notes payable	-	-	1,960	-	1,960
Total liabilities	24,323	3,734	3,589	400	32,046
Deferred inflows of resources:					
Revenues levied for the next year and unavailable revenue	9,625	9	2,963	-	12,597
Fund balances:					
Nonspendable	1,313	-	-	683	1,996
Restricted	32,579	192	28,734	13	61,518
Committed	2,000	1,593	-	-	3,593
Unassigned (deficit)	(295)	(3,734)	(2,010)	-	(6,039)
Total fund balances (deficit)	35,597	(1,949)	26,724	696	61,068
Total liabilities, deferred inflows of resources and fund balances	\$ 69,545	\$ 1,794	\$ 33,276	\$ 1,096	\$ 105,711

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023
(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	\$ -	\$ -	\$ 25,959	\$ -	\$ 25,959
Special assessments	-	-	229	-	229
Intergovernmental services	16,865	3,309	705	-	20,879
Charges for services	1,765	-	-	-	1,765
Investment earnings	174	-	-	-	174
Fines and forfeitures	1,209	-	-	-	1,209
Grants	38,364	-	-	-	38,364
Other revenue	5,434	-	-	-	5,434
Total revenues	63,811	3,309	26,893	-	94,013
EXPENDITURES					
Current:					
General government	165	-	-	-	165
Public service	17,152	-	-	-	17,152
Public safety	8,500	-	-	-	8,500
Public utilities	21	-	-	-	21
Community environment	41,261	-	40	-	41,301
Health	2,417	-	-	-	2,417
Parks and recreation	55	-	-	-	55
Capital outlay	2,816	-	26,737	-	29,553
Debt service:					
Principal retirement	626	14,155	28	-	14,809
Interest and fiscal charges	31	5,028	57	-	5,116
Total expenditures	73,044	19,183	26,862	-	119,089
Excess (deficiency) of revenues over (under) expenditures	(9,233)	(15,874)	31	-	(25,076)
OTHER FINANCING SOURCES (USES)					
Transfers in	873	17,758	-	-	18,631
Transfers (out)	(1,020)	-	(129)	-	(1,149)
Premiums on bonds issued	-	781	-	-	781
Inception of lease	-	-	429	-	429
Inception of subscription-based information technology arrangement	1,021	-	-	-	1,021
Sale of capital assets	43	-	-	-	43
Total other financing sources (uses)	917	18,539	300	-	19,756
Net change in fund balances	(8,316)	2,665	331	-	(5,320)
Fund balances (deficit) at beginning of year	44,216	(4,614)	26,393	696	66,691
(Decrease) in inventory	(303)	-	-	-	(303)
Fund balances (deficit) at end of year	\$ 35,597	\$ (1,949)	\$ 26,724	\$ 696	\$ 61,068

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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.

OneOhio Opioid Settlement

To account for monies received from OneOhio Opioid Settlement Funds. The Fund will be used for community recovery and sustainability.

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023
(Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants	Street Construction Maintenance and Repair
ASSETS				
Cash and cash equivalents - other	\$ -	\$ -	\$ -	\$ -
Restricted Investments	-	-	-	-
Receivables (net of allowances)	1,992	3,797	-	356
Due from other:				
Funds	-	21,799	688	277
Governments	7,641	830	-	8,339
Inventory of supplies	-	-	-	1,244
Total assets	<u>\$ 9,633</u>	<u>\$ 26,426</u>	<u>\$ 688</u>	<u>\$ 10,216</u>
LIABILITIES				
Accounts payable	\$ 2,035	\$ 922	\$ -	\$ 338
Deposits	1,653	141	-	-
Due to other:				
Funds	3,556	-	-	-
Unearned revenue	-	14,528	-	-
Total liabilities	<u>7,244</u>	<u>15,591</u>	<u>-</u>	<u>338</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	<u>2,684</u>	<u>394</u>	<u>-</u>	<u>5,583</u>
FUND BALANCES				
Nonspendable	-	-	-	1,244
Restricted	-	10,441	688	3,051
Committed	-	-	-	-
Unassigned (deficit)	<u>(295)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(295)</u>	<u>10,441</u>	<u>688</u>	<u>4,295</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,633</u>	<u>\$ 26,426</u>	<u>\$ 688</u>	<u>\$ 10,216</u>

Cemetery Maintenance	Golf Improvements	Parkland Replacement	Cemeteries Property Acquisition Site Development	Marina Development	Expendable Trusts
\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 79
-	-	-	-	-	1,056
477	407	117	-	5	1,212
339	-	476	650	191	12,918
-	-	-	-	-	1,995
-	-	-	-	-	69
<u>\$ 816</u>	<u>\$ 407</u>	<u>\$ 593</u>	<u>\$ 650</u>	<u>\$ 197</u>	<u>\$ 17,329</u>
\$ 4	\$ 118	\$ -	\$ -	\$ 5	\$ -
-	-	-	3	-	300
-	199	-	-	-	-
-	-	-	-	-	-
<u>4</u>	<u>317</u>	<u>-</u>	<u>3</u>	<u>5</u>	<u>300</u>
<u>433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285</u>
-	-	-	-	-	69
-	-	-	-	-	16,675
379	90	593	647	192	-
-	-	-	-	-	-
<u>379</u>	<u>90</u>	<u>593</u>	<u>647</u>	<u>192</u>	<u>16,744</u>
<u>\$ 816</u>	<u>\$ 407</u>	<u>\$ 593</u>	<u>\$ 650</u>	<u>\$ 197</u>	<u>\$ 17,329</u>

(Continued)

City of Toledo, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2023
(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	\$ -	\$ -	\$ -	\$ -
Restricted Investments	-	-	-	-
Receivables (net of allowances)	-	1,235	-	-
Due from other:				
Funds	99	-	53	495
Governments	-	245	-	-
Inventory of supplies	-	-	-	-
Total assets	<u>\$ 99</u>	<u>\$ 1,480</u>	<u>\$ 53</u>	<u>\$ 495</u>
LIABILITIES				
Accounts payable	\$ -	\$ 93	\$ -	\$ -
Deposits	-	-	26	-
Due to other:				
Funds	-	402	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>495</u>	<u>26</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	<u>-</u>	<u>246</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	739	27	495
Committed	99	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>99</u>	<u>739</u>	<u>27</u>	<u>495</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 99</u>	<u>\$ 1,480</u>	<u>\$ 53</u>	<u>\$ 495</u>

<u>OneOhio Opiod Settlement</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 80
-	1,056
-	9,598
463	38,448
-	19,050
-	1,313
<u>\$ 463</u>	<u>\$ 69,545</u>
\$ -	\$ 3,515
-	2,123
-	4,157
-	14,528
<u>-</u>	<u>24,323</u>
<u>-</u>	<u>9,625</u>
-	1,313
463	32,579
-	2,000
-	(295)
<u>463</u>	<u>35,597</u>
<u>\$ 463</u>	<u>\$ 69,545</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, 2023
(Amounts in Thousands)

	Federal Block Grants	Operation Grants	Urban Development Action Grants	Street Construction Maintenance and Repair
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ -	\$ 16,865
Charges for services	-	-	-	4
Investment earnings	-	1	-	-
Fines and forfeitures	-	-	-	176
Grants	9,663	26,265	-	-
Other revenue	2	570	-	69
Total revenues	9,665	26,836	-	17,114
EXPENDITURES				
Current:				
General government	-	-	-	115
Public service	-	11	-	17,141
Public safety	-	7,120	-	195
Public utilities	-	7	-	14
Community environment	10,914	24,673	-	13
Health	-	2,367	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	1,547	-	1,083
Debt service:				
Principal retirement	-	284	-	40
Interest and fiscal charges	-	2	-	1
Total expenditures	10,914	36,011	-	18,602
Excess (deficiency) of revenues over (under) Expenditures	(1,249)	(9,175)	-	(1,488)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	225
Transfers (out)	-	-	-	(795)
Inception of subscription-based information technology arrangement	-	831	-	190
Sale of capital assets	6	-	-	37
Total other financing sources (uses)	6	831	-	(343)
Net change in fund balances	(1,243)	(8,344)	-	(1,831)
Fund balances at beginning of year	948	18,785	688	6,393
Increase (decrease) in inventory	-	-	-	(267)
Fund balances at end of year	\$ (295)	\$ 10,441	\$ 688	\$ 4,295

Cemetery Maintenance	Golf Improvements	Parkland Replacement	Cemeteries Property Acquisition Site Development	Marina Development	Expendable Trusts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,184	-	63	26	488
40	-	-	-	-	133
-	-	-	-	-	1,033
-	-	-	-	-	53
-	2	181	-	-	3,295
40	1,186	181	63	26	5,002
-	-	-	-	-	50
-	-	-	-	-	-
-	-	-	-	-	1,185
-	-	-	-	-	-
-	1,356	-	-	-	2,241
-	-	-	-	-	50
-	-	-	-	3	52
-	-	-	-	-	186
-	184	-	-	-	118
-	21	-	-	-	7
-	1,561	-	-	3	3,889
40	(375)	181	63	23	1,113
-	373	-	-	-	50
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	373	-	-	-	50
40	(2)	181	63	23	1,163
339	92	412	584	169	15,617
-	-	-	-	-	(36)
\$ 379	\$ 90	\$ 593	\$ 647	\$ 192	\$ 16,744

(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, 2023
(Amounts in Thousands)

	Toledo City Parks	Toledo Home Program	Right Of Way	Downtown Toledo Parking
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants	-	2,383	-	-
Other revenue	-	873	-	67
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Total revenues	-	3,256	-	67
EXPENDITURES				
Current:				
General government	-	-	-	-
Public service	-	-	-	-
Public safety	-	-	-	-
Public utilities	-	-	-	-
Community environment	-	2,064	-	-
Health	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
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Total expenditures	-	2,064	-	-
Excess (deficiency) of revenues over (under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,192	-	67
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	225	-
Transfers (out)	-	-	(225)	-
Inception of subscription-based information technology arrangement	-	-	-	-
Sale of capital assets	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	1,192	-	67
Fund balances at beginning of year	99	(453)	27	428
Increase (decrease) in inventory	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Fund balances at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 99	\$ 739	\$ 27	\$ 495

OneOhio Opioid Settlement	Total Nonmajor Special Revenue Funds
\$ -	\$ 16,865
-	1,765
-	174
-	1,209
-	38,364
<u>375</u>	<u>5,434</u>
<u>375</u>	<u>63,811</u>
-	165
-	17,152
-	8,500
-	21
-	41,261
-	2,417
-	55
-	2,816
-	626
<u>-</u>	<u>31</u>
<u>-</u>	<u>73,044</u>
<u>375</u>	<u>(9,233)</u>
-	873
-	(1,020)
-	1,021
<u>-</u>	<u>43</u>
<u>-</u>	<u>917</u>
375	(8,316)
88	44,216
<u>-</u>	<u>(303)</u>
<u>\$ 463</u>	<u>\$ 35,597</u>

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

Jeep Municipal Public Improvement TIF

This is the Municipal Public Improvement Tax Increment Equivalent fund established by Ordinance 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, 2023
(Amounts in Thousands)

	Jeep Municipal Public Improvement TIF	General Obligation	Special Assessment	Total Nonmajor Debt Service Funds
ASSETS				
Receivables (net of allowance)	\$ -	\$ -	\$ 9	\$ 9
Due from other: Funds	-	1,593	192	1,785
Total assets	<u>\$ -</u>	<u>\$ 1,593</u>	<u>\$ 201</u>	<u>\$ 1,794</u>
LIABILITIES				
Due to other: Funds	\$ 3,734	\$ -	\$ -	\$ 3,734
Total liabilities	<u>3,734</u>	<u>-</u>	<u>-</u>	<u>3,734</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	-	-	9	9
FUND BALANCES				
Restricted	-	-	192	192
Committed	-	1,593	-	1,593
Unassigned (deficit)	(3,734)	-	-	(3,734)
Total fund balances (deficit)	<u>(3,734)</u>	<u>1,593</u>	<u>192</u>	<u>(1,949)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 1,593</u>	<u>\$ 201</u>	<u>\$ 1,794</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, 2023
(Amounts in Thousands)

	Jeep Municipal Public Improvement TIF	General Obligation	Special Assessment	Total Nonmajor Debt Service Funds
REVENUES				
Intergovernmental services	3,309	-	-	3,309
Total revenues	3,309	-	-	3,309
EXPENDITURES				
Debt service:				
Principal retirement	530	13,625	-	14,155
Interest and fiscal charges	114	4,914	-	5,028
Total expenditures	644	18,539	-	19,183
Excess of revenues over (under) expenditures	2,665	(18,539)	-	(15,874)
OTHER FINANCING SOURCES				
Transfers in	-	17,758	-	17,758
Premiums on bonds issued	-	781	-	781
Total other financing sources	-	18,539	-	18,539
Net change in fund balances	2,665	-	-	2,665
Fund balances (deficit) at beginning of year	(6,399)	1,593	192	(4,614)
Fund balances (deficit) at end of year	<u>\$ (3,734)</u>	<u>\$ 1,593</u>	<u>\$ 192</u>	<u>\$ (1,949)</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 a 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.

Downtown Muni Public Imp TIF

This is a Municipal Improvement Tax Increment Equivalent fund established by Ord 468-19 that collects payments in lieu of taxes while accounting for the City's cost associated with public infrastructure improvements associated with Downtown Area and greater community of the City of Toledo.

Hawthorne Hills TIF

This is a Municipal Improvement Tax Increment Equivalent fund established by 114-20 that collects payments in lieu of taxes while accounting for the City's cost associated with public infrastructure improvements associated with Hawthorne Hills.

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, 2023
(Amounts in Thousands)

	Special Assessment Improvements	Franklin Park/ Westfield Municipal Public Improvement TIF	Ironville Site TIF	Downtown CTY TIF
ASSETS				
Cash and Equivalents Held by Escrow Agent	\$ -	\$ -	\$ 45	\$ -
Receivables (net of allowances)	1,756	-	-	-
Due from other:				
Funds	74	14,658	80	495
Total assets	<u>\$ 1,830</u>	<u>\$ 14,658</u>	<u>\$ 125</u>	<u>\$ 495</u>
LIABILITIES				
Accounts payable	\$ 77	\$ 21	\$ -	\$ -
Retainage payable	47	-	-	-
Notes payable	1,960	-	-	-
Total liabilities	<u>2,084</u>	<u>21</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues levied for the next year and unavailable revenue	<u>1,756</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	-	14,637	125	495
Unassigned (deficit)	<u>(2,010)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(2,010)</u>	<u>14,637</u>	<u>125</u>	<u>495</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,830</u>	<u>\$ 14,658</u>	<u>\$ 125</u>	<u>\$ 495</u>

<u>Tax Road Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ 45
9,276	11,032
<u>6,892</u>	<u>22,199</u>
<u>\$ 16,168</u>	<u>\$ 33,276</u>
\$ 701	\$ 799
783	830
-	1,960
<u>1,484</u>	<u>3,589</u>
<u>1,207</u>	<u>2,963</u>
13,477	28,734
-	(2,010)
<u>13,477</u>	<u>26,724</u>
<u>\$ 16,168</u>	<u>\$ 33,276</u>

City of Toledo, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023
(Amounts in Thousands)

	Special Assessment Improvements	Franklin Park/ Westfield Municipal Public Improvement TIF	Ironville Site TIF	Downtown Muni Public Imp TIF
REVENUES				
Income taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	229	-	-	-
Intergovernmental services	-	-	81	495
Total revenues	229	-	81	495
EXPENDITURES				
Current:				
Community environment	-	-	40	-
Capital outlay	1,217	1,407	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	56	-	-	-
Total expenditures	1,273	1,407	40	-
Excess of revenues over (under) expenditures	(1,044)	(1,407)	41	495
OTHER FINANCING USES				
Transfers out	-	-	-	-
Inception of lease	-	-	-	-
Total Other Financing Uses	-	-	-	-
Net change in fund balances	(1,044)	(1,407)	41	495
Fund balances (deficit) at beginning of year	(966)	16,044	84	-
Fund balances (deficit) at end of year	\$ (2,010)	\$ 14,637	\$ 125	\$ 495

Hawthorne Hills TIF	Tax Road Improvements	Total Nonmajor Capital Projects Funds
\$ -	\$ 25,959	\$ 25,959
-	-	229
129	-	705
129	25,959	26,893
-	-	40
-	24,113	26,737
-	28	28
-	1	57
-	24,142	26,862
129	1,817	31
(129)	-	(129)
-	429	429
(129)	429	300
-	2,246	331
-	11,231	26,393
\$ -	\$ 13,477	\$ 26,724

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, 2023
(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	\$ 2,229	\$ -	\$ -	\$ -
Investments	14,315	-	-	-
Receivables (net of allowances)	2,249	1,720	-	57
Due from other:				
Funds	-	894	-	218
Total current assets	<u>18,793</u>	<u>2,614</u>	<u>-</u>	<u>275</u>
<u>Noncurrent:</u>				
Investments	33,428	-	-	-
Land and construction in progress	4,062	-	-	697
Other capital assets, net of accumulated depreciation	37,253	-	-	3
Total noncurrent assets	<u>74,743</u>	<u>-</u>	<u>-</u>	<u>700</u>
Total assets	<u>93,536</u>	<u>2,614</u>	<u>-</u>	<u>975</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	2,300	-	-	-
OPEB	352	-	-	-
Total deferred outflows of resources	<u>2,652</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
<u>Current:</u>				
Accounts payable	103	-	-	-
Customer deposits	-	-	-	111
Retainage payable	30	-	-	-
Due to other:				
Funds	9,843	-	115	-
Governments	16	-	-	-
Accrued interest payable	19	14	-	1
Current portion of:				
Bonds, loans, and leases payable, net	224	1,140	-	155
Total current liabilities	<u>10,235</u>	<u>1,154</u>	<u>115</u>	<u>267</u>
<u>Noncurrent:</u>				
Compensated absences payable	600	-	-	-
Bonds, loans, and lease payable, net	1,995	3,721	-	-
Net pension liability	5,547	-	-	-
Net OPEB liability	118	-	-	-
Total noncurrent liabilities	<u>8,260</u>	<u>3,721</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>18,495</u>	<u>4,875</u>	<u>115</u>	<u>267</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	85	-	-	-
OPEB	43	-	-	-
Total deferred inflows of resources	<u>128</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	39,066	-	-	545
Restricted:				
Debt Service	20	-	-	-
Replacement	650	-	-	-
Capital improvement	7,690	-	-	-
Unrestricted (deficit)	30,139	(2,261)	(115)	163
Total net position (deficit)	<u>\$ 77,565</u>	<u>\$ (2,261)</u>	<u>\$ (115)</u>	<u>\$ 708</u>

Marina Operations	Toledo Public Power	Total Nonmajor Enterprise Funds
\$ -	\$ -	\$ 2,229
-	-	14,315
-	45	4,071
<u>1</u>	<u>746</u>	<u>1,859</u>
<u>1</u>	<u>791</u>	<u>22,474</u>
-	-	33,428
-	-	4,759
-	-	37,256
-	-	75,443
<u>1</u>	<u>791</u>	<u>97,917</u>
-	-	2,300
-	-	352
-	-	2,652
-	-	103
1	42	154
-	50	80
-	-	9,958
-	-	16
-	-	34
-	-	1,519
<u>1</u>	<u>92</u>	<u>11,864</u>
-	-	600
-	-	5,716
-	-	5,547
-	-	118
-	-	11,981
<u>1</u>	<u>92</u>	<u>23,845</u>
-	-	85
-	-	43
-	-	128
-	-	39,611
-	-	20
-	-	650
-	-	7,690
-	699	28,625
<u>\$ -</u>	<u>\$ 699</u>	<u>\$ 76,596</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, 2023
(Amounts in Thousands)

	Storm Sewer	Property Management	Small Business Development	Municipal Tow Lot
OPERATING REVENUES				
Charges for services	\$ 9,148	\$ -	\$ -	\$ 3,290
Other revenue	25	-	-	467
Total operating revenues	<u>9,173</u>	<u>-</u>	<u>-</u>	<u>3,757</u>
OPERATING EXPENSES				
Personal services	5,076	-	-	-
Contract services	1,993	-	-	1,317
Materials and supplies	395	-	-	30
Utilities	-	-	-	26
Depreciation	1,258	-	-	5
Other	-	865	-	-
Total operating expenses	<u>8,722</u>	<u>865</u>	<u>-</u>	<u>1,378</u>
Operating income (loss)	<u>451</u>	<u>(865)</u>	<u>-</u>	<u>2,379</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	1,693	-	-	-
Increase in fair value of investments	459	-	-	-
Interest expense and fiscal charges	(40)	(144)	-	(15)
Gain (Loss) on sale of capital assets	(20)	-	-	-
Total nonoperating revenues (expenses)	<u>2,092</u>	<u>(144)</u>	<u>-</u>	<u>(15)</u>
Income (loss) before transfers and contributions	<u>2,543</u>	<u>(1,009)</u>	<u>-</u>	<u>2,364</u>
Transfers in	57	1,258	-	-
Transfers (out)	(75)	-	-	(2,326)
Change in net position	2,525	249	-	38
Net position (deficit) at beginning of year (restated)	<u>75,040</u>	<u>(2,510)</u>	<u>(115)</u>	<u>670</u>
Net position (deficit) at end of year	<u>\$ 77,565</u>	<u>\$ (2,261)</u>	<u>\$ (115)</u>	<u>\$ 708</u>

Toledo Public Power	Total Nonmajor Enterprise Funds
\$ 686	\$ 13,124
-	492
<u>686</u>	<u>13,616</u>
-	5,076
-	3,310
-	425
568	594
-	1,263
-	865
<u>568</u>	<u>11,533</u>
<u>118</u>	<u>2,083</u>
-	1,693
-	459
-	(199)
-	(20)
<u>-</u>	<u>1,933</u>
<u>118</u>	<u>4,016</u>
-	1,315
-	(2,401)
118	2,930
<u>581</u>	<u>73,666</u>
<u>\$ 699</u>	<u>\$ 76,596</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023
(Amounts in Thousands)

	<u>Storm Sewer</u>	<u>Property Management</u>	<u>Municipal Tow Lot</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 9,290	\$ -	\$ 3,362
Cash paid to employees	(4,944)	-	-
Cash paid to suppliers	-	-	(1,333)
Other cash receipts	2,176	-	467
Net cash provided by (used in) operating activities	<u>6,522</u>	<u>-</u>	<u>2,496</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer in	57	1,258	-
Transfer (out)	(75)	-	(2,326)
Net cash provided by (used in) noncapital financing activities	<u>(18)</u>	<u>1,258</u>	<u>(2,326)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of property, plant, and equipment	(2,890)	-	-
Proceeds from the sale of capital assets	-	-	-
Principal payments	(227)	(1,095)	(155)
Interest and fiscal charges paid on bonds, loans, and capital leases	(41)	(163)	(15)
Net cash (used in) capital and related financing activities	<u>(3,158)</u>	<u>(1,258)</u>	<u>(170)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	16,582	-	-
Purchase of investments	(20,371)	-	-
Investment income received on investments	1,692	-	-
Net cash (used in) investing activities	<u>(2,097)</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	1,249	-	-
Cash and cash equivalents at beginning of year	980	-	-
Cash and cash equivalents at end of year	<u>\$ 2,229</u>	<u>\$ -</u>	<u>\$ -</u>

Toledo Public Power	Total Nonmajor Enterprise Funds
\$ 820	\$ 13,472
-	(4,944)
(820)	(2,153)
-	2,643
-	9,018
-	1,315
-	(2,401)
-	(1,086)
-	(2,890)
-	-
-	(1,477)
-	(219)
-	(4,586)
-	16,582
-	(20,371)
-	1,692
-	(2,097)
-	1,249
-	980
<u>\$ -</u>	<u>\$ 2,229</u>

(continued)

City of Toledo, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Year Ended December 31, 2023
(Amounts in Thousands)

	<u>Storm Sewer</u>	<u>Property Management</u>	<u>Municipal Tow Lot</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 451	\$ (865)	\$ 2,379
Adjustments:			
Depreciation/amortization	1,258	-	5
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Decrease (increase) in receivables	141	875	121
Decrease (increase) in due from other funds	-	(10)	(49)
Decrease in due from governments	3	-	-
Increase in accounts payable and customer deposits	(57)	-	40
(Decreased) in retainage payable	(7)	-	-
Increase (decrease) in due to other funds	4,601	-	-
(Decrease) in compensated absences payable	37	-	-
(Increase) in net OPEB asset	610	-	-
Decrease in deferred outflows - pension	(1,497)	-	-
Decrease in deferred outflows - OPEB	(344)	-	-
(Decrease) in net pension liability	3,845	-	-
Increase in net OPEB liability	118	-	-
Increase in deferred inflows - pension	(2,020)	-	-
Increase in deferred inflows - OPEB	(617)	-	-
Net cash provided by (used in) operating activities	<u>\$ 6,522</u>	<u>\$ -</u>	<u>\$ 2,496</u>

Non-cash transactions:

During 2023, the Storm Sewer fund acquired \$337 in intangible capital assets via lease.

<u>Toledo Public Power</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 118	\$ 2,083
-	1,263
234	1,371
(100)	(159)
-	3
(302)	(319)
50	43
-	4,601
-	37
-	610
-	(1,497)
-	(344)
-	3,845
-	118
-	(2,020)
-	(617)
<u>\$ -</u>	<u>\$ 9,018</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, 2023
(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)	1,049	7	1	-
Due from other:				
Funds	4,179	-	525	2,269
Prepaid Items	-	-	-	-
Inventory of supplies	1,066	-	-	-
Total current assets	<u>6,294</u>	<u>7</u>	<u>526</u>	<u>2,269</u>
<u>Noncurrent:</u>				
Land and construction in progress	350	-	-	-
Other capital assets, net of accumulated depreciation	786	5,141	-	8
Total noncurrent assets	<u>1,136</u>	<u>5,141</u>	<u>-</u>	<u>8</u>
Total assets	<u>7,430</u>	<u>5,148</u>	<u>526</u>	<u>2,277</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	2,643	-	-	1,111
OPEB	402	-	2	167
Total deferred outflows of resources	<u>3,045</u>	<u>-</u>	<u>2</u>	<u>1,278</u>
LIABILITIES				
<u>Current:</u>				
Accounts payable	830	-	170	289
Customer deposits	-	-	-	1
Due to other:				
Funds	-	1,457	-	-
Other current liabilities	-	-	-	-
Current portion of:				
Bonds, loans, and leases payable, net	-	-	-	-
Total current liabilities	<u>830</u>	<u>1,457</u>	<u>170</u>	<u>290</u>
<u>Noncurrent:</u>				
Bonds, loans, and leases payable, net	-	-	-	-
Net pension liability	6,198	-	-	2,665
Net OPEB liability	131	-	5	57
Total noncurrent liabilities	<u>6,329</u>	<u>-</u>	<u>5</u>	<u>2,722</u>
Total liabilities	<u>7,159</u>	<u>1,457</u>	<u>175</u>	<u>3,012</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	85	-	-	22
OPEB	48	-	-	24
Total deferred inflows of resources	<u>133</u>	<u>-</u>	<u>-</u>	<u>46</u>
NET POSITION				
Net investment in capital assets	1,136	5,141	-	8
Unrestricted (deficit)	2,047	(1,450)	353	489
Total net position	<u>\$ 3,183</u>	<u>\$ 3,691</u>	<u>\$ 353</u>	<u>\$ 497</u>

Risk Management	Facility Operations	Workers' Compensation	Healthcare Self-Insurance	Total Internal Service Funds
-	96	25	1,252	2,430
12,292	1,929	-	5,264	26,458
-	-	4,283	-	4,283
-	-	-	-	1,066
<u>12,292</u>	<u>2,025</u>	<u>4,308</u>	<u>6,516</u>	<u>34,237</u>
-	-	-	-	350
-	2,275	-	-	8,210
-	2,275	-	-	8,560
<u>12,292</u>	<u>4,300</u>	<u>4,308</u>	<u>6,516</u>	<u>42,797</u>
698	883	184	51	5,570
90	136	29	7	833
<u>788</u>	<u>1,019</u>	<u>213</u>	<u>58</u>	<u>6,403</u>
42	110	591	1,594	3,626
-	-	-	-	1
-	-	1,115	-	2,572
6,040	-	-	4,368	10,408
-	185	-	-	185
<u>6,082</u>	<u>295</u>	<u>1,706</u>	<u>5,962</u>	<u>16,792</u>
-	2,140	-	-	2,140
1,320	2,082	440	121	12,826
28	44	9	3	277
<u>1,348</u>	<u>4,266</u>	<u>449</u>	<u>124</u>	<u>15,243</u>
<u>7,430</u>	<u>4,561</u>	<u>2,155</u>	<u>6,086</u>	<u>32,035</u>
-	-	7	7	121
9	16	3	1	101
<u>9</u>	<u>16</u>	<u>10</u>	<u>8</u>	<u>222</u>
-	(50)	-	-	6,235
5,641	792	2,356	480	10,708
<u>\$ 5,641</u>	<u>\$ 742</u>	<u>\$ 2,356</u>	<u>\$ 480</u>	<u>\$ 16,943</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, 2023
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Information Technology
OPERATING REVENUES				
Charges for services	\$ 13,445	\$ -	\$ 117	\$ 6,707
Other revenue	322	-	-	1
Total operating revenues	<u>13,767</u>	<u>-</u>	<u>117</u>	<u>6,708</u>
OPERATING EXPENSES				
Personal services	5,907	-	-	2,379
Contract services	1,096	-	120	2,855
Materials and supplies	6,667	-	-	82
Utilities	28	-	-	1,386
Depreciation	77	836	-	2
Total operating expenses	<u>13,775</u>	<u>836</u>	<u>120</u>	<u>6,704</u>
Operating income (loss)	<u>(8)</u>	<u>(836)</u>	<u>(3)</u>	<u>4</u>
NONOPERATING REVENUES (EXPENSES)				
Interest expense and fiscal charges	-	-	-	-
Gain (loss) on disposal of capital assets	8	7	-	-
Total nonoperating revenues (expenses)	<u>8</u>	<u>7</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	-	(829)	(3)	4
Capital contributions	-	-	-	4
Change in net position	-	(829)	(3)	8
Net position (deficit) at beginning of year	<u>3,183</u>	<u>4,520</u>	<u>356</u>	<u>489</u>
Net position at end of year	<u>\$ 3,183</u>	<u>\$ 3,691</u>	<u>\$ 353</u>	<u>\$ 497</u>

Risk Management	Facility Operations	Workers' Compensation	Healthcare Self-Insurance	Total Internal Service Funds
\$ 4,183	\$ 3,801	\$ 5,724	\$ 55,010	\$ 88,987
-	7	5	-	335
<u>4,183</u>	<u>3,808</u>	<u>5,729</u>	<u>55,010</u>	<u>89,322</u>
1,170	2,029	385	162	12,032
1,082	1,016	5,342	54,848	66,359
-	449	2	-	7,200
-	122	-	-	1,536
-	88	-	-	1,003
<u>2,252</u>	<u>3,704</u>	<u>5,729</u>	<u>55,010</u>	<u>88,130</u>
<u>1,931</u>	<u>104</u>	<u>-</u>	<u>-</u>	<u>1,192</u>
-	(107)	-	-	(107)
-	3	-	-	18
<u>-</u>	<u>(104)</u>	<u>-</u>	<u>-</u>	<u>(89)</u>
1,931	-	-	-	1,103
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
1,931	-	-	-	1,107
3,710	742	2,356	480	15,836
<u>\$ 5,641</u>	<u>\$ 742</u>	<u>\$ 2,356</u>	<u>\$ 480</u>	<u>\$ 16,943</u>

City of Toledo, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023
(Amounts in Thousands)

	<u>Municipal Garage</u>	<u>Capital Replacement</u>	<u>Storeroom and Printshop</u>	<u>Information Technology</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 13,039	\$ -	\$ 134	\$ 6,422
Cash paid to employees	(5,592)	-	-	(2,267)
Cash paid to suppliers	(7,766)	-	(134)	(4,150)
Other receipts	322	-	-	1
Net cash provided by operating activities	<u>3</u>	<u>-</u>	<u>-</u>	<u>6</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital grants and contributions	-	-	-	4
Purchases of property, plant, and equipment	(4)	-	-	(10)
Principal payments	-	-	-	-
Interest and fiscal charges paid on bonds, loans, and leases	-	-	-	-
Net cash used in capital and related financing activities	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(6)</u>
Net increase in cash and cash equivalents	(1)	-	-	-
Cash and cash equivalents at beginning of year	1	-	-	-
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)	\$ (8)	\$ (836)	\$ (3)	\$ 4
Adjustments:				
Depreciation/amortization	77	836	-	2
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Decrease (increase) in receivables	(123)	-	1	-
Decrease (increase) in due from other funds	(283)	-	17	(285)
(Increase) in prepaid expenses	-	-	-	-
(Increase) in inventory of supplies	(87)	-	-	-
Increase (decrease) in accounts payable and customer deposits	113	-	(12)	173
Decrease in net OPEB asset	679	-	-	276
(Increase) in deferred outflows - pension	(1,492)	-	-	(727)
Decrease (increase) in deferred outflows - OPEB	(360)	-	(2)	(127)
Increase in net pension liability	4,304	-	-	1,895
Increase in net OPEB liability	131	-	5	57
(Decrease) in deferred inflows - pension	(2,259)	-	(3)	(989)
(Decrease) in deferred inflows - OPEB	(689)	-	(3)	(273)
Increase in due to other funds	-	-	-	-
(Decrease) in other current liabilities	-	-	-	-
Net cash provided by operating activities	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>

Risk Management	Facility Operations	Workers' Compensation	Healthcare Self-Insurance	Total Internal Service Funds
\$ 2,862	\$ 3,658	\$ 9,072	\$ 54,980	\$ 90,167
(1,067)	(1,861)	(389)	(123)	(11,299)
(1,795)	(1,513)	(8,688)	(54,857)	(78,903)
-	7	5	-	335
-	291	-	-	300
-	-	-	-	4
-	(6)	-	-	(20)
-	(180)	-	-	(180)
-	(105)	-	-	(105)
-	(291)	-	-	(301)
-	-	-	-	(1)
-	-	-	-	1
\$ -	\$ -	\$ -	\$ -	\$ -

\$ 1,931	\$ 104	\$ -	\$ -	\$ 1,192
-	88	-	-	1,003
1	(16)	(1)	(820)	(958)
(1,321)	(126)	3,349	790	2,141
-	-	(4,283)	-	(4,283)
-	-	-	-	(87)
(154)	73	242	43	478
107	220	49	14	1,345
(403)	(503)	(113)	(8)	(3,246)
(68)	(106)	(27)	7	(683)
1,021	1,468	305	80	9,073
28	44	9	3	277
(432)	(743)	(172)	(43)	(4,641)
(150)	(212)	(55)	(14)	(1,396)
-	-	1,115	-	1,115
(560)	-	(418)	(52)	(1,030)
\$ -	\$ 291	\$ -	\$ -	\$ 300

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.

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, 2023
(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>
ASSETS					
Cash and cash equivalents - other	\$ -	\$ -	\$ -	\$ 516	\$ 516
Receivables (net of allowances)	111	23	18,749		18,883
Total assets	<u>111</u>	<u>23</u>	<u>18,749</u>	<u>516</u>	<u>19,399</u>
LIABILITIES					
Due to other:					
Governments	111	23	-	-	134
NET POSITION					
Restricted for other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,749</u>	<u>\$ 516</u>	<u>\$ 19,265</u>

City of Toledo, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2023
(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	\$ -	\$ -	\$ -	\$ 8,989	\$ 8,989
Licenses, permits, and fees for other governments	36	8	-	-	44
Special assessments collected for other governments	-	-	4,237	-	4,237
Total additions	<u>36</u>	<u>8</u>	<u>4,237</u>	<u>8,989</u>	<u>13,270</u>
DEDUCTIONS					
Fines and forfeiture distributions to other governments	-	-	-	8,921	8,921
Licenses, permits, and fee distributions to other governments	36	8	-	-	44
Special assessments distributed to other governments	-	-	4,368	-	4,368
Total deductions	<u>36</u>	<u>8</u>	<u>4,368</u>	<u>8,921</u>	<u>13,333</u>
Net increase (decrease) in fiduciary net position	-	-	(131)	68	(63)
Net position at beginning of year	<u>-</u>	<u>-</u>	<u>18,880</u>	<u>448</u>	<u>19,328</u>
Net position at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,749</u>	<u>\$ 516</u>	<u>\$ 19,265</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, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actuals</u>	
REVENUES				
Income taxes	\$ 222,302	\$ 222,302	\$ 233,184	\$ 10,882
Property taxes	14,175	14,175	14,766	591
Licenses and permits	3,311	3,311	3,357	46
Intergovernmental services	22,302	22,302	17,763	(4,539)
Charges for services	28,055	28,055	24,940	(3,115)
Investment earnings	2,247	2,247	7,490	5,243
Increase in fair value of investments	-	-	1,854	1,854
Fines and forfeitures	2,486	2,486	2,594	108
Other revenue	559	559	1,319	760
Total revenues	<u>295,437</u>	<u>295,437</u>	<u>307,267</u>	<u>11,830</u>
EXPENDITURES				
Current:				
General government				
Accounts				
Personnel services	1,141	1,184	1,040	144
Materials and supplies	3	4	1	3
Contractual services	408	411	281	130
Accounts total	<u>1,552</u>	<u>1,599</u>	<u>1,322</u>	<u>277</u>
Auditor				
Personnel services	126	161	166	(5)
Materials and supplies	3	3	-	3
Contractual services	6	7	5	2
Auditor total	<u>135</u>	<u>171</u>	<u>171</u>	<u>-</u>
City council				
Personnel services	1,950	1,950	1,585	365
Materials and supplies	24	31	24	7
Contractual services	625	713	494	219
City council total	<u>2,599</u>	<u>2,694</u>	<u>2,103</u>	<u>591</u>
Code enforcement				
Materials and supplies	-	-	1	(1)
Contractual services	1	1	20	(19)
Code enforcement total	<u>1</u>	<u>1</u>	<u>21</u>	<u>(20)</u>
Diversity and inclusion				
Personnel services	889	930	776	154
Materials and supplies	30	45	25	20
Contractual services	640	738	217	521
Diversity and inclusion total	<u>1,559</u>	<u>1,713</u>	<u>1,018</u>	<u>695</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, 2023
(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)				
Engage Toledo				
Personnel services	879	879	898	(19)
Materials and supplies	48	48	22	26
Contractual services	119	119	77	42
Engage Toledo total	<u>1,046</u>	<u>1,046</u>	<u>997</u>	<u>49</u>
Facility operations				
Contractual services	773	773	742	31
Facility operations total	<u>773</u>	<u>773</u>	<u>742</u>	<u>31</u>
Finance administration				
Personnel services	197	197	114	83
Materials and supplies	20	20	16	4
Contractual services	97	97	39	58
Finance administration total	<u>314</u>	<u>314</u>	<u>169</u>	<u>145</u>
Finance ERP				
Personnel services	139	139	116	23
Contractual services	309	311	196	115
Finance ERP total	<u>448</u>	<u>450</u>	<u>312</u>	<u>138</u>
Financial analysis				
Personnel services	355	355	371	(16)
Contractual services	34	35	26	9
Financial analysis total	<u>389</u>	<u>390</u>	<u>397</u>	<u>(7)</u>
General fund utilities				
Contractual services	1,526	1,526	1,359	167
General fund utilities total	<u>1,526</u>	<u>1,526</u>	<u>1,359</u>	<u>167</u>
General non-departmental services				
Personnel services	(1,900)	(1,900)	108	(2,008)
Contractual services	14,146	14,146	10,203	3,943
General non-departmental services total	<u>12,246</u>	<u>12,246</u>	<u>10,311</u>	<u>1,935</u>
Human relations commission				
Personnel services	173	173	211	(38)
Materials and supplies	18	18	14	4
Contractual services	113	113	90	23
Human relations commission total	<u>304</u>	<u>304</u>	<u>315</u>	<u>(11)</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, 2023
(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)				
Human resources				
Personnel services	1,647	1,647	1,425	222
Materials and supplies	130	122	19	103
Contractual services	1,435	1,446	793	653
Human resources total	<u>3,212</u>	<u>3,215</u>	<u>2,237</u>	<u>978</u>
Law				
Personnel services	1,285	1,285	1,183	102
Materials and supplies	23	23	20	3
Contractual services	497	503	260	243
Law total	<u>1,805</u>	<u>1,811</u>	<u>1,463</u>	<u>348</u>
Marketing & Communication				
Personnel services	596	596	397	199
Materials and supplies	30	32	22	10
Contractual services	430	428	388	40
Marketing & Communication total	<u>1,056</u>	<u>1,056</u>	<u>807</u>	<u>249</u>
Office of the Mayor				
Personnel services	918	1,063	1,070	(7)
Materials and supplies	14	14	6	8
Contractual services	299	303	203	100
Office of the Mayor total	<u>1,231</u>	<u>1,380</u>	<u>1,279</u>	<u>101</u>
Purchasing and supplies				
Personnel services	622	622	456	166
Materials and supplies	5	5	-	5
Contractual services	91	93	75	18
Purchasing and supplies total	<u>718</u>	<u>720</u>	<u>531</u>	<u>189</u>
Safety administration				
Contractual services	75	75	97	(22)
Safety administration total	<u>75</u>	<u>75</u>	<u>97</u>	<u>(22)</u>
Taxation				
Personnel services	3,250	3,250	2,820	430
Materials and supplies	136	143	102	41
Contractual services	496	640	499	141
Taxation total	<u>3,882</u>	<u>4,033</u>	<u>3,421</u>	<u>612</u>
Treasury				
Personnel services	516	516	403	113
Materials and supplies	25	40	30	10
Contractual services	223	209	50	159
Treasury total	<u>764</u>	<u>765</u>	<u>483</u>	<u>282</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, 2023
(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)				
Urban beautification				
Personnel services	1,088	1,088	860	228
Materials and supplies	70	70	9	61
Contractual services	1,354	1,355	937	418
Urban beautification total	<u>2,512</u>	<u>2,513</u>	<u>1,806</u>	<u>707</u>
Youth services				
Personnel services	261	261	125	136
Materials and supplies	8	8	4	4
Contractual services	59	59	28	31
Youth services total	<u>328</u>	<u>328</u>	<u>157</u>	<u>171</u>
<i>General government total</i>	<u>38,475</u>	<u>39,123</u>	<u>31,518</u>	<u>7,605</u>
Public service				
General fund utilities				
Contractual services	1,442	1,442	1,151	291
General fund utilities total	<u>1,442</u>	<u>1,442</u>	<u>1,151</u>	<u>291</u>
Urban beautification				
Personnel services	42	42	30	12
Materials and supplies	50	50	17	33
Contractual services	873	882	707	175
Urban beautification total	<u>965</u>	<u>974</u>	<u>754</u>	<u>220</u>
<i>Public service total</i>	<u>2,407</u>	<u>2,416</u>	<u>1,905</u>	<u>511</u>
Public safety				
Clerk of municipal court				
Personnel services	5,715	5,605	5,411	194
Materials and supplies	395	511	503	8
Contractual services	785	779	573	206
Clerk of municipal court total	<u>6,895</u>	<u>6,895</u>	<u>6,487</u>	<u>408</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, 2023
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public safety (continued)				
Fire				
Personnel services	67,641	70,312	67,504	2,808
Materials and supplies	2,512	2,613	1,962	651
Contractual services	7,013	7,009	5,377	1,632
Capital outlay	-	23	-	23
Fire total	<u>77,166</u>	<u>79,957</u>	<u>74,843</u>	<u>5,114</u>
General non-departmental services				
Contractual services	78	78	71	7
General non-departmental services total	<u>78</u>	<u>78</u>	<u>71</u>	<u>7</u>
Law				
Personnel services	1,678	1,708	1,597	111
Law total	<u>1,678</u>	<u>1,708</u>	<u>1,597</u>	<u>111</u>
Municipal court judges				
Personnel services	8,249	8,049	7,608	441
Materials and supplies	206	306	243	63
Contractual services	3,504	3,604	3,166	438
Municipal court judges total	<u>11,959</u>	<u>11,959</u>	<u>11,017</u>	<u>942</u>
Office of the Mayor				
Personnel services	-	-	6	(6)
Office of the Mayor total	<u>-</u>	<u>-</u>	<u>6</u>	<u>(6)</u>
Police				
Personnel services	79,027	79,027	77,032	1,995
Materials and supplies	1,446	1,446	1,044	402
Contractual services	9,359	9,554	8,560	994
Police total	<u>89,832</u>	<u>90,027</u>	<u>86,636</u>	<u>3,391</u>
Safety administration				
Personnel services	445	350	234	116
Contractual services	9,338	10,760	10,761	(1)
Safety administration total	<u>9,783</u>	<u>11,110</u>	<u>10,995</u>	<u>115</u>
<i>Public safety total</i>	<u>197,391</u>	<u>201,734</u>	<u>191,652</u>	<u>10,082</u>
Public utilities				
Utilities administrative services				
Personnel services	49	49	7	42
Contractual services	425	925	22	903
Utilities administrative services total	<u>474</u>	<u>974</u>	<u>29</u>	<u>945</u>
<i>Public utilities total</i>	<u>474</u>	<u>974</u>	<u>29</u>	<u>945</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, 2023
(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				
Building inspection				
Personnel services	2,264	2,264	1,847	417
Materials and supplies	29	29	17	12
Contractual services	464	519	396	123
Building inspection total	<u>2,757</u>	<u>2,812</u>	<u>2,260</u>	<u>552</u>
Code enforcement				
Personnel services	1,897	1,897	1,571	326
Materials and supplies	43	43	18	25
Contractual services	375	380	182	198
Code enforcement total	<u>2,315</u>	<u>2,320</u>	<u>1,771</u>	<u>549</u>
Economic development				
Personnel services	855	855	623	232
Materials and supplies	9	9	4	5
Contractual services	2,746	2,747	2,150	597
Economic development total	<u>3,610</u>	<u>3,611</u>	<u>2,777</u>	<u>834</u>
Engineering services				
Personnel services	227	227	201	26
Materials and supplies	2	2	-	2
Contractual services	64	64	24	40
Engineering services total	<u>293</u>	<u>293</u>	<u>225</u>	<u>68</u>
Housing				
Personnel services	327	327	338	(11)
Materials and supplies	5	13	6	7
Contractual services	932	936	582	354
Debt and other	-	-	-	-
Housing total	<u>1,264</u>	<u>1,276</u>	<u>926</u>	<u>350</u>
Neighborhoods administration				
Personnel services	300	300	185	115
Materials and supplies	8	6	5	1
Contractual services	180	183	225	(42)
Neighborhoods administration total	<u>488</u>	<u>489</u>	<u>415</u>	<u>74</u>
Planning commission				
Personnel services	1,260	1,384	1,068	316
Materials and supplies	40	40	34	6
Contractual services	276	279	129	150
Planning commission total	<u>1,576</u>	<u>1,703</u>	<u>1,231</u>	<u>472</u>
Urban beautification				
Personnel services	1,121	1,121	1,018	103
Materials and supplies	44	46	25	21
Contractual services	6,486	6,488	2,157	4,331
Urban beautification total	<u>7,651</u>	<u>7,655</u>	<u>3,200</u>	<u>4,455</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, 2023
(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)				
Waste disposal				
Contractual services	327	327	76	251
Waste disposal total	<u>327</u>	<u>327</u>	<u>76</u>	<u>251</u>
<i>Community environment total</i>	<u>20,281</u>	<u>20,486</u>	<u>12,881</u>	<u>7,605</u>
Health				
Environmental services				
Personnel services	248	248	136	112
Materials and supplies	4	4	4	-
Contractual services	15	15	11	4
Environmental services total	<u>267</u>	<u>267</u>	<u>151</u>	<u>116</u>
General non-departmental services				
Contractual services	2,442	2,467	2,588	(121)
General non-departmental services total	<u>2,442</u>	<u>2,467</u>	<u>2,588</u>	<u>(121)</u>
Municipal court judges				
Personnel services	375	375	359	16
Municipal court judges total	<u>375</u>	<u>375</u>	<u>359</u>	<u>16</u>
Urban beautification				
Contractual services	616	616	533	83
Parks & forestry total	<u>616</u>	<u>616</u>	<u>533</u>	<u>83</u>
Waste disposal				
Personnel services	1,662	1,662	1,297	365
Materials and supplies	248	248	152	96
Contractual services	4,633	5,278	4,557	721
Waste disposal total	<u>6,543</u>	<u>7,188</u>	<u>6,006</u>	<u>1,182</u>
<i>Health total</i>	<u>10,243</u>	<u>10,913</u>	<u>9,637</u>	<u>1,276</u>
Parks and recreation				
Code enforcement				
Contractual services	-	-	(6)	6
Code enforcement total	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>6</u>
Economic Development				
Contractual services	9	9	8	1
Economic Development total	<u>9</u>	<u>9</u>	<u>8</u>	<u>1</u>
Parks, recreation and community enrichment				
Personnel services	2,564	2,564	2,352	212
Materials and supplies	493	493	320	173
Contractual services	2,093	2,206	1,830	376
Parks, recreation and community enrichment total	<u>5,150</u>	<u>5,263</u>	<u>4,502</u>	<u>761</u>

Parks and recreation 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, 2023
(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 (continued)				
Urban beautification				
Personnel services	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	368	373	510	(137)
Urban beautification total	<u>368</u>	<u>373</u>	<u>510</u>	<u>(137)</u>
<i>Parks and recreation total</i>	<u>5,527</u>	<u>5,645</u>	<u>5,014</u>	<u>631</u>
Capital outlay:				
Code enforcement				
Capital outlay	-	-	28	(28)
Engineering services				
Capital outlay	-	-	158	(158)
Fire				
Capital outlay	-	-	648	(648)
Parks, recreation and community enrichment				
Capital outlay	-	-	33	(33)
Police				
Capital outlay	-	-	223	(223)
Urban beautification				
Capital outlay	-	-	42	(42)
<i>Capital outlay total</i>	<u>-</u>	<u>-</u>	<u>1,132</u>	<u>(1,132)</u>
Debt service:				
Principal retirement	-	-	1,641	(1,641)
Interest and fiscal charges	-	-	253	(253)
Debt service total	<u>-</u>	<u>-</u>	<u>1,894</u>	<u>(1,894)</u>
Total expenditures	<u>274,798</u>	<u>281,291</u>	<u>255,662</u>	<u>25,629</u>
Excess of revenues over expenditures	<u>20,639</u>	<u>14,146</u>	<u>51,605</u>	<u>37,459</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,656	20,656	20,326	(330)
Transfers out	(49,083)	(49,083)	(51,482)	(2,399)
Inception of lease	-	-	531	531
Inception of subscription-based information technology agreement	-	-	549	549
Sale of capital assets	100	100	46	(54)
Total other financing sources (uses)	<u>(28,327)</u>	<u>(28,327)</u>	<u>(30,030)</u>	<u>(1,703)</u>
Net change in fund balance	<u>\$ (7,688)</u>	<u>\$ (14,181)</u>	21,575	<u>\$ 35,756</u>
Fund balance at beginning of year			66,053	
Increase in inventory			1,713	
Fund balance at year end			<u>\$ 89,341</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, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental Services	\$ -	\$ -	\$ 425	\$ 425
Charges for services	564	564	567	3
Investment earnings	468	468	938	470
Increase in fair value of investments	-	-	375	375
Grants	47,353	47,353	9,209	(38,144)
Other revenue	570	570	580	10
Total revenues	<u>48,955</u>	<u>48,955</u>	<u>12,094</u>	<u>(36,861)</u>
EXPENDITURES				
General government				
Debt management				
Contractual services	<u>5</u>	<u>5</u>	<u>4</u>	<u>1</u>
Debt management total	<u>5</u>	<u>5</u>	<u>4</u>	<u>1</u>
Finance ERP				
Contractual services	<u>38</u>	<u>38</u>	<u>34</u>	<u>4</u>
Finance ERP total	<u>38</u>	<u>38</u>	<u>34</u>	<u>4</u>
Marketing and communications				
Personnel services	<u>17</u>	<u>17</u>	<u>16</u>	<u>1</u>
Marketing and communications total	<u>17</u>	<u>17</u>	<u>16</u>	<u>1</u>
Office of the mayor				
Personnel services	<u>19</u>	<u>19</u>	<u>19</u>	<u>-</u>
Office of the mayor total	<u>19</u>	<u>19</u>	<u>19</u>	<u>-</u>
<i>General government total</i>	<u>79</u>	<u>79</u>	<u>73</u>	<u>6</u>
Public service				
Engineering services				
Personnel services	<u>35</u>	<u>35</u>	<u>-</u>	<u>35</u>
Engineering services total	<u>35</u>	<u>35</u>	<u>-</u>	<u>35</u>
<i>Public service total</i>	<u>35</u>	<u>35</u>	<u>-</u>	<u>35</u>
Public safety				
Fire and rescue				
Personnel services	<u>74</u>	<u>74</u>	<u>74</u>	<u>-</u>
Fire and rescue total	<u>74</u>	<u>74</u>	<u>74</u>	<u>-</u>
<i>Public safety total</i>	<u>74</u>	<u>74</u>	<u>74</u>	<u>-</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, 2023
(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				
City Council				
Contractual services	-	1,676	-	1,676
City council total	-	1,676	-	1,676
Debt management				
Personnel services	69	69	62	7
Debt management total	69	69	62	7
Economic development				
Contractual services	-	1,077	671	406
Capital outlay	-	77	55	22
Economic development total	-	1,154	726	428
Engineering services				
Personnel services	4,152	4,037	2,922	1,115
Materials and supplies	8	8	7	1
Contractual services	616	71,714	19,227	52,487
Capital outlay	45	45	2,935	(2,890)
Engineering services total	4,821	75,804	25,091	50,713
Facility operations				
Materials and supplies	-	115	104	11
Contractual services	-	25,215	8,728	16,487
Capital outlay	-	114	24	90
Facilty operations total	-	25,444	8,856	16,588
Fire				
Materials and supplies	-	1,594	1,375	219
Contractual services	-	4,919	1,031	3,888
Capital outlay	-	5,401	279	5,122
Fire total	-	11,914	2,685	9,229

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, 2023
(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				
Materials and supplies	-	211	-	211
Contractual services	-	1,442	445	997
Capital outlay	-	5,348	3,746	1,602
Fleet total	-	7,001	4,191	2,810
Information & communication technology				
Materials and supplies	-	801	176	625
Contractual services	-	8,873	254	8,619
Information & communication technology total	-	9,674	430	9,244
Law				
Materials and supplies	-	41	41	-
Contractual services	-	343	92	251
Law total	-	384	133	251
Municipal court judges				
Contractual services	-	145	-	145
Capital outlay	-	-	1,748	(1,748)
Municipal court judges total	-	145	1,748	(1,603)
Non-departmental				
Contractual services	-	340	-	340
Municipal court judges total	-	340	-	340
Parks & forestry				
Materials and supplies	-	5	-	5
Contractual services	-	334	234	100
Parks & forestry total	-	339	234	105
Parks, recreation & community enrichment				
Personnel services	206	216	221	(5)
Contractual services	-	361	252	109
Capital outlay	1,737	6,370	3,199	3,171
Parks, recreation & community enrichment total	1,943	6,947	3,672	3,275
Planning commission				
Personnel services	97	97	94	3
Planning commission total	97	97	94	3

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, 2023
(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)				
Police				
Materials and supplies	-	675	269	406
Contractual services	-	1,664	278	1,386
Capital outlay	-	1,756	1,260	496
Police total	-	4,095	1,807	2,288
Recreation				
Contractual services	-	6	6	-
Recreation total	-	6	6	-
Streets, bridges & harbor				
Personnel services	316	316	265	51
Contractual services	-	12,360	4,072	8,288
Capital outlay	-	255	-	255
Streets, bridges & harbor total	316	12,931	4,337	8,594
Transportation				
Personnel services	862	862	684	178
Materials and supplies	8	285	43	242
Contractual services	6	481	376	105
Transportation total	876	1,628	1,103	525
Waste disposal				
Materials and supplies	-	75	63	12
Contractual services	-	4,227	4,059	168
Capital outlay	-	317	116	201
Waste disposal total	-	4,619	4,238	381
<i>Capital outlay total</i>	<i>8,122</i>	<i>164,267</i>	<i>59,413</i>	<i>104,854</i>

(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, 2023
(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>		
Debt service:				
Principal retirement	3,532	3,632	2,671	961
Interest and fiscal charges	482	482	417	65
Debt issuance cost	-	-	394	(394)
	<u>4,014</u>	<u>4,114</u>	<u>3,482</u>	<u>632</u>
Total expenditures	<u>12,324</u>	<u>168,569</u>	<u>63,042</u>	<u>105,527</u>
Excess of expenditures over revenues	<u>36,631</u>	<u>(119,614)</u>	<u>(50,948)</u>	<u>68,666</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	49,633	49,633	51,983	2,350
Transfers (out)	(38,033)	(38,033)	(37,016)	1,017
Issuance of bonds	32,974	32,974	22,300	(10,674)
Premium on bonds issued	-	-	381	381
Inception of lease	-	-	2,890	2,890
Issuance of loans	115	115	115	-
Total other financing sources (uses)	<u>44,689</u>	<u>44,689</u>	<u>40,653</u>	<u>(4,036)</u>
Net change in fund balance	<u>\$ 81,320</u>	<u>\$ (74,925)</u>	(10,295)	<u>\$ 64,630</u>
Fund balance at beginning of year			91,453	
(Decrease) in inventory			(290)	
Fund balance at year end			<u>\$ 80,868</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, 2023
(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	\$ 30,126	\$ 30,126	\$ 24,855	\$ (5,271)
Investment earnings	-	-	105	105
Other revenue	8,654	8,654	84	(8,570)
Total revenues	<u>38,780</u>	<u>38,780</u>	<u>25,044</u>	<u>(13,736)</u>
EXPENDITURES				
Current:				
General government				
Debt management				
Personnel services	46	46	42	4
Contractual services	5	5	3	2
Debt management total	<u>51</u>	<u>51</u>	<u>45</u>	<u>6</u>
Diversity and inclusion				
Personnel services	49	49	24	25
Diversity and inclusion total	<u>49</u>	<u>49</u>	<u>24</u>	<u>25</u>
Finance ERP				
Contractual services	68	68	62	6
Finance ERP total	<u>68</u>	<u>68</u>	<u>62</u>	<u>6</u>
Human resources				
Personnel services	13	13	13	-
Human resources total	<u>13</u>	<u>13</u>	<u>13</u>	<u>-</u>
Marketing & communications				
Personnel services	42	42	39	3
Marketing & communications total	<u>42</u>	<u>42</u>	<u>39</u>	<u>3</u>
Office of the mayor				
Personnel services	19	19	20	(1)
Office of the mayor total	<u>19</u>	<u>19</u>	<u>20</u>	<u>(1)</u>
Treasury				
Personnel services	262	262	159	103
Materials and supplies	6	7	2	5
Contractual services	36	36	-	36
Treasury total	<u>304</u>	<u>305</u>	<u>161</u>	<u>144</u>
Urban beautification				
Materials and supplies	5	5	2	3
Contractual services	360	363	309	54
Urban beautification total	<u>365</u>	<u>368</u>	<u>311</u>	<u>57</u>
<i>General government total</i>	<u>911</u>	<u>915</u>	<u>675</u>	<u>240</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, 2023
(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				
Engineering services				
Personnel services	230	230	147	83
Contractual services	44	44	10	34
Engineering services total	<u>274</u>	<u>274</u>	<u>157</u>	<u>117</u>
General fund utilities				
Contractual services	3,448	3,448	2,904	544
General fund utilities total	<u>3,448</u>	<u>3,448</u>	<u>2,904</u>	<u>544</u>
Streets, bridges & harbor				
Personnel services	2,150	2,150	1,488	662
Materials and supplies	2,417	2,417	52	2,365
Contractual services	3,909	3,942	1,744	2,198
Streets, bridges & harbor total	<u>8,476</u>	<u>8,509</u>	<u>3,284</u>	<u>5,225</u>
Treasury				
Materials and supplies	82	81	22	59
Contractual services	5,705	5,705	651	5,054
Treasury total	<u>5,787</u>	<u>5,786</u>	<u>673</u>	<u>5,113</u>
Urban beautification				
Personnel services	7,874	7,874	8,665	(791)
Materials and supplies	662	662	290	372
Contractual services	10,853	10,909	6,425	4,484
Urban beautification total	<u>19,389</u>	<u>19,445</u>	<u>15,380</u>	<u>4,065</u>
<i>Public service total</i>	<u>37,374</u>	<u>37,462</u>	<u>22,398</u>	<u>15,064</u>
Health				
Urban beautification				
Personnel services	743	743	453	290
Materials and supplies	43	43	12	31
Contractual services	238	238	98	140
Urban beautification total	<u>1,024</u>	<u>1,024</u>	<u>563</u>	<u>461</u>
<i>Health total</i>	<u>1,024</u>	<u>1,024</u>	<u>563</u>	<u>461</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, 2023
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay				
Streets, bridges & harbor				
Capital outlay	-	-	698	(698)
Streets, bridges & harbor total	-	-	698	(698)
Urban beautification				
Capital outlay	-	-	94	(94)
Urban beautification total	-	-	94	(94)
<i>Capital outlay total</i>	-	-	792	(792)
Debt service:				
Principal retirement	20,100	20,100	110	19,990
Interest and fiscal charges	1,526	1,526	1,532	(6)
Debt service total	21,626	21,626	1,642	19,984
Total expenditures	60,935	61,027	26,070	34,957
Excess of revenues over (under) expenditures	(22,155)	(22,247)	(1,026)	21,221
OTHER FINANCING SOURCES				
Issuance of debt	21,560	21,560	-	(21,560)
Inception of subscription-based information technology agreement	-	-	181	181
Inception of lease	-	-	612	612
Sale of capital assets	-	-	51	51
Total other financing sources	21,560	21,560	844	(20,716)
Net change in fund balance	\$ (595)	\$ (687)	(182)	\$ 505
Fund balance (deficit) at beginning of year			(56,539)	
(Decrease) in inventory			(2,042)	
Fund balance (deficit) at year end			<u>\$ (58,763)</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, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ 39,670	\$ 39,670
Investment earnings	-	-	3,576	3,576
Increase in fair value of investments	-	-	3,567	3,567
Total revenues	<u>-</u>	<u>-</u>	<u>46,813</u>	<u>46,813</u>
EXPENDITURES				
Current:				
General government				
Facility operations				
Contractual services	-	300	-	300
Facility operations total	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
General non-departmental services				
Personnel services	-	784	-	784
General non-departmental services total	<u>-</u>	<u>784</u>	<u>-</u>	<u>784</u>
Office of the mayor				
Contractual services	-	4,375	2,131	2,244
Office of the mayor total	<u>-</u>	<u>4,375</u>	<u>2,131</u>	<u>2,244</u>
<i>General government total</i>	<u>-</u>	<u>5,459</u>	<u>2,131</u>	<u>3,328</u>
Public service				
Facility operations				
Contractual services	-	2,956	222	2,734
Facility operations total	<u>-</u>	<u>2,956</u>	<u>222</u>	<u>2,734</u>
Streets, bridges & harbor				
Materials and supplies	-	130	62	68
Streets, bridges & harbor total	<u>-</u>	<u>130</u>	<u>62</u>	<u>68</u>
Transportation				
Contractual services	-	25	26	(1)
Transportation total	<u>-</u>	<u>25</u>	<u>26</u>	<u>(1)</u>
Urban beautification				
Capital outlay	-	750	-	750
Urban beautification total	<u>-</u>	<u>750</u>	<u>-</u>	<u>750</u>
<i>Public service total</i>	<u>-</u>	<u>3,861</u>	<u>310</u>	<u>3,551</u>

(continued)

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, 2023
(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				
Fire & rescue				
Personnel services	-	10,000	10,000	-
Fire & rescue total	-	10,000	10,000	-
Marketing & communications				
Contractual services	-	180	77	103
Marketing & communications total	-	180	77	103
Police				
Personnel services	-	10,000	10,000	-
Materials and supplies	-	837	556	281
Police total	-	10,837	10,556	281
Save our community				
Personnel services	-	1,610	733	877
Materials and supplies	-	33	13	20
Contractual services	-	525	29	496
Save our community total	-	2,168	775	1,393
<i>Public safety total</i>	-	23,185	21,408	1,777
Public utilities				
Engineering services				
Contractual services	-	2,500	1,071	1,429
Engineering services total	-	2,500	1,071	1,429
Water distribution				
Contractual services	-	9,584	318	9,266
Water distribution total	-	9,584	318	9,266
<i>Public utilities total</i>	-	12,084	1,389	10,695

(continued)

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, 2023
(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:				
Economic development				
Contractual services	-	3,722	3,192	530
Debt and other	-	1,500	-	1,500
Economic development total	-	5,222	3,192	2,030
Housing				
Personnel services	-	12,900	2,129	10,771
Housing total	-	12,900	2,129	10,771
Neighborhoods administration				
Contractual services	-	19,900	310	19,590
Neighborhoods administration total	-	19,900	310	19,590
Urban beautification				
Personnel services	-	218	218	-
Materials and services	-	8	7	1
Contractual services	-	3,774	615	3,159
Urban beautification total	-	4,000	840	3,160
<i>Community environment total</i>	-	42,022	6,471	35,551
Health:				
Finance administration				
Contractual services	-	800	57	743
Finance administration	-	800	57	743
Office of the Mayor				
Contractual services	-	2,000	67	1,933
Office of the Mayor total	-	2,000	67	1,933
<i>Health total</i>	-	2,800	124	2,676
Parks and recreation				
Neighborhoods administration				
Contractual services	-	1,000	1,000	-
Neighborhoods administration total	-	1,000	1,000	-
Parks, recreation & community enrichment				
Materials and supplies	-	1	1	-
Contractual services	-	13,860	5,566	8,294
Parks, recreation & community enrichment total	-	13,861	5,567	8,294
<i>Parks and recreation total</i>	-	14,861	6,567	8,294

(continued)

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, 2023
(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:				
Engineering services				
Contractual services	-	1,500	175	1,325
Engineering services total	-	1,500	175	1,325
Parks, recreation & community enrichment				
Capital outlay	-	225	159	66
Parks, recreation & community enrichment total	-	225	159	66
Urban beautification				
Capital outlay	-	1,200	393	807
Police total	-	1,200	393	807
<i>Capital outlay total</i>	-	2,925	727	2,198
Debt service:				
Principal retirement	-	269	269	-
Interest and fiscal charges	-	11	11	-
Debt service total	-	280	280	-
Total expenditures	-	107,477	39,407	68,070
Net change in fund balance	\$ -	\$ (107,477)	7,406	\$ 114,883
Fund balance (deficit) at beginning of year			(3,548)	
Fund balance at year end			<u>\$ 3,858</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Funds
Federal Block Grants
For the Year Ended December 31, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Grants	\$ 24,155	\$ 24,155	\$ 9,663	\$ (14,492)
Other revenue	-	-	2	2
Total revenues	<u>24,155</u>	<u>24,155</u>	<u>9,665</u>	<u>(14,490)</u>
EXPENDITURES				
Current:				
Community environment				
General non-dept services				
Personnel services	-	-	(33)	33
General non-dept services total	<u>-</u>	<u>-</u>	<u>(33)</u>	<u>33</u>
Urban beautification				
Personnel services	-	8	-	8
Materials and supplies	-	10	-	10
Contractual services	-	183	-	183
Urban beautification total	<u>-</u>	<u>201</u>	<u>-</u>	<u>201</u>
Code enforcement				
Personnel services	-	12	-	12
Contractual services	-	332	205	127
Code enforcement total	<u>-</u>	<u>344</u>	<u>205</u>	<u>139</u>
Economic development				
Materials and supplies	-	1	-	1
Contractual services	-	491	87	404
Economic development total	<u>-</u>	<u>492</u>	<u>87</u>	<u>405</u>
Housing division				
Personnel services	1,000	1,733	829	904
Materials and supplies	31	30	1	29
Contractual services	595	5,785	3,366	2,419
Housing division total	<u>1,626</u>	<u>7,548</u>	<u>4,196</u>	<u>3,352</u>
Law				
Personnel services	-	29	5	24
Law total	<u>-</u>	<u>29</u>	<u>5</u>	<u>24</u>
Neighborhoods administration				
Personnel services	1,215	2,198	971	1,227
Materials and supplies	18	38	12	26
Contractual services	1,956	2,263	1,282	981
Neighborhoods administration total	<u>3,189</u>	<u>4,499</u>	<u>2,265</u>	<u>2,234</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, 2023
(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				
Contractual services	-	13	-	13
Planning commission total	-	13	-	13
Third party partners				
Contractual services	2,541	8,051	4,189	3,862
Third party partners total	2,541	8,051	4,189	3,862
<i>Community environment total</i>	<i>7,356</i>	<i>21,177</i>	<i>10,914</i>	<i>10,263</i>
Total expenditures	7,356	21,177	10,914	10,263
Excess of revenues over (under) expenditures	16,799	2,978	(1,249)	(4,227)
OTHER FINANCING SOURCES				
Sale of capital assets	-	-	6	6
Total other financing sources (uses)	-	-	6	6
Net change in fund balance	<u>\$ 16,799</u>	<u>\$ 2,978</u>	(1,243)	<u>\$ (4,221)</u>
Fund balance at beginning of year			948	
Fund balance (deficit) at year end			<u>\$ (295)</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, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1	\$ 1
Grants	29,158	29,158	26,265	(2,893)
Other revenue	295	295	570	275
Total revenues	<u>29,453</u>	<u>29,453</u>	<u>26,836</u>	<u>(2,617)</u>
EXPENDITURES				
Current:				
Public Service				
Urban beautification				
Materials and supplies	18	18	11	7
Urban beautification total	<u>18</u>	<u>18</u>	<u>11</u>	<u>7</u>
<i>Public Services total</i>	<u>18</u>	<u>18</u>	<u>11</u>	<u>7</u>
Public safety				
Fire				
Personnel services	2,208	4,982	4,065	917
Materials and supplies	618	684	136	548
Contractual services	388	397	3	394
Fire total	<u>3,214</u>	<u>6,063</u>	<u>4,204</u>	<u>1,859</u>
Law				
Personnel services	-	-	-	-
Contractual services	-	-	-	-
Law total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Municipal court judges				
Personnel services	552	617	216	401
Materials and supplies	3	4	1	3
Contractual services	978	1,494	648	846
Municipal court judges total	<u>1,533</u>	<u>2,115</u>	<u>865</u>	<u>1,250</u>
Police				
Personnel services	156	1,308	294	1,014
Materials and supplies	1,495	1,969	1,303	666
Contractual services	124	666	237	429
Police total	<u>1,775</u>	<u>3,943</u>	<u>1,834</u>	<u>2,109</u>
Save our community				
Personnel services	1,015	1,015	217	798
Contractual services	49	49	-	49
Save our community total	<u>1,064</u>	<u>1,064</u>	<u>217</u>	<u>847</u>
<i>Public safety total</i>	<u>7,586</u>	<u>13,185</u>	<u>7,120</u>	<u>6,065</u>
Public utilities				
Environmental services				
Contractual services	-	17	7	10
Environmental services total	<u>-</u>	<u>17</u>	<u>7</u>	<u>10</u>
<i>Public utilities total</i>	<u>-</u>	<u>17</u>	<u>7</u>	<u>10</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, 2023
(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	-	100	-	100
Code enforcement total	-	100	-	100
Economic development				
Contractual services	-	8	-	8
Economic development total	-	8	-	8
Housing division				
Personnel services	96	2,056	907	1,149
Materials and supplies	10	115	23	92
Contractual services	778	44,706	22,489	22,217
Housing division total	884	46,877	23,419	23,458
Marketing and communications				
Contractual services	15	15	-	15
Marketing and communications total	15	15	-	15
Neighborhoods administration				
Contractual services	648	1,544	967	577
Neighborhoods administration total	648	1,544	967	577
Planning commission				
Personnel services	275	336	262	74
Contractual services	50	50	25	25
Planning commission total	325	386	287	99
<i>Community environment total</i>	<i>1,872</i>	<i>48,930</i>	<i>24,673</i>	<i>24,257</i>
Health				
Environmental services				
Personnel services	1,736	2,502	884	1,618
Materials and supplies	64	143	29	114
Contractual services	2,259	5,974	1,454	4,520
Environmental services total	4,059	8,619	2,367	6,252
<i>Health total</i>	<i>4,059</i>	<i>8,619</i>	<i>2,367</i>	<i>6,252</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, 2023
(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	-	-	-	-
Contractual services	-	41	-	41
Parks & Forestry total	-	41	-	41
<i>Parks and recreation total</i>	-	41	-	41
Capital outlay				
Environmental services				
Capital outlay	13	173	128	45
Environmental services total	13	173	128	45
Fire				
Capital outlay	-	-	194	(194)
Fire total	-	-	194	(194)
Housing				
Capital outlay	170	170	-	170
Housing total	170	170	-	170
Police				
Capital outlay	-	394	1,225	(831)
Police total	-	394	1,225	(831)
<i>Capital outlay total</i>	183	737	1,547	(810)
Debt service:				
Principal retirement	-	-	284	(284)
Interest and fiscal charges	-	-	2	(2)
<i>Debt service total</i>	-	-	286	(286)
Total expenditures	13,718	71,547	36,011	35,536
Excess of revenues over (under) expenditures	15,735	(42,094)	(9,175)	32,919
OTHER FINANCING SOURCES				
Inception of subscription-based information technology agreement	-	-	831	831
Total other financing sources	-	-	831	831
Net change in fund balance	<u>\$ 15,735</u>	<u>\$ (42,094)</u>	(8,344)	<u>\$ 33,750</u>
Fund balance at beginning of year			18,785	
Fund balance at year end			<u>\$ 10,441</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, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 688	\$ 688	\$ 688	\$ -
Fund balance at year end	<u>\$ 688</u>	<u>\$ 688</u>	<u>\$ 688</u>	<u>\$ -</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, 2023
(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:	\$ 17,472	\$ 17,472	\$ 16,865	\$ (607)
Charges for services	3	3	4	1
Fines and forfeitures	264	264	176	(88)
Other revenue	25	25	69	44
Total revenues	<u>17,764</u>	<u>17,764</u>	<u>17,114</u>	<u>(650)</u>
EXPENDITURES				
Current:				
General government				
Diversity & Inclusion				
Personnel services	49	49	24	25
Diversity & Inclusion total	<u>49</u>	<u>49</u>	<u>24</u>	<u>25</u>
Finance ERP				
Contractual services	28	28	25	3
Finance ERP total	<u>28</u>	<u>28</u>	<u>25</u>	<u>3</u>
Human resources				
Personnel services	25	25	25	-
Human resources total	<u>25</u>	<u>25</u>	<u>25</u>	<u>-</u>
Office of the mayor				
Personnel services	19	19	20	(1)
Office of the mayor total	<u>19</u>	<u>19</u>	<u>20</u>	<u>(1)</u>
Streets, bridges & harbor				
Contractual services	98	98	21	77
Streets, bridges & harbor total	<u>98</u>	<u>98</u>	<u>21</u>	<u>77</u>
<i>General government total</i>	<u>219</u>	<u>219</u>	<u>115</u>	<u>104</u>
Public service				
Engineering services				
Contractual services	-	-	1	(1)
Engineering services total	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>
General fund utilities				
Contractual services	335	335	404	(69)
General fund utilities total	<u>335</u>	<u>335</u>	<u>404</u>	<u>(69)</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, 2023
(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	7,343	7,343	7,625	(282)
Materials and supplies	3,506	3,506	1,657	1,849
Contractual services	3,491	3,521	2,426	1,095
Streets, bridges & harbor total	<u>14,340</u>	<u>14,370</u>	<u>11,708</u>	<u>2,662</u>
Transportation				
Personnel services	3,854	3,854	3,341	513
Materials and supplies	786	769	662	107
Contractual services	1,382	1,406	1,025	381
Transportation total	<u>6,022</u>	<u>6,029</u>	<u>5,028</u>	<u>1,001</u>
<i>Public service total</i>	<u>20,697</u>	<u>20,734</u>	<u>17,141</u>	<u>3,593</u>
Public safety				
Police				
Personnel services	202	202	195	7
Police total	<u>202</u>	<u>202</u>	<u>195</u>	<u>7</u>
<i>Public safety total</i>	<u>202</u>	<u>202</u>	<u>195</u>	<u>7</u>
Public Utilities				
Streets, bridges & harbor				
Personnel services	-	-	14	(14)
Streets, bridges & harbor total	<u>-</u>	<u>-</u>	<u>14</u>	<u>(14)</u>
<i>Public utilities total</i>	<u>-</u>	<u>-</u>	<u>14</u>	<u>(14)</u>
Community environment				
Building inspection				
Personnel services	14	14	13	1
Building inspection total	<u>14</u>	<u>14</u>	<u>13</u>	<u>1</u>
<i>Community environment total</i>	<u>14</u>	<u>14</u>	<u>13</u>	<u>1</u>
Capital outlay				
Fleet operations				
Contractual services	-	-	10	(10)
Fleet operations total	<u>-</u>	<u>-</u>	<u>10</u>	<u>(10)</u>
Streets, bridges & harbor				
Capital outlay	-	577	866	(289)
Streets, bridges & harbor total	<u>-</u>	<u>577</u>	<u>866</u>	<u>(289)</u>

Capital outlay 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, 2023
(Amounts in Thousands)
(continued)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Capital outlay (continued)				
Transportation				
Capital outlay	-	384	207	177
Transportation total	-	384	207	177
<i>Capital outlay total</i>	-	961	1,083	(122)
Debt service:				
Principal retirement	-	-	40	(40)
Interest and fiscal charges	-	-	1	(1)
<i>Debt service total</i>	-	-	41	(41)
Total expenditures	21,132	22,130	18,602	3,528
Excess of expenditures over revenues	(3,368)	(4,366)	(1,488)	2,878
OTHER FINANCING SOURCES (USES)				
Transfers in	225	225	225	-
Transfers (out)	(795)	(795)	(795)	-
Inception of subscription-based information technology agreement	-	-	190	190
Sale of capital assets	-	-	37	37
Total other financing sources (uses)	(570)	(570)	(343)	227
Net change in fund balance	<u>\$ (3,938)</u>	<u>\$ (4,936)</u>	(1,831)	<u>\$ 3,105</u>
Fund balance at beginning of year			6,393	
(Decrease) in inventory			(267)	
Fund balance at year end			<u>\$ 4,295</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, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 40	\$ 40
Total revenues	<u>-</u>	<u>-</u>	<u>40</u>	<u>40</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>40</u>	<u>\$ 40</u>
Fund balance at beginning of year			<u>339</u>	
Fund balance at year end			<u>\$ 379</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, 2023
(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	\$ 1,350	\$ 1,350	\$ 1,184	\$ (166)
Other revenue	-	-	2	2
Total revenues	<u>1,350</u>	<u>1,350</u>	<u>1,186</u>	<u>(164)</u>
EXPENDITURES				
Current:				
Community environment				
Parks, recreation and community enrichment:				
Material and Supplies	273	273	226	47
Contractual Services	1,460	1,460	1,130	330
Parks, recreation and community enrichment total	<u>1,733</u>	<u>1,733</u>	<u>1,356</u>	<u>377</u>
<i>Community environment total</i>	<u>1,733</u>	<u>1,733</u>	<u>1,356</u>	<u>377</u>
Debt service:				
Principal retirement	-	-	184	(184)
Interest and fiscal charges	-	-	21	(21)
Debt service total	<u>-</u>	<u>-</u>	<u>205</u>	<u>(205)</u>
Total expenditures	<u>1,733</u>	<u>1,733</u>	<u>1,561</u>	<u>172</u>
Excess of expenditures over revenues	<u>(383)</u>	<u>(383)</u>	<u>(375)</u>	<u>8</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	373	373
Total other financing sources	<u>-</u>	<u>-</u>	<u>373</u>	<u>373</u>
Net change in fund balance	<u>\$ (383)</u>	<u>\$ (383)</u>	<u>(2)</u>	<u>\$ 381</u>
Fund balance at beginning of year			<u>92</u>	
Fund balance at year end			<u>\$ 90</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, 2023
(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	\$ -	\$ -	\$ 181	\$ 181
Total revenues	<u>-</u>	<u>-</u>	<u>181</u>	<u>181</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	181	<u>\$ 181</u>
Fund balance at beginning of year			412	
Fund balance at year end			<u>\$ 593</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, 2023
(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	\$ -	\$ -	\$ 63	\$ 63
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	63	<u>\$ 63</u>
Fund balance at beginning of year			584	
Fund balance at year end			<u>\$ 647</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, 2023
(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				
Parks, recreation and community enrichment				
Contractual services	19	19	3	16
Parks, recreation and community enrichment total	<u>19</u>	<u>19</u>	<u>3</u>	<u>16</u>
<i>Parks and recreation total</i>	<u>19</u>	<u>19</u>	<u>3</u>	<u>16</u>
Total expenditures	<u>19</u>	<u>19</u>	<u>3</u>	<u>16</u>
Net change in fund balance	<u>\$ 7</u>	<u>\$ 7</u>	23	<u>\$ 16</u>
Fund balance at beginning of year			169	
Fund balance at year end			<u>\$ 192</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, 2023
(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	\$ 490	\$ 490	\$ 488	\$ (2)
Investment earnings	122	122	133	11
Fines and forfeitures	1,033	1,033	1,033	-
Grants	53	53	53	-
Other revenue	1,249	1,249	3,295	2,046
Total revenues	<u>2,947</u>	<u>2,947</u>	<u>5,002</u>	<u>2,055</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	-	291	-	291
Municipal court judges total	<u>-</u>	<u>291</u>	<u>-</u>	<u>291</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	-	50	50	-
Streets, bridges & harbor total	<u>-</u>	<u>50</u>	<u>50</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>986</u>	<u>50</u>	<u>936</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, 2023
(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	-	230	-	230
Clerk of municipal court total	-	230	-	230
Fire				
Materials and supplies	-	5	4	1
Contractual services	-	37	1	36
Fire total	-	42	5	37
Law				
Contractual services	-	180	137	43
Law total	-	180	137	43
Municipal court judges				
Personnel services	-	116	1	115
Materials and supplies	-	2,893	85	2,808
Contractual services	-	8,215	630	7,585
Municipal court judges total	-	11,224	716	10,508
Police				
Materials and supplies	-	565	251	314
Contractual services	-	4,385	76	4,309
Police total	-	4,950	327	4,623
<i>Public safety total</i>	-	16,626	1,185	15,441
Community environment				
Code enforcement				
Contractual services	-	3	1	2
Code enforcement total	-	3	1	2
Economic development				
Contractual services	-	22	-	22
Economic development total	-	22	-	22
Housing division				
Contractual services	-	1	-	1
Housing division total	-	1	-	1

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, 2023
(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)				
Municipal court judges				
Materials and supplies	-	38	3	35
Contractual services	-	227	5	222
Municipal court judges total	-	265	8	257
Neighborhoods administration				
Personnel services	-	17	-	17
Materials and supplies	-	2	-	2
Contractual services	-	1,109	91	1,018
Neighborhoods administration total	-	1,128	91	1,037
Recreation				
Materials and supplies		13	1	12
Contractual services	-	144	44	100
Recreation total	-	157	45	112
Streets, bridges & harbor				
Personnel services	-	109	830	(721)
Materials and supplies	-	144	56	88
Contractual services	-	766	1,210	(444)
Capital outlay	-	-	-	-
Streets, bridges & harbor total	-	1,019	2,096	(1,077)
<i>Community environment total</i>	-	2,595	2,241	354
Health				
Environmental services				
Contractual services	-	313	3	310
Environmental services total	-	313	3	310
Waste disposal				
Contractual services	-	591	47	544
Waste disposal total	-	591	47	544
<i>Health total</i>	-	904	50	854
Parks and recreation				
Natural resources administration				
Contractual services	-	1	-	1
Natural resources administration total	-	1	-	1
Parks & forestry				
Materials and supplies	-	17	13	4
Contractual services	-	209	39	170
Parks & forestry total	-	226	52	174

Parks and recreation 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
Expendable Trusts
For the Year Ended December 31, 2023
(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 (continued)				
Recreation				
Contractual services	-	1	-	1
Recreation total	-	1	-	1
Youth commission				
Contractual Services	-	3	-	3
Youth commission total	-	3	-	3
<i>Parks and recreation total</i>	-	231	52	179
Capital outlay				
Municipal court judges				
Capital outlay	-	214	161	53
Parks & forestry				
Capital outlay	-	1,577	25	1,552
<i>Capital outlay total</i>	-	1,791	186	1,605
Debt service:				
Principal retirement	-	-	118	(118)
Interest and fiscal charges	-	-	7	(7)
Debt service total	-	-	125	(125)
Total expenditures	-	23,133	3,889	19,244
Excess of revenues over (under) expenditures	2,947	(20,186)	1,113	21,299
OTHER FINANCING SOURCES				
Transfers in	20	20	50	30
Transfers (out)	-	(10)	-	10
Sale of capital assets	-	3	-	(3)
Total other financing sources	20	13	50	37
Net change in fund balance	<u>\$ 2,967</u>	<u>\$ (20,173)</u>	1,163	<u>\$ 21,336</u>
Fund balance at beginning of year			15,617	
(Decrease) in inventory			(36)	
Fund balance at year end			<u>\$ 16,744</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, 2023
(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	\$ 99	\$ 99	\$ 99	\$ -
Fund balance at year end	<u>\$ 99</u>	<u>\$ 99</u>	<u>\$ 99</u>	<u>\$ -</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, 2023
(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	\$ 15,085	\$ 15,085	\$ 2,383	\$ (12,702)
Other revenue	873	873	873	-
Total revenues	<u>15,958</u>	<u>15,958</u>	<u>3,256</u>	<u>(12,702)</u>
EXPENDITURES				
Current:				
Community environment				
Housing division				
Personnel services	890	1,428	186	1,242
Materials and supplies	96	132	9	123
Contractual services	8,998	14,023	1,869	12,154
Total expenditures	<u>9,984</u>	<u>15,583</u>	<u>2,064</u>	<u>13,519</u>
Excess of expenditures over revenues	<u>5,974</u>	<u>375</u>	<u>1,192</u>	<u>817</u>
OTHER FINANCING SOURCES				
Transfers in	<u>54</u>	<u>54</u>	-	<u>(54)</u>
Total other financing sources	<u>54</u>	<u>54</u>	-	<u>(54)</u>
Net change in fund balance	<u>\$ 6,028</u>	<u>\$ 429</u>	1,192	<u>\$ 763</u>
Fund balance (deficit) at beginning of year			(453)	
Fund balance at year end			<u>\$ 739</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, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 225	\$ 225	\$ 225	\$ -
Transfers (out)	(225)	(225)	(225)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year			<u>27</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, 2023
(Amounts in Thousands)

	Budgeted amounts		Actuals	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other revenue	\$ -	\$ -	\$ 67	\$ 67
Total revenues	-	-	67	67
Net change in fund balance	\$ -	\$ -	67	\$ 67
Fund balance at beginning of year			428	
Fund balance at year end			\$ 495	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Governmental Funds
Special Revenue
OneOhio Opiod Settlement
For the Year Ended December 31, 2023
(Amounts in Thousands)

	Budgeted amounts		Actuals	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other revenue	\$ -	\$ -	\$ 375	\$ 375
Total revenues	-	-	375	375
Net change in fund balance	\$ -	\$ -	375	\$ 375
Fund balance at beginning of year			88	
Fund balance at year end			\$ 463	

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, 2023
(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:	\$ 3,400	\$ 3,400	\$ 3,309	\$ (91)
Total revenues	<u>3,400</u>	<u>3,400</u>	<u>3,309</u>	<u>(91)</u>
EXPENDITURES				
Debt service:				
Principal retirement	530	530	530	-
Interest and fiscal charges	114	114	114	-
Total expenditures	<u>644</u>	<u>644</u>	<u>644</u>	<u>-</u>
Net change in fund balance	<u>\$ 2,756</u>	<u>\$ 2,756</u>	2,665	<u>\$ (91)</u>
Fund balance (deficit) at beginning of year			<u>(6,399)</u>	
Fund balance (deficit) at year end			<u>\$ (3,734)</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, 2023
(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	\$ 13,625	\$ 13,625	\$ 13,625	\$ -
Interest and fiscal charges	5,150	5,150	4,914	236
Total expenditures	<u>18,775</u>	<u>18,775</u>	<u>18,539</u>	<u>236</u>
Excess of expenditures over revenues	<u>(18,775)</u>	<u>(18,775)</u>	<u>(18,539)</u>	<u>236</u>
OTHER FINANCING SOURCES				
Transfers in	18,775	18,775	17,758	(1,017)
Premiums on bonds issued	-	-	781	781
Total other financing sources	<u>18,775</u>	<u>18,775</u>	<u>18,539</u>	<u>(236)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance at beginning of year			1,593	
Fund balance at year end			<u>\$ 1,593</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, 2023
(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>	<u>\$ -</u>
Fund balance at beginning of year			192	
Fund balance at year end			<u>\$ 192</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, 2023
(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	\$ 291	\$ 291	\$ 229	\$ (62)
Total revenues	<u>291</u>	<u>291</u>	<u>229</u>	<u>(62)</u>
EXPENDITURES				
Capital outlay				
Engineering services				
Personnel services	-	-	-	-
Contractual services	2,000	2,000	1,217	783
Engineering services total	<u>2,000</u>	<u>2,000</u>	<u>1,217</u>	<u>783</u>
<i>Capital outlay total</i>	<u>2,000</u>	<u>2,000</u>	<u>1,217</u>	<u>783</u>
Debt service:				
Principal retirement	1,170	1,170	-	1,170
Interest and fiscal charges	60	60	56	4
Debt service total	<u>1,230</u>	<u>1,230</u>	<u>56</u>	<u>1,174</u>
Total expenditures	<u>3,230</u>	<u>3,230</u>	<u>1,273</u>	<u>1,957</u>
Excess of revenues over (under) expenditures	<u>(2,939)</u>	<u>(2,939)</u>	<u>(1,044)</u>	<u>1,895</u>
OTHER FINANCING SOURCES				
Issuance of debt	2,939	2,939	-	(2,939)
Total other financing sources	<u>2,939</u>	<u>2,939</u>	<u>-</u>	<u>(2,939)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,044)</u>	<u>\$ (1,044)</u>
Fund balance (deficit) at beginning of year			<u>(966)</u>	
Fund balance (deficit) at year end			<u>\$ (2,010)</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, 2023
(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	\$ 1,400	\$ 1,400	\$ -	\$ (1,400)
Total revenues	<u>1,400</u>	<u>1,400</u>	<u>-</u>	<u>(1,400)</u>
EXPENDITURES				
Capital outlay				
Engineering services				
Contractual services	-	2,522	-	2,522
Engineering services total	<u>-</u>	<u>2,522</u>	<u>-</u>	<u>2,522</u>
Transportation				
Contractual services	-	3,219	1,407	1,812
Transportation total	<u>-</u>	<u>3,219</u>	<u>1,407</u>	<u>1,812</u>
<i>Capital outlay total</i>	<u>-</u>	<u>5,741</u>	<u>1,407</u>	<u>4,334</u>
Total expenditures	<u>-</u>	<u>5,741</u>	<u>1,407</u>	<u>4,334</u>
Net change in fund balance	<u>\$ 1,400</u>	<u>\$ (4,341)</u>	<u>(1,407)</u>	<u>\$ 2,934</u>
Fund balance at beginning of year			16,044	
Fund balance at year end			<u>\$ 14,637</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, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental services	\$ 141	\$ 141	\$ 81	\$ (60)
Total revenues	<u>141</u>	<u>141</u>	<u>81</u>	<u>(60)</u>
EXPENDITURES				
Current:				
Community environment				
Economic development				
Contractual services	-	-	40	(40)
Economic development total	<u>-</u>	<u>-</u>	<u>40</u>	<u>(40)</u>
<i>Community environment total</i>	<u>-</u>	<u>-</u>	<u>40</u>	<u>(40)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>40</u>	<u>(40)</u>
Net change in fund balance	<u>\$ 141</u>	<u>\$ 141</u>	41	<u>\$ (100)</u>
Fund balance at beginning of year			<u>84</u>	
Fund balance at year end			<u>\$ 125</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Capital Projects Funds
Downtown Muni Public Imp TIF
For the Year Ended December 31, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental services	\$ -	\$ -	\$ 495	\$ 495
Total revenues	<u>-</u>	<u>-</u>	<u>495</u>	<u>495</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	495	<u>\$ 495</u>
Fund balance at beginning of year			<u>-</u>	
Fund balance at year end			<u>\$ 495</u>	

City of Toledo, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Capital Projects Funds
Hawthorne Hills TIF
For the Year Ended December 31, 2023
(Amounts in Thousands)

	<u>Budgeted amounts</u>		<u>Actuals</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental services	\$ -	\$ 137	\$ 129	\$ (8)
Total revenues	<u>-</u>	<u>137</u>	<u>129</u>	<u>(8)</u>
Excess of revenues over expenditures	<u>-</u>	<u>137</u>	<u>129</u>	<u>(8)</u>
OTHER FINANCING (USES)				
Transfer (out)	-	(137)	(129)	8
Total other financing uses	<u>-</u>	<u>(137)</u>	<u>(129)</u>	<u>8</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year			<u>-</u>	
Fund balance at year end			<u>\$ -</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, 2023
(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	\$ 24,402	\$ 24,402	\$ 25,959	\$ 1,557
Total revenues	<u>24,402</u>	<u>24,402</u>	<u>25,959</u>	<u>1,557</u>
EXPENDITURES				
Current:				
General government				
Taxation				
Contractual services	350	350	-	350
Taxation total	<u>350</u>	<u>350</u>	<u>-</u>	<u>350</u>
<i>General government total</i>	<u>350</u>	<u>350</u>	<u>-</u>	<u>350</u>
Capital outlay				
Engineering services				
Personnel services	1,137	1,137	701	436
Contractual services	134	30,998	22,644	8,354
Capital outlay	-	-	429	(429)
Engineering services total	<u>1,271</u>	<u>32,135</u>	<u>23,774</u>	<u>8,361</u>
Taxation				
Contractual services	-	-	339	(339)
Taxation total	<u>-</u>	<u>-</u>	<u>339</u>	<u>(339)</u>
<i>Capital outlay total</i>	<u>1,271</u>	<u>32,135</u>	<u>24,113</u>	<u>8,022</u>
Debt service:				
Principal retirement	-	-	28	(28)
Interest and fiscal charges	-	-	1	(1)
Debt service total	<u>-</u>	<u>-</u>	<u>29</u>	<u>(29)</u>
Total expenditures	<u>1,621</u>	<u>32,485</u>	<u>24,142</u>	<u>8,343</u>
Excess of expenditures over revenues	<u>22,781</u>	<u>(8,083)</u>	<u>1,817</u>	<u>9,900</u>
OTHER FINANCING SOURCES				
Inception of lease	-	-	429	429
Total other financing sources	<u>-</u>	<u>-</u>	<u>429</u>	<u>429</u>
Net change in fund balance	<u>\$ 22,781</u>	<u>\$ (8,083)</u>	<u>2,246</u>	<u>\$ 10,329</u>
Fund balance at beginning of year			<u>11,231</u>	
Fund balance at year end			<u>\$ 13,477</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, 2023
(Amounts in Thousands)

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

**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.	244 - 253
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	254 - 264
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.	266 - 272
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.	273 - 274
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.	275 - 279

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>2023</u>	<u>2022 (2)</u>	<u>2021</u>	<u>2020</u>
Governmental activities:				
Net investment in capital assets	\$ 492,201	\$ 445,818	\$ 426,609	\$ 394,750
Restricted	108,346	128,896	103,159	87,820
Unrestricted (deficit)	(243,110)	(257,905)	(314,693)	(327,598)
Total governmental activities	<u>357,437</u>	<u>316,809</u>	<u>215,075</u>	<u>154,972</u>
Business-type activities:				
Net investment in capital assets	638,848	571,316	541,190	518,257
Restricted	88,357	97,570	45,852	96,875
Unrestricted (deficit)	157,697	158,593	195,641	97,519
Total business-type activities	<u>884,902</u>	<u>827,479</u>	<u>782,683</u>	<u>712,651</u>
Primary government activities:				
Net investment in capital assets	1,131,049	1,017,134	967,799	913,007
Restricted	196,703	226,466	149,011	184,695
Unrestricted (deficit)	(85,413)	(99,312)	(119,052)	(230,079)
Total primary government activities	<u>\$ 1,242,339</u>	<u>\$ 1,144,288</u>	<u>\$ 997,758</u>	<u>\$ 867,623</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>2019 (2)</u>	<u>2018 (4)</u>	<u>2017 (3)</u>	<u>2016 (2)</u>	<u>2015</u>	<u>2014 (1)</u>
\$ 379,486	\$ 374,777	\$ 397,325	\$ 327,948	\$ 349,748	\$ 377,025
84,887	76,880	49,575	60,434	49,575	58,721
(348,708)	(494,892)	(493,824)	(216,715)	(196,638)	(198,341)
<u>115,665</u>	<u>(43,235)</u>	<u>(46,924)</u>	<u>171,667</u>	<u>202,685</u>	<u>237,405</u>
496,629	471,255	425,274	451,710	404,882	391,748
74,748	45,714	115,302	51,990	75,073	89,146
98,441	100,169	26,925	31,550	14,429	(17,624)
<u>669,818</u>	<u>617,138</u>	<u>567,501</u>	<u>535,250</u>	<u>494,384</u>	<u>463,270</u>
876,115	846,032	822,599	779,658	754,630	768,773
159,635	122,594	164,877	112,424	124,648	147,867
(250,267)	(394,723)	(466,899)	(185,165)	(182,209)	(215,965)
<u>\$ 785,483</u>	<u>\$ 573,903</u>	<u>\$ 520,577</u>	<u>\$ 706,917</u>	<u>\$ 697,069</u>	<u>\$ 700,675</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Government activities				
Charges for services:				
General government	\$ 11,785	\$ 17,553	\$ 18,225	\$ 17,470
Public service	27,016	19,372	24,393	22,557
Public safety	10,424	7,689	10,549	12,614
Public utilities	-	-	-	-
Community environment	4,304	4,389	4,854	4,173
Health	11,799	13,533	12,151	12,823
Parks and recreation	235	124	80	80
Interest and fiscal charges	-	-	-	1,156
Operating grants	78,731	82,178	34,939	31,914
Capital grants	26,577	21,256	20,414	20,714
Total governmental activities program revenues	<u>170,871</u>	<u>166,094</u>	<u>125,605</u>	<u>123,501</u>
Business-type activities:				
Charges for services:				
Water	92,965	91,230	84,019	81,875
Sewer	94,516	95,944	90,678	91,682
Storm utility	9,173	9,210	8,914	9,361
Utilities administration	15,818	13,983	14,365	14,246
Parking	-	-	-	-
Toledo public power	686	1,135	738	505
Property management	-	-	-	-
Erie street market	-	-	-	-
Small business development	-	-	-	-
Municipal Tow lot	3,757	3,700	2,916	2,421
Capital grants	759	-	616	733
Total business-type activities revenues	<u>217,674</u>	<u>215,202</u>	<u>202,246</u>	<u>200,823</u>
Total primary governmental revenues	<u>\$ 388,545</u>	<u>\$ 381,296</u>	<u>\$ 327,851</u>	<u>\$ 324,324</u>
Government-type activities				
General government	\$ 38,562	\$ 30,323	\$ 29,443	\$ 26,252
Public service	50,482	48,585	35,965	43,820
Public safety	250,322	196,652	192,493	188,922
Public utilities	18,101	20,499	17,501	11,838
Community environment	61,653	48,411	35,725	24,214
Health	16,867	11,703	4,531	11,929
Parks and recreation	13,077	8,967	6,467	5,333
Interest and fiscal charges	6,948	4,965	4,888	5,618
Total governmental activities expenses	<u>456,012</u>	<u>370,105</u>	<u>327,013</u>	<u>317,926</u>
Business-type activities				
Water	72,611	64,321	57,479	67,633
Sewer	73,056	63,407	56,204	69,084
Utility administration	16,420	12,027	9,000	14,437
Storm utility	8,782	6,850	4,681	7,826
Property management	1,009	1,032	1,068	1,255
Small business development	-	26	1	5
Toledo public power	568	1,097	801	461
Municipal Tow lot	1,393	1,148	1,106	836
Erie street market	-	-	-	-
Total business-activities expenses	<u>173,839</u>	<u>149,908</u>	<u>130,340</u>	<u>161,537</u>
Total primary government expenses	<u>\$ 629,851</u>	<u>\$ 520,013</u>	<u>\$ 457,353</u>	<u>\$ 479,463</u>

	2019	2018	2017	2016	2015	2014
\$	21,544	\$ 21,461	\$ 15,612	\$ 14,616	\$ 17,835	\$ 22,583
	27,097	27,125	28,858	29,997	27,852	21,517
	19,633	19,098	19,282	16,715	15,338	17,406
	-	1	-	-	14	22
	2,387	3,440	3,021	2,875	2,440	2,389
	8,642	13,407	13,476	12,507	10,454	10,575
	456	130	122	68	479	138
	-	-	-	-	-	-
	4,070	4,765	4,358	7,698	9,022	14,160
	35,208	19,155	17,964	15,786	19,996	14,486
	<u>119,037</u>	<u>108,582</u>	<u>102,693</u>	<u>100,262</u>	<u>103,430</u>	<u>103,276</u>
	78,648	80,270	79,468	72,878	63,323	57,205
	87,890	81,954	77,709	73,438	70,863	69,890
	10,099	9,831	10,115	9,885	9,921	11,046
	18,192	17,867	17,628	17,706	16,222	12,163
	-	-	-	-	-	-
	630	814	1,049	631	688	774
	-	-	-	11	-	1,745
	-	-	-	2	97	107
	-	-	-	-	-	8
	2,652	2,333	2,247	2,219	1,854	2,566
	1,708	1,988	1,178	343	1,524	2,483
	<u>199,819</u>	<u>195,057</u>	<u>189,394</u>	<u>177,113</u>	<u>164,492</u>	<u>157,987</u>
\$	<u>318,856</u>	<u>\$ 303,639</u>	<u>\$ 292,087</u>	<u>\$ 277,375</u>	<u>\$ 267,922</u>	<u>\$ 261,263</u>
\$	32,651	\$ 30,167	\$ 22,753	\$ 24,154	\$ 23,241	\$ 29,937
	71,781	58,908	60,478	64,777	68,533	67,217
	33,072	205,485	193,527	211,044	199,620	177,419
	7,193	5,748	3,567	3,735	3,880	3,753
	23,193	19,430	19,005	20,944	23,550	21,427
	13,360	11,871	9,302	9,561	7,410	9,743
	8,729	4,392	2,871	5,202	6,388	6,702
	6,265	7,022	8,329	9,076	16,676	7,460
	<u>196,244</u>	<u>343,023</u>	<u>319,832</u>	<u>348,493</u>	<u>349,298</u>	<u>323,658</u>
	64,075	63,263	60,012	56,931	56,417	53,472
	64,042	65,316	57,838	58,723	58,407	63,174
	14,088	12,261	12,113	11,721	11,204	12,176
	8,935	7,924	7,698	6,638	6,673	6,358
	753	471	568	652	678	970
	135	8	6	47	57	52
	701	787	710	543	662	747
	1,056	988	1,084	1,089	1,055	1,056
	-	-	-	9	75	109
	<u>153,785</u>	<u>151,018</u>	<u>140,029</u>	<u>136,353</u>	<u>135,228</u>	<u>138,114</u>
\$	<u>350,029</u>	<u>\$ 494,041</u>	<u>\$ 459,861</u>	<u>\$ 484,846</u>	<u>\$ 484,526</u>	<u>\$ 461,772</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental activities	\$ (285,141)	\$ (204,011)	\$ (201,408)	\$ (194,425)
Business-type activities	43,835	65,294	71,906	39,326
Total primary governmental revenue (expenses), net	<u>(241,306)</u>	<u>(138,717)</u>	<u>(129,502)</u>	<u>(155,099)</u>
General revenues and other changes in net position:				
Governmental activities:				
Income taxes	267,468	272,788	212,867	180,076
Property taxes	15,263	13,759	14,940	13,143
Unrestricted investments earnings	7,490	4,769	2,590	1,530
Increase (decrease) in fair value of investments	1,854	(15,053)	(3,349)	-
Grants and entitlements not restricted to specific programs	-	-	-	-
Intergovernmental services	30,622	34,976	31,351	34,959
Gain on forgiveness of debt	-	-	650	-
Gain on sale of capital assets	18	-	13	99
Other revenue	1,761	88	1,470	3,446
Transfers	1,293	1,667	979	479
Total government activities	<u>325,769</u>	<u>312,994</u>	<u>261,511</u>	<u>233,732</u>
Business-type activities:				
Unrestricted investments earnings	9,105	5,234	3,902	3,951
Increase (decrease) in fair value of investments	5,769	(16,225)	(4,920)	-
Gain on sale of capital assets and	7	76	123	35
Transfers	(1,293)	(1,667)	(979)	(479)
Total business-type activities	<u>13,588</u>	<u>(12,582)</u>	<u>(1,874)</u>	<u>3,507</u>
Total primary governmental general revenues and other changes in net position	<u>339,357</u>	<u>300,412</u>	<u>259,637</u>	<u>237,239</u>
Changes in Net Position				
Governmental activities	40,628	108,983	60,103	39,307
Business-type activities	57,423	52,712	70,032	42,833
Total primary governmental net change	<u>\$ 98,051</u>	<u>\$ 161,695</u>	<u>\$ 130,135</u>	<u>\$ 82,140</u>

	2019	2018	2017	2016	2015	2014
\$	(77,207)	\$ (234,441)	\$ (217,139)	\$ (248,230)	\$ (245,868)	\$ (220,382)
	46,034	44,039	49,365	40,760	29,264	19,873
	(31,173)	(190,402)	(167,774)	(207,470)	(216,604)	(200,509)
	190,455	184,098	176,056	175,958	171,053	163,653
	13,072	12,365	12,269	10,059	9,793	9,585
	2,190	2,154	1,164	793	850	454
	-	-	-	-	-	-
	-	-	-	-	-	-
	31,314	27,972	28,430	29,416	24,536	26,740
	-	-	-	-	-	-
	-	-	-	-	-	167
	6,051	11,496	9,317	8,144	5,640	10,534
	493	45	(3,892)	(204)	(724)	1,200
	243,575	238,130	223,344	224,166	211,148	212,333
	7,127	5,522	3,150	1,875	1,078	1,818
	-	-	-	-	-	-
	12	121	-	-	48	673
	(493)	(45)	3,892	204	724	(1,200)
	6,646	5,598	7,042	2,079	1,850	1,291
	250,221	243,728	230,386	226,245	212,998	213,624
	166,368	3,689	6,205	(24,064)	(34,720)	(8,049)
	52,680	49,637	56,407	42,839	31,114	21,164
\$	219,048	\$ 53,326	\$ 62,612	\$ 18,775	\$ (3,606)	\$ 13,115

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund				
Nonspendable	\$ 3,492	\$ 2,374	\$ 2,096	\$ 1,951
Restricted	3,736	3,577	3,828	3,857
Committed	14,252	12,940	12,447	13,377
Assigned	5,477	9,253	4,723	26,616
Unassigned (deficit)	62,384	37,909	31,593	38,834
Total general fund	<u>89,341</u>	<u>66,053</u>	<u>54,687</u>	<u>84,635</u>
All Other Governmental Funds				
Nonspendable	5,069	7,111	7,076	6,446
Restricted	145,116	159,550	108,537	100,082
Committed	3,593	3,288	1,924	1,886
Unassigned (deficit)	(66,747)	(71,892)	(70,613)	(76,740)
Total nonmajor governmental funds	<u>87,031</u>	<u>98,057</u>	<u>46,924</u>	<u>31,674</u>
Total Governmental Funds				
Nonspendable	8,561	9,485	9,172	8,397
Restricted	148,852	163,127	112,365	103,939
Committed	17,845	16,228	14,371	15,263
Assigned	5,477	9,253	4,723	26,616
Unassigned (deficit)	(4,363)	(33,983)	(39,020)	(37,906)
Total governmental funds	<u>\$ 176,372</u>	<u>\$ 164,110</u>	<u>\$ 101,611</u>	<u>\$ 116,309</u>

2019	2018	2017	2016	2015	2014
\$ 1,760	\$ 1,632	\$ 1,189	\$ 1,158	\$ 1,204	\$ 1,594
3,825	3,748	3,764	3,814	4,771	5,317
13,045	16,676	9,480	4,754	1,948	1,553
6,428	-	-	-	-	-
21,564	18,432	7,755	6,028	2,255	1,331
<u>46,622</u>	<u>40,488</u>	<u>22,188</u>	<u>15,754</u>	<u>10,178</u>	<u>9,795</u>
6,420	6,198	4,997	4,812	6,853	7,030
93,400	85,688	90,140	80,524	44,820	41,706
1,800	1,725	1,359	1,392	10,114	15,559
(80,754)	(81,079)	(79,326)	(80,209)	(66,708)	(63,919)
<u>20,866</u>	<u>12,532</u>	<u>17,170</u>	<u>6,519</u>	<u>(4,921)</u>	<u>376</u>
8,180	7,830	6,186	5,970	8,057	8,624
97,225	89,436	93,904	84,338	49,591	47,023
14,845	18,401	10,839	6,146	12,062	17,112
6,428	-	-	-	-	-
(59,190)	(62,647)	(71,571)	(74,181)	(64,453)	(62,588)
<u>\$ 67,488</u>	<u>\$ 53,020</u>	<u>\$ 39,358</u>	<u>\$ 22,273</u>	<u>\$ 5,257</u>	<u>\$ 10,171</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues:				
Income taxes	\$ 259,143	\$ 249,009	\$ 211,175	\$ 181,695
Property taxes	14,766	14,439	12,985	12,956
Special assessments	25,084	24,078	28,048	26,233
Licenses and permits	3,357	3,192	3,201	2,627
Intergovernmental services	78,737	85,613	45,475	41,635
Charges for services	27,272	26,844	28,119	29,421
Investment earnings	12,283	4,829	2,592	1,610
Increase (decrease) in fair value of inves	5,796	(15,053)	(3,349)	-
Fines and forfeitures	3,803	3,676	3,775	5,713
Grants	47,573	57,030	45,001	51,293
Other revenue	7,417	3,422	6,249	4,107
Total revenues	<u>485,231</u>	<u>457,079</u>	<u>383,271</u>	<u>357,290</u>
Expenditures:				
General government	34,562	31,870	30,235	27,326
Public services	41,765	41,032	42,050	39,096
Public safety	221,634	209,293	198,308	178,973
Public utilities	1,439	2,380	1,181	170
Community environment	60,653	50,588	40,130	23,281
Health	12,741	10,846	10,747	10,240
Parks and recreation	11,636	8,255	5,541	3,883
Capital outlay	91,617	69,068	54,474	41,420
Debt service:				
Principal	19,500	17,743	15,147	13,154
Interest and fiscal charges	7,329	5,273	5,542	5,973
Debt issuance costs	394	645	35	360
Total expenditures	<u>503,270</u>	<u>446,993</u>	<u>403,390</u>	<u>343,876</u>
Excess of revenues over (under) expenditures	(18,039)	10,086	(20,119)	13,414
Other financing sources (uses):				
Transfers in	90,940	69,522	66,575	82,697
Transfers out	(89,647)	(67,855)	(65,596)	(65,448)
Issuance of debt	22,415	34,035	1,347	21,304
Premium on bonds/notes	1,162	2,084	45	841
Issuance of lease	4,462	12,247	-	-
Payments to escrow	-	-	-	(4,203)
Inception of subscription-based information technology arrangement	1,751	1,341	1,438	-
Sale of capital assets	140	726	845	-
Total other financing sources (uses)	<u>31,223</u>	<u>52,100</u>	<u>4,654</u>	<u>35,191</u>
Net change in fund balance	<u>\$ 13,184</u>	<u>\$ 62,186</u>	<u>\$ (15,465)</u>	<u>\$ 48,605</u>
Debt services as a percentage of noncapital expenditures	6.5%	6.0%	5.9%	6.4%

	2019	2018	2017	2016	2015	2014
\$	189,434	\$ 183,618	\$ 176,362	\$ 175,679	\$ 169,045	\$ 164,787
	12,642	12,223	12,025	10,733	9,911	9,552
	28,977	27,386	29,188	30,449	24,374	21,822
	2,964	3,213	2,942	2,870	2,459	2,476
	39,101	35,863	37,561	34,325	35,953	35,358
	30,045	29,434	30,202	29,416	28,515	27,532
	2,512	2,154	1,164	793	850	454
	-	-	-	-	-	-
	10,824	11,737	11,429	9,113	7,032	7,491
	35,329	25,599	21,056	25,876	31,670	30,873
	8,624	7,631	6,375	7,362	5,485	10,104
	<u>360,452</u>	<u>338,858</u>	<u>328,304</u>	<u>326,616</u>	<u>315,294</u>	<u>310,449</u>
	27,192	25,685	24,436	24,667	25,925	26,951
	44,956	40,771	37,912	39,566	43,866	41,760
	178,826	161,819	167,086	170,181	170,965	168,872
	45	300	2	30	-	8
	21,023	18,512	17,801	19,254	21,070	20,969
	10,401	9,991	9,932	7,243	7,747	7,939
	3,289	2,948	2,700	2,813	2,845	2,959
	48,526	42,272	32,925	32,406	40,235	41,991
	15,346	18,319	18,530	18,466	21,076	25,523
	6,785	6,902	7,391	7,052	8,359	6,983
	394	-	165	185	-	219
	<u>356,783</u>	<u>327,519</u>	<u>318,880</u>	<u>321,863</u>	<u>342,088</u>	<u>344,174</u>
	3,669	11,339	9,424	4,753	(26,794)	(33,725)
	60,087	58,534	64,165	60,160	67,122	72,899
	(59,594)	(58,489)	(68,057)	(60,364)	(67,846)	(71,699)
	23,640	236	8,176	24,229	26,044	22,884
	2,407	230	771	2,806	2,784	1,972
	-	-	2,200	-	4,540	948
	(16,759)	-	-	(10,284)	(10,181)	-
	-	-	-	-	-	-
	386	207	190	-	1	167
	<u>10,167</u>	<u>718</u>	<u>7,445</u>	<u>16,547</u>	<u>22,464</u>	<u>27,171</u>
\$	<u>13,836</u>	<u>\$ 12,057</u>	<u>\$ 16,869</u>	<u>\$ 21,300</u>	<u>\$ (4,330)</u>	<u>\$ (6,554)</u>
	7.0%	8.8%	9.2%	9.7%	10.8%	12.1%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income taxes	\$ 259,143	\$ 249,009	\$ 211,175	\$ 181,695	\$ 189,434
Property taxes	14,766	14,439	12,985	12,956	12,642
Special assessments	25,084	24,078	28,048	26,233	28,977
Licenses and permits	3,357	3,192	3,201	2,627	2,964
Intergovernmental services	78,737	85,613	45,475	41,635	39,101
Charges for services	27,272	26,844	28,119	29,421	30,045
Investment earnings	12,283	4,829	2,592	1,610	2,512
(Decrease) in fair value of investments	5,796	(15,053)	(3,349)	-	-
Fines and forfeitures	3,803	3,676	3,775	5,713	10,824
Grants	47,573	57,030	45,001	51,293	35,329
Lease revenue	-	-	98	-	-
Other revenue	7,417	3,422	6,151	4,107	8,624
Total	<u>\$ 485,231</u>	<u>\$ 457,079</u>	<u>\$ 383,271</u>	<u>\$ 357,290</u>	<u>\$ 360,452</u>

	2018	2017	2016	2015	2014
\$	183,618	\$ 176,362	\$ 175,679	\$ 169,045	\$ 164,787
	12,223	12,025	9,906	9,911	9,552
	27,386	29,188	30,449	24,374	21,822
	3,213	2,942	2,870	2,459	2,476
	35,863	37,561	35,152	35,953	35,358
	29,434	30,202	29,416	28,515	27,532
	2,154	1,164	793	850	454
	-	-	-	-	-
	11,737	11,429	9,113	7,032	7,491
	25,599	21,056	25,876	31,670	30,873
	-	-	-	-	-
	7,631	6,375	7,362	5,485	10,104
\$	338,858	\$ 328,304	\$ 326,616	\$ 315,294	\$ 310,449

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Withholding	\$ 203,881	\$ 196,800	\$ 172,917	\$ 154,905	\$ 160,346
Utility	-	-	-	-	-
Business	41,507	39,096	26,874	18,457	20,674
Individuals	13,755	13,113	11,384	8,333	8,414
Total	<u>\$ 259,143</u>	<u>\$ 249,009</u>	<u>\$ 211,175</u>	<u>\$ 181,695</u>	<u>\$ 189,434</u>

Source: City Income Tax Department

2018	2017	2016	2015	2014
\$ 156,398	\$ 148,903	\$ 147,099	\$ 145,346	\$ 139,396
-	-	-	-	-
19,502	19,821	20,735	16,330	18,898
7,718	7,638	7,845	7,369	6,493
<u>\$ 183,618</u>	<u>\$ 176,362</u>	<u>\$ 175,679</u>	<u>\$ 169,045</u>	<u>\$ 164,787</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
2022	2023	3,503,212	10,009,177	279,786	1,119,144	3,782,998	11,128,321
2021	2022	3,538,203	10,109,151	256,598	1,026,392	3,794,801	11,135,543
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

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
34.0%	4.4
34.1%	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

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	2023	2022	2021	2020
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
Port Authority	0.40	0.40	0.40	0.40
Lucas County	17.42	17.42	17.52	17.52
MetroParks	4.30	4.30	4.30	2.30
Toledo-Lucas County Public Library	3.70	3.70	3.70	3.70
Sub-Total District Wide	30.22	32.72	32.82	30.82
 ²School Districts in the City of Toledo				
Maumee City School District	91.15	93.55	93.95	93.95
Ottawa Hills Local School District	147.05	146.63	146.63	139.05
Springfield Local School District	77.72	77.74	78.17	78.48
Sylvania City School District	86.30	86.50	87.20	88.01
Toledo City School District	71.37	71.48	72.05	72.66
Washington Local School District	90.05	90.05	90.40	90.40
 ³ Penta County Career Center	 3.20	 3.00	 3.20	 3.20
 ⁴Recreation Districts in Sylvania Schools; Toledo, Ohio				
Sylvania Joint Recreation District.	1.65	1.70	1.78	1.78
Olander Park	1.00	1.00	1.00	1.00
Sub-Total Recreation Districts	2.65	2.70	2.78	2.78
 Total Rate with Corresponding School District				
Maumee City School District	124.57	129.27	129.97	127.97
Ottawa Hills Local School District	177.27	179.35	179.45	169.87
Springfield Local School District	111.14	113.46	114.19	112.50
Sylvania City School District	119.17	121.92	122.80	121.61
Toledo City School District	101.59	104.20	104.87	103.48
Washington Local School District	120.27	122.77	123.22	121.22

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

2019	2018	2017	2016	2015	2014
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
17.52	17.37	17.07	17.07	17.07	16.92
2.30	2.30	2.30	2.30	2.30	2.30
3.70	3.70	2.90	2.90	2.90	2.90
30.82	30.67	29.57	29.57	29.57	29.42
93.95	88.65	88.65	88.65	88.75	84.95
139.05	139.05	139.05	140.05	142.65	142.65
77.66	78.55	80.32	80.53	74.75	75.15
87.99	88.56	88.45	83.30	83.50	83.60
72.85	73.58	73.58	73.10	73.10	67.40
83.50	83.50	83.50	83.50	83.50	78.60
3.20	3.20	3.20	3.20	3.20	3.20
2.00	2.11	2.11	2.10	2.10	2.10
1.00	1.00	0.20	0.70	0.70	0.70
3.00	3.11	2.31	2.80	2.80	2.80
127.97	122.52	121.42	121.42	121.52	117.57
169.87	169.72	168.62	169.62	172.22	172.07
111.68	112.42	113.09	113.30	107.52	107.77
121.81	122.34	120.33	115.67	115.87	115.82
103.67	104.25	103.15	102.67	102.67	96.82
114.32	114.17	113.07	113.07	113.07	108.02

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Nonprofit	\$ 20,078	\$ 19,343	\$ 18,471	\$ 16,412	\$ 15,904
Hospital	14,440	14,085	13,690	11,265	9,479
Manufacturing	32,005	31,148	28,663	23,411	27,076
Government	11,706	11,399	10,856	9,407	9,145
Services	20,390	20,062	19,400	17,817	19,262
Retail	2,366	2,293	2,219	861	1,359
Banking	777	877	900	855	841
Grocery	719	821	820	768	698
Transportation	804	742	648	564	634
Technology	-	-	-	-	-
Utility	-	-	-	-	208
Construction	481	487	151	774	-
Total	<u>\$ 103,766</u>	<u>\$ 101,257</u>	<u>\$ 95,818</u>	<u>\$ 82,134</u>	<u>\$ 84,606</u>

Source: City Income Tax Department

	2018	2017	2016	2015	2014
\$	15,685	\$ 15,482	\$ 17,014	\$ 14,835	\$ 14,155
	8,561	8,775	8,663	8,579	8,293
	25,073	21,918	23,787	22,910	21,799
	9,426	8,811	8,596	8,555	8,390
	20,190	18,196	15,807	16,964	16,242
	1,687	1,560	1,294	1,346	1,389
	871	840	840	897	1,109
	684	728	670	723	740
	419	379	361	440	423
	-	-	-	-	-
	-	367	-	-	-
	124	201	230	-	-
\$	82,720	\$ 77,257	\$ 77,262	\$ 75,249	\$ 72,540

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
2023	\$ 16,645	\$ 15,542	93.4%	\$ 985	\$ 16,527	99.3%
2022	16,697	15,400	92.2%	838	16,238	97.3%
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%

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)

Governmental Activities				
Fiscal Year	General Obligation Bonds ⁴	Non-Taxable Revenue Bonds ⁴	Assessed Services Notes ³	Loans, Leases, SBITA, and Financed Purchases Notes Payable
2023	\$ 135,720	\$ 9,194	\$ 43,680	\$ 19,040
2022	127,105	10,035	40,980	17,822
2021	104,919	10,836	40,800	5,585
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

Fiscal Year	Total Primary Government Debt	Percentage of Personal Income ²	Per Capita ²
2023	\$ 1,096,622	4.8%	2,565
2022	1,132,086	4.9%	2,651
2021	1,126,091	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

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
Water Revenue Bonds⁴	Sanitary Sewer Revenue Bonds⁴	General Obligation Bonds⁴	Bond Anticipation Notes³	Capital Projects Loans	Loans, Leases, SBITA, and Financed Purchases Notes Payable	Primary Government Debt
\$ 328,515	\$ 106	\$ 5,016	\$ -	\$ 547,114	\$ 8,237	\$ 1,096,622
343,220	6,610	6,285	30,000	543,318	6,711	1,132,086
372,830	7,705	7,118	30,000	543,822	2,476	1,126,091
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

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	Net Bonded Debt Per Capita
2023	265,304	\$ 3,782,998	\$ 140,736	\$ 201	\$ 140,535	3.7%	\$ 529.71
2022	270,871	3,794,801	133,390	204	133,186	3.5%	491.70
2021	270,024	3,399,159	112,037	206	111,831	3.3%	414.15
2020	272,779	3,332,525	126,352	209	126,143	3.8%	462.44
2019	278,733	3,319,773	121,652	228	121,424	3.7%	435.63
2018	276,491	3,161,111	129,903	248	129,655	4.1%	468.93
2017	276,491	3,172,916	138,804	284	138,520	4.4%	500.99
2016	279,217	3,162,278	156,094	284	155,810	4.9%	558.02
2015	279,789	3,200,375	141,852	284	141,568	4.5%	505.98
2014	281,031	3,211,551	141,120	-	141,120	4.4%	502.15

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).

Table 13
City of Toledo, Ohio
Computation of Direct and Overlapping Debt
at December 31, 2023
(Amounts in Thousands)

	<u>Amount of Debt</u>	<u>Applicable To City</u>	<u>City's Share</u>
Total direct debt ¹	\$ 207,634	100.00%	\$ 207,634
Subdivision overlapping debt: **			
Toledo City School District	72,965	69.36%	50,609
Lucas County	138,222	41.28%	57,058
Sylvania City School District	54,565	3.30%	1,801
Maumee City School District	14,945	1.45%	217
Ottawa Hills Local School District	7,375	0.01%	1
Springfield Local School District	2,045	1.86%	38
Sylvania Area Joint Recreation District	3,420	3.30%	113
Washington Local School District	46,895	24.03%	11,269
Total subdivision overlapping debt	<u>340,432</u>		<u>121,106</u>
Total direct and overlapping debt	<u>\$ 548,066</u>		<u>\$ 328,740</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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt limit	\$ 397,215	\$ 398,454	\$ 356,912	\$ 356,912	\$ 349,915
Total net debt applicable to limit	<u>132,785</u>	<u>123,580</u>	<u>113,216</u>	<u>117,820</u>	<u>112,305</u>
Legal debt margin	<u>\$ 264,430</u>	<u>\$ 274,874</u>	<u>\$ 243,696</u>	<u>\$ 239,092</u>	<u>\$ 237,610</u>
Total net debt applicable to limit as a percentage of legal debt margin	50.22%	44.96%	46.46%	49.28%	47.26%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 348,576	\$ 333,005	\$ 333,156	\$ 332,039	\$ 336,039	\$ 337,213
121,375	133,055	141,125	140,879	143,540	141,120
<u>\$ 227,201</u>	<u>\$ 199,950</u>	<u>\$ 192,031</u>	<u>\$ 191,160</u>	<u>\$ 192,499</u>	<u>\$ 196,093</u>
53.42%	66.54%	73.49%	73.70%	74.57%	71.97%

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							
2023	92,965	51,584	41,381	12,835	13,097	25,932	1.6
2022	91,230	42,081	49,149	8,985	17,541	26,526	1.9
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
Sewer Revenue Bonds							
2023	94,516	45,285	49,231	1,030	290	1,320	37.3
2022	95,944	36,381	59,563	1,025	341	1,366	43.6
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
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							
2023	\$ 307,267	\$ 247,950	59,317	\$ 765	\$ 348	\$ 1,113	53.3
2022	285,041	239,000	46,041	725	384	1,109	41.5
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 Population	Personal Income¹	Per Capita Personal Income¹	Median Age	Public School Enrollment	Unemployment Rate⁵
2023	271,483	\$ 22,794,670	\$ 53,428	36.6	21,083	4.1%
2022	270,427	23,221,254	54,105	35.4	21,837	4.1%
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%

¹ Values are calculated using Lucas County statistics

Source:

U.S. Bureau of Economic Analysis
Ohio Department of Education

Table: 17
City of Toledo, Ohio
Principal Employers, Toledo Major Service Area
As of December 31, 2023 and December 31, 2014

2023			
Employer	Employees	Rank	Percentage of Total MSA Employees
ProMedica Health Systems	15,000	1	5.17%
Mercy Health	8,800	2	3.03%
Whirlpool Corporation	6,182	3	2.13%
FCA US LLC	6,159	4	2.12%
University of Toledo	5,700	5	1.97%
Toledo Board of Education	5,081	6	1.75%
The City of Toledo	3,000	7	1.04%
General Motors Powertrain	2,036	8	0.70%
The Andersons Inc	1,636	9	0.56%
Dana Inc	1,549	10	0.54%
Total From Top Ten (10) Employers	55,143		19.01%
All Other Employers	234,927		80.99%
Total Employees	290,070		100.00%
2014			
	Employees	Rank	Percentage of Total MSA Employment
Promedica Health Systems	15,000	1	4.57%
Mercy Health Partners	7,052	2	2.15%
University of Toledo and Medical Center	6,485	3	1.98%
Bowling Green State University	6,175	4	1.88%
Fiat Chrysler	4,938	5	1.50%
Toledo City School District	3,780	6	1.15%
Lucas County	3,511	7	1.07%
The Kroger Company	2,924	8	0.89%
The City of Toledo	2,775	9	0.85%
Sauder Woodworking Company	2,400	10	0.73%
Total From Top Ten (10) Employers	55,040		16.77%
All Other Employers	273,200		83.23%
Total Employees	328,240		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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>General Government:</u>										
Building Inspection	17	17	17	19	20	22	22	21	20	19
City Council	22	20	25	27	23	23	21	21	21	21
Diversity & Inclusion	10	6	3	3	6	5	5	5	4	6
Economic Development	5	7	7	6	5	5	6	6	4	6
Finance										
Accounts	10	11	10	11	12	11	10	10	11	9
Budget/Debt/Financial Admin	8	5	5	5	9	7	8	11	10	10
ERP	1	1	1	1	1	1	1	2	2	4
Purchasing	5	5	5	5	4	4	3	3	3	7
Taxation and Treasury	42	39	37	40	41	40	39	37	41	41
Subtotal Finance	66	61	58	62	67	63	61	63	67	71
Human Resources	23	19	19	15	17	15	15	16	17	17
Info/Communications Tech	35	35	33	19	16	13	15	15	12	12
Law	31	32	25	26	27	24	25	23	22	23
Mayor	28	25	14	10	11	11	9	9	10	10
Municipal Court (Clerks)	73	71	71	76	80	78	76	78	81	81
Municipal Court (Judges)	111	113	106	106	104	108	105	104	103	104
Plan Commission	16	10	12	11	11	11	10	10	10	9
Urban Beautification	51	45	0	0	0	0	0	0	0	0
Subtotal General Government	488	461	390	380	387	378	370	371	371	379
<u>Public Service:</u>										
Engineering Services	52	54	52	51	57	58	53	56	59	64
Fleet and Facilities	80	84	75	74	85	84	74	75	81	85
Solid Waste	14	12	14	14	14	13	12	14	14	14
Streets, Bridges, and Harbor	182	176	161	175	183	163	158	162	172	164
Transportation	44	42	42	40	40	43	40	40	43	47
Subtotal Public Service	372	368	344	354	379	361	337	347	369	374
<u>Public Safety</u>										
Uniformed Fire	581	562	537	518	541	519	544	544	523	517
Fire Civilian	20	17	17	93	99	99	96	88	92	99
Subtotal Fire	601	579	554	611	640	618	640	632	615	616
Uniformed Police	627	625	617	626	633	627	620	614	628	612
Police - Civilians	58	57	53	46	57	61	60	58	58	59
Subtotal Police	685	682	670	672	690	688	680	672	686	671
Subtotal Safety	1,286	1,261	1,224	1,283	1,330	1,306	1,320	1,304	1,301	1,287
<u>Public Utilities:</u>										
Sewer and Drainage	112	109	114	103	105	108	104	110	104	113
Utilities Administration	75	82	77	90	85	86	85	80	76	66
Water Distribution	131	130	115	121	120	129	117	126	125	130
Water Reclamation	87	92	89	97	94	97	92	96	102	105
Water Treatment	89	95	87	85	84	84	81	87	85	80
Subtotal Public Utilities	494	508	482	496	488	504	479	499	492	494
<u>Community Environment:</u>										
Environmental Services	47	44	44	45	45	45	41	42	44	44
Community Relations	0	0	0	0	1	1	1	1	2	2
Neighborhoods	53	53	55	49	48	53	54	56	61	63
Subtotal Com Environment	100	97	99	94	94	99	96	99	107	109
<u>Parks and Recreation:</u>										
Parks, Forestry, & Recreation	29	23	62	62	70	67	61	61	67	76
Totals	2,769	2,718	2,601	2,669	2,748	2,715	2,663	2,681	2,707	2,719

*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	2023	2022	2021	2020
General government				
Building permits	3,132	2,790	2,809	2,892
Value of permits (in thousands)	739,557	739,320	227,992	237,268
Total board-ups	611	553	354	620
Total demolitions	255	138	95	328
Police				
Traffic citations	22,219	21,098	20,298	18,813
Red light cameras	-	-	-	45,968
Number of offenses	33,291	34,946	11,053	35,496
911 call volume	308,098	370,939	170,050	302,050
Non-emergency calls ¹	-	-	7,899	85,350
Fire				
Emergency runs	51,595	50,842	55,803	51,960
Fire runs	9,717	10,414	6,924	6,541
Total runs	61,312	61,256	62,727	58,501
Public Utilities				
Water Customers	103,102	131,714	130,337	129,781
Sewer Customers	104,984	106,403	105,227	103,929
New water connections	342	220	104	344
Water main breaks	287	379	371	365
Average daily water consumption (millions of gallons)	65.0	54.4	67.0	64.7
Average daily water waste treatment (millions of gallons)	64.0	58.7	68.9	59.6
Other public works				
Traffic signs manufactured/installed	22,199	28,472	28,472	12,666
Energy reduction (traffic signals)	0.0%	0.0%	0.0%	-1.0%
Traffic signals replaced	176	412	127	234
Traffic signal calls	3,516	3,578	5,069	4,044

¹ In 2021, City and County 911 consolidated and City non-emergency calls through 911 is no longer available

Source: Respective city departments

2019	2018	2017	2016	2015	2014
2,938	3,788	3,459	2,875	4,162	3,446
261,495	231,869	328,589	117,100	355,428	162,718
850	1,044	1,278	1,195	858	1,325
445	410	467	469	404	265
28,094	34,999	32,810	37,269	49,165	54,855
123,925	127,689	133,470	87,476	44,621	54,021
38,702	39,259	39,180	7,429	8,183	8,726
318,942	311,778	328,392	354,742	213,987	213,789
84,754	85,880	99,877	98,521	69,783	84,768
52,804	52,831	53,904	56,249	52,059	48,709
6,685	7,046	6,758	6,589	6,839	6,713
59,489	59,877	60,662	62,838	58,898	55,422
128,004	128,000	131,525	123,699	124,574	125,559
115,208	115,000	106,203	117,510	118,418	119,333
49	107	150	349	149	198
337	432	274	319	297	377
66.0	67.2	66.7	69.0	69.3	78.0
73.0	72.2	66.1	63.5	67.9	72.5
23,324	22,555	22,566	17,430	15,321	13,081
1.0%	1.0%	1.0%	1.0%	3.5%	9.0%
512	507	303	285	288	336
4,870	3,551	3,825	3,674	4,026	4,136

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

Function/ Program	2023	2022	2021	2020	2019
Public safety					
Police					
Number of stations	2	2	2	2	2
Number of substations	4	4	2	2	2
Number of employees with arrest power	599	605	571	601	633
Number of neighborhood offices	-	-	-	-	-
Fire					
Number of stations	23	18	18	18	18
Number of firefighters	577	565	531	510	541
Public service					
Other Public Works					
Streets (in miles)	1,143	1,144	1,145	1,145	1,146
Rail (in miles)	33	32	1,200	1,200	1,200
Parks & recreation					
Acreage	1,988	2,080	2,048	2,368	2,149
Number of parks	135	133	130	129	138
Number of tree cuts	1,253	1,916	1,266	2,183	1,225
Number of tree trims	1,069	2,027	1,639	1,542	1,293
Public pools	6	6	6	6	7
Golf courses	4	3	3	4	4
Public utilities					
Water					
Water lines (in miles)	1,179	1,323	1,178	1,190	1,190
Storage capacity (in millions of gallons)	70	700	80	70	70
Plant capacity (in millions of gallons)	140	160	120	120	120
Wastewater					
Sanitary sewers (in miles)	1,029	1,100	1,100	1,100	1,100
Treatment capacity (in millions of gallons)	195	195	130	130	130

Source: Respective city departments

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
2	3	3	3	3
2	1	1	1	1
627	582	646	616	612
-	-	-	-	-
18	19	19	19	18
519	544	544	514	517
1,146	1,144	1,124	1,224	1,224
1,200	1,200	1,200	1,200	1,200
2,160	2,162	2,185	2,185	2,185
138	140	144	144	144
1,770	1,804	2,109	2,799	
2,125	2,130	1,939		
7	7	7	9	10
4	3	4	4	4
1,190	1,190	1,169	1,168	1,168
70	70	70	94	78
120	120	120	120	150
1,100	1,100	1,027	961	961
130	130	130	130	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 10/1/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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