

**CITY OF TOLEDO**  
Toledo, Ohio

**REPORTS ISSUED PURSUANT TO  
THE OMB CIRCULAR A-133  
December 31, 2006**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Toledo, Lucas County, prepared by Clifton Gunderson LLP, for the audit period January 1, 2006 through December 31, 2006. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 1, 2007

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**Independent Auditor's 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**

The Honorable Mayor Carleton S. Finkbeiner  
and Members of City Council  
City of Toledo  
Toledo, Ohio

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of City of Toledo, Ohio (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described as Items 2006-1, 2006-2, 2006-3, and 2006-4 in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

The Honorable Mayor Carleton S. Finkbeiner  
and Members of City Council  
City of Toledo

### **Internal Control Over Financial Reporting, Continued**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the City in a separate letter dated June 29, 2007.

The City's responses to the findings identified in our audit are included in the accompanying schedule of findings and responses. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Mayor, City Council, City management, Audit Committee, others within the City, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton Henderson LLP*

Toledo, Ohio  
June 29, 2007

**Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal Control Over  
Compliance and Schedule of Expenditures of Federal Awards  
in Accordance With OMB Circular A-133**

The Honorable Mayor Carleton S. Finkbeiner  
and Members of City Council  
City of Toledo  
Toledo, Ohio

### **Compliance**

We have audited the compliance of the City of Toledo, Ohio (the City) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs at Item 2006-5.

### **Internal Control over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs, in planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

The Honorable Mayor Carleton S. Finkbeiner  
and Members of City Council  
City of Toledo

### **Internal Control over Compliance, Continued**

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Item 2006-6 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questions costs to be a material weakness.

### **Schedule of Expenditures of Federal Awards**

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, 2006, and have issued our report thereon dated June 29, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses, and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Mayor, City Council, City management, Audit Committee, others within the City, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton Henderson LLP*

Toledo, Ohio  
June 29, 2007

CITY OF TOLEDO, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2006

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash and Non-cash Federal Awards Expended
<b>U.S. Department of Agriculture</b>			
05 CIP EAB Canopy Restoration	10.652	-	<u>\$ 53,342</u>
<b>U.S. Department of Housing and Urban Development (HUD):</b>			
<b>Direct Grants</b>			
Community Development Block Grants	14.218		
		B-04-MC-39-0021	(10,016)
		B-05-MC-39-0021	964,644
		B-06-MC-39-0021	3,545,055
		B-07-MC-39-0021	<u>4,586,528</u>
Sub-Total CFDA 14.218 (entitlement)			<u>9,086,211</u>
Emergency Shelter Grants Program	14.231	-	167,291
		-	<u>166,934</u>
Sub-Total CFDA 14.231			<u>334,226</u>
Supportive Housing Program	14.235	-	83,048
		-	<u>50,000</u>
Sub-Total CFDA 14.235			<u>133,048</u>
Home Investment Partnership Program	14.239	-	152,544
		-	44,498
		-	557,820
		-	1,048,155
		-	1,413,418
		-	<u>425,182</u>
Sub-Total CFDA 14.239			<u>3,641,618</u>
CDBG/Economic Development Initiative Grant	14.246	-	799,862
		-	627
		-	11,915
		-	9,760
		-	74,230
		-	<u>1,929</u>
Sub-Total CFDA 14.246			<u>898,323</u>
CDBG/Jeep Project 108 Loan Guarantees	14.248	-	<u>18,955,000</u>
Lead Based Paint Hazard Control in Privately-Owned Housing	14.900	-	<u>894,582</u>
<b>Passed-through</b>			
Lucas County Metropolitan Housing Authority			
LMHA 2004A Grant	14.854	-	28,103
LMHA 2006 Grant		-	<u>197,019</u>
Sub-Total CFDA 14.854			<u>225,122</u>
<b>Total U.S. Department of HUD</b>			<u>\$ 34,168,130</u>

CITY OF TOLEDO, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2006

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash and Non-cash Federal Awards Expended
<b>U.S. Department of Interior</b>			
ODNR Clean Vessel Grant	15.616	-	\$ 9,796
ODNR Boating Grant	15.622	-	<u>267,514</u>
<b>Total U.S. Department of Interior</b>			<u><u>\$ 277,310</u></u>
<b>U.S. Department of Justice</b>			
<b>Direct Grants</b>			
Office of National Drug Control Policy			
05 HIDTA Grant	16.000	13P0HP502	\$ 146,542
06 HIDTA Grant		-	24,195
07 HIDTA Grant		-	<u>62,920</u>
Sub-Total for CFDA 16.000			<u>233,657</u>
Bureau of Justice Assistance			
Local Law Enforcement Block Grants Program	16.592	-	2,327
		03-LB-BX-1976	668
		04-LB-BX-1976	7,626
		05-LB-BX-1976	130,675
		06-LB-BX-1976	44,301
		-	<u>46,489</u>
Sub-Total for CFDA 16.592			<u>232,086</u>
<b>Passed-through</b>			
Office of Juvenile Justice and Delinquency Prevention			
Juvenile Justice and Delinquency Prevention/ Allocation to States	16.540	03-DG-B01-B1006	<u>893</u>
Office of Justice Programs/Bureau of Justice Assistance			
Byrne Formula Grant Program	16.579	04-DG-B01-B1011	5,000
		03-WE-BX-0027	<u>234,712</u>
Sub-Total for CFDA 16.579			<u>239,712</u>
Edward Byrne Memorial State and Local Law Enforcement: Assistance Discretionary Grants Program			
	16.580	00-DG-B02-B1002	7,966
		02-DG-B02-B1002	1,498
		-	3,143
		04-DG-B01-B1026	<u>10,012</u>
Sub-Total for CFDA 16.580			<u>22,618</u>

CITY OF TOLEDO, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2006

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash and Non-cash Federal Awards Expended
Violence Against Women Formula Grant	16.588	02-WF-VA3-8841	\$ 2,244
		03-WF-VA3-8841	11
		04-WF-VA3-8841	9,775
		05-WF-VA3-8841	19,036
		04-JJ-MO1-0317	3,272
		04-JJ-GA1-0319	1,000
		02-DG-E01-B1013	12,068
		-	1,629
		-	41,127
Sub-Total for CFDA 16.588			<u>90,161</u>
Community Prosecution and Project Safe Neighborhoods	16.609	-	<u>41,973</u>
Community Capacity Development Office			
05 County MDC DUI Grant	16.595	-	6,660
05 Northriver Weed and Seed		-	12,128
06 Northriver Weed and Seed		-	76,952
06 ONYX Grant		-	9,123
LDC Grant		-	(2,227)
03 LDC Truancy Grant		-	281
06 Law Enforcement Overtime		-	61,822
03 Lagrange Grant		-	1,749
Sub-Total for CFDA 16.595			<u>166,487</u>
Bullet Proof Vest Grant	16.607	-	<u>11,728</u>
06 Cold Case Grant	16.743	-	<u>30,990</u>
06 Great Grant	16.744	-	<u>17,907</u>
<b>Total U.S. Department of Justice</b>			<u><u>\$ 1,088,212</u></u>
<b>U.S. Department of Transportation:</b>			
<b>Passed-through</b>			
Ohio Department of Transportation			
Highway Planning and Construction Grants			
04 CIP Byrne Road	20.205	-	\$ 9,250,846
01 CIP Traffic Control		-	117,226
03 CIP Central Traffic Control		-	731,190
05 CIP Central Traffic Control		-	804,316
03CIP Airport HWY (80/20)		-	62,338
03 CIP Laskey Road		-	115,665
04 CIP OPWC/ODOT Byrne Road		-	814,499
05 CIP OPWC/ODOT Byrne Road		-	4,925,494
05 CIP Monroe Street Phase 4		-	2,276,421
Cherry Street Resurfacing		-	257,631
05 CIP ACQ Grant		-	424,270
Sub-Total for CFDA 20.205			<u>19,779,895</u>
Ohio Department of Highway Safety			
State and Community Highway Safety			
02 S.T.E.P. Program	20.600	-	54
03 S.T.E.P. Program		-	(4,383)
06 Ohio Safe Commute Program		-	23,731
Sub-Total for CFDA 20.600			<u>19,401</u>
<b>Total U.S. Department of Transportation</b>			<u><u>\$ 19,799,296</u></u>

CITY OF TOLEDO, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2006

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash and Non-cash Federal Awards Expended
<b>U.S. Environmental Protection Agency(EPA):</b>			
<b>Direct Grants</b>			
Brownfield Job Training	66.811	-	\$ 600
Brownfield Job Training		-	48,813
Brownfield Petroleum		-	74,354
04 Petroleum Assessment		-	61,285
04 Non-Petroleum Assessment		-	25,508
Brownfield Petroleum Cleanup		-	9,353
Smart Growth in Brownfield		-	46,068
Sub-Total for CFDA 66.811			<u>265,981</u>
<b>Passed-through</b>			
Ohio Environmental Protection Agency			
Title V Pass Thru	66.001	-	31,046
Title V Pass Thru		-	180,754
Title V Pass Thru		-	97,871
Sub-Total for CFDA 66.001			<u>309,672</u>
<b>Capitalization Grants for State Revolving Funds</b>			
Ohio Water Development Authority			
Improvement 44-FIN	66.458	-	4,365
144B Consent Decree		-	159,864
Backup Power & Air		-	3,994,654
Parkside Area Sewer		-	80,260
Point Place SSO PH		-	200,938
Windermere Pump St.		-	186,022
East Side & Bay VI		-	21,327
PT Place SSOE, PH2C		-	1,984,244
River Rd. SSO ELIMI		-	1,173,542
05 CIP Secor Gardens		-	1,135,787
Sub-Total for CFDA 66.458			<u>8,941,003</u>
<b>Total U.S. EPA</b>			<u>\$ 9,516,656</u>

CITY OF TOLEDO, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2006

Federal Grantor Agency/ Passed-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Grantor's Number	Total Cash and Non-cash Federal Awards Expended
<b>U.S. Department of Health and Human Services:</b>			
<b>Passed-through</b>			
State Department of Health			
Bioterrorism Training and Curriculum Development			
Public Program			
2003 Regional Medical Response System	93.996	-	\$ 3,693
MMRS Grant 2005		-	75,632
WMD Training Pass-Thru Grant		-	460
Sub-Total for CFDA 93.996			<u>79,785</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>\$ 79,785</u>
<b>U.S. Department of Homeland Security</b>			
<b>Direct Grant</b>			
RMRS Pass-Thru Grant	97.004	-	\$ 18,303
05 RMRS Pass Thru-Grant		-	35,385
Sub-Total for CFDA 97.004			<u>53,688</u>
2004 MMRS Grant	97.042	-	<u>235,107</u>
RMRS 2007 Grant	97.044	-	17,359
USAR Pass-Thru Grant		-	28
RMRS Physical Health Ins.		-	151,809
Sub-Total for CFDA 97.044			<u>169,196</u>
05 Bufferzone Project	97.078	-	<u>21,987</u>
<b>Total U.S. Department of Homeland Security</b>			<u>479,978</u>
<b>Total Federal Awards Expended</b>			<u>\$ 65,462,709</u>

**CITY OF TOLEDO, OHIO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the year ended December 31, 2006**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Toledo and is presented on the modified accrual basis of accounting, which is described in Note 1(c) to the City of Toledo, Ohio's (the City) Comprehensive Annual Financial Report. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 – SUBRECIPIENTS**

The City provided federal awards to various subrecipients on a pass-through basis as follows:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount</u>
U.S. Department of Housing and Urban Development:		
Community Development Block Grant/ Entitlement Grant	14.218	\$ 8,899,266
Emergency Shelter Grants	14.231	428,410
Supportive Housing Grants	14.235	63,624
Home Investment Partnership Programs	14.239	3,908,938
Economic Development Initiative Grant	14.246	<u>1,017,172</u>
	Total Passed Through	<u>\$14,317,410</u>

This information is an integral part of the accompanying schedule.

CITY OF TOLEDO, OHIO

Schedule of Findings and Questioned Costs

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(s) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(s) identified that are not considered to be material weakness(es)?  yes  none reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?  yes  no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.218	Community Development Block Grant
14.248	CDBC/Jeep Project 108 Loan Committee
20.205	Highway Planning and Construction Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 1,395,321

Auditee qualified as low-risk auditee?  yes  no

## CITY OF TOLEDO, OHIO

### Schedule of Findings and Questioned Costs, Continued

#### Section II—Financial Statement Findings

##### Reference 2006-1 – Enterprise Development Loans

###### Criteria

Economic Development Loans (EDL) outstanding balance should be reconciled to the balance per the general ledger to ensure completeness and accuracy.

###### Condition

Based on our auditing procedures, the EDL outstanding balances were not currently reconciled to the outstanding balance per the general ledger. In addition the City does not have an adequate monitoring tool to ensure that the various borrowers are complying with the stated commitments as agreed upon with the Commitment Letter (i.e. submission of financial statements). Limited emphasis is placed on the information received for monitoring and financial review purposes.

###### Effect

The EDL loan balance on the general ledger may not be accurate given the lack of timely reconciliation. In addition, the valuation of the receivables were not addressed by city personnel given the lack of timely review of monitoring information received.

###### Recommendation

We recommend management timely reconcile the records maintained by the Department of Development (DOD) and the Ross general ledger system. This will assist in monitoring loan repayment activity. In addition to the performing loans report prepared by the DOD, we recommend City personnel set up a tickler file of required reports and their due dates to assist in identifying potential delinquencies and establish continued communication with the borrowers.

###### City Response

The City will establish a list of procedures to provide guidance on all steps necessary to record and subsequently reconcile those entries to the monthly expenditure reports and the balance sheet accounts used to record EDL loans. The DOD currently maintains a separate working file on each EDL. This file consists of the loan's amortization schedule and copies of all remittances received for that loan. That file will be provided to the Division of Accounts on a regular basis.

The DOD will set up a tickler system pertaining to all EDL loans. The system will include the commitments items in each agreement and the monitoring requirements. These commitments vary from agreement to agreement. First, will be financial statements, which will indicate when they are due and how often they are to be submitted. Second will be job creation and/or retention goals including the number of jobs actually created/retained and the time period allowed to meet the goals. Third will be the issues of business location and collateral location.

# CITY OF TOLEDO, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section II—Financial Statement Findings

#### Reference 2006-2 – Retainage Payables

##### Criteria

The open retainage payable balance on individual contracts should be reconciled to the accrued balance per the general ledger.

##### Condition

For two of the ten contracts selected for testing, reconciliations were not being completed on a regular basis.

##### Effect

The retainage payable balance per the general ledger may not be accurate given the lack of timely reconciliations.

##### Recommendation

We recommend management complete reconciliations to the Ross System on a regular and timely basis to ensure there are no significant differences or differences identified are properly investigated and cleared.

##### City Response

The reconciliation of retainage should be performed on a quarterly basis as well as at year-end. With the limited human resources that currently exist in the Division of Accounts that reconciliation was not consistently performed. The reconciliation of retainage on a quarterly basis will be given higher priority starting immediately.

# CITY OF TOLEDO, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section II—Financial Statement Findings

#### Reference 2006-3 – Utilities System

##### Criteria

Segregation of duties is a key component of a system of internal controls.

##### Condition

Currently, one person is responsible for security administration, production systems, and testing. While this provided some efficiency to the conversion process to the new system, this situation presents a lack of segregation of duties.

##### Effect

Unauthorized system changes may be implemented without detection.

##### Recommendation

System logs provide some degree of an audit trail for these three critical functions. However, now that the system has been implemented, we recommend the security administrator access/authority be assigned to another person within the Department of Public Utilities that does not have transaction or file maintenance access.

##### City Response

There is one person who is responsible for security administration, but that person is not responsible for production systems or testing. He controls security for persons who work in production and who do testing, but he does not perform these functions himself. The City of Toledo will continue to monitor the internal control environment to identify the need for segregation of duties and address those areas of concern as they may be identified.

## CITY OF TOLEDO, OHIO

### Schedule of Findings and Questioned Costs, Continued

#### Section II—Financial Statement Findings

##### Reference 2006-4 – Tax System

###### Criteria

Segregation of duties is a key component of a system of internal controls.

###### Condition

We noted that the security administrator for the Taxation System (UTAX) also has operator access capabilities and access to batches. Detective controls are in place which includes a review of logs. However, this situation presents a lack of segregation of duties.

###### Effect

Unauthorized system changes may be implemented without detection.

###### Recommendation

We recommend that the security administrator authority/access be assigned to a person that does not have transaction or file maintenance related access.

###### City Response

The Department of Information and Communication Technology (ICT) will separate the duties as recommended by the external auditors as follows:

1. The computer operators will be responsible for changing user passwords and unlocking accounts.
2. The UTAX systems administrator will retain administrator rights to the software but will not unlock users account or change passwords.

The ICT Help Desk will become the primary contact for UTAX system users.

## CITY OF TOLEDO, OHIO

### Schedule of Findings and Questioned Costs, Continued

#### Section III—Federal Award Findings and Questioned Costs

##### Reference 2006-5 – Program Income

Community Development Block Grant  
CFDA 14.218

##### Criteria

It is the responsibility for grantees to have a loan origination and servicing system in effect which assures that loans are properly authorized and receivables are properly established.

##### Condition

Nine of the ten EDLs that originated in 2006 with disbursements of funds to the borrower were not properly established as a receivable.

##### Effect

Based on review of the City's records the total understatement of the receivable balance related to loans originating in 2006 totaled \$585,370.

##### Recommendation

We recommend that management establish procedures and controls to ensure all EDL loans have been appropriately recognized as a receivable on the Ross general ledger system.

##### City Response

The Division of Accounts will properly reconcile and adjust the receivable balance immediately subsequent to a review to be completed by the DOD. In the future, the Division of Accounts will use a DOD file of loan information that will be provided to the Division of Accounts on a quarterly basis for the reconciliation. In addition the Division of Accounts will assist the DOD prepare the accounting entries needed to properly record EDL loan activity that has occurred during each quarter.

##### Reference 2006-6 – Subrecipient Monitoring

Community Development Block Grant  
CFDA 14.218

See Finding 2006-1, Section II – Financial Statement Findings

**CITY OF TOLEDO, OHIO**  
**SUMMARY OF PRIOR AUDIT FINDINGS**  
**Year Ended December 31, 2006**

None.

# **CITY OF TOLEDO, OHIO**

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## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2006**

**DEPARTMENT OF FINANCE**





# **CITY OF TOLEDO, OHIO**

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## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2006**

**DEPARTMENT OF FINANCE**



**PREPARED BY:**

**THE DEPARTMENT OF FINANCE**

**JOHN SHERBURNE, FINANCE DIRECTOR**

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# **INTRODUCTORY SECTION**

**CITY OF TOLEDO, OHIO  
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# CITY OF TOLEDO



**Carleton S. Finkbeiner**  
**Mayor**

June 30, 2007

Honorable Mayor Carleton S. Finkbeiner, Robert Ludeman, President  
and Members of City Council and Citizens of the City of Toledo, Ohio

## **FORMAL TRANSMITTAL**

We are pleased to submit the 2006 Comprehensive Annual Financial Report of the City of Toledo, for the year ended December 31, 2006. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations including all disclosure rests with the City. We believe the data is presented in a manner which fairly presents in all material respects the financial position and results of operations of the City, with all the necessary disclosures. Furthermore, we believe the accompanying financial statements, which are presented in conformity with Generally Accepted Accounting Principles (GAAP) and the Ohio Revised Code, contain financial, operating and budgetary information for the year 2006 that will be informative to a variety of users, including taxpayers, citizens and other resource providers.

The Comprehensive Annual Financial Report (CAFR) is prepared by the Department of Finance, Accounts Division and is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes the table of contents, this transmittal letter, the GFOA Certificate of Achievement, a list of principal officials and an organization chart of the City. The Financial section, prepared in conformity with GAAP as prescribed by the Governmental Accounting Standards Board (GASB), includes the basic financial statements, the combining financial statements, and the report of independent auditors on the basic financial statements. The Statistical section contains pertinent financial and general information about the City over the last ten years.

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**

This report includes all of the funds, agencies, boards and commissions over which the

City is financially accountable. The City provides a full range of municipal services. These services include highways and streets, public safety, water and sanitation, culture and recreation, health and social services, public improvements and planning and zoning. General Administrative Services are not applicable to any particular program and are categorized as such in the financial statements. The City has included in its financial statements the operations of the Clerk of Courts. It has excluded various autonomous entities such as the Toledo City School District, the Toledo Area Regional Transit Authority, the Toledo-Lucas County Port Authority, the Toledo Zoo, the Toledo Hospital, the Toledo Metropolitan Park District and The University of Toledo.

#### **INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC OUTLOOK**

The City of Toledo is located in Lucas County in northwestern Ohio. It covers an area of 84 square miles. Toledo, with a population of approximately 314,000, is the fourth largest city in the state of Ohio. There are 135,500 people employed within the City limits.

Toledo's economy has experienced the major changes that are typical of most large U.S. cities: Once dominant, large manufacturers have felt the effect of global competition. The result is the emphasis has shifted from very large manufacturing facilities toward small and medium-sized companies with less than 100 employees. Also, the diversification within Toledo's industrial base is being realized through the attraction and development of high-tech and medical bio-tech companies. These companies, realizing their affordable access to Great Lakes shipping and international cargo flights, have directed their focus to international as well as domestic markets.

A successful new manufacturing project demands not only attention to high quality and exceptional service, but also a transportation network that benefits suppliers, manufacturers, and customers by providing a means of moving raw materials and finished product efficiently and effectively. Toledo is in the heartland of such production. Over three-fourths of North America's car and truck final assembly plants are within 500 miles of Toledo and 35 percent of these facilities are within 250 miles. Thirty-six (36) percent of U.S. and 19 percent of Canadian transportation equipment manufacturing are within a 250-mile radius of Toledo. In addition, 15 percent of the U.S. and 11 percent of the Canadian populations reside within 250 miles of Toledo, and one-third of the U.S. population is within 500 miles. These statistics are not expected to change significantly in the next decade.

To move products to market efficiently requires a multiple-surface transportation system, including road, rail, water and air capacity. Toledo has an impressive and effective transportation network in place. Toledo is one of the leading rail centers of the United States. Four rail systems utilize more than 1,200 miles of track within the City. The Port of Toledo is Ohio's largest and most diversified port. Toledo Express Airport is the commercial airport serving Northwest Ohio, providing direct service to most major U.S. cities.

The Toledo MSA serves as a major transportation center. Transportation industry employers provide significant employment. Among those employers is BAX Global International (Formerly Burlington Air Express), which operates a cargo distribution hub facility at Toledo Express Airport. BAX Global International now has approximately 880 regular employees at the hub facility.

The City's economy, historically associated with the glass and automotive industries, has become increasingly diversified. The Toledo area 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. DaimlerChrysler AG, General Motors Corporation and Dana Corporation also continue to be major employers in the Toledo MSA with approximately 9,800 employees. 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. In recent years, private service industries and governmental employers have provided more than three-fourths of the total employment in the Toledo MSA.

The City has been active in promoting industrial and commercial development in the City and the Toledo MSA, providing financing information, marketing programs and, in some cases, infrastructure improvements, grants, and other incentives designed to encourage economic development and the creation and retention of jobs. In addition, the City is addressing Brownfield redevelopment in a collaborative partnership with property owners.

Toledo has been named as a "city of the future" in North America and the No. 1 ranking for "most business friendly" by London based fDi (Foreign Direct Investment) among 44 cities in the large-city category.

To compete effectively in a global marketplace, Toledo must continue to promote local, state, and federal incentives as opportunities for success to companies outside of its jurisdiction as well as to those seeking to grow from within. Available incentives include the Enterprise Development Loan program offering low interest loans for new construction, major renovation, fixed asset or inventory acquisition, the Neighborhood Economic Development Loan program for small community based businesses, core and neighborhood façade grants, tax abatements in enterprise and community re-investment areas, and municipal and downtown job creation employment incentive programs.

## **MAJOR INITIATIVES**

Toledoans have a strong work ethic and a proud tradition of excellence in many industries including glassware and automotive. Our green spaces and parks are second to none. Without question, the Art Museum, the Toledo Zoo, and Fifth Third Field, home of the Toledo Mud Hens, are venues of superior quality. Many other amenities grace the Toledo area.

A myriad of financial resources, entrepreneurial savvy, political leadership and a skilled workforce have bonded together to provide Toledo with the opportunity to begin an economic renaissance. The challenge is to attract vibrant new businesses while also offering creative solutions for maintaining our existing employment base. Simultaneously, with a cooperative spirit, we labor to make the Toledo region a center for entertainment, sports, culture, education and technology. We continue to make progress toward this goal.

In 2005, Dana Corporation completed construction of a division office and research and development center for its Automotive Systems Group. That center, an approximately \$70 million, 183,000 square foot facility, is located in Maumee on an approximately 30-acre site formerly

owned by the City. The center currently employs approximately 450 workers. Under a cooperative economic development agreement between the City, Maumee, and Monclova Township, the City and Maumee are to share the municipal income tax revenues from the center and employees at the center, with the City to receive approximately one-third of those revenues and Maumee two-thirds for a period of 45 years.

In 2006, the owners of Westfield Shoppingtown Franklin Park Mall completed a major capital improvement and expansion project at the mall, currently the largest shopping center in the City. The \$113 million project included demolition of a closed department store building and construction of a new two-story wing and two parking garages. The new wing includes 238,000 square feet of space for specialty stores, restaurants, and a 16-screen theater complex. Future plans include construction of new retail space along the Westfield corridor. In addition to the Westfield expansion, a \$35 million redevelopment of Westgate Village Shopping Center is in process and nearly complete. This redevelopment includes retention of existing businesses as well as the addition of Costco and several new retail stores and restaurants.

The City and the City of Rossford, which borders the City to the south and is in Wood County, have entered into a cooperative agreement pursuant to which the City has agreed to extend water service to an area south of Rossford considered to be a prime area for growth and economic development once annexed to Rossford. The agreement provides for the creation of a joint economic development zone comprised of that area and for the two cities to share the costs of infrastructure improvements for the area and the income tax revenues received by Rossford from businesses that locate in the zone and their employees. The City has also entered into an agreement with the City of Perrysburg for a similar joint economic development zone under similar circumstances and terms. Bass Pro has purchased 234 acres in an area near Rossford in a location where I-75 and the Ohio Turnpike intersect for the construction of a new \$50 million superstore which is expected to be a major catalyst for economic development.

**For the Future:** The Toledo' MSA tax base continued to improve throughout 2006. The Toledo MSA population is anticipated to remain through 2007 at an estimated 619,000.

DaimlerChrysler AG (DaimlerChrysler), with its Jeep Corporation subsidiary the largest manufacturing employer in the City, is currently engaged in the second major expansion and improvement project at its Stickney Avenue (Toledo North) Plant and related facilities to occur in the past ten years. The initial project, completed in 2001, involved the renovation and expansion of the plant into a 1.1 million square foot manufacturing facility, part of an announced \$1.2 billion capital program in the City begun by DaimlerChrysler in 1997.

In April 2004, DaimlerChrysler and United Auto Workers Local 12 entered into a new collective bargaining agreement covering approximately 4,100 employees at DaimlerChrysler's Jeep manufacturing facilities in the City for a term ending in 2011. The agreement contemplates the development of alternative flexible operating approaches for future products. DaimlerChrysler has announced plans for significant further plant investments to support these new approaches and products.

DaimlerChrysler subsequently announced agreements with three suppliers, Kuka Flexible

Production Systems, Hyundai Mobis and Magna Steyra and has completed construction of a \$900 million, three million square foot manufacturing complex adjacent to the Stickney Avenue (Toledo North) Plant. The suppliers have contributed approximately one-third of the cost of the complex in return for receiving 14-year supply contracts from DaimlerChrysler. Production of the redesigned Jeep Wrangler, the redesigned Jeep Liberty, and the new Dodge Nitro has begun. The associated product development costs have been estimated by DaimlerChrysler to be \$1.1 billion. DaimlerChrysler has estimated that total employment at the plant and the new complex will approximate the total employed by DaimlerChrysler at its facilities in the City in 2004.

In 2006 General Motors Corporation announced that it intends to produce a new six-speed, rear-wheel drive automatic transmission at its GM Powertrain Alexis Road transmission plant and that it will make major capital investments in that plant to prepare it for production. The plant improvements are estimated to cost \$540 million including a 400,000 square foot expansion and renovation of existing facilities, new machinery, and equipment, tooling, and operating expenses. The corporation advised that at least 2,500 jobs would be preserved as a result of this project. General Motors has also recently announced that an additional \$332 million investment will be made to enable production of the front-wheel drive version of the six-speed transmission. The Powertrain factory will be the only transmission plant making both front-wheel and rear-wheel drive six-speed transmissions helping to solidify the Powertrain plant's future. The City has agreed to provide certain roadway, storm water drainage and waterline improvements in support of the expansion. The City estimates that those improvements will cost \$3.6 million and expects to utilize (i) approximately \$1.6 million of City funds, and (ii) proceeds of a \$2.0 million grant from the State to pay the cost. The State is providing certain other grants and tax incentives to General Motors. Work on the project and related infrastructure improvement was begun in 2006.

In 2005, Mercy Health Partners commenced construction on a \$90 million renovation and construction project at its St. Vincent Mercy Medical Center in central Toledo. The Medical Center is Mercy Medical Partners' largest facility. The project is to include construction of a four-story \$59 million Regional Heart and Vascular Center and renovations in the main hospital building. Construction will be complete in 2007. The expansion is expected to result in the creation of more than 60 permanent jobs at the Center.

In 2005, the ProMedica Health System began implementing a comprehensive plan to replace, renovate and expand facilities on its Toledo Hospital medical center campus in two phases over a five- to ten-year period. The first phase estimated to cost \$156 million, includes operating rooms, diagnostic areas, intensive care units and patient rooms. The second phase is expected to include the construction of patient rooms in two twin towers and to commence upon completion of the first phase. The City has agreed to make certain street improvements in support of this development and has tentatively agreed to provide a 6.3-acre site for certain of the planned improvements.

In 2002, the State of Ohio began construction of the new Veteran's Glass City Skyway Bridge for the Interstate 280 crossing of the Maumee River. The bridge is a six-lane, cable-stayed structure with a signature design located near the downtown area of the City and is expected to cost approximately \$220 million. Opening is anticipated in June 2007. The City currently has ongoing

a \$40 million project for the improvement of its Martin Luther King Bridge over the Maumee River.

The City and the Port Authority have assembled, remediated, and otherwise prepared a 125-acre former industrial site in the City's Marina District bounded by the Maumee River, Interstate 280, Front Street and Main Street. The costs of the assembly and remediation have been paid from a variety of sources, including more than \$8 million from the City's Capital Improvement fund, \$2.7 million from the City's Sewer and Water Revenue Funds, proceeds of a \$5.5 million borrowing, \$6.0 million of State of Ohio grant money and a \$4.3 million grant from the largest local electric utility. The City contemplates that the site will be developed with a mix of uses including single- and multi-family residential buildings, condominiums, apartments, restaurants, entertainment venues, a 180-slip municipal marina, a passenger terminal for Great Lakes cruise ships (both already under construction), park and open spaces and, eventually, retail establishments with a total private and public investment of in excess of \$300 million over a ten-year period.

In 2005, the City and the City of Oregon agreed to cooperate in facilitating the development of a \$600 million coke plant on a site owned by the Port Authority on the Maumee River. U.S. Coking Group has obtained all required approvals and permits to proceed with the plant that would provide approximately 150 jobs and signed agreements with the prime construction contractors for the project and expects to commence construction in 2007 with completion scheduled for 2009. The City and the City of Oregon have agreed to create a joint economic development zone including the site, provide supporting infrastructure and services and share certain income tax revenues for a 40-year period.

In January 2003, the Toledo City School District and the Ohio School Facilities Commission (OSFC) entered into a project agreement for the construction of up to 27 new elementary schools, seven new middle schools, five new high schools, six combined elementary/middle schools and for the renovation of seven schools. The "Building for Success" project will be the single largest building project in the City of Toledo transforming the landscape and improving educational opportunities for generations of students to come. The District and the OSFC estimate that this program of improvements will cost approximately \$800 million and be constructed in six segments over a period of 10 years.

The school district is also undertaking additional school site and facilities projects including the acquisition and improvement of sites for classroom and other district buildings and facilities and the construction, renovation, remodeling, expansion, furnishing and equipping of auditoriums, stadiums, and other facilities that are not included in the district's cooperative program of improvements with the OSFC. The district estimates that the school site and facilities project will be completed over a period of ten years and cost in excess of \$25 million.

Many cultural and recreational opportunities are available in the City and County. The Toledo Museum of Art, located within the City, is a privately endowed nonprofit institution noted for the quality of its permanent collection and art education programs, as well as for its displays of traveling exhibits. In the past four years, the Museum has completed a major renovation and restoration of its existing facilities, dedicated a new sculpture garden, and opened the state of the art

57,600 square foot Glass Pavilion, an architectural masterpiece that celebrates the City's history as a major center of glass production and houses the museum's vast collection of glass artwork.

The Valentine Theater, a historic theater located in the downtown area of the City, hosts a variety of musical, dance and theatrical productions by the Toledo Symphony, the Toledo Ballet, the Toledo Opera, the Toledo Jazz Society and the Toledo Repertoire Theater as well as culturally and ethnically diverse traveling shows and attractions. The Valentine, re-built in the 1990s, contains a 900-seat auditorium, three rehearsal halls, administrative offices and state-of-the-art sound and lighting systems.

Library services throughout the county are provided by the Toledo-Lucas County Public Library (the Library). The Library has been ranked as one of the top ten libraries in America by Hennen's American Public Library Ratings. The Library provides services through its Main Library in the downtown area of the City and 18 branch libraries throughout the county. It has the third largest public library collection in the state with over 2.3 million books and an annual circulation of over 6 million. In 2001, the Library completed work on a \$45 million expansion and renovation project at its Main Library adding more than 271,000 square feet of library space and 300 parking spaces.

The City owns and operates 145 parks covering 2,368 acres and the Metro Park District of the Toledo Area operates eleven parks covering 9,000 acres in the county. The State's Maumee Bay State Park, a 1,860-acre park featuring both Lake Erie and inland lake beaches, a links-style public golf course, and a resort and conference center, is located within eight miles of the city. Sailing, boating and fishing are common activities on Lake Erie and the Maumee River, which flows through the City.

The Columbus, Ohio-based Center of Science and Industry (COSI) operates a science museum in the Downtown area of the City along the Maumee River. The City donated the property for the museum to the Ohio Arts Facility Commission, which leases the museum to COSI. The museum features both permanent and traveling exhibits.

A total of 16 private and public golf courses are located in the Toledo MSA. One of those courses, Inverness Country Club, periodically hosts major USGA and PGA Championships. An LPGA tournament is held in the area annually.

The City is the home to the Toledo Mud Hens, a Class AAA professional baseball team whose parent club is the Detroit Tigers. In 2002, Fifth Third Field, a 10,000-seat County-owned baseball stadium for the Mud Hens opened in the Warehouse District of the Downtown area of the City. The stadium's design is architecturally compatible with other buildings in that District.

In 2006, the County announced its intention to construct an arena in the Downtown area of the City near the Seagate Convention Centre and Fifth Third Field. The Arena, which is estimated to cost in excess of \$80 million, is expected to be used for more than 100 events each year, including concerts, minor league hockey and arena football games, and to attract visitors and promote additional development of the Downtown area. The Toledo Mud Hens have acquired the Toledo Storm, an East Coast Hockey League professional hockey team affiliated with the Detroit

Red Wings. The Toledo Storm will commence playing in the Fall of 2009 in the new Lucas County Arena.

In addition to activities within the area, the City of Toledo continues to work with entities such as the Regional Growth Partnership in developing national and international ties. The City of Toledo has hosted business delegations from various foreign countries on several occasions.

Like many other state and local governments, the City has been affected by the downturn in the economy over the past 4 years. City officials have been and are continuing to monitor City spending and income tax collections and other revenues very closely and have taken steps in recent years to control the size and structure of the City's workforce. Officials have also limited expenditures for overtime, trimmed support costs and eliminated expenditures for inefficient and unnecessary contractual services to keep aggregate appropriations in balance with the projected revenues.

### FINANCIAL INFORMATION

**Internal Control:** One of the primary objectives of the City's Accounting System is the maintenance of adequate internal controls. The internal controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. Another goal is the reliability of the financial records for preparing financial statements in conformity with GAAP and maintaining accountability for assets. The City has developed the concept of reasonable assurance to recognize that the cost of controls should not exceed the benefits likely to be derived. Finally, it recognizes that the evaluation of relative control costs and benefits requires management's judgment.

**Budgetary Controls:** The City of Toledo maintains budgetary controls in conformity with the Ohio Revised Code. The budgetary process commences with the submission of a Certificate of Estimated Revenue and Expenditures for the upcoming year to the County Budget Commission no later than October 31<sup>st</sup> of the current year.

The City uses the "Certificate" and departmental requests to prepare the Mayor's Estimates. This Executive Budget is presented to City Council as required by law every November. In December, City Council approves a temporary spending measure for the upcoming year, providing spending authority until an Annual Budget is approved but no later than March 31, of the ensuing year. The amount of the temporary spending measure is limited to 25% of the County Budget Commission's "Certificate of Estimated Resources," based on the July Tax Budget.

The Finance Committee of City Council immediately commences a review of the Mayor's Estimates upon approval of the temporary spending measure, conducts hearings with the various Divisions and makes various adjustments. These revised estimates are then presented by the Finance Committee to City Council which may make final changes that are incorporated into an Approved Budget.

Legislation summarizing these detailed budgets at the organizational level for personal service and other costs is then approved by City Council as required by law by March 31. Finally,

the Approved Budget is submitted to the County Budget Commission to demonstrate compliance with the "Certificate of Estimated Resources."

Management exercises accounting and legal control over the budget process at various levels. Accounting control is maintained at a level of detail much greater than required by ordinance. Expenditures are controlled by organization at the line item account level. The control system is also designed to measure both expenditure and encumbrance activity and preclude approval of any activity that exceeds appropriations at the lowest managerial level of control. When these circumstances occur, management is required to either process necessary administrative budget adjustments, or present legislation as appropriate under the circumstances.

The City prepares a Special Budgetary Comparison Report that compares the level of appropriation authority to the County Budget Commission's "Certificate of Estimated Resources" to demonstrate its legal compliance. In addition, the "Certificate of Estimated Resources" is also compared on a regular and recurring basis to the estimated revenues of the City to identify additional estimated resources. When this occurs, the City prepares and submits an Amended Certificate of Estimated Resources to the County Budget Commission for approval to provide the necessary additional legal spending authority of these resources.

The Finance Department provides all user departments and divisions a monthly budget report for use in monitoring their revenue and expenditure activity. This report is also used to compare budgeted activity to actual for the purpose of periodically supplementing or reducing appropriations based on proper legislative activity. The Finance Department gives City Council a monthly update on General Fund expense and revenue activity throughout the course of the year.

**Debt Administration:** The City of Toledo has followed a judicious policy of issuing debt for a variety of projects. Every effort is made to find the optimal funding source for each project. Cash is considered to be the primary choice. The City used Grants, Loans, Lease Financing, Revenue Debt and General Obligation Debt when cash was not available. Although the full faith and credit of the City is pledged to repay General Obligation Debt, other revenues (from the funded project) are used when available.

At December 31, 2006, the City had a number of debt issues outstanding. These issues included \$138 million of General Obligation Bonds and Notes. Of this, \$9 million is taxable Police and Fire Pension debt owned by the City Treasury as an investment and supported by a property tax levy and \$29 million is supported by other revenue sources. In addition, the City also had outstanding \$134 million of Revenue Debt and \$38 million of Special Revenue Notes.

The City's General Obligation Note Program continued on competitive bid basis for unenhanced and unrated notes. Currently, \$12 million of notes are outstanding bearing interest of 1.9%.

In 1996, a change was made in the method of funding for the Assessed Services Program. Although still using credit enhancement to reduce interest rates, the City is using a Variable Note Program with weekly interest rate resets instead of the usual six month or twelve month rates. The 2006 program was funded in the same manner. This has reduced financing costs.

Under the Ohio Revised Code, the City's non-exempt debt issuances (that debt which cannot be excluded from the limits because funding is provided from other sources) are subject to certain legal limits based on assessed valuation. The City's non-exempt debt of \$128 million is well below the limits of \$240 million of unvoted direct debt and \$459 million of direct debt.

During 2006, the City bond rating with Standard & Poor's rating was reaffirmed at "A," and Moody's Investors Service at "A3."

**Cash Management:** Cash temporarily idle during the year was invested in certificates of deposit, the State Treasurer's Investment Pool and securities issued by the U.S. Treasury, several Government Agencies/Instrumentalities and the City in compliance with the City's codified investment policy. The City's investment policy stresses minimizing credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, all funds on deposit with a financial institution were either insured by federal deposit insurance or collateralized. All collateral for deposits was held in the City of Toledo's name by a financial institution acting as the City's Custodian, or by a third party trustee in a collateral pool.

The average yield on investments for 2006 was 5.06%. The City's investment performance compares favorably with the average yield on twelve month U.S. Treasury securities at 1.98%. The City earned interest income of \$7 million on all investments for the year ending December 31, 2006.

**Risk Management:** The City passed a resolution in 1984 to apply the risk management process to accidental and financial losses. It defined that process as a systematic and continuous identification of loss exposures and analysis for frequency and severity probabilities. Further, this process would include the application of sound risk control procedures and financing of risk consistent with the City's available financial resources. The cost of financing risk internally through deductibles or self-insurance is then allocated to the appropriate funds and organizations within the City.

The Administration has implemented a risk management program through a part-time risk management administrator, workers' compensation manager, loss control specialists and the Joint Union and Management Safety and Health Committee. The responsibility of the risk management officer includes the development, design, evaluation and review of the risk management process, while the responsibilities of the workers' compensation manager and loss control specialists focus on the area of employee safety and training. The Administration is cognitive of its responsibility in issues of safety and training. As a result, the Joint Union Management Safety and Health Committee (JUMSHC) was formed to review and address specific issues of employee safety and health and meets periodically to recommend safety policies, training and equipment. In addition, a T.E.A.M.S. Quality Circle program is established. T.E.A.M.S. is a name that identifies a Quality Circle program organized by department/divisions that meet weekly. The Administration knows that risk management is a "grounds-up" issue involving its employees, encourages participation and involvement. As with the JUMSHC, the T.E.A.M.S. approach provides employees a means to interact with the Administration on issues of safety while providing a forum to identify ways to reduce operational costs and enhance services to the citizens.

While the Ohio General Assembly passed several pieces of legislation to restore and afford limited sovereign immunity to political subdivisions and to provide for alternative financial payment in the form of annuity type payments, the areas of particular concern to the city's risk management program are the liability exposures and utilization of various transfer techniques, civil rights and discrimination litigation, court judgments and claims settlements, and the availability of excess liability insurance coverage. The Administration continues its commitment to limiting exposures where possible and optimizing coverage when feasible in recognition of its stewardship responsibilities.

The City continued during 2006 to participate in the State "Retrospective Rated Workers' Compensation Plan" as authorized by City Council in 1990. For each individual year of participation, the City pays a basic portion of workers' compensation premium and thereafter the costs for employee claims as they are incurred, subject to the plan's individual claim cost limitation and the City premium limitation. At the end of each individual ten-year period, a determination of retrospective premium is made and payment remitted to the State and the plan for that year is terminated. Policy years 1990 through 1996 are now terminated and payment has been remitted to the State. During 2003 through 2006, the Administration retained an independent actuary to perform an actuarial analysis of the Workers' Compensation Fund to assure financial integrity of the Fund.

#### **OTHER INFORMATION**

**Independent Audit:** The City of Toledo, with the approval of the Auditor of the State of Ohio, engaged the accounting firm of Clifton Gunderson LLP, to conduct its annual audit. The audit was conducted 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. Additionally, for the seventeenth consecutive year, it also included the additional procedures necessary to meet the requirements of the Single Audit Act of 1984, as amended in 1996, the related Office of Management and Budget Circular A-133, and the requirements of the Auditor of the State of Ohio for legal compliance purposes. The Auditor's report on the basic financial statements and combining statements and schedules is included in the financial section of this report. The Auditors have issued an unqualified report on the City's 2006 basic financial statements.

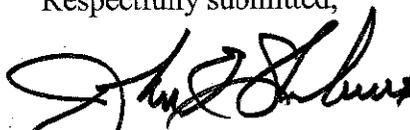
**Awards:** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Toledo for its comprehensive annual financial report for the year ended December 31, 2005. This is the twenty-third year since 1982 that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current year comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA.

**Acknowledgements:** The preparation of the comprehensive annual financial report could not have been accomplished without the dedicated service of the Division of Accounts. 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,

A handwritten signature in black ink, appearing to read "John E. Sherburne". The signature is stylized with a large initial "J" and a prominent flourish at the end.

John E. Sherburne  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Toledo  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**CITY OF TOLEDO, OHIO  
LIST OF PRINCIPAL CITY OFFICIALS**

**MAYOR**

CARLETON S. FINKBEINER

**MEMBERS OF COUNCIL**

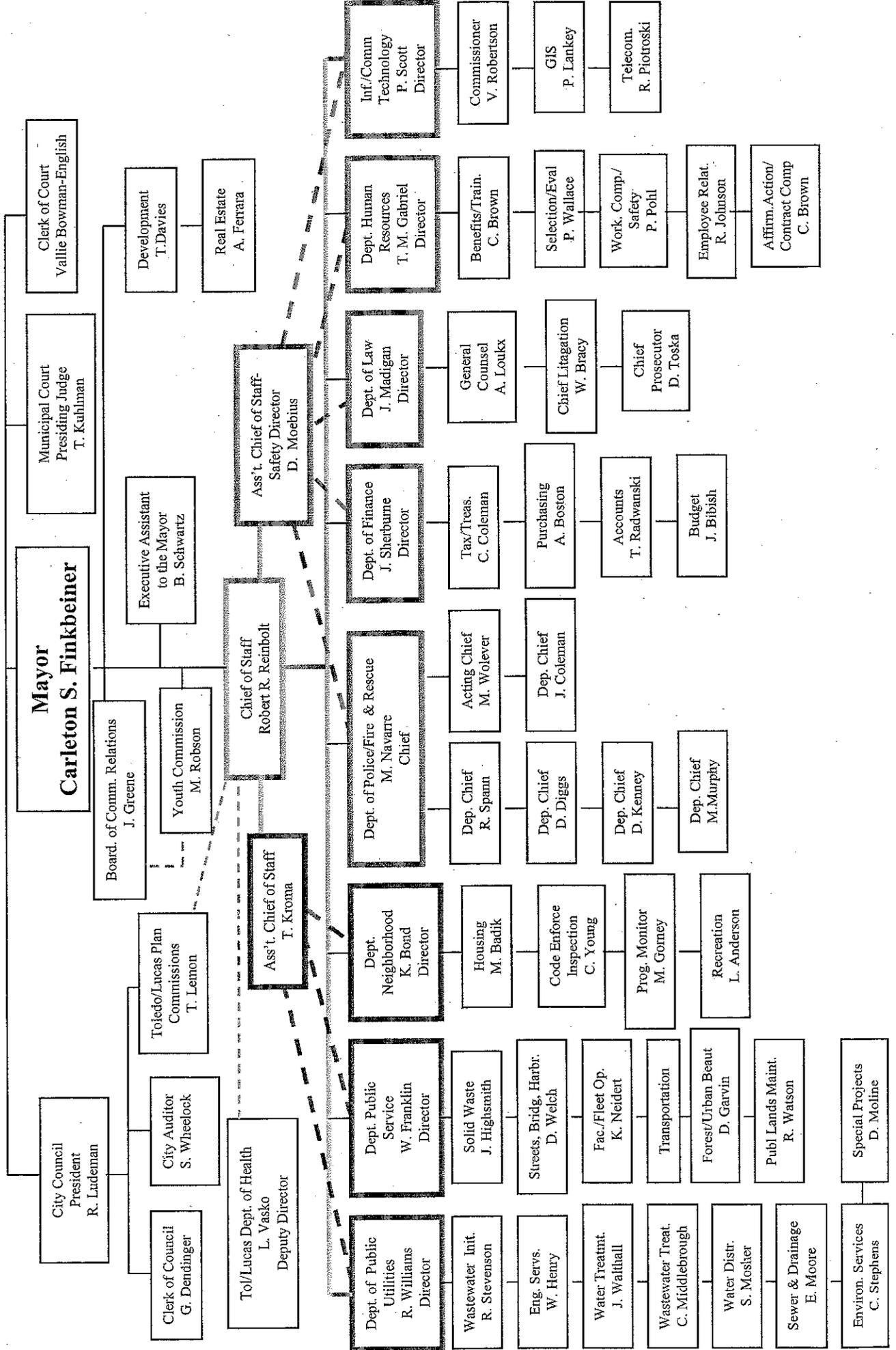
<b><u>NAME</u></b>	<b><u>LENGTH OF SERVICE</u></b>
<b><u>At-Large Seats</u></b>	
Philip Copeland	Two Years
Betty Shultz	Thirteen Years
Joe McNamara	One Year, One Month
George Sarantou	Five Years
Francis J. Szollosi	Four Years
Mark Sobczak	One Year, Five Months
<b><u>District Seats</u></b>	
1. Wilma D. Brown (West-Central)	Nine Years
2. Rob Ludeman (South-West), President	Thirteen Years
3. Michael Craig (East Toledo-Historic South)	One Year, One Month
4. Michael Ashford (Central City)	Five Years
5. Ellen M. Grachek (North-West)	Four Years
6. Joe Birmingham (North Toledo-Point Place)	One Year, Five Months

**CLERK OF COUNCIL**

Gerald E. Dendinger

# City of Toledo Executive Management Team

Citizens of Toledo



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# **FINANCIAL SECTION**

## Independent Auditor's Report

The Honorable Mayor Carleton S. Finkbeiner  
and Members of City Council  
City of Toledo  
Toledo, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Toledo, Ohio, as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Toledo's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financials statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Toledo, Ohio, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2007 on our consideration of the City of Toledo's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis and budgetary comparison on pages F5 through F17 and F87 through F91, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Toledo's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clifton Henderson LLP*

Toledo, Ohio  
June 29, 2007

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## CITY OF TOLEDO, OHIO

### Management's Discussion and Analysis

As management of the City of Toledo, 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, 2006. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements, which follow this section.

#### Financial Highlights

- The general fund reported a fund balance of \$11 million at the end of the current fiscal year. There was no change in the total general fund balance for the year ended December 31, 2006.
- The assets of the City of Toledo exceeded its liabilities at the close of 2006 by \$744 million. Included in governmental activities liabilities in the Statement of Net Assets in Other Debt, totaling \$276 million, is debt for pensions in the amount of \$9 million. This debt is supported by a separate property tax voted by the citizens of the City to fund the initial pension costs of the City's safety forces in the Ohio Police and Fire Pension Fund. The funds to be received for the debt on those pensions are sufficient to pay the net future debt payments but are not included in Taxes Receivable on the Statement of Net Assets.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$19 million. The combined governmental funds fund balance increased \$3 million from the prior year's ending fund balance. Approximately \$(51) million of the \$19 million fund balance is considered unreserved at December 31, 2006.
- The City's total debt increased by \$70 million during the current fiscal year.

#### 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 comprise 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the City include general government, public service, public safety, public utilities, community environment, health, and parks and recreation. The business-type activities of the City primarily includes 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 of Toledo maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital improvements fund, and the special assessment services fund, all of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Toledo adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements (including statement reconciliations) can be found on pages F-24 through F-28 of 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 administrative services as well as parking, property management, and small business development. *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, data processing, risk management and worker's compensation activities. Because 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 provided separate information for water and sanitary sewer operations, both of which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single, aggregated 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.

The basic proprietary fund financial statements can be found on pages F-30 through F-37 of this report.

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

The basic fiduciary fund financial statements can be found on page F-38 of this report.

**Notes to the financial statements.** The notes are an integral part of the financial statements and provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages F-39 through F-83 of this report.

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

this budget. Required supplementary information can be found on pages F-85 through F-91 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages F-87 through F-175 of this report.

**Table 1:**

<b>City of Toledo</b>										
<b>Net Assets</b>										
(amounts expressed in thousands)										
	Governmental activities		Increase/ (Decrease)	Business-type Activities		Increase/ (Decrease)	Total		Total	Increase/ (Decrease)
	2006	2005		2006	2005		2006	2005		
Current and other assets	\$192,091	\$191,048	\$1,043	\$175,615	\$191,653	(\$16,038)	\$367,706	\$382,701	(\$14,995)	
Capital assets	488,084	460,152	27,932	603,721	509,052	94,669	1,091,805	969,204	122,601	
<i>Total Assets</i>	\$680,175	\$651,200	\$28,975	\$779,336	\$700,705	\$78,631	\$1,459,511	\$1,351,905	\$107,606	
Long-term liabilities outstanding	224,531	219,268	5,263	336,769	266,340	70,429	561,300	485,608	75,692	
Other liabilities	102,032	103,489	(1,457)	52,464	53,338	(874)	154,496	156,827	(2,331)	
<i>Total liabilities</i>	\$326,563	\$322,757	\$3,806	\$389,233	\$319,678	\$69,555	\$715,796	\$642,435	\$73,361	
<b>Net assets</b>	\$353,612	\$328,443	\$25,169	\$390,103	\$381,027	\$9,076	\$743,715	\$709,470	\$34,245	
Invested in capital assets, net of related debt	\$300,779	\$280,486	\$20,293	\$253,730	\$224,105	\$29,625	\$554,509	\$504,591	\$49,918	
Restricted	50,555	47,957	2,598	95,084	169,220	(74,136)	145,639	217,177	(71,538)	
Unrestricted	2,278	-	2,278	41,289	(12,298)	53,587	43,567	(12,298)	55,865	
<b>Total net assets</b>	\$353,612	\$328,443	\$25,169	\$390,103	\$381,027	\$9,076	\$743,715	\$709,470	\$34,245	

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position (See Table 1). The City's assets exceeded liabilities by \$744 million at the close of the most recent fiscal year.

The largest portion of the City's net assets (75 percent) reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. 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 liabilities.

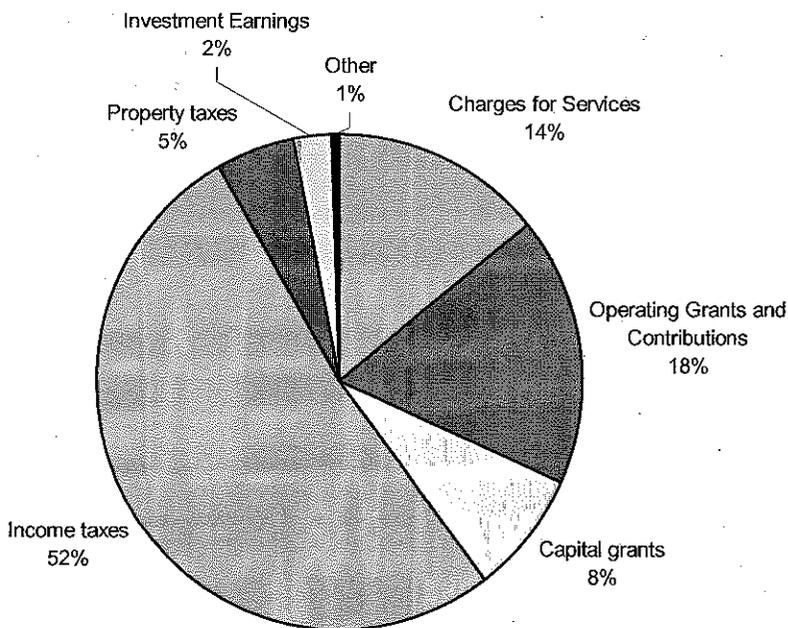
An additional portion of the City's net assets (20 percent) represents resources that are subject to restrictions as to how they may be used. The net assets of the City's business-type activities (\$390 million) may not be used to fund governmental activities. As stated earlier, property taxes to fund pension obligations of \$9 million are not included in Taxes Receivable.

Table 2 provides a summary of the changes in net assets for the year ended December 31, 2006. Comparison data for 2005 is provided for reference purposes. The City's financial position improved for both governmental-type and business-type activities.

**Table 2:**

<b>City of Toledo</b>									
<b>Changes in Net Assets</b>									
(amounts expressed in thousands)									
	Governmental Activities			Business-type Activities			Total	Total	Increase/
	2006	2005	(Decrease)	2006	2005	(Decrease)	2006	2005	(Decrease)
<b>Revenues:</b>									
<b>Program Revenues:</b>									
Charges for Services	\$44,740	\$46,722	(\$1,982)	\$98,122	\$102,066	(\$3,944)	\$142,862	\$148,788	(\$5,926)
Operating Grants and Contributions	55,734	49,406	6,328	-	-	-	55,734	49,406	6,328
Capital grants	25,689	25,779	(90)	-	-	-	25,689	25,779	(90)
<b>General Revenues:</b>									
Income taxes	164,718	160,683	4,035	-	-	-	164,718	160,683	4,035
Property taxes	17,330	20,136	(2,806)	-	-	-	17,330	20,136	(2,806)
Investment Earnings	7,194	4,153	3,041	6,488	3,282	3,206	13,682	7,435	6,247
Other	2,190	273	1,917	4,782	5,494	(712)	6,972	5,767	1,205
<b>Total Revenues</b>	<b>\$317,595</b>	<b>\$307,152</b>	<b>\$10,443</b>	<b>\$109,392</b>	<b>\$110,842</b>	<b>(\$1,450)</b>	<b>\$426,987</b>	<b>\$417,994</b>	<b>\$8,993</b>
<b>Expenses</b>									
General government	\$27,250	\$25,960	\$1,290	-	-	-	\$27,250	\$25,960	\$1,290
Public Service	52,891	52,706	185	-	-	-	52,891	\$52,706	185
Public Safety	158,499	153,084	5,415	-	-	-	158,499	\$153,084	5,415
Public Utilities	46	-	46	-	-	-	46	\$0	46
Community Environment	20,589	14,895	5,694	-	-	-	20,589	\$14,895	5,694
Health	18,207	17,639	568	-	-	-	18,207	\$17,639	568
Parks & Recreation	7,563	7,345	218	-	-	-	7,563	\$7,345	218
Interest on Fiscal Charges	7,833	8,973	(1,140)	-	-	-	7,833	\$8,973	(1,140)
Water	-	-	-	34,324	34,369	(45)	34,324	34,369	(45)
Sewer	-	-	-	44,464	41,217	3,247	44,464	41,217	3,247
Other Enterprise Funds	-	-	-	21,077	19,218	1,859	21,077	19,218	1,859
<b>Total Expenses</b>	<b>\$292,878</b>	<b>\$280,602</b>	<b>\$12,276</b>	<b>\$99,865</b>	<b>\$94,804</b>	<b>\$5,061</b>	<b>\$392,743</b>	<b>\$375,406</b>	<b>\$17,337</b>
Increase in net assets before transfers	24,717	26,550	(1,833)	9,527	16,038	(6,511)	34,244	42,588	(8,344)
Transfers	451	(927)	1,378	(451)	927	(1,378)	-	-	-
Increase in net assets	25,168	25,623	(455)	9,076	16,965	(7,889)	34,244	42,588	(8,344)
<b>Net asset – January 1<sup>st</sup></b>	<b>\$328,444</b>	<b>\$302,821</b>	<b>\$25,623</b>	<b>\$381,027</b>	<b>\$364,062</b>	<b>\$16,965</b>	<b>\$709,471</b>	<b>\$666,883</b>	<b>\$42,588</b>
<b>Net asset – December 31<sup>st</sup></b>	<b>\$353,612</b>	<b>\$328,444</b>	<b>\$25,168</b>	<b>\$390,103</b>	<b>\$381,027</b>	<b>\$9,076</b>	<b>\$743,715</b>	<b>\$709,471</b>	<b>\$34,244</b>

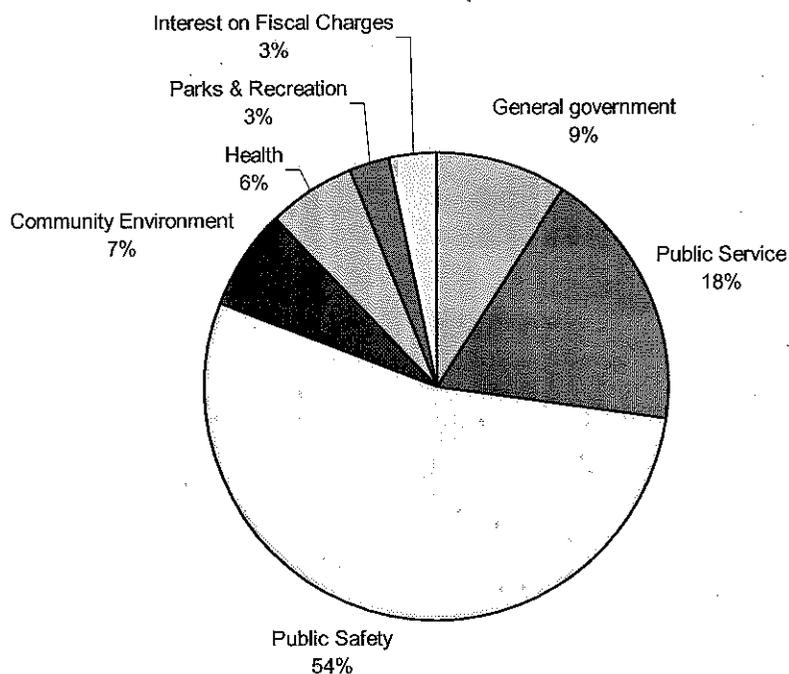
**Revenues by Source - Governmental Activities**



**Governmental activities.** Income tax revenue accounts for \$165 million of the \$318 million total revenue for governmental activities, or 52% of total revenue. Property taxes and Assessments account for \$17 million or 5% of total revenue and operating grants and contributions of \$56 million account for 18% of total governmental revenue.

The City's charges for services made up \$45 million or 14% of total governmental revenue. These charges are for user fees, fines and forfeitures, and licenses and permits associated with building inspection.

### Expenses by Category - Governmental Activities



Public Safety accounts for \$158 million of the \$293 million total expenses for governmental activities, or 54% of total expenses. The next largest program is Public Service, accounting for \$53 million representing 18% of total governmental expenses.

**Business-type activities.** The net assets for the business-type activities for the City increased by \$9 million during the year 2006. Major revenue sources were charges for service of \$98 million which decreased approximately \$4 million.

### 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, unreserved 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, 2006, the City's governmental funds reported combined ending fund balances of \$19 million, an increase of \$3 million in comparison with the prior year.

Approximately \$(51) million of this amount constitutes *unreserved fund balance*, that is mainly due to Special Assessment Fund deferred revenue. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period and for non-current loans receivable.

The general fund is the chief operating fund of the City. At December 31, 2006, total fund balance was \$11 million.

The fund balance of the City's general fund was unchanged during 2006.

The capital improvement fund has a total fund balance of \$36 million. The net increase in fund balance during 2006 in this fund was approximately \$4 million. This is due to an decrease in notes payable for capital improvement throughout the year.

The special assessment services fund has a total fund deficit of \$ 46 million. The net decrease in fund balance during 2006 in this fund was approximately \$3 million. Receivables of \$48 million for Special Assessments are offset by the same amount of Deferred Revenue. There was a slight increase in all services to cause a slight increase in the fund balance deficit.

**Enterprise funds.** The City's enterprise funds provide the same information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water fund at the end of the year amounted to \$11 million and unrestricted net assets for the Sewer System was \$11 million. The increase in these net assets were \$4 million and \$7 million respectively.

The Water fund maintained all significant ratios including a Current Ratio of 2.3, Debt to Net Worth of 1.1, Long Term Debt to Total Capitalization of .6, and Debt Service Coverage Ratio of 1.9.

The Sewer fund maintained its significant ratios including Current Ratio of 1.9, Debt to Net Worth of 1.2, Long Term Debt to Total Capitalization of .5, and Debt Service Coverage Ratio of 3.5.

Water revenue decreased 7 percent to \$35 million. Operating expenses for the water utility decreased 4 percent largely due to decreased contractual services.

Sewer revenue increased 2 percent. At the same time operating expenditures in the sewer utility increased 7 percent due to an increase in contractual services.

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

There was no significant difference in the grand total of the final general fund budget as compared to the original budget, remaining at 233 million. Decreases were made in the major service areas due to the elimination of positions, not filling vacancies, reduction in overtime, and other cost cutting measures, but these were offset by an increase in operating transfers to other funds. There were no significant variations between the final approved budget and final actual expenditures.

The following schedule presents a summary of General Fund revenues for the year ended December 31, 2006, and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 3:

Revenues and Other Financing Sources (amounts expressed in thousands)	2006 Amount	% of Total	Increase (Decrease) from 2005	Percent Increase (Decrease)
Income Taxes	\$164,718	70.7	\$ 4,035	2.5
Property Taxes	17,330	7.4	99	0.1
Licenses & Permits	2,867	1.2	(100)	(3.4)
Intergovernmental Services	23,648	10.1	387	1.7
Charges for Services	13,842	5.9	1,036	8.1
Investment Earnings	4,469	1.9	2,284	104.6
Fines and Forfeitures	5,009	2.1	(167)	(3.2)
All Other Revenues	-	-	(710)	(100.0)
Other Financing Sources and Transfers In	1,155	0.5	(387)	(25.0)
<b>Total Revenues &amp; Other Financing Sources</b>	<b>\$233,038</b>	<b>100.0</b>	<b>\$6,477</b>	<b>2.9</b>

Municipal Income Tax revenue increased 2.5% in 2006 from 2005. The increase can be attributed primarily to the fact that economic conditions in 2006 improved over 2005.

The increase in Investment Earnings is a direct result of increased interest rates. Most other revenue sources showed increases, reflecting stable recovery in economic activity.

The following schedule presents a summary of General Fund expenditures for the year ended December 31, 2006 and the percentage of increases and decreases in relation to prior year's amounts.

Table 4:

Expenditures and Other Uses (amounts expressed in thousands)	2006 Amount	% of Total	Increase (Decrease) from 2005	Percent Increase (Decrease)
General Government	\$17,041	7.3	\$ 562	3.4
Public Service	1,554	0.7	(17)	(1.1)
Public Safety	155,189	66.6	8,088	5.5
Public Utilities	13	0.0	13	100.0
Community Environment	4,543	2.0	(462)	(9.2)
Health	15,355	6.6	681	4.6
Parks & Recreation	3,526	1.5	198	6.0
Capital Outlay	590	0.3	61	11.5
Principal Retirement	1,000	0.4	(1,026)	(50.6)
Interest & Fiscal Charges	767	0.3	(394)	(33.9)
Other Financing Uses and Transfers Out	33,388	14.3	120	0.4
Total	\$232,966	100.0	\$7,824	3.5

The increase in General Government is due to increased costs in personal services, supplies and professional services. The increase in Public Safety relates to increased costs in personal services, supplies and professional services. The increase in Parks relates to slight increase in personal services. The decrease in Principal Retirement is due to the decrease in the costs associated with Debt paid from General Fund.

**General Fund Equity:** Total fund equity (expressed in thousands) in the general fund amounts to \$10,792, of which \$1,119 is reserved for encumbrances, \$855 is reserved for inventories, \$19 is designated for subsequent years activity, \$5,742 is reserved for Budget Stabilization, \$2,686 is for other reserves and \$371 is unreserved.

The City maintains a Budget Stabilization Designation to cover unexpected revenue shortfalls and/or expenditure increases. The City did not utilize moneys in the Budget Stabilization Designation for expenditures in 2006, and, consistent with its policy of adding to the Designation set forth in an ordinance passed by the Council in 1998, intends to restore and then increase the Designation each year by an amount equal to one-half the amount by which actual annual General Fund revenues exceed actual annual General Fund expenditures. The fund increased from \$5.4 million at December 31, 2005 to \$5.7 million at December 31, 2006.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for governmental and business-type activities as of December 31, 2006, amounts to \$1,092 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, water and sewer distribution systems, improvements, machinery and equipment, park facilities, roads, curbs and gutters, streets and sidewalks, and drainage systems. The total increase in the City's investment in capital assets for 2006 was 24 percent (an 6 percent increase for governmental activities and an 18 percent increase for business-type activities).

**Table 5:**

City of Toledo						
Capital Assets, net of depreciation.						
(amounts expressed in thousands)						
	Governmental activities includes Internal Service		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$25,131	\$25,131	\$10,874	\$10,874	\$36,005	\$36,005
Buildings	12,449	14,110	26,931	27,509	39,380	41,619
Improvements other than buildings	29,331	30,872	31,048	30,097	60,379	60,969
Machinery and equipment	35,334	35,689	45,123	44,493	80,457	80,182
Infrastructure	385,839	354,350	253,070	217,907	638,909	572,257
Construction in progress	-	-	236,675	178,172	236,675	178,172
<b>Total</b>	<b>\$488,084</b>	<b>\$460,152</b>	<b>\$603,721</b>	<b>\$509,052</b>	<b>\$1,091,805</b>	<b>\$969,204</b>

Major capital asset events during 2006 included the following:

- Total capital assets, net of accumulated depreciation, increased \$123 million.
- Business-type activity capital assets increased by \$95 million.
- Governmental activity capital assets increased by \$28 million.

Additional information on the City's capital assets can be found in Note 7 on pages F-62 through F-64 of this report.

**Long-term debt.** At December 31, 2006, the City, the primary government, had \$633 million of long-term bonds, notes, loans, and other obligations outstanding. General obligation bonds and notes outstanding equal \$126 million and \$12 million respectively. All assessment bonds issued by the City are also general obligation bonds and are included herein. The remainder of the City's debt represents bonds secured by specified revenue sources (i.e. revenue bonds) and other sources of the City.

**Table 6:**

<b>City of Toledo</b>						
<b>General Obligation and Revenue Bonds Outstanding</b>						
(amounts expressed in thousands)						
	Governmental activities		Business-type activities		Total	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General obligation bonds and notes	\$114,776	\$116,638	\$23,718	\$24,683	\$138,494	\$141,321
Revenue bonds and notes	37,700	36,500	133,923	141,141	171,623	177,641
<b>Total</b>	<b>\$150,165</b>	<b>\$153,138</b>	<b>\$157,641</b>	<b>\$165,824</b>	<b>\$310,117</b>	<b>\$318,962</b>

Total long-term bonds and loans outstanding at December 31, 2006 increased over December 31, 2005 according to plan.

The City is rated A by Standard & Poor's Corporation and A3 by Moody's Investor Services.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2006 the City's total net debt amounted to 8 % of the total assessed value of all property within the City. Unvoted net debt amounted to 3 % of the total assessed value of all property within the City. The City had a legal debt margin for total debt of \$138,389 and a legal debt margin for unvoted debt of \$378,707. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Toledo lies, is limited to 10 mills. This millage is measured against the property values in each overlapping district.

Additional information regarding the City's long-term debt can be found in Note 8 on pages F65 through F-74 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

The City of Toledo's elected and appointed officials considered many factors when setting the fiscal 2007 budget. While the national economy is slowly improving, Toledo's economy is rebounding at a slower pace. Our income tax revenues, which are the largest source of revenue for our General Fund, grew at an overall 2.5% rate during 2006. The City has seen a renewed activity in the reported business net profits classification of tax collecting increasing by 13.1% over the 2005 collections.

The City is committed to controlling costs, putting the highest premium on safety for our citizens and adopting a budget designed to promote long-term fiscal stability and maintain budget reserves. Increasing productivity and reducing personnel costs will provide the most benefit to the current year budget and future budgets. The City is in process of reviewing several areas of providing services. The City and County are in discussions concerning areas of shared services ranging from vehicle maintenance to communication services. The City and County along with several other Municipalities and Townships have agreed to participate in a County wide Economic Development program known as the Lucas County Investment Corporation which will provide county wide Economic Development Initiatives. In addition, the City will continue its investment in job creation in order to continue to grow our economy. The total General fund budget for 2007 is \$241 million.

## **Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at One Government Center, Suite 2020, Toledo, OH 43604.

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# **BASIC FINANCIAL STATEMENTS**

**CITY OF TOLEDO, OHIO**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

**Primary Government**

	<b><u>Governmental</u></b> <b><u>Activities</u></b>	<b><u>Business-Type</u></b> <b><u>Activities</u></b>	<b><u>Total</u></b>
<b>ASSETS and OTHER DEBITS</b>			
Equity in Pooled Cash	\$ 15,363	\$ 22,105	\$ 37,468
Other Cash	36	128	164
Investments	44,610	132,503	177,113
Receivables (Net of Allowance for Uncollectible Accounts)			
Taxes	36,353	---	36,353
Accounts	16,132	21,047	37,179
Special Assessments	50,365	---	50,365
Notes	---	16,817	16,817
Interfund Receivable	23,538	(23,538)	---
Due from Other Governments	---	191	191
Prepaid Expenditures and Expenses	215	160	375
Inventory of Supplies	5,172	3,004	8,176
Capital Assets Not Being Depreciated	25,131	247,549	272,680
Capital Assets Being Depreciated (Net)	462,953	356,172	819,125
Deferred Debt Issuance Cost	<u>307</u>	<u>3,198</u>	<u>3,505</u>
 Total Assets and Other Debits	 <u>\$ 680,175</u>	 <u>\$ 779,336</u>	 <u>\$1,459,511</u>

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

**CITY OF TOLEDO, OHIO**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

Primary Government

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 9,253	\$ 16,240	\$ 25,493
Escrow	18,153	14,808	32,961
Retainages	1,592	5,864	7,456
Due to Other Governments	23	---	23
Other Current Liabilities	21,068	2,330	23,398
Other Debt:			
Due within One Year	54,878	13,222	68,100
Due in More Than One Year	<u>221,596</u>	<u>336,769</u>	<u>558,365</u>
 Total Liabilities	 <u>326,563</u>	 <u>389,233</u>	 <u>715,796</u>
 <b>NET ASSETS</b>			
Invested in capital assets, net of related debt	300,779	253,730	554,509
Restricted for:			
Special Assessments	374	---	374
Debt Service	---	5,785	5,785
Replacement	---	37,823	37,823
Capital Improvements	34,227	51,476	85,703
Special Revenue and Permanent Fund	15,954	---	15,954
Non-Expendable Funds:			
Permanent Fund	694	---	694
Unrestricted	<u>1,584</u>	<u>41,289</u>	<u>42,873</u>
 Total Net Assets	 <u>\$ 353,612</u>	 <u>\$ 390,103</u>	 <u>\$ 743,715</u>

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

**CITY OF TOLEDO, OHIO**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

	<b>Program Revenue</b>			<b>Net (Expense) Revenue and Changes in Net Assets</b>		
<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants</b>	<b>Capital Grants</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Functions/Programs</b>						
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 27,250	\$ 28,338	\$ 288	\$ 36,761	\$ ---	\$ 36,761
Public Service	52,891	---	2,175	(50,710)	---	(50,710)
Public Safety	158,499	8,524	---	(145,369)	---	(145,369)
Public Utilities	46	---	---	(46)	---	(46)
Community Environment	20,589	7,052	23,226	24,380	---	24,380
Health	18,207	704	---	(16,728)	---	(16,728)
Parks and Recreation	7,563	122	---	(7,170)	---	(7,170)
Interest and Fiscal Charges	7,833	---	---	(7,833)	---	(7,833)
<b>Total Governmental Activities</b>	<b>\$ 292,878</b>	<b>\$ 44,740</b>	<b>\$ 25,689</b>	<b>\$ (166,715)</b>	<b>\$ ---</b>	<b>\$ (166,715)</b>
<b>Business-Type Activities:</b>						
Water	34,324	34,790	---	---	466	466
Sewer	44,464	44,377	---	---	(87)	(87)
Storm Utility	6,883	8,132	---	---	1,249	1,249
Utilities Administration	9,898	7,802	---	---	(2,096)	(2,096)
Parking	1,040	1,486	---	---	446	446
Property Management	2,010	(688)	---	---	(2,698)	(2,698)
Small Business Development/Exp. Trust	77	(2)	---	---	(79)	(79)
Tow Lot	1,169	2,225	---	---	1,056	1,056
<b>Total Business-Type Activities</b>	<b>\$ 99,865</b>	<b>\$ 98,122</b>	<b>\$ ---</b>	<b>\$ (1,743)</b>	<b>\$ (1,743)</b>	<b>\$ (1,743)</b>
<b>Total Primary Government</b>	<b>\$ 392,743</b>	<b>\$ 142,862</b>	<b>\$ 25,689</b>	<b>\$ (166,715)</b>	<b>\$ (1,743)</b>	<b>\$ (168,458)</b>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Income Taxes				164,718	---	164,718
Property Taxes				17,330	---	17,330
Unrestricted Investments Earnings				7,194	6,488	13,682
Gain on Sale of Capital Assets and Other Revenue/Grants Transfers				2,190	4,782	6,972
				451	(451)	---
<b>Total General Revenues, Special Items and Transfers</b>				<b>191,883</b>	<b>10,819</b>	<b>202,702</b>
<b>Changes in Net Assets</b>				<b>25,168</b>	<b>9,076</b>	<b>34,244</b>
<b>Net Assets-Beginning</b>				<b>328,444</b>	<b>381,027</b>	<b>709,471</b>
<b>Net Assets-Ending</b>				<b>\$ 353,612</b>	<b>\$ 390,103</b>	<b>\$ 743,715</b>

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

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**CITY OF TOLEDO, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006  
(AMOUNTS IN THOUSANDS)**

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>
<b>ASSETS</b>			
Equity in Pooled Cash	\$ 127	\$ 2,305	\$ ---
Other Cash	34	---	---
Investments	2,669	29,692	6,806
Receivables (Net of Allowance for Uncollectible Accounts):			
Taxes	36,353	---	---
Accounts	2,094	9,849	30
Special Assessments	---	---	47,708
Interfund Receivable	13,413	263	1,102
Prepays	---	215	---
Inventory of Supplies	854	1,044	1,701
Total Assets	<u>\$ 55,544</u>	<u>\$ 43,368</u>	<u>\$ 57,347</u>
<b>LIABILITIES</b>			
Accounts Payable	1,058	4,263	781
Escrow	13,520	267	1,103
Retainages	---	1,561	---
Interfund Payable	10,279	---	15,658
Due to Other Governments	---	---	12
Deferred Revenue	18,012	---	47,708
Other Current Liabilities	1,883	---	35
Debt:			
Notes Payable	---	1,350	37,700
Total Liabilities	<u>\$ 44,752</u>	<u>\$ 7,441</u>	<u>\$ 102,997</u>
<b>FUND BALANCES</b>			
Fund Balances (Deficit):			
Reserved for Encumbrances	1,119	30,134	877
Reserved for Inventory of Supplies	854	1,044	1,701
Reserved for Capital Improvements	---	14,149	---
Reserved for Debt Service	---	---	---
Reserved for Prepays	---	215	---
Reserved for Landfill Remediation	2,686	---	---
Unreserved, Reported In:			
General Fund-Designated for Future Years' Expenditures	19	---	---
General Fund-Designated for Budget Stabilization	5,742	---	---
Unreserved	372	(9,615)	(48,228)
Total Fund Balances	<u>10,792</u>	<u>35,927</u>	<u>(45,650)</u>
Total Liabilities and Fund Balance	<u>\$ 55,544</u>	<u>\$ 43,368</u>	<u>\$ 57,347</u>

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

**CITY OF TOLEDO, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006  
(AMOUNTS IN THOUSANDS)**

	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>		
Equity in Pooled Cash	\$ 7,317	\$ 9,749
Other Cash	2	36
Investments	4,424	43,591
Receivables (Net of Allowance for Uncollectible Accounts):		
Taxes	---	36,353
Accounts	4,081	16,054
Special Assessments	2,657	50,365
Interfund Receivable	10,567	25,345
Prepays	---	215
Inventory of Supplies	<u>755</u>	<u>4,354</u>
Total Assets	<u>\$ 29,803</u>	<u>\$ 186,062</u>
<b>LIABILITIES</b>		
Accounts Payable	1,518	7,620
Escrow	1,600	16,490
Retainages	31	1,592
Interfund Payable	4,238	30,175
Due to Other Governments	2	14
Deferred Revenue	2,657	68,377
Other Current Liabilities	3	1,921
Debt:		
Notes Payable	<u>2,115</u>	<u>41,165</u>
Total Liabilities	<u>\$ 12,164</u>	<u>\$ 167,354</u>
<b>FUND BALANCES</b>		
Fund Balances (Deficit):		
Reserved for Encumbrances	10,019	42,149
Reserved for Inventory of Supplies	755	4,354
Reserved for Capital Improvements	---	14,149
Reserved for Debt Service	45	45
Reserved for Prepays	--	215
Reserved for Landfill Remediation	--	2,686
Unreserved, Reported In:		
General Fund-Designated for Future Years' Expenditures	143	162
General Fund-Designation for Budget Stabilization	---	5,742
Unreserved	<u>6,677</u>	<u>(50,794)</u>
Total Fund Balances	<u>17,639</u>	<u>18,708</u>
Total Liabilities and Fund Balance	<u>\$ 29,803</u>	<u>\$ 186,062</u>

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

**CITY OF TOLEDO, OHIO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

Total governmental fund balances	\$	18,708
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		473,489
Internal service funds are used by management to charge the cost of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of the net assets.		20,120
Long-term assets are not available to pay for current period expenditures and therefore deferred in the funds.		307
Long-term liabilities, including bonds payable, OWDA loans, capital leases, and compensated absences are not due and payable in the current period and therefore are not reported on the funds.		(227,389)
Special assessment tax revenue will be collected beyond the 60 day period use statements. Revenue and a corresponding receivable are included in the government-wide statements.		<u>68,377</u>
Net assets of government activities	\$	<u>353,612</u>

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

**CITY OF TOLEDO, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Assessment Services</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Income Taxes	\$ 164,718	\$ ---	\$ ---	\$ ---	\$ 164,718
Property Taxes	17,330	---	---	---	17,330
Special Assessments	---	---	21,202	586	21,788
Licenses and Permits	2,867	139	---	6	3,012
Intergovernmental Services	23,648	25,045	---	31,264	79,957
Charges for Services	13,842	99	246	894	15,081
Investment Earnings	4,469	1,366	821	538	7,194
Fines and Forfeitures	5,009	---	---	1,085	6,094
All Other Revenue	<u>---</u>	<u>83</u>	<u>2</u>	<u>1,390</u>	<u>1,475</u>
Total Revenues	<u>\$ 231,883</u>	<u>\$ 26,732</u>	<u>\$ 22,271</u>	<u>\$ 35,763</u>	<u>\$ 316,649</u>
<b>EXPENDITURES:</b>					
Current:					
General Government	\$ 17,041	\$ ---	\$ 796	\$ 323	\$ 18,160
Public Service	1,554	---	21,997	10,665	34,216
Public Safety	155,189	---	---	3,386	158,575
Public Utilities	13	---	---	25	38
Community Environment	4,543	---	---	14,738	19,281
Health	15,355	---	606	1,442	17,403
Parks & Recreation	3,526	---	175	175	3,876
Capital Outlay	590	59,635	103	1,362	61,690
Debt Service:					
Principal Retirement	1,000	4,919	13	12,533	18,465
Interest & Fiscal Charges	<u>767</u>	<u>3,278</u>	<u>1,961</u>	<u>4,105</u>	<u>10,111</u>
Total Expenditures	<u>\$ 199,578</u>	<u>\$ 67,832</u>	<u>\$ 25,651</u>	<u>\$ 48,754</u>	<u>\$ 341,815</u>
Excess (Deficiency) of					
Revenues over Expenditures	<u>32,305</u>	<u>(41,100)</u>	<u>(3,380)</u>	<u>(12,991)</u>	<u>(25,166)</u>
Other Financing Sources (Uses):					
Transfers In	1,155	33,167	---	18,396	52,718
Transfers (Out)	(33,388)	(15,938)	---	(3,526)	(52,852)
Bond Issuance of Debt	---	12,405	---	---	12,405
Loan Issuance of Debt	---	14,120	---	---	14,120
Note Proceeds	---	1,026	---	---	1,026
Premium on Bonds	---	660	---	12	672
Sale of Capital Assets	<u>34</u>	<u>---</u>	<u>---</u>	<u>9</u>	<u>43</u>
<b>TOTAL OTHER FINANCING SOURCES AND (USES)</b>	<u>\$ (32,199)</u>	<u>\$ 45,440</u>	<u>\$ ---</u>	<u>\$ 14,891</u>	<u>\$ 28,132</u>
Net Change in Fund Balance	106	4,340	(3,380)	1,900	2,966
Fund Balances (Deficit) at					
Beginning of Year	10,771	31,736	(42,601)	15,739	15,645
Increase in Reserve for Inventory	<u>(85)</u>	<u>(149)</u>	<u>331</u>	<u>---</u>	<u>97</u>
Fund Balance (Deficit) at Year-End	<u>\$ 10,792</u>	<u>\$ 35,927</u>	<u>\$ (45,650)</u>	<u>\$ 17,639</u>	<u>\$ 18,708</u>

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

**CITY OF TOLEDO, OHIO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

Net change in fund balances – total governmental funds	\$	2,966
Change in Inventory		97
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$61,690) were less than depreciation (\$34,429) in the current period.</p>		27,261
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		232
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued. Whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt.</p>		(7,831)
<p>The change in net assets of certain activities of internal service funds is reported with governmental activities.</p>		<hr style="width: 100%;"/> 2,443
Change in net assets of governmental activities.	\$	<hr style="width: 100%;"/> <u>25,168</u>

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

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**CITY OF TOLEDO, OHIO  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2006  
 (AMOUNTS IN THOUSANDS)**

**Business-Type Activities – Enterprise Funds**

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	<u>Governmental Activities – Internal Service Funds</u>
<b>ASSETS</b>					
Current Assets					
Equity in Pooled Cash	\$ 6,872	\$ 7,893	\$ 7,340	\$ 22,105	\$ 5,614
Other Cash	120	6	2	128	—
Investments	72,178	36,738	23,587	132,503	1,019
Receivables (Net of Allowance for Uncollectible Accounts):					
Accounts	7,581	11,712	1,754	21,047	78
Notes	—	—	16,817	16,817	—
Interfund Receivables	25,327	30,067	3,375	58,769	29,099
Due from Other Governments	15	100	76	191	—
Prepaid Expenses	125	35	—	160	—
Inventory of Supplies	2,382	611	11	3,004	818
Total Current Assets	<u>114,600</u>	<u>87,162</u>	<u>52,962</u>	<u>254,724</u>	<u>36,628</u>
Property, Plant and Equipment					
Land	1,763	163	8,949	10,875	350
Buildings	13,828	32,747	28,849	75,424	1,111
Improvements	11,667	51,835	8,158	71,660	335
Machinery and Equipment	23,936	78,847	1,493	104,276	56,761
Furniture and Fixtures	405	948	618	1,971	99
Distribution System	160,134	276,749	8,476	445,359	—
Construction in Progress	45,704	187,349	3,622	236,675	—
Less: Accumulated Depreciation	<u>(87,185)</u>	<u>(239,363)</u>	<u>(15,971)</u>	<u>(342,519)</u>	<u>(44,061)</u>
Net Property, Plant, and Equipment	<u>170,252</u>	<u>389,275</u>	<u>44,194</u>	<u>603,721</u>	<u>14,595</u>
Other Assets:					
Deferred Debt Issuance Cost	<u>2,455</u>	<u>743</u>	<u>—</u>	<u>3,198</u>	<u>—</u>
Total Non-Current Assets	<u>172,707</u>	<u>390,018</u>	<u>44,194</u>	<u>606,919</u>	<u>14,595</u>
Total Assets	<u>\$ 287,307</u>	<u>\$477,180</u>	<u>\$ 97,156</u>	<u>\$861,643</u>	<u>\$ 51,223</u>

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

**CITY OF TOLEDO, OHIO  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2006  
 (AMOUNTS IN THOUSANDS)**

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>LIABILITIES AND FUND EQUITY</b>					
Current Liabilities:					
Accounts Payable	\$ 7,515	\$ 8,174	\$ 551	\$ 16,240	\$ 1,633
Escrow	7,174	7,620	14	14,808	1,663
Retainages	1,587	4,247	30	5,864	---
Interfund Payable	32,872	27,683	21,752	82,307	731
Due to Other Governments	---	---	---	---	9
Other Current Liabilities	<u>683</u>	<u>1,607</u>	<u>40</u>	<u>2,330</u>	<u>19,147</u>
Total Current Liabilities	<u>\$ 49,831</u>	<u>\$49,331</u>	<u>\$22,387</u>	<u>\$121,549</u>	<u>\$ 23,183</u>
Debt:					
Notes Payable	52,500	169,246	8,536	230,282	7,920
General Obligation Bonds Payable	---	---	27,921	27,921	---
Revenue Bonds Payable	47,249	42,047	---	89,296	---
Capital Lease Obligation	<u>---</u>	<u>---</u>	<u>2,492</u>	<u>2,492</u>	<u>---</u>
Total Long-Term Liabilities	<u>99,749</u>	<u>211,293</u>	<u>38,949</u>	<u>349,991</u>	<u>7,920</u>
Total Liabilities	<u>149,580</u>	<u>260,624</u>	<u>61,336</u>	<u>471,540</u>	<u>31,103</u>
<b>NET ASSETS</b>					
Invested in Capital Assets net of related debt:	70,502	177,982	5,246	253,730	6,674
Restricted Net Assets For:					
Debt Service	1,757	3,704	324	5,785	---
Replacement	21,505	14,749	1,569	37,823	1,999
Improvement	32,393	8,971	10,112	51,476	---
Unrestricted	<u>11,570</u>	<u>11,150</u>	<u>18,569</u>	<u>41,289</u>	<u>11,447</u>
Total Net Assets	<u>\$137,727</u>	<u>\$ 216,556</u>	<u>\$35,820</u>	<u>\$ 390,103</u>	<u>\$ 20,120</u>

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

**CITY OF TOLEDO, OHIO  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES,  
 EXPENSES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2006  
 (AMOUNTS IN THOUSAND)**

	<u>Business-Type Activities – Enterprise Funds</u>				<u>Governmental Activities – Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>	<u>Total</u>	
Operating Revenues:					
Charges for Services	\$ 34,790	\$ 44,377	\$ 17,808	\$ 96,975	\$ 31,926
Other Revenue	<u>---</u>	<u>---</u>	<u>1,147</u>	<u>1,147</u>	<u>309</u>
Total Operating Revenues	<u>34,790</u>	<u>44,377</u>	<u>18,955</u>	<u>98,122</u>	<u>32,235</u>
Operating Expenses:					
Personal Services	10,863	13,488	9,976	34,327	6,728
Contractual Services	7,974	10,731	6,208	24,913	12,819
Materials and Supplies	4,685	1,988	794	7,467	5,953
Utilities	2,482	3,427	136	6,045	1,645
Depreciation and Amortization	<u>3,856</u>	<u>9,421</u>	<u>1,471</u>	<u>14,748</u>	<u>3,312</u>
Total Operating Expenses	<u>29,860</u>	<u>39,055</u>	<u>18,585</u>	<u>87,500</u>	<u>30,457</u>
Operating Income (Loss)	<u>4,930</u>	<u>5,322</u>	<u>370</u>	<u>10,622</u>	<u>1,778</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	3,718	1,261	1,509	6,488	90
Interest Expense and Fiscal Charges	(4,757)	(3,643)	(2,571)	(10,971)	(347)
Other Revenue (Expenses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>338</u>
Total Non-Operating Revenues (Expenses)	<u>(1,039)</u>	<u>(2,382)</u>	<u>(1,062)</u>	<u>(4,483)</u>	<u>81</u>
Income (Loss) before Operating Transfers	3,891	2,940	(692)	6,139	1,859
Federal Grants	<u>---</u>	<u>3,388</u>	<u>---</u>	<u>3,388</u>	<u>---</u>
Transfers In	<u>---</u>	<u>903</u>	<u>950</u>	<u>1,853</u>	<u>3,919</u>
Transfers (Out)	<u>(313)</u>	<u>(316)</u>	<u>(1,675)</u>	<u>( 2,304)</u>	<u>(3,334)</u>
Total Transfers In (Out)	<u>(313)</u>	<u>587</u>	<u>(725)</u>	<u>(451)</u>	<u>585</u>
Change in Net Assets	3,578	6,915	(1,417)	9,076	2,444
Net Assets at Beginning of Year	<u>134,149</u>	<u>209,641</u>	<u>37,237</u>	<u>381,027</u>	<u>17,676</u>
Net Assets at End of Year	<u>\$ 137,727</u>	<u>\$ 216,556</u>	<u>\$ 35,820</u>	<u>\$ 390,103</u>	<u>\$ 20,120</u>

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

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**City of Toledo, Ohio**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2006**  
**(Amounts in Thousands)**

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>
Cash Flows from Operating Activity			
Receipts from Customers	\$34,651	\$ 51,835	\$ 18,924
Payments to Suppliers	(15,841)	(33,906)	949
Payments to Employees	(10,861)	(13,487)	(9,975)
Other Payments	<u>    --</u>	<u>    --</u>	<u>    (102)</u>
Net Cash Provided by (Used for) Operating Activity	<u>    7,949</u>	<u>    4,442</u>	<u>    9,796</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	--	903	2,932
Transfers Out	<u>    (313)</u>	<u>    (316)</u>	<u>    (3,657)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>    (313)</u>	<u>    587</u>	<u>    (725)</u>
Cash Flows from Capital & Related Financing Activities:			
Acquisition and Construction of Capital Assets	(34,835)	(72,686)	(1,895)
Principal Paid on Bond Maturities	(4,629)	(17,116)	(1,554)
Issuance of Revenue Bonds and Notes	7,601	80,796	--
Federal Grants	--	3,388	--
Interest Expense and Fiscal Charges	(4,758)	(3,642)	(2,573)
Proceeds from Sale of Capital Assets/Grants/Other Expenses	<u>    --</u>	<u>    --</u>	<u>    --</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>   (36,621)</u>	<u>   (9,260)</u>	<u>   (6,022)</u>
Cash Flows from Investing Activities:			
Purchase of Investment Securities	(230,355)	(92,593)	(60,826)
Sale and Maturities of Investment Securities	248,604	85,737	60,239
Investment Earnings and Dividends on Investments	<u>    3,718</u>	<u>    1,261</u>	<u>    1,508</u>
Net Cash Provided by (Used for) Investing Activities	<u>   21,967</u>	<u>   (5,595)</u>	<u>    921</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,018)	(9,826)	3,970
Cash and Cash Equivalents (Restricted and Unrestricted) at Beginning of Year	<u>   14,010</u>	<u>   17,725</u>	<u>    3,372</u>
Cash and Cash Equivalents (Restricted and Unrestricted) at End of Year	<u>\$   6,992</u>	<u>\$   7,899</u>	<u>\$   7,342</u>

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

**City of Toledo, Ohio**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2006**  
**(Amounts in Thousands)**

	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity		
Receipts from Customers	\$105,410	\$ 31,922
Payments to Suppliers	(48,798)	(30,608)
Payment to Employees	(34,323)	(6,729)
Other Payments	<u>(102)</u>	<u>308</u>
Net Cash Provided by (Used for) Operating Activity	<u>22,187</u>	<u>(5,107)</u>
Cash Flows from Noncapital Financing Activities:		
Transfers In	3,835	3,920
Transfers Out	<u>(4,286)</u>	<u>(3,334)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(451)</u>	<u>586</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(109,416)	(3,982)
Principal Paid on Bond Maturities	(23,299)	(26,140)
Issuance of Revenue Bonds and Notes	88,397	24,950
Federal Grants	3,388	--
Interest Expense and Fiscal Charges	(10,973)	(348)
Proceeds from Sale of Capital Assets/Grants	<u>--</u>	<u>338</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(51,903)</u>	<u>(5,182)</u>
Cash Flows from Investing Activity:		
(Purchase) of Investment Securities	(383,774)	(27,020)
Sale and Maturities of Investment Securities	394,580	30,156
Investment Earnings and Dividends on Investments	<u>6,487</u>	<u>90</u>
Net Cash Provided by (Used for) Investing Activities	<u>17,293</u>	<u>3,226</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(12,874)	(6,477)
Cash and Cash Equivalents (Restricted and Unrestricted) at Beginning of Year	<u>35,107</u>	<u>12,091</u>
Cash and Cash Equivalents (Restricted and Unrestricted) at End of Year	<u>\$ 22,233</u>	<u>\$ 5,614</u>

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

**City of Toledo, Ohio**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2006**  
**(Amounts in Thousands)**  
**(Continued)**

	<u>Water</u>	<u>Sewer</u>	<u>Non-Major Enterprise</u>
Cash Flows from Operating Activity:			
Operating Income (Loss)	\$ 4,930	\$ 5,322	\$ 370
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization	3,856	9,420	1,471
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(408)	6,441	848
(Increase) Decrease in Prepaid Expenses	--	29	--
(Increase) Decrease in Interfund Receivable	4,867	(23,104)	4,483
(Increase) Decrease in Due from Other Governments	12	95	45
(Increase) Decrease in Deferred Debt Issuance Costs	134	43	--
(Increase) Decrease in Inventory of Supplies	46	81	(2)
Increase (Decrease) in Accounts Payable	4,917	(2,675)	423
Increase (Decrease) in Escrow	163	343	(2,511)
Increase (Decrease) in Retainage	1,409	168	(88)
Increase (Decrease) in Interfund Payable	(11,931)	8,342	4,191
Increase (Decrease) in Due to Other Governments	--	--	--
Increase (Decrease) in Other Current Liabilities	<u>(46)</u>	<u>(63)</u>	<u>566</u>
Total Adjustments	3,019	(880)	9,426
Net Cash Provided by (Used for) Operating Activities	<u>\$ 7,949</u>	<u>\$ 4,442</u>	<u>\$ 9,796</u>

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

**City of Toledo, Ohio**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2006**  
**(Amounts in Thousands)**  
**(Continued)**

	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activity:		
Operating Income (Loss)	\$ 10,622	\$ 1,778
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Amortization	14,747	3,312
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	6,881	(18)
(Increase) Decrease in Prepaid Expenses	29	--
(Increase) Decrease in Interfund Receivable	(13,754)	(12,609)
(Increase) Decrease in Due from Other Governments	152	--
(Increase) Decrease in Deferred Debt Issuance Costs	177	--
(Increase) Decrease in Inventory of Supplies	125	(19)
Increase (Decrease) in Accounts Payable	2,665	270
Increase (Decrease) in Escrow	(2,005)	--
Increase (Decrease) in Retainage	1,489	--
Increase (Decrease) in Interfund Payable	602	(623)
Increase (Decrease) in Due to Other Governments	--	9
Increase (Decrease) in Other Current Liabilities	<u>457</u>	<u>2,793</u>
Total Adjustments	<u>11,565</u>	<u>(6,885)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 22,187</u>	<u>\$ (5,107)</u>

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

**CITY OF TOLEDO, OHIO**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS-AGENCY**  
**DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

	<u>Total</u>
<b>ASSETS</b>	
Equity in Pooled Cash	\$ 1,109
Investments at Cost	<u>1,307</u>
 Total Assets	 <u>\$ 2,416</u>
 <b>LIABILITIES</b>	
Liabilities	
Accounts Payable	\$ 61
Escrow	1,306
Other Current Liabilities	<u>1,049</u>
 Total Liabilities	 <u>\$ 2,416</u>

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

# **NOTES TO THE FINANCIAL STATEMENTS**

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Toledo, Ohio ("City") was incorporated January 7, 1837, and operates under its Charter adopted in November, 1914. The City may exercise all powers of local self-government granted under Article XVIII, Section 3, of the Ohio Constitution, not in conflict with applicable general laws of Ohio. The City government operates as a Strong Mayor/Council form of government. The Charter authorizes the following services: Public Safety, Highways and Streets, Water and Sanitation, Health and Social Services, Culture-Recreation, Public Improvements, Planning and Zoning, and General Administrative Services.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The more significant of the City's accounting policies are described below:

**A. Reporting Entity**

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The accompanying financial statements present the City of Toledo (the Primary Government) which does not have any component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, even though agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Income taxes, property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital improvements fund* accounts for construction, improvement and acquisition of buildings and infrastructure.

The *special assessment services fund* accounts for the proceeds of special assessments (and related note sales) levies against property benefited from City services.

The government reports the following major proprietary funds:

The *water and sewer funds* account for the activities of these funds. These funds operate the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Additionally, the government reports the following fund types:

*Internal service funds* account for data processing and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

*General Agency* - which accounts for various licenses, fees and taxes, such as restaurant licenses, that the City collects as an agent for the State of Ohio; and

**CITY OF TOLEDO, OHIO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

*Municipal Court* – an agency fund that accounts for bonds and other monies deposited with the Court pending final disposition of the various cases. While the records of the Court are the responsibility of a separate elected Clerk of Courts and not the Finance Department, the balances have been included in these financial statements in compliance with GASB Statement 14.

The City accounts for its Proprietary Fund Financial statements consistent with all applicable GASB pronouncements, as well as the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict those of GASB. The City has elected not to apply the provisions of the FASB Statements and Interpretations issued after November 30, 1989.

**D. Basis of Financial Statement Presentation - Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (expenses). The various funds are summarized by type in the combined financial statements. The following fund types are used by the City:

**Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. Governmental Funds are accounted for on a spending or "financial flow" measurement focus. The acquisition and use of available spendable resources during the year and balances of the City's available spendable financial resources at the end of the year are measured in Governmental Funds. The following are the City's Governmental Fund types:

General Fund - The General Fund is used to account for all resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

**Proprietary Funds**

Proprietary Funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector.

Proprietary Funds are accounted for on a "cost of service" or "economic resources" measurement focus. This means that all assets and liabilities associated with their activity are included on their balance sheets, and operating statements present increases and decreases in total net assets. Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Water System, Wastewater Treatment Plant and Sewer System and of the Internal Service Funds are charges to customers for services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The following are the City's Proprietary Fund types:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for economic resources, public policy, management control accountability or other purposes.

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, or to other governmental units, on a cost-reimbursement basis.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fiduciary Funds**

Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**E. Annual Budget Process**

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

The City's budgetary process is as follows:

Budget - A Certificate of Estimated Revenue and Expenditures 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 which 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 become available, City Council approves transfers, allocations, supplemental appropriations, and

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Annual Budget Process (Continued)**

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.

The City meets its legal compliance requirements to report at the budgetary level of control with the City of Toledo's Special Budgetary Comparison Report (SBCR). The SBCR reports at the appropriate budgetary level of control for Governmental Funds on a GAAP basis. Because of the complexity of the budgetary control requirement, presentation of budget versus actual financial results in this CAFR would be very detailed and voluminous. Therefore, as permitted by GAAP, the SBCR for the year ended December 31, 2006 is available for public inspection at the Department of Finance's Office.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is reappropriated.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Proprietary Funds consider Equity in Pooled Cash and Other Cash to be cash equivalents.

**G. Investments**

Investments consist primarily of certificates of deposit, repurchase agreements, government securities, and the State Treasurer's Investment Pool and are stated at fair value. The fair value of the State Treasurer's Investment Pool is the Net Asset Value as determined by the Pool Administrator multiplied by the City's units. The Pool is subject to the Ohio Revised Code and an annual audit by an independent CPA firm. Interest earned from investments purchased with pooled cash is credited to the General Fund, except as stipulated by ordinance.

**H. Inventory of Supplies**

Inventory is valued at cost in Governmental Funds, and the lower of cost or market in Proprietary Funds on the first-in, first-out (FIFO) method. Inventory in the Governmental Funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Recorded inventories in the Governmental Fund types are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

**I. Restricted Assets**

Proceeds from debt and other assets set aside for specific purposes are classified as restricted assets since their use is limited by applicable bond indentures.

**J. Property, Plant and Equipment**

Property, plant and equipment are stated at cost or estimated historical cost or, if donated, at fair market value at the date donated. All Property, Plant and Equipment with cost of \$500 (Five Hundred Dollars) or greater is capitalized. Infrastructure consisting of roads, bridges, curbs and gutters, sidewalks, drainage systems, lighting systems and water and sewer lines are capitalized in the applicable governmental or business type activities column in the government-wide financial statements.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Depreciation**

Depreciation for all capital assets is determined by depreciating the cost of fixed assets over the estimated useful lives of the assets on the straight-line basis. The estimated useful lives are as follows:

Distribution Systems	100 Years
Buildings	35-50 Years
Improvements	10-20 Years
Furniture and Fixtures	8-20 Years
Machinery and Equipment	5-25 Years
Infrastructure	20-50 Years

Depreciation expense is charged to Operations for Proprietary Fund capital assets and Governmental Activities capital assets in the government-wide financial statements.

**L. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Special Assessment Services and Improvements**

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. The assessments receivable relating to such services, including interest, amounted to \$47,708 at December 31, 2006 and will be collected in 2007 and 2008.

Special assessment notes are issued for the interim financing of various improvements to be assessed from benefiting property owners. Interest expenditures on special assessment notes amounted to \$88 in 2006. 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 10 or 20 year period depending on the type and cost of the improvement. As of December 31, 2006, the assessments receivable on such assessed improvement projects amounted to \$2,210.

**N. Special Assessment Bond Retirement**

Special assessment bonds are issued to finance the assessed portion of the cost of streets, alleys, sanitary sewers, sidewalks, storm sewers and water lines. These bonds are due in varying annual debt service payments ranging from \$77 in 2007 to \$30 in 2012. At December 31, 2006, the assessments receivable for bond retirements was \$447.

**O. Compensated Absences**

The City accrues vacation pay, compensatory time off, and sick leave as accrued wages and benefits payable when earned by employees using the "termination method." For Governmental Fund types, the liability not requiring expendable available financial resources is a long-term obligation, since compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave paid out following an employee's resignation or retirement). The current obligations of all Funds and the long-term obligations of Proprietary Funds are fully funded by depository cash in a Payroll Revolving Agency Fund.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Vacation time is earned in the current year and is required to be taken in the subsequent year. Upon approval, any unused amounts may be carried over for an additional four months. Employees have the option of receiving compensatory time off in lieu of pay for overtime worked. Compensatory time off earned in the current year which is in excess of one hundred hours must be taken by April 30 of the subsequent year. Unused sick days may be accumulated without limitation. Typically, the General Fund, SCMR Fund and Special Assessment Service Fund liquidate the liability for compensated absences. Upon retirement, death or leaving the City's employment with qualifying years of service, an employee is paid one-half of the first sixteen hundred unused sick hours and the total of any remaining accumulated hours.

**P. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between Funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

	Transfer In						
	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Sewer Funds</u>	<u>Non-Major Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
<b>Transfer Out:</b>							
General Fund	\$	\$ 32,348	\$ 90	\$ --	\$ 950	\$ --	\$ 33,388
Capital Improvement Fund	357	--	14,093	903	--	585	15,938
Non-Major Governmental Funds	149	93	3,284	--	--	--	3,526
Water Funds	--	--	313	--	--	--	313
Sewer Funds	--	--	316	--	--	--	316
Non-Major Enterprise Funds	649	726	300	--	--	--	1,675
Internal Service Funds	--	--	--	--	--	<u>3,334</u>	<u>3,334</u>
<b>Total Transfers In:</b>	<u>\$1,155</u>	<u>\$ 33,167</u>	<u>\$ 18,396</u>	<u>\$ 903</u>	<u>\$ 950</u>	<u>\$3,919</u>	<u>\$ 58,490</u>

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

(CONTINUED)

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. Insurance**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or Acts of God. As required by state law, the City is registered and insured through The Industrial Commission of Ohio and Bureau of Workers' Compensation for injuries to its employees. During fiscal 1988, the City established the Risk Management Fund (an internal service fund) to account for and finance insurance premiums, excluding workers' compensation premiums, and uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for all general liability claims, and up to \$100 for each property damage claim. The City has purchased commercial insurance for property claims in excess of the foregoing deductible.

All funds of the City participate in the program and make payments to the Risk Management Fund based on actuarial estimates for the amounts needed to pay prior and current year claims and to establish a reserve for other accrued liabilities. The \$2,030 claims liability reported in the Risk Management Fund, an Internal Service Fund, at December 31, 2006 is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Risk Management Fund's claim liability amount in fiscal years 2004, 2005 and 2006 were:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current-Year Claims</u> <u>and Changes</u> <u>in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at End</u> <u>of Year</u>
2004	1,582	966	966	1,582
2005	1,582	733	733	1,582
2006	1,582	1,233	785	2,030

None of the City's settlements have exceeded the insurance coverage for each of the past three fiscal years.

During fiscal 1990, the City established a Workers' Compensation Fund (an internal service fund) to account for and finance its uninsured risks of loss for workers' compensation claims. For claims incurred prior to 1995, the Workers' Compensation Fund provides coverage for up to a maximum of \$250 for each worker's compensation claim. For claims incurred after January 1, 1995, there is unlimited

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. Insurance (Continued)**

coverage. The City pays premiums to the State of Ohio Bureau of Workers' Compensation for claims in excess of coverage provided by the Fund. In addition, the Fund will pay assessments to the Bureau of Workers' Compensation for administration and payment of claims.

All funds of the City participate in the program and make payments to the Workers' Compensation Fund based on actuarial estimates of the amounts needed to pay current-year claims. The claim liability of \$17,117 reported in the Fund at December 31, 2006 is based on the requirements of Governmental Accounting Standard Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Liabilities for losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using an expected future investment yield assumption of 3.00 percent.

Changes in the Workers' Compensation Fund's claim liability amount in fiscal years 2004, 2005 and 2006 were:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current-Year Claims</u> <u>and Changes</u> <u>in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at End</u> <u>of Year</u>
2004	12,770	5,151	4,151	13,770
2005	13,770	4,757	3,758	14,769
2006	14,769	7,109	4,761	17,117

**R. Fund Balance Reserves and Designations**

The Governmental Funds balance sheet of the City of Toledo reports reserves and designations of fund equity for:

- a) Encumbrances: The portion of Fund Balance segregated for expenditure on vendor performance.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**(CONTINUED)**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**R. Fund Balance Reserves and Designations (Continued)**

- b) Inventory of Supplies: A portion of Fund Balance represented by inventories that is not available for appropriation and expenditure.
- c) Capital Improvements: A portion of fund balance segregated for capital expenditures.
- d) Debt Service: A portion of Fund Balance legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.
- e) Prepaid Expenditures: The portion of Fund Balance represented by Prepaid Expenditures currently unavailable for appropriation. As the prepaid expenditures are recognized the reserve is reduced accordingly.
- f) Landfill Remediation: A portion of Fund Balance restricted to pay for the post-closure costs of former landfill sites.
- g) Future Years Expenditure: A portion of fund balance segregated for expenditures appropriated in the current fiscal year to be paid in the next year.
- h) Budget Stabilization: A portion of Fund Balance legally restricted for funding of expenditures during cyclical downturns in the economy.
- i) Proprietary Fund Revenues: A portion of Fund Balance segregated for Debt Service, Replacement and Improvement.

**S. Reconciliation of Government-Wide and Fund Financial Statements**

- a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

(CONTINUED)

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**S. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$227,389 difference are as follows:

Accrued Compensated Absences	43,183
Landfill Closure	22,071
Capital Leases	1,402
Capital Project Loans	54,606
General Obligation Bonds	99,681
Plus Premiums	2,315
Accrued Interest	<u>4,131</u>

Net adjustment to reduce <i>fund balance-total Governmental funds</i> to arrive at <i>net assets-Governmental activities</i>	<u>\$227,389</u>
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- b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$27,261 difference are as follows:

Capital Outlay	\$ 61,690
Depreciation Expense	<u>(34,429)</u>

Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 27,261</u>
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**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

(CONTINUED)

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**S. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt Issued or Incurred:

Issuance of General Obligation Bonds	\$(12,405)
Issuance of Other Bonds	(14,120)
Issuance of Notes	(1,024)
Increase in Compensated Absences	(1,023)

Principal Repayments:

General Obligation Debt	12,532
Other Debt	<u>8,209</u>

Net adjustment to increase *net changes in fund balances-*  
*Total governmental funds to arrive at changes in net assets*  
*Of governmental activities*

\$ (7,831)

**NOTE 2. EQUITY IN POOLED CASH**

Receipts from the Water and Sewer Utility Enterprise Funds and for certain other Funds are deposited and maintained in separate bank accounts or invested in short-term cash equivalents which are specifically segregated. Receipts from all other City Funds are pooled to provide for maximum investment returns on idle cash balances. Each Fund records its proportionate equity in the pooled account.

Certain Funds have made disbursements from the pooled cash in excess of their individual equities. This excess has been aggregated by Fund type and is reported in the basic balance sheet as Interfund Payables. These excesses are generally temporary and are repaid from normal Fund operations.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 2. EQUITY IN POOLED CASH (Continued)**

<u>Fund Type</u>	<u>Equity in Pooled Cash and Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 13,540	\$ (10,279)
Capital Improvements	2,568	---
Special Assessment Services	1,102	(15,658)
Other Governmental Funds	17,884	(4,238)
Water	32,199	(32,872)
Sewer	37,960	(27,683)
Non-Major Enterprise	10,715	(21,752)
Internal Service	34,713	(731)
Trust and Agency	1,109	---
Total	<u>\$ 151,790</u>	<u>\$ (113,213)</u>
Interfund Payables	(113,213)	
Total pooled cash at December 31, 2006	<u>\$ 38,577</u>	

The total above of \$151,790 is presented in the balance sheet as follows:

	<u>Amount</u>
Equity in Pooled Cash	\$ 38,577
Interfund Receivables	<u>113,213</u>
Total	<u>\$ 151,790</u>

**NOTE 3. DEPOSITS AND INVESTMENTS**

The City's deposits and investments are included on the balance sheet as Equity in Pooled Cash, Other Cash, and Investments at fair value.

	<u>Deposits</u>	<u>Investments</u>	<u>Total</u>
Equity in Pooled Cash	\$ (8,409)	\$ 46,986	\$ 38,577
Other Cash	164	---	164
Investments	---	<u>178,420</u>	<u>178,420</u>
Total	<u>\$( 8,245)</u>	<u>\$ 225,406</u>	<u>\$ 217,161</u>

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

The City liquid resources are maintained or invested in bank accounts and short-term investments in order to maximize the rate of interest that can be earned on invested funds. An Investment Advisory Committee, established in 1986, continually reviews and makes recommendations regarding the City's investment activity and also monitors compliance with the City's investment policies.

**A. Deposits**

The deposit of City resources is governed by portions of the Ohio Revised Code and the Toledo Municipal Code. Such deposits may consist of either demand deposits, nondemand savings accounts or certificates of deposit. Under both the Ohio Revised Code and the Toledo Municipal Code, deposits are subject to collateralization requirements to the extent that they are not insured by the Federal Deposit Insurance Corporation (FDIC). Such uninsured amounts must be collateralized by either specific or pooled collateral in an amount at least equal to the uninsured portion of the deposit. In accordance with the Toledo Municipal Code, only depositories with an office located in the City may be used.

At December 31, 2006, the carrying amount of the City's deposits was \$(8,245) (deficit) and the bank balance was \$15,897. Of the bank balance, \$400 was covered by deposit insurance and \$15,497 was covered by collateral held by the agent of the pledging bank in the City's name.

**B. Investments**

The investment of City financial resources is governed by the Toledo Municipal Code and the Ohio Revised Code. The Toledo Municipal Code authorizes the City to invest in City of Toledo Securities, Government Securities, Repurchase Securities, Municipal Securities, and the State Treasurer's Investment Pool. The Toledo Municipal Code limits investments in Repurchase Securities to ten million dollars per financial institution, and limits investment in the State Treasurer's Investment Pool to 40% of the principal amount of the investment portfolio. These requirements ensure the diversification of the investment portfolio. Repurchase Agreements may not have a term exceeding thirty days.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

As of December 31, 2006, the City had the following investments and maturities:

	Percent of Total Investments	Fair Value	Investment Maturity in Years		
			<u>1</u>	<u>2 - 5</u>	<u>6 - 9</u>
City of Toledo Municipal Bonds	4.2%	\$ 9,464	\$	\$	\$ 9,464
Government Agencies					
Federal Farm Credit Bureau	6.9%	15,673	6,607	9,066	
Federal Home Loan Bank	22.3%	50,292	8,999	41,293	
Federal Home Loan Mortgage Corp.	14.4%	32,468	17,422	15,046	
Federal National Mortgage Assoc.	27.7%	62,384	29,134	33,250	
Total Governmental Agencies	71.3%	160,817	62,162	98,655	
State Treasurer's Investment Pool	18.9%	42,577	42,577		
Certificate of Deposit/Savings	<u>5.6%</u>	<u>12,548</u>	<u>12,548</u>		
Total Investments	<u>100.0%</u>	<u>\$225,406</u>	<u>\$117,287</u>	<u>\$98,655</u>	<u>\$ 9,464</u>

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits maturity of its investments to a period of no longer than three years, unless the investment is matched to a specific cash requirement. If the investment is matched to a specific cash requirement for debt service, maturity period shall not exceed seven years from date of purchase. Repurchase agreements may not have a term exceeding thirty days.

**Credit Risk**

It is the City's policy to limit its investments to certificates of deposit, demand deposits that bear interest, government agencies, government securities, repurchase agreements, municipal securities, non-demand savings accounts, State Treasurer's Investment Pool (STAR Ohio), and City of Toledo Municipal securities. STAR Ohio was rated AAAM by Standard & Poor's. The Federal Farm Credit Bureau, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association have been rated AAA by Standard & Poor's.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

Both the Toledo Municipal Code and the Ohio Revised Code have specific requirements for the collateralization of investments. The Toledo Municipal Code requires that securities underlying Repurchase Agreements must have a market value of at least 100% of the Repurchase Agreements. At the end of each month, the financial institution must review the market value of the collateral, increasing the collateral if it falls below the market value of the investment. All securities held for investment must be deposited for safekeeping with a custodian who is not the vendor of the investment. All of the investments are held by the City or the custodian in the City's name. Investments in the State Treasurer's Investment Pool are not categorized because they are not evidenced by securities that exist in physical or book entry form.

**Concentration of Credit Risk**

The City places the following limitations on the amount the City may invest in any one issuer.

Certificates of Deposit or Non-demand Savings Account	Funds invested shall not exceed 10% of the aggregate principal amount of the City's investment portfolio as of the purchase date of the certificate of deposit.
Government Agencies	Funds invested shall not exceed 25% 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 Governmental Agency.
Repurchase Agreements	No more than \$10 million may be invested at any one time with any one institution.
State Treasurer's Investment	Funds invested shall not exceed 40% of the aggregate principal amount of the City's investment portfolio.
City of Toledo Municipal Securities	Funds invested shall not exceed 10% of the aggregate principal amount of the City's investment portfolio as of the date of purchase.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 4. RECEIVABLES**

The allowance for uncollectible receivables consists of the following at December 31, 2006:

<u>Fund Type</u>	<u>Accounts</u>	<u>Notes</u>
General	\$5,327	\$ ---
Capital Improvements	140	---
Special Assessment Services	18	---
Other Governmental Funds	1,756	27,282
Water	1,196	---
Sewer	2,260	---
Other Enterprise Funds	576	6,520
Internal Service Funds	342	---
Total	<u>\$11,615</u>	<u>\$33,802</u>

**NOTE 5. INCOME TAXES**

The City levies an income tax of 2.25% on substantially all earned income arising from employment, residency, or business activities carried on inside the City. The first 1.5% of the income tax is a permanent levy, of which 0.25% of this tax is dedicated to capital improvements. The additional 0.75% of the income tax is slated to expire on June 30, 2010 and, of this tax, 0.25% is also dedicated for capital improvements. The City is required by Statute to transfer those income taxes dedicated for capital improvements to the Capital Improvements Fund. In 2006, the City made all required transfers to the Capital Improvements Fund.

Employers within the City are required to withhold income tax on employee compensation and remit it to the City at least quarterly. Corporations and certain individual taxpayers are required to pay quarterly estimates. As of December 31, 2006, the City has accrued \$18,158 as revenue from withheld income taxes remitted within 60 days of its year-end.

**NOTE 6. PROPERTY TAX**

The property tax levy is based on the assessed value listed as of January 1, 2006, the lien date, for all real and public utility property located in the City. The assessed values are established by the County Auditor at 35% of the current market value and a revaluation of all properties is required every six years with a statistical update every year. The last revaluation was completed in 2002 for the tax year 2004.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 6. PROPERTY TAX (Continued)**

Real property taxes were levied on all non-exempt property located in the County on January 14, 2006. Real property taxes are payable annually or semi-annually. If paid annually, payment was due on January 31, 2006; if paid semi-annually, the first payment was due on February 14, 2006; with the remainder payable on June 30, 2006. Based on this tax calendar, all property taxes that were levied on January 14, 2006 relating to the 2006 budget year, except delinquent taxes, have been collected.

The City's share of personal property taxes is determined by the County Auditor based on annual tax returns filed by the taxpayers. The property is assessed for tax purposes at varying statutory percentages of cost.

The assessed value and tax rates of the City attributable to collections in 2006 and the estimated taxes relating to the 2007 budget year (which became a lien on January 1, 2006) are as follows:

<u>Taxes</u>	<u>Assessed Value</u>	<u>General Fund Tax Rate Per Thousand</u>	<u>Actual 2006 Receipts</u>	<u>Due in 2007</u>
General Fund:				
Real Estate & Public				
Utility Property	\$3,927,307	\$ 4.40	\$14,594	\$15,687
Personal Property	<u>442,309</u>	4.40	<u>2,736</u>	<u>2,325</u>
Total	<u>\$4,369,616</u>		<u>\$17,330</u>	<u>\$18,012</u>

The receivables for estimated taxes related to the 2007 budget year have been offset by a credit to deferred revenue at December 31, 2006 since the taxes are not available for appropriation and use until 2007.

	<u>Apportionment of Total Tax Rate</u>	<u>Tax Rate Per Thousand</u>	<u>Actual 2006 Receipts</u>	<u>Due in 2007</u>
Unvoted Levy – Inside 10 Mil				
Limitation:				
General Fund		\$ 2.50	\$ 9,846	\$ 10,233
Voted Levy – Outside 10 Mil				
Limitation:				
General Fund (Charter Amendment Rate)		<u>1.90</u>	<u>7,484</u>	<u>7,779</u>
Total		<u>\$ 4.40</u>	<u>\$ 17,330</u>	<u>\$ 18,012</u>

Delinquent real estate and personal property taxes are not recorded as revenue until received. Based on the County Auditor's records, the estimated delinquent taxes due the City at December 31, 2006 was \$2,942.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 7. PROPERTY, PLANT AND EQUIPMENT**

A summary of property, plant and equipment for 2006 is as follows:

	<b>Beginning</b>			<b>Ending</b>
	<b>Balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance</b>
<b>Governmental Activities</b>				
<i>Capital assets not being depreciated:</i>				
Land	<u>\$24,781</u>	--	--	<u>\$24,781</u>
<i>Total Capital assets not being depreciated</i>	<u>24,781</u>	--	--	<u>24,781</u>
<i>Capital assets being depreciated:</i>				
Buildings	61,552	1,034	--	62,586
Improvements	58,135	1,004	--	59,139
Machinery & Equipment	43,185	1,072	--	44,257
Furniture & Fixtures	6,374	70	--	6,444
Infrastructure	<u>616,042</u>	<u>58,509</u>	--	<u>674,551</u>
<i>Total capital assets being depreciated</i>	<u>\$785,288</u>	<u>\$61,689</u>	<u>\$--</u>	<u>\$846,977</u>
<i>Less accumulated depreciation for:</i>				
Buildings	47,442	2,695	--	50,137
Improvements	27,263	2,545	--	29,808
Machinery & Equipment	22,105	1,890	--	23,995
Furniture & Fixtures	5,338	279	--	5,617
Infrastructure	<u>261,692</u>	<u>27,020</u>	--	<u>288,712</u>
<i>Total Accumulated Depreciation</i>	<u>363,840</u>	<u>34,429</u>	--	<u>398,269</u>
<i>Total net capital assets being depreciated</i>	<u>421,448</u>	<u>27,260</u>	--	<u>448,708</u>
<i>Net Governmental Activities capital assets</i>	<u>\$446,229</u>	<u>\$27,260</u>	<u>\$--</u>	<u>\$473,489</u>
<b>Internal Service Funds</b>				
<i>Capital assets not being depreciated:</i>				
Land	<u>350</u>	--	--	<u>350</u>
<i>Total Capital assets not being depreciated</i>	<u>350</u>	--	--	<u>350</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,111	--	--	1,111
Improvements	335	--	--	335
Machinery & Equipment	58,124	3,982	5,345	56,761
Furniture & Fixtures	<u>98</u>	<u>1</u>	--	<u>99</u>
<i>Total capital assets being depreciated</i>	<u>\$59,668</u>	<u>\$3,983</u>	<u>\$5,345</u>	<u>\$58,306</u>
<i>Less accumulated depreciation for:</i>				
Buildings	1,111	--	--	1,111
Improvements	335	--	--	335
Machinery & Equipment	44,551	3,311	5,345	42,517
Furniture & Fixtures	98	--	--	98
<i>Total Accumulated Depreciation</i>	<u>46,095</u>	<u>3,311</u>	<u>5,345</u>	<u>44,061</u>
<i>Total net capital assets being depreciated</i>	<u>13,573</u>	<u>672</u>	--	<u>14,245</u>
<i>Net Internal Service Fund capital assets</i>	<u>\$13,923</u>	<u>\$672</u>	<u>\$--</u>	<u>\$14,595</u>
<i>Total Governmental Activities</i>	<u>\$460,152</u>	<u>\$27,932</u>	<u>\$--</u>	<u>\$488,084</u>

Amounts in Thousands

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

<b>Business Type Activities</b>	<b>Beginning Balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending Balance</b>
<i>Capital assets not being depreciated:</i>				
Land	\$10,874	--	--	\$10,874
Construction in Progress	<u>178,172</u>	<u>107,101</u>	<u>48,598</u>	<u>236,675</u>
<i>Total Capital assets not being depreciated</i>	<u>189,046</u>	<u>107,101</u>	<u>48,598</u>	<u>247,549</u>
 <i>Capital assets being depreciated:</i>				
Buildings	75,425	--	--	75,425
Improvements	70,709	951	--	71,660
Machinery & Equipment	103,462	814	--	104,276
Furniture & Fixtures	1,971	--	--	1,971
Distribution System	<u>396,211</u>	<u>49,148</u>	--	<u>445,359</u>
<i>Total capital assets being depreciated</i>	<u>647,778</u>	<u>50,913</u>	--	<u>698,691</u>
 <i>Less accumulated depreciation for:</i>				
Buildings	47,916	578	--	48,494
Improvements	40,612	--	--	40,612
Machinery & Equipment	59,777	184	--	59,961
Furniture & Fixtures	1,163	--	--	1,163
Distribution System	<u>178,304</u>	<u>13,985</u>	--	<u>192,289</u>
<i>Total Accumulated Depreciation</i>	<u>327,772</u>	<u>14,747</u>	--	<u>342,519</u>
<i>Total net capital assets being depreciated</i>	<u>320,006</u>	<u>36,166</u>	--	<u>356,172</u>
<i>Net Business Type Activities Capital Assets</i>	<u>\$509,052</u>	<u>\$143,267</u>	<u>\$48,598</u>	<u>\$603,721</u>

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 9,144
Public Service	18,850
Public Safety	519
Public Utility	13
Community Environment	1,345
Health	861
Parks	<u>3,697</u>
 Total Depreciation Expense -- Governmental Activities	 \$ <u>34,429</u>
Business-Type Activities:	
Water	\$ 3,855
Sewer	9,420
Non-Major	<u>1,472</u>
 Total Depreciation Expense -- Business-Type Activities	 \$ <u>14,747</u>
 Internal Service Funds	 <u>3,311</u>
 Total Depreciation Expense	 \$ <u>52,487</u>

For several years, 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, 2006, the Department owned approximately 144 parcels at an estimated historical cost of \$4,537. 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. Revenues from the sale of properties are recorded as program income in the same Funds at the time of sale.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 8. DEBT OBLIGATIONS**

**A. Obligation Summary by Type**

	<u>Balance at Beginning of Year</u>	<u>Increases/ Issuances</u>	<u>Reductions/ Retirements</u>	<u>Balance at End of Year</u>	<u>Due Within One Year</u>
Bonds Outstanding:					
General Obligation	\$124,946	15,240	13,952	126,234	13,432
Revenue Obligations	141,143	--	7,220	133,923	7,505
Notes Outstanding:					
General Obligation	16,375	30,195	34,310	12,260	12,260
Revenue Obligations	36,500	23,500	22,300	37,700	18,700
Loans Outstanding:					
State Agencies	126,491	78,700	5,098	200,093	5,178
Federal Agencies	20,075	--	1,120	18,955	1,185
Other	9,081	20,980	14,647	15,414	673
Capital Leases	13,250	--	3,064	10,186	2,101
Other Obligations	63,037	4,002	1,785	65,254	2,935
<b>TOTAL OBLIGATIONS</b>	<b>\$ 550,898</b>	<b>172,617</b>	<b>103,496</b>	<b>620,019</b>	<b>63,969</b>

Note: General Obligation Debt Capacity per Uniform Bond Act of the ORC = \$101,000  
Utility Debt Unamortized Discount = \$1,125  
Assessed Services Revenue Notes are secured by a Letter of Credit from State Street Bank

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 8. DEBT OBLIGATIONS (Continued)**

**B. Obligation Summary by Fund Type**

Changes in bonds payable and general obligations during 2006 and principal amounts outstanding at December 31, 2006 are as follows:

	<u>Balance at Beginning Of Year</u>	<u>Increases/ Issuances</u>	<u>Reductions/ Retirements</u>	<u>Balance At End Of Year</u>	<u>Due Within One Year</u>
<b>Governmental Type</b>					
Accrued Compensated Absences	\$ 42,160	2,808	1,785	43,183	2,935
Landfill Closure	20,877	1,194	--	22,071	--
Capital Leases	3,825	--	2,423	1,402	1,402
Assessed Services	36,500	23,500	22,300	37,700	18,700
General Fund Capital Projects - Loans	8,156	--	396	7,760	412
Police & Fire Pension - G.O. Bonds	10,450	--	1,000	9,450	1,025
Assessed Improvements - G.O. Bonds	324	--	77	247	77
Capital Projects - G. O. Bonds	89,489	12,405	11,910	89,984	11,770
Capital Projects - G. O. Notes	3,430	8,580	8,545	3,465	3,465
Capital Projects - Loans	41,627	22,006	16,787	46,846	3,041
<b>Subtotal</b>	<b>\$ 256,838</b>	<b>\$ 70,493</b>	<b>65,223</b>	<b>262,108</b>	<b>42,827</b>
<b>Internal Service Funds</b>					
General Obligation Notes	9,110	17,030	18,220	7,920	7,920
<b>Business Type</b>					
Water Revenue Bonds	\$ 96,433	--	4,545	91,888	4,715
Sanitary Sewer Revenue Bonds	44,710	--	2,675	42,035	2,790
Parking (General Obligation)	935	--	550	385	85
Housing (General Obligation)	23,748	--	415	23,333	475
Capital Projects - G.O. Notes	1,000	1,750	1,875	875	875
Capital Projects - Loans	104,364	77,674	3,682	178,356	3,583
Enterprise Fund	2,835	5,670	5,670	2,835	--
Capital Lease	9,425	--	641	8,784	699
Property Management ODOD 166	1,500	--	--	1,500	--
<b>Subtotal</b>	<b>284,950</b>	<b>85,094</b>	<b>20,053</b>	<b>349,991</b>	<b>13,222</b>
<b>Total Obligations</b>	<b>\$ 550,898</b>	<b>\$ 172,617</b>	<b>\$ 103,496</b>	<b>\$620,019</b>	<b>\$ 63,969</b>
Premiums	2,548	--	233	2,315	--
Accrued Interest	6,899	--	2,768	4,131	4,131
<b>Total Debt</b>	<b>\$ 560,345</b>	<b>\$ 172,617</b>	<b>\$ 106,497</b>	<b>\$626,465</b>	<b>\$ 68,100</b>

Amounts in Thousands

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**B. Obligation Summary by Fund Type (Continued)**

Special assessment bonds are pledged by the full faith and credit of the City, the debt service requirements of which are funded by proceeds from special assessments tax levies. Water and sewer revenue bonds are collateralized by revenue from Water and Sewer Enterprise Funds. The full faith and credit of the City is pledged against the remaining long-term obligations.

Debt may be issued to provide funds for assets or improvements, which have a useful life of at least five years. The asset or improvements must have a significant value. No debt shall be issued unless the funded item costs in excess of \$25 (1999 dollars =adjust for CPI). Improvement projects should be funded with long term debt; however Bond Anticipation Notes (BANs) may be used to provide short term financing during construction. BANs may also be used to avoid volatile times or unfavorable conditions in the bond market.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 8. DEBT OBLIGATIONS (Continued)**

**C. Obligation Information by Purpose**

	Year Series	Interest Rates	Balance at Beginning of Year	Increases/ Issuances	Reductions/ Retirements	Balance at End of Year	Due Within One Year
<b>Bonds Outstanding:</b>							
General Obligation							
Pension	2014	7.50%	10,450	--	1,000	9,450	1,025
Capital Projects	2026	1.50-7.375%	89,489	12,405	11,910	89,984	11,610
Special Assessments	2018	1.55-7.00%	324	--	77	247	77
Enterprise	2024	4.90%	--	2,835	--	2,835	160
Parking	2010	6.75-7.375%	935	--	550	385	85
Housing	2028	4.85-7.00%	23,748	--	415	23,333	475
Revenue Obligations							
Water System	2030	3.50-6.45%	96,433	--	4,545	91,888	4,715
Sanitary Sewer System	2028	3.50-6.45%	44,710	--	2,675	42,035	2,790
<b>Notes Outstanding:</b>							
General Obligation							
Capital Projects	2007	4.00%	1,650	4,350	4,650	1,350	1,350
Special Assessments	2006	4.00%	1,780	4,230	3,895	2,115	2,115
Storm Water System	2007	4.00%	1,000	1,750	1,875	875	875
Internal Service Funds	2007	4.00%	9,110	17,030	18,220	7,920	7,920
Enterprise Fund	2006	4.00%	2,835	2,835	5,670	--	--
Revenue Obligations							
Assessed Services 2006	2008	2.29%	--	23,500	4,500	19,000	--
Assessed Services 2004	2006	Var/3.27%	17,800	--	17,800	--	--
Assessed Services 2005	2007	Var	18,700	--	--	18,700	18,700
<b>Loans Outstanding:</b>							
State Agencies							
State Issue 2							
Capital Projects	2024	0.00%	4,334	1,026	484	4,876	541
Water System	2014	0.00%	341	--	28	313	28
Sanitary Sewer Sys.	2027	0.00%	838	890	86	1,642	143
Storm Water Sys.	2027	0.00%	1,117	--	68	1,049	85
Ohio Water Dev Auth.							
Capital Projects	2021	4.02-4.12%	8,156	--	396	7,760	412
Water System	2028	4.02-4.12%	--	7,630	--	7,630	--
Sanitary Sewer Sys.	2028	3.75-9.88%	102,068	69,154	3,500	167,722	3,327
ODOD Chapter 166							
Capital Projects	2018	4.25%	8,137	--	536	7,601	642
Property Mgmt.	2016		1,500			1,500	
Federal Agencies							
HUD 108							
Capital Projects	2018	6.56-7.96%	20,075	--	1,120	18,955	1,185
Other Loans							
Capital Projects	2032	0.00-7.86%	9,081	20,980	14,647	15,414	673
<b>Capital Leases:</b>							
Capital Projects			3,825	--	2,423	1,402	1,402
Utilities			2,552	--	311	2,241	364
Parking			6,873	--	330	6,543	335
<b>Other Obligations:</b>							
Landfill Closure			20,877	1,194	--	22,071	--
Compensated Absences			42,160	2,808	1,785	43,183	2,935
<b>Total Obligations</b>			<b>\$ 550,898</b>	<b>172,617</b>	<b>103,496</b>	<b>620,019</b>	<b>63,969</b>

Amounts in Thousands

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 8. DEBT OBLIGATIONS (Continued)**

**C. Obligation Information by Purpose (Continued)**

The annual debt service requirements for principal and interest on obligations at December 31, 2006 are as follows:

	<b>Water</b>		<b>Sewer</b>	
	<b>Revenue Bonds</b>		<b>Revenue Bonds</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 4,715	\$ 4,198	\$ 2,790	\$ 1,940
2008	4,880	4,011	2,890	1,842
2009	5,015	3,835	3,015	1,721
2010	5,240	3,628	3,140	1,590
2011	5,130	3,400	2,305	1,432
2012-2016	29,685	12,981	13,330	5,417
2017-2021	13,165	7,062	6,835	2,775
2022-2026	12,215	4,330	5,540	1,409
2027-2031	11,843	1,177	2,190	172
2032-2036	--	--	--	--
Total	<u>\$ 91,888</u>	<u>\$ 44,622</u>	<u>\$ 42,035</u>	<u>\$ 18,298</u>

	<b>Parking</b>		<b>Capital Projects</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 85	\$ 27	\$ 11,610	\$ 4,116
2008	95	21	11,645	3,728
2009	100	15	10,696	4,378
2010	105	7	10,027	3,458
2011	--	--	6,692	6,088
2012-2016	--	--	29,174	8,144
2017-2021	--	--	8,300	1,343
2022-2026	--	--	1,840	255
2027-2031	--	--	--	--
2032-2036	--	--	--	--
Total	<u>\$ 385</u>	<u>\$ 70</u>	<u>\$ 89,984</u>	<u>\$ 31,510</u>

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

(CONTINUED)

**NOTE 8. DEBT OBLIGATIONS (Continued)**

**C. Obligation Information by Purpose (Continued)**

	<b>P&amp;F Pension GO Bonds</b>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 1,025	\$ 690
2008	1,075	612
2009	1,100	531
2010	1,150	447
2011	1,200	360
2012-2016	3,900	519
2017-2021	--	--
2022-2026	--	--
2027-2031	--	--
2032-2036	--	--
Total	<u>\$ 9,450</u>	<u>\$ 3,159</u>

	<b>Enterprise</b>		<b>Housing</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 160	\$ 124	\$ 475	\$ 1,272
2008	160	117	535	1,246
2009	160	111	455	1,216
2010	160	105	515	1,189
2011	160	425	580	1,159
2012-2016	640	253	3,680	5,213
2017-2021	775	71	5,935	3,787
2022-2026	620	--	7,150	1,673
2027-2031	--	--	4,008	147
2032-2036	--	--	--	--
Total	<u>\$ 2,835</u>	<u>\$ 1,206</u>	<u>\$ 23,333</u>	<u>\$16,902</u>

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 8. DEBT OBLIGATIONS (Continued)**

**C. Obligation Information by Purpose (Continued)**

	Issue 2		OWDA Sewer	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 797	\$ --	\$ 3,327	2,689
2008	715	--	7,724	5,174
2009	675	--	8,823	5,364
2010	675	--	8,975	4,899
2011	635	--	8,664	4,577
2012-2016	2,616	--	41,568	18,573
2017-2021	1,055	--	44,110	11,139
2022-2026	690	--	41,501	3,956
2027-2031	22	--	3,030	59
2032-2036	--	--	--	--
Total	<u>\$ 7,880</u>	<u>\$ --</u>	<u>\$ 167,722</u>	<u>\$56,429</u>

	OWDA General Fund		ODOD - 166	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 412	\$ 314	\$ 642	\$ 374
2008	429	297	668	347
2009	447	279	695	318
2010	465	260	723	288
2011	485	241	753	256
2012-2016	2,742	888	4,188	766
2017-2021	2,780	277	1,432	59
2022-2026	--	--	--	--
2027-2031	--	--	--	--
2032-2036	--	--	--	--
Total	<u>\$ 7,760</u>	<u>\$ 2,556</u>	<u>\$ 9,101</u>	<u>\$ 2,408</u>

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 8. DEBT OBLIGATIONS (Continued)**

**C. Obligation Information by Purpose (Continued)**

	<b>HUD - 108</b>		<b>Other</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	1,185	1,449	673	760
2008	1,250	1,363	560	744
2009	1,350	1,273	575	727
2010	1,415	1,176	595	710
2011	1,485	1,070	730	692
2012-2016	8,145	3,612	3,465	3,064
2017-2021	4,125	493	2,540	2,327
2022-2026	--	--	3,260	1,602
2027-2031	--	--	2,615	741
2032-2036	--	--	<u>401</u>	<u>22</u>
Total	<u>\$18,955</u>	<u>\$10,436</u>	<u>\$ 15,414</u>	<u>\$ 11,408</u>

	<b>OWDA Water System</b>	
	<u>Principal</u>	<u>Interest</u>
2007	--	--
2008	--	398
2009	287	246
2010	296	237
2011	306	227
2012-2016	1,686	981
2017-2021	1,981	686
2022-2026	2,328	339
2027-2031	746	55
2032-2036	--	--
Total	<u>\$ 7,630</u>	<u>\$ 3,169</u>

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 8. DEBT OBLIGATIONS (Continued)**

**C. Obligation Information by Purpose (Continued)**

	Special Assessment Bonds		Assessed Services
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2007	\$ 77	\$ 6	\$ 18,700
2008	45	5	19,000
2009	14	1	--
2010	40	5	--
2011	30	4	--
2012-2016	41	6	--
2017-2021	--	--	--
2022-2026	--	--	--
2027-2031	--	--	--
2032-2036	--	--	--
Total	<u>\$ 247</u>	<u>\$ 26</u>	<u>\$ 37,700</u>

Under the Uniform Bond Act of the Ohio Revised Code, the City has the capacity to issue approximately \$93,000 additional unvoted general obligation debt. The principal balances of the utility debt have been reduced by unamortized premiums of \$2,390.

**D. Landfill Closure and Postclosure 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 postclosure 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 Assets for the closure and postclosure care costs based on landfill capacity used as of each balance sheet date. A new cell was constructed in 2005 resulting in an increase in capacity; therefore, the landfill can continue to accept solid waste and increase its capacity. Based on the remaining air space and estimated annual tonnage to be taken in, the estimated remaining life of the landfill is 30 years. The \$22,071 reported as landfill closure and postclosure care liability at December 31, 2006 represents the cumulative amount reported to date based on the use of 96% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$1,007 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2006 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 regulations.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 8. DEBT OBLIGATIONS (Continued)**

**E. Other**

**Capital Lease**

The City has a noncancelable long-term lease with the Ohio Building Authority for the space it occupies in the Government Center Office Building, which is classified as a capital lease. In fiscal 1997, the City entered into a lease agreement with the Ohio Building Co., which is also being classified as a capital lease. In 1999, the City entered into a lease agreement with the Lucas County Port Authority for an addition to the Superior Street Garage which is classified as a capital lease. Future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2006 are as follows:

<u>Year</u>	<u>General Long-Term Obligations</u>	<u>Enterprise Funds</u>
2007	\$ 1,433	\$ 1,279
2008	---	1,306
2009	---	1,299
2010	---	1,293
2011	---	1,291
2012-2016	---	3,752
2017-2021	---	<u>1,174</u>
Total Minimum Lease Payments	1,433	11,394
Less Amount Representing Interest	<u>31</u>	<u>2,610</u>
Present Value of Net Minimum Lease Payments	<u>\$ 1,402</u>	<u>\$8,784</u>

**NOTE 9. INTERFUND RECEIVABLES AND PAYABLES**

Individual interfund receivables and payables resulted from the routine lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 13,413	\$ 10,279
Capital Improvements	263	---
Special Assessment Services	1,102	15,658
Other Governmental Funds	10,567	4,238
Water	25,327	32,873
Sewer	30,067	27,683
Other Enterprise Funds	3,375	21,751
Internal Service Funds	29,099	731
Trust and Agency	---	---
Total	<u>\$ 113,213</u>	<u>\$ 113,213</u>

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 10. FUND BALANCE DEFICITS**

**A. Fund Balance Deficit**

At December 31, 2006, the following Funds had a fund balance deficit:

**Special Revenue Funds - Special Assessment Services Fund**

The fund deficit of \$45,650 in the Special Assessment Services Fund arose because of the application of GAAP to the financial reporting for this Fund. Short-term note proceeds used to finance construction of special assessment projects are not recognized as an "other financing source." Liabilities for special assessment short-term notes payable are accounted for in the Special Assessment Services Fund. Special assessments are recognized as revenue in the year they are remitted to the City by the County Auditor. The deficit will be reduced and eliminated as deferred special assessment installments are received from the County Auditor.

**Capital Projects Fund - Special Assessment Improvements Fund**

The fund deficit of \$1,786 in the Special Assessment Improvements Fund arose because of the application of GAAP to the financial reporting for this Fund. Note proceeds used to finance construction projects are not recognized as an "other financing source" in the Special Assessments Improvements Fund. These deficits will be reduced and eliminated as long-term financing is arranged for projects supported by short-term debt.

**Enterprise Fund Types-Property Management**

The fund deficit of \$3,257 is due to delinquent receivables.

**NOTE 11. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN**

Employees of the City may elect to participate in the Ohio Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time, usually after retirement. The deferred pay and any income earned on it is not subject to income taxation until actually received by the employee.

As the Ohio Public Employees Deferred Compensation Board is the plan Administrator, the City is unable to, and does not, maintain any fiscal control over these assets. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 12. PENSION AND RETIREMENT PLANS**

**A. Ohio Police and Fire Pension Fund**

All Police and Firemen are members of and participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit plan which operates under the authority of Ohio Revised Code, Chapter 742. The Fund provides pension, disability and health care benefits to qualified participants and survivor and death benefits to qualified spouses, children and dependent parents.

The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to: OP & F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10.0% of their annual covered salary and the City is required to contribute a statutorily determined rate which is currently 19.5% for Police and 24.0% for Fire. The City's contributions are equal to 100% of the dollar amount billed the City. The City's contributions to OP&F for the Police portion for the years ending December 31, 2006, 2005, 2004, were \$8,277, \$7,994, \$7,889, respectively, equal to the required contributions for each year. Contributions for the Fire Portion for the years ending December 31, 2006, 2005, 2004, were \$7,367, \$7,253, \$7,091, respectively, equal to the required contribution for each year. All contributions to PFDPF were made within the required due dates.

The OP&F also provides post-retirement health care coverage for any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of the City's contribution to OP&F is set aside for the funding of post retirement health care. The City's contribution includes approximately \$5,669 (7.75% of covered payroll) used to fund a health care program for retired employees.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to the OP&F.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**A. Ohio Police & Fire Pension Fund**

The assumptions and calculations below were based on the OP&F latest actuarial review performed as of December 31, 2005:

- A. Health care funding and accounting is on a pay-as-you-go basis.
- B. The number of participants eligible to receive health care benefits as of December 31, 2004 was 13,922 for police and 10,537 for firemen.
- C. The Fund's total health care expenses for the year ending December 31, 2005 were \$108,039.

In 1994, the City issued \$19,050 of taxable general obligation bonds to retire the remaining \$29,148 of the unfunded Police and Fire Pension liability existing at that time. The annual net debt service on the bonds will be approximately \$1,380.

**B. Ohio Public Employees Retirement System**

All City employees (excluding Police and Firemen) are members of and participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code assigns authority to establish and amend benefits. OPERS issues a stand-alone report that contains financial statements. Interested parties may obtain a copy by making a written request to: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The 2006 employer contribution rate for local government employer units was 13.7% of covered payroll. Plan members are required to contribute 9% of their annual salary. The City's contributions are equal to 100% of the dollar amount billed to the City. The City's contributions to PERS for the years ending December 31, 2006, 2005 and 2004 were \$10,067, \$9,909 and \$9,729, respectively, equal to the required contributions for each year. All contributions to PERS were made within the required due dates.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 12. PENSION AND RETIREMENT PLANS (Continued)**

**B. Ohio Public Employees Retirement System (Continued)**

The Public Employees Retirement System of Ohio also provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. As required by state statute, a portion of each employee's contribution is set aside for the funding of post retirement health care benefits. The Ohio Revised Code provides statutory authority for employer contributions. The contribution rates of 13.7% to the plan for the year ended December 31, 2006 involved a portion (4.5%) that was used to fund health care. The City contribution includes approximately \$3,454 (4.7% of covered payroll) used to fund a health care program for retired employees. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contribution to OPERS.

**Summary of Assumptions**

- Actuarial Review – The assumptions and calculations below were based on the OPERS' latest actuarial review performed as of December 31, 2005.
- Funding Method – An entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.
- Assets Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of the unrealized market appreciation or depreciation on investments assets annually, not to exceed a 12% corridor.
- Investment Return – The investment assumption rate for 2005 was 6.5%.
- Active Employee Total Payroll – An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4% base increase, were assumed to range from 0.5% to 6.3%.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 12. PENSION AND RETIREMENT PLANS (Continued)**

**B. Ohio Public Employees Retirement System (Continued)**

- Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 6% for the next nine years. In subsequent years (ten and beyond), health care costs were assumed to increase at 4% (the projected wage inflation rate).

OPEBs are advance funded on an actuarially determined basis. The number of active participants at December 31, 2006 was 369,214. At December 31, 2005, the number of active contributing participants was 358,804 and \$11.1 billion represents the actuarial value of the OPERS' net assets available for OPEB. The actuarially accrued liability and the unfunded actuarial accrued liability at December 31, 2005 (the latest date information is available), based on the actuarial cost method used, were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004 is effective as of January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

**NOTE 13. LEASES AND OTHER COMMITMENTS**

In 1982, the City entered into a noncancelable long-term lease with the Ohio Building Authority for the space it occupies in the Toledo Government Center Office Building. The lease, which is for 30 years, is classified as a capital lease and has been included as property, plant and equipment in the government-wide financial statements at \$26,179 less accumulated depreciation of \$20,511. Under the terms of the lease, the City is required to pay for its pro-rata share of operating and maintenance costs of the building. These additional costs were \$1,585 in 2006.

In 1997, the City entered into a noncancelable long-term lease with the Ohio Building Co. for the space it occupies in the Ohio Building. The lease, which is for 15 years is classified as a capital lease and has been included in the Utility Administration Services Enterprise Fund at \$4,538 less accumulated depreciation of \$2,805 at December 31, 2006.

In 1999, the City entered into a \$7,825 noncancelable long-term lease with the Lucas County Port Authority for an addition to the Superior Street Garage.

The City leases other facilities and equipment under various operating leases. Rental expense relating to these leases amounted to \$2,271 in 2006. Future minimum lease payments on operating leases as of December 31, 2006 is \$1,487.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 13. LEASES AND OTHER COMMITMENTS (Continued)**

The City has commitments for construction and improvement of four Water Treatment Plant projects and four Water Reclamation Plant projects. Such construction commitments, which total \$31,002 at December 31, 2006, are funded from Environmental Protection Agency grants and Sewer Mortgage Revenue Bond proceeds of the Sewer Fund.

**NOTE 14. CONTINGENCIES**

The City of Toledo is party to various legal proceedings seeking damages or injunctive relief generally incidental to its operations. The significant claims are described below.

The City is involved in various administrative proceedings with the Ohio Environmental Protection Agency and/or Ohio Attorney General's Office and the USEPA concerning certain environmental matters within the City. Those administrative proceedings do not seek money damages from the City but may require the City to take certain remedial measures to eliminate or reduce pollution in the lands or waters within the City. The City has, in turn, initiated certain proceedings to require those who it believes disposed of these pollutants to participate in the necessary remedial actions. The overall cost of the various clean-ups could reach up to \$50,000. The remedial measures are anticipated to span a multi-year period. The remaining capital cost to the City is estimated to be less than \$500. The costs to the City for operation, maintenance and monitoring over the next thirty years are estimated to be less than \$10,000 including inflation, most of which is to be funded from settlement reserves. The ultimate resolution of these claims is not anticipated to have a material adverse effect on the City's financial position.

The City was involved in litigation in which the United States and the State of Ohio are seeking injunctive relief and civil penalties against the City under the Clean Water Act for alleged discharges of pollutants from the City's wastewater treatment plant in violation of permit limitations. The City, the United States and the State of Ohio reached a settlement on the amount of civil penalties to be paid by the City, which was ratified by City Council in May 2002 and approved by general election in 2002. Under the consent decree settlement, the City paid a \$500 fine and agreed to upgrade the sewage treatment plant and sanitary sewer system at an anticipated total cost of \$400,000 over a 15 year period. The City is in compliance with all provisions in the Court-approved decree and the upgrade work is proceeding on schedule. In 2006, the City incurred \$70,323 in costs relating to the upgrade. As of December 31, 2006, a total of \$152,441 has been expended to date.

**CITY OF TOLEDO, OHIO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 14. CONTINGENCIES (Continued)**

In addition, the City participates in a number of Federal and State assisted grant programs. These programs are subject to financial and compliance audits by grantors or their representatives. At December 31, 2006, the audits of certain programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The City believes that disallowed claims, if any, will not result in a material adverse effect on the City's financial position.

**NOTE 15. JOINT VENTURE**

The City of Toledo has entered into a contractual agreement with Lucas County, Defiance County, Fulton County, Henry County, and Williams County to form the Corrections Commission of Northwest Ohio (Corrections Commission) to operate a regional jail in northwest Ohio. Each entity is responsible for a portion of the capital and operating budget as follows:

City of Toledo .....	38.00%
Lucas County .....	30.84
Defiance County .....	9.66
Fulton County .....	7.79
Williams County .....	7.79
Henry County .....	<u>5.92</u>
	<u>100.00%</u>

The Corrections Commission is a board composed of the following representatives: the President of the Board of County Commissioners, Sheriff and the Presiding Judge of the Court of Common Pleas from each County and the Mayor or City Manager, Chief of Police and Presiding Judge of the Municipal Court of the City of Toledo. Each participating entity has an equal degree of control over budgeting and financing.

All debt incurred for the construction of the jail was incurred by the participating governmental agencies, and are not liabilities of the Corrections Commission.

The Corrections Commission has an annual budget of approximately \$15,903 and has accumulated cash reserves of \$754 at December 31, 2006. Complete financial statements of the Corrections Commission can be obtained from its administrative office as follows:

Corrections Commission of Northwest Ohio  
03151 Road 24.25  
Rt. 1, Box 100-A  
Stryker, OH 43557

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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**CITY OF TOLEDO, OHIO  
MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

**General Fund** – The general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.

**Special Assessment Services** - To account for the proceeds of special assessments (and related note sales) levied against property benefited from the following City services: street cleaning, street lighting, surface treatment, weed cutting, snow removal and tree and ditch maintenance.

CITY OF TOLEDO, OHIO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(AMOUNTS IN THOUSANDS)

Budgeted Amounts

	<u>Original Amount</u>	<u>Final Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive/(Negative)</u>
<b>REVENUES:</b>				
Income Taxes	\$ 167,427	\$ 167,110	\$ 164,718	\$ (2,392)
Property Taxes	17,292	17,292	17,330	38
Licenses and Permits	2,811	2,811	2,867	56
Intergovernmental Services	23,068	23,069	23,648	579
Charges for Services	13,479	12,901	13,842	941
Investment Earnings	2,625	2,725	4,469	1,744
Fines and Forfeitures	5,284	5,284	5,009	(275)
All Other Revenue	574	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	232,560	231,192	231,883	691
<b>EXPENDITURES</b>				
General Government	18,013	17,362	17,041	321
Public Service	1,645	1,554	1,554	-
Public Safety	153,626	155,333	155,189	144
Public Utilities	21	13	13	-
Community Environment	6,049	5,018	4,543	475
Health	16,329	15,641	15,355	286
Parks and Recreation	3,760	3,563	3,526	37
Capital Outlay	1,673	591	590	1
Debt Service:				
Principal Retirement	1,000	1,000	1,000	-
Interest and Fiscal Charges	773	773	767	6
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	202,889	200,848	199,578	1,270
Excess (Deficiency) of Revenues over Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	29,671	30,344	32,305	1,961
Other Financing Sources (Uses):				
Transfers In	1,156	1,156	1,155	(1)
Transfers (Out)	(33,546)	(33,387)	(33,388)	-
Sale of Fixed Assets	-	-	34	34
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<hr/>	<hr/>	<hr/>	<hr/>
	(32,390)	(32,231)	(32,199)	33
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<hr/>	<hr/>	<hr/>	<hr/>
	\$ (2,719)	\$ (1,887)	\$ 106	\$ 1,994
Fund Balances (Deficit) at Beginning of Year			10,771	
Increase in Reserve for Inventory			(85)	
Fund Balance (Deficit) at Year End			<hr/>	
			\$ 10,792	

**SPECIAL ASSESSMENT SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(AMOUNTS IN THOUSANDS)**

<u>Special Assessment Services</u>				<b>Positive (Negative) Variance</b>
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Special Assessments	\$ 21,293	\$ 21,849	\$ 21,202	\$ (647)
Charges for Services	230	230	246	16
Investment Earnings	220	220	821	601
All Other Revenue	1	1	2	1
Total Revenues	<u>\$ 21,744</u>	<u>\$ 22,300</u>	<u>\$ 22,271</u>	<u>\$ (29)</u>
<b>EXPENDITURES:</b>				
General Government	\$ 231	\$ 817	\$ 796	\$ 21
Public Service	25,393	25,651	21,997	3,654
Public Utilities	-	-	-	-
Health	786	607	606	1
Parks and Recreation	167	175	175	-
Capital Outlay	253	167	103	64
Debt Service:				
Principal Retirement	11	13	13	-
Interest and Fiscal Charges	1,959	1,994	1,961	33
Total Expenditures	<u>\$ 28,800</u>	<u>\$ 29,424</u>	<u>\$ 25,651</u>	<u>\$ 3,773</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (7,056)</u>	<u>\$ (7,124)</u>	<u>\$ (3,380)</u>	<u>\$ 3,744</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures And Other Financing Uses	<u>\$ (7,056)</u>	<u>\$ (7,124)</u>	(3,380)	<u>\$ 3,744</u>
Fund Balances (Deficit) at Beginning of Year			(42,601)	
Increase in Reserve for Inventory			331	
Fund Balance (Deficit) at Year End			<u>\$ (45,650)</u>	

**CITY OF TOLEDO, OHIO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE A. ANNUAL BUDGET PROCESS**

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

The City's budgetary process is as follows:

Budget - A Certificate of Estimated Revenue and Expenditures 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 which 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 became available, City Council approved 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.

**CITY OF TOLEDO, OHIO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE A. ANNUAL BUDGET PROCESS (Continued)**

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.

The City meets its legal compliance requirements to report at the budgetary level of control with the City of Toledo's Special Budgetary Comparison Report (SBCR). The SBCR reports at the appropriate budgetary level of control for Governmental Funds on a GAAP basis. Because of the complexity of the budgetary control requirement, presentation of budget versus actual financial results in this CAFR would be very detailed and voluminous. Therefore, as permitted by GAAP, the SBCR for the year ended December 31, 2005 is available for public inspection at the Department of Finance's Office.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is reappropriated.

# **SUPPLEMENTARY INFORMATION**

**CITY OF TOLEDO, OHIO**  
**MAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**

**Capital Improvements** – To account for construction, major improvements and acquisition to the City’s buildings and infrastructure and parkland. Revenue received is from the portion of the income tax earmarked by the voters for capital improvements and from construction grants and bond sales.

**General Fund** – The general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund

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**CITY OF TOLEDO, OHIO**  
**CAPITAL IMPROVEMENTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

Capital Improvements

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>REVENUES:</b>				
Licenses and Permits	-		\$ 139	139
Intergovernmental Services	69,778	69,778	25,045	(44,733)
Charges for Services	96	96	99	3
Investment Earnings	75	75	1,366	1,291
All Other Revenue	431	431	83	(348)
Total Revenues	<u>\$ 70,380</u>	<u>\$ 70,380</u>	<u>\$ 26,732</u>	<u>\$ (43,648)</u>
<b>EXPENDITURES:</b>				
Capital Outlay	\$ 131,874	\$ 131,874	\$ 59,635	\$ 72,239
Debt Service:				
Principal Retirement	4,919	4,919	4,919	-
Interest and Fiscal Charges	3,294	3,294	3,278	16
Total Expenditures	<u>\$ 140,087</u>	<u>\$ 140,087</u>	<u>\$ 67,832</u>	<u>\$ 72,255</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (69,707)</u>	<u>\$ (69,707)</u>	<u>\$ (41,100)</u>	<u>\$ 28,607</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	33,414	33,414	33,167	(247)
Transfers (Out)	(15,939)	(15,939)	(15,938)	-
Bond Issuance of Debt	12,405	12,405	12,405	-
Loan Issuance of Debt	15,170	15,170	14,120	(1,050)
Note Issuance of Debt	7,122	7,122	1,026	(6,096)
Premiums on Bond	653	653	660	7
Sale of Fixed Assets	75	75	-	(75)
Total Other Financing Sources (Uses)	<u>\$ 52,900</u>	<u>\$ 52,900</u>	<u>\$ 45,440</u>	<u>\$ (7,461)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures And Other Financing Uses	<u>\$ (16,807)</u>	<u>\$ (16,807)</u>	4,340	<u>\$ 21,146</u>
Fund Balances (Deficit) at Beginning of Year			31,736	
Increase in Reserve for Inventory			(149)	
Fund Balance (Deficit) at Year End			<u>\$ 35,927</u>	

**CITY OF TOLEDO, OHIO**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>EXPENDITURES:</b>				
<b>Current</b>				
<b>GENERAL GOVERNMENT</b>				
City Council				
Personal Services	\$ 1,302	\$ 1,253	\$ 1,253	\$ -
Materials and Supplies	40	34	31	3
Contractual Services	147	112	106	6
Total City Council	<u>1,489</u>	<u>1,399</u>	<u>1,390</u>	<u>9</u>
Office Of The Mayor				
Personal Services	937	1,031	1,031	-
Materials and Supplies	37	53	52	1
Contractual Services	158	136	134	2
Other	222	80	63	17
Total Office of the Mayor	<u>1,354</u>	<u>1,300</u>	<u>1,280</u>	<u>20</u>
Auditor				
Personal Services	253	171	171	-
Materials and Supplies	1	1	1	-
Contractual Services	14	10	10	-
Total Auditor	<u>268</u>	<u>182</u>	<u>182</u>	<u>-</u>
Affirmative Action				
Personal Services	296	217	217	-
Materials and Supplies	2	2	2	-
Contractual Services	19	21	21	-
Total Affirmative Action	<u>317</u>	<u>240</u>	<u>240</u>	<u>-</u>
Board Of Community Relations				
Personal Services	99	124	124	-
Materials and Supplies	4	8	8	-
Contractual Services	15	13	13	-
Total Board Of Community Relations	<u>118</u>	<u>145</u>	<u>145</u>	<u>-</u>
Financial Analysis				
Personal Services	74	75	75	-
Materials and Supplies	1	-	-	-
Contractual Services	22	11	11	-
Total Financial Analysis	<u>97</u>	<u>86</u>	<u>86</u>	<u>-</u>
General Fund Utilities				
Contractual Services	<u>1,816</u>	<u>1,791</u>	<u>1,791</u>	<u>-</u>
Total General Fund Utilities	<u>1,816</u>	<u>1,791</u>	<u>1,791</u>	<u>-</u>

**CITY OF TOLEDO, OHIO  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Law				
Personal Services	\$ 1,922	\$ 1,778	\$ 1,778	\$ -
Materials and Supplies	34	41	41	-
Contractual Services	370	329	255	74
Total Law	<u>2,326</u>	<u>2,148</u>	<u>2,074</u>	<u>74</u>
Youth Commission				
Personal Services	196	250	250	-
Materials and Supplies	6	8	7	1
Contractual Services	18	8	8	-
Total Youth Commission	<u>220</u>	<u>266</u>	<u>265</u>	<u>1</u>
Finance Administration				
Personal Services	382	276	276	-
Materials and Supplies	2	1	1	-
Contractual Services	14	38	35	3
Total Finance Administration	<u>398</u>	<u>315</u>	<u>312</u>	<u>3</u>
Treasury				
Personal Services	244	258	258	-
Materials and Supplies	49	39	33	6
Contractual Services	68	52	44	8
Total Treasury	<u>361</u>	<u>349</u>	<u>335</u>	<u>14</u>
Taxation				
Personal Services	1,252	1,098	1,098	-
Materials and Supplies	184	263	258	5
Contractual Services	310	376	365	11
Total Taxation	<u>1,746</u>	<u>1,737</u>	<u>1,721</u>	<u>16</u>
Accounts				
Personal Services	1,004	987	987	-
Materials and Supplies	13	15	14	1
Contractual Services	841	305	292	13
Total Accounts	<u>1,858</u>	<u>1,307</u>	<u>1,293</u>	<u>14</u>
Economic Development				
Other	71	271	271	-
Total Economic Development	<u>71</u>	<u>271</u>	<u>271</u>	<u>-</u>

**CITY OF TOLEDO, OHIO**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Human Resources				
Personal Services	\$ 1,147	\$ 1,239	\$ 1,239	\$ -
Materials and Supplies	50	26	26	-
Contractual Services	206	197	170	27
Other	4	-	-	-
Total Human Resources	<u>1,407</u>	<u>1,462</u>	<u>1,435</u>	<u>27</u>
Purchasing And Supplies				
Personal Services	306	314	314	-
Materials and Supplies	3	3	3	-
Contractual Services	37	59	59	-
Total Purchasing and Supplies	<u>346</u>	<u>376</u>	<u>376</u>	<u>-</u>
Streets Bridges & Harbors				
Personal Services	34	59	59	-
Materials and Supplies	1	1	1	-
Contractual Services	7	3	3	-
Total Streets Bridges & Harbors	<u>42</u>	<u>63</u>	<u>63</u>	<u>-</u>
Facility Operations				
Personal Services	2	(4)	(4)	-
Materials and Supplies	-	2	2	-
Contractual Services	472	643	643	-
Total Facility Operations	<u>474</u>	<u>641</u>	<u>641</u>	<u>-</u>
Safety				
Personal Services	114	9	9	-
Other	310	336	336	-
Total Safety	<u>424</u>	<u>345</u>	<u>345</u>	<u>-</u>
Police				
Other	5	5	5	-
Total Police	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Fire				
Personal Services	41	59	59	-
Materials and Supplies	(5)	31	12	19
Contractual Services	4	(38)	(38)	-
Total Fire	<u>40</u>	<u>52</u>	<u>33</u>	<u>19</u>
Natural Resources Administration				
Personal Services	230	186	186	-
Materials and Supplies	4	6	6	-
Contractual Services	151	125	113	12
Total Natural Resources Administration	<u>385</u>	<u>317</u>	<u>305</u>	<u>12</u>

**CITY OF TOLEDO, OHIO  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Recreation				
Other	\$ 4	\$ 1	\$ -	\$ 1.00
Total Recreation	<u>4</u>	<u>1</u>	<u>-</u>	<u>1</u>
Fringe Benefits				
Personal Services	-	257	257	-
Total Fringe Benefits	<u>-</u>	<u>257</u>	<u>257</u>	<u>-</u>
General Non-Departmental Services				
Personal Services	202	-	-	-
Contractual Services	2,245	2,242	2,131	111
Other	-	65	65	-
Total General Non-Departmental Services	<u>2,447</u>	<u>2,307</u>	<u>2,196</u>	<u>111</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>\$ 18,013</u>	<u>\$ 17,362</u>	<u>\$ 17,041</u>	<u>\$ 321</u>
<b>PUBLIC SERVICE</b>				
General Fund Utilities				
Contractual Services	1,361	1,263	1,263	-
Total General Fund Utilities	<u>1,361</u>	<u>1,263</u>	<u>1,263</u>	<u>-</u>
Recreation				
Contractual Services	5	2	2	-
Total Parks & Forestry	<u>5</u>	<u>2</u>	<u>2</u>	<u>-</u>
Parks & Forestry				
Personal Services	68	58	58	-
Materials and Supplies	4	3	3	-
Contractual Services	207	228	228	-
Total Parks & Forestry	<u>279</u>	<u>289</u>	<u>289</u>	<u>-</u>
<b>TOTAL PUBLIC SERVICE</b>	<u>\$ 1,645</u>	<u>\$ 1,554</u>	<u>\$ 1,554</u>	<u>\$ -</u>

**CITY OF TOLEDO, OHIO  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>PUBLIC SAFETY</b>				
Municipal Court Judges				
Personal Services	\$ 5,387	\$ 5,062	\$ 5,062	\$ -
Materials and Supplies	76	145	143	2
Contractual Services	2,026	1,936	1,923	13
Total Municipal Court Judges	<u>7,489</u>	<u>7,143</u>	<u>7,128</u>	<u>15</u>
Clerk Of Municipal Court				
Personal Services	4,656	4,514	4,514	-
Materials and Supplies	343	719	715	4
Contractual Services	388	543	543	-
Total Clerk Of Municipal Court	<u>5,387</u>	<u>5,776</u>	<u>5,772</u>	<u>4</u>
Law				
Personal Services	571	528	528	-
Contractual Services	28	31	31	-
Total Law	<u>599</u>	<u>559</u>	<u>559</u>	<u>-</u>
Safety				
Contractual Services	13,330	12,706	12,706	-
Total Safety	<u>13,330</u>	<u>12,706</u>	<u>12,706</u>	<u>-</u>
Police				
Personal Services	70,008	69,876	69,876	-
Materials and Supplies	798	839	800	39
Contractual Services	4,925	5,440	5,417	23
Total Police	<u>75,731</u>	<u>76,155</u>	<u>76,093</u>	<u>62</u>
Fire				
Personal Services	47,999	49,360	49,360	-
Materials and Supplies	403	435	400	35
Contractual Services	2,570	2,290	2,271	19
Total Fire	<u>50,972</u>	<u>52,085</u>	<u>52,031</u>	<u>54</u>
Fringe Benefits				
Personal Services	-	760	760	-
Total Fringe Benefits	<u>-</u>	<u>760</u>	<u>760</u>	<u>-</u>
General Non-Departmental Services				
Contractual Services	118	149	140	9
Total General Non-Departmental Services	<u>118</u>	<u>149</u>	<u>140</u>	<u>9</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>\$ 153,626</u>	<u>\$ 155,333</u>	<u>\$ 155,189</u>	<u>\$ 144</u>

**CITY OF TOLEDO, OHIO**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>PUBLIC UTILITIES</b>				
Engineering Services				
Personal Services	\$ 21	\$ 13	\$ 13	\$ -
Total Engineering Services	<u>21</u>	<u>13</u>	<u>13</u>	<u>-</u>
<b>TOTAL PUBLIC UTILITIES</b>	<u>\$ 21</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ -</u>
<b>COMMUNITY ENVIRONMENT</b>				
Planning Commission				
Personal Services	635	470	470	-
Materials and Supplies	18	34	34	-
Contractual Services	55	57	57	-
Total Planning Commission	<u>708</u>	<u>561</u>	<u>561</u>	<u>-</u>
General Fund Utilities				
Contractual Services	299	230	230	-
Total General Fund Utilities	<u>299</u>	<u>230</u>	<u>230</u>	<u>-</u>
Youth Commission				
Other	69	140	120	20
Total Youth Commission	<u>69</u>	<u>140</u>	<u>120</u>	<u>20</u>
H N R Administration				
Personal Services	89	76	76	-
Materials and Supplies	6	1	1	-
Contractual Services	49	17	17	-
Total H N R Administration	<u>144</u>	<u>94</u>	<u>94</u>	<u>-</u>
Housing Division				
Personal Services	35	34	34	-
Total Housing Division	<u>35</u>	<u>34</u>	<u>34</u>	<u>-</u>
Economic Development				
Personal Services	446	208	208	-
Materials and Supplies	4	7	7	-
Contractual Services	327	320	287	33
Other	36	26	14	12
Total Economic Development	<u>813</u>	<u>561</u>	<u>516</u>	<u>45</u>
Neighborhood				
Personal Services		83	83	-
Contractual Services		11	11	-
Total Neighborhood	<u>-</u>	<u>94</u>	<u>94</u>	<u>-</u>

**CITY OF TOLEDO, OHIO  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Demolition				
Personal Services	\$ 519	\$ 517	\$ 517	\$ -
Contractual Services	147	218	218	
Other	50	33	32	1
Total Demolition	<u>716</u>	<u>768</u>	<u>767</u>	<u>1</u>
Transportation				
Personal Services	57	51	51	-
Materials and Supplies	2	3	3	-
Contractual Services	39	49	49	-
Total Transportation	<u>98</u>	<u>103</u>	<u>103</u>	<u>-</u>
Streets Bridges & Harbors				
Personal Services	(2)	(460)	(460)	-
Materials and Supplies	(1)	5	5	-
Contractual Services	79	88	88	-
Total Streets Bridges & Harbors	<u>76</u>	<u>(367)</u>	<u>(367)</u>	<u>-</u>
Waste Disposal				
Personal Services	20	20	20	-
Contractual Services	584	586	177	409
Total Waste Disposal	<u>604</u>	<u>606</u>	<u>197</u>	<u>409</u>
Engineering Services				
Personal Services	93	29	29	-
Materials and Supplies	4	8	8	-
Contractual Services	33	30	30	-
Total Engineering Services	<u>130</u>	<u>67</u>	<u>67</u>	<u>-</u>
Building Inspection				
Personal Services	2,096	1,860	1,860	-
Materials and Supplies	23	34	34	-
Contractual Services	224	218	218	-
Total Building Inspection	<u>2,343</u>	<u>2,112</u>	<u>2,112</u>	<u>-</u>
Parks & Forestry				
Materials and Supplies	-	2	2	-
Contractual Services	14	6	6	-
Total Parks & Forestry	<u>14</u>	<u>8</u>	<u>8</u>	<u>-</u>
Fringe Benefits				
Personal Services	-	7	7	-
Total Fringe Benefits	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>\$ 6,049</u>	<u>\$ 5,018</u>	<u>\$ 4,543</u>	<u>\$ 475</u>

**CITY OF TOLEDO, OHIO**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>HEALTH</b>				
Municipal Court Judges				
Personal Services	\$ 284	\$ 292	\$ 292	\$ -
Materials and Supplies	1	-	-	-
Contractual Services	4	2	2	-
Total Municipal Court Judges	<u>289</u>	<u>294</u>	<u>294</u>	<u>-</u>
Refuse Collection				
Personal Services	9,665	9,807	9,807	-
Materials and Supplies	72	74	66	8
Contractual Services	1,792	1,492	1,475	17
Total Refuse Collection	<u>11,529</u>	<u>11,373</u>	<u>11,348</u>	<u>25</u>
Waste Disposal				
Personal Services	1,296	961	961	-
Materials and Supplies	117	111	96	15
Contractual Services	2,446	2,274	2,029	245
Total Waste Disposal	<u>3,859</u>	<u>3,346</u>	<u>3,086</u>	<u>260</u>
Environmental Services				
Personal Services	128	120	120	-
Contractual Services	24	63	63	-
Total Environmental Services	<u>152</u>	<u>183</u>	<u>183</u>	<u>-</u>
Recreation				
Contractual Services	4	1	1	-
Total Recreation	<u>4</u>	<u>1</u>	<u>1</u>	<u>-</u>
Parks & Forestry				
Personal Services	348	286	286	-
Materials and Supplies	17	9	9	-
Contractual Services	131	97	96	1
Total Parks & Forestry	<u>496</u>	<u>392</u>	<u>391</u>	<u>1</u>
Fringe Benefits				
Personal Services	-	52	52	-
Total Fringe Benefits	<u>-</u>	<u>52</u>	<u>52</u>	<u>-</u>
<b>TOTAL HEALTH</b>	<u>\$ 16,329</u>	<u>\$ 15,641</u>	<u>\$ 15,355</u>	<u>\$ 286</u>

**CITY OF TOLEDO, OHIO  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(AMOUNTS IN THOUSANDS)**

	<u>INITIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>PARKS AND RECREATION</b>				
Natural Resources Administration				
Contractual Services	\$ 46	\$ 31	\$ 31	\$ -
Total Natural Resources Administration	<u>46</u>	<u>31</u>	<u>31</u>	<u>-</u>
Recreation				
Personal Services	693	660	660	-
Materials and Supplies	100	90	89	1
Contractual Services	1,232	1,209	1,193	16
Total Recreation	<u>2,025</u>	<u>1,959</u>	<u>1,942</u>	<u>17</u>
Parks & Forestry				
Personal Services	540	509	509	-
Materials and Supplies	76	65	48	17
Contractual Services	1,073	999	996	3
Total Parks & Forestry	<u>1,689</u>	<u>1,573</u>	<u>1,553</u>	<u>20</u>
<b>TOTAL PARKS &amp; RECREATION</b>	<u>\$ 3,760</u>	<u>\$ 3,563</u>	<u>\$ 3,526</u>	<u>\$ 37</u>
<b>TOTAL CAPITAL OUTLAY</b>	1,673	591	590	1
<b>TOTAL DEBT SERVICE</b>	1,773	1,773	1,767	6
<b>TOTAL EXPENDITURES</b>	<u>\$ 202,889</u>	<u>\$ 200,848</u>	<u>\$ 199,578</u>	<u>\$ 1,270</u>

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**CITY OF TOLEDO, OHIO  
OTHER GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

City of Toledo, Ohio  
 Non-Major Funds  
 Combining Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Special Revenue	Debt Service	Capital Projects
	-----	-----	-----
<b>Assets</b>			
Equity in Pooled Cash	\$ 7,266	\$ 45	\$ -
Other Cash	2	-	-
Investments	2,661	-	969
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	4,076	-	-
Special Assessments	-	447	2,210
Notes	-	-	-
Interfund Receivable	10,567	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	755	-	-
	-----	-----	-----
<b>Total Assets</b>	<b>\$ 25,327</b>	<b>\$ 492</b>	<b>\$ 3,179</b>
	=====	=====	=====
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 1,441	\$ -	\$ 77
Escrow	1,489	-	-
Retainages	12	-	19
Interfund Payable	3,694	-	544
Due to Other Governments	2	-	-
Deferred Revenue	-	447	2,210
Other Current Liabilities	3	-	-
Payable From Restricted Assets:			
Notes Payable	-	-	2,115
	-----	-----	-----
<b>Total Liabilities</b>	<b>6,641</b>	<b>447</b>	<b>4,965</b>
	-----	-----	-----
<b>Fund Balances (Deficit):</b>			
Reserved for Debt Service	-	45	-
Reserved for Encumbrances	9,866	-	153
Reserved for Inventory of Supplies	755	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	143	-	-
Undesignated	7,922	-	(1,939)
	-----	-----	-----
<b>Total Fund Balance (Deficit)</b>	<b>18,686</b>	<b>45</b>	<b>(1,786)</b>
	-----	-----	-----
	-----	-----	-----
<b>Total Liabilities and     Fund Balance (Deficit)</b>	<b>\$ 25,327</b>	<b>\$ 492</b>	<b>\$ 3,179</b>
	=====	=====	=====

City of Toledo, Ohio  
 Non-Major Funds  
 Combining Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Permanent Funds	Total Non-Major Funds
	-----	-----
<b>Assets</b>		
Equity in Pooled Cash	\$ 6	\$ 7,317
Other Cash	-	2
Investments	\$ 794	4,424
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts	5	4,081
Special Assessments	-	2,657
Notes	-	-
Interfund Receivable	-	10,567
Prepaid Expenditures	-	-
Inventory of Supplies	-	755
	-----	-----
<b>Total Assets</b>	<b>\$ 805</b>	<b>\$ 29,803</b>
	=====	=====
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	\$ -	\$ 1,518
Escrow	111	1,600
Retainages	-	31
Interfund Payable	-	4,238
Due to Other Governments	-	2
Deferred Revenue	-	2,657
Other Current Liabilities	-	3
Payable From Restricted Assets:		
Notes Payable	-	2,115
	-----	-----
<b>Total Liabilities</b>	<b>111</b>	<b>12,164</b>
	-----	-----
<b>Fund Balances (Deficit):</b>		
Reserved for Debt Service	-	45
Reserved for Encumbrances	-	10,019
Reserved for Inventory of Supplies	-	755
Unreserved:		
Designated for Subsequent Years Expenditures	-	143
Undesignated	694	6,677
	-----	-----
<b>Total Fund Balance (Deficit)</b>	<b>694</b>	<b>17,639</b>
	-----	-----
	-----	-----
<b>Total Liabilities and     Fund Balance (Deficit)</b>	<b>\$ 805</b>	<b>\$ 29,803</b>
	=====	=====

City of Toledo, Ohio  
 Non-Major Funds  
 Combining Statement of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Special Revenue	Debt Service	Capital Projects
	-----	-----	-----
<b>Revenues:</b>			
Special Assessments	\$ -	\$ 98	\$ 488
Licenses and Permits	6	-	-
Intergovernmental Services	31,264	-	-
Charges for Services	894	-	-
Investment Earnings	493	-	45
Fines and Forfeitures	1,085	-	-
All Other Revenue	1,390	-	-
	-----	-----	-----
<b>Total Revenues</b>	<b>35,132</b>	<b>98</b>	<b>533</b>
	-----	-----	-----
<b>Expenditures:</b>			
<b>Current:</b>			
General Government	323	-	-
Public Service	10,665	-	-
Public Safety	3,386	-	-
Public Utilities	25	-	-
Community Environment	14,738	-	-
Health	1,442	-	-
Parks and Recreation	175	-	-
Capital Outlay	855	-	507
<b>Debt Service:</b>			
Principal Retirement	546	11,987	-
Interest and Fiscal Charges	71	3,946	88
	-----	-----	-----
<b>Total Expenditures</b>	<b>32,226</b>	<b>15,933</b>	<b>595</b>
	-----	-----	-----
<b>Excess (Deficiency) of Revenues   over Expenditures</b>	<b>2,906</b>	<b>(15,835)</b>	<b>(62)</b>
	-----	-----	-----
<b>Other Financing Sources (Uses):</b>			
Transfers In	2,554	15,842	-
Transfers (Out)	(3,526)	-	-
Sale of Fixed Assets	9	-	-
Bond Proceeds	-	-	-
Premium on Bond	-	-	12
Other Revenue (Expenses)	-	-	-
	-----	-----	-----
<b>Total Other Financing       Sources and (Uses)</b>	<b>(963)</b>	<b>15,842</b>	<b>12</b>
	-----	-----	-----
<b>Excess (Deficiency) of Revenues   and Other Financing Sources   Over Expenditures and Other   Financing Uses</b>	<b>1,943</b>	<b>7</b>	<b>(50)</b>
<b>Fund Balances (Deficit) at   Beginning of Year</b>	<b>16,743</b>	<b>38</b>	<b>(1,736)</b>
<b>Increase in Reserve for Inventory/Notes</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-----	-----	-----
<b>Fund Balance (Deficit) at Year End</b>	<b>\$ 18,686</b>	<b>\$ 45</b>	<b>\$ (1,786)</b>
	=====	=====	=====

City of Toledo, Ohio  
 Non-Major Funds  
 Combining Statement of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Permanent Funds	Total Non-Major Funds
	-----	-----
Revenues:		
Special Assessments	\$ -	\$ 586
Licenses and Permits	-	6
Intergovernmental Services	-	31,264
Charges for Services	-	894
Investment Earnings	-	538
Fines and Forfeitures	-	1,085
All Other Revenue	-	1,390
	-----	-----
Total Revenues	-	35,763
	-----	-----
Expenditures:		
Current:		
General Government	-	323
Public Service	-	10,665
Public Safety	-	3,386
Public Utilities	-	25
Community Environment	-	14,738
Health	-	1,442
Parks and Recreation	-	175
Capital Outlay	-	1,362
Debt Service:		
Principal Retirement	-	12,533
Interest and Fiscal Charges	-	4,105
	-----	-----
Total Expenditures	-	48,754
	-----	-----
Excess (Deficiency) of Revenues over Expenditures	-	(12,991)
	-----	-----
Other Financing Sources (Uses):		
Transfers In	-	18,396
Transfers (Out)	-	(3,526)
Sale of Fixed Assets	-	9
Bond Proceeds	-	-
Premium on Bond	-	12
Other Revenue (Expenses)	-	-
	-----	-----
Total Other Financing Sources and (Uses)	-	14,891
	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	1,900
Fund Balances (Deficit) at Beginning of Year	694	15,739
Increase in Reserve for Inventory/Notes	-	-
	-----	-----
Fund Balance (Deficit) at Year End	\$ 694	\$ 17,639
	=====	=====

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**CITY OF TOLEDO, OHIO**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2006**

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

**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). Individual program and grant activity is controlled by use of programmatic computer codes.

**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 the portion of golf greens fees designated by City Council for major non-capital golf course maintenance.

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

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

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

**Expendable Trusts** - To account for monies donated in trust to the City. Expenditures of the forty-eight individual trust funds in existence as of December 31 are controlled by reference to individual trust balances maintained in subsidiary records.

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

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

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

City of Toledo, Ohio  
 Non Major Funds  
 Special Revenue Funds  
 Combining Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
	-----	-----	-----
<b>Assets</b>			
Equity in Pooled Cash	\$ 135	\$ 2,157	\$ 682
Other Cash	1	-	-
Investments	-	-	13
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	1,732	390	-
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	1,693	6,422	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
	-----	-----	-----
<b>Total Assets</b>	<b>\$ 3,561</b>	<b>\$ 8,969</b>	<b>\$ 695</b>
	=====	=====	=====
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 562	\$ 409	\$ -
Escrow	13	140	11
Retainages	-	7	-
Interfund Payable	-	2,158	-
Due to Other Governments	-	-	2
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
	-----	-----	-----
<b>Total Liabilities</b>	<b>575</b>	<b>2,714</b>	<b>13</b>
	-----	-----	-----
<b>Fund Balances (Deficit):</b>			
Reserved for Encumbrances	2,286	4,064	-
Reserved for Inventory of Supplies	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	700	2,191	682
<b>Fund Equity</b>			
Unreserved	-	-	-
	-----	-----	-----
<b>Total Fund Balance (Deficit)</b>	<b>2,986</b>	<b>6,255</b>	<b>682</b>
	-----	-----	-----
	-----	-----	-----
<b>Total Liabilities and     Fund Balance (Deficit)</b>	<b>\$ 3,561</b>	<b>\$ 8,969</b>	<b>\$ 695</b>
	=====	=====	=====

City of Toledo, Ohio  
 Non Major Funds  
 Special Revenue Funds  
 Combining Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements
<b>Assets</b>			
Equity in Pooled Cash	\$ -	\$ -	\$ 167
Other Cash	-	-	-
Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	609	7	-
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	1,338	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	755	-	-
<b>Total Assets</b>	<b>\$ 2,702</b>	<b>\$ 7</b>	<b>\$ 167</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 167	\$ -	\$ -
Escrow	-	-	-
Retainages	5	-	-
Interfund Payable	-	7	-
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
<b>Total Liabilities</b>	<b>172</b>	<b>7</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>			
Reserved for Encumbrances	131	-	-
Reserved for Inventory of Supplies	755	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	143	-	-
Undesignated	1,501	-	167
<b>Fund Equity Unreserved</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balance (Deficit)</b>	<b>2,530</b>	<b>-</b>	<b>167</b>
<b>Total Liabilities and Fund Balance (Deficit)</b>	<b>\$ 2,702</b>	<b>\$ 7</b>	<b>\$ 167</b>

City of Toledo, Ohio  
 Non Major Funds  
 Special Revenue Funds  
 Combining Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Parkland Improvements	Cemeteries Property Acquisition Site Development	Marina Development
<b>Assets</b>			
Equity in Pooled Cash	\$ 261	\$ 169	\$ -
Other Cash	-	-	1
Investments	-	-	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	-	-	6
Special Assessments	-	-	-
Notes	-	-	-
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
<b>Total Assets</b>	<b>\$ 261</b>	<b>\$ 169</b>	<b>\$ 7</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 1	\$ -	\$ 4
Escrow	2	-	-
Retainages	-	-	-
Interfund Payable	-	-	3
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	-	-	-
<b>Total Liabilities</b>	<b>3</b>	<b>-</b>	<b>7</b>
<b>Fund Balances (Deficit):</b>			
Reserved for Encumbrances	1	-	-
Reserved for Inventory of Supplies	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	257	169	-
<b>Fund Equity</b>			
Unreserved	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>258</b>	<b>169</b>	<b>-</b>
<b>Total Liabilities and Fund Balance (Deficit)</b>	<b>\$ 261</b>	<b>\$ 169</b>	<b>\$ 7</b>

City of Toledo, Ohio  
 Non Major Funds  
 Special Revenue Funds  
 Combining Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
<b>Assets</b>			
Equity in Pooled Cash	\$ 3,694	\$ -	\$ -
Other Cash	-	-	-
Investments	134	2,514	-
Receivables (Net of Allowance for Uncollectible Accounts):			
Accounts	36	36	1,260
Special Assessments	-	-	-
Notes	-	-	1,114
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Inventory of Supplies	-	-	-
<b>Total Assets</b>	<b>\$ 3,864</b>	<b>\$ 2,550</b>	<b>\$ 2,374</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 131	\$ -	\$ 167
Escrow	208	-	1,114
Retainages	-	-	-
Interfund Payable	-	433	1,093
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Other Current Liabilities	3	-	-
<b>Total Liabilities</b>	<b>342</b>	<b>433</b>	<b>2,374</b>
<b>Fund Balances (Deficit):</b>			
Reserved for Encumbrances	-	-	3,384
Reserved for Inventory of Supplies	-	-	-
Reserved for Prepaid Expenditures	-	-	-
Unreserved:			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	3,522	2,117	(3,384)
<b>Fund Equity Unreserved</b>	<b>3,522</b>	<b>2,117</b>	<b>-</b>
<b>Total Fund Balance (Deficit)</b>	<b>3,522</b>	<b>2,117</b>	<b>-</b>
<b>Total Liabilities and Fund Balance (Deficit)</b>	<b>\$ 3,864</b>	<b>\$ 2,550</b>	<b>\$ 2,374</b>

City of Toledo, Ohio  
 Non Major Funds  
 Special Revenue Funds  
 Combining Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Right Of Way	Total Special Revenue Funds
	-----	-----
<b>Assets</b>		
Equity in Pooled Cash	\$ 1	\$ 7,266
Other Cash	-	2
Investments	-	2,661
Receivables (Net of Allowance for Uncollectible Accounts):		
Accounts	-	4,076
Special Assessments	-	-
Notes	-	-
Interfund Receivable	-	10,567
Prepaid Expenditures	-	-
Inventory of Supplies	-	755
	-----	-----
<b>Total Assets</b>	<b>\$ 1</b>	<b>\$ 25,327</b>
	=====	=====
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	\$ -	\$ 1,441
Escrow	1	1,489
Retainages	-	12
Interfund Payable	-	3,694
Due to Other Governments	-	2
Deferred Revenue	-	-
Other Current Liabilities	-	3
	-----	-----
<b>Total Liabilities</b>	<b>1</b>	<b>6,641</b>
	-----	-----
<b>Fund Balances (Deficit):</b>		
Reserved for Encumbrances	-	9,866
Reserved for Inventory of Supplies	-	755
Reserved for Prepaid Expenditures	-	-
Unreserved:		
Designated for Subsequent Years Expenditures	-	143
Undesignated	-	7,922
Fund Equity		
Unreserved	-	-
	-----	-----
<b>Total Fund Balance (Deficit)</b>	<b>-</b>	<b>18,686</b>
	-----	-----
<b>Total Liabilities and Fund Balance (Deficit)</b>	<b>\$ 1</b>	<b>\$ 25,327</b>
	=====	=====

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City of Toledo, Ohio  
 Non Major Funds  
 Special Revenue Funds  
 Combining Statement of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Federal Block Grants	Operation Grants	Urban Development Action Grants
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	1	-
Intergovernmental Services	7,606	6,347	-
Charges for Services	273	103	-
Investment Earnings	21	4	1
Fines and Forfeitures	-	1,016	-
All Other Revenue	330	20	-
Total Revenues	8,230	7,491	1
Expenditures:			
Current:			
General Government	-	-	-
Public Service	-	-	-
Public Safety	-	2,560	-
Public Utilities	-	-	-
Community Environment	8,516	2,704	-
Health	-	1,369	-
Parks and Recreation	-	11	-
Capital Outlay	249	526	-
Debt Service:			
Principal Retirement	546	-	-
Interest and Fiscal Charges	71	-	-
Total Expenditures	9,382	7,170	-
Excess (Deficiency) of Revenues over Expenditures	(1,152)	321	1
Other Financing Sources (Uses):			
Transfers In	474	-	-
Transfers (Out)	(94)	-	-
Note Proceeds	-	-	-
Sale of Fixed Assets	9	-	-
Total Other Financing Sources and (Uses)	389	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(763)	321	1
Fund Balances (Deficit) at Beginning of Year	3,749	5,934	681
Increase in Reserve for Inventory/Notes	-	-	-
Fund Balance (Deficit) at Year End	\$ 2,986	\$ 6,255	\$ 682

City of Toledo, Ohio  
 Non Major Funds  
 Special Revenue Funds  
 Combining Statement of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Street Construction Maintenance and Repair	Cemetery Maintenance	Golf Improvements
	-----	-----	-----
Revenues:			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	5	-	-
Intergovernmental Services	13,302	-	-
Charges for Services	5	-	163
Investment Earnings	-	31	-
Fines and Forfeitures	69	-	-
All Other Revenue	34	-	-
	-----	-----	-----
Total Revenues	13,415	31	163
	-----	-----	-----
Expenditures:			
Current:			
General Government	161	-	-
Public Service	10,665	-	-
Public Safety	117	-	-
Public Utilities	25	-	-
Community Environment	10	-	-
Health	-	11	-
Parks and Recreation	-	-	-
Capital Outlay	36	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
	-----	-----	-----
Total Expenditures	11,014	11	-
	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	2,401	20	163
	-----	-----	-----
Other Financing Sources (Uses):			
Transfers In	900	12	-
Transfers (Out)	(1,720)	-	(150)
Note Proceeds	-	-	-
Sale of Fixed Assets	-	-	-
	-----	-----	-----
Total Other Financing Sources and (Uses)	(820)	12	(150)
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,581	32	13
Fund Balances (Deficit) at Beginning of Year	949	(32)	154
Increase in Reserve for Inventory/Notes	-	-	-
	-----	-----	-----
Fund Balance (Deficit) at Year End	\$ 2,530	\$ -	\$ 167
	=====	=====	=====

City of Toledo, Ohio  
 Non Major Funds  
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 Combining Statement of Revenues,  
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 (Amounts in Thousands)  
 (Continued)

	Parkland Improvements	Cemeteries Property Acquisition Site Development	Marina Development
<b>Revenues:</b>			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Services	-	-	-
Charges for Services	-	51	107
Investment Earnings	-	-	-
Fines and Forfeitures	-	-	-
All Other Revenue	28	-	-
<b>Total Revenues</b>	<b>28</b>	<b>51</b>	<b>107</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government	-	-	-
Public Service	-	-	-
Public Safety	-	-	-
Public Utilities	-	-	-
Community Environment	-	1	-
Health	-	17	-
Parks and Recreation	-	-	121
Capital Outlay	35	-	-
<b>Debt Service:</b>			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<b>Total Expenditures</b>	<b>35</b>	<b>18</b>	<b>121</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(7)</b>	<b>33</b>	<b>(14)</b>
<b>Other Financing Sources (Uses):</b>			
Transfers In	-	-	79
Transfers (Out)	-	-	-
Note Proceeds	-	-	-
Sale of Fixed Assets	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>-</b>	<b>79</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(7)</b>	<b>33</b>	<b>65</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>265</b>	<b>136</b>	<b>(65)</b>
<b>Increase in Reserve for Inventory/Notes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance (Deficit) at Year End</b>	<b>\$ 258</b>	<b>\$ 169</b>	<b>\$ -</b>

City of Toledo, Ohio  
 Non Major Funds  
 Special Revenue Funds  
 Combining Statement of Revenues,  
 Expenditures and Changes in  
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 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Expendable Trusts	Toledo City Parks	Toledo Home Program
<b>Revenues:</b>			
Special Assessments	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Services	163	-	3,846
Charges for Services	192	-	-
Investment Earnings	288	148	-
Fines and Forfeitures	-	-	-
All Other Revenue	978	-	-
<b>Total Revenues</b>	<b>1,621</b>	<b>148</b>	<b>3,846</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government	74	88	-
Public Service	-	-	-
Public Safety	709	-	-
Public Utilities	-	-	-
Community Environment	-	-	3,507
Health	45	-	-
Parks and Recreation	43	-	-
Capital Outlay	-	-	9
<b>Debt Service:</b>			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<b>Total Expenditures</b>	<b>871</b>	<b>88</b>	<b>3,516</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>750</b>	<b>60</b>	<b>330</b>
<b>Other Financing Sources (Uses):</b>			
Transfers In	126	-	63
Transfers (Out)	(536)	-	(126)
Note Proceeds	-	-	-
Sale of Fixed Assets	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>(410)</b>	<b>-</b>	<b>(63)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>340</b>	<b>60</b>	<b>267</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>3,182</b>	<b>2,057</b>	<b>(267)</b>
<b>Increase in Reserve for Inventory/Notes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance (Deficit) at Year End</b>	<b>\$ 3,522</b>	<b>\$ 2,117</b>	<b>\$ -</b>

City of Toledo, Ohio  
 Non Major Funds  
 Special Revenue Funds  
 Combining Statement of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
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 (Amounts in Thousands)  
 (Continued)

	Right Of Way	Total Special Revenue Funds
	-----	-----
Revenues:		
Special Assessments	\$ -	\$ -
Licenses and Permits	-	6
Intergovernmental Services	-	31,264
Charges for Services	-	894
Investment Earnings	-	493
Fines and Forfeitures	-	1,085
All Other Revenue	-	1,390
	-----	-----
Total Revenues	-	35,132
	-----	-----
Expenditures:		
Current:		
General Government	-	323
Public Service	-	10,665
Public Safety	-	3,386
Public Utilities	-	25
Community Environment	-	14,738
Health	-	1,442
Parks and Recreation	-	175
Capital Outlay	-	855
Debt Service:	-	
Principal Retirement	-	546
Interest and Fiscal Charges	-	71
	-----	-----
Total Expenditures	-	32,226
	-----	-----
Excess (Deficiency) of Revenues over Expenditures	-	2,906
	-----	-----
Other Financing Sources (Uses):		
Transfers In	900	2,554
Transfers (Out)	(900)	(3,526)
Note Proceeds	-	-
Sale of Fixed Assets	-	9
	-----	-----
Total Other Financing Sources and (Uses)	-	(963)
	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	1,943
Fund Balances (Deficit) at Beginning of Year	-	16,743
Increase in Reserve for Inventory/Notes	-	-
	-----	-----
Fund Balance (Deficit) at Year End	\$ -	\$ 18,686
	=====	=====

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City of Toledo, Ohio  
 Special Revenue Funds  
 Schedule of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 -Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

Federal Block Grants

	Initial Budget	Final Budget	Actual	Positive (Negative) Variance
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	15,002	15,001	7,606	(7,395)
Charges for Services	45	45	273	228
Investment Earnings	-	-	21	21
Fines and Forfeitures	-	-	-	-
All Other Revenue	330	330	330	-
<b>Total Revenues</b>	<b>15,377</b>	<b>15,376</b>	<b>8,230</b>	<b>(7,146)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	15	3	-	3
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	8,936	16,249	8,516	7,733
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	430	727	249	478
<b>Debt Service:</b>				
Principal Retirement	352	576	546	30
Interest and Fiscal Charges	60	186	71	115
<b>Total Expenditures</b>	<b>9,793</b>	<b>17,741</b>	<b>9,382</b>	<b>8,359</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>5,584</b>	<b>(2,365)</b>	<b>(1,152)</b>	<b>1,213</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	0	474	474
Transfers (Out)	(442)	(349)	(94)	255
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	25	9	(16)
<b>Total Other Financing Sources and (Uses)</b>	<b>(442)</b>	<b>(324)</b>	<b>389</b>	<b>713</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ 5,142</b>	<b>\$ (2,689)</b>	<b>(763)</b>	<b>\$ 1,926</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>			<b>3,749</b>	
<b>Increase in Reserve for Inventory</b>				
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ 2,986</b>	

City of Toledo, Ohio  
 Special Revenue Funds  
 Schedule of Revenues,  
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 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

Operation Grants

	Initial Budget	Final Budget	Actual	Positive (Negative) Variance
	-----	-----	-----	-----
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	1	1
Intergovernmental Services	18,378	18,378	6,347	(12,031)
Charges for Services	-	-	103	103
Investment Earnings	3	3	4	1
Fines and Forfeitures	211	211	1,016	805
All Other Revenue	53	53	20	(33)
	-----	-----	-----	-----
Total Revenues	18,645	18,645	7,491	(11,154)
	-----	-----	-----	-----
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	3,021	5,454	2,560	2,894
Public Utilities	1	1	-	1
Community Environment	7,966	8,810	2,704	6,106
Health	2,897	3,195	1,369	1,826
Parks and Recreation	13	17	11	6
Capital Outlay	2,259	3,417	526	2,891
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	-----	-----	-----	-----
Total Expenditures	16,157	20,894	7,170	13,724
	-----	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	2,488	(2,249)	321	2,570
	-----	-----	-----	-----
Other Financing Sources (Uses):				
Transfers In	-	0	-	-
Transfers (Out)	-	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
	-----	-----	-----	-----
Total Other Financing Sources and (Uses)	-	-	-	-
	-----	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 2,488	\$ (2,249)	321	\$ 2,570
	=====	=====	-----	=====
Fund Balances (Deficit) at Beginning of Year			5,934	
Increase in Reserve for Inventory			-	
			-----	
Fund Balance (Deficit) at Year End			\$ 6,255	
			=====	

City of Toledo, Ohio  
Special Revenue Funds  
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(Amounts in Thousands)  
(Continued)

	Urban Development Action Grant			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	365	365	-	(365)
Charges for Services	-	-	1	1
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>365</b>	<b>365</b>	<b>1</b>	<b>(364)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	128	128	-	128
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	192	192	-	192
<b>Debt Service:</b>				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>320</b>	<b>320</b>	<b>-</b>	<b>320</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>45</b>	<b>45</b>	<b>1</b>	<b>(44)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ 45</b>	<b>\$ 45</b>	<b>1</b>	<b>\$ (44)</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>=====</b>	<b>=====</b>	<b>681</b>	<b>=====</b>
<b>Increase in Reserve for Inventory</b>			<b>-</b>	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ 682</b>	

City of Toledo, Ohio  
Special Revenue Funds  
Schedule of Revenues,  
Expenditures and Changes in  
Fund Balances  
-Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2006  
(Amounts in Thousands)  
(Continued)

	Street Construction Maintenance and Repair			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	58	58	5	(53)
Intergovernmental Services	13,607	13,564	13,302	(262)
Charges for Services	4	4	5	1
Investment Earnings	-	-	-	-
Fines and Forfeitures	59	59	69	10
All Other Revenue	2	2	34	32
<b>Total Revenues</b>	<b>13,730</b>	<b>13,687</b>	<b>13,415</b>	<b>(272)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	108	163	161	2
Public Service	12,850	12,605	10,665	1,940
Public Safety	117	117	117	-
Public Utilities	9	34	25	9
Community Environment	10	10	10	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	80	41	36	5
<b>Debt Service:</b>				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>13,174</b>	<b>12,970</b>	<b>11,014</b>	<b>1,956</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>556</b>	<b>717</b>	<b>2,401</b>	<b>1,684</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	900	900	900	-
Transfers (Out)	(1,720)	(1,720)	(1,720)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>(820)</b>	<b>(820)</b>	<b>(820)</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ (264)</b>	<b>\$ (103)</b>	<b>1,581</b>	<b>\$ 1,684</b>
Fund Balances (Deficit) at Beginning of Year			949	
Increase in Reserve for Inventory			-	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ 2,530</b>	

City of Toledo, Ohio  
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 (Amounts in Thousands)  
 (Continued)

	Cemetery Maintenance			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	21	21	31	10
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>21</b>	<b>21</b>	<b>31</b>	<b>10</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	14	14	11	3
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Debt Service:</b>				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>14</b>	<b>14</b>	<b>11</b>	<b>3</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>7</b>	<b>7</b>	<b>20</b>	<b>13</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	12	12
Transfers (Out)	-	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>12</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ 7</b>	<b>\$ 7</b>	<b>32</b>	<b>\$ 1</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>=====</b>	<b>=====</b>	<b>(32)</b>	<b>=====</b>
<b>Increase in Reserve for Inventory</b>			<b>-</b>	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ -</b>	

City of Toledo, Ohio  
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	Golf Improvements			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	150	150	163	13
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>150</b>	<b>150</b>	<b>163</b>	<b>13</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Debt Service:</b>				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>150</b>	<b>150</b>	<b>163</b>	<b>13</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers (Out)	(150)	(150)	(150)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>(150)</b>	<b>(150)</b>	<b>(150)</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>13</b>	<b>\$ 13</b>
Fund Balances (Deficit) at Beginning of Year	=====	=====	154	=====
Increase in Reserve for Inventory			-	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ 167</b>	<b>=====</b>

City of Toledo, Ohio  
Special Revenue Funds  
Schedule of Revenues,  
Expenditures and Changes in  
Fund Balances  
-Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2006  
(Amounts in Thousands)  
(Continued)

	Parkland Improvements			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	20	2	28	26
<b>Total Revenues</b>	<b>20</b>	<b>2</b>	<b>28</b>	<b>26</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	36	35	1
<b>Debt Service:</b>				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>36</b>	<b>35</b>	<b>1</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>20</b>	<b>(34)</b>	<b>(7)</b>	<b>27</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ 20</b>	<b>\$ (34)</b>	<b>(7)</b>	<b>\$ 27</b>
Fund Balances (Deficit) at Beginning of Year	=====	=====	265	=====
Increase in Reserve for Inventory			-	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ 258</b>	<b>=====</b>

City of Toledo, Ohio  
 Special Revenue Funds  
 Schedule of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 -Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Cemeteries Property Acquisition Site Development			
	Initial Budget	Final Budget	Actual	Positive (Negative) Variance
	-----	-----	-----	-----
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	24	24	51	27
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
	-----	-----	-----	-----
Total Revenues	24	24	51	27
	-----	-----	-----	-----
Expenditures:				
Current:				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	1	1	-
Health	20	20	17	3
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	-----	-----	-----	-----
Total Expenditures	20	21	18	3
	-----	-----	-----	-----
Excess (Deficiency) of Revenues over Expenditures	4	3	33	30
	-----	-----	-----	-----
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
	-----	-----	-----	-----
Total Other Financing Sources and (Uses)	-	-	-	-
	-----	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 4	\$ 3	33	\$ 30
	=====	=====	-----	=====
Fund Balances (Deficit) at Beginning of Year			136	
Increase in Reserve for Inventory			-	
Fund Balance (Deficit) at Year End			\$ 169	
			=====	

City of Toledo, Ohio  
Special Revenue Funds  
Schedule of Revenues,  
Expenditures and Changes in  
Fund Balances  
-Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2006  
(Amounts in Thousands)  
(Continued)

	Marina Development			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	109	109	107	(2)
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>109</b>	<b>109</b>	<b>107</b>	<b>(2)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	124	121	121	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>124</b>	<b>121</b>	<b>121</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(15)</b>	<b>(12)</b>	<b>(14)</b>	<b>(2)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	15	15	79	64
Transfers (Out)	-	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>15</b>	<b>15</b>	<b>79</b>	<b>64</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ 3</b>	<b>65</b>	<b>\$ 62</b>
Fund Balances (Deficit) at Beginning of Year			(65)	
Increase in Reserve for Inventory			-	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ -</b>	

City of Toledo, Ohio  
Special Revenue Funds  
Schedule of Revenues,  
Expenditures and Changes in  
Fund Balances  
-Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2006  
(Amounts in Thousands)  
(Continued)

	Expendable Trusts			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	117	163	46
Charges for Services	117	117	192	75
Investment Earnings	682	682	288	(394)
Fines and Forfeitures	-	-	-	-
All Other Revenue	5	5	978	973
<b>Total Revenues</b>	<b>804</b>	<b>921</b>	<b>1,621</b>	<b>700</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	1,627	1,761	74	1,687
Public Service	-	-	-	-
Public Safety	817	1,594	709	885
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	201	542	45	497
Parks and Recreation	296	483	43	440
Capital Outlay	-	-	-	-
<b>Debt Service:</b>				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>2,941</b>	<b>4,380</b>	<b>871</b>	<b>3,509</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(2,137)</b>	<b>(3,459)</b>	<b>750</b>	<b>4,209</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,000	1,000	126	(874)
Transfers (Out)	(211)	(688)	(536)	152
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>789</b>	<b>312</b>	<b>(410)</b>	<b>(722)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ (1,348)</b>	<b>\$ (3,147)</b>	<b>\$ 340</b>	<b>\$ 3,487</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>=====</b>	<b>=====</b>	<b>3,182</b>	<b>=====</b>
<b>Increase in Reserve for Inventory</b>			<b>-</b>	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ 3,522</b>	<b>=====</b>

City of Toledo, Ohio  
 Special Revenue Funds  
 Schedule of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 -Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Toledo City Parks			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	105	105	148	43
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>105</b>	<b>105</b>	<b>148</b>	<b>43</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	39	127	88	39
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Debt Service:</b>				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>39</b>	<b>127</b>	<b>88</b>	<b>39</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>66</b>	<b>(22)</b>	<b>60</b>	<b>82</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers (Out)	(941)	-	-	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>(941)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ (875)</b>	<b>\$ (22)</b>	<b>60</b>	<b>\$ 82</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>=====</b>	<b>=====</b>	<b>2,057</b>	<b>=====</b>
<b>Increase in Reserve for Inventory</b>			<b>-</b>	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ 2,117</b>	<b>=====</b>

City of Toledo, Ohio  
 Special Revenue Funds  
 Schedule of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 -Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

Toledo Home Program

	Initial Budget	Final Budget	Actual	Positive (Negative) Variance
	-----	-----	-----	-----
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	10,702	3,846	(6,856)
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>10,702</b>	<b>3,846</b>	<b>(6,856)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	7,717	10,376	3,507	6,869
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	11	60	9	51
<b>Debt Service:</b>				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>7,728</b>	<b>10,436</b>	<b>3,516</b>	<b>6,920</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(7,728)</b>	<b>266</b>	<b>330</b>	<b>64</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	63	63
Transfers (Out)	-	(126)	(126)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>(126)</b>	<b>(63)</b>	<b>63</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ (7,728)</b>	<b>\$ 140</b>	<b>267</b>	<b>\$ 127</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>=====</b>	<b>=====</b>	<b>(267)</b>	<b>=====</b>
<b>Increase in Reserve for Inventory</b>			<b>-</b>	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ -</b>	
			<b>=====</b>	

City of Toledo, Ohio  
 Special Revenue Funds  
 Schedule of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 -Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Right of Way			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
All Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	-	-	-	-
Public Service	-	-	-	-
Public Safety	-	-	-	-
Public Utilities	-	-	-	-
Community Environment	-	-	-	-
Health	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	900	900	900	-
Transfers (Out)	(900)	(900)	(900)	-
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>=====</b>	<b>=====</b>	<b>-</b>	<b>=====</b>
<b>Increase in Reserve for Inventory</b>			<b>-</b>	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ -</b>	<b>=====</b>

City of Toledo, Ohio  
Special Revenue Funds  
Schedule of Revenues,  
Expenditures and Changes in  
Fund Balances  
-Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2006  
(Amounts in Thousands)  
(Continued)

	Total			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Special Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	58	58	6	(52)
Intergovernmental Services	47,352	58,127	31,264	(26,863)
Charges for Services	449	449	894	445
Investment Earnings	811	811	493	(318)
Fines and Forfeitures	270	270	1,085	815
All Other Revenue	410	392	1,390	998
<b>Total Revenues</b>	<b>49,350</b>	<b>60,107</b>	<b>35,132</b>	<b>(24,975)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	1,789	2,054	323	1,731
Public Service	12,850	12,605	10,665	1,940
Public Safety	3,955	7,165	3,386	3,779
Public Utilities	10	35	25	10
Community Environment	24,757	35,574	14,738	20,836
Health	3,132	3,771	1,442	2,329
Parks and Recreation	433	621	175	446
Capital Outlay	2,972	4,473	855	3,618
<b>Debt Service:</b>				
Principal Retirement	352	576	546	30
Interest and Fiscal Charges	60	186	71	115
<b>Total Expenditures</b>	<b>50,310</b>	<b>67,060</b>	<b>32,226</b>	<b>34,834</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(960)</b>	<b>(6,953)</b>	<b>2,906</b>	<b>9,859</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,815	2,815	2,554	(261)
Transfers (Out)	(3,464)	(3,033)	(3,526)	(493)
Note Proceeds	-	-	-	-
Sale of Fixed Assets	-	25	9	(16)
<b>Total Other Financing Sources and (Uses)</b>	<b>(649)</b>	<b>(193)</b>	<b>(963)</b>	<b>(770)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ (1,609)</b>	<b>\$ (7,146)</b>	<b>1,943</b>	<b>\$ 9,089</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>=====</b>	<b>=====</b>	<b>16,743</b>	<b>=====</b>
<b>Increase in Reserve for Inventory</b>			<b>-</b>	
<b>Fund Balance (Deficit) at Year End</b>			<b>\$ 18,686</b>	<b>=====</b>

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**CITY OF TOLEDO, OHIO  
NON-MAJOR-DEBT SERVICE FUNDS  
DECEMBER 31, 2006**

**General Obligation** - To account for City income tax monies transferred from the Capital Improvement Fund.

**Special Assessment Debt Service** - To account for resources accumulated to repay special assessment notes and bond debt.

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City of Toledo, Ohio  
 Non-Major Funds  
 Debt Service Funds  
 Combining Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)

	General Obligation	Special Assessment Debt Service	Total Debt Service Fund
	-----	-----	-----
<b>Assets</b>			
Equity in Pooled Cash	\$ -	\$ 45	\$ 45
Receivables (Net of Allowance for Uncollectible Accounts):			
Special Assessments	-	447	447
Interfund Receivable	-	-	-
Prepaid Expenditures	-	-	-
Restricted Assets:			
Other Cash	-	-	-
Investments	-	-	-
	-----	-----	-----
Total Assets	\$ -	\$ 492	\$ 492
	=====	=====	=====
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ -	\$ -	\$ -
Deferred Revenue	-	447	447
	-----	-----	-----
Total Liabilities	-	447	447
	-----	-----	-----
<b>Fund Balances (Deficit):</b>			
Reserved for Encumbrances	1	-	-
Reserved for Debt Service	-	45	45
Reserved for Prepaid Expenditures	-	-	-
Unreserved:	(1)	-	-
	-----	-----	-----
Total Fund Balance (Deficit)	-	45	45
	-----	-----	-----
Total Liabilities and Fund Balance (Deficit)	\$ -	\$ 492	\$ 492
	=====	=====	=====

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City of Toledo, Ohio  
 Non-Major Funds  
 Debt Service Funds  
 Combining Statement of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)

	General Obligation	Special Assessment Debt Service	Total Debt Service Funds
Revenues:			
Special Assessments	\$ -	\$ 98	\$ 98
Intergovernmental Services	-	-	-
Investment Earnings	-	-	-
Total Revenues	-	98	98
Expenditures:			
Debt Service:			
Principal Retirement	11,910	77	11,987
Interest and Fiscal Charges	3,932	14	3,946
Total Expenditures	15,842	91	15,933
Excess (Deficiency) of Revenues over Expenditures	(15,842)	7	(15,835)
Other Financing Sources (Uses):			
Transfers In	15,842	-	15,842
Transfers (Out)	-	-	-
Total Other Financing Sources and (Uses)	15,842	-	15,842
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	7	7
Fund Balances (Deficit) at Beginning of Year	-	38	38
Fund Balance (Deficit) at Year End	\$ -	\$ 45	\$ 45

City of Toledo, Ohio  
 Debt Service Funds  
 Schedule of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 -Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)

	General Obligation			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ -	\$ -	-	\$ -
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Debt Service:				
Principal Retirement	11,910	11,910	11,910	-
Interest and Fiscal Charges	3,812	4,042	3,932	110
Total Expenditures	15,722	15,952	15,842	110
Excess (Deficiency) of Revenues over Expenditures	(15,722)	(15,952)	(15,842)	110
Other Financing Sources (Uses):				
Transfers In	15,722	15,952	15,842	(110)
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	15,722	15,952	15,842	(110)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Fund Balances (Deficit) at Beginning of Year	=====	=====	-----	=====
Fund Balance (Deficit) at Year End			\$ -----	

City of Toledo, Ohio  
 Debt Service Funds  
 Schedule of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 -Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)

	Special Assessment Debt Service			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 100	\$ 100	98	\$ (2)
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
Total Revenues	100	100	98	(2)
Expenditures:				
Debt Service:				
Principal Retirement	77	77	77	-
Interest and Fiscal Charges	19	19	14	5
Total Expenditures	96	96	91	5
Excess (Deficiency) of Revenues over Expenditures	4	4	7	3
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 4	\$ 4	\$ 7	\$ 3
Fund Balances (Deficit) at Beginning of Year			38	
Fund Balance (Deficit) at Year End			\$ 45	

City of Toledo, Ohio  
 Debt Service Funds  
 Schedule of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 -Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)

	Total			Positive (Negative) Variance
	Initial Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 100	\$ 100	\$ 98	\$ (2)
Intergovernmental Services	-	-	-	-
Investment Earnings	-	-	-	-
Total Revenues	100	100	98	(2)
Expenditures:				
Debt Service:				
Principal Retirement	11,987	11,987	11,987	-
Interest and Fiscal Charges	3,831	4,061	3,946	115
Total Expenditures	15,818	16,048	15,933	115
Excess (Deficiency) of Revenues over Expenditures	(15,718)	(15,948)	(15,835)	113
Other Financing Sources (Uses):				
Transfers In	15,722	15,952	15,842	(110)
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	15,722	15,952	15,842	(110)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 4	\$ 4	\$ 7	\$ 3
Fund Balances (Deficit) at Beginning of Year			38	
Fund Balance (Deficit) at Year End			\$ 45	

**CITY OF TOLEDO, OHIO  
NON-MAJOR-CAPITAL PROJECTS FUND  
DECEMBER 31, 2005**

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

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City of Toledo, Ohio  
 Non-Major Funds  
 Capital Projects Fund  
 Statement of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)

	Special Assessment Improvements -----
Revenues:	
Special Assessments	\$ 488
Intergovernmental Services	-
Charges for Services	-
Investment Earnings	45
All Other Revenue	-
	-----
Total Revenues	533
	-----
Expenditures:	
Capital Outlay	507
Debt Service:	
Principal Retirement	-
Interest and Fiscal Charges	88
	-----
Total Expenditures	595
	-----
Excess (Deficiency) of Revenues over Expenditures	(62)
	-----
Other Financing Sources (Uses):	
Transfers In	-
Transfers (Out)	-
Bond Proceeds	-
Note Proceeds	-
Premiums on Bond	12
Other	-
	-----
Total Other Financing Sources and (Uses)	12
	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(50)
Fund Balances (Deficit) at Beginning of Year	(1,736)
Increase in Reserve for Inventory	-
	-----
Fund Balance (Deficit) at Year End	\$ (1,786)
	=====

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City of Toledo, Ohio  
 Capital Projects Fund  
 Schedule of Revenues,  
 Expenditures and Changes in  
 Fund Balances  
 -Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)

	Special Assessment Improvements		Actual	Positive (Negative) Variance
	Initial Budget	Final Budget		
Revenues:				
Special Assessments	\$ 346	\$ 835	\$ 488	\$ (347)
Intergovernmental Services	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	20	45	25
All Other Revenue	-	-	-	-
Total Revenues	346	855	533	(322)
Expenditures:				
Capital Outlay	346	840	507	333
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	546	545	88	457
Total Expenditures	892	1,385	595	790
Excess (Deficiency) of Revenues over Expenditures	(546)	(530)	(62)	468
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Bond Proceeds	-	1,815	-	(1,815)
Premiums on Bond	-	4	12	8
Total Other Financing Sources and (Uses)	-	1,819	12	(1,807)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ (546)	\$ 1,289	(50)	\$ (1,339)
Fund Balances (Deficit) at Beginning of Year			(1,736)	
Fund Balance (Deficit) at Year End			\$ (1,786)	

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**CITY OF TOLEDO, OHIO  
NON-MAJOR-PERMANENT FUND  
DECEMBER 31, 2006**

**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.

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City of Toledo, Ohio  
 Non-Major Funds  
 Permanent Fund  
 Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)

	Permanent Fund
	-----
Assets	
Equity in Pooled Cash	\$        6
Receivables (Net of Allowance for Uncollectible Accounts):	
Accounts	5
Investments	794
	-----
Total Assets	\$      805
	=====

Liabilities and Fund Balances	
Liabilities	
Escrow	111
Retainages	-
Interfund Payable	-
Due to Other Governments	-
Deferred Revenue	-
Other Current Liabilities	-
Payable From Restricted Assets:	
Notes Payable	-
	-----
Total Liabilities	111
	-----

Fund Balances (Deficit):	
Undesignated	694
	-----
Total Fund Balance (Deficit)	694
	-----
Total Liabilities and Fund Balance (Deficit)	\$      805
	=====

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City of Toledo, Ohio  
 Non-Major Funds  
 Permanent Fund  
 Revenues and Changes in  
 Fund Balances  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)

	Permanent Fund -----
Revenues:	
Investment Earnings (Loss)	\$ -
All Other Revenue	-
	-----
Total Revenues	-
	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-
Fund Balances (Deficit) at Beginning of Year	694
Increase in Reserve for Inventory/Notes	-
	-----
Fund Balance (Deficit) at Year End	\$ 694 =====

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**CITY OF TOLEDO, OHIO**  
**NON-MAJOR ENTERPRISE FUNDS**  
**DECEMBER 31, 2006**

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

**Utility Administrative Services** - To account for operating overhead activities not specifically allocable to either of the two utility funds.

**Parking** - To account for the provision of on-and-off street facilities.

**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 expenditures of the one centralized location for the storage and the subsequent release of vehicles ordered to be impounded by the Toledo Police Department.

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

City of Toledo, Ohio  
 Enterprise Funds  
 Combining Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)

	Non Major Enterprise Funds				Small Business Development	Municipal Tow Lot	Total Non Major Enterprise
	Storm Sewer	Utility Administrative Services	Parking	Property Management			
<b>Assets</b>							
<b>Current Assets</b>							
Equity in Pooled Cash	\$ 6,134	\$ -	\$ -	\$ 952	\$ 236	\$ 18	\$ 7,340
Other Cash	-	-	-	1	-	1	2
Investments	8,974	13,872	-	726	15	-	23,587
Receivables (Net of Allowance for Uncollectible Accounts):							
Accounts	1,736	(461)	-	24	146	309	1,754
Notes	-	-	-	16,817	-	-	16,817
Interfund Receivable	2,629	-	-	-	-	746	3,375
Due From Other Governments	76	-	-	-	-	-	76
Prepaid Expenses	-	-	-	-	-	-	-
Inventory of Supplies	-	11	-	-	-	-	11
<b>Total Current Assets</b>	<b>19,549</b>	<b>13,422</b>	<b>-</b>	<b>18,520</b>	<b>397</b>	<b>1,074</b>	<b>52,962</b>
<b>Property, Plant and Equipment</b>							
Land	-	-	6,549	1,550	153	697	8,949
Buildings	-	4,538	23,644	667	-	-	28,849
Improvements	1,627	53	805	2,207	1,406	2,060	8,158
Machinery and Equipment	572	615	271	-	35	-	1,493
Furniture and Fixtures	-	606	9	-	3	-	618
Distribution System	8,476	-	-	-	-	-	8,476
Construction in Progress	3,622	-	-	-	-	-	3,622
Less: Accumulated Depreciation	(370)	(4,094)	(9,206)	(1,242)	(875)	(184)	(15,971)
<b>Net Property, Plant and Equipment</b>	<b>13,927</b>	<b>1,718</b>	<b>22,072</b>	<b>3,182</b>	<b>722</b>	<b>2,573</b>	<b>44,194</b>
<b>Other Assets:</b>							
Deferred Debt Issuance Cost	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 33,476</b>	<b>\$ 15,140</b>	<b>\$ 22,072</b>	<b>\$ 21,702</b>	<b>\$ 1,119</b>	<b>\$ 3,647</b>	<b>\$ 97,156</b>

City of Toledo, Ohio  
 Enterprise Funds  
 Combining Balance Sheet  
 December 31, 2006  
 (Amounts in Thousands)  
 (Continued)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Municipal Tow Lot	Total Non Major Enterprise
<b>Liabilities and Fund Equity</b>							
<b>Current Liabilities:</b>							
Accounts Payable	\$ 163	\$ 211	\$ -	\$ 78	\$ 15	84	551
Escrow	-	-	14	-	-	-	14
Retainages	16	-	-	-	-	14	30
Interfund Payable	9,827	11,430	315	180	-	-	21,752
Due to Other Governments	-	-	-	-	-	-	-
Other Current Liabilities	-	-	2	-	38	-	40
<b>Total Current Liabilities</b>	<b>10,006</b>	<b>11,641</b>	<b>331</b>	<b>258</b>	<b>53</b>	<b>98</b>	<b>22,387</b>
<b>Long-Term Debt:</b>							
Current Portion	-	-	-	-	-	-	-
Notes Payable	1,993	-	6,543	-	-	-	8,536
General Obligation Bonds Payable	-	-	385	24,701	-	2,835	27,921
Revenue Bonds Payable	-	-	-	-	-	-	-
Capital Lease Obligation	-	2,492	-	-	-	-	2,492
<b>Total Long-Term Liabilities</b>	<b>1,993</b>	<b>2,492</b>	<b>6,928</b>	<b>24,701</b>	<b>-</b>	<b>2,835</b>	<b>38,949</b>
<b>Total Liabilities</b>	<b>11,999</b>	<b>14,133</b>	<b>7,259</b>	<b>24,959</b>	<b>53</b>	<b>2,933</b>	<b>61,336</b>
<b>Net Assets</b>							
Invested in Capital Assets net of related debt:	11,934	(775)	15,145	(21,518)	721	(261)	5,246
Reserved for Debt Service	324	-	-	-	-	-	324
Reserved for Replacement	1,569	-	-	-	-	-	1,569
Reserved for Improvement	10,112	-	-	-	-	-	10,112
Unrestricted	(2,462)	1,782	(332)	18,261	345	975	18,569
<b>Total Net Assets</b>	<b>\$ 21,477</b>	<b>\$ 1,007</b>	<b>\$ 14,813</b>	<b>\$ (3,257)</b>	<b>\$ 1,066</b>	<b>\$ 714</b>	<b>\$35,820</b>

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City of Toledo, Ohio  
Enterprise Fund Types  
Combining Statement of Revenues,  
Expenses and Changes in Net Assets  
For the Year Ended December 31, 2006  
(Amounts in Thousands)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Municipal Tow Lot	Total
<b>Revenues:</b>							
Charges for Services	\$ 8,132	\$ 7,802	\$ 728	\$ (689)	\$ -	\$ 1,835	\$ 17,808
Other Revenue	-	-	757	-	-	390	1,147
<b>Total Revenues</b>	<b>8,132</b>	<b>7,802</b>	<b>1,485</b>	<b>(689)</b>	<b>-</b>	<b>2,225</b>	<b>18,955</b>
<b>Expenses:</b>							
Personal Services	3,716	6,235	-	-	25	-	9,976
Contractual Services	2,662	2,549	-	242	39	716	6,208
Materials and Supplies	298	452	-	-	-	44	794
Utilities	-	98	-	-	13	25	136
Depreciation and Amortization	93	338	578	278	-	184	1,471
<b>Total Expenses</b>	<b>6,769</b>	<b>9,672</b>	<b>578</b>	<b>520</b>	<b>77</b>	<b>969</b>	<b>18,585</b>
<b>Income (Loss)</b>	<b>1,363</b>	<b>(1,870)</b>	<b>907</b>	<b>(1,209)</b>	<b>(77)</b>	<b>1,256</b>	<b>370</b>
<b>Non Revenues (Expenses):</b>							
Investment Earnings	440	449	-	567	1	52	1509
Interest Expense and Fiscal Charges	(229)	(226)	(462)	(1,490)	-	(164)	(2,571)
<b>Total Non Revenues (Expenses)</b>	<b>211</b>	<b>223</b>	<b>(462)</b>	<b>(923)</b>	<b>1</b>	<b>(112)</b>	<b>(1,062)</b>
<b>Income (Loss) before Transfers</b>	<b>1,574</b>	<b>(1,647)</b>	<b>445</b>	<b>(2,132)</b>	<b>(76)</b>	<b>1,144</b>	<b>(692)</b>
Transfers In	-	-	-	950	-	-	950
Transfers (Out)	(300)	-	-	(726)	-	(649)	(1,675)
<b>Total Transfers In (Out)</b>	<b>(300)</b>	<b>-</b>	<b>-</b>	<b>224</b>	<b>-</b>	<b>(649)</b>	<b>(725)</b>
<b>Net Income (Loss)</b>	<b>1,274</b>	<b>(1,647)</b>	<b>445</b>	<b>(1,908)</b>	<b>(76)</b>	<b>495</b>	<b>(1,417)</b>
<b>Net Assets at Beginning of Year</b>	<b>20,203</b>	<b>2,654</b>	<b>14,368</b>	<b>(1,349)</b>	<b>1,142</b>	<b>219</b>	<b>37,237</b>
<b>Net Assets at End of Year</b>	<b>21,477</b>	<b>1,007</b>	<b>14,813</b>	<b>(3,257)</b>	<b>1,066</b>	<b>714</b>	<b>35,820</b>

City of Toledo, Ohio  
Enterprise Funds  
Combining Statement of Cash Flows  
For the Year Ended December 31, 2006  
(Amounts in Thousands)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Business Development	Tow Lot	Non-Major Enterprise
Cash Flows from Operating Activity							
Receipts from Customers	\$ 8,397	\$ 7,718	\$ 1,486	\$ 498	\$ (2)	\$ 827	\$ 18,924
Payments to Suppliers	1,112	874	(143)	(112)	(36)	(746)	949
Payment to Employees	(3,717)	(6,235)	-	-	(23)	-	(9,975)
Other Payments	(196)	(296)	-	-	-	390	(102)
Net Cash Provided by (Used for) Operating Activity	5,596	2,061	1,343	386	(61)	471	9,796
Cash Flows from Noncapital Financing Activities							
Transfers In	-	1,982	-	950	-	-	2,932
Transfers Out	(300)	(1,982)	-	(726)	-	(649)	(3,657)
Net Cash Provided by (Used for) Noncapital Financing Activities	(300)	-	-	224	-	(649)	(725)
Cash Flows from Capital & Related Financing Activities							
Acquisition and Construction of Capital Assets	(1,439)	(20)	-	-	-	(436)	(1,895)
Principal Paid on Bond Maturities	(126)	-	(881)	(547)	-	-	(1,554)
Issuance of Revenue Bonds and Notes	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-
Interest Expense and Fiscal Charges	(229)	(225)	(462)	(1,493)	-	(164)	(2,573)
Proceeds from Sale of Capital Assets/Grants/Other expenses	-	-	-	-	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,794)	(245)	(1,343)	(2,040)	-	(600)	(6,022)
Cash Flows from Investing Activities							
Purchase of Investment Securities	-	(60,238)	-	(1,176)	(1)	589	(60,826)
Sale and Maturities of Investment Securities	1,117	57,973	-	1,149	-	-	60,239
Investment Earnings and Dividends on Investments	440	449	-	567	1	52	1,509
Net Cash Provided by (Used for) Investing Activities	1,557	(1,816)	-	540	-	641	922
Net Increase (Decrease) in Cash & Cash Equivalents	5,059	-	-	(890)	(61)	(137)	3,971
Cash & Cash Equivalents (Restricted & Unrestricted) at Beginning of Year	1,075	-	-	1,843	297	156	3,371
Cash & Cash Equivalents (Restricted & Unrestricted) at End of Year	\$ 6,134	\$ -	\$ -	\$ 953	\$ 236	\$ 19	\$ 7,342

City of Toledo, Ohio  
 Enterprise Funds  
 Combining Statement of Cash Flows  
 For the Year Ended December 31, 2006  
 (Amounts in Thousands)

	Storm Sewer	Utility Administrative Services	Parking	Property Management	Small Business Development	Tow Lot	Non Major Enterprise
Cash Flows from Operating Activity:							
Operating Income (Loss)	\$ 1,363	\$ (1,870)	\$ 907	\$ (1,209)	\$ (77)	\$ 1,256	\$ 370
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used for) Operating Activities:							
Depreciation and Amortization	93	338	578	278	-	184	1,471
Changes in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	(212)	137	-	1,186	-	(263)	848
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-	-
(Increase) Decrease in Interfund Receivable	5,229	-	-	-	-	(746)	4,483
(Increase) Decrease in Due from Other Governments	45	-	-	-	-	-	45
(Increase) Decrease in Deferred Debt Issuance Costs	-	-	-	-	-	-	-
(Increase) Decrease in Inventory of Supplies	-	(2)	-	-	-	-	(2)
Increase (Decrease) in Accounts Payable	139	165	-	78	15	26	423
Increase (Decrease) in Escrow	-	(2,492)	(19)	-	-	-	(2,511)
Increase (Decrease) in Retainage	(102)	-	-	-	-	14	(88)
Increase (Decrease) in Interfund Payable	(959)	5,218	(120)	52	-	-	4,191
Increase (Decrease) in Other Current Liabilities	-	567	(3)	1	1	-	566
Total Adjustments	4,233	3,931	436	1,595	16	(785)	9,426
Net Cash Provided by (Used for) Operating Activities	\$ 5,596	\$ 2,061	\$ 1,343	\$ 386	\$ (61)	\$ 471	\$ 9,796

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**CITY OF TOLEDO, OHIO**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2006**

**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.

**Data Processing** - 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.

**Workers' Compensation** - To account for the City's Worker's Compensation Program under the State of Ohio's Retrospective Rating Plan. The payment of premiums, assessments and claims to the State Bureau of Worker's Compensation, and their allocation to the responsible funds 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.

City of Toledo, Ohio  
Internal Service Funds  
Combining Balance Sheet  
December 31, 2006  
(Amounts in Thousands)  
(Continued)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Data Processing
<b>Assets</b>				
<b>Current Assets</b>				
Equity in Pooled Cash	\$ -	\$ -	\$ 96	\$ 445
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	60	-	1	-
Interfund Receivable	-	10,065	-	-
Prepaid Expenditures	-	-	-	-
Inventory of Supplies	807	-	11	-
Investments at Cost	-	1,019	-	-
<b>Total Current Assets</b>	<b>867</b>	<b>11,084</b>	<b>108</b>	<b>445</b>
<b>Property, Plant and Equipment</b>				
Land	350	-	-	-
Buildings	1,111	-	-	-
Improvements	173	161	-	-
Machinery and Equipment	54,132	2,147	61	297
Furniture and Fixtures	11	19	5	64
Less: Accumulated Depreciation	(42,268)	(1,318)	(66)	(361)
<b>Net Property, Plant and Equipment</b>	<b>13,509</b>	<b>1,009</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 14,376</b>	<b>\$ 12,093</b>	<b>\$ 108</b>	<b>\$ 445</b>
<b>Liabilities and Fund Equity</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 678	\$ 461	\$ 22	\$ 192
Escrow	-	-	-	-
Retainages	-	-	-	-
Due to Other Governments	-	9	-	-
Interfund Payable	731	-	-	-
Other Current Liabilities	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,409</b>	<b>470</b>	<b>22</b>	<b>192</b>
<b>Debt:</b>				
Current Portion	-	-	-	-
Notes Payable	-	7,920	-	-
General Obligation Bonds Payable	-	-	-	-
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>7,920</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,409</b>	<b>8,390</b>	<b>22</b>	<b>192</b>
<b>Net Assets</b>				
Invested in Capital Assets net of Related Debt	13,509	(6,910)	(2)	(1)
Reserved for Replacement	-	1,999	-	-
Unreserved	(542)	8,614	88	254
<b>Total Net Assets</b>	<b>\$ 12,967</b>	<b>\$ 3,703</b>	<b>\$ 86</b>	<b>\$ 253</b>

City of Toledo, Ohio  
Internal Service Funds  
Combining Balance Sheet  
December 31, 2006  
(Amounts in Thousands)  
(Continued)

	Risk Management	Facility Operations	Workers' Compensation	Total
<b>Assets</b>				
<b>Current Assets</b>				
Equity in Pooled Cash	\$ 4,907	\$ 166	\$ -	\$ 5,614
Receivables (Net of Allowance for Uncollectible Accounts):				
Accounts	1	16	-	78
Interfund Receivable	-	1,663	17,371	29,099
Prepaid Expenditures	-	-	-	-
Inventory of Supplies	-	-	-	818
Investments at Cost	-	-	-	1,019
<b>Total Current Assets</b>	<b>4,908</b>	<b>1,845</b>	<b>17,371</b>	<b>36,628</b>
<b>Property, Plant and Equipment</b>				
Land	-	-	-	350
Buildings	-	-	-	1,111
Improvements	-	-	1	335
Machinery and Equipment	18	55	51	56,761
Furniture and Fixtures	-	-	-	99
Less: Accumulated Depreciation	(11)	(3)	(34)	(44,061)
<b>Net Property, Plant and Equipment</b>	<b>7</b>	<b>52</b>	<b>18</b>	<b>14,595</b>
<b>Total Assets</b>	<b>\$ 4,915</b>	<b>\$ 1,897</b>	<b>\$ 17,389</b>	<b>\$ 51,223</b>
<b>Liabilities and Fund Equity</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 37	\$ 233	\$ 10	\$ 1,633
Escrow	-	1,663	-	1,663
Retainages	-	-	-	-
Due to Other Governments	-	-	-	9
Interfund Payable	-	-	-	731
Other Current Liabilities	2,030	-	17,117	19,147
<b>Total Current Liabilities</b>	<b>2,067</b>	<b>1,896</b>	<b>17,127</b>	<b>23,183</b>
<b>Debt:</b>				
Current Portion	-	-	-	-
Notes Payable	-	-	-	7,920
General Obligation Bonds Payable	-	-	-	-
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,920</b>
<b>Total Liabilities</b>	<b>2,067</b>	<b>1,896</b>	<b>17,127</b>	<b>31,103</b>
<b>Net Assets</b>				
Invested in Capital Assets net of Related Debt	7	52	19	6,674
Reserved for Replacement	-	-	-	1,999
Unreserved	2,841	(51)	243	11,447
<b>Total Net Assets</b>	<b>\$ 2,848</b>	<b>\$ 1</b>	<b>\$ 262</b>	<b>\$ 20,120</b>

City of Toledo, Ohio  
Internal Service Funds  
Combining Statement of Revenues,  
Expenses and Changes in Net Assets  
For the Year Ended December 31, 2006  
(Amounts in Thousands)  
(Continued)

	Municipal Garage	Capital Replacement	Storeroom and Printshop	Data Processing
<b>Operating Revenues:</b>				
Charges for Services	\$ 9,238	\$ 4,369	\$ 1,341	\$ 4,038
Other Revenue	91	-	-	12
<b>Total Operating Revenues</b>	<b>9,329</b>	<b>4,369</b>	<b>1,341</b>	<b>4,050</b>
<b>Operating Expenses:</b>				
Personal Services	3,695	-	46	1,160
Contractual Services	980	-	23	1,040
Materials and Supplies	5,150	-	462	73
Utilities	22	-	-	1,622
Depreciation and Amortization	3,200	102	1	-
<b>Total Operating Expenses</b>	<b>13,047</b>	<b>102</b>	<b>532</b>	<b>3,895</b>
<b>Operating Income (Loss)</b>	<b>(3,718)</b>	<b>4,267</b>	<b>809</b>	<b>155</b>
<b>Nonoperating Revenues (Expenses):</b>				
Interest Revenue	-	90	-	-
Interest Expense and Fiscal Charges	-	(347)	-	-
Other Revenue (Expenses)	338	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>338</b>	<b>(257)</b>	<b>-</b>	<b>-</b>
<b>Income (Loss) before Transfers</b>	<b>(3,380)</b>	<b>4,010</b>	<b>809</b>	<b>155</b>
Transfers In	3,919	-	-	-
Transfers (Out)	-	(3,334)	-	-
<b>Total Transfers In (Out)</b>	<b>3,919</b>	<b>(3,334)</b>	<b>-</b>	<b>-</b>
<b>Net Income (Loss)</b>	<b>539</b>	<b>676</b>	<b>809</b>	<b>155</b>
<b>Net Assets at Beginning of Year</b>	<b>12,428</b>	<b>3,027</b>	<b>(723)</b>	<b>98</b>
<b>Net Assets at End of Year</b>	<b>\$ 12,967</b>	<b>\$ 3,703</b>	<b>\$ 86</b>	<b>\$ 253</b>

City of Toledo, Ohio  
Internal Service Funds  
Combining Statement of Revenues,  
Expenses and Changes in Net Assets  
For the Year Ended December 31, 2006  
(Amounts in Thousands)  
(Continued)

	Risk Management	Facility Operations	Workers' Compensation	Total
<b>Operating Revenues:</b>				
Charges for Services	\$ 1,993	\$ 3,300	\$ 7,647	\$ 31,926
Other Revenue	-	27	179	309
<b>Total Operating Revenues</b>	<b>1,993</b>	<b>3,327</b>	<b>7,826</b>	<b>32,235</b>
<b>Operating Expenses:</b>				
Personal Services	9	1,584	234	6,728
Contractual Services	1,941	1,479	7,356	12,819
Materials and Supplies	-	260	8	5,953
Utilities	-	-	1	1,645
Depreciation and Amortization	1	3	5	3,312
<b>Total Operating Expenses</b>	<b>1,951</b>	<b>3,326</b>	<b>7,604</b>	<b>30,457</b>
<b>Operating Income (Loss)</b>	<b>42</b>	<b>1</b>	<b>222</b>	<b>1,778</b>
<b>Nonoperating Revenues (Expenses):</b>				
Interest Revenue	-	-	-	90
Interest Expense and Fiscal Charges	-	-	-	(347)
Other Revenue (Expenses)	-	-	-	338
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>
<b>Income (Loss) before Transfers</b>	<b>42</b>	<b>1</b>	<b>222</b>	<b>1,859</b>
Transfers In	-	-	-	3,919
Transfers (Out)	-	-	-	(3,334)
<b>Total Transfers In (Out)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>585</b>
<b>Net Income (Loss)</b>	<b>42</b>	<b>1</b>	<b>222</b>	<b>2,444</b>
<b>Net Assets at Beginning of Year</b>	<b>2,806</b>	<b>-</b>	<b>40</b>	<b>17,676</b>
<b>Net Assets at End of Year</b>	<b>\$ 2,848</b>	<b>\$ 1</b>	<b>\$ 262</b>	<b>\$ 20,120</b>

City of Toledo, Ohio  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended December 31, 2006  
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Facility Operations	Risk Management	Workers Compensation	Total
Cash Flows from Operating Activity:								
Receipts from Customers	\$ 9,232	\$ 4,374	\$ 1,339	\$ 4,038	\$ 3,297	\$ 1,994	\$ 7,648	\$ 31,922
Payments to Suppliers	(5,959)	(10,266)	(1,198)	(2,603)	(1,518)	(1,472)	(7,592)	(30,608)
Payments to Employees	(3,695)	-	(45)	(1,160)	(1,584)	(10)	(235)	(6,729)
Other Receipts	91	-	-	11	26	-	180	308
Net Cash Provided by (Used for) Operating Activities	(331)	(5,892)	96	286	221	512	1	(5,107)
Cash Flow from Noncapital Financing Activities:								
Operating Transfers In	3,920	-	-	-	-	-	-	3,920
Operating Transfers Out	-	(3,334)	-	-	-	-	-	(3,334)
Net Cash Provided by (Used for) Noncapital Financing Activities	3,920	(3,334)	-	-	-	-	-	586
Cash Flows from Capital and Related Financing Activities:								
Acquisition and Construction of Capital Assets	(3,927)	-	-	-	(55)	-	-	(3,982)
Principal Paid on Bond Maturities	-	(26,140)	-	-	-	-	-	(26,140)
Issuance of Revenue Bonds and Notes	-	24,950	-	-	-	-	-	24,950
Interest Expense and Fiscal Charges	-	(347)	-	-	-	-	(1)	(348)
Proceeds on Sale of Capital Assets	338	-	-	-	-	-	-	338
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,589)	(1,537)	-	-	(55)	-	(1)	(5,182)
Cash Flows from Investing Activities:								
(Purchase) of Investment Securities	-	(27,020)	-	-	-	-	-	(27,020)
Sale of Investment Securities	-	30,156	-	-	-	-	-	30,156
Investment Earnings and Dividends on Investments	-	90	-	-	-	-	-	90
Net Cash Provided by (Used for) Investing Activities	-	3,226	-	-	-	-	-	3,226
Net Increase (Decrease) in Cash and Cash Equivalents at Beginning of Year	-	(7,537)	96	286	166	512	-	(6,477)
Cash and Cash Equivalents at Beginning of Year	-	7,537	-	159	-	4,395	-	12,091
Cash and Cash Equivalents at End of Year	\$ -	\$ -	\$ 96	\$ 445	\$ 166	\$ 4,907	\$ -	\$ 5,614

City of Toledo, Ohio  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended December 31, 2006  
(Amounts in Thousands)

	Municipal Garage	Capital Replacement	Storeroom & Printshop	Data Processing	Facility Operations	Risk Management	Workers Compensation	Total
Cash Flows from Operating Activity:								
Operating Income (Loss)	\$ (3,720)	\$ 4,268	\$ 808	\$ 153	\$ 2	\$ 43	\$ 224	\$ 1,778
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by Operating Activities:								
Depreciation and Amortization	3,200	102	1	-	3	1	5	3,312
Change in Assets and Liabilities:								
(Increase) Decrease in Accounts Receivable	(6)	4	-	-	(17)	1	-	(18)
(Increase) Decrease in Interfund Receivable	-	(10,065)	-	-	-	-	(2,544)	(12,609)
(Increase) Decrease in Inventory	(13)	-	(6)	-	-	-	-	(19)
Increase (Decrease) in Accounts Payable	124	(210)	-	133	233	22	(32)	270
Increase (Decrease) in Interfund Payable	84	-	(707)	-	-	-	-	(623)
Increase (Decrease) in Due to Other Governments	-	9	-	-	-	-	-	9
Increase (Decrease) in Other Current Liabilities	-	-	-	-	-	445	2,348	2,793
Total Adjustments	3,389	(10,160)	(712)	133	219	469	(223)	(6,885)
Net Cash Provided by (Used for) Operating Activities:	\$ (331)	\$ (5,892)	\$ 96	\$ 286	\$ 221	\$ 512	\$ 1	\$ (5,107)

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**CITY OF TOLEDO, OHIO**  
**FIDUCIARY FUNDS - AGENCY FUNDS**  
**DECEMBER 31, 2006**

**FIDUCIARY FUNDS**

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

**Municipal Court** – To account for bonds and other monies deposited with the Court pending final disposition of the various cases. While the records of the Court are the responsibility of a separate elected Clerk of Courts and not the Finance Department, the balances have been included in these financial statements in compliance with GASB Statement-14.

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**City of Toledo, Ohio**  
**Agency Funds**  
**Combining Balance Sheet**  
**For the Year Ended December 31, 2006**  
**(Amounts in Thousands)**

	<u>General Agency</u>	<u>Municipal Court</u>	<u>Total</u>
<b>Assets</b>			
Equity in Pooled Cash	\$ 1,109	\$ ---	\$ 1,109
Investments at Cost	---	1,307	1,307
Receivables (Net of Allowance for Uncollectible Accounts: Accounts	<u>---</u>	<u>---</u>	<u>---</u>
<b>Total Assets</b>	<u>\$ 1,109</u>	<u>\$ 1,307</u>	<u>\$ 2,416</u>
<b>Liabilities and Fund Equity</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 60	\$ ---	\$ 60
Escrow	---	1,307	1,307
Other Current Liabilities	<u>1,049</u>	<u>---</u>	<u>1,049</u>
<b>Total Liabilities</b>	<u>\$ 1,109</u>	<u>\$ 1,307</u>	<u>\$ 2,416</u>
<b>Net Assets:</b>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**City of Toledo, Ohio**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Year Ended December 31, 2006**  
**(Amounts in Thousands)**  
**(Continued)**

	<b>GENERAL AGENCY FUND</b>			
	<u>Balance</u>			<u>Balance</u>
	<u>Jan. 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Dec. 31, 2006</u>
<b>Assets</b>				
Equity in Pooled Cash	\$ 980	\$ 964	\$ 835	\$ 1,109
Accounts Receivable	<u>2</u>	<u>---</u>	<u>2</u>	<u>---</u>
Total Assets	<u>\$ 982</u>	<u>\$ 964</u>	<u>\$ 837</u>	<u>\$ 1,109</u>
<b>Liabilities</b>				
Accounts Payable	\$ 13	\$ 711	\$ 664	\$ 60
Other Current Liabilities	<u>969</u>	<u>914</u>	<u>834</u>	<u>1,049</u>
Total Liabilities	<u>\$ 982</u>	<u>\$ 1,625</u>	<u>\$ 1,498</u>	<u>\$ 1,109</u>

**City of Toledo, Ohio**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Year Ended December 31, 2006**  
 (Amounts in Thousands)  
 (Continued)

	<b>MUNICIPAL COURT FUND</b>			
	<u>Balance</u>			<u>Balance</u>
	<u>Jan. 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Dec. 31, 2006</u>
<b>Assets</b>				
Equity in Pooled Cash	\$ ---	\$ ---	\$ ---	\$ ---
Investments	<u>1,344</u>	<u>---</u>	<u>37</u>	<u>1,307</u>
Total Assets	<u>\$ 1,344</u>	<u>\$ ---</u>	<u>\$ 37</u>	<u>\$ 1,307</u>
<b>Liabilities</b>				
Accounts Payable	\$ ---	\$ ---	\$ ---	\$ ---
Escrow	1,344	---	37	1,307
Other Current Liabilities	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Liabilities	<u>\$ 1,344</u>	<u>\$ ---</u>	<u>\$ 37</u>	<u>\$ 1,307</u>

**City of Toledo, Ohio**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Year Ended December 31, 2006**  
**(Amounts in Thousands)**  
**(Continued)**

	<b>TOTAL - ALL AGENCY FUNDS</b>			
	<u>Balance</u>			<u>Balance</u>
	<u>Jan. 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Dec. 31, 2006</u>
<b>Assets</b>				
Equity in Pooled Cash	\$ 980	\$ 964	\$ 835	\$ 1,109
Accounts Receivable	2	---	2	---
Investments	<u>1,344</u>	<u>---</u>	<u>37</u>	<u>1,307</u>
Total Assets	<u>\$ 2,326</u>	<u>\$ 964</u>	<u>\$ 874</u>	<u>\$ 2,416</u>
<b>Liabilities</b>				
Accounts Payable	\$ 13	\$ 711	\$ 664	\$ 60
Escrow	1,344	---	37	1,307
Other Current Liabilities	<u>969</u>	<u>914</u>	<u>834</u>	<u>1,049</u>
Total Liabilities	<u>\$ 2,326</u>	<u>\$ 1,625</u>	<u>\$ 1,535</u>	<u>\$ 2,416</u>

**CITY OF TOLEDO, OHIO  
CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

**General Fixed Assets** – To account for general fixed assets of the City, other than those accounted for in the Proprietary Fund.

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**CITY OF TOLEDO, OHIO**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

**GENERAL FIXED ASSETS:**

Land .....	\$ 24,781
Buildings and Construction in Progress .....	62,586
Improvements.....	59,139
Machinery and Equipment .....	44,257
Furniture and Fixtures .....	6,444
Infrastructure .....	<u>674,551</u>
 Total General Fixed Assets.....	 \$ 871,758
 Less: Accumulated Depreciation.....	 <u>(398,269)</u>
 Net General Fixed Assets .....	 <u>\$ 473,489</u>

**INVESTMENT IN GENERAL FIXED ASSETS:**

Acquired Before December 31, 1982.....	\$ 52,619
General Fund.....	39,761
Special Revenue Funds .....	14,162
Capital Projects Funds.....	<u>765,216</u>
 Total Investment in General Fixed Assets.....	 \$871,758
 Less: Accumulated Depreciation.....	 <u>(398,269)</u>
 Net Investment in General Fixed Assets.....	 <u>\$ 473,489</u>

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**CITY OF TOLEDO, OHIO**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

FUNCTION AND ACTIVITY	BUILDINGS AND CONSTRUCTION		
	<u>LAND</u>	<u>IN PROGRESS</u>	<u>IMPROVEMENTS</u>
<b>General Government:</b>			
City Council.....	\$ --	\$ --	\$ 34
Mayor .....	--	--	4,442
Auditor .....	--	--	--
Planning Commission .....	--	--	--
Health .....	472	1,346	--
Municipal Court Judges.....	105	5,867	114
Clerk of Courts .....	--	--	54
Support Services.....	--	--	1
Computing Services.....	--	76	47
Finance .....	--	--	--
Treasury .....	--	--	--
Taxation.....	--	--	2
Accounts .....	--	--	--
Community Development.....	386	2,876	479
Housing Division .....	--	--	--
Inspection.....	--	--	14
Economic Development.....	--	372	1,082
Demolition .....	--	--	100
Human Resources .....	--	--	29
Law .....	--	--	--
Total General Government .....	<u>963</u>	<u>10,537</u>	<u>6,398</u>
<b>Public Service:</b>			
Public Service.....	--	--	221
Public Service Administration .....	--	--	--
Engineering & Construction .....	--	16	431
Streets, Bridges & Harbor.....	3,218	2,095	422
Waste Disposal .....	1,919	189	43
Maintenance of Public Buildings ...	181	6,027	23,749
Environmental Services .....	--	165	6
Total Public Service .....	<u>5,318</u>	<u>8,492</u>	<u>24,872</u>

**CITY OF TOLEDO, OHIO**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006 (AMOUNTS IN THOUSANDS)**  
**(CONTINUED)**

<b>MACHINERY AND EQUIPMENT</b>	<b>FURNITURE AND FIXTURES</b>	<b>TOTAL</b>
\$ 108	\$ 41	\$ 183
44	41	4,527
14	22	36
204	94	298
--	--	1,818
2,282	798	9,166
372	260	686
1,388	46	1,435
3,264	10	3,397
28	32	60
83	24	107
50	33	85
193	41	234
1,163	218	5,122
4	2	6
119	58	191
137	27	1,618
67	--	167
989	102	1,120
<u>66</u>	<u>88</u>	<u>154</u>
<u>10,575</u>	<u>1,937</u>	<u>30,410</u>
637	41	899
9	3	12
265	267	979
1,034	131	6,900
6,562	35	8,748
2,280	285	32,522
<u>352</u>	<u>52</u>	<u>575</u>
<u>11,139</u>	<u>814</u>	<u>50,635</u>

**CITY OF TOLEDO, OHIO**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006 (AMOUNTS IN THOUSANDS)**  
**(CONTINUED)**

FUNCTION AND ACTIVITY	BUILDINGS AND CONSTRUCTION		
	LAND	IN PROGRESS	IMPROVEMENTS
Public Safety:			
Police .....	\$ 209	\$ 6,440	\$ 2,209
Fire .....	738	6,629	2,363
Traffic Engineering.....	<u>--</u>	<u>--</u>	<u>3,383</u>
Total Public Safety .....	<u>947</u>	<u>13,069</u>	<u>7,955</u>
Natural Resources:			
Administration.....	--	--	56
Parks and Recreation.....	12,594	4,000	6,674
Forestry .....	<u>298</u>	<u>289</u>	<u>2,971</u>
Total Natural Resources .....	<u>12,892</u>	<u>4,289</u>	<u>9,701</u>
Other:			
Miscellaneous.....	4,661	26,199	10,213
Total General Fixed Assets .....	24,781	62,586	59,139
Less: Accumulated Depreciation ....	<u>--</u>	<u>(50,137)</u>	<u>(29,808)</u>
Net General Fixed Assets.....	<u>\$24,781</u>	<u>\$12,449</u>	<u>\$29,331</u>

**CITY OF TOLEDO, OHIO**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006 (AMOUNTS IN THOUSANDS)**  
**(CONTINUED)**

<b>MACHINERY AND EQUIPMENT</b>	<b>FURNITURE AND FIXTURES</b>	<b>INFRASTRUCTURE</b>	<b>TOTAL</b>
\$ 7,176	\$ 960	\$ ---	\$ 16,994
6,104	322	---	16,156
<u>4,007</u>	<u>382</u>	<u>---</u>	<u>7,772</u>
17,287	1,664	---	40,922
43	124	---	223
1,079	50	---	24,397
2,308	<u>36</u>	<u>---</u>	<u>5,902</u>
<u>3,430</u>	<u>210</u>	<u>---</u>	<u>30,522</u>
1,826	1,819	---	44,718
44,257	6,444	674,551	871,758
<u>(23,995)</u>	<u>(5,617)</u>	<u>(288,712)</u>	<u>(398,269)</u>
<u>\$ 20,262</u>	<u>\$ 827</u>	<u>\$385,839</u>	<u>\$ 473,489</u>

**CITY OF TOLEDO, OHIO**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**

FUNCTION AND ACTIVITY	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DISPOSALS AND TRANSFERS	BALANCE AT END OF YEAR
<b>General Government:</b>				
City Council.....	\$ 183	\$ --	\$ --	\$ 183
Office of the Mayor.....	3,636	889	--	4,525
Auditor .....	36	--	--	36
Planning Commission .....	284	14	--	298
Health .....	1,818	--	--	1,818
Municipal Court Judges.....	8,924	242	--	9,166
Clerk of Municipal Courts.....	687	--	--	687
Information & Communications....	1,847	473	--	2,320
Support Services.....	1,966	--	--	1,966
Management Services .....	546	--	--	546
Finance.....	59	--	--	59
Treasury .....	107	--	--	107
Taxation.....	85	--	--	85
Accounts .....	233	--	--	233
Community Development.....	5,115	6	--	5,121
Housing Division.....	3	4	--	7
Inspection.....	191	1	--	192
Economic Development.....	1,614	5	--	1,619
Demolition.....	155	12	--	167
Human Resources .....	1,120	--	--	1,120
Law .....	154	--	--	154
Total General Government .....	<u>28,763</u>	<u>1,646</u>	<u>--</u>	<u>30,409</u>
<b>Public Service:</b>				
Public Service.....	862	--	--	862
Public Service Administration .....	49	--	--	49
Engineering & Construction .....	935	44	--	979
Streets, Bridges & Harbor.....	6,788	110	--	6,898
Waste Disposal .....	8,737	10	--	8,747
Maintenance of Public Buildings ...	31,509	1,015	--	32,524
Environmental Services .....	577	--	--	577
Total Public Service .....	<u>49,457</u>	<u>1,179</u>	<u>--</u>	<u>50,636</u>

**CITY OF TOLEDO, OHIO**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(AMOUNTS IN THOUSANDS)**  
**(CONTINUED)**

<b>FUNCTION AND ACTIVITY</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>ADDITIONS</b>	<b>DISPOSALS AND TRANSEERS</b>	<b>BALANCE AT END OF YEAR</b>
Public Safety				
Police .....	\$ 16,938	\$ 55	\$ --	\$ 16,993
Fire .....	15,857	300	--	16,157
Traffic Engineering.....	<u>7,772</u>	<u>--</u>	<u>--</u>	<u>7,772</u>
Total Public Safety .....	<u>40,567</u>	<u>355</u>	<u>--</u>	<u>40,922</u>
Natural Resources:				
Administration.....	223	--	--	223
Parks and Recreation.....	24,397	--	--	24,397
Forestry .....	<u>5,902</u>	<u>--</u>	<u>--</u>	<u>5,902</u>
Total Natural Resources .....	<u>30,522</u>	<u>--</u>	<u>--</u>	<u>30,522</u>
Other:				
Miscellaneous.....	44,718	--	--	44,718
Total General Fixed Assets.....	194,027	3,180	--	197,207
Infrastructure.....	616,042	58,509	--	674,551
Total General Fixed Assets .....	810,069	61,689	--	871,758
Less Accumulated Depreciation....	<u>(363,840)</u>	<u>(34,429)</u>	<u>--</u>	<u>(398,269)</u>
Net General Fixed Assets.....	<u>\$ 446,229</u>	<u>\$ 27,260</u>	<u>\$ --</u>	<u>\$ 473,489</u>

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# STATISTICAL SECTION

# City of Toledo, Ohio

## Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. These tables are presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

### Contents

### Schedules

#### ***Financial Trends***

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

1 - 4

#### ***Revenue Capacity***

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

5 - 10

#### ***Debt Capacity***

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

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#### ***Demographic and Economic Information***

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

16 - 18

#### ***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.

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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in 2002; schedules presenting government-wide information include information beginning that year.

Schedule 1  
City of Toledo, Ohio  
Net Assets by Component,  
Last Five Fiscal Years  
*(accrual basis of accounting)*  
*(amounts in thousands)*

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 231,662	\$ 248,832	\$ 243,683	\$ 280,486	\$ 300,779
Restricted	68,428	59,685	59,138	47,957	50,555
Unrestricted	(10,922)	(12,375)	-	-	2,278
Total governmental activities net assets	<u>\$ 289,168</u>	<u>\$ 296,142</u>	<u>\$ 302,821</u>	<u>\$ 328,443</u>	<u>\$ 353,612</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 226,407	\$ 254,276	\$ 229,170	\$ 224,105	\$ 253,730
Restricted	117,988	164,930	143,156	169,220	95,084
Unrestricted	3,405	(62,954)	(8,264)	(12,298)	41,289
Total business-type activities net assets	<u>\$ 347,800</u>	<u>\$ 356,252</u>	<u>\$ 364,062</u>	<u>\$ 381,027</u>	<u>\$ 390,103</u>
Primary government					
Invested in capital assets, net of related debt	\$ 458,069	\$ 503,108	\$ 472,853	\$ 504,591	\$ 554,509
Restricted	186,416	224,615	202,294	217,177	186,928
Unrestricted	(7,517)	(75,329)	(8,264)	(12,298)	2,278
Total primary government net assets	<u>\$ 636,968</u>	<u>\$ 652,394</u>	<u>\$ 666,883</u>	<u>\$ 709,470</u>	<u>\$ 743,715</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

**Schedule 2**

**City of Toledo, Ohio**

**Changes in Net Assets, Last Five Fiscal Years**

*(accrual basis of accounting)*

*(amounts in thousands)*

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>					
Governmental activities:					
General Government	\$ 27,694	\$ 26,790	\$ 26,721	\$ 25,960	\$ 27,250
Public Service	42,036	45,757	48,204	52,706	52,891
Public Safety	142,256	148,446	151,217	153,085	158,499
Public Utilities	1,143	1,085	808	-	46
Community Environment	23,240	19,465	17,918	14,895	20,589
Health	16,490	17,347	17,030	17,638	18,207
Parks and Recreation	7,834	7,488	7,765	7,345	7,563
Interest and Fiscal Charges	15,679	16,437	9,408	8,973	7,833
<b>Total Governmental Activities</b>	<u>276,372</u>	<u>282,815</u>	<u>279,071</u>	<u>280,602</u>	<u>292,878</u>
Business-type activities expenses:					
Water	28,444	28,211	30,356	34,369	34,324
Sewer	38,420	36,285	38,334	41,217	44,464
Storm Utility	3,576	4,192	6,122	7,018	6,883
Utilities Administration	8,072	7,958	7,922	8,099	9,898
Parking	1,267	1,204	1,154	1,100	1,040
Property Management	1,856	1,787	2,596	2,640	2,010
Small Business Development/Exp. Trust	50	55	43	47	77
Tow Lot	-	-	-	314	1,169
<b>Total business-type activities expenses</b>	<u>81,685</u>	<u>79,692</u>	<u>86,527</u>	<u>94,804</u>	<u>99,865</u>
<b>Total primary governmental expenses</b>	<u>\$ 358,057</u>	<u>\$ 362,507</u>	<u>\$ 365,598</u>	<u>\$ 375,406</u>	<u>\$ 392,743</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	\$ 5,928	\$ 31,181	\$ 23,982	\$ 28,584	\$ 28,338
Public Service	20	30	130	19	-
Public Safety	3,634	3,501	8,460	9,436	8,524
Public Utilities	-	-	-	158	-
Community Environment	2,539	2,673	5,267	6,727	7,052
Health	891	862	1,175	1,377	704
Parks and Recreation	490	365	474	421	122
Operating grants	20,655	54,155	51,604	49,406	55,734
Capital grants	9,267	16,172	12,236	25,779	25,689
<b>Total governmental activities program revenues</b>	<u>43,424</u>	<u>108,939</u>	<u>103,328</u>	<u>121,907</u>	<u>126,163</u>

**Note:** The City began to report accrual information when it implemented GASB 34 in fiscal year 2002.

**Schedule 2**

**City of Toledo, Ohio**

**Changes in Net Assets, Last Five Fiscal Years**

*(accrual basis of accounting)*

*(amounts in thousands)*

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Business-type activities					
Charges for services:					
Water	\$ 33,614	\$ 32,578	\$ 34,258	\$ 37,326	\$ 34,790
Sewer	34,464	35,370	39,919	43,551	44,377
Storm Utility	7,686	8,315	7,710	8,637	8,132
Utilities Administration	7,641	8,085	7,829	10,288	7,802
Parking	1,317	1,356	1,382	1,435	1,486
Property Management	1,117	886	277	264	(688)
Small Business Development/Exp. Trust	62	52	77	38	(2)
Tow Lot	-	-	-	527	2,225
Capital grants	-	1,577	-	-	-
Total business-type activities program revenues	85,901	88,219	91,452	102,066	98,122
Total primary government program revenues	<u>\$ 129,325</u>	<u>\$ 197,158</u>	<u>\$ 194,780</u>	<u>\$ 223,973</u>	<u>\$ 224,285</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (232,948)	\$ (173,876)	\$ (175,743)	\$ (158,695)	\$ (166,715)
Business-type activities	4,216	8,527	4,925	7,262	(1,743)
Total Primary government net expense	<u>\$ (228,732)</u>	<u>\$ (165,349)</u>	<u>\$ (170,818)</u>	<u>\$ (151,433)</u>	<u>\$ (168,458)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Income Taxes	\$ 153,965	\$ 155,112	\$ 155,243	\$ 160,683	\$ 164,718
Property Taxes	30,948	19,794	21,444	20,136	17,330
Unrestricted Investments Earnings	4,654	3,260	2,570	4,153	7,194
Gain on Sale of Capital Assets and Other Revenue/Grants	62,495	3,204	2,702	273	2,190
Transfers	(2,482)	(519)	462	(927)	451
Total governmental activities	249,580	180,851	182,421	184,318	191,883
Business-type activities:					
Unrestricted Investments Earnings	3,249	2,692	2,248	3,282	6,488
Gain on Sale of Capital Assets and Other Revenue/Grants	1,604	(3,286)	1,102	5,494	4,782
Transfers	2,482	519	(462)	927	(451)
Total business-type activities	7,335	(75)	2,888	9,703	10,819
Total primary government	<u>\$ 256,915</u>	<u>\$ 180,776</u>	<u>\$ 185,309</u>	<u>\$ 194,021</u>	<u>\$ 202,702</u>
<b>Changes in Net Assets</b>					
Governmental activities	\$ 16,632	\$ 6,975	\$ 6,678	\$ 25,623	\$ 25,168
Business-type activities	11,551	8,452	7,813	16,965	9,076
Total Primary government net expense	<u>\$ 28,183</u>	<u>\$ 15,427</u>	<u>\$ 14,491</u>	<u>\$ 42,588</u>	<u>\$ 34,244</u>

**Note:** The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

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Schedule 3  
City of Toledo, Ohio  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 7,751	\$ 10,418	\$ 19,137	\$ 7,139	\$ 4,794	\$ 4,741	\$ 4,027	\$ 4,395	\$ 4,358	\$ 4,659
Unreserved	1,298	1,580	2,081	18,034	14,700	12,067	9,393	4,905	6,413	6,133
Total general fund	\$ 9,049	\$ 11,998	\$ 21,218	\$ 25,173	\$ 19,494	\$ 16,808	\$ 13,420	\$ 9,300	\$ 10,771	\$ 10,792
Capital Improvements Fund										
Reserved	\$ 30,491	\$ 29,103	\$ 34,378	\$ 27,418	\$ 25,868	\$ 32,403	\$ 28,715	\$ 64,282	\$ 61,353	\$ 45,542
Unreserved	1,979	(26,880)	(7,128)	11,386	12,513	8,929	15,757	(21,267)	(29,617)	(9,615)
Total capital improvements fund	\$ 32,470	\$ 2,223	\$ 27,250	\$ 38,804	\$ 38,381	\$ 41,332	\$ 44,472	\$ 43,015	\$ 31,736	\$ 35,927
Special Assessment Services Fund										
Reserved	\$ 1,227	\$ 1,304	\$ 1,245	\$ 801	\$ 1,627	\$ 1,019	\$ 1,373	\$ 2,444	\$ 2,304	\$ 2,578
Unreserved	(34,417)	(33,444)	(35,999)	(37,311)	(35,741)	(34,805)	(36,834)	(41,760)	(44,905)	(48,228)
Total special assessment services fund	\$ (33,190)	\$ (32,140)	\$ (34,754)	\$ (36,510)	\$ (34,114)	\$ (33,786)	\$ (35,461)	\$ (39,316)	\$ (42,601)	\$ (45,650)
All Other Governmental Funds										
Reserved	\$ 12,034	\$ 10,314	\$ 11,467	\$ 12,493	\$ 11,440	\$ 9,132	\$ 6,312	\$ 7,900	\$ 8,389	\$ 10,818
Unreserved, reported in:										
Special revenue funds	(3,044)	2,143	4,839	6,689	1,415	7,176	-	8,425	8,392	-
Capital projects funds	(1,073)	(948)	(1,052)	(1,198)	(1,457)	(1,154)	-	(1,537)	(1,736)	-
Permanent fund	784	849	920	263	282	711	-	708	694	-
Other governmental	-	-	-	-	-	-	9,382	-	-	6,821
Total all other governmental funds	\$ 8,701	\$ 12,358	\$ 16,174	\$ 18,247	\$ 11,680	\$ 15,865	\$ 15,694	\$ 15,496	\$ 15,739	\$ 17,639

**Schedule 4**  
**City of Toledo, Ohio**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*  
*(amounts in thousands)*

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Revenues</b>										
Income taxes	\$ 142,701	\$ 144,505	\$ 150,170	\$ 153,830	\$ 150,911	\$ 153,965	\$ 155,112	\$ 155,243	\$ 160,683	\$ 164,718
Property taxes	14,233	15,195	15,177	13,244	15,477	15,437	15,223	17,206	17,231	17,330
Special assessments	19,720	19,184	18,353	17,825	20,337	19,347	18,273	17,435	20,684	21,788
Licenses and permits	2,509	2,737	2,841	2,211	2,172	1,967	2,145	2,567	3,071	3,012
Intergovernmental service	59,900	62,908	76,986	64,446	57,736	64,883	70,327	63,840	75,186	79,957
Charges for services	11,437	11,952	12,352	12,454	12,363	13,646	13,724	14,088	14,003	15,081
Investment Earnings	7,338	7,535	7,620	8,854	7,534	4,654	3,259	2,570	4,153	7,194
Fines and Forfeitures	4,442	5,071	4,616	4,103	3,841	3,636	4,087	5,281	6,080	6,094
All other revenues	2,478	8,505	2,320	2,081	2,350	2,953	3,476	2,773	2,882	1,475
<b>Total revenues</b>	<b>264,758</b>	<b>277,592</b>	<b>290,435</b>	<b>279,048</b>	<b>272,721</b>	<b>280,488</b>	<b>285,626</b>	<b>281,003</b>	<b>303,973</b>	<b>316,649</b>
<b>Expenditures</b>										
General government	17,975	18,338	18,581	19,018	21,231	20,823	19,074	18,079	16,908	18,160
Public service	24,919	24,171	26,753	26,803	27,513	27,682	30,261	30,930	34,235	34,216
Public safety	120,573	125,685	130,411	133,448	138,036	144,112	143,350	146,536	150,182	158,575
Public utilities	2,885	3,337	2,952	2,940	1,629	1,149	1,043	774	39	38
Community environment	20,341	19,523	18,841	18,157	21,120	22,329	18,062	16,469	13,432	19,281
Health	18,343	18,493	19,149	14,300	16,850	16,030	16,240	15,960	16,600	17,403
Parks and recreation	4,904	5,145	4,521	4,974	5,179	5,009	4,729	4,342	3,736	3,876
Capital outlay	41,884	*90,007	43,202	41,532	43,609	34,574	42,319	42,163	67,895	61,690
Debt service										
Principal	13,512	13,707	13,755	14,307	14,577	15,546	16,291	15,256	16,920	18,465
Interest	13,880	11,112	11,180	11,281	12,107	13,896	9,312	8,871	8,946	10,111
<b>Total expenditures</b>	<b>279,216</b>	<b>239,511</b>	<b>289,345</b>	<b>286,760</b>	<b>301,851</b>	<b>301,150</b>	<b>300,681</b>	<b>299,380</b>	<b>328,893</b>	<b>341,815</b>
Excess of revenues over (under) expenditures	(14,458)	38,081	1,090	(7,712)	(29,130)	(20,662)	(15,055)	(18,377)	(24,920)	(25,166)

\* Land was acquired in 1998 for a new Jeep plant.

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other Financing Sources (Uses)</b>										
Bonds issued	9,616	6,520	9,995	12,465	7,900	10,270	7,620	8,000	11,000	26,525
Premiums on Bonds	2,174	5	30	1	4	3,478	7	129	138	672
Note issuance of debt	221	16,761	23,064	2,152	687	162	1,665	52	2,613	1,026
Sale of capital assets	151	103	156	124	50	109	91	46	135	43
Transfers in	50,743	60,714	59,453	63,409	61,061	63,008	57,087	53,573	55,015	52,718
Transfers out	(50,655)	(54,150)	(59,052)	(52,520)	(51,494)	(54,089)	(54,487)	(53,286)	(56,799)	(52,852)
Total other financing sources (uses)	12,250	29,953	33,646	25,631	18,208	22,938	11,983	8,514	12,102	28,132
Net change in fund balances	\$ (2,208)	\$ (21,973)	\$ 34,736	\$ 17,919	\$ (10,922)	\$ 2,276	\$ (3,072)	\$ (9,863)	\$ (12,818)	\$ 2,966

Debt service as a percentage of noncapital

Schedule 5  
City of Toledo, Ohio  
General Revenues by Source, Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts in thousands)

<u>Fiscal Year</u>	<u>Income Taxes</u>	<u>Property Taxes and Special Assessments</u>	<u>Licenses and Permits</u>	<u>Grants and Subsidies</u>	<u>Shared Revenues</u>	<u>Charges for Services</u>	<u>Investment Earnings</u>	<u>Fines and Forfeitures</u>	<u>All Other Revenue</u>	<u>Total</u>
1997	142,701	33,953	2,509	39,232	20,668	11,180	7,125	4,442	1,562	263,372
1998	144,505	34,379	2,737	40,634	22,274	11,768	7,279	5,071	7,364	276,011
1999	150,170	33,530	2,841	54,191	22,795	12,179	6,642	4,616	2,284	289,248
2000	153,830	31,069	2,211	41,138	23,308	12,349	8,383	4,103	765	277,156
2001	150,911	35,814	2,172	34,338	23,398	12,227	7,292	3,841	1,009	271,002
2002	153,965	34,784	1,967	40,648	24,235	13,646	4,654	3,636	2,953	280,488
2003	155,112	33,496	2,147	39,676	30,651	13,722	3,259	4,086	3,477	285,626
2004	155,243	34,641	2,567	33,476	30,364	14,088	2,570	5,281	2,773	281,003
2005	160,683	37,915	3,071	39,888	30,420	14,004	4,153	6,080	2,884	299,098
2006	164,718	39,118	3,012	44,776	35,181	15,081	7,194	6,094	1,475	316,649

**Schedule 6**  
**City of Toledo, Ohio**  
**Income Tax Revenues**  
**Last Five Fiscal Years**  
*(amounts in thousands)*

<b><u>Fiscal</u></b> <b><u>Year</u></b>	<b><u>Withholding</u></b>	<b><u>Utility</u></b>	<b><u>Business</u></b>	<b><u>Individuals</u></b>	<b><u>Total Tax</u></b> <b><u>Revenues</u></b>
2002	133,689	1,003	13,046	6,227	153,965
2003	136,187	193	13,122	5,610	155,112
2004	134,709	237	14,120	6,177	155,243
2005	138,042	492	15,747	6,401	160,683
2006	139,805	783	17,443	6,687	164,718

**Note:** The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Schedule 7  
City of Toledo, Ohio  
Assessed Value and Estimated Actual Value of Taxable Property,  
Last Ten Fiscal Years  
(amounts in thousands)

Tax Collection Year	Real Property		Public Utility (2)		Personal Property		Total	Ratio of Total Assessed to Total Estimated Actual Value	
	Assessed Value (1)	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value (2)	Estimated Actual Value		Assessed Value	Estimated Actual Value
	1998	\$2,669,541	\$7,627,260	\$275,606	\$787,446	\$ 505,735		\$2,022,940	\$3,450,882
1999	2,673,597	7,638,849	268,638	767,537	509,003	2,036,012	3,451,238	10,442,398	33.1%
2000	2,689,930	7,685,514	252,326	720,931	529,770	2,119,080	3,472,026	10,525,525	33.0%
2001	3,281,956	9,375,589	251,453	718,437	551,232	2,204,928	4,084,141	12,586,329	32.4%
2002	3,275,750	9,359,286	185,625	742,500	564,431	2,257,724	4,025,806	12,359,510	32.6%
2003	3,280,308	9,372,309	199,143	796,572	530,490	2,210,375	4,009,941	12,379,256	32.4%
2004	3,752,847	10,722,242	171,574	686,296	487,172	1,948,688	4,411,593	13,357,226	33.0%
2005	3,789,811	10,828,031	165,221	660,884	468,208	1,872,832	4,423,240	13,361,747	34.0%
2006	3,772,059	10,777,311	155,248	620,992	442,309	1,769,236	4,369,616	13,167,539	34.0%
2007	4,315,322	12,329,491	154,646	618,584	343,264	1,373,056	4,813,232	14,321,131	33.6%

Notes:

- (1) The assessed valuation is fixed at 35% of true value and is determined pursuant to the rules of the Ohio Commissioner of Tax Equalization. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value.
- (2) Includes public utility personal property. Assessed value determined by the State of Ohio.

Source: Lucas County Auditor.

Schedule 8  
 City of Toledo, Ohio  
 Property Tax Rates  
 Direct and Overlapping Governments  
 Last Ten Fiscal Years  
*(rate per \$1,000 of assessed value)*

Tax Collection Year	City of Toledo			Total Toledo Rate	Transit Authority	Port Authority	Lucas County	Toledo		Metro Park District	Total
	General Fund	Police Pension Fund	Fire Pension Fund					City School District	District		
1997	3.80	.30	.30	4.40	2.50	.40	15.95	57.80	1.00	82.05	
1998	3.80	.30	.30	4.40	2.50	.40	15.45	57.80	1.40	81.95	
1999	3.80	.30	.30	4.40	2.50	.40	15.55	57.50	1.40	81.75	
2000	3.80	.30	.30	4.40	2.50	.40	16.00	63.00	1.40	87.70	
2001	3.80	.30	.30	4.40	2.50	.40	15.65	63.00	1.40	87.35	
2002	3.80	.30	.30	4.40	2.50	.40	15.65	63.50	1.70	88.15	
2003	3.80	.30	.30	4.40	2.50	.40	16.20	63.30	1.70	88.50	
2004	3.80	.30	.30	4.40	2.50	.40	15.90	63.05	1.70	87.95	
2005	3.80	.30	.30	4.40	2.50	.40	14.75	63.05	1.70	86.80	
2006	3.80	.30	.30	4.40	2.50	.40	15.90	62.80	1.70	87.70	

Source: Lucas County Auditor.

Schedule 9  
City of Toledo, Ohio  
Top 75 Withholders by Industry  
Last Ten Fiscal Years  
(amounts in thousands)

Industry	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Banking	\$ 960	\$ 1,018	\$ 1,113	\$ 1,098	\$ 1,317	\$ 1,444	\$ 1,493	\$ 1,345	\$ 1,300	\$ 1,263
Construction	-	-	171	-	-	-	505	336	228	413
Government	8,449	8,238	8,501	9,193	9,320	9,660	9,796	9,548	9,987	10,219
Grocery	1,388	1,408	1,507	1,173	1,353	1,307	1,247	1,229	1,332	1,349
Hospital	10,047	10,267	10,096	10,102	10,422	10,696	11,174	11,303	11,847	12,196
Manufacturing	26,812	24,678	26,388	27,219	23,708	24,303	23,881	23,613	23,595	22,702
Non-profit	7,807	7,923	8,368	8,600	8,772	9,918	10,258	10,178	10,159	10,013
Retail	803	882	966	983	1,552	1,522	1,712	1,749	1,598	1,750
Services	7,829	8,300	8,496	9,271	10,528	9,538	9,546	9,491	10,259	10,408
Transportation	-	-	163	490	445	464	480	360	773	328
<b>Total</b>	<b>\$ 64,095</b>	<b>\$ 62,713</b>	<b>\$ 65,771</b>	<b>\$ 68,129</b>	<b>\$ 67,417</b>	<b>\$ 68,854</b>	<b>\$ 70,092</b>	<b>\$ 69,151</b>	<b>\$ 71,078</b>	<b>\$ 70,642</b>

Source: City of Toledo Taxation and Treasury Division

Schedule 10  
 City of Toledo, Ohio  
 Real and Public Utility Property Tax Levies and Collections  
 Last Ten Years  
*(amounts in thousands)*

<u>Tax Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Years</u>	<u>Amount of Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>
1997	12,084	11,488	95.1%	432	11,920	98.6%
1998	12,505	12,245	97.9%	510	12,755	102.0%
1999	12,710	12,191	95.9%	441	12,632	99.4%
2000	12,205	12,130	99.4%	514	12,644	103.6%
2001	14,934	14,462	96.8%	398	14,860	99.5%
2002	15,659	14,886	95.1%	664	15,550	99.3%
2003	15,047	14,189	94.3%	646	14,835	98.6%
2004	16,995	16,056	94.5%	753	16,809	98.9%
2005	16,954	16,702	98.5%	100	16,802	99.2%
2006	17,305	15,889	91.8%	986	16,876	97.5%

Source: Lucas County Auditor.

**Schedule 11**  
**City of Toledo, Ohio**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**  
*(amounts in thousands, except per capita)*

Fiscal Year	Governmental Activities						General Fund	
	General Obligation Bonds	Accrued Compensated Absences	Landfill Closure	Assessed Services	Capital Projects	Loans & Leases		
1997 \$	122,326	\$ 30,930	\$ 7,033	\$ -	20,533			
1998	117,438	32,487	8,163	-	25,254			
1999	113,202	35,062	8,709	-	24,472			
2000	111,507	35,908	11,167	-	23,670			
2001	109,261	34,111	10,608	-	21,152			
2002	114,109	33,777	13,297	31,900	55,979			
2003	112,946	36,295	20,511	31,500	51,432			
2004	111,930	39,898	21,505	35,600	48,110			
2005	112,803	42,160	20,877	36,500	53,608			
2006	111,066	43,183	22,071	37,700	56,008			

- Notes: 1. Decisions regarding the City's outstanding debt can be found in the notes to the financial statements.  
2. See schedule 19 for personal income & per capita information.  
3. Waterways Initiatives capital improvement program started in 2005.

**Schedule 11**  
**City of Toledo, Ohio**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**  
*(amounts in thousands, except per capita)*

Fiscal Year	Business-type Activities										Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita <sup>2</sup>
	Water Revenue		Sanitary Sewer Revenue		General Obligation		Capital Projects		Other Loans				
	Bonds		Bonds		Bonds		Loans		Loans				
1997	\$ 34,721	\$	34,709	\$	17,301	\$	1,000	\$	4,538	\$	275,088	2.5%	596
1998	33,734		33,337		30,796		13,000		4,380		300,587	2.6%	652
1999	63,754		40,665		30,059		12,800		12,028		342,750	2.9%	746
2000	61,239		38,433		29,435		13,169		11,700		338,228	2.8%	738
2001	58,619		35,740		28,601		12,886		11,445		324,424	2.5%	709
2002	55,874		32,916		29,098		36,644		13,200		418,796	3.3%	917
2003	69,507		49,923		28,033		36,485		12,215		450,850	3.4%	983
2004	65,990		47,084		26,897		49,864		11,743		460,625	3.3%	1,001
2005	96,433		44,710		25,683		104,364		13,760		552,903	4.0%	1,205
2006	91,888		42,035		24,593		178,356		13,119		620,019	4.5%	1,398

- Notes:** 1. Decisions regarding the City's outstanding debt can be found in the notes to the financial statements.  
2. See schedule 19 for personal income & per capita information.  
3. Waterways Initiatives capital improvement program started in 2005.

**Schedule 12  
City of Toledo, Ohio  
Ratio of Net General Bonded Debt  
To Assessed Value and Net Bonded Debt per Capita  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population<sup>(1)</sup></u>	<u>Assessed Value<sup>(2)</sup></u>	<u>Gross General Bonded Debt<sup>(2)</sup></u>	<u>Less Balance in Debt Service Fund<sup>(2)</sup> &amp; <sup>(3)</sup></u>	<u>Net General Bonded Debt<sup>(2)</sup></u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1997	332,943	3,450,882	106,213	864	105,349	3.0%	312.51
1998	332,943	3,451,238	131,859	899	130,960	3.8%	393.34
1999	332,943	3,472,027	127,636	1,023	126,613	3.7%	380.28
2000	313,619	4,084,141	126,046	1,156	124,890	3.1%	398.22
2001	313,619	4,025,806	123,810	579	123,231	3.1%	392.93
2002	313,619	4,009,940	127,805	215	127,590	3.2%	406.83
2003	313,619	4,411,593	125,978	29	125,949	2.9%	401.60
2004	313,619	4,423,240	127,241	38	127,203	2.9%	405.63
2005	313,619	4,369,616	128,474	38	128,436	2.9%	409.53
2006	313,619	4,813,232	126,683	45	126,638	2.6%	403.80

(1) Source: U.S. Bureau of the Census.

(2) Amounts shown in thousands of dollars. Source: Lucas County Auditor.

(3) The City has paid its general bonded debt service for the tax years shown from current income tax revenues. The amount required is transferred to the debt service funds from the capital improvement fund.

**Schedule 13**  
**City of Toledo, Ohio**  
**Computation of Direct and Overlapping Debt**  
**at December 31, 2006**  
*(amounts in thousands)*

<u>Political Subdivision</u>	<u>Amount of Debt</u>	<u>Percent Applicable To City</u>	<u>City's Share</u>
Direct Debt:			
City of Toledo .....	\$126,683	100.0%	\$126,683
Subdivision Overlapping Debt:			
Lucas County .....	27,420	50.7%	13,902
Toledo City School District .....	151,680	99.1%	150,315
Sylvania City School District.....	2,342	8.2%	192
Ottawa Hills Local School District.....	52	1.3%	1
Springfield Local School District .....	1,581	10.1%	160
Sylvania Area Joint Recreation Dist...	316	8.2%	26
Washington Local School District .....	<u>159</u>	96.7%	<u>154</u>
Total Subdivision Overlapping Debt .....	\$183,550		\$ 164,750
Total Direct and Overlapping Debt.....	<u>\$310,233</u>		<u>\$291,433</u>

Source: Lucas County Auditor.

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Schedule 14  
 City of Toledo, Ohio  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
*(amounts in thousands)*

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 362,343	\$ 362,379	\$ 364,562	\$ 428,835	\$ 422,710	\$ 421,044	\$ 463,217	\$ 464,440	\$ 458,810	\$ 505,389
Total net debt applicable to limit	129,231	136,097	128,953	127,186	126,895	127,974	126,776	127,021	128,474	126,683
Legal debt margin	\$ 233,112	\$ 226,282	\$ 235,609	\$ 301,649	\$ 295,815	\$ 293,070	\$ 336,441	\$ 337,419	\$ 330,336	\$ 378,706
Total net debt applicable to the limit as a percentage of debt limit	55.44%	60.14%	54.73%	42.16%	42.90%	43.67%	37.68%	37.64%	38.89%	33.45%

**Schedule 15**  
**City of Toledo, Ohio**  
**Pledged-Revenue Coverage,**  
**Last Ten Fiscal Years**  
*(amounts in thousands)*

<b>Water Revenue Bonds</b>							
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Total</b>	<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>		
1997	25,070	15,890	9,180	931	2,267	3,198	2.9
1998	27,315	17,134	10,181	987	2,235	3,222	3.2
1999	30,562	19,002	11,560	3,272	3,057	6,329	1.8
2000	32,829	16,962	15,867	2,515	3,164	5,679	2.8
2001	34,454	20,494	13,960	2,620	3,066	5,686	2.5
2002	35,115	21,744	13,371	2,745	2,953	5,698	2.3
2003	33,732	22,607	11,125	3,475	3,163	6,638	1.7
2004	35,406	23,585	11,821	3,517	3,277	6,794	1.7
2005	39,875	27,524	12,351	5,565	3,174	8,739	1.4
2006	38,811	26,002	12,809	4,545	4,464	9,009	1.4

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

**Schedule 15**  
**City of Toledo, Ohio**  
**Pledged-Revenue Coverage,**  
**Last Ten Fiscal Years**  
*(amounts in thousands)*

<b>Sewer Revenue Bonds</b>							
<b>Fiscal</b>	<b>Sewer</b>	<b>Less:</b>	<b>Net</b>	<b>Debt Service</b>		<b>Total</b>	<b>Coverage</b>
<b>Year</b>	<b>Service</b>	<b>Operating</b>	<b>Available</b>	<b>Principal</b>	<b>Interest</b>		
	<b>Charges</b>	<b>Expenses</b>	<b>Revenue</b>			<b>Total</b>	<b>Coverage</b>
1997	31,501	22,628	8,873	1,341	2,716	4,057	2.2
1998	32,819	22,550	10,269	1,372	2,719	4,091	2.5
1999	34,790	22,777	12,013	2,732	2,965	5,697	2.1
2000	36,279	22,134	14,145	2,232	2,475	4,707	3.0
2001	36,560	22,542	14,018	2,693	2,002	4,695	3.0
2002	35,703	24,970	10,733	2,824	1,894	4,718	2.3
2003	36,095	24,287	11,808	2,885	2,369	5,254	2.3
2004	41,121	25,165	15,956	2,839	3,994	6,833	2.3
2005	47,366	27,338	20,028	7,540	4,589	12,129	1.7
2006	51,253	29,633	21,620	2,675	5,409	8,084	2.7

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

**Schedule 16**  
**City of Toledo, Ohio**  
**Demographic and Economic Statistics,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>City of Toledo Population</b>	<b>Personal Income* (thousands of dollars)</b>	<b>Per Capita Personal Income*</b>	<b>Median Age</b>	<b>Public School Enrollment</b>	<b>Unemployment Rate</b>
1996	332,943	10,801,328	23,583	31.7	39,471	5.9%
1997	332,943	11,306,048	24,701	31.7	39,378	6.1%
1998	332,943	11,765,455	25,759	31.7	39,378	6.4%
1999	332,943	12,224,732	26,837	31.7	37,720	6.2%
2000	313,619	12,669,269	27,853	31.7	37,315	5.7%
2001	313,619	12,754,660	28,064	35.3	36,719	5.8%
2002	313,619	13,142,344	28,980	35.3	35,610	8.3%
2003	313,619	13,556,678	29,970	35.3	34,200	8.1%
2004	313,619	13,503,325	30,035	35.3	32,985	8.0%
2005	313,619	13,890,020	31,045	35.3	29,850	7.3%

**Sources:** U.S. Bureau of Economic Analysis  
U.S. Bureau of the Census

**Notes:** Personal income is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

\* values are calculated using Lucas County statistics

Schedule 17  
 City of Toledo, Ohio  
 Principal Employers,  
 Current Year and Nine Years Ago

Employer	2006			1997		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
Promedica Health Systems <sup>3</sup>	11,265	1	10.57%	-	-	-
Mercy Health Partners	6,723	2	6.31%	6,429	1	6.55%
The University of Toledo <sup>2</sup>	5,459	3	5.12%	5,245	5	5.34%
Bowling Green State University	5,400	4	5.07%	6,025	2	6.14%
Toledo City School District	4,554	5	4.27%	5,319	4	5.42%
Lucas County	4,168	6	3.91%	4,083	7	4.16%
Jeep Corporation, a subsidiary of DaimlerChrysler AG <sup>1</sup>	4,090	7	3.84%	5,400	3	5.50%
The Kroger Company	3,503	8	3.29%	-	-	-
Sauder Woodworking Co.	3,050	9	2.86%	3,300	10	3.36%
The City of Toledo	2,981	10	2.80%	-	-	-
General Motors Corp./GM Powertrain Division	-	-	-	4,600	6	4.69%
Medical College of Ohio <sup>2</sup>	-	-	-	3,442	8	3.51%
Seaway Foodtown, Inc.	-	-	-	3,313	9	3.38%
The Toledo Hospital <sup>3</sup>	-	-	-	3,300	10	3.36%
<b>Total</b>	<b>51,193</b>		<b>48.06%</b>	<b>50,456</b>		<b>51.41%</b>

Notes:

- On May 14, 2007, Daimler Chrysler announced that Cerberus Capital Management, a private equity firm, will take over an 80.1% equity position in Chrysler with Daimler retaining the remaining 19.9%.
  - Effective July 1, 2006, The Medical College of Ohio was merged with The University of Toledo.
  - The Toledo Hospital is a member of Promedica Health Systems.
- Source: Toledo Regional Growth Partnership, 2007 Harris Industrial Directory; except as otherwise noted.

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**Schedule 18  
City of Toledo, Ohio  
Full-time-Equivalent City Government Employees by MSA,  
Last Ten Fiscal Years**

Major Service Area	Full-time-Equivalent Employees as of December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Community environment	106	97	103	97	95	96	94	90	88	86
General government	345	337	334	337	346	348	347	342	336	342
Health*	60	50	46							
Parks and recreation	107	107	96	93	89	95	98	93	74	76
Public safety	1,342	1,351	1,368	1,349	1,366	1,378	1,361	1,350	1,323	1,345
Public service	470	439	430	436	444	447	445	431	447	447
Public utilities	561	555	561	557	550	541	561	560	582	587
<b>Total</b>	<b>2,991</b>	<b>2,936</b>	<b>2,938</b>	<b>2,869</b>	<b>2,890</b>	<b>2,905</b>	<b>2,906</b>	<b>2,866</b>	<b>2,850</b>	<b>2,883</b>

**Source:** City of Toledo Payroll Office.

**Notes:** A full-time employee is scheduled to work 2,088 hours per year (including vacation and sick leave). Full-time-Equivalent employment is calculated by dividing total labor hours by 2,088.

\*In 2000, the Toledo Health Department merged with the Lucas County Health Department and is now reported under Lucas County, Ohio.

**Schedule 19**  
**City of Toledo, Ohio**  
**Operating Indicators by**  
**Function/ Program,**  
**Last 5 Fiscal Years**

	<u>Fiscal Year</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>Function/ Program</u></b>					
General Government					
Building permits	6,461	6,281	6,200	6,314	6,492
Value of permits (in thousands)	92,457	144,184	176,421	295,067	276,746
Total Board-ups	337	423	465	586	931
Total Demolitions	306	214	237	222	285
Police					
Traffic Citations	42,160	43,869	48,790	48,504	52,331
Red-Light Cameras	10,418	13,509	17,305	25,186	18,512
Number of Offences	27,204	26,777	25,283	27,776	26,534
911 Call Volume	463,697	436,151	440,649	433,415	430,523
Non-Emergency Calls	107,772	103,289	101,838	108,961	114,065
Fire					
Emergency runs	39,535	38,461	38,393	39,796	38,630
Fires runs	8,262	7,534	7,397	7,175	7,550
Total runs	47,797	45,995	45,790	47,260	46,180

**Schedule 19**  
**City of Toledo, Ohio**  
**Operating Indicators by**  
**Function/ Program,**  
**Last 5 Fiscal Years**

	<b>Fiscal Year</b>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Other public works</b>					
Traffic Signs manufactured/ installed			21,925	25,653	26,936
Energy reduction (traffic signals)		0.2%	7.5%	10.3%	13.1%
Traffic signals replaced	111	38	59	79	81
Traffic signal calls			5,221	7,069	6,823
<b>Energy</b>					
Electric customers- Toledo Edison Company	316,000	303,000	303,000	303,000	307,000
Gas customers- Columbia Gas of Ohio, Inc.	175,000	175,744	179,250	177,329	178,500
<b>Toledo Lucas County Public Library</b>					
Volumes in collection	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Total volumes borrowed	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
<b>Water</b>					
New connections	2030	1765	1721	1404	791
Water main breaks	469	435	281	447	203
Average daily consumption (millions of gallons)	81.8	78.4	78.8	86.9	80.8
<b>Wastewater</b>					
Average daily sewage treatment (millions of gallons)	64.0	65.0	64.0	90.7	76.4
<b>Public Transit</b>					
TARTA* passengers	4,609,819	4,561,045	4,537,990	4,727,186	4,614,412

**Note:** The City implemented GASB statement 34 in fiscal year 2002.

\*TARTA stands for Toledo Area Regional Transit Authority.

**Sources:** Various City Departments.

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**Schedule 20**  
**City of Toledo, Ohio**  
**Capital Asset Statistics by Function/ Program,**  
**Last 5 Fiscal Years**

	<b>Fiscal Year</b>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>Function/ Program</u></b>					
<b>Police</b>					
Number of stations	3	3	3	3	3
Number of substations	3	3	3	3	3
Number of employees with arrest power	693	693	686	673	688
Number of neighborhood offices	7	7	7	7	7
<b>Fire Division</b>					
Fire stations	17	17	17	17	17
Number of firefighters	526	526	510	498	525
<b>Other public works</b>					
Streets (miles)	1,122	1,122	1,122	1,122	1,122
Rail (miles)	1,200	1,200	1,200	1,200	1,200
<b>Toledo Lucas County Public Library</b>					
Branches	18	18	18	18	18
<b>Medical</b>					
Number of hospitals	4	4	4	4	4
Number of beds	1,641	1,684	1,737	1,839	1,839
<b>Parks &amp; recreation</b>					
Acreage	2,368	2,368	2,368	2,368	2,368
Number of parks	144	144	145	145	145
Public pools	12	12	12	12	12
Golf Courses	16	16	16	16	16
<b>Water</b>					
Water lines (miles)	1,129	1,135	1,140	1,150	1,150
Storage capacity (millions of gallons)	78	78	78	78	78
Plant capacity (millions of gallons)	150	150	150	150	150
<b>Wastewater</b>					
Sanitary sewers (miles)	951	951	960	960	960
Treatment capacity (millions of gallons)	102	102	102	102	102

**Note:** The City implemented GASB statement 34 in fiscal year 2002.

**Sources:** Various City Departments.





**Mary Taylor, CPA**  
Auditor of State

**CITY OF TOLEDO**

**LUCAS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 14, 2007**