

**TOLEDO-LUCAS COUNTY PUBLIC LIBRARY  
LUCAS COUNTY**

**REGULAR AUDIT**

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



**Mary Taylor, CPA**  
Auditor of State



TOLEDO-LUCAS COUNTY PUBLIC LIBRARY  
LUCAS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	1

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Toledo-Lucas County Public Library  
Lucas County  
325 Michigan St.  
Toledo, Ohio 43604-6614

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Toledo-Lucas County Public Library, Lucas County, Ohio (the Library), as of and for the year ended December 31, 2006, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 25, 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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### **Compliance and Other Matters**

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

June 25, 2007

TOLEDO-LUCAS COUNTY  
PUBLIC LIBRARY, OHIO

Comprehensive Annual Financial Report

For the Year Ended  
December 31, 2006



**INTRODUCTORY  
SECTION**

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TOLEDO-LUCAS COUNTY  
PUBLIC LIBRARY, OHIO

Comprehensive Annual Financial Report

For the Year Ended  
December 31, 2006

Issued By:

Finance Office

Toledo-Lucas County Public Library  
 Comprehensive Annual Financial Report  
 For the Year Ended December 31, 2006  
 Table of Contents

INTRODUCTORY SECTION

Title Page ..... i  
 Table of Contents ..... ii  
 Letter of Transmittal ..... v  
 List of Principal Officials..... x  
 Organization Chart..... xi  
 Certificate of Achievement .....xii

FINANCIAL SECTION

Independent Accountants' Report..... 1

General Purpose External Financial Statements

Management Discussion and Analysis ..... 3

Basic Financial Statements

Government Wide Financial Statements

Statement of Net Assets ..... 9  
 Statement of Activities ..... 10

Fund Financial Statements

Balance Sheet - Governmental Funds ..... 11

Reconciliation of Total Governmental Fund Balance  
 to Net Assets of Governmental Activities ..... 12

Statement of Revenues, Expenditures, and Changes  
 in Fund Balance - Governmental Funds ..... 13

Reconciliation of Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to  
 Statement of Activities ..... 14

Statement of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual:  
 General Fund ..... 15

Table of Contents  
(continued)

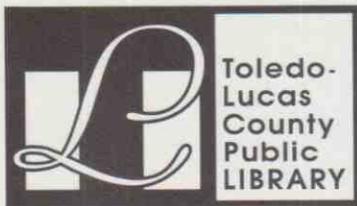
FINANCIAL SECTION (continued)

Statement of Fund Net Assets - Internal Service Funds .....	16
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds .....	17
Statement of Cash Flows - Internal Service Funds .....	18
Notes to the Basic Financial Statements.....	19
Combining Statements and Individual Fund Schedules.....	41
Combining Statements - Nonmajor Governmental Funds	
Fund Descriptions.....	43
Combining Balance Sheet - Nonmajor Governmental Funds .....	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds.....	49
Combining Statements - Proprietary Funds	
Fund Descriptions.....	55
Combining Statement of Fund Net Assets - Internal Service Funds.....	56
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds .....	57
Combining Statement of Cash Flows - Internal Service Funds.....	58
Individual Fund Schedules of Revenues, Expenditures/Expenses, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual .....	
Major Funds .....	60
Nonmajor Funds .....	63

Table of Contents  
(continued)

STATISTICAL SECTION

Descriptions .....	S-1
Net Assets - Last Four Years .....	S-3
Changes in Net Assets - Last Four Years .....	S-4
Fund Balances Governmental Funds - Last Four Years .....	S-5
Changes in Fund Balance - Governmental Funds - Last Four Years.....	S-6
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years .....	S-8
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Years .....	S-10
Real and Public Utility Property Tax Levies and Collections - Last Ten Years.....	S-14
Tangible Personal Property Tax Levies and Collections - Last Ten Years .....	S-16
Principal Taxpayers .....	S-18
Debt Ratios - Last Four Years.....	S-19
Demographic and Economic Statistics - Last Ten Years.....	S-21
Operating Indicators by Branch - Last Ten Years .....	S-22
Capital Assets Statistics - Last Ten Years .....	S-26



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June 25, 2007

To the Citizens of Toledo and Lucas County and  
To the Board of Library Trustees of the Toledo-Lucas County Public Library

We are pleased to present our thirteenth Comprehensive Annual Financial Report (CAFR) for the Toledo-Lucas County Public Library. This CAFR conforms to generally accepted accounting principles as applicable to governmental entities. This report, for the year ended December 31, 2006, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the Toledo-Lucas County Public Library (the "Library"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the Library, specifically the Finance Office. The Library has a framework of internal controls established to insure the accuracy of the presented data and the completeness and fairness of the presentation. Because of the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Auditor of State Mary Taylor's office has issued an unqualified opinion on the Toledo-Lucas County Public Library's basic financial statements for the year ended December 31, 2006. The Independent's Accountants' Report is located at the front of the financial section of this report.

### PROFILE OF THE LIBRARY

The origin of the Toledo-Lucas County Public Library began in 1838 when the Toledo Young Men's Association created "a lyceum and public library in Toledo". This organization later evolved into the Toledo Library Association that became the Toledo Public Library on April 18, 1873. The Toledo Public Library left its original leased quarters in 1888 and moved into a new library building at the corner of Madison and Ontario streets. In 1900, the open shelf system was adopted and four years later catalog cards replaced a printed catalog of the library's holdings.

In 1915, the Toledo Public Library laid the groundwork to become a multi-building system when the Toledo City Council accepted \$125,000 from Andrew Carnegie for the construction of five branch libraries in the city. The first two branches opened in 1917: Kent Branch and Locke Branch. Three more branches opened the following year: Jermain Branch, Mott Branch, and South Branch.

The Lucas County Library system was established in 1918. Its headquarters, on River Road in Maumee, was situated at the site of Dudley's Massacre in the War of 1812. That same year, the county library opened branches in Monclova, Sylvania, Waterville, and Whitehouse. During the next half century, the Lucas County Library system gained a national reputation for its advocacy of bookmobile service to supplement its stationary collections in schools and other public and private buildings. At its peak, the county library operated three bookmobiles.

For the next fifty years, the Toledo Public Library, the Lucas County Library and, following its independent establishment in 1925, the Sylvania Library continued to open additional branches and provide new services and resources as the county population information needs expanded.

The next major pioneering development came in 1970 when the three library systems in Lucas County merged into the current countywide Toledo-Lucas County Public Library. In the subsequent thirty-six years, the logic of that merger has been demonstrated repeatedly in improved service, increased usage, and more effective use of tax funds.

In 1995, the Library system adopted an enhanced computer-based technology to cope more successfully with the demands of the Information Age and to prepare for the forthcoming 21st century. The Library has applied computerization to its circulation system and its online public access catalog. It has also developed effective computerized links in statewide, national, and international networks with the objective of improving customer access to information. Public on-site access to the Internet was offered in 1996 and has expanded every year.

In the November 1995 general election, 73 percent of the Lucas County voters approved the Library's proposed capital projects. The \$38.6 million bond issue is funding the renovation and expansion of the Main Library and all of the system's eighteen branch libraries from 1996 through 2007. At the end of 2006, the Main Library addition and seventeen branch libraries' capital projects had been completed (Birmingham, Heatherdowns, Holland, Kent, Lagrange, Maumee, Mott, Oregon, Point Place, Reynolds Corners, Sanger, South, Sylvania, Toledo Heights, Washington, Waterville, and West Toledo). The last branch for renewal is Locke Branch. Spring Valley Architects is the architect for the branch, which is slated to open in the summer of 2007.

The Library provides the residents of Lucas County with an abundance and variety of excellent services. With a book collection of 2.4 million volumes, the Toledo-Lucas County Public Library has the fourth largest public library collection in the State. Its annual circulation of over 6.3 million includes not only best sellers but also materials on all topics imaginable. In addition to books, the Library has maps, newspapers, current and bound magazines, microfilm, large print materials, videocassettes, compact discs, audio cassettes, books-on-tape, sheet music, digital video discs, and access to the Internet. Electronic books were introduced in 2000.

The Main Library is located in downtown Toledo and offers in-depth collections and staff expertise in the following subject areas: Audio-Visual, Business Technology, Children, Humanities, Local History, Special collections and services, Grantsmanship Center to assist grants writers, Federal Documents Depository collection dating back to 1884, patents, a genealogical research collection, and a technology center which offers free public access to computers.

The Library's Outreach Services Department operates bookmobile services to nursing homes, retirement centers, and rural Lucas County residents. Outreach Services also provides library materials to correctional facilities, daycare providers, homebound, preschool, teens, and seniors.

In 2006, staff members responded to 611,156 reference questions from patrons that reached the Library in person, via phone, fax, or mail. The Library offers computerized database services, which provide access to hundreds of topics in all fields of knowledge. In addition, the Library's online catalog and other information resources are available through dial-in access.

All nineteen Library agencies offer children and adult programs to encourage reading and promote library services and materials.

### Mission

The stated mission of the Library is as follows:

The Toledo-Lucas County Public Library supports and enhances a better quality of life for all residents of Lucas County. This is achieved best by offering open and equitable access to information and services in a variety of formats and locations. The Library provides:

- Focused resources and services that meet the needs of young children, adults, and individual learners.
- Popular materials at levels proportional to demands.
- Reference services, including specialized resources and services for economic development and local history.

The Library, in fulfillment of this mission, is committed to sound resource management, to the continued advancement of the Library system, and to quality service for all users.

## LOCAL ECONOMY

The Library serves the entire County of Lucas and City of Toledo. This area has historically been a prime site for heavy manufacturing of steel, glass, rubber, and plastics, especially related to the automotive industry. As manufacturing has declined, the local economic development officers have nurtured small business start up and have attempted to attract high technology companies with modest success.

Toledo is home to a world-class museum of art, nationally acclaimed zoo, COSI, well-maintained metropolitan parks, an excellent university, and a medical school.

The population of the City of Toledo has declined during the past several decades, while the County's population has slowly increased. System-wide circulation remains on a generally upward trend, with the 2006 total of all items borrowed exceeding six million items for the eleventh consecutive year. Last year's total number of visitors to all Library locations reached nearly 3.7 million. The number of program attendees was over 112,480 in 2006. As an overall sign of a strong, effective Library system, the Toledo-Lucas County Public Library was ranked as the eighth best public library in the United States among the ninety libraries in its population category, according to the Hennen American Public Library Rating Index.

## LONG-TERM FINANCIAL PLANNING

Fund balance in the General Fund (3 percent of total General Fund revenues) falls within the policy guidelines set by the Board of Library Trustees for budgetary and planning purposes (i.e. between 1 and 3 percent of total General Fund revenues). This percentage will not change until the freeze is taken off the Library and Local Government Support Fund by the State legislators. At this point, the Library does not plan to raise the target percent of total General Fund revenues because we are finished with our capital project master plan.

The major revenue source for the Library is the Library and Local Government Support Fund (LLGSF), based on an earmarking of the State income tax. The LLGSF is dependent on the economy of the State and, thus, fluctuates widely. In 1992, the Ohio Legislature froze the LLGSF at the 1991 level and temporarily reduced the earmarked funds from 6.3 percent to 5.7 percent. Although the earmarking percentage was reduced, the State income tax revenue grew during those years, and therefore, a slight increase in actual dollars was seen in the LLGSF. In 1995, the Ohio legislature changed the temporary reduction into permanent law. Therefore, the increase of the LLGSF is due to the State income tax increase. More recently, LLGSF funding has followed the generally strong statewide economy for 1996 through 2000; however, beginning July 2001, the LLGSF faced a biennium budget freeze. In 2002, the Library faced a reduction of \$1.4 million to its operating budget because of Ohio's poor economy and lowered State income tax collection. Funding from the State of Ohio via the LLGSF plunged further in 2003 correlating to the ebb of the economy. Drastic reductions were made to the materials budget, supplies, building maintenance, technology upgrade and most other line items. The State's support in 2003 was equivalent to the 1999 level of \$18.4 million. While State funds remained frozen through 2004, the passage of the local one-mill four-year operating levy in November 2003 allowed the library to restore nearly all its budget line items. In 2006, State funds remained frozen at the 2001 funding level, which resulted in very cautious filling of staff vacancies and some reductions in the supplies and purchased services budget.

### RELEVANT FINANCIAL POLICIES

It is the Toledo-Lucas County Public Library's policy that "onetime" resource inflows (such as donations) not be used for general operating purposes. Accordingly, the Library allocates these resources to a purpose chosen by the donor, for example for computers or library materials.

### MAJOR INITIATIVES

The following are selected highlights of the Library's accomplishments in 2006:

Circulation - 6,373,394

Reference - 611,156

Registered borrowers - 299,941

Collection total - 2,378,612 books

**AUTHORS! AUTHORS!** - This popular series continued for a thirteenth year and included David Gergen, Khalid Housseini, Mercedes Lackey, Walter Mosely, Mike Sallah, Jeff Smith, and Mitch Weiss. The Blade remained a proud co-sponsor, as did the Friends of the Library, the Library Legacy Foundation, and various Library trust funds.

**OTHER LOCAL PARTNERSHIPS** - In 2006, the Library formed many partnerships with community businesses and organizations which benefited children and adults. The major cooperative efforts included the summer reading clubs and teen summer activities, funded by eighteen local sponsors. Another season of brown bag concerts pleased thousands of downtown noon timers thanks to nine financial sponsors.

#### Capital Projects

Locke Branch Library is the last of the capital projects. The new Locke Branch is scheduled to open in the summer of 2007.

## AWARDS AND ACKNOWLEDGEMENTS

### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Toledo-Lucas County Public Library for its Comprehensive Annual Financial Report for the year ended December 31, 2005. This was the twelfth consecutive Certificate of Achievement received by the Library.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such a report must also 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 our current report continues to conform to the Certificate of Achievement program requirements. Since this report was prepared with the stringent guidelines of the Certificate of Achievement program in mind, it will be submitted to GFOA to determine its eligibility for the Certificate of Achievement for 2006.

### Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance office. We wish to express our appreciation to all members of the office who assisted and contributed to the preparation of this report and their unfailing support for maintaining the highest standards of professionalism in the management of the Toledo-Lucas County Public Library's finances. Also, we would also like to express appreciation to Mary Taylor, Auditor of State, and to her Local Government Services staff for their assistance in preparing this report.



Clyde S. Scoles  
Director/Clerk-Treasurer



Roger A. Veitch  
Business Manager/Deputy Clerk-Treasurer

Toledo-Lucas County Public Library

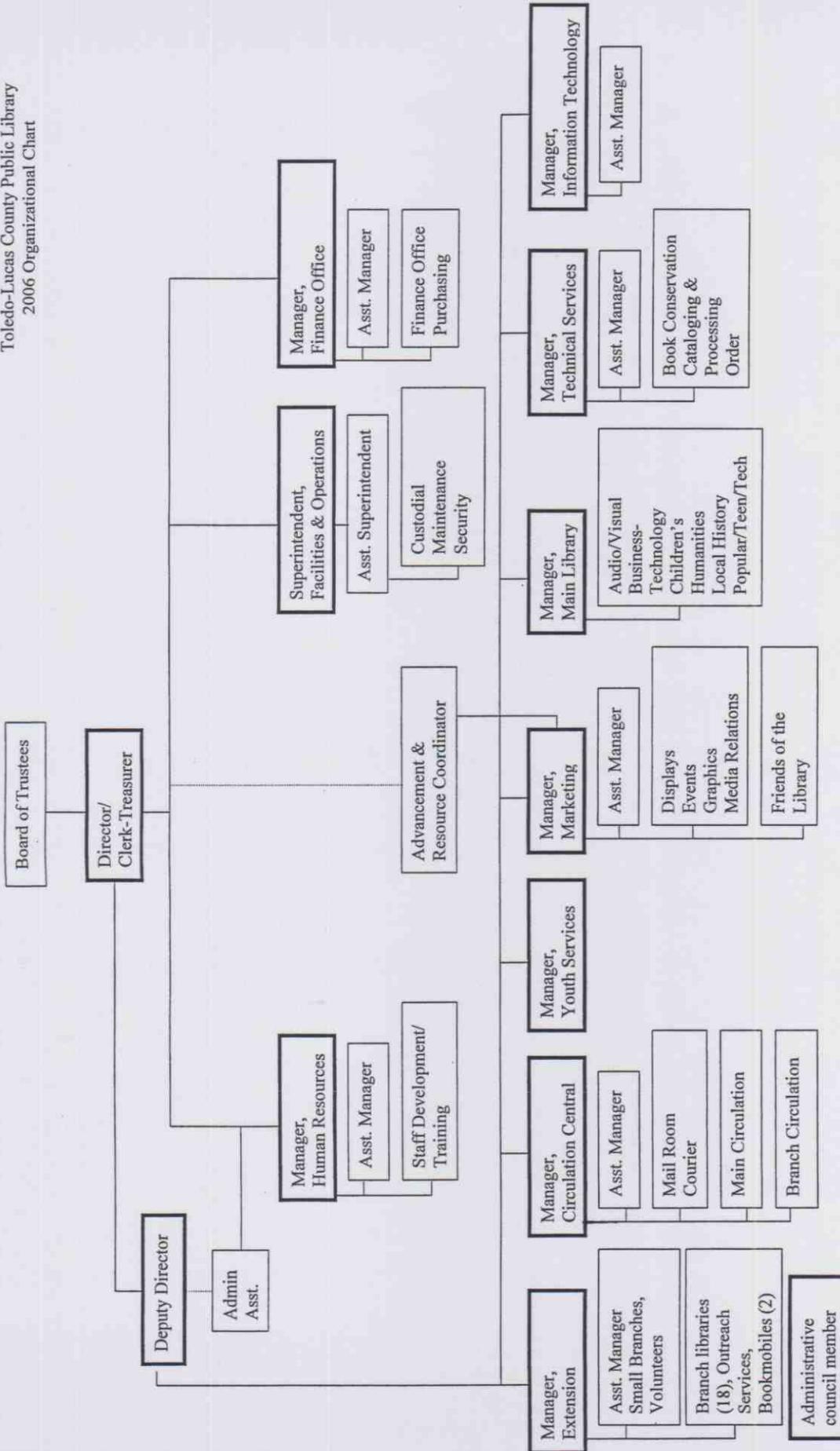
List of Principal Officials

Board of Trustees

President	A. Randy Clay
Vice President	George R. Tucker
Secretary	Susan M. Savage
Board Members	James E. A. Black II
	Dennis G. Johnson
	Joseph V. McNamara
	Steven T. Thomas

Appointed Officials

Director/Clerk-Treasurer	Clyde S. Scoles
Deputy Director	Margaret C. Danziger
Business Manager/ Deputy Clerk-Treasurer	Roger A. Veitch
Assistant Deputy Clerk-Treasurers	Linda S. Schramm
	Patty A. Pruss



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Toledo-Lucas County  
Public Library, 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

**FINANCIAL**

**SECTION**





# Mary Taylor, CPA

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## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Toledo-Lucas County Public Library  
Lucas County  
325 Michigan St.  
Toledo, Ohio 43604-6614

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Toledo-Lucas County Public Library, Lucas County, Ohio (the Library), as of and for the year ended December 31, 2006, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library'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 audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 financial statement presentation. We believe 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, each major fund, and the aggregate remaining fund information of the Toledo-Lucas County Public Library, Lucas County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund 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 our report dated June 25, 2007, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Library's basic financial statements. The introductory section, combining and individual nonmajor fund statements, individual fund schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and the individual fund schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 25, 2007

## **TOLEDO-LUCAS COUNTY PUBLIC LIBRARY**

Management's Discussion and Analysis

For the Year Ended December 31, 2006

Unaudited

The discussion and analysis of the Toledo-Lucas County Public Library's financial performance provides an overview of the Library's financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to look at the Library's financial performance as a whole.

### HIGHLIGHTS

Highlights for 2006 are as follows:

The Library completed the Video-Conferencing Technology Project at the Heatherdowns and Kent Branches.

Interior upgrades were completed at the Heatherdowns and Point Place Branches. Elevator upgrades were completed at Main Library.

Land has been purchased for the new Locke Branch Library. Brooks Contracting, Incorporated has been chosen as the general contractor. Work on the project has started and the expected opening date will be during the summer of 2007.

The Library received a grant from the Gates Foundation. This provided funding for additional computers at ten branches located in lower income areas.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Toledo-Lucas County Public Library's financial position.

The statement of net assets and the statement of activities provide information about the activities of the Library as a whole, presenting both an aggregate and a longer-term view of the Library.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the Library's most significant funds individually and the Library's non-major funds in a single column. The Library's major funds are the General Fund and the Building and Repair Fund.

### REPORTING THE LIBRARY AS A WHOLE

The statement of net assets and the statement of activities reflect how the Library did financially during 2006. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

## **TOLEDO-LUCAS COUNTY PUBLIC LIBRARY**

Management's Discussion and Analysis

For the Year Ended December 31, 2006

Unaudited

These statements report the Library's net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the Library as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the Library's property tax base and the condition of the Library's capital assets (land, buildings, equipment, etc.). These factors must be considered when assessing the overall health of the Library.

In the statement of net assets and the statement of activities, all of the Library's activities are presented as governmental activities. All of the Library's programs and services are reported here, including general public services, purchased and contracted services, and library materials and information. These services are primarily funded by property taxes and from intergovernmental revenues, including grants and other shared revenues.

### REPORTING THE LIBRARY'S MOST SIGNIFICANT FUNDS

Fund financial statements provide detailed information about the Library's major funds, the General Fund and the Building and Repair Fund. While the Library uses many funds to account for its financial transactions, these are the most significant.

**Governmental Funds** - The Library's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the Library's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Library's general government operations and the basic services being provided.

Because the focus of the 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 on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

**Proprietary Funds** - The Library's proprietary funds use the accrual basis of accounting. These funds consist of internal service funds for prescription and dental programs.

**TOLEDO-LUCAS COUNTY PUBLIC LIBRARY**

Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the Library's net assets for 2006 and 2005.

Table 1  
Net Assets

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
<u>Assets</u>		
Current and Other Assets	\$35,252,354	\$32,861,231
Capital Assets, Net	76,443,128	76,794,902
Total Assets	<u>111,695,482</u>	<u>109,656,133</u>
 <u>Liabilities</u>		
Current and Other Liabilities	15,524,360	16,959,237
Long-Term Liabilities	<u>2,077,524</u>	<u>2,029,092</u>
Total Liabilities	<u>17,601,884</u>	<u>18,988,329</u>
 <u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	76,391,897	75,106,999
Restricted	608,634	941,979
Unrestricted	<u>17,093,067</u>	<u>14,618,826</u>
Total Net Assets	<u>\$94,093,598</u>	<u>\$90,667,804</u>

The overall increase in the Library's net assets was just under 4 percent, not a significant change; however, the above table reveals several items which merit discussion. There was a \$2.4 million increase in current and other assets which can be attributed to three primary sources. Cash and cash equivalents increased due, in part, to a 2 percent increase in revenues and a 7 percent decrease in expenses in 2006; therefore, more resources were still available in Library funds at year end. Amounts due from other governments increased from the prior year. This is the result of the State's phase out of tangible personal property taxes and the fact that during the phase-out period, governments will be held harmless for this elimination. In doing so, these amounts will be reimbursed from the State for a period of years. In addition, the Library had an increase in property taxes receivable, the result of greater property tax delinquencies and a tax lien sale conducted by Lucas County. The combination of these factors contributed to the increase reflected in unrestricted net assets.

The decrease in current and other liabilities is largely due to the retirement of a \$1.64 million revenue anticipation note. This reduction also resulted in an increase in invested in capital assets.

Finally, restricted net assets decreased from spending resources restricted for the video-conferencing project and from spending Library Legacy Foundation monies for the acquisition of land for the new Locke Branch Library.

**TOLEDO-LUCAS COUNTY PUBLIC LIBRARY**

Management's Discussion and Analysis

For the Year Ended December 31, 2006

Unaudited

Table 2 reflects the change in net assets for 2006 and 2005.

Table 2  
Change in Net Assets

	Governmental Activities	
	2006	2005
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$814,533	\$871,678
Operating Grants, Contributions, and Interest	100,120	13,408
Capital Grants and Contributions	0	147,099
Total Program Revenues	914,653	1,032,185
General Revenues		
Property Taxes Levied for General Purposes	13,508,739	11,880,772
Property Taxes Levied for Library Construction	711,866	3,463,189
Property Taxes Levied for Building and Repair	569,332	0
Grants and Entitlements	20,992,306	19,553,651
Interest	491,228	261,328
Gifts and Donations	115,890	104,250
Miscellaneous	366,870	616,549
Total General Revenues	36,756,231	35,879,739
Total Revenues	37,670,884	36,911,924
<u>Expenses</u>		
Public Services		
General Public Services	23,462,115	22,648,900
Purchased and Contracted Services	5,908,558	6,627,638
Library Materials and Information	4,042,157	3,643,535
Intergovernmental	797,023	3,839,954
Interest and Fiscal Charges	35,237	62,768
Total Expenses	34,245,090	36,822,795
Increase in Net Assets	3,425,794	89,129
Net Assets Beginning of Year	90,667,804	90,578,675
Net Assets End of Year	\$94,093,598	\$90,667,804

There was a 2 percent increase in total revenues from the prior year, most of which can be attributed to the increase in unrestricted grants and entitlements as other revenue sources were mixed with increases and decreases. Note, however, that general revenues continue to provided for over 97 percent of the Library's revenue sources (primarily property taxes and Library and Local Government Support Fund monies). With almost 56 percent of all revenues provided by the State, it can be seen how any decreases in this funding source has a substantial impact on the services the Library can provide.

**TOLEDO-LUCAS COUNTY PUBLIC LIBRARY**

Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

Although not a significant decrease (7 percent), expenses were lower than 2005. Over 97 percent of all expenses are used directly for services to the public. The intergovernmental expense represents payments to Lucas County for the payment of general obligation bonds the County has issued on the Library's behalf. The last payment on these bonds was made in 2006.

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2006	2005	2006	2005
Public Services				
General Public Services	\$23,462,115	\$22,648,900	\$22,644,493	\$21,775,198
Purchased and Contracted Services	5,908,558	6,627,638	5,908,558	6,627,638
Library Materials and Information	4,042,157	3,643,535	3,945,126	3,485,052
Intergovernmental	797,023	3,839,954	797,023	3,839,954
Interest and Fiscal Charges	35,237	62,768	35,237	62,768
Total Expenses	<u>\$34,245,090</u>	<u>\$36,822,795</u>	<u>\$33,330,437</u>	<u>\$35,790,610</u>

Over 97 percent of the total costs of Library operations are derived from general revenues, and as stated previously, this consists of property taxes and State funding through Local Government Support.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The Library's major governmental funds are the General Fund and the Building and Repair capital projects fund. A review of these funds reflects an increase in fund balance in the General Fund of \$168,613 (4 percent) and not a significant change. The 29 percent increase in fund balance in the Building and Repair fund is the result of two factors. First, the Library received property taxes from its building levy that in previous years were placed in a fund for eventual distribution to Lucas County for payment on the general obligation bonds the County issued on the Library's behalf. Those bonds were fully retired in 2006 and that fund eliminated. However, based on a ruling by the Common Pleas Court, the Library was entitled to the remainder of the levy proceeds, which were placed in a fund for future maintenance of the Library's buildings. Second, this fund received transfers from the General Fund, \$300,000 more than in the prior year, for future construction costs of the Locke Branch.

BUDGETARY HIGHLIGHTS

The Library prepares an annual budget of revenues and expenditures/expenses for all funds of the Library for use by Library officials and department heads. The Library's most significant budgeted fund is the General Fund. For both revenues and expenditures, there were no significant changes from original to final budget amounts or from the final budget to actual amounts received or spent.

## **TOLEDO-LUCAS COUNTY PUBLIC LIBRARY**

Management's Discussion and Analysis

For the Year Ended December 31, 2006

Unaudited

### CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Library's investment in capital assets as of December 31, 2006, was \$76,391,897 (net of accumulated depreciation and related debt). While the overall change in net capital assets from the prior year was not that significant, less than 1 percent, there were several additions of note.

The Library completed several upgrade projects including the Heatherdowns and Point Place Branches, as well as the completion of the video conferencing project. In addition, land was acquired for the Locke Branch construction. For additional details regarding the Library's capital assets, refer to Note 7 to the basic financial statements.

Debt - During 2006, the Library fully retired the revenue anticipation note. At December 31, 2006, the Library's long-term obligations consisted of compensated absences and capital leases. For further information regarding the Library's long-term obligations, refer to Notes 14 and 15 to the basic financial statements.

### CURRENT ISSUES

Funding from the State of Ohio for the Library and Local Government Support Fund has been flat since 2001. The Library cut supplies, purchased and contracted services, and technology upgrades during 2006.

The Library has continued the ten-year building and improvement program started in 1996. Locke Branch Library is the last project of the ten-year building and improvement program. The Library has purchased land and construction has begun on the new Locke Branch Library. The expected completion date is during the summer of 2007.

### REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Library's finances for all those interested in the Library's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Clyde S. Scoles, Director/Clerk-Treasurer or Roger Veitch, Business Manager/Deputy Clerk-Treasurer, 325 Michigan Street, Toledo, Ohio 43604.

Toledo-Lucas County Public Library  
Statement of Net Assets  
December 31, 2006

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$8,958,055
Cash and Cash Equivalents with Escrow Agent	98,859
Accounts Receivable	35,643
Accrued Interest Receivable	23,919
Due from Other Governments	10,767,950
Prepaid Items	647,613
Materials and Supplies Inventory	72,329
Property Taxes Receivable	14,647,986
Nondepreciable Capital Assets	8,333,662
Depreciable Capital Assets, Net	68,109,466
Total Assets	111,695,482
<u>Liabilities</u>	
Accrued Wages Payable	585,795
Accounts Payable	528,165
Contracts Payable	200,844
Due to Other Governments	557,818
Claims Payable	82,217
Retainage Payable	115,590
Deferred Revenue	13,453,931
Long-Term Liabilities	
Due Within One Year	744,928
Due in More Than One Year	1,332,596
Total Liabilities	17,601,884
<u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	76,391,897
Restricted for	
Capital Projects	52,066
Other Purposes	276,091
Library Materials	
Expendable	150,887
Nonexpendable	129,590
Unrestricted	17,093,067
Total Net Assets	\$94,093,598

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library  
Statement of Activities  
For the Year Ended December 31, 2006

	Program Revenues		Net (Expense) Revenue and Change in Net Assets
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest
			Total
<u>Governmental Activities</u>			
Public Services			
General Public Services	\$23,462,115	\$814,533	\$3,089
Purchased and Contracted Services	5,908,558	0	0
Library Materials and Information	4,042,157	0	97,031
Intergovernmental	797,023	0	0
Interest and Fiscal Charges	35,237	0	0
	<u>\$34,245,090</u>	<u>\$814,533</u>	<u>\$100,120</u>
Total			(33,330,437)

General Revenues

Property Taxes Levied for General Purposes	13,508,739
Property Taxes Levied for Library Construction	711,866
Property Taxes Levied for Building and Repair	569,332
Grants and Entitlements not Restricted to Specific Programs	20,992,306
Interest	491,228
Gifts and Donations	115,890
Miscellaneous	366,870
	<u>36,756,231</u>
Total General Revenues	36,756,231
Change in Net Assets	3,425,794
Net Assets Beginning of Year	90,667,804
Net Assets End of Year	<u>\$94,093,598</u>

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library  
Balance Sheet  
Governmental Funds  
December 31, 2006

	General	Building and Repair	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$3,824,919	\$4,004,710	\$574,923	\$8,404,552
Accounts Receivable	5,643	0	30,000	35,643
Accrued Interest Receivable	3,052	17,156	3,711	23,919
Due from Other Governments	10,767,950	0	0	10,767,950
Restricted Assets				
Cash and Cash Equivalents with Escrow Agent	0	98,859	0	98,859
Prepaid Items	647,613	0	0	647,613
Materials and Supplies Inventory	72,329	0	0	72,329
Property Taxes Receivable	14,647,986	0	0	14,647,986
<b>Total Assets</b>	<b>\$29,969,492</b>	<b>\$4,120,725</b>	<b>\$608,634</b>	<b>\$34,698,851</b>
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accrued Wages Payable	\$585,795	\$0	\$0	\$585,795
Accounts Payable	512,716	15,449	0	528,165
Contracts Payable	0	200,844	0	200,844
Due to Other Governments	557,818	0	0	557,818
Retainage Payable	0	16,731	0	16,731
Liabilities Payable from Restricted Assets				
Retainage Payable	0	98,859	0	98,859
Deferred Revenue	24,033,489	17,156	1,408	24,052,053
<b>Total Liabilities</b>	<b>25,689,818</b>	<b>349,039</b>	<b>1,408</b>	<b>26,040,265</b>
<u>Fund Balance</u>				
Reserved for Encumbrances	1,688,550	802,094	3,815	2,494,459
Reserved for Principal	0	0	129,590	129,590
Unreserved, Designated for Scholarships	171,144	0	0	171,144
Unreserved, Undesignated Reported in				
General Fund	2,419,980	0	0	2,419,980
Special Revenue Funds	0	0	274,895	274,895
Capital Projects Funds	0	2,969,592	52,066	3,021,658
Permanent Funds	0	0	146,860	146,860
<b>Total Fund Balance</b>	<b>4,279,674</b>	<b>3,771,686</b>	<b>607,226</b>	<b>8,658,586</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$29,969,492</b>	<b>\$4,120,725</b>	<b>\$608,634</b>	<b>\$34,698,851</b>

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library  
 Reconciliation of Total Governmental Fund Balance  
 to Net Assets of Governmental Activities  
 December 31, 2006

Total Governmental Fund Balance		\$8,658,586
Amounts reported for governmental activities on the statement of net assets are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		76,443,128
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Accounts Receivable	138	
Accrued Interest Receivable	20,148	
Due from Other Governments	9,383,781	
Property Taxes Receivable	<u>1,194,055</u>	
		10,598,122
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated Absences Payable	(2,026,293)	
Capital Leases Payable	<u>(51,231)</u>	
		(2,077,524)
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net assets.		<u>471,286</u>
Net Assets of Governmental Activities		<u><u>\$94,093,598</u></u>

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library  
Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Governmental Funds  
For the Year Ended December 31, 2006

	General	Building and Repair	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$12,881,108	\$569,332	\$797,023	\$14,247,463
Intergovernmental	18,576,241	0	1,804,894	20,381,135
Patron Fines and Fees	813,154	0	0	813,154
Interest	326,404	144,237	27,393	498,034
Services Provided to Others	1,291	0	0	1,291
Gifts and Donations	14,951	0	175,939	190,890
Miscellaneous	366,870	0	2,130	369,000
<b>Total Revenues</b>	<b>32,980,019</b>	<b>713,569</b>	<b>2,807,379</b>	<b>36,500,967</b>
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	21,665,067	0	3,058	21,668,125
Purchased and Contracted Services	4,880,082	120,465	18,045	5,018,592
Library Materials and Information	4,036,438	0	5,719	4,042,157
Intergovernmental	0	0	797,023	797,023
Capital Outlay	828,462	1,134,777	427,099	2,390,338
Debt Service				
Principal Retirement	9,339	0	0	9,339
Interest and Fiscal Charges	4,685	0	30,552	35,237
<b>Total Expenditures</b>	<b>31,424,073</b>	<b>1,255,242</b>	<b>1,281,496</b>	<b>33,960,811</b>
Excess of Revenues Over (Under) Expenditures	1,555,946	(541,673)	1,525,883	2,540,156
<u>Other Financing Sources (Uses)</u>				
Inception of Capital Lease	12,667	0	0	12,667
Transfers In	0	1,400,000	0	1,400,000
Transfers Out	(1,400,000)	0	0	(1,400,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,387,333)</b>	<b>1,400,000</b>	<b>0</b>	<b>12,667</b>
Changes in Fund Balance	168,613	858,327	1,525,883	2,552,823
Fund Balance (Deficit) Beginning of Year	4,111,061	2,913,359	(918,657)	6,105,763
Fund Balance End of Year	<u>\$4,279,674</u>	<u>\$3,771,686</u>	<u>\$607,226</u>	<u>\$8,658,586</u>

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library  
 Reconciliation of Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 of Governmental Funds to Statement of Activities  
 For the Year Ended December 31, 2006

Changes in Fund Balance - Total Governmental Funds \$2,552,823

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

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current year.

Capital Outlay - Nondepreciable Capital Assets	1,403,383	
Capital Outlay - Depreciable Capital Assets	96,989	
Depreciation	<u>(1,844,058)</u>	(343,686)

The book value of capital assets is removed from the capital asset account on the statement of net assets when disposed of resulting in a loss on disposal of capital assets on the statement of activities. (8,088)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Property Taxes	542,474	
Intergovernmental	611,171	
Patron Fines and Fees	88	
Interest	<u>16,184</u>	1,169,917

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net assets. 9,339

The inception of a capital lease is reported as an other financing source in governmental funds but increases long-term liabilities on the statement of net assets. (12,667)

Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (45,104)

Internal service funds used by management to charge the cost of insurance to individual funds are not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year. 103,260

Change in Net Assets of Governmental Activities \$3,425,794

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library  
Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
General Fund  
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$12,425,000	\$12,425,000	\$12,881,108	\$456,108
Intergovernmental	19,979,623	19,979,623	20,253,933	274,310
Patron Fines and Fees	806,000	806,000	813,092	7,092
Interest	155,262	212,300	324,492	112,192
Services Provided to Others	71,595	71,595	1,368	(70,227)
Gifts and Donations	14,000	14,000	14,951	951
Miscellaneous	461,000	461,000	377,006	(83,994)
<b>Total Revenues</b>	<b>33,912,480</b>	<b>33,969,518</b>	<b>34,665,950</b>	<b>696,432</b>
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	22,626,477	21,743,341	21,672,117	71,224
Purchased and Contracted Services	6,262,561	5,643,525	5,437,640	205,885
Library Materials and Information	5,651,391	5,409,941	5,327,296	82,645
Capital Outlay	1,366,697	1,441,759	1,411,046	30,713
Debt Service				
Principal Retirement	1,086,000	1,640,000	1,640,000	0
Interest and Fiscal Charges	37,000	37,795	37,795	0
<b>Total Expenditures</b>	<b>37,030,126</b>	<b>35,916,361</b>	<b>35,525,894</b>	<b>390,467</b>
Excess of Revenues Under Expenditures	(3,117,646)	(1,946,843)	(859,944)	1,086,899
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	285,181	0	0	0
Advances In	20,000	20,000	20,000	0
Advances Out	(10,000)	(10,000)	0	10,000
Transfers Out	0	(1,400,000)	(1,400,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>295,181</b>	<b>(1,390,000)</b>	<b>(1,380,000)</b>	<b>10,000</b>
Changes in Fund Balance	(2,822,465)	(3,336,843)	(2,239,944)	1,096,899
Fund Balance Beginning of Year	1,604,973	1,604,973	1,604,973	0
Prior Year Encumbrances Appropriated	2,312,926	2,312,926	2,312,926	0
<b>Fund Balance End of Year</b>	<b>\$1,095,434</b>	<b>\$581,056</b>	<b>\$1,677,955</b>	<b>\$1,096,899</b>

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library  
Statement of Fund Net Assets  
Internal Service Funds  
December 31, 2006

<u>Current Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$553,503
<u>Current Liabilities</u>	
Claims Payable	<u>82,217</u>
<u>Net Assets</u>	
Unrestricted	<u>\$471,286</u>

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library  
Statement of Revenues, Expenses,  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2006

<u>Operating Revenues</u>	
Charges for Services	<u>\$648,967</u>
<u>Operating Expenses</u>	
Purchased and Contracted Services	20,673
Claims	<u>525,034</u>
Total Operating Expenses	<u>545,707</u>
Net Income	103,260
Net Assets Beginning of Year	<u>368,026</u>
Net Assets End of Year	<u><u>\$471,286</u></u>
See Accompanying Notes to the Basic Financial Statements	

Toledo-Lucas County Public Library  
Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2006

Increase (Decrease) in Cash and Cash Equivalents

<u>Cash Flows from Operating Activities</u>	
Cash Received from Other Funds	\$648,967
Cash Payments for Purchased and Contracted Services	(20,673)
Cash Payments for Claims	<u>(516,043)</u>
Net Cash Provided by Operating Activities	112,251
Cash and Cash Equivalents Beginning of Year	<u>441,252</u>
Cash and Cash Equivalents End of Year	<u><u>\$553,503</u></u>

Reconciliation of Net Income to Net  
Cash Provided by Operating Activities

Net Income	\$103,260
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Adjustments to Reconcile Net Income to Net  
Cash Provided by Operating Activities

Increase in Claims Payable	<u>8,991</u>
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Net Cash Provided by Operating Activities	<u><u>\$112,251</u></u>
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See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE 1 - REPORTING ENTITY**

The Library was founded in 1873 as the Toledo Public Library. In 1918, the Lucas County Library system was established and in 1925, the Sylvania Library was established. The three library systems were merged into the current county-wide Toledo-Lucas County Public Library (Library) in 1970. Currently, there is a main branch located in downtown Toledo and eighteen branches which are located throughout Lucas County.

The Board of Library Trustees has seven members: three appointed by the Common Pleas Court Judges and four appointed by the Lucas County Commissioners. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued; contracting; acquiring, holding, processing, and disposing of real and personal property; and exercising such powers and privileges as are conferred upon it by law. The Library also determines and operates under its own budget. The control and management of the Library is governed by Sections 3375.22 to 3375.27 of the Ohio Revised Code. The Board of Library Trustees appoints a Director/Clerk-Treasurer, Deputy Director, Business Manager/Deputy Clerk-Treasurer, and two Assistant Deputy Clerk-Treasurers.

There is no potential for the Library to provide a financial benefit to or to impose a financial burden on the County Commissioners, nor can the County Commissioners significantly influence the programs, activities, or level of service performed or provided by the Library. The Library is fiscally independent of the County, although the County Commissioners serve in a ministerial capacity as the taxing authority. The determination to request approval of a tax, the rate, and the purpose(s) of the levy are discretionary decisions made solely by the Board of Library Trustees. Once these decisions are made, the County Commissioners must place the levy on the ballot.

Under the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity", the Library is considered a related organization to Lucas County.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library approves the budget, the issuance of debt, or the levying of taxes. There were no component units of the Toledo-Lucas County Public Library in 2006.

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Toledo-Lucas County Public Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Library also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service funds provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the Library's accounting policies.

**A. Basis of Presentation**

The Library's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Library as a whole. These statements include the financial activities of the primary government. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the Library at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, contributions, and interest that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Library.

**Fund Financial Statements**

During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the proprietary fund financial statements.

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. Fund Accounting**

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Library are reported in two categories, governmental and proprietary.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the Library are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Library's major governmental funds:

**General Fund** - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Building and Repair Fund** - The Building and Repair Fund is used to account for transfers from the General Fund to acquire or construct equipment and buildings.

The other governmental funds of the Library account for grants and other resources whose use is restricted for a particular purpose.

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows.

**Internal Service Funds** - Internal service funds are used to account for the Library's self insurance programs for prescription and dental claims.

**C. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Library are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the internal service funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of revenues, expenses, and changes in fund net assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The statement of cash flows reflects how the Library finances and meets the cash flow needs of its internal service funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the internal service funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Library, available means expected to be received within thirty-one days after year end.

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Library must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: grants, patron fines and fees, interest, and services provided to others.

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim at December 31, 2006, but were levied to finance 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

The budgetary documents prepared by the Library include the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Board of Library Trustees may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The level of control has been established by the Board at the object level for all funds, except for the Bond Construction capital projects fund. This fund is not budgeted by the Board of Library Trustees.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the fiscal officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**F. Cash and Investments**

To improve cash management, cash received by the Library is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Library records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held separately for the Library by escrow agents for payment of retainage to contractors upon project completion are recorded as "Cash and Cash Equivalents with Escrow Agent".

During 2006, the Library invested in nonnegotiable certificates of deposit, federal agency securities, and U.S. Treasury Notes. Investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. Fair value is based on quoted market prices.

Following Ohio statutes, the Board of Library Trustees has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2006 was \$326,404 which includes \$26,822 assigned from other Library funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**G. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Resources set aside in separate escrow accounts whose use is limited to the payment of retainage to contractors are reported as restricted.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**I. Inventory**

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption.

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**J. Capital Assets**

All of the Library's capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities and generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The Library maintains a capitalization threshold of five thousand dollars, except for building improvements which have a capitalization threshold of one hundred thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Lives</u>
Buildings and Improvements	30-100 years
Improvements Other Than Buildings	15 years
Furniture Fixtures, and Equipment	10-20 years
Vehicles	10-13 years

**K. Library Books**

Library books and materials are reflected as expenses when purchased and are not capitalized as assets of the Library.

**L. Compensated Absences**

Library employees are represented by two unions, Association of Public Library Employees (Aple) and Communication Workers of America (CWA). Aple covers all librarians and CWA covers custodians, clerks, and clerical employees. All other employees are classified as exempt.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the Library will compensate the employees for the benefits through paid time off or some other means. The Library records a liability for accumulated unused vacation time when earned for all employees.

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Library has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the Library's termination policy. The Library records a liability for accumulated unused sick leave after the number of years as follows:

Aple	5 years on staff
CWA	8 years on staff
Exempt	12 years on staff

**M. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the internal service funds are reported on the internal service fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Capital leases are recognized as liabilities on the fund financial statements when due.

**N. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily consist of donations restricted for various library services or materials. As of December 31, 2006, the Library did not have any net assets restricted by enabling legislation.

The Library's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**O. Fund Balance Reserves and Designations**

The Library reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Fund balance designations are established to indicate tentative plans for financial utilization in future periods. Unreserved, undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and principal. The reserve for principal signifies a legal restriction on the use of monies as specified in the will or trust. In the General Fund, the Board has designated a portion of fund balance for scholarships.

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**P. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the internal service funds. For the Library, these revenues are charges for services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

**Q. Interfund Transactions**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**R. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING** (continued)

Adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the General Fund are as follows:

Changes in Fund Balance	
GAAP Basis	\$168,613
<b><u>Increase (Decrease) Due To</u></b>	
Revenue Accruals:	
Accrued 2005, Received in Cash 2006	1,400,417
Accrued 2006, Not Yet Received in Cash	(1,391,142)
Expenditure Accruals:	
Accrued 2005, Paid in Cash 2006	(1,992,055)
Accrued 2006, Not Yet Paid in Cash	1,656,329
Cash Adjustments:	
Unrecorded Activity 2005	188
Unrecorded Activity 2006	(1,327)
Prepaid Items	47,675
Materials and Supplies Inventory	(3,005)
Note Principal Retirement	(1,640,000)
Note Interest	(37,795)
Reallocation of Revenue for Debt	1,677,795
Advances In	20,000
Encumbrances Outstanding at Year End (Budget Basis)	<u>(2,145,637)</u>
Budget Basis	<u>(\$2,239,944)</u>

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the Library into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Library treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

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**NOTE 4 - DEPOSITS AND INVESTMENTS** (continued)

Inactive deposits are public deposits the Board of Library Trustees has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the fiscal officer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

**NOTE 4 - DEPOSITS AND INVESTMENTS** (continued)

The Library may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio; and,
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State as to which there is no default of principal, interest, or coupons.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the fiscal officer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$7,280,978 of the Library's bank balance of \$8,325,082 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Library to a successful claim by the FDIC.

The Library has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Library or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

As of December 31, 2006, the Library had the following investments:

	Fair Value	Maturity
Federal Home Loan Bank Notes	\$168,353	10/26/07
Federal National Mortgage Association Notes	194,208	7/18/08
Federal National Mortgage Association Notes	99,531	12/18/09
U.S. Treasury Notes	168,858	6/30/07
U.S. Treasury Notes	156,976	10/31/07
U.S. Treasury Notes	119,489	3/31/08
U.S. Treasury Notes	79,356	11/15/08
	\$986,771	

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

**NOTE 4 - DEPOSITS AND INVESTMENTS** (continued)

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The investment policy restricts the fiscal officer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the Library.

The Federal Home Loan Bank Notes and Federal National Mortgage Association Notes carry a rating of AAA by Moody's. The Library has no investment policy dealing with investment credit risk beyond the requirements of State statute.

The Library's investment policy states that, with the exception of U.S. Treasury securities or authorized pools, the Library may not invest more than 60 percent of its portfolio in any one security type or with a single financial institution. The Library may not invest more than 90 percent of its portfolio in STAR Ohio (an investment pool managed by the State Treasurer's Office) or more than 10 percent of its portfolio in repurchase agreements. For investment purposes, the Library also considers certificates of deposit and savings accounts as part of its portfolio to determine these percentages.

The following table indicates the percentage of each investment to the Library's total portfolio.

	Fair Value	Percentage of Portfolio
Federal Home Loan Bank Notes	\$168,353	17.06%
Federal National Mortgage Association Notes	293,739	29.77
U.S. Treasury Notes	524,679	53.17

**NOTE 5 - RECEIVABLES**

Receivables at December 31, 2006, consisted of accounts (photocopies, facsimiles, and fines), accrued interest, amounts due from other governments, and property taxes. All receivables are considered collectible in full and within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	
Library Local Government Support	\$10,075,183
Homestead and Rollback	569,707
State of Ohio	123,060
Total General Fund	\$10,767,950

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located within the Library district. Real property tax revenues received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2004, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent for inventory. The tangible personal property tax is being phased out. The assessment percentage for all property, including inventory, for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the Toledo-Lucas County Public Library. The County Auditor periodically remits to the Library its portion of the taxes collected.

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of December 31, 2006, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while the remainder has been deferred.

The full tax rate for all Library operations for the year ended December 31, 2006, was \$2.00 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Category	Amount
Real Property	\$7,726,011,000
Public Utility Personal Property	273,048,000
Tangible Personal Property	680,480,000
Total Assessed Value	\$8,679,539,000

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2006, was as follows:

	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$6,970,338	\$165,563	\$0	\$7,135,901
Construction in Progress	618,906	1,403,383	(824,528)	1,197,761
Total Nondepreciable Capital Assets	<u>7,589,244</u>	<u>1,568,946</u>	<u>(824,528)</u>	<u>8,333,662</u>
Depreciable Capital Assets				
Buildings and Improvements	75,407,786	653,673	0	76,061,459
Improvements Other Than Buildings	395,170	0	0	395,170
Furniture, Fixtures, and Equipment	3,240,051	76,688	0	3,316,739
Vehicles	346,018	25,593	(8,439)	363,172
Total Depreciable Capital Assets	<u>79,389,025</u>	<u>755,954</u>	<u>(8,439)</u>	<u>80,136,540</u>
Less Accumulated Depreciation for				
Buildings and Improvements	(8,640,257)	(1,590,945)	0	(10,231,202)
Improvements Other Than Buildings	(244,786)	(21,748)	0	(266,534)
Furniture, Fixtures, and Equipment	(1,254,656)	(202,863)	0	(1,457,519)
Vehicles	(43,668)	(28,502)	351	(71,819)
Total Accumulated Depreciation	<u>(10,183,367)</u>	<u>(1,844,058)</u>	<u>351</u>	<u>(12,027,074)</u>
Total Depreciable Capital Assets, Net	<u>69,205,658</u>	<u>(1,088,104)</u>	<u>(8,088)</u>	<u>68,109,466</u>
Governmental Activities Capital Assets, Net	<u>\$76,794,902</u>	<u>\$480,842</u>	<u>(\$832,616)</u>	<u>\$76,443,128</u>

Depreciation expense was charged to general public services.

**NOTE 8 - RISK MANAGEMENT**

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 2006, the Library contracted for the following insurance coverage.

Coverage	Limits	Deductible Amounts
Property	\$127,420,573	\$1,000
General Liability	2,000,000 Aggregate 1,000,000 Each Occurrence	1,000
Employee Benefits	2,000,000 Aggregate 1,000,000 Each Employee	1,000

(continued)

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

**NOTE 8 - RISK MANAGEMENT** (continued)

Coverage	Limits	Deductible Amounts
Auto	\$1,000,000	\$500 Comprehensive 500 Collision
Umbrella	5,000,000	0
Earthquake/Flood	10,000,000	25,000
Directors and Officers	2,000,000	5,000
Special Library Form	80,029,612	2,500
Electronic Equipment	3,120,670	2,500
Fine Arts	1,228,036	2,500

There has been no significant reduction in insurance coverage from 2005, and no insurance settlement has exceeded insurance coverage during the last three years.

The Library pays the State of Ohio Bureau of Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

In 2006, the Library provided prescription and dental benefits through self insured programs. The Library established a Prescription Fund and Dental Fund (internal service funds) to account for and finance these employee benefits. The Prescription Fund provides for unlimited verified coverage and the Dental Fund provides up to \$1,200 of coverage, per person, per year. The Library has commercial insurance for claims in excess of verified coverage provided by the funds.

All funds of the Library participate in the prescription and dental program and made payments to the respective funds based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Claims payable is based on the requirements of Governmental Accounting Standards Board Statement No. 30, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to 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 can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Claims payable at December 31, 2006, was estimated by the third party administrators at \$82,217.

The changes in the claims liability for the past two years were as follows:

Year	Beginning Balance	Current-Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2006	\$73,226	\$525,034	\$516,043	\$82,217
2005	54,994	507,877	489,645	73,226

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

**NOTE 9 - SIGNIFICANT CONTRACTUAL COMMITMENTS**

The Library has several outstanding contracts for professional services and construction. The following amounts remained on these contracts as of December 31, 2006:

Vendor	Contract Amount	Amount Paid as of December 31, 2006	Outstanding Balance
Bayes, Inc	\$142,200	\$11,000	\$131,200
Brooks Contracting, Inc	1,443,644	672,187	771,457
Comte Construction, Inc	229,739	59,535	170,204
Noron, Inc	136,877	59,850	77,027
Spring Valley Architects, Inc	137,000	124,234	12,766

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

The Library participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

For the year ended December 31, 2006, members of all three plans were required to contribute 9 percent of their annual covered salary to fund pension obligations. The Library's contribution rate for pension benefits for 2006 was 9.2 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Library's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 was \$2,604,265, \$2,623,134, and \$2,223,358, respectively; 81 percent has been contributed for 2006 and 100 percent has been contributed for 2005 and 2004. Contributions to the member-directed plan for 2006 were \$36,891 made by the Library and \$24,235 made by plan members.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 employer contribution rate was 13.7 percent of covered payroll; 4.5 percent was the portion used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase .5 to 6 percent annually for the next nine years and 4 percent annually after nine years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits was \$677,638. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2005 (the latest information available), was \$11.1 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

In September 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

**NOTE 12 - COMPENSATED ABSENCES**

The criteria for determining the vacation and sick leave liability are derived from negotiated agreements and State laws. Employees are categorized by union as either Aple or CWA, or they are exempt (do not belong to a union).

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

**NOTE 12 - COMPENSATED ABSENCES** (continued)

Vacation and sick leave earned and accumulated depends upon length of service. The maximum hours by category of employee is listed below:

Employee Type	Maximum Vacation Earned per Year	Maximum Sick Earned per Year	Maximum Vacation Accumulation
Aple	182	104	212
CWA	182	104	205
Exempt	182	104	212

Years of Service	Maximum Sick Hours Accumulation			Percentage Sick Leave Paid
	Aple	CWA	Exempt	
0 to 9	830	830	830	0%
10 to 14	830	830	830	39%
15 to 19	975	950	975	41%
20 to 24	975	950	975	44%
25 or more	975	975	975	44%

**NOTE 13 - NOTES PAYABLE**

The changes in the Library's notes payable during 2006 were as follows:

	Interest Rate	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
<u>Governmental Activities</u>					
<u>Revenue Anticipation Notes</u>					
2004 Library Facilities Notes	2.65%	\$1,640,000	\$0	\$1,640,000	\$0

On May 3, 2004, the Library issued revenue anticipation notes, in the amount of \$3,217,000, to retire revenue anticipation notes previously issued for completing improvements to the library system by acquiring, constructing, reconstructing, equipping, and otherwise improving the library's facilities and sites. The notes were issued under the authority of Ohio Revised Code Sections 3375.40 and 3375.404 for a three year period, with final maturity during 2007. The notes have an interest rate of 2.65 percent. The notes are being repaid through the Bond Construction capital projects fund. The 2004 Library Facilities revenue anticipation notes were fully retired in 2006.

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

**NOTE 14 - LONG-TERM OBLIGATIONS**

The Library's long-term obligations activity for the year ended December 31, 2006, was as follows:

	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006	Due Within One Year
Compensated Absences Payable	\$1,981,189	\$156,955	\$111,851	\$2,026,293	\$730,221
Capital Leases Payable	47,903	12,667	9,339	51,231	14,707
Total Governmental Activities	<u>\$2,029,092</u>	<u>\$169,622</u>	<u>\$121,190</u>	<u>\$2,077,524</u>	<u>\$744,928</u>

The compensated absences and capital leases will be paid from the General Fund.

**NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE**

The Library has entered into capitalized leases for a vehicle and equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the accounts "Purchased and Contracted Services" and "Inception of Capital Lease" in the funds which will be making the lease payments. Capital lease payments are reflected as function expenditures on a budgetary perspective and as debt service expenditures on the statement of revenues, expenditures, and changes in fund balances for the governmental funds. Principal payments in 2006 were \$9,339.

	<u>Governmental Activities</u>
Vehicle	\$52,236
Equipment	12,667
Less Accumulated Depreciation for	
Vehicle	(6,054)
Equipment	(633)
	<u>\$58,216</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2006.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2007	\$14,707	\$4,660
2008	15,299	2,929
2009	15,306	1,428
2010	5,919	155
	<u>\$51,231</u>	<u>\$9,172</u>

Toledo-Lucas County Public Library  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006  
(continued)

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**NOTE 17 - INTERFUND TRANSFERS**

During 2006, the General Fund made transfers to the Building and Repair Fund, in the amount of \$1,400,000, to subsidize building repairs and improvements.

**NOTE 18 - CONTINGENT LIABILITIES**

A. Litigation

There are currently no matters of litigation with the Library as defendant.

B. Federal and State Grants

For the period January 1, 2006, to December 31, 2006, the Library received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Library believes such disallowances, if any, would be immaterial.

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**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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### **NONMAJOR SPECIAL REVENUE FUNDS**

To account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specific purposes.

#### Gates Grant II

To account for a Bill and Melinda Gates Foundation grant to purchase computers.

#### Improvement Levy

To account for the receipt and distribution to Lucas County of the property tax used to pay the County general obligation bonds issued to finance Library improvements.

#### Special Gifts

To account for small donations used as designated by the donors.

#### Marci Stothers

To account for monies received from Marci Stothers for purchasing children's books about Native Americans.

#### J.R. Husman Local History

To account for monies received from the sale of a book on local history used for further publications of the book or for revisions to the book.

#### Lois Waffle

To account for monies donated from the Estate of Lois A. Waffle to benefit the Waterville Branch of the Library.

#### Colby

To account for monies received from George F. Colby to benefit the Jermain Branch of the Library. This branch has since been closed. The Board has designated this money to be used for acquisitions relating to the history of Toledo and Lucas County.

#### Kent

To account for monies received from Eliza M. Kent to purchase books.

#### Louise M. Meffley

To account for monies donated from the Estate of Louise M. Meffley for purchasing materials for the sight impaired.

### **NONMAJOR CAPITAL PROJECTS FUNDS**

To account for financial resources used for the acquisition or construction of major capital facilities.

#### Videoconferencing Grant

To account for LSTA grant to purchase media and videoconferencing equipment for the Heatherdowns and Kent Branches.

(continued)

Toledo-Lucas County Public Library  
Combining Statements - Nonmajor Governmental Funds  
(continued)

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**NONMAJOR CAPITAL PROJECTS FUNDS**  
(continued)

Bond Construction

To account for bond proceeds used to improve the library system by acquiring, constructing, reconstructing, equipping, and otherwise improving the Library's facilities and sites, including the acquisition of real estate and interest therein, for the Main Library and all of the branches. This fund is not budgeted by the Board of Library Trustees.

Library Legacy Foundation

To account for donations from the Library Foundation to improve the library system by assistance with the construction project.

**NONMAJOR PERMANENT FUNDS**

To account for resources that are restricted to the extent that only earnings, and not principal, may be spent for Library purposes.

Libbey

Established by the bequest of Edward Drummond Libbey. The annual income is to provide for purchasing books other than novels, works of fiction, periodicals, and newspapers.

Hopkins

Originally established by Mrs. Owen J. Hopkins. The National Society of the United States Daughters of 1812 have given additional contributions. The annual income is to be used to purchase books on genealogy.

Colburn

Established by William J. and Carrie P. Colburn. The annual income is to provide for purchasing books other than novels, works of fiction, periodicals, and newspapers.

Toledo-Lucas County Public Library  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$274,737	\$22,066	\$278,120	\$574,923
Accounts Receivable	0	30,000	0	30,000
Accrued Interest Receivable	1,354	0	2,357	3,711
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$276,091</u>	<u>\$52,066</u>	<u>\$280,477</u>	<u>\$608,634</u>
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Deferred Revenue	\$484	\$0	\$924	\$1,408
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Fund Balance</u>				
Reserved for Encumbrances	712	0	3,103	3,815
Reserved for Principal	0	0	129,590	129,590
Unreserved, Reported in				
Special Revenue Funds	274,895	0	0	274,895
Capital Projects Funds	0	52,066	0	52,066
Permanent Funds	0	0	146,860	146,860
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>275,607</u>	<u>52,066</u>	<u>279,553</u>	<u>607,226</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u>\$276,091</u>	<u>\$52,066</u>	<u>\$280,477</u>	<u>\$608,634</u>

Toledo-Lucas County Public Library  
Combining Balance Sheet  
Special Revenue Funds  
December 31, 2006

	Special Gifts	Marci Stothers	J.R. Husman Local History	Lois Waffle	Colby
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$12,629	\$758	\$3,889	\$66,217	\$51,046
Accrued Interest Receivable	0	0	0	0	366
Total Assets	<u>\$12,629</u>	<u>\$758</u>	<u>\$3,889</u>	<u>\$66,217</u>	<u>\$51,412</u>
<u>Liabilities and Fund Balance</u>					
<u>Liabilities</u>					
Deferred Revenue	\$0	\$0	\$0	\$0	\$183
<u>Fund Balance</u>					
Reserved for Encumbrances	0	0	0	0	25
Unreserved	12,629	758	3,889	66,217	51,204
Total Fund Balance	<u>12,629</u>	<u>758</u>	<u>3,889</u>	<u>66,217</u>	<u>51,229</u>
Total Liabilities and Fund Balance	<u>\$12,629</u>	<u>\$758</u>	<u>\$3,889</u>	<u>\$66,217</u>	<u>\$51,412</u>

<u>Kent</u>	<u>Louise M. Meffley</u>	<u>Total</u>
\$70,839	\$69,359	\$274,737
725	263	1,354
<u>\$71,564</u>	<u>\$69,622</u>	<u>\$276,091</u>
<u>\$132</u>	<u>\$169</u>	<u>\$484</u>
687	0	712
70,745	69,453	274,895
<u>71,432</u>	<u>69,453</u>	<u>275,607</u>
<u>\$71,564</u>	<u>\$69,622</u>	<u>\$276,091</u>

Toledo-Lucas County Public Library  
Combining Balance Sheet  
Permanent Funds  
December 31, 2006

	<u>Libbey</u>	<u>Hopkins</u>	<u>Colburn</u>	<u>Total</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$197,275	\$24,772	\$56,073	\$278,120
Accrued Interest Receivable	1,709	248	400	2,357
Total Assets	<u>\$198,984</u>	<u>\$25,020</u>	<u>\$56,473</u>	<u>\$280,477</u>
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Deferred Revenue	\$649	\$93	\$182	\$924
<u>Fund Balance</u>				
Reserved for Encumbrances	1,075	0	2,028	3,103
Reserved for Principal	100,000	10,000	19,590	129,590
Unreseed	97,260	14,927	34,673	146,860
Total Fund Balance	<u>198,335</u>	<u>24,927</u>	<u>56,291</u>	<u>279,553</u>
Total Liabilities and Fund Balance	<u>\$198,984</u>	<u>\$25,020</u>	<u>\$56,473</u>	<u>\$280,477</u>

Toledo-Lucas County Public Library  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$797,023	\$0	\$0	\$797,023
Intergovernmental	0	1,804,894	0	1,804,894
Interest	11,591	4,057	11,745	27,393
Gifts and Donations	95,939	80,000	0	175,939
Miscellaneous	2,130	0	0	2,130
<b>Total Revenues</b>	<b>906,683</b>	<b>1,888,951</b>	<b>11,745</b>	<b>2,807,379</b>
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	3,058	0	0	3,058
Purchased and Contracted Services	17,025	0	1,020	18,045
Library Materials and Information	869	0	4,850	5,719
Intergovernmental	797,023	0	0	797,023
Capital Outlay	75,000	352,099	0	427,099
Debt Service				
Interest and Fiscal Charges	0	30,552	0	30,552
<b>Total Expenditures</b>	<b>892,975</b>	<b>382,651</b>	<b>5,870</b>	<b>1,281,496</b>
Changes in Fund Balance	13,708	1,506,300	5,875	1,525,883
Fund Balance (Deficit) Beginning of Year	261,899	(1,454,234)	273,678	(918,657)
Fund Balance End of Year	\$275,607	\$52,066	\$279,553	\$607,226

Toledo-Lucas County Public Library  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Special Revenue Funds  
For the Year Ended December 31, 2006

	Gates Grant II	Improvement Levy	Special Gifts	Marci Stothers	J.R. Husman Local History
<u>Revenues</u>					
Property Taxes	\$0	\$797,023	\$0	\$0	\$0
Intergovernmental	0	0	0	0	0
Interest	0	0	617	35	160
Gifts and Donations	75,000	0	20,939	0	0
Miscellaneous	0	0	0	0	2,130
Total Revenues	<u>75,000</u>	<u>797,023</u>	<u>21,556</u>	<u>35</u>	<u>2,290</u>
<u>Expenditures</u>					
Current:					
Public Services					
General Public Services	0	0	18	0	0
Purchased and Contracted Services	0	0	15,838	0	0
Library Materials and Information	0	0	0	0	0
Intergovernmental	0	797,023	0	0	0
Capital Outlay	75,000	0	0	0	0
Total Expenditures	<u>75,000</u>	<u>797,023</u>	<u>15,856</u>	<u>0</u>	<u>0</u>
Changes in Fund Balance	0	0	5,700	35	2,290
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>6,929</u>	<u>723</u>	<u>1,599</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$12,629</u>	<u>\$758</u>	<u>\$3,889</u>

<u>Lois Waffle</u>	<u>Colby</u>	<u>Kent</u>	<u>Louise M. Meffley</u>	<u>Total</u>
\$0	\$0	\$0	\$0	\$797,023
0	0	0	0	0
3,089	2,138	2,911	2,641	11,591
0	0	0	0	95,939
0	0	0	0	2,130
<u>3,089</u>	<u>2,138</u>	<u>2,911</u>	<u>2,641</u>	<u>906,683</u>
3,040	0	0	0	3,058
0	472	380	335	17,025
0	658	211	0	869
0	0	0	0	797,023
0	0	0	0	75,000
<u>3,040</u>	<u>1,130</u>	<u>591</u>	<u>335</u>	<u>892,975</u>
49	1,008	2,320	2,306	13,708
<u>66,168</u>	<u>50,221</u>	<u>69,112</u>	<u>67,147</u>	<u>261,899</u>
<u>\$66,217</u>	<u>\$51,229</u>	<u>\$71,432</u>	<u>\$69,453</u>	<u>\$275,607</u>

Toledo-Lucas County Public Library  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Capital Projects Funds  
For the Year Ended December 31, 2006

	Videoconferencing Grant	Bond Construction	Library Legacy Foundation	Total
<u>Revenues</u>				
Intergovernmental	\$127,099	\$1,677,795	\$0	\$1,804,894
Interest	0	0	4,057	4,057
Gifts and Donations	0	0	80,000	80,000
<b>Total Revenues</b>	<b>127,099</b>	<b>1,677,795</b>	<b>84,057</b>	<b>1,888,951</b>
<u>Expenditures</u>				
Capital Outlay	127,099	0	225,000	352,099
Debt Service				
Interest and Fiscal Charges	0	30,552	0	30,552
<b>Total Expenditures</b>	<b>127,099</b>	<b>30,552</b>	<b>225,000</b>	<b>382,651</b>
Changes in Fund Balance	0	1,647,243	(140,943)	1,506,300
Fund Balance (Deficit) Beginning of Year	0	(1,647,243)	193,009	(1,454,234)
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$52,066</u>	<u>\$52,066</u>

Toledo-Lucas County Public Library  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Permanent Funds  
For the Year Ended December 31, 2006

	<u>Libbey</u>	<u>Hopkins</u>	<u>Colburn</u>	<u>Total</u>
<u>Revenues</u>				
Interest	\$8,390	\$1,035	\$2,320	\$11,745
<u>Expenditures</u>				
Current:				
Public Services				
Purchased and Contracted Services	714	46	260	1,020
Library Materials and Information	4,185	0	665	4,850
Total Expenditures	4,899	46	925	5,870
Changes in Fund Balance	3,491	989	1,395	5,875
Fund Balance Beginning of Year	194,844	23,938	54,896	273,678
Fund Balance End Year	<u>\$198,335</u>	<u>\$24,927</u>	<u>\$56,291</u>	<u>\$279,553</u>

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Toledo-Lucas County Public Library  
Combining Statements - Proprietary Funds

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**INTERNAL SERVICE FUNDS**

To account for the financing of goods or services provided by one department to other departments of the Library on a cost-reimbursement basis.

Prescription

To account for the self insurance program for employee drug card benefits.

Dental

To account for the self insurance program for employee dental benefits.

Toledo-Lucas County Public Library  
 Combining Statement of Fund Net Assets  
 Internal Service Funds  
 December 31, 2006

	Prescription	Dental	Total
<u>Current Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$451,786	\$101,717	\$553,503
<u>Current Liabilities</u>			
Claims Payable	47,032	35,185	82,217
<u>Net Assets</u>			
Unrestricted	\$404,754	\$66,532	\$471,286

Toledo-Lucas County Public Library  
Combining Statement of Revenues, Expenses,  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2006

	<u>Prescription</u>	<u>Dental</u>	<u>Total</u>
<u>Operating Revenues</u>			
Charges for Services	\$496,995	\$151,972	\$648,967
<u>Operating Expenses</u>			
Purchased and Contracted Services	4,716	15,957	20,673
Claims	424,358	100,676	525,034
Total Operating Expenses	429,074	116,633	545,707
Net Income	67,921	35,339	103,260
Net Assets Beginning of Year	336,833	31,193	368,026
Net Assets End of Year	<u>\$404,754</u>	<u>\$66,532</u>	<u>\$471,286</u>

Toledo-Lucas County Public Library  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2006

	<u>Prescription</u>	<u>Dental</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents			
<u>Cash Flows from Operating Activities</u>			
Cash Received from Other Funds	\$496,995	\$151,972	\$648,967
Cash Payments for Purchased and Contracted Services	(4,716)	(15,957)	(20,673)
Cash Payments for Claims	(427,303)	(88,740)	(516,043)
Net Cash Provided by Operating Activities	64,976	47,275	112,251
Cash and Cash Equivalents Beginning of Year	386,810	54,442	441,252
Cash and Cash Equivalents End of Year	<u>\$451,786</u>	<u>\$101,717</u>	<u>\$553,503</u>
<u>Reconciliation of Net Income to Net</u>			
<u>Cash Provided by Operating Activities</u>			
Net Income	\$67,921	\$35,339	\$103,260
<u>Adjustments to Reconcile Net Income to Net</u>			
<u>Cash Provided by Operating Activities</u>			
Increase (Decrease) in Claims Payable	(2,945)	11,936	8,991
Net Cash Provided by Operating Activities	<u>\$64,976</u>	<u>\$47,275</u>	<u>\$112,251</u>

**INDIVIDUAL FUND SCHEDULES  
OF REVENUES, EXPENDITURES/EXPENSES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

Toledo-Lucas County Public Library  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$12,425,000	\$12,425,000	\$12,881,108	\$456,108
Intergovernmental	19,979,623	19,979,623	20,253,933	274,310
Patron Fines and Fees	806,000	806,000	813,092	7,092
Interest	155,262	212,300	324,492	112,192
Services Provided to Others	71,595	71,595	1,368	(70,227)
Gifts and Donations	14,000	14,000	14,951	951
Miscellaneous	461,000	461,000	377,006	(83,994)
<b>Total Revenues</b>	<b>33,912,480</b>	<b>33,969,518</b>	<b>34,665,950</b>	<b>696,432</b>
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services				
Salaries and Benefits				
Salaries and Leave Benefits	15,809,000	15,076,107	15,076,107	0
Retirement Benefits	3,589,000	3,279,956	3,279,956	0
Insurance Benefits	2,516,150	2,617,150	2,617,034	116
Other Employee Benefits	54,357	79,306	74,459	4,847
<b>Total Salaries and Benefits</b>	<b>21,968,507</b>	<b>21,052,519</b>	<b>21,047,556</b>	<b>4,963</b>
Supplies				
General Administrative Supplies	318,681	293,681	265,560	28,121
Property Maintenance Supplies and Repair	238,265	288,265	264,880	23,385
Motor Vehicle Fuel, Supplies, and Parts	20,982	23,982	23,459	523
<b>Total Supplies</b>	<b>577,928</b>	<b>605,928</b>	<b>553,899</b>	<b>52,029</b>
Other Expenditures				
Dues and Memberships	29,625	34,477	30,861	3,616
Taxes and Assessments	34,000	34,000	31,409	2,591
Refunds and Reimbursements	16,417	16,417	8,392	8,025
<b>Total Other Expenditures</b>	<b>80,042</b>	<b>84,894</b>	<b>70,662</b>	<b>14,232</b>
<b>Total General Public Services</b>	<b>22,626,477</b>	<b>21,743,341</b>	<b>21,672,117</b>	<b>71,224</b>
Purchased and Contracted Services				
Travel and Meeting Expenditures	57,327	82,327	79,022	3,305
Communications, Printing, and Publicity	1,084,762	1,049,762	1,028,085	21,677
Property Maintenance, Repair, and Security Services	1,648,054	1,567,054	1,480,477	86,577
Insurance	243,700	210,411	210,165	246
Rents/Leases	195,810	195,810	188,355	7,455
Utilities	1,780,066	1,509,066	1,495,554	13,512
Professional Services	967,187	878,531	813,413	65,118
Library Material Control Services	101,183	91,183	90,180	1,003
Other Purchased and Contracted Services	184,472	59,381	52,389	6,992
<b>Total Purchased and Contracted Services</b>	<b>6,262,561</b>	<b>5,643,525</b>	<b>5,437,640</b>	<b>205,885</b>

(continued)

Toledo-Lucas County Public Library  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006  
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Library Materials and Information				
Books and Pamphlets	\$3,922,014	\$3,677,014	\$3,641,930	\$35,084
Periodicals	322,000	322,000	309,004	12,996
Audiovisual Materials	1,038,162	1,018,162	992,605	25,557
Computer Services and Information	341,080	341,080	335,231	5,849
Interlibrary Loan Fees/Charges	11,535	18,535	18,248	287
Library Materials Repair and Restoration	16,100	22,600	19,728	2,872
Library Materials - All Other	500	10,550	10,550	0
Total Library Materials and Information	5,651,391	5,409,941	5,327,296	82,645
Total Public Services	34,540,429	32,796,807	32,437,053	359,754
Capital Outlay				
Land Improvements	17,000	0	0	0
Buildings and Improvements	683,722	586,222	585,028	1,194
Furniture, Fixtures, and Equipment	647,975	823,537	800,425	23,112
Vehicles	18,000	32,000	25,593	6,407
Total Capital Outlay	1,366,697	1,441,759	1,411,046	30,713
Debt Service				
Principal Retirement	1,086,000	1,640,000	1,640,000	0
Interest and Fiscal Charges	37,000	37,795	37,795	0
Total Debt Service	1,123,000	1,677,795	1,677,795	0
Total Expenditures	37,030,126	35,916,361	35,525,894	390,467
Excess of Revenues Under Expenditures	(3,117,646)	(1,946,843)	(859,944)	1,086,899
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	285,181	0	0	0
Advances In	20,000	20,000	20,000	0
Advances Out	(10,000)	(10,000)	0	10,000
Transfers Out	0	(1,400,000)	(1,400,000)	0
Total Other Financing Sources (Uses)	295,181	(1,390,000)	(1,380,000)	10,000
Changes in Fund Balance	(2,822,465)	(3,336,843)	(2,239,944)	1,096,899
Fund Balance Beginning of Year	1,604,973	1,604,973	1,604,973	0
Prior Year Encumbrances Appropriated	2,312,926	2,312,926	2,312,926	0
Fund Balance End of Year	\$1,095,434	\$581,056	\$1,677,955	\$1,096,899

Toledo-Lucas County Public Library  
Building and Repair Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$0	\$569,332	\$569,332
Interest	100,000	144,237	44,237
Total Revenues	<u>100,000</u>	<u>713,569</u>	<u>613,569</u>
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	241,425	121,391	120,034
Capital Outlay			
Land	100,000	0	100,000
Buildings and Improvements	2,213,293	1,796,133	417,160
Improvements Other Than Buildings	200,000	0	200,000
Furniture, Fixtures, and Equipment	240,000	127,601	112,399
Total Capital Outlay	<u>2,753,293</u>	<u>1,923,734</u>	<u>829,559</u>
Total Expenditures	<u>2,994,718</u>	<u>2,045,125</u>	<u>949,593</u>
Excess of Revenues Under Expenditures	(2,894,718)	(1,331,556)	1,563,162
<u>Other Financing Sources</u>			
Transfers In	0	1,400,000	1,400,000
Changes in Fund Balance	(2,894,718)	68,444	2,963,162
Fund Balance Beginning of Year	2,823,103	2,823,103	0
Prior Year Encumbrances Appropriated	104,718	104,718	0
Fund Balance End of Year	<u>\$33,103</u>	<u>\$2,996,265</u>	<u>\$2,963,162</u>

Toledo-Lucas County Public Library  
 Gates Grant II Special Revenue Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended December 31, 2006

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Gifts and Donations	\$75,000	\$75,000	\$0
<u>Expenditures</u>			
Capital Outlay			
Furniture, Fixtures, and Equipment	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Toledo-Lucas County Public Library  
Improvement Levy Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Property Taxes	\$797,023	\$797,023	\$797,023
<u>Expenditures</u>			
Intergovernmental	<u>797,023</u>	<u>797,023</u>	<u>797,023</u>
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Toledo-Lucas County Public Library  
Special Gifts Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$350	\$617	\$267
Gifts and Donations	21,650	20,949	(701)
Total Revenues	<u>22,000</u>	<u>21,566</u>	<u>(434)</u>
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Salaries and Benefits			
Other Employee Benefits	500	0	500
Supplies			
General Administrative Supplies	500	0	500
Other Expenditures			
Refunds and Reimbursements	200	18	182
Total General Public Services	<u>1,200</u>	<u>18</u>	<u>1,182</u>
Purchased and Contracted Services			
Travel and Meeting Expenditures	200	0	200
Professional Services	26,000	15,668	10,332
Other Purchased and Contracted Services	1,500	170	1,330
Total Purchased and Contracted Services	<u>27,700</u>	<u>15,838</u>	<u>11,862</u>
Total Expenditures	<u>28,900</u>	<u>15,856</u>	<u>13,044</u>
Changes in Fund Balance	(6,900)	5,710	12,610
Fund Balance Beginning of Year	<u>6,919</u>	<u>6,919</u>	<u>0</u>
Fund Balance End of Year	<u>\$19</u>	<u>\$12,629</u>	<u>\$12,610</u>

Toledo-Lucas County Public Library  
 Marci Stothers Special Revenue Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended December 31, 2006

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Interest	\$30	\$35	\$5
<u>Expenditures</u>			
Current:			
Public Services			
Library Materials and Information			
Books and Pamphlets	<u>750</u>	<u>0</u>	<u>750</u>
Changes in Fund Balance	(720)	35	755
Fund Balance Beginning of Year	<u>723</u>	<u>723</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$3</u></u>	<u><u>\$758</u></u>	<u><u>\$755</u></u>

Toledo-Lucas County Public Library  
J.R. Husman Local History Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$70	\$160	\$90
Miscellaneous	0	2,130	2,130
	70	2,290	2,220
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	1,650	0	1,650
	(1,580)	2,290	3,870
Changes in Fund Balance			
Fund Balance Beginning of Year	1,599	1,599	0
Fund Balance End of Year	\$19	\$3,889	\$3,870

Toledo-Lucas County Public Library  
Lois Waffle Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Interest	\$2,575	\$3,089	\$514
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Salaries and Benefits			
Other Employee Benefits	5,850	3,040	2,810
Purchased and Contracted Services			
Professional Services	12,850	0	12,850
Capital Outlay			
Furniture, Fixtures, and Equipment	50,000	0	50,000
Total Expenditures	<u>68,700</u>	<u>3,040</u>	<u>65,660</u>
Changes in Fund Balance	(66,125)	49	66,174
Fund Balance Beginning of Year	<u>66,168</u>	<u>66,168</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$43</u></u>	<u><u>\$66,217</u></u>	<u><u>\$66,174</u></u>

Toledo-Lucas County Public Library  
Colby Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$1,400	\$2,028	\$628
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	472	472	0
Library Materials and Information			
Books and Pamphlets	952	683	269
Total Expenditures	1,424	1,155	269
Changes in Fund Balance	(24)	873	897
Fund Balance Beginning of Year	50,414	50,414	0
Prior Year Encumbrances Appropriated	25	25	0
Fund Balance End of Year	<u>\$50,415</u>	<u>\$51,312</u>	<u>\$897</u>

Toledo-Lucas County Public Library  
 Kent Special Revenue Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended December 31, 2006

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$2,300	\$2,680	\$380
<u>Expenditures:</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	380	380	0
Library Materials and Information			
Books and Pamphlets	1,920	898	1,022
Total Expenditures	2,300	1,278	1,022
Changes in Fund Balance	0	1,402	1,402
Fund Balance Beginning of Year	69,148	69,148	0
Fund Balance End of Year	\$69,148	\$70,550	\$1,402

Toledo-Lucas County Public Library  
 Louise M. Meffley Special Revenue Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended December 31, 2006

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Interest	\$2,000	\$2,357	\$357
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	335	335	0
Library Materials and Information			
Books and Pamphlets	458	0	458
Total Expenditures	793	335	458
Changes in Fund Balance	1,207	2,022	815
Fund Balance Beginning of Year	67,716	67,716	0
Fund Balance End of Year	<u>\$68,923</u>	<u>\$69,738</u>	<u>\$815</u>

Toledo-Lucas County Public Library  
Videoconferencing Grant Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$127,099	\$127,099	\$0
<u>Expenditures</u>			
Capital Outlay			
Buildings and Improvements	<u>127,099</u>	<u>127,099</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0
<u>Other Financing Uses</u>			
Advances Out	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Changes in Fund Balance	(20,000)	(20,000)	0
Fund Balance Beginning of Year	(107,099)	(107,099)	0
Prior Year Encumbrances Appropriated	<u>127,099</u>	<u>127,099</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Toledo-Lucas County Public Library  
Library Legacy Foundation Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$5,000	\$4,057	(\$943)
Gifts and Donations	27,000	50,000	23,000
Total Revenues	<u>32,000</u>	<u>54,057</u>	<u>22,057</u>
<u>Expenditures</u>			
Capital Outlay			
Land	147,991	147,991	0
Buildings and Improvements	77,009	77,009	0
Total Expenditures	<u>225,000</u>	<u>225,000</u>	<u>0</u>
Changes in Fund Balance	(193,000)	(170,943)	22,057
Fund Balance Beginning Year	51,009	51,009	0
Prior Year Encumbrances Appropriated	<u>142,000</u>	<u>142,000</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$9</u></u>	<u><u>\$22,066</u></u>	<u><u>\$22,057</u></u>

Toledo-Lucas County Public Library  
 Libbey Permanent Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended December 31, 2006

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$6,850	\$7,706	\$856
<u>Expenditures</u>			
Current:			
Purchased and Contracted Services			
Professional Services	714	714	0
Library Materials and Information			
Books and Pamphlets	6,584	5,260	1,324
Total Expenditures	7,298	5,974	1,324
Changes in Fund Balance	(448)	1,732	2,180
Fund Balance Beginning of Year	195,157	195,157	0
Prior Year Encumbrances Appropriated	448	448	0
Fund Balance End of Year	<u>\$195,157</u>	<u>\$197,337</u>	<u>\$2,180</u>

Toledo-Lucas County Public Library  
Hopkins Permanent Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$850	\$959	\$109
<u>Expenditures</u>			
Current:			
Purchased and Contracted Services			
Professional Services	55	46	9
Library Materials and Information			
Books and Pamphlets	795	0	795
Total Expenditures	850	46	804
Changes in Fund Balance	0	913	913
Fund Balance Beginning of Year	24,003	24,003	0
Fund Balance at End of Year	\$24,003	\$24,916	\$913

Toledo-Lucas County Public Library  
Colburn Permanent Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Interest	\$2,100	\$2,126	\$26
<u>Expenditures</u>			
Current:			
Purchased and Contracted Services			
Professional Services	260	260	0
Library Materials and Information			
Books and Pamphlets	2,801	2,693	108
Total Expenditures	<u>3,061</u>	<u>2,953</u>	<u>108</u>
Changes in Fund Balance	(961)	(827)	134
Fund Balance Beginning of Year	54,367	54,367	0
Prior Year Encumbrances Appropriated	<u>809</u>	<u>809</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$54,215</u></u>	<u><u>\$54,349</u></u>	<u><u>\$134</u></u>

Toledo-Lucas County Public Library  
 Prescription Internal Service Fund

Schedule of Revenues, Expenses,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended December 31, 2006

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$550,000	\$496,995	(\$53,005)
<u>Expenses</u>			
Purchased and Contracted Services			
Professional Services	100,000	4,716	95,284
Claims			
Claims	800,000	427,303	372,697
Total Expenses	900,000	432,019	467,981
Changes in Fund Balance	(350,000)	64,976	414,976
Fund Balance Beginning Year	386,810	386,810	0
Fund Balance End of Year	<u>\$36,810</u>	<u>\$451,786</u>	<u>\$414,976</u>

Toledo-Lucas County Public Library  
Dental Internal Service Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2006

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$110,000	\$151,972	\$41,972
<u>Expenses</u>			
Purchased and Contracted Services			
Professional Services	17,500	15,957	1,543
Claims			
Claims	146,500	88,740	57,760
Total Expenses	164,000	104,697	59,303
Changes in Fund Balance	(54,000)	47,275	101,275
Fund Balance Beginning of Year	54,442	54,442	0
Fund Balance End of Year	<u>\$442</u>	<u>\$101,717</u>	<u>\$101,275</u>

**STATISTICAL  
SECTION**



Toledo-Lucas County Public Library  
Statistical Section

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This part of the Library’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 Library’s overall financial health.

**Contents** **Page**

Financial Trends..... S-3

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

Revenue Capacity ..... S-8

These schedules contain information to help the reader assess the Library’s most significant local revenue source.

Debt Capacity..... S-19

This schedule presents information to help the reader assess the affordability of the Library’s current levels of outstanding debt and the Library’s ability to issue additional debt in the future.

Demographic and Economic Information..... S-21

This schedule offers demographic and economic indicators to help the reader understand the environment within which the Library’s financial activities take place.

Operating Information ..... S-22

These schedules contain service data to help the reader understand how the information in the Library’s financial report relates to the services the Library provides and the activities it performs.

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Toledo-Lucas County Public Library  
 Net Assets  
 Last Four Years  
 (Accrual Basis of Accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$76,391,897	\$75,106,999	\$73,045,106	\$69,497,680
Restricted for				
Capital Projects	52,066	320,108	121,064	3,807,946
Other Purposes	276,091	347,347	542,026	585,814
Library Materials				
Expendable	150,887	144,934	142,384	148,204
Nonexpendable	129,590	129,590	129,590	129,590
Unrestricted	<u>17,093,067</u>	<u>14,618,826</u>	<u>16,598,505</u>	<u>12,918,895</u>
Total Governmental Activities Net Assets	<u>\$94,093,598</u>	<u>\$90,667,804</u>	<u>\$90,578,675</u>	<u>\$87,088,129</u>

Toledo-Lucas County Public Library  
Changes in Net Assets  
Last Four Years  
(Accrual Basis of Accounting)

	2006	2005	2004	2003
<u>Expenses</u>				
Governmental Activities				
Public Services				
General Public Services	\$23,462,115	\$22,648,900	\$20,804,148	\$18,824,822
Purchased and Contracted Services	5,908,558	6,627,638	5,921,069	4,345,187
Library Materials and Information	4,042,157	3,643,535	3,757,594	2,778,720
Intergovernmental	797,023	3,839,954	3,875,326	4,968,795
Interest and Fiscal Charges	35,237	62,768	125,606	195,172
Total Governmental Activities Expenses	<u>34,245,090</u>	<u>36,822,795</u>	<u>34,483,743</u>	<u>31,112,696</u>
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
General Public Services	814,533	871,678	873,744	879,247
Operating Grants and Contributions	100,120	13,408	7,074	41,602
Capital Grants and Contributions	0	147,099	39,141	0
Total Governmental Activities Program Revenues	<u>914,653</u>	<u>1,032,185</u>	<u>919,959</u>	<u>920,849</u>
Net Expense	<u>(33,330,437)</u>	<u>(35,790,610)</u>	<u>(33,563,784)</u>	<u>(30,191,847)</u>
<u>General Revenues and Other Changes in Net Assets</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	13,508,739	11,880,772	13,245,629	4,910,458
Property Taxes Levied for Library Construction	711,866	3,463,189	3,379,021	4,940,166
Property Taxes Levied for Building and Repair	569,332	0	0	0
Grants and Entitlements not Restricted to Specific Programs	20,992,306	19,553,651	19,690,920	19,590,118
Interest	491,228	261,328	138,112	120,667
Gifts and Donations	115,890	104,250	128,639	479,214
Miscellaneous	366,870	616,549	472,009	429,774
Total Governmental Activities General Revenues	<u>36,756,231</u>	<u>35,879,739</u>	<u>37,054,330</u>	<u>30,470,397</u>
Changes in Net Assets	<u>\$3,425,794</u>	<u>\$89,129</u>	<u>\$3,490,546</u>	<u>\$278,550</u>

Toledo-Lucas County Public Library  
Fund Balances  
Governmental Funds  
Last Four Years  
(Modified Accrual Basis of Accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund				
Reserved	\$1,688,550	\$1,458,637	\$2,260,924	\$1,324,913
Unreserved, Designated for Scholarships	171,144	170,663	170,168	171,142
Unreserved, Undesignated	<u>2,419,980</u>	<u>2,481,761</u>	<u>2,568,810</u>	<u>2,825,294</u>
Total General Fund	<u>4,279,674</u>	<u>4,111,061</u>	<u>4,999,902</u>	<u>4,321,349</u>
All Other Governmental Funds				
Reserved	935,499	490,226	925,513	1,386,085
Unreserved, Reported in				
Special Revenue Funds	274,895	261,875	267,956	265,131
Capital Projects Funds (Deficit)	3,021,658	1,099,770	(544,740)	(870,547)
Permanent Funds	<u>146,860</u>	<u>142,831</u>	<u>140,831</u>	<u>145,184</u>
Total All Other Governmental Funds	<u>4,378,912</u>	<u>1,994,702</u>	<u>789,560</u>	<u>925,853</u>
Total Governmental Funds	<u><u>\$8,658,586</u></u>	<u><u>\$6,105,763</u></u>	<u><u>\$5,789,462</u></u>	<u><u>\$5,247,202</u></u>

Toledo-Lucas County Public Library  
Changes in Fund Balance  
Governmental Funds  
Last Four Years  
(Modified Accrual Basis of Accounting)

	2006	2005	2004	2003
<u>Revenues</u>				
Property Taxes	\$14,247,463	\$16,031,214	\$15,840,911	\$9,896,685
Intergovernmental	20,381,135	20,163,186	20,347,980	19,509,005
Patron Fines and Fees	813,154	800,083	811,313	816,356
Interest	498,034	285,555	131,986	131,741
Services Provided to Others	1,291	71,607	62,413	62,847
Gifts and Donations	190,890	104,250	128,639	479,214
Miscellaneous	369,000	616,557	472,263	430,235
<b>Total Revenues</b>	<b>36,500,967</b>	<b>38,072,452</b>	<b>37,795,505</b>	<b>31,326,083</b>
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	21,668,125	20,764,101	19,488,990	18,234,664
Purchased and Contracted Services	5,018,592	5,211,717	5,192,351	4,739,686
Library Materials and Information	4,042,157	3,643,535	3,718,453	2,778,720
Intergovernmental	797,023	3,839,954	3,875,326	4,968,795
Capital Outlay	2,390,338	4,281,979	4,852,519	1,408,682
Debt Service				
Principal Retirement	9,339	4,333	0	0
Interest and Fiscal Charges	35,237	62,768	125,606	195,172
<b>Total Expenditures</b>	<b>33,960,811</b>	<b>37,808,387</b>	<b>37,253,245</b>	<b>32,325,719</b>
Excess of Revenues Over (Under) Expenditures	2,540,156	264,065	542,260	(999,636)
<u>Other Financing Sources (Uses)</u>				
Inception of Capital Lease	12,667	52,236	0	0
Transfers In	1,400,000	1,100,000	5,797,000	1,300,000
Transfers Out	(1,400,000)	(1,100,000)	(5,797,000)	(1,300,000)
<b>Total Other Financing Sources (Uses)</b>	<b>12,667</b>	<b>52,236</b>	<b>0</b>	<b>0</b>
<b>Changes in Fund Balance</b>	<b>\$2,552,823</b>	<b>\$316,301</b>	<b>\$542,260</b>	<b>(\$999,636)</b>
Debt Service as a Percentage of Noncapital Expenditures	0.14%	0.19%	0.38%	0.64%

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Toledo-Lucas County Public Library  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Years  
 (amounts expressed in thousands)

Year	Real Property			Public Utility Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial			
2006	\$5,853,133	\$1,872,878	\$22,074,317	\$273,048	\$1,092,192
2005	5,746,248	1,848,493	21,699,260	289,787	1,159,148
2004	5,640,311	1,798,564	21,253,929	295,117	1,180,468
2003	4,863,797	1,717,421	18,803,480	328,588	1,314,352
2002	4,783,523	1,689,618	18,494,689	313,618	1,254,472
2001	4,720,506	1,669,225	18,256,374	451,910	1,812,460
2000	3,746,207	1,452,831	14,854,394	453,060	1,678,000
1999	3,673,995	1,426,534	14,572,940	483,818	1,791,919
1998	3,609,675	1,405,017	14,327,691	490,195	1,815,537
1997	3,189,521	1,357,270	12,990,831	494,124	1,830,089

Source: Lucas County Auditor

Tangible Personal Property		Total		Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$680,480	\$3,629,227	\$8,679,539	\$26,795,736	\$2.00
843,181	3,832,641	8,727,709	26,691,049	2.20
846,481	3,680,352	8,580,473	26,114,749	2.50
868,142	3,617,258	7,777,948	23,735,090	1.70
934,788	3,739,152	7,721,547	23,488,313	1.70
986,679	3,946,716	7,828,320	24,015,550	1.70
934,788	3,739,152	6,586,886	20,271,546	1.85
869,274	3,477,096	6,453,621	19,841,955	1.85
862,363	3,449,452	6,367,250	19,592,680	1.85
841,559	3,366,236	5,882,474	18,187,156	1.85

Toledo-Lucas County Public Library  
Property Tax Rates - Direct and All Overlapping Governments (a)  
Last Ten Years  
(Per \$1,000 of Assessed Values)

Collection Year	2006	2005	2004	2003	2002
<b>Toledo-Lucas County Public Library</b>					
2003 Operating - 4 years	\$1.0000	\$1.0000	\$1.0000	\$0.0000	\$0.0000
Effective Millage Rates					
Residential/Agriculture	0.8685	0.8701	0.8716	0.0000	0.0000
Commerical/Industrial	0.9976	0.9891	0.9830	0.0000	0.0000
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	0.0000	0.0000
1997 Operating - 10 years	1.0000	1.0000	1.0000	1.0000	1.0000
Effective Millage Rates					
Residential/Agriculture	0.6236	0.6248	0.6258	0.7180	0.7189
Commerical/Industrial	0.9085	0.9007	0.8951	0.9106	0.9040
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
1995 Bond - 10 years	0.0000	0.2000	0.5000	0.7000	0.7000
Effective Millage Rates					
Residential/Agriculture	0.0000	0.2000	0.5000	0.7000	0.7000
Commerical/Industrial	0.0000	0.2000	0.5000	0.7000	0.7000
Tangible/Public Utility Personal	0.0000	0.2000	0.5000	0.7000	0.7000
1987 Operating - 10 years	0.0000	0.0000	0.0000	0.0000	0.0000
Effective Millage Rates					
Residential/Agriculture	0.0000	0.0000	0.0000	0.0000	0.0000
Commerical/Industrial	0.0000	0.0000	0.0000	0.0000	0.0000
Tangible/Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000
Total Voted Millage	2.0000	2.2000	2.5000	1.7000	1.7000
Total Effective Voted Millage by Type of Property					
Residential/Agriculture	1.4921	1.6949	1.9974	1.4180	1.4189
Commerical/Industrial	1.9061	2.0898	2.3781	1.6106	1.6040
Tangible/Public Utility Personal	2.0000	2.2000	2.5000	1.7000	1.7000
<b>Lucas County</b>					
General Fund	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
Board of Mental Retardation	5.0000	5.0000	5.0000	5.0000	5.0000
Children Services Board	2.4000	2.4000	2.4000	2.6500	2.6500
Community Mental Health	1.5000	1.5000	1.5000	1.5000	1.5000
Emergency Medical Service	0.0000	0.0000	0.0000	0.0000	0.0000
Senior Services	0.4500	0.4500	0.4500	0.4500	0.4500
911 Emergency Telephone System	0.7000	0.7000	0.7000	0.7000	0.7000
Zoo	0.7000	1.6500	1.6500	1.6500	1.6500
Total Lucas County	<u>\$12.7500</u>	<u>\$13.7000</u>	<u>\$13.7000</u>	<u>\$13.9500</u>	<u>\$13.9500</u>
<b>School Districts</b>					
Anthony Wayne	\$68.2000	\$68.2000	\$64.9000	\$63.7000	\$63.7000
Evergreen	47.1500	47.8800	47.8800	47.8800	50.4300
Maumee	75.7500	72.4500	71.7400	62.3000	62.3000
Oregon	59.5000	59.5000	55.1000	49.2000	49.2000
Otsego	49.3000	49.6000	43.5000	47.4000	56.9000
Ottawa Hills	120.3500	120.3500	114.6500	114.3500	114.5000
Springfield	67.3500	67.3500	67.9000	68.1000	68.1000
Swanton	37.7800	37.7800	68.1100	68.1100	68.1100
Sylvania	74.9000	74.9000	70.0000	70.1000	65.2000
Toledo	67.3500	67.3500	67.6000	67.9900	63.0000
Washington	69.8000	69.8000	65.9000	65.9000	65.9000

2001	2000	1999	1998	1997
\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
1.0000	1.0000	1.0000	1.0000	0.0000
0.7169	0.8917	0.8939	0.8956	0.0000
0.9032	1.0000	1.0000	1.0000	0.0000
1.0000	1.0000	1.0000	1.0000	0.0000
0.7000	0.8500	0.8500	0.8500	0.8500
0.7000	0.8500	0.8500	0.8500	0.8500
0.7000	0.8500	0.8500	0.8500	0.8500
0.7000	0.8500	0.8500	0.8500	0.8500
0.0000	0.0000	0.0000	0.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.7677
0.0000	0.0000	0.0000	0.0000	0.8564
0.0000	0.0000	0.0000	0.0000	1.0000
1.7000	1.8500	1.8500	1.8500	1.8500
1.4169	1.7417	1.7439	1.7456	1.6177
1.6032	1.8500	1.8500	1.8500	1.7064
1.7000	1.8500	1.8500	1.8500	1.8500
\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
4.5000	4.5000	4.5000	4.5000	4.5000
3.5000	3.5000	3.5000	3.5000	3.5000
1.5000	1.5000	1.5000	1.5000	1.5000
0.0000	0.0000	0.0000	0.0000	0.0000
0.4500	0.2500	0.2500	0.2500	0.2500
0.7000	0.7000	0.7000	0.7000	0.5000
1.6500	1.6500	1.6500	1.6500	1.6500
<u>\$14.3000</u>	<u>\$14.1000</u>	<u>\$14.1000</u>	<u>\$14.1000</u>	<u>\$13.9000</u>
\$63.7000	\$63.7000	\$64.5000	\$64.5000	\$66.8000
47.2300	42.5300	39.7000	39.7000	42.9000
62.3000	62.3000	62.3000	62.3000	64.5000
49.2000	49.2000	49.2000	49.2000	49.2000
56.9000	56.9000	49.1100	57.2000	51.8000
113.1000	113.1000	107.0500	107.0500	104.3000
64.1000	64.1000	64.2000	64.2000	67.4000
68.7400	68.7400	62.1000	62.1000	64.6000
65.2000	65.2000	66.3000	66.3000	68.2000
63.0000	63.0000	57.8000	57.8000	57.8000
65.9000	65.9000	61.7000	61.7000	61.7000

(continued)

Toledo-Lucas County Public Library  
Property Tax Rates - Direct and All Overlapping Governments (a)  
Last Ten Years  
(Per \$1,000 of Assessed Values)  
(continued)

Collection Year	2006	2005	2004	2003	2002
<b>Joint Vocational School Districts</b>					
Four County	\$3.2000	\$3.2000	\$3.2000	\$3.2000	\$3.2000
Penta County	3.2000	3.2000	3.2000	2.2000	2.2000
<b>Townships</b>					
Harding	\$4.3000	\$4.3000	\$4.3000	\$4.3000	\$4.3000
Jerusalem	9.7500	9.7500	9.7500	9.7500	9.7500
Monclova	5.2000	5.2000	5.2000	5.2000	5.2000
Providence	6.9500	6.9500	6.9500	6.9500	6.9500
Richfield	8.6400	8.6400	8.6400	5.8000	5.8000
Spencer	6.0000	6.0000	6.0000	6.0000	6.0000
Springfield	8.1000	8.1000	8.1000	8.1000	8.1000
Swanton	4.9000	4.9000	6.1000	6.1000	6.1000
Sylvania	17.7200	17.7200	17.7200	17.7200	17.7200
Washington	22.9500	22.9500	22.9500	18.2000	18.2000
Waterville	10.5000	10.5000	9.6000	9.6000	10.8000
<b>Municipalities</b>					
Village of Berkey	\$3.0000	\$1.0000	\$3.0000	\$3.0000	\$3.0000
Village of Harbor View	7.0000	7.0000	7.0000	7.0000	7.0000
Village of Holland	0.8000	0.8000	0.8000	0.8000	0.8000
City of Maumee	3.7000	3.7000	3.7000	3.7000	3.7000
City of Oregon	3.5000	3.5000	3.5000	3.5000	3.5000
Village of Ottawa Hills	4.1000	4.1000	4.1000	4.1000	4.1000
Village of Swanton	4.5000	4.5000	4.5000	4.5000	4.5000
City of Sylvania	5.1000	5.1000	5.1000	5.1000	5.1000
City of Toledo	4.4000	4.4000	4.4000	4.4000	4.4000
Village of Waterville	3.5000	3.5000	3.5000	3.5000	3.5000
Village of Whitehouse	3.5000	3.5000	3.5000	3.5000	3.5000
<b>Metroparks</b>					
Toledo-Lucas County Port Authority	\$1.7000	\$1.7000	\$1.4000	\$1.4000	\$1.4000
Toledo Area Regional Transportation Authority (TARTA) (b)	0.4000	0.4000	0.4000	0.4000	0.4000
	2.5000	2.5000	2.5000	2.5000	2.5000

Source: Lucas County Auditor

a - Property tax rates are determined by a combination of the county-wide tax rates and the applicable tax rates for the school district, township, and municipality in which the property is located.

b - TARTA is not levied in every county taxing district.

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Overlapping rates are those of local and county governments that apply to property owners within Toledo and Lucas County. Property tax rates for all overlapping governments are based upon the original voted levy.

2001	2000	1999	1998	1997
\$3.2000	\$3.2000	\$3.2000	\$3.2000	\$3.2000
2.2000	2.2000	2.2000	2.2000	2.2000
\$4.3000	\$4.3000	\$3.3000	\$3.3000	\$3.3000
9.7500	9.7500	9.7500	9.7500	9.7500
5.2000	5.2000	5.2000	5.2000	4.9000
6.9500	6.9500	6.9500	4.4500	6.4500
7.2000	7.2000	7.2000	7.2000	5.3000
6.0000	6.0000	6.0000	6.0000	6.0000
8.1000	8.1000	8.1000	8.1000	6.3000
6.1000	6.1000	6.1000	5.2000	4.7000
16.2200	16.2200	15.9000	16.4000	16.4000
18.2000	18.2000	18.2000	18.2000	19.2000
10.8000	10.8000	9.3000	9.3000	9.3000
\$3.0000	\$3.0000	\$3.0000	\$3.0000	\$3.0000
7.0000	7.0000	7.0000	7.0000	7.0000
0.8000	0.8000	0.8000	0.8000	2.0000
3.7000	3.7000	3.8500	4.0000	4.2000
3.5000	3.5000	3.5000	3.5000	3.5000
4.1000	4.1000	4.1000	4.1000	4.1000
4.5000	4.5000	3.0000	3.0000	3.0000
5.1000	5.1000	5.1000	6.2500	5.7500
4.4000	4.4000	4.4000	4.4000	4.4000
3.5000	3.5000	3.5000	3.5000	3.5000
3.5000	3.5000	3.5000	3.5000	3.5000
\$1.4000	\$1.4000	\$1.0000	\$1.0000	\$1.0000
0.4000	0.4000	0.4000	0.4000	0.4000
2.5000	2.5000	2.5000	2.5000	2.5000

Toledo-Lucas County Public Library  
Real and Public Utility Property Tax Levies and Collections  
Last Ten Years

Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections
2006	\$12,673,888	\$12,003,473	94.71%	\$570,292	\$12,573,765
2005	14,098,800	13,357,091	94.74	525,966	13,883,057
2004	16,134,850	15,421,170	95.58	528,130	15,949,300
2003	10,179,452	9,635,485	94.66	365,827	10,001,312
2002	10,055,856	9,514,805	94.62	346,973	9,861,778
2001	10,051,354	9,620,151	95.71	182,248	9,802,399
2000	10,104,136	9,639,614	95.40	282,648	9,922,262
1999	9,763,522	9,499,692	97.30	314,001	9,813,693
1998	9,762,156	9,390,195	96.19	316,333	9,706,528
1997	8,146,000	7,912,831	97.14	356,329	8,269,160

Source: Lucas County Auditor

Note: Subsequent year collection data cannot be presented as delinquency information by tax year is not maintained by the County Auditor.

<u>Percent of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Total Tax Levy</u>
99.21%	\$1,194,055	9.42%
98.47	799,601	5.67
98.85	1,338,834	8.30
98.25	555,095	5.45
98.07	601,156	5.98
97.52	663,629	6.60
98.20	624,775	6.18
100.51	649,621	6.65
99.43	787,480	8.07
101.51	652,742	8.01

Toledo-Lucas County Public Library  
Tangible Personal Property Tax Levies and Collections  
Last Ten Years

Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections
2006	\$1,466,385	\$1,321,213	90.10%	\$138,622	\$1,459,835
2005	2,108,047	1,868,467	88.63	219,755	2,088,222
2004	2,214,548	2,061,450	93.09	135,382	2,196,832
2003	1,568,542	1,368,954	87.28	179,981	1,548,935
2002	1,596,235	1,442,911	90.39	139,277	1,582,188
2001	1,707,564	1,622,000	94.99	106,489	1,728,489
2000	1,681,842	1,666,706	99.10	61,783	1,728,489
1999	1,608,156	1,585,076	98.56	167,191	1,752,267
1998	1,554,000	1,495,259	96.22	83,411	1,578,670
1997	1,515,050	1,438,061	94.92	87,070	1,525,131

Source: Lucas County Auditor

Note: Subsequent year collection data cannot be presented as delinquency information by tax year is not maintained by the County Auditor.

<u>Percent of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Total Tax Levy</u>
99.55%	\$607,194	41.41%
99.06	622,444	29.53
99.20	572,870	25.87
98.75	321,033	20.47
99.12	276,570	17.33
101.23	249,750	14.63
102.77	245,824	14.62
108.96	209,275	13.01
101.59	497,794	32.03
100.67	382,133	25.22

Toledo-Lucas County Public Library  
Principal Taxpayers  
2006 and 1997

Taxpayer	2006	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Toledo Edison	\$128,066,000	1.48%
Sunoco	62,595,000	0.72
Westfield Shopping Town	53,092,000	0.61
General Motors	51,237,000	0.59
BP America	45,255,000	0.52
Daimler Chrysler	43,087,000	0.50
Ohio Bell	39,620,000	0.46
D-Serf Co.	31,934,700	0.37
The Anderson's	25,852,000	0.30
Columbia Gas	25,095,000	0.29
Total All Taxpayers's Assessed Valuation	\$8,679,539,000	

Taxpayer	1997	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Sunoco	\$73,608,410	1.25%
BP America	48,575,370	0.83
General Motors	41,461,310	0.70
Daimler Chrysler	32,592,580	0.55
The Anderson's	28,799,440	0.49
General Mills	24,679,670	0.42
Meijer	23,972,210	0.41
Schuller International	23,912,320	0.41
Toledo Edison	20,776,430	0.35
Ford Motor Corporation	17,821,010	0.30
Total All Taxpayers's Assessed Valuation	\$5,882,474,000	

Source: Lucas County Auditor

Toledo-Lucas County Public Library  
Debt Ratios  
Last Four Years

Year	Revenue Anticipation Notes	Estimated Actual Value of All Taxable Property	Percentage of Estimated Actual Value of Taxable Property	Per Capita
2006	\$0	\$26,795,736,000	0.00%	\$0.00
2005	1,640,000	26,691,049,000	0.01	3.60
2004	2,698,000	26,114,749,000	0.01	5.93
2003	3,417,000	23,735,090,000	0.01	7.51

Note: Details regarding the Library's outstanding debt can be found in the notes the financial statements.

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Toledo-Lucas County Public Library  
Demographic and Economic Statistics  
Last Ten Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)	
				County	Ohio
2006	455,054	\$9,336,797,972	\$20,518	5.90%	5.40%
2005	455,054	9,336,797,972	20,518	6.40	5.90
2004	455,054	9,336,797,972	20,518	6.60	5.90
2003	455,054	9,336,797,972	20,518	7.20	6.00
2002	455,054	9,336,797,972	20,518	5.80	5.00
2001	455,054	9,336,797,972	20,518	5.10	4.50
2000	455,054	9,336,797,972	20,518	4.90	4.10
1999	462,361	6,370,409,858	13,778	5.20	4.20
1998	462,361	6,370,409,858	13,778	5.50	4.20
1997	462,361	6,370,409,858	13,778	5.20	4.60
1996	462,361	6,370,409,858	13,778	5.00	4.90

Source: (1) U.S. Census

(a) Years 2000 through 2005 - 2000 Federal Census

(b) Years 1996 through 1999 - 1990 Federal Census

(2) Computation of per capita personal income multiplied by population

(3) Ohio Bureau of Employment Services

Toledo-Lucas County Public Library  
Operating Indicators by Branch  
Last Ten Years

Branch Location	2006	2005	2004	2003
<b>Birmingham</b>				
Number of Employees	7	9	9	4
Number of Volumes Owned	29,609	31,659	28,433	24,405
Number of Library Materials Circulated	70,712	73,972	81,271	39,088
Number of Registered Borrowers	2,885	2,572	2,759	2,468
<b>Heatherdowns</b>				
Number of Employees	19	22	21	21
Number of Volumes Owned	138,784	146,460	147,515	135,529
Number of Library Materials Circulated	499,092	482,938	507,205	493,415
Number of Registered Borrowers	18,254	16,262	18,035	17,855
<b>Holland</b>				
Number of Employees	19	21	17	17
Number of Volumes Owned	123,629	130,418	123,648	112,872
Number of Library Materials Circulated	494,456	486,454	491,599	468,953
Number of Registered Borrowers	20,957	17,590	18,334	17,535
<b>Kent</b>				
Number of Employees	9	11	9	9
Number of Volumes Owned	64,015	69,950	67,647	61,749
Number of Library Materials Circulated	97,292	97,079	94,003	85,119
Number of Registered Borrowers	7,587	6,841	7,593	7,353
<b>Lagrange</b>				
Number of Employees	6	6	5	5
Number of Volumes Owned	38,148	41,312	38,690	34,845
Number of Library Materials Circulated	104,999	88,281	62,670	56,899
Number of Registered Borrowers	5,044	3,940	3,625	3,563
<b>Locke</b>				
Number of Employees	8	8	9	6
Number of Volumes Owned	48,560	67,249	63,450	57,390
Number of Library Materials Circulated	98,120	106,461	113,952	105,272
Number of Registered Borrowers	9,166	8,204	9,391	9,088
<b>Main</b>				
Number of Employees	159	94	114	76
Number of Volumes Owned	732,900	787,064	707,197	753,577
Number of Library Materials Circulated	1,018,691	1,099,708	1,188,647	1,112,581
Number of Registered Borrowers	58,401	51,695	56,071	55,215
<b>Maumee</b>				
Number of Employees	16	23	14	19
Number of Volumes Owned	114,254	116,026	110,057	101,564
Number of Library Materials Circulated	351,982	359,473	384,156	344,186
Number of Registered Borrowers	12,083	10,592	11,055	10,601
<b>Mott</b>				
Number of Employees	8	8	8	7
Number of Volumes Owned	60,035	64,206	61,458	57,010
Number of Library Materials Circulated	100,820	89,373	90,043	80,256
Number of Registered Borrowers	8,540	7,683	8,091	7,674
<b>Oregon</b>				
Number of Employees	16	17	20	16
Number of Volumes Owned	101,909	123,477	116,859	107,062
Number of Library Materials Circulated	409,632	386,892	399,303	400,658
Number of Registered Borrowers	21,636	18,621	20,517	20,002
<b>Outreach Services</b>				
Number of Employees	13	11	11	11
Number of Volumes Owned	81,029	118,576	111,747	98,886
Number of Library Materials Circulated	310,878	232,601	215,690	218,465
Number of Registered Borrowers	3,302	3,123	2,964	2,808
<b>Point Place</b>				
Number of Employees	12	14	12	14
Number of Volumes Owned	80,098	86,246	81,764	75,670
Number of Library Materials Circulated	208,551	207,858	213,368	218,395
Number of Registered Borrowers	10,420	9,375	10,397	10,408

2002	2001	2000	1999	1998	1997
5	7	6	4	6	7
25,850	25,515	24,679	25,287	24,354	24,557
60,702	56,030	52,426	47,207	48,162	53,363
2,760	2,657	2,526	2,418	2,297	2,348
18	18	23	21	22	18
144,242	140,128	133,836	133,110	126,767	123,333
532,553	580,854	596,010	500,491	514,781	541,034
19,183	18,998	18,441	17,782	17,701	17,333
17	18	19	19	20	17
114,116	110,715	108,210	105,963	107,243	103,874
464,388	417,296	443,963	397,747	395,575	404,890
17,947	16,888	16,413	15,675	15,265	14,706
12	12	10	13	10	11
68,007	66,014	61,147	57,934	54,845	50,846
87,802	80,486	74,383	79,170	78,613	72,396
8,320	7,990	7,551	7,075	6,774	6,689
4	4	5	5	4	4
37,402	36,449	34,350	34,990	32,578	31,256
57,042	63,540	60,432	67,409	71,454	70,692
3,893	3,802	3,627	3,502	3,408	3,278
8	9	10	10	10	12
63,186	60,202	57,023	54,881	56,069	55,594
104,250	109,943	122,984	112,624	119,293	122,140
9,933	9,655	9,358	9,083	9,042	8,929
98	102	92	95	104	97
759,721	580,117	708,185	694,384	944,375	914,437
1,187,941	1,168,988	957,120	1,005,052	1,080,219	1,325,243
58,962	54,556	51,146	50,751	51,008	51,097
19	19	19	18	18	19
101,685	97,021	89,372	93,174	91,297	89,172
353,912	235,349	72,643	280,630	297,075	300,024
11,071	10,184	9,891	10,803	10,969	10,874
6	7	6	6	6	7
61,442	60,311	58,122	54,747	51,581	51,918
73,419	77,623	76,108	67,605	56,654	51,950
8,323	7,991	7,653	6,919	6,462	6,249
18	20	20	18	20	21
113,565	107,316	102,409	99,593	98,508	96,456
410,238	419,909	398,794	383,487	402,038	416,846
21,280	20,950	20,330	19,857	19,736	19,574
11	14	13	14	14	14
93,933	86,632	84,444	84,724	90,838	89,504
226,502	219,266	228,020	233,840	243,778	241,428
2,482	2,466	2,327	2,249	2,308	2,320
12	12	14	14	12	14
79,808	75,104	71,284	66,080	68,081	63,714
236,721	240,690	232,066	224,244	214,618	220,382
11,261	11,165	10,982	10,683	10,537	10,661

(continued)

Toledo-Lucas County Public Library  
 Operating Indicators by Branch  
 Last Ten Years  
 (continued)

Branch Location	2006	2005	2004	2003
<b>Reynolds Corners</b>				
Number of Employees	15	15	15	16
Number of Volumes Owned	105,587	119,662	113,970	105,193
Number of Library Materials Circulated	305,684	328,950	335,878	358,344
Number of Registered Borrowers	18,402	16,531	18,452	18,180
<b>Sanger</b>				
Number of Employees	18	18	20	18
Number of Volumes Owned	128,015	149,705	142,879	131,951
Number of Library Materials Circulated	455,476	458,698	485,195	464,427
Number of Registered Borrowers	21,923	19,677	21,366	20,967
<b>South</b>				
Number of Employees	6	6	5	5
Number of Volumes Owned	37,360	39,714	36,966	32,115
Number of Library Materials Circulated	88,743	82,779	70,931	64,596
Number of Registered Borrowers	6,117	5,285	5,447	5,081
<b>Sylvania</b>				
Number of Employees	23	24	24	21
Number of Volumes Owned	142,743	161,385	154,406	142,141
Number of Library Materials Circulated	599,472	604,126	628,989	635,165
Number of Registered Borrowers	22,559	19,761	21,383	21,293
<b>Toledo Heights</b>				
Number of Employees	8	7	7	7
Number of Volumes Owned	50,207	56,659	54,259	48,772
Number of Library Materials Circulated	122,283	126,207	124,366	119,359
Number of Registered Borrowers	7,134	6,417	7,297	7,166
<b>Washington</b>				
Number of Employees	17	17	17	17
Number of Volumes Owned	119,307	136,297	130,373	119,041
Number of Library Materials Circulated	423,462	422,131	445,951	450,615
Number of Registered Borrowers	17,717	15,675	16,574	16,577
<b>Waterville</b>				
Number of Employees	13	13	10	10
Number of Volumes Owned	86,723	87,065	82,606	75,564
Number of Library Materials Circulated	314,012	262,125	163,204	256,523
Number of Registered Borrowers	9,351	7,964	8,039	8,195
<b>West Toledo</b>				
Number of Employees	14	16	18	18
Number of Volumes Owned	95,700	115,982	110,423	101,300
Number of Library Materials Circulated	299,037	313,645	329,448	327,873
Number of Registered Borrowers	18,463	16,152	17,991	17,756
Total Number of Employees	406	360	365	317
Total Number of Volumes Owned	2,378,612	2,649,112	2,484,347	2,376,636
Total Number of Library Materials Circulated	6,373,394	6,309,751	6,425,869	6,300,189
Total Number of Register Borrowers	299,941	263,960	285,381	279,785

2002	2001	2000	1999	1998	1997
18	15	15	18	16	15
115,949	112,973	110,473	108,269	105,219	103,016
376,220	398,063	372,026	360,495	355,545	371,835
19,805	19,504	19,009	18,662	18,554	18,407
18	20	22	18	18	18
141,974	136,326	129,778	126,574	123,561	121,845
493,412	544,858	518,169	451,017	469,610	485,844
22,637	22,396	21,330	20,236	20,454	20,671
4	5	7	6	5	7
37,032	36,161	33,887	35,765	36,628	34,848
57,842	61,195	57,590	54,359	63,995	69,995
5,776	5,348	5,403	5,142	5,062	4,965
23	23	24	23	23	23
148,364	143,471	138,667	137,266	142,798	138,895
650,303	661,357	618,092	596,593	579,182	603,584
22,326	22,017	21,388	21,106	21,130	20,999
7	9	9	9	10	10
53,341	51,738	50,397	49,170	48,081	47,150
126,645	132,866	127,845	117,307	134,073	138,827
7,709	7,558	7,305	7,051	7,151	7,215
17	16	17	17	17	16
124,939	121,986	118,677	116,929	113,157	110,089
477,877	463,857	487,099	468,102	472,123	461,031
17,306	16,809	16,553	16,209	16,074	15,715
10	12	15	15	12	11
80,112	78,344	77,086	78,950	77,650	77,028
278,346	288,853	269,185	254,190	248,322	245,883
8,585	8,378	8,203	8,083	7,984	7,891
17	18	20	21	18	17
104,500	101,370	96,392	95,328	92,636	90,643
346,915	280,405	340,490	343,840	354,285	373,039
19,115	18,600	18,452	18,351	18,344	18,284
342	360	366	364	365	358
2,469,168	2,227,893	2,288,418	2,253,118	2,486,266	2,418,175
6,603,030	6,501,428	6,105,445	6,045,409	6,199,395	6,570,426
298,674	287,912	277,888	271,637	270,260	268,205

Toledo-Lucas County Public Library  
Capital Assets Statistics  
Last Ten Years

<u>Year</u>	<u>Buildings</u>	<u>Bookmobiles</u>	<u>Vehicles</u>
2006	20	2	7
2005	20	2	5
2004	20	2	4
2003	20	2	4
2002	20	2	4
2001	20	2	4
2000	20	2	4
1999	20	2	4
1998	20	2	4
1997	20	2	4



**Mary Taylor, CPA**  
Auditor of State

TOLEDO LUCAS COUNTY PUBLIC LIBRARY

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 28, 2007