

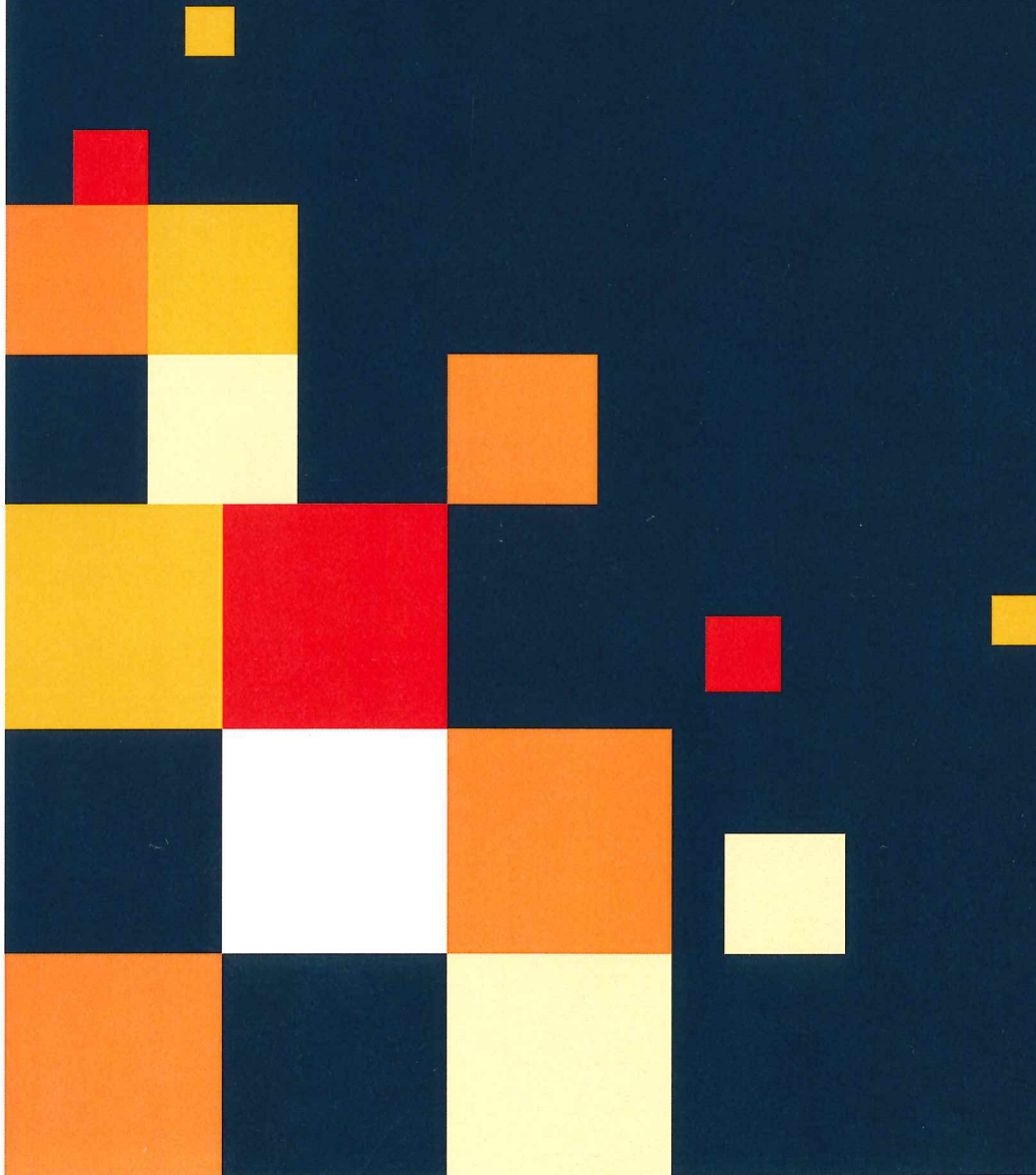
THIS
YOUR LIBRARY



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the year ended December 31, 2017

Toledo-Lucas County Public Library, Ohio





Dave Yost • Auditor of State

Board of Trustees
Toledo-Lucas County Public Library
325 Michigan Street
Toledo, Ohio 43604-6614

We have reviewed the *Independent Auditor's Report* of the Toledo-Lucas County Public Library, Lucas County, prepared by Julian & Grube, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 22, 2018

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INTRODUCTORY SECTION

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TOLEDO-LUCAS COUNTY
PUBLIC LIBRARY, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2017

Issued By:

Finance Office

Toledo-Lucas County Public Library
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2017
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May 31, 2018

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 twenty-fourth 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, 2017, 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 ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because 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 Dave Yost's office has issued an unmodified opinion on the Toledo-Lucas County Public Library's basic financial statements for the year ended December 31, 2017. The Independent Auditor's Report is located at the front of the financial section of this report.

State law requires the Library to file basic financial statements with the Auditor of State within one hundred fifty days after year end. This report fulfills that requirement.

PROFILE OF THE LIBRARY

The Toledo-Lucas County Public Library celebrated its 179th anniversary in 2017. It was the first public library in the State of Ohio. The origin of the 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 and moved into a new library building in 1890 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.

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.

By 1936, a strong case was made to build a new central library. The 1890's building had run out of shelf space and public seating. The library trustees and staff traveled to several cities to visit central libraries. They chose the Enoch Pratt Free Library in Baltimore as a model for Toledo. With the Federal Public Works Administration as a partner, the new library was built and occupied the entire block of Michigan, Madison, Tenth, and Adams Streets. The new Main Library opened in 1940 and was a brilliant addition with its art deco style, glass mosaics, and solid civic presence to downtown Toledo.

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 forty-eight years, the logic of that merger has been demonstrated repeatedly in improved service, increased usage, and more effective use of tax funds.

In 1986, the first public microcomputer lab began at the Library. The Library recognized that computers were learning tools of undisputed significance, yet they were expensive. There were many brand names from which to choose and there was wide proliferation of software from which to choose. Toledoans, who lacked computer expertise, limited their employment opportunities. A public library is a neutral setting for a public access microcomputer lab. The free lab included three IBM PCs, two Apple IIes, and one Apple Macintosh. The project objective was to reach one thousand customers from January 1 through September 30, 1986. The six computers were used 6,951 times during that time period. The microcomputer lab at Main Library became the model for gradually adding similar equipment at every branch.

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 has funded 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 2007, the Main Library addition and all eighteen branch libraries' capital projects had been completed (Birmingham, Heatherdowns, Holland, Kent, Lagrange, Locke, Maumee, Mott, Oregon, Point Place, Reynolds Corners, Sanger, South, Sylvania, Toledo Heights, Washington, Waterville, and West Toledo).

In October 2016, the Library opened a 19th branch at the corner of King Road and Sylvania Avenue. The King Road Branch is the result of decades of planning that began with an assessment from the Lucas County Planning Commission. The assessment predicted that population growth in the western tier of Lucas County would warrant the need for an additional library branch in the area. Located next to Southview High School, this state-of-the-art facility offers a unique browsing experience for a community of avid readers. The facility also features the system's first drive-up customer service window, a 24/7 lobby for retrieving held library materials at any hour, an automated materials handler for returned books and media, a recording studio, and a lab for high- and low-tech *making* activities in the Library. The new branch library also unites the Library's Outreach Services with the branch by bringing both services under one roof. 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 daycare providers, homebound, preschool, teens, and seniors. The branch features a garage large enough to store all four Outreach vehicles, including the Mobile Technology Center (mobile unit with 11 computer workstations) which provides computer training and classes at senior centers, housing units, and health care facilities.

The Library provides the residents of Lucas County with an abundance and variety of excellent services. With a book collection of over 1.8 million in material barcodes and digital downloads, the Toledo-Lucas County Public Library has the one of the largest public library collections in the State. Its annual circulation of more than 4.8 million includes not only bestsellers but also materials on all topics imaginable. The Library currently offers access to hundreds of thousands of digital titles from a variety of digital content publishers and that collection will continue to grow. In addition to digital and analog versions of published content, the Library has maps, newspapers, current and bound magazines, microfilm, large print materials, compact discs, books-on-tape, sheet music, digital video discs, and access to the Internet. In recent years, the Library has also begun offering access to digital audio and video recording equipment, recording studio spaces, and a wide range of tools for high- and low-tech *making* activities.

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, Popular/Teen, 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.

In 2017, staff members responded to 515,892 reference questions from patrons that reached the Library in person, via phone, fax, email, and a pilot chat program. The Library offers computerized database services which provide access to hundreds of topics in all fields of knowledge. The Library released a new version of its website in 2016 improving access to the library catalog and a wide array of integrated online services via toledolibrary.org.

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

In 2017, the Library embarked on the second full year of its five-year strategic plan (adopted in January 2016 by the Library Board of Trustees). The plan provides three focus areas for the Library's efforts between 2016-2020. These areas include:

1. Support essential literacies
2. Increase community engagement
3. Foster a culture of innovation and leadership within the Library

Additionally, the plan formally adopts five key values to guide the work of Library activities:

1. Welcoming - The Library respects and values diversity, equity, and fairness
2. Objective - The Library supports the free exchange of information and ideas
3. Collaborative - The Library works with others to strengthen Toledo and Lucas County
4. Innovative - The Library encourages creativity, experimentation, and new ideas
5. Accountable - The Library takes responsibility for its actions and services

Annually, the Library prepares a budget of revenues and expenditures/expenses for all funds of the Library. The focus of budgetary control is at the program and object level for all funds. The budget is monitored throughout the year by the fiscal officer who updates the Board of Trustees on the Library's financial status.

LOCAL ECONOMY

The Toledo region's economic growth continues, albeit at a slow and steady pace. Home prices, employment, and the region's sum total of goods and services continue to edge slowly upwards lending to a feeling of optimism about the future of the region.

As ProMedica prepares to move more operations into its new central headquarters in downtown Toledo, thousands of employees will be relocated. This move will result in an estimated eight hundred fifty jobs being relocated to the downtown area with a possibility of an additional two hundred fifty new jobs being added.

Toledo continues to rate high on the culture scale. It is home to the world-class Toledo Museum of Art, nationally acclaimed Toledo Zoo, well-maintained metropolitan parks, an excellent university and medical school, Imagination Station (children's science center), Mud Hens minor league baseball team, Toledo Symphony Orchestra, and Huntington Center and Walleye Hockey Arena.

LONG-TERM FINANCIAL PLANNING

Although the Board of Trustees does not have a formal policy established for budgetary and planning purposes, the Board has always made an effort to have the fund balance in the General Fund maintain a level of at least 1 to 3 percent of current year revenues. For 2017, the General Fund balance was 4.5 percent of current year revenues.

RELEVANT FINANCIAL POLICIES

The Library has established relevant financial policies for investments and capital assets. The purpose of the investment policy is to provide for complete safety of the portfolio's principal value, assure adequate liquidity, and earn a market rate of return.

The goal of the capital assets inventory system and policy is to provide control and accountability over the Library's capital assets and to assist in gathering and maintaining information needed for the preparation of the annual financial statements.

MAJOR INITIATIVES

On November 8, 2016, Lucas County voters approved the renewal of a 2.9 mill property tax levy for Toledo-Lucas County Public Library with an additional .8 mill increase for a total of 3.7 mills. This renewed levy went into effect in January 2018 and was estimated to cost the taxpayer approximately \$115 per year on a \$100,000 home. The levy provides more than half of the Library's operating budget. The Library has restored many of the lost service hours (due to the 2009 retrenchment), provided more technology, purchased more library materials, scheduled more children's programs, and has been able to maintain staff to provide the excellent public service for which the Library is renowned. The increased millage helped the Library improve hours and preserve and protect the public's investment in the Library's infrastructure.

The following data points reflect key outputs from Library activities in 2017:

- Circulation - 4,807,368
- Reference - 515,892
- Registered Borrowers - 269,997
- Collection Total - 1,917,213 (including all material barcodes and digital downloads)
- Patron visits - 2,900,000

Additionally, in 2017, the Library:

- Expanded Sunday hours to five agencies year-round
- Engaged with library card promotion opportunities with the Links, Costco, and numerous other partners at community events
- Provided web literacy training to all Library staff to help staff and Library users effectively read, write, and participate on the web
- Increased Summer Reading Challenge participation by 4 percent
- Collaborated with the Fair Housing Center and the Arts Commission on *Ode to the Zip Code*
- Collaborated with the Arts Commission as a hub for the First Thursday Art Loop
- Hosted summer lunch program at Main Library and many branches and continued fall supper program at the Main Library
- Participated in a national cohort of public libraries to establish benchmarks and priorities around technology use and infrastructure (Urban Libraries Council's Edge Collaborative)

Capital Projects

The Library closed the Sylvania Branch for a significant renovation project that includes the addition of over 4,500 square feet of public service space. The Library also renovated the Sanger Branch to improve floor plan functionality and address wear-and-tear at one of the system's most-visited branches. The Susan M. Savage Family Place *Creativity Lab* opened in February providing 2,775 square feet of space specially designed for kids, tweens, and families.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

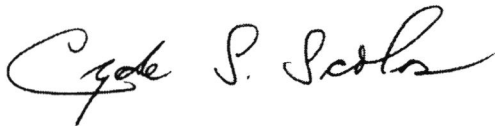
The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Toledo-Lucas County Public Library for its Comprehensive Annual Financial Report for the year ended December 31, 2016. This was the twenty-third 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 2017.

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, I would like to express appreciation to Dave Yost, Auditor of State, and to his Local Government Services staff for their assistance in preparing this report.



Clyde S. Scoles
Director/Fiscal Officer



Roger A. Veitch
Business Manager/Deputy Fiscal Officer

Toledo-Lucas County Public Library

List of Principal Officials

Board of Trustees

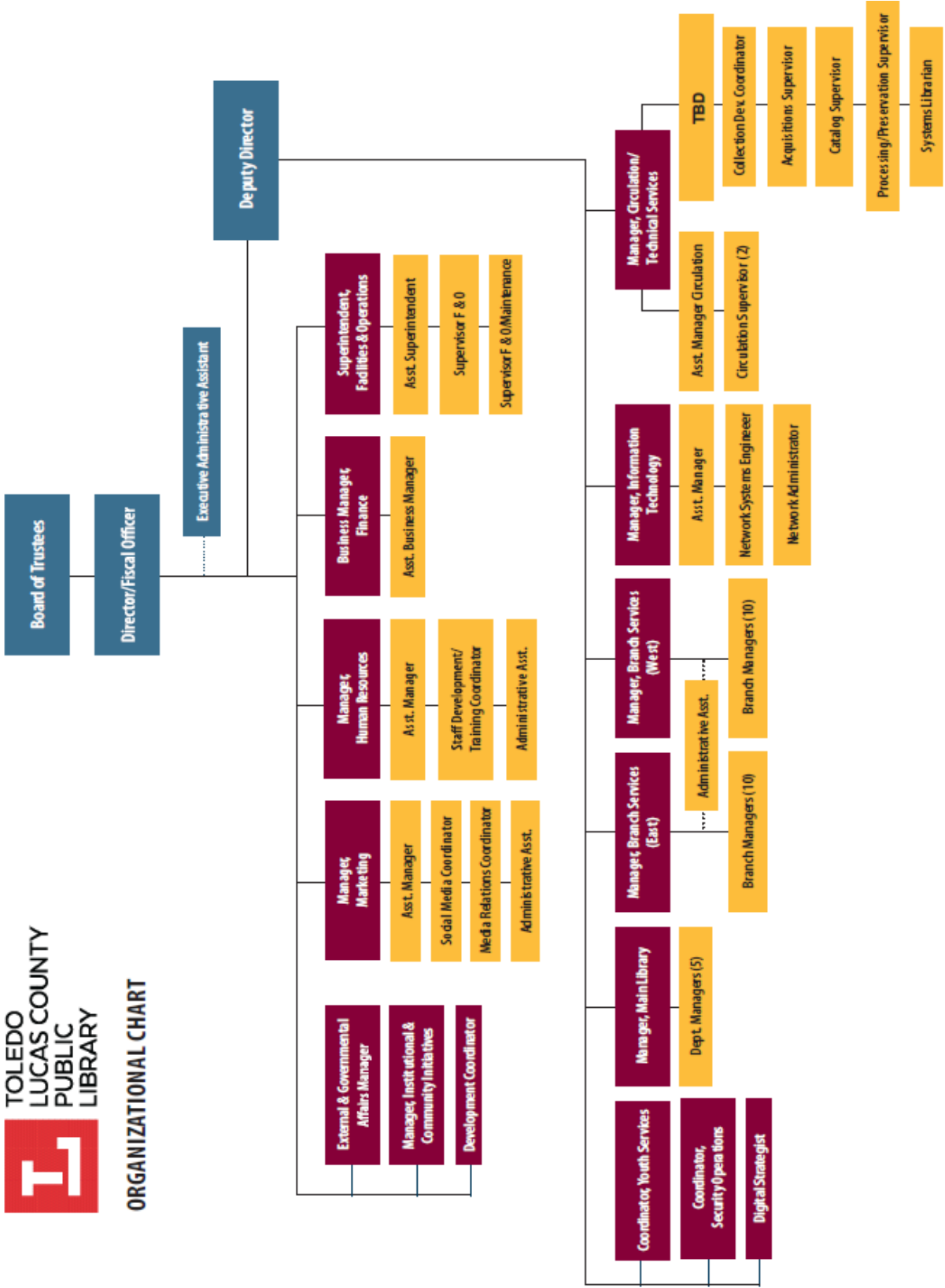
President	A. Randy Clay
Vice President	George R. Tucker
Secretary	Susan M. Savage
Board Members	Jesus R. Salas
	Dennis G. Johnson
	Michael P. Dansack, Jr.
	Sheila Odesky

Appointed Officials

Director/Fiscal Officer	Clyde S. Scoles
Business Manager/ Deputy Fiscal Officer	Roger A. Veitch
Assistant Deputy Fiscal Officer	Dana Allee



ORGANIZATIONAL CHART





Government Finance Officers Association

**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, 2016

Christopher P. Morill

Executive Director/CEO

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**FINANCIAL
SECTION**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

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

To the Board of Trustees:

Report on the Financial Statements

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, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Toledo-Lucas County Public Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Toledo-Lucas County Public Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Toledo-Lucas County Public Library's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Independent Auditor's Report
Toledo-Lucas County Public Library

Opinion

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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Toledo-Lucas County Public Library's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Independent Auditor's Report
Toledo-Lucas County Public Library

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2018, on our consideration of the Toledo-Lucas County Public 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Toledo-Lucas County Public Library's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
May 31, 2018

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TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2017

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, 2017. The intent of this discussion and analysis is to look at the Library's financial performance as a whole.

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 position 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 Facilities Construction/Improvement Fund.

REPORTING THE LIBRARY AS A WHOLE

The statement of net position and the statement of activities reflect how the Library did financially during 2017. 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.

These statements report the Library's net position and changes in net position. This change in net position 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 position 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 Facilities Construction/Improvement Fund. While the Library uses many funds to account for its financial transactions, these are the most significant.

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management’s Discussion and Analysis

For the Year Ended December 31, 2017

Unaudited

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 Fund - The Library’s proprietary fund uses the accrual basis of accounting. This fund represents the internal service fund for prescription, health, and dental programs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the Library’s net position for 2017 and 2016.

Table 1
Net Position

	Governmental Activities		
	2017	2016	Change
<u>Assets</u>			
Current and Other Assets	\$63,798,106	\$37,457,565	\$26,340,541
Capital Assets, Net	86,956,013	86,480,436	475,577
Total Assets	150,754,119	123,938,001	26,816,118
<u>Deferred Outflows of Resources</u>			
Pension	11,666,493	8,869,450	2,797,043
<u>Liabilities</u>			
Current and Other Liabilities	3,347,100	2,664,969	(682,131)
Long-Term Liabilities			
Pension	29,660,446	22,265,788	(7,394,658)
Other Amounts	43,063,337	19,267,946	(23,795,391)
Total Liabilities	76,070,883	44,198,703	(31,872,180)

(continued)

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2017

Unaudited

Table 1
Net Position
(continued)

	Governmental Activities		
	2017	2016	Change
<u>Deferred Inflows of Resources</u>			
Pension	\$176,524	\$430,218	\$253,694
Other Amounts	23,137,154	18,034,939	(5,102,215)
Total Deferred Inflows of Resources	<u>23,313,678</u>	<u>18,465,157</u>	<u>(4,848,521)</u>
<u>Net Position</u>			
Net Investment in Capital Assets	69,867,117	71,597,311	(1,730,194)
Restricted	1,529,776	621,986	907,790
Unrestricted (Deficit)	<u>(8,360,842)</u>	<u>(2,075,706)</u>	<u>(6,285,136)</u>
Total Net Position	<u>\$63,036,051</u>	<u>\$70,143,591</u>	<u>(\$7,107,540)</u>

The net pension liability reported by the Library at December 31, 2017, and is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the Library's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statement No. 68 requires the net pension liability to equal the Library's proportionate share of each plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2017

Unaudited

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Library is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer as to the employee because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

In accordance with GASB Statement No. 68, the Library's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of the plan's change in net pension liability not accounted for as deferred outflows/inflows.

Pension related changes noted in the above table reflect a significant increase in deferred outflows due to the difference between projected and actual earnings on investments related to the net pension liability. The increase in the net pension liability represents the Library's proportionate share of the unfunded benefits. As indicated previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

In addition to the changes related to pension, there were several other changes of significance from the prior year. There were two primary factors contributing to the increase in current and other assets: a \$21 million increase in cash and cash equivalents primarily due to the issuance of Library Improvement Notes (issued \$25 million; \$24.5 million was not yet spent as of year end) and an increase of nearly \$5.7 million in property taxes receivable (due, in part, to a \$78 million increase in the assessed valuation of property as well as the effect of an additional .8 mill property tax levy which was first effective for tax year 2017). The increase in current and other liabilities is largely due to an increase in payables related to ongoing construction of facilities and an increase in accrued interest resulting from the new debt issue. The increase in other long-term liabilities is due to the new revenue anticipation notes issued during 2017; \$25 million in new notes. The increase in deferred inflows corresponds to the increase in property taxes receivable; the collection of which will occur in the subsequent year.

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2017

Unaudited

Table 2 reflects the change in net position for 2017 and 2016.

Table 2
Change in Net Position

	Governmental Activities		
	2017	2016	Change
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$548,649	\$563,947	(\$15,298)
Operating Grants, Contributions, and Interest	131,995	90,581	41,414
Capital Grants and Contributions	0	50,000	(50,000)
Total Program Revenues	680,644	704,528	(23,884)
General Revenues			
Property Taxes Levied for General Purposes	18,511,212	17,831,250	679,962
Grants and Entitlements	17,667,427	17,185,031	482,396
Interest	170,140	38,687	131,453
Gifts and Donations	24,645	202,315	(177,670)
Miscellaneous	495,461	239,460	256,001
Total General Revenues	36,868,885	35,496,743	1,372,142
Total Revenues	37,549,529	36,201,271	1,348,258
<u>Expenses</u>			
Public Services			
General Public Services	32,919,348	29,052,495	(3,866,853)
Purchased and Contracted Services	7,155,165	8,142,696	987,531
Library Materials and Information	3,765,253	3,927,575	162,322
Interest and Fiscal Charges	817,303	630,507	(186,796)
Total Expenses	44,657,069	41,753,273	(2,903,796)
Decrease in Net Position	(7,107,540)	(5,552,002)	(1,555,538)
Net Position Beginning of Year	70,143,591	75,695,593	(5,552,002)
Net Position End of Year	\$63,036,051	\$70,143,591	(\$7,107,540)

Total program revenues did not change significantly from the prior year; however, there was an increase in operating grants and contributions due to program funding and a similar decrease in capital grants and contributions due to the expiration of the LSTA grant. The increase of almost 4 percent in general revenues is due to the increase in property tax revenue (increase in assessed value and the additional .8 mill levy) and a modest increase in State library funding (unrestricted grants and entitlements). In addition, the Library received approximately \$200,000 in ERATE revenue in 2017 (miscellaneous revenue).

Expenses increased almost 7 percent. The majority of this increase is related to increased pension expense and a slight increase in depreciation (reflected in general public services). However, there was also a decrease of over \$987,000 for purchased and contracted services due to non-capitalized renovations or maintenance during the previous year.

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2017

Unaudited

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	
	2017	2016	2017	2016
Public Services				
General Public Services	\$32,919,348	\$29,052,495	\$32,314,834	\$28,414,937
Purchased and Contracted Services	7,155,165	8,142,696	7,155,165	8,142,696
Library Materials and Information	3,765,253	3,927,575	3,689,123	3,860,605
Interest and Fiscal Charges	817,303	630,507	817,303	630,507
Total Expenses	<u>\$44,657,069</u>	<u>\$41,753,273</u>	<u>\$43,976,425</u>	<u>\$41,048,745</u>

Approximately 98 percent of the total costs of Library operations are derived from general revenues (same as 2016) which primarily consists of property taxes and State funding (public library funds).

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The Library's major governmental funds are the General Fund and the Facilities Construction/Improvement capital projects fund.

There was a 44 percent decrease in fund balance in the General Fund. Both total revenues and total expenditures were very comparable to the prior year; however, the Library continued to deficit spend in 2017.

Fund balance increased in the Facilities Construction/Improvement Fund due to the issuance of \$25 million in revenue anticipation notes, most of which was not spent as of year end.

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 was little change from the original budget to the final budget as well as from the final budget to actual revenues or expenditures. The most significant change in actual revenues was due to the ERATE revenue (miscellaneous revenue) and the expenditure savings was the result of maintaining spending within the budget.

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2017

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Library's investment in capital assets as of December 31, 2017, was \$86,956,013 (net of accumulated depreciation). Additions included the completion of the Creativity Lab and Sanger Branch improvement projects (both construction in progress in 2016), continued building construction/renovation, furniture, and networking equipment. Disposals included furniture and obsolete media equipment. For additional information regarding the Library's capital assets, refer to Note 9 to the basic financial statements.

Debt - At December 31, 2017, the Library had \$40,819,000 in revenue anticipation notes outstanding. These notes will be repaid from resources the Library receives from the State funding allocation for libraries. The Library's other long-term obligations include the net pension liability, compensated absences, and capital leases. For further information regarding the Library's long-term obligations, refer to Notes 15 and 16 to the basic financial statements.

CURRENT ISSUES

Last year, the Library started a renovation project on the Sylvania Branch. The renovation is expected to be completed at the end of August 2018. Groundbreaking for a new Mott Branch was held on April 9, 2018. The new building is expected to open in May 2019.

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/Fiscal Officer or Roger Veitch, Business Manager/Deputy Fiscal Officer, 325 Michigan Street, Toledo, Ohio 43604.

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Toledo-Lucas County Public Library
Statement of Net Position
December 31, 2017

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$28,990,629
Accounts Receivable	835
Accrued Interest Receivable	1,760
Due from Other Governments	8,703,711
Prepaid Items	274,016
Materials and Supplies Inventory	37,970
Property Taxes Receivable	25,789,185
Nondepreciable Capital Assets	11,880,076
Depreciable Capital Assets, Net	75,075,937
 Total Assets	 150,754,119
<u>Deferred Outflows of Resources</u>	
Pension	11,666,493
<u>Liabilities</u>	
Accrued Wages Payable	727,871
Accounts Payable	782,243
Contracts Payable	664,551
Retainage Payable	111,402
Matured Compensated Absences Payable	30,892
Due to Other Governments	285,551
Accrued Interest Payable	366,089
Claims Payable	378,501
Long-Term Liabilities	
Due Within One Year	3,103,710
Due in More Than One Year	
Net Pension Liability	29,660,446
Other Amounts	39,959,627
 Total Liabilities	 76,070,883
<u>Deferred Inflows of Resources</u>	
Property Taxes	23,137,154
Pension	176,524
 Total Deferred Inflows of Resources	 23,313,678
<u>Net Position</u>	
Net Investment in Capital Assets	69,867,117
Restricted for	
Capital Projects	985,026
Library Materials (Sight Impaired)	100,265
Library Materials (Book Acquisition)	131,489
Other Purposes	54,399
Library Materials	
Expendable	129,007
Nonexpendable	129,590
Unrestricted (Deficit)	(8,360,842)
 Total Net Position	 \$63,036,051

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
Statement of Activities
For the Year Ended December 31, 2017

	Program Revenues	
Expenses	Charges for Services	Operating Grants, Contributions, and Interest
<u>Governmental Activities</u>		
Public Services		
General Public Services	\$32,919,348	\$548,649
Purchased and Contracted Services	7,155,165	0
Library Materials and Information	3,765,253	76,130
Interest and Fiscal Charges	817,303	0
Total	\$44,657,069	\$131,995

General Revenues

Property Taxes Levied for General Purposes
Grants and Entitlements not Restricted to Specific Programs
Interest
Gifts and Donations
Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense)
Revenue and Change
in Net Position

Total

(\$32,314,834)
(7,155,165)
(3,689,123)
(817,303)

(43,976,425)

18,511,212
17,667,427
170,140
24,645
495,461

36,868,885

(7,107,540)

70,143,591

\$63,036,051

Toledo-Lucas County Public Library
Balance Sheet
Governmental Funds
December 31, 2017

	General	Facilities Construction/ Improvement	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,853,839	\$25,513,441	\$1,290,873	\$28,658,153
Accounts Receivable	835	0	0	835
Accrued Interest Receivable	909	0	851	1,760
Due from Other Governments	8,703,711	0	0	8,703,711
Prepaid Items	274,016	0	0	274,016
Materials and Supplies Inventory	37,970	0	0	37,970
Property Taxes Receivable	25,789,185	0	0	25,789,185
Total Assets	\$36,660,465	\$25,513,441	\$1,291,724	\$63,465,630
<u>Liabilities</u>				
Accrued Wages Payable	\$727,871	\$0	\$0	\$727,871
Accounts Payable	725,618	12,125	44,500	782,243
Contracts Payable	1,378	658,463	4,710	664,551
Retainage Payable	0	111,402	0	111,402
Matured Compensated Absences Payable	30,892	0	0	30,892
Due to Other Governments	285,551	0	0	285,551
Total Liabilities	1,771,310	781,990	49,210	2,602,510
<u>Deferred Inflows of Resources</u>				
Property Taxes	23,137,154	0	0	23,137,154
Unavailable Revenue	10,111,120	0	851	10,111,971
Total Deferred Inflows of Resources	33,248,274	0	851	33,249,125
<u>Fund Balance</u>				
Nonspendable	311,986	0	129,590	441,576
Restricted	0	24,731,451	414,690	25,146,141
Committed	0	0	697,383	697,383
Assigned	1,328,895	0	0	1,328,895
Total Fund Balance	1,640,881	24,731,451	1,241,663	27,613,995
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$36,660,465	\$25,513,441	\$1,291,724	\$63,465,630

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
 Reconciliation of Total Governmental Fund Balance
 to Net Position of Governmental Activities
 December 31, 2017

Total Governmental Fund Balance		\$27,613,995
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		86,956,013
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>		
Accrued Interest Receivable	1,760	
Due from Other Governments	7,458,180	
Delinquent Property Taxes Receivable	<u>2,652,031</u>	
		10,111,971
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Accrued Interest Payable	(366,089)	
Revenue Anticipation Notes Payable	(40,819,000)	
Compensated Absences Payable	(2,227,635)	
Capital Leases Payable	<u>(16,702)</u>	
		(43,429,426)
<p>The net pension liability is not due and payable in the current period, therefore, the liability and related deferred outflows/inflows are not reported in the governmental funds.</p>		
Deferred Outflows - Pension	11,666,493	
Deferred Inflows - Pension	(176,524)	
Net Pension Liability	<u>(29,660,446)</u>	
		(18,170,477)
<p>The internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.</p>		<u>(46,025)</u>
Net Position of Governmental Activities		<u><u>\$63,036,051</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, 2017

	General	Facilities Construction/ Improvement	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$17,937,134	\$0	\$0	\$17,937,134
Intergovernmental	17,438,917	0	58,500	17,497,417
Patron Fines and Fees	547,280	0	74,384	621,664
Interest	7,638	159,311	3,958	170,907
Services Provided to Others	1,369	0	0	1,369
Gifts and Donations	24,645	0	11,000	35,645
Miscellaneous	495,457	0	4	495,461
Total Revenues	36,452,440	159,311	147,846	36,759,597
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	25,796,518	0	17,372	25,813,890
Purchased and Contracted Services	5,644,544	1,160,037	161,275	6,965,856
Library Materials and Information	3,744,608	0	20,645	3,765,253
Capital Outlay	806,818	1,655,686	1,074,917	3,537,421
Debt Service				
Principal Retirement	1,138,439	0	0	1,138,439
Interest and Fiscal Charges	601,619	0	0	601,619
Total Expenditures	37,732,546	2,815,723	1,274,209	41,822,478
Excess of Revenues Under Expenditures	(1,280,106)	(2,656,412)	(1,126,363)	(5,062,881)
<u>Other Financing Sources</u>				
Revenue Anticipation Notes Issued	0	25,000,000	0	25,000,000
Changes in Fund Balance	(1,280,106)	22,343,588	(1,126,363)	19,937,119
Fund Balance Beginning of Year	2,920,987	2,387,863	2,368,026	7,676,876
Fund Balance End of Year	\$1,640,881	\$24,731,451	\$1,241,663	\$27,613,995

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, 2017

Changes in Fund Balance - Total Governmental Funds \$19,937,119

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 capital outlay exceeded depreciation in the current year.

Capital Outlay Additions - Non-Depreciable Capital Assets	2,928,803	
Capital Outlay Additions - Depreciable Capital Assets	419,309	
Current Year Depreciation	<u>(2,710,277)</u>	
		637,835

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position when disposed of resulting in a loss on disposal of capital assets on the statement of activities. (162,258)

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

Delinquent Property Taxes	574,078	
Intergovernmental	214,874	
Interest	<u>980</u>	
		789,932

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

Revenue Anticipation Notes	1,128,000	
Capital Leases	<u>10,439</u>	
		1,138,439

Revenue anticipation note proceeds are other financing sources in governmental funds but the issuance increases long-term liabilities on the statement of net position. (25,000,000)

Except for amounts reported as deferred outflows/inflows, changes in the net pension liability are reported as pension expense on the statement of activities. (6,512,611)

Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows. 2,168,690

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. (215,684)

(continued)

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, 2017
(continued)

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. \$66,170

The internal service fund used by management to charge the cost of insurance to individual funds is 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. 44,828

Change in Net Position of Governmental Activities (\$7,107,540)

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<u>Revenues</u>				
Property Taxes	\$17,900,000	\$17,900,000	\$17,937,134	\$37,134
Intergovernmental	18,021,768	17,378,139	17,489,885	111,746
Patron Fines and Fees	565,000	565,000	547,270	(17,730)
Interest	8,250	8,250	10,833	2,583
Services Provided to Others	1,350	1,350	1,369	19
Gifts and Donations	205,000	205,000	24,645	(180,355)
Miscellaneous	305,500	305,500	503,571	198,071
Total Revenues	37,006,868	36,363,239	36,514,707	151,468
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	25,419,185	26,030,587	25,963,423	67,164
Purchased and Contracted Services	6,342,069	6,074,665	5,785,299	289,366
Library Materials and Information	3,806,873	3,756,873	3,684,959	71,914
Capital Outlay	833,489	831,560	828,939	2,621
Debt Service				
Principal Retirement	1,128,000	1,128,000	1,128,000	0
Interest and Fiscal Charges	601,619	601,619	601,619	0
Total Expenditures	38,131,235	38,423,304	37,992,239	431,065
Excess of Revenues Under Expenditures	(1,124,367)	(2,060,065)	(1,477,532)	582,533
<u>Other Financing Sources (Uses)</u>				
Other Financing Uses	(941,699)	0	0	0
Advances In	64,500	64,500	69,500	5,000
Advances Out	(10,500)	(16,500)	(16,500)	0
Total Other Financing Sources (Uses)	(887,699)	48,000	53,000	5,000
Changes in Fund Balance	(2,012,066)	(2,012,065)	(1,424,532)	587,533
Fund Balance Beginning of Year	1,973,677	1,973,677	1,973,677	0
Prior Year Encumbrances Appropriated	611,343	611,343	611,343	0
Fund Balance End of Year	\$572,954	\$572,955	\$1,160,488	\$587,533

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
Statement of Fund Net Position
Internal Service Fund
December 31, 2017

Current Assets

Equity in Pooled Cash and Cash Equivalents \$332,476

Current Liabilities

Claims Payable 378,501

Net Position

Unrestricted (Deficit) (\$46,025)

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
Statement of Revenues, Expenses,
and Change in Fund Net Position
Internal Service Fund
For the Year Ended December 31, 2017

<u>Operating Revenues</u>	
Charges for Services	3,640,760
 <u>Operating Expenses</u>	
Purchased and Contracted Services	418,132
Claims	3,177,800
 Total Operating Expenses	 3,595,932
 Net Income	 44,828
 Net Position (Deficit) Beginning of Year	 (90,853)
 Net Position (Deficit) End of Year	 (\$46,025)

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
Statement of Cash Flows
Internal Service Fund
For the Year Ended December 31, 2017

Increase (Decrease) in Cash and Cash Equivalents

<u>Cash Flows from Operating Activities</u>	
Cash Received from Other Funds	\$3,640,760
Cash Payments for Purchased and Contracted Services	(418,132)
Cash Payments for Claims	<u>(3,105,081)</u>
Net Cash Provided by Operating Activities	117,547
Cash and Cash Equivalents Beginning of Year	<u>214,929</u>
Cash and Cash Equivalents End of Year	<u><u>\$332,476</u></u>

Reconciliation of Net Income to Net
Cash Provided by Operating Activities

Net Income	\$44,828
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Adjustments to Reconcile Net Income to Net
Cash Provided by Operating Activities

Increase in Claims Payable	<u>72,719</u>
Net Cash Provided by Operating Activities	<u><u>\$117,547</u></u>

See Accompanying Notes to the Basic Financial Statements

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 twenty 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 Board of Library Trustees appoints a Director/Fiscal Officer, Business Manager/Deputy Fiscal Officer, and an Assistant Deputy Fiscal Officer.

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 that are fiscally dependent on the Library in that the Library approves the budget, the issuance of debt, or the levying of taxes, and there is the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Library. There were no component units of the Toledo-Lucas County Public Library in 2017.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

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. 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 position 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 position 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 fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net position 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 fund is presented on the proprietary fund financial statements.

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.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and deferred inflows of resources 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.

Facilities Construction/Improvement Fund - The Facilities Construction/Improvement Fund is used to account for revenue anticipation note proceeds restricted for the acquisition, construction, or improvement of buildings and the acquisition of equipment.

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

Proprietary Funds

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

Internal Service Fund - The internal service fund is used to account for the Library's self insurance programs for prescription, health, 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 position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

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 fund is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net position. The statement of revenues, expenses, and change in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the Library finances and meets the cash flow needs of its internal service fund.

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 fund uses 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 outflows and deferred inflows of resources, 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, 2017
(continued)

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 Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized until that time. For the Library, deferred outflows of resources consists of pension which is explained in Note 12 to the basic financial statements.

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Library, deferred inflows of resources includes property taxes, unavailable revenue, and pension. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. This amount has been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the Library, unavailable revenue includes accrued interest, intergovernmental revenue including grants and library and local government distribution, and delinquent property taxes. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 17. Deferred inflows of resources related to pension are reported on the government-wide statement of net position and explained in Note 12 to the basic financial statements.

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 tax budget demonstrates a need for existing or increased tax rates. 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 program and object level for all funds.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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”.

During 2017, the Library invested in negotiable certificates of deposit, federal agency securities, and Star Ohio. Investments are reported at fair value. Fair value is based on quoted market prices. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) statement No. 79, “Certain External Investment Pools and Pool Participants”. The Library measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The net asset value per share is calculated on an amortized cost basis that provides a net asset value per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given twenty-four hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant are combined for this purpose.

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 2017 was \$7,638 which includes \$637 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.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, 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.

H. 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.

I. 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 position 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 acquisition 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:

Description	Useful Lives
Buildings and Improvements	30-100 years
Improvements Other Than Buildings	15 years
Furniture Fixtures, and Equipment	5-30 years
Vehicles	9-13 years

J. 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.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 ten years of service as outlined in the applicable union or exempt agreement.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid.

K. 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 fund 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, net pension liability and 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. Revenue anticipation notes and capital leases are recognized as liabilities on the fund financial statements when due.

L. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on its use through constitutional provisions or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily consists of donations restricted for various library services or materials. The Library's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Fund Balance

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

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

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

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees. The committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by the Board of Trustees. Fund balance policy of the Board of Trustees has authorized the director/fiscal officer to assign fund balance for projected budget shortages, tuition reimbursement, and purchases on order provided such amounts have been lawfully appropriated.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the internal service fund. 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.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Pension

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

P. 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 - CHANGE IN ACCOUNTING PRINCIPLES

For 2017, the Library has implemented Governmental Accounting Standard Board (GASB) Implementation Guide No. 2016-1. These changes were incorporated in the Library's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 4 - ACCOUNTABILITY

At December 31, 2017, the Self Insurance internal service fund had a deficit net position of \$46,025 due to the claims liability exceeding the cash balance at December 31. The deficit will be eliminated as premiums are charged to the funds from which employees are paid.

NOTE 5 - 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.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

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 restricted, committed, or assigned fund balance (GAAP basis).

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	(\$1,280,106)
<u>Increase (Decrease) Due To</u>	
Revenue Accruals:	
Accrued 2016, Received in Cash 2017	1,305,438
Accrued 2017, Not Yet Received in Cash	(1,246,366)
Expenditure Accruals:	
Accrued 2016, Paid in Cash 2017	(1,476,466)
Accrued 2017, Not Yet Paid in Cash	1,771,310
Cash Adjustments:	
Unrecorded Activity 2016	(125)
Unrecorded Activity 2017	3,320
Prepaid Items	143,852
Materials and Supplies Inventory	(1,718)
Advances In	69,500
Advances Out	(16,500)
Encumbrances Outstanding at Year End (Budget Basis)	(696,671)
Budget Basis	(\$1,424,532)

NOTE 6 - 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, 2017
(continued)

NOTE 6 - 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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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, and Government National Mortgage 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, 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 and, with certain limitations, bonds and other obligations of political subdivisions 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;
6. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
7. The State Treasurer's investment pool (STAR Ohio), and;

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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 a 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, \$926,903 of the Library's bank balance of \$3,940,515 was exposed to custodial credit risk because it was uninsured and uncollateralized. For certain deposits, timing issues related to fluctuations in depository balances contributed to the uncollateralized balance. The insufficiencies were corrected the next business day. For the remainder of the uncollateralized deposits, 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 risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to the Library and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured or by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

One of the Library's three financial institutions was in the process of joining OPCS; however, at December 31, 2017, the financial institution still maintained its own 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.

In April 2018, two of the Library's financial institutions participating in OPCS were approved for a reduced collateral floor of 50 percent. At the time the reduced floor became effective, \$1,094,995 of the Library's bank balance of \$3,940,515 was exposed to custodial credit risk because the deposits were uninsured and uncollateralized.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments

As of December 31, 2017, the Library had the following investments:

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Maturity</u>
Fair Value - Level Two Inputs		
Negotiable Certificates of Deposit	\$249,770	05/22/18
Federal Farm Credit Bank Notes	492,390	10/11/19
Net Asset Value per Share		
Star Ohio	24,492,780	52.1 days
	<u>\$25,234,940</u>	

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the Library's recurring fair value measurements as of December 31, 2017. All of the Library's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 negotiable certificates of deposit are generally covered by FDIC and/or SIPC insurance. The Federal Farm Credit Bank Notes carry a rating of AAA by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The Library has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

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.

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Negotiable Certificates of Deposit	\$249,770	0.99%
Federal Farm Credit Bank Notes	492,390	1.95

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 7 - RECEIVABLES

Receivables at December 31, 2017, consisted of accounts (photocopies, facsimiles, and fines), accrued interest, amounts due from other governments, and property taxes. All receivables, except property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	
Library Local Government Support	\$7,512,514
Homestead and Rollback	1,191,197
Total Intergovernmental Receivables	\$8,703,711

NOTE 8 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located within the area served by the Library. Real property tax revenues received in 2017 represent the collection of 2016 taxes. Real property taxes received in 2017 were levied after October 1, 2016, on the assessed values as of January 1, 2016, 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 2017 represent the collection of 2016 taxes. Public utility real and tangible personal property taxes received in 2017 became a lien on December 31, 2015, were levied after October 1, 2016, 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.

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 and public utility property taxes which were measurable as of December 31, 2017, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2017 operations is offset to deferred inflows of resources-property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been reported as deferred inflows of resources-unavailable revenue.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 8 - PROPERTY TAXES (continued)

The full tax rate for all Library operations for the year ended December 31, 2017, was \$2.90 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2017 property tax receipts were based are as follows:

Category	Amount
Real Property	\$6,902,474,000
Public Utility Personal Property	331,298,000
Total Assessed Value	\$7,233,772,000

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$8,657,199	\$0	\$0	\$8,657,199
Construction in Progress	1,350,708	2,928,803	(1,056,634)	3,222,877
Total Nondepreciable Capital Assets	10,007,907	2,928,803	(1,056,634)	11,880,076
Depreciable Capital Assets				
Buildings and Improvements	101,542,680	1,056,634	0	102,599,314
Improvements Other Than Buildings	501,673	0	0	501,673
Furniture, Fixtures, and Equipment	6,853,033	419,309	(358,174)	6,914,168
Vehicles	854,632	0	0	854,632
Total Depreciable Capital Assets	109,752,018	1,475,943	(358,174)	110,869,787
Less Accumulated Depreciation for				
Buildings and Improvements	(27,970,943)	(2,232,738)	0	(30,203,681)
Improvements Other Than Buildings	(455,521)	(7,100)	0	(462,621)
Furniture, Fixtures, and Equipment	(4,353,097)	(401,981)	195,916	(4,559,162)
Vehicles	(499,928)	(68,458)	0	(568,386)
Total Accumulated Depreciation	(33,279,489)	(2,710,277)	195,916	(35,793,850)
Total Depreciable Capital Assets, Net	76,472,529	(1,234,334)	(162,258)	75,075,937
Governmental Activities Capital Assets, Net	\$86,480,436	\$1,694,469	(\$1,218,892)	\$86,956,013

Depreciation expense was charged to general public services.

NOTE 10 - 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.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 10 - RISK MANAGEMENT (continued)

In 2017, the Library contracted for the following insurance coverage.

Coverage	Limits	Deductible Amounts
Property	\$189,535,906	\$1,000
General Liability	2,000,000 Aggregate 1,000,000 Each Occurrence	1,000
Employee Benefits	1,000,000 Aggregate 1,000,000 Each Employee	1,000
Auto	1,000,000	500 Comprehensive
Umbrella	10,000,000	0
Earthquake	10,000,000	25,000
Flood	12,000,000	125,000
Directors and Officers	5,000,000	10,000
Special Library Form	80,133,910	1,000
Electronic Equipment	3,626,839	1,000
Fine Arts	329,166	1,000
Cyber Liability	2,000,000	10,000

There has been no significant reduction in insurance coverage from 2016 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 2017, the Library provided prescription, health, and dental benefits through self insured programs. The Library established a Self Insurance Fund (internal service fund) to account for and finance these employee benefits. The prescription and health programs provide up to \$150,000 of coverage, per person, per year, and the dental program provides up to \$1,200 of coverage, per person, per year. The Library has commercial insurance for claims in excess of coverage provided by the fund.

All funds of the Library participate in the programs and made payments to the fund 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, 2017, was estimated by the third party administrators at \$378,501.

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
2017	\$305,782	\$3,177,800	\$3,105,081	\$378,501
2016	357,077	3,369,946	3,421,241	305,782

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 11 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The Library has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2017:

Vendor	Outstanding Balance
Buehrer Group	\$416,000
HBM Architects	727,888
Library Design Associates, Inc.	86,603
Meyer Hill Lynch Corporation	33,432
The Lathrop Co., Inc.	1,566,922
The Spieker Company	3,156,033

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2018 are as follows:

General Fund	\$696,671
Facilities Construction/Improvement Fund	5,947,098
Nonmajor Governmental Funds	111,311
Total	\$6,755,080

NOTE 12 - DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

The net pension liability represents the Library's proportionate share of the pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables including estimated average life expectancies, earnings on investments, cost of living adjustments, and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

GASB Statement No. 68 assumes the liability is solely the obligation of the employer because (1) they benefit from employee services and (2) State statute requires all funding to come from the employers. All contributions to date have come solely from the employer (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plan to amortize unfunded liabilities within thirty years. If the amortization period exceeds thirty years, the pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of the plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included as an intergovernmental payable on both the accrual and modified accrual basis of accounting.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Library employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information including requirements for reduced and unreduced benefits).

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 years
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for twelve months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index capped at 3 percent.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2017 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0 %	*	**
2017 Actual Contribution Rates			
Employer			
Pension	13.0 %	17.1 %	17.1 %
Postemployment Health Care Benefits	1.0	1.0	1.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Total Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

** This rate is also determined by OPERS' Board but is limited by the ORC to not more than 2 percent greater than the public safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$2,168,690 for 2017. Of this amount, \$97,898 is reported as an intergovernmental payable.

Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension

The net pension liability for OPERS was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on the Library's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense.

	<u>OPERS</u>
Proportion of the Net Pension Liability	
Current Measurement Date	0.13061500%
Prior Measurement Date	<u>0.12854600%</u>
Change in Proportionate Share	<u>0.00206900%</u>
Proportionate Share of the Net Pension Liability	\$29,660,446
Pension Expense	\$6,512,611

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

At December 31, 2017, the Library reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	OPERS
Deferred Outflows of Resources	
Difference Between Expected and Actual Experience	\$40,202
Changes of Assumptions	4,704,510
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,417,125
Changes in Proportion and Differences Between Library Contributions and the Proportionate Share of Contributions	335,966
Library Contributions Subsequent to the Measurement Date	2,168,690
Total Deferred Outflows of Resources	\$11,666,493
 Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	\$176,524

\$2,168,690 reported as deferred outflows of resources related to pension resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	OPERS
Year Ending December 31,	
2018	\$3,927,811
2019	3,945,538
2020	1,577,406
2021	(129,476)
Total	\$9,321,279

Actuarial Assumptions - OPERS

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

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB Statement No. 67. In 2016, the OPERS actuarial consultants conducted an experience study for the period 2011 through 2015 comparing assumptions to actual results. The experience study incorporates both a historical review and forward looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions with the most notable being a reduction in the actuarially assumed rate of return from 8 percent to 7.5 percent for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuations, reflecting experience study results, prepared as of December 31, 2016, compared to December 31, 2015, are presented below.

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.8 percent simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age

For 2016, mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table. For males, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2015. For females, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality Table adjusted for mortality improvements back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 mortality improvements scale to the above described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected twenty years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio, and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016, and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the traditional pension plan, the defined benefit component of the combined plan, and the annuitized accounts of the member-directed plan. The Defined Benefit portfolio historically included the assets of the member-directed retiree medical accounts funded through the VEBA Trust; however, the VEBA Trust was closed as of June 30, 2016, and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plan. The table below displays the board approved asset allocation policy for 2016 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

Sensitivity of the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the Library's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Library's Proportionate Share of the Net Pension Liability	\$45,312,956	\$29,660,446	\$16,616,840

NOTE 13 - POSTEMPLOYMENT BENEFITS

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

OPERS maintains a cost-sharing multiple-employer defined benefit postemployment health care trust which funds multiple health care plans including medical coverage, prescription drug coverage, and deposits to a health reimbursement arrangement to qualifying benefit recipients of both the traditional and combined pension plans. This trust is also used to fund health care for member-directed plan participants in the form of a retiree medical account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined pension plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 13 - POSTEMPLOYMENT BENEFITS (continued)

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed 14 percent of earnable salary and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. The portion of the employer contribution allocated to health care for members of both the traditional and combined plans was 1 percent for 2017. As recommended by OPERS' actuary, the portion of the employer contribution allocated to health care beginning January 1, 2018, decreased to 0 percent for both plans.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. The employer contribution as a percentage of covered payroll deposited into the RMA for participants of the member-directed plan was 4 percent for 2017.

Substantially all of the Library's contribution allocated to fund postemployment health care benefits relates to the cost-sharing multiple-employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$166,822, \$337,860, and \$319,978, respectively. For 2017, 96 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

NOTE 14 - 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 Association of Public Library Employees (Aple) or Communication Workers of America (CWA), or they are exempt (do not belong to a union).

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

<u>Employee Type</u>	<u>Maximum Vacation Earned per Year</u>	<u>Maximum Sick Earned per Year</u>	<u>Maximum Vacation Accumulation</u>
Aple	182	104	208
CWA	182	104	205
Exempt	182	104	208

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 14 - COMPENSATED ABSENCES (continued)

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 to 29	975	975	975	46%
30 to 34	975	975	975	48%
35 or more	975	975	975	48-50%

Employees are paid for 100 percent of earned unused vacation leave upon termination. Upon retirement, employees are paid the value of their accumulated unused sick leave based on years of service.

NOTE 15 - LONG-TERM OBLIGATIONS

The Library's long-term obligations activity for the year ended December 31, 2017, was as follows:

	Interest Rate	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<u>Governmental Activities</u>						
Revenue Anticipation Notes						
2013 Facilities	3.55%	\$16,947,000	\$0	\$1,128,000	\$15,819,000	\$1,173,000
2017 Facilities	2.50	0	25,000,000	0	25,000,000	1,266,000
Total Revenue Anticipation Notes		16,947,000	25,000,000	1,128,000	40,819,000	2,439,000
Other Long-Term Obligations						
Net Pension Liability		22,265,788	7,394,658	0	29,660,446	0
Compensated Absences Payable		2,293,805	52,289	118,459	2,227,635	651,139
Capital Leases Payable		27,141	0	10,439	16,702	13,571
Total Other Long-Term Obligations		24,586,734	7,446,947	128,898	31,904,783	664,710
Total Governmental Activities		\$41,533,734	\$32,446,947	\$1,256,898	\$72,723,783	\$3,103,710

On November 20, 2013, the Library issued revenue anticipation notes, in the amount of \$20,000,000, for constructing, renovating, and improving the Library's facilities. The notes were issued under the authority of Ohio Revised Code Section 3375.404 for a fifteen year period with final maturity in 2028. The notes have an interest rate of 3.55 percent. The notes are being repaid from the General Fund from the Library's state distribution of library funding. At December 31, 2017, the Library had spent all proceeds.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

On July 11, 2017, the Library issued revenue anticipation notes, in the amount of \$25,000,000, for constructing, renovating, and improving the Library's facilities. The notes were issued under the authority of Ohio Revised Code Section 3375.404 for a fifteen year period with final maturity in 2032. The notes have an interest rate of 2.5 percent. The notes are being repaid from the General Fund from the Library's state distribution of library funding. At December 31, 2017, the Library had \$24,516,671 in unspent proceeds.

There is no repayment schedule for the net pension liability. The Library pays obligations related to employee compensation from the General Fund. For additional information related to the net pension liability, see Note 12 to the basic financial statements.

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

Principal and interest requirements to retire notes payable outstanding at December 31, 2017, were as follows:

Year	2013 Revenue Anticipation Notes		2017 Revenue Anticipation Notes	
	Principal	Interest	Principal	Interest
2018	\$1,173,000	\$561,574	\$1,266,000	\$763,889
2019	1,220,000	519,933	1,437,000	593,350
2020	1,269,000	476,623	1,473,000	557,425
2021	1,319,000	431,573	1,509,000	520,600
2022	1,372,000	384,749	1,547,000	482,875
2023-2027	7,730,000	1,152,935	8,337,000	1,814,450
2028-2032	1,736,000	61,628	9,431,000	719,000
Total	\$15,819,000	\$3,589,015	\$25,000,000	\$5,451,589

NOTE 16 - CAPITAL LEASES - LESSEE DISCLOSURE

The Library has entered into capitalized leases for equipment. 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 2017 were \$10,439.

	Governmental Activities
Equipment	\$62,634
Less Accumulated Depreciation	(37,141)
	<u>\$25,493</u>

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

NOTE 16 - CAPITAL LEASES - LESSEE DISCLOSURE (continued)

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, 2017.

<u>Fiscal Year</u>	<u>Principal</u>
2018	\$13,571
2019	3,131
	<u>\$16,702</u>

NOTE 17 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balance</u>	<u>General</u>	<u>Facilities Construction/ Improvement</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable for:				
Books and Library Materials	\$0	\$0	\$129,590	\$129,590
Prepaid Items	274,016	0	0	274,016
Materials and Supplies Inventory	37,970	0	0	37,970
Total Nonspendable	311,986	0	129,590	441,576
Restricted for:				
Books and Library Materials	0	0	412,590	412,590
Library Improvements	0	24,731,451	381	24,731,832
Wellness Programs	0	0	1,719	1,719
Total Restricted	0	24,731,451	414,690	25,146,141
Committed for:				
Construction	0	0	697,383	697,383
Assigned for:				
Projected Budget Shortage	524,586	0	0	524,586
Tuition	150,181	0	0	150,181
Unpaid Obligations	654,128	0	0	654,128
Total Assigned	1,328,895	0	0	1,328,895
Total Fund Balance	\$1,640,881	\$24,731,451	\$1,241,663	\$27,613,995

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(continued)

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, 2017, to December 31, 2017, 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.

Toledo Lucas County Public Library
 Required Supplementary Information
 Schedule of the Library's Proportionate Share of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Four Years (1)

	2017	2016	2015	2014
Library's Proportion of the Net Pension Liability	0.13061500%	0.12854600%	0.12480700%	0.12480700%
Library's Proportionate Share of the Net Pension Liability	\$29,660,446	\$22,265,788	\$15,053,119	\$14,713,119
Library's Covered Payroll	\$16,892,992	\$15,998,886	\$15,301,467	\$13,418,625
Library's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	175.58%	139.17%	98.38%	109.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the Library's measurement date which is the prior year end.

Toledo Lucas County Public Library
 Required Supplementary Information
 Schedule of the Library's Contributions
 Ohio Public Employees Retirement System - Traditional Plan
 Last Five Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$2,168,690	\$2,027,159	\$1,919,866	\$1,836,176	\$1,744,421
Contributions in Relation to the Contractually Required Contribution	<u>(2,168,690)</u>	<u>(2,027,159)</u>	<u>(1,919,866)</u>	<u>(1,836,176)</u>	<u>(1,744,421)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Library's Covered Payroll	\$16,682,229	\$16,892,992	\$15,998,886	\$15,301,467	\$13,418,625
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

Toledo Lucas County Public Library
Notes to Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions - OPERS

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below.

	<u>December 31, 2017</u>	<u>December 31, 2016 and Prior</u>
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.8 percent simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age

Amounts reported for 2017 use mortality rates based on the RP-2014 Healthy Annuitant Mortality Table. For males, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2015. For females, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality Table adjusted for mortality improvements back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 mortality improvements scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected twenty years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than for debt service or capital projects. Following is a description of the Library's nonmajor special revenue funds:

Workplace Wellness

To account for resources from the Ohio Bureau of Workers' Compensation restricted to limit and control the escalating cost of workers' compensation claims by developing health promotion programs for employees as well as reducing healthcare costs for employers.

FINRA Foundation

To account for resources from the FINRA Foundation restricted to educating individuals about finances through the Thinking Money Exhibition.

Mozilla Web Literacy

To account for resources from the Mozilla Foundation restricted to providing library staff with web literacy training.

Family Engagement

To account for resources from the Ohio Department of Education restricted to promoting learning and development programs.

Special Gifts

To account for various fees whose use is restricted by the donors.

Marci Stothers

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

J.R. Husman Local History

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

Lois Waffle

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

Colby

To account for donations from George F. Colby originally restricted to benefit the Jermain Branch Library. This branch has since been closed. Resources are currently restricted for acquisitions relating to the history of Toledo and Lucas County.

Kent

To account for donations received from Eliza M. Kent restricted to purchasing books.

Louise M. Meffley

To account for donations from the Estate of Louise M. Meffley restricted to purchasing materials for the sight impaired.

NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets.

Building and Repair

To account for interest and other sources committed by resolution of the Board of Trustees for the acquisition or construction of buildings and equipment.

Library Legacy Foundation

To account for donations from the Library Foundation restricted to improving the library system by assisting with construction projects.

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 restricted to 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 restricted to purchasing books on genealogy.

Colburn

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

Toledo-Lucas County Public Library
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	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	\$287,180	\$745,556	\$258,137	\$1,290,873
Accrued Interest Receivable	391	0	460	851
Total Assets	\$287,571	\$745,556	\$258,597	\$1,291,724
<u>Liabilities</u>				
Accounts Payable	\$1,418	\$43,082	\$0	\$44,500
Contracts Payable	0	4,710	0	4,710
Total Liabilities	1,418	47,792	0	49,210
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue	391	0	460	851
<u>Fund Balance</u>				
Nonspendable	0	0	129,590	129,590
Restricted	285,762	381	128,547	414,690
Committed	0	697,383	0	697,383
Total Fund Balance	285,762	697,764	258,137	1,241,663
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$287,571	\$745,556	\$258,597	\$1,291,724

Toledo-Lucas County Public Library
Combining Balance Sheet
Special Revenue Funds
December 31, 2017

	Workplace Wellness	Special Gifts	Marci Stothers
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$2,159	\$63,308	\$807
Accrued Interest Receivable	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$2,159</u>	<u>\$63,308</u>	<u>\$807</u>
<u>Liabilities</u>			
Accounts Payable	440	0	0
<u>Deferred Inflows of Resources</u>			
Unavailable Revenue	0	0	0
<u>Fund Balance</u>			
Restricted	1,719	63,308	807
	<u>1,719</u>	<u>63,308</u>	<u>807</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$2,159</u>	<u>\$63,308</u>	<u>\$807</u>

<u>Lois Waffle</u>	<u>Colby</u>	<u>Kent</u>	<u>Louise M. Meffley</u>	<u>Total</u>
\$2,585	\$49,172	\$68,040	\$101,109	\$287,180
0	116	141	134	391
<u>\$2,585</u>	<u>\$49,288</u>	<u>\$68,181</u>	<u>\$101,243</u>	<u>\$287,571</u>
0	0	0	978	1,418
0	116	141	134	391
<u>2,585</u>	<u>49,172</u>	<u>68,040</u>	<u>100,131</u>	<u>285,762</u>
<u>\$2,585</u>	<u>\$49,288</u>	<u>\$68,181</u>	<u>\$101,243</u>	<u>\$287,571</u>

Toledo-Lucas County Public Library
Combining Balance Sheet
Capital Projects Funds
December 31, 2017

	Building and Repair	Library Legacy Foundation	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$745,175	\$381	\$745,556
<u>Liabilities</u>			
Accounts Payable	\$43,082	\$0	\$43,082
Contracts Payable	4,710	0	4,710
Total Liabilities	47,792	0	47,792
<u>Fund Balance</u>			
Restricted	0	381	381
Committed	697,383	0	697,383
Total Fund Balance	697,383	381	697,764
Total Liabilities and Fund Balance	\$745,175	\$381	\$745,556

Toledo-Lucas County Public Library
Combining Balance Sheet
Permanent Funds
December 31, 2017

	<u>Libbey</u>	<u>Hopkins</u>	<u>Colburn</u>	<u>Total</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$192,686	\$18,275	\$47,176	\$258,137
Accrued Interest Receivable	341	34	85	460
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$193,027</u>	<u>\$18,309</u>	<u>\$47,261</u>	<u>\$258,597</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue	\$341	\$34	\$85	\$460
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Fund Balance</u>				
Nonspendable	100,000	10,000	19,590	129,590
Restricted	92,686	8,275	27,586	128,547
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>192,686</u>	<u>18,275</u>	<u>47,176</u>	<u>258,137</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources and Fund Balance	<u>\$193,027</u>	<u>\$18,309</u>	<u>\$47,261</u>	<u>\$258,597</u>

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Toledo-Lucas County Public Library
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Intergovernmental	\$58,500	\$0	\$0	\$58,500
Patron Fines and Fees	74,384	0	0	74,384
Interest	588	2,598	772	3,958
Gifts and Donations	11,000	0	0	11,000
Miscellaneous	0	4	0	4
Total Revenues	<u>144,472</u>	<u>2,602</u>	<u>772</u>	<u>147,846</u>
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	17,372	0	0	17,372
Purchased and Contracted Services	81,339	79,936	0	161,275
Library Materials and Information	11,800	3,532	5,313	20,645
Capital Outlay	26,795	1,048,122	0	1,074,917
Total Expenditures	<u>137,306</u>	<u>1,131,590</u>	<u>5,313</u>	<u>1,274,209</u>
Changes in Fund Balance	7,166	(1,128,988)	(4,541)	(1,126,363)
Fund Balance Beginning of Year	<u>278,596</u>	<u>1,826,752</u>	<u>262,678</u>	<u>2,368,026</u>
Fund Balance End of Year	<u><u>\$285,762</u></u>	<u><u>\$697,764</u></u>	<u><u>\$258,137</u></u>	<u><u>\$1,241,663</u></u>

Toledo-Lucas County Public Library
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Special Revenue Funds
For the Year Ended December 31, 2017

	<u>Workplace Wellness</u>	<u>FINRA Foundation</u>	<u>Mozilla Web Literacy</u>	<u>Family Engagement</u>
<u>Revenues</u>				
Intergovernmental	\$5,000	\$0	\$0	\$53,500
Patron Fines and Fees	0	0	0	0
Interest	0	0	0	0
Gifts and Donations	0	1,000	10,000	0
	<u>5,000</u>	<u>1,000</u>	<u>10,000</u>	<u>53,500</u>
Total Revenues	<u>5,000</u>	<u>1,000</u>	<u>10,000</u>	<u>53,500</u>
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	0	0	222	17,150
Purchased and Contracted Services	3,281	1,000	0	22,714
Library Materials and Information	0	0	0	0
Capital Outlay	0	0	14,021	0
	<u>3,281</u>	<u>1,000</u>	<u>14,243</u>	<u>39,864</u>
Total Expenditures	<u>3,281</u>	<u>1,000</u>	<u>14,243</u>	<u>39,864</u>
Changes in Fund Balance	1,719	0	(4,243)	13,636
Fund Balance (Deficit) Beginning of Year	<u>0</u>	<u>0</u>	<u>4,243</u>	<u>(13,636)</u>
Fund Balance End of Year	<u>\$1,719</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Special Gifts	Marci Stothers	J.R. Husman Local History	Lois Waffle	Colby	Kent	Louise M. Meffley	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$58,500
74,384	0	0	0	0	0	0	74,384
4	0	0	1	152	209	222	588
0	0	0	0	0	0	0	11,000
74,388	0	0	1	152	209	222	144,472
0	0	0	0	0	0	0	17,372
54,169	0	175	0	0	0	0	81,339
0	0	0	0	978	1,136	9,686	11,800
0	0	0	12,774	0	0	0	26,795
54,169	0	175	12,774	978	1,136	9,686	137,306
20,219	0	(175)	(12,773)	(826)	(927)	(9,464)	7,166
43,089	807	175	15,358	49,998	68,967	109,595	278,596
\$63,308	\$807	\$0	\$2,585	\$49,172	\$68,040	\$100,131	\$285,762

Toledo-Lucas County Public Library
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Capital Projects Funds
For the Year Ended December 31, 2017

	<u>Building and Repair</u>	<u>Library Legacy Foundation</u>	<u>Total</u>
<u>Revenues</u>			
Interest	\$2,598	\$0	\$2,598
Miscellaneous	4	0	4
Total Revenues	<u>2,602</u>	<u>0</u>	<u>2,602</u>
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services	79,936	0	79,936
Library Materials and Information	3,532	0	3,532
Capital Outlay	<u>1,048,122</u>	<u>0</u>	<u>1,048,122</u>
Total Expenditures	<u>1,131,590</u>	<u>0</u>	<u>1,131,590</u>
Changes in Fund Balance	(1,128,988)	0	(1,128,988)
Fund Balance Beginning of Year	<u>1,826,371</u>	<u>381</u>	<u>1,826,752</u>
Fund Balance End of Year	<u>\$697,383</u>	<u>\$381</u>	<u>\$697,764</u>

Toledo-Lucas County Public Library
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Permanent Funds
For the Year Ended December 31, 2017

	<u>Libbey</u>	<u>Hopkins</u>	<u>Colburn</u>	<u>Total</u>
<u>Revenues</u>				
Interest	\$578	\$56	\$138	\$772
<u>Expenditures</u>				
Current:				
Public Services				
Library Materials and Information	3,339	0	1,974	5,313
Changes in Fund Balance	(2,761)	56	(1,836)	(4,541)
Fund Balance Beginning of Year	195,447	18,219	49,012	262,678
Fund Balance End Year	<u>\$192,686</u>	<u>\$18,275</u>	<u>\$47,176</u>	<u>\$258,137</u>

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**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, 2017

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$17,900,000	\$17,900,000	\$17,937,134	\$37,134
Intergovernmental	18,021,768	17,378,139	17,489,885	111,746
Patron Fines and Fees	565,000	565,000	547,270	(17,730)
Interest	8,250	8,250	10,833	2,583
Services Provided to Others	1,350	1,350	1,369	19
Gifts and Donations	205,000	205,000	24,645	(180,355)
Miscellaneous	305,500	305,500	503,571	198,071
Total Revenues	37,006,868	36,363,239	36,514,707	151,468
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services				
Salaries and Benefits				
Salaries and Leave Benefits	17,400,000	17,692,569	17,682,547	10,022
Retirement Benefits	3,931,000	4,251,818	4,251,818	0
Insurance Benefits	3,400,895	3,400,895	3,380,051	20,844
Other Employee Benefits	65,458	75,458	62,189	13,269
Total Salaries and Benefits	24,797,353	25,420,740	25,376,605	44,135
Supplies				
General Administrative Supplies	236,856	236,856	227,022	9,834
Property Maintenance Supplies and Repair	233,991	233,991	228,820	5,171
Motor Vehicle Fuel, Supplies, and Parts	18,485	25,485	22,291	3,194
Total Supplies	489,332	496,332	478,133	18,199
Other Expenditures				
Dues and Memberships	70,000	71,015	70,347	668
Taxes and Assessments	38,000	38,000	35,838	2,162
Refunds and Reimbursements	24,500	4,500	2,500	2,000
Total Other Expenditures	132,500	113,515	108,685	4,830
Total General Public Services	25,419,185	26,030,587	25,963,423	67,164

(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, 2017
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Purchased and Contracted Services				
Travel and Meeting Expenditures	\$87,404	\$87,404	\$81,093	\$6,311
Communications, Printing, and Publicity	935,266	984,424	967,747	16,677
Property Maintenance, Repair, and Security Services	2,474,846	2,188,959	2,146,719	42,240
Insurance	280,000	273,842	266,002	7,840
Rents/Leases	178,711	179,211	157,456	21,755
Utilities	1,168,229	1,168,228	1,098,636	69,592
Professional Services	995,894	963,354	908,279	55,075
Library Material Control Services	43,000	43,000	0	43,000
Other Purchased and Contracted Services	178,719	186,243	159,367	26,876
Total Purchased and Contracted Services	6,342,069	6,074,665	5,785,299	289,366
Library Materials and Information				
Books and Pamphlets	1,383,185	1,283,185	1,252,981	30,204
Periodicals	175,700	175,700	160,737	14,963
Audiovisual Materials	938,502	908,502	891,826	16,676
Computer Services and Information	1,302,086	1,382,086	1,372,256	9,830
Interlibrary Loan Fees/Charges	100	100	13	87
Library Materials Repair and Restoration	7,300	7,300	7,146	154
Total Library Materials and Information	3,806,873	3,756,873	3,684,959	71,914
Total Public Services	35,568,127	35,862,125	35,433,681	428,444
Capital Outlay				
Furniture, Fixtures, and Equipment	833,489	831,560	828,939	2,621
Debt Service				
Principal Retirement	1,128,000	1,128,000	1,128,000	0
Interest and Fiscal Charges	601,619	601,619	601,619	0
Total Debt Service	1,729,619	1,729,619	1,729,619	0
Total Expenditures	38,131,235	38,423,304	37,992,239	431,065
Excess of Revenues Under Expenditures	(1,124,367)	(2,060,065)	(1,477,532)	582,533

(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, 2017
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Other Financing Sources (Uses)</u>				
Other Financing Uses	(\$941,699)	\$0	\$0	\$0
Advances In	64,500	64,500	69,500	5,000
Advances Out	(10,500)	(16,500)	(16,500)	0
Total Other Financing Sources (Uses)	(887,699)	48,000	53,000	5,000
Changes in Fund Balance	(2,012,066)	(2,012,065)	(1,424,532)	587,533
Fund Balance Beginning of Year	1,973,677	1,973,677	1,973,677	0
Prior Year Encumbrances Appropriated	611,343	611,343	611,343	0
Fund Balance End of Year	<u>\$572,954</u>	<u>\$572,955</u>	<u>\$1,160,488</u>	<u>\$587,533</u>

Toledo-Lucas County Public Library
Facilities Construction/Improvement 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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$10,000	\$159,311	\$149,311
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	3,974,599	3,700,590	274,009
Capital Outlay			
Land Improvements	44,250	37,931	6,319
Buildings and Improvements	23,442,277	4,511,345	18,930,932
Furniture, Fixtures, and Equipment	223,369	27,597	195,772
Total Capital Outlay	23,709,896	4,576,873	19,133,023
Total Expenditures	27,684,495	8,277,463	19,407,032
Excess of Revenues Under Expenditures	(27,674,495)	(8,118,152)	19,556,343
<u>Other Financing Sources</u>			
Revenue Anticipation Notes Issued	25,000,000	25,000,000	0
Changes in Fund Balance	(2,674,495)	16,881,848	(19,556,343)
Fund Balance Beginning of Year	1,593,752	1,593,752	0
Prior Year Encumbrances Appropriated	1,090,743	1,090,743	0
Fund Balance End of Year	\$10,000	\$19,566,343	(\$19,556,343)

Toledo-Lucas County Public Library
Workplace Wellness 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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$5,000	\$5,000	\$0
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Purchased and Contracted Services			
Other Purchased and Contracted Services	5,000	2,841	2,159
Excess of Revenues Over Expenditures	0	2,159	(2,159)
<u>Other Financing Sources (Uses)</u>			
Advances In	5,000	5,000	0
Advances Out	0	(5,000)	5,000
Total Other Financing Sources (Uses)	5,000	0	5,000
Changes in Fund Balance	5,000	2,159	(2,841)
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$5,000</u>	<u>\$2,159</u>	<u>(\$2,841)</u>

Toledo-Lucas County Public Library
FINRA Foundation 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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$1,000	\$1,000	\$0
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Purchased and Contracted Services			
Other Purchased and Contracted Services	1,000	1,000	0
Excess of Revenues Over Expenditures	0	0	0
<u>Other Financing Sources (Uses)</u>			
Advances In	1,000	1,000	0
Advances Out	(1,000)	(1,000)	0
Total Other Financing Sources (Uses)	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Toledo-Lucas County Public Library
Mozilla Web Literacy 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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$10,000	\$10,000	\$0
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Salaries and Benefits			
Other Employee Benefits	340	340	0
Capital Outlay			
Furniture, Fixtures, and Equipment	14,021	14,021	0
Total Expenditures	14,361	14,361	0
Excess of Revenues Under Expenditures	(4,361)	(4,361)	0
<u>Other Financing Sources (Uses)</u>			
Advances In	10,000	10,000	0
Advances Out	(10,000)	(10,000)	0
Total Other Financing Sources (Uses)	0	0	0
Changes in Fund Balance	(4,361)	(4,361)	0
Fund Balance Beginning of Year	4,361	4,361	0
Fund Balance End of Year	\$0	\$0	\$0

Toledo-Lucas County Public Library
Family Engagement 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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$53,500	\$53,500	\$0
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Supplies			
General Administrative Supplies	30,786	30,786	0
Purchased and Contracted Services			
Other Purchased and Contracted Services	22,714	22,714	0
Total Expenditures	53,500	53,500	0
Excess of Revenues Over Expenditures	0	0	0
<u>Other Financing Sources (Uses)</u>			
Advances In	500	500	0
Advances Out	(53,500)	(53,500)	0
Total Other Financing Sources (Uses)	(53,000)	(53,000)	0
Changes in Fund Balance	(53,000)	(53,000)	0
Fund Balance Beginning of Year	34,628	34,628	0
Prior Year Encumbrances Appropriated	18,372	18,372	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Patron Fines and Fees	\$60,000	\$74,384	\$14,384
Interest	4	4	0
	<hr/>	<hr/>	<hr/>
Total Revenues	60,004	74,388	14,384
<u>Expenditures</u>			
Current:			
Purchased and Contracted Services			
Professional Services	44,002	44,002	0
Other Purchased and Contracted Services	14,381	10,167	4,214
	<hr/>	<hr/>	<hr/>
Total Expenditures	58,383	54,169	4,214
Changes in Fund Balance	1,621	20,219	18,598
Fund Balance Beginning of Year	42,983	42,983	0
Prior Year Encumbrances Appropriated	106	106	0
	<hr/>	<hr/>	<hr/>
Fund Balance End of Year	<u>\$44,710</u>	<u>\$63,308</u>	<u>\$18,598</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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$1	\$0	(\$1)
<u>Expenditures</u>			
Current:			
Public Services			
Library Materials and Information			
Books and Pamphlets	808	0	808
Changes in Fund Balance	(807)	0	807
Fund Balance Beginning of Year	807	807	0
Fund Balance End of Year	\$0	\$807	\$807

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$1	\$0	(\$1)
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	175	175	0
Changes in Fund Balance	(174)	(175)	(1)
Fund Balance Beginning of Year	175	175	0
Fund Balance End of Year	\$1	\$0	(\$1)

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$2	\$1	(\$1)
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Salaries and Benefits			
Other Employee Benefits	1,796	0	1,796
Capital Outlay			
Buildings and Improvements	13,564	12,774	790
Total Expenditures	15,360	12,774	2,586
Changes in Fund Balance	(15,358)	(12,773)	2,585
Fund Balance Beginning of Year	15,358	15,358	0
Fund Balance End of Year	\$0	\$2,585	\$2,585

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$500	\$637	\$137
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	500	0	500
Library Materials and Information			
Books and Pamphlets	1,000	978	22
Total Expenditures	1,500	978	522
Changes in Fund Balance	(1,000)	(341)	659
Fund Balance Beginning of Year	50,017	50,017	0
Fund Balance End of Year	\$49,017	\$49,676	\$659

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$750	\$877	\$127
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	500	0	500
Library Materials and Information			
Books and Pamphlets	1,500	1,136	364
Total Expenditures	2,000	1,136	864
Changes in Fund Balance	(1,250)	(259)	991
Fund Balance Beginning of Year	68,993	68,993	0
Fund Balance End of Year	\$67,743	\$68,734	\$991

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$625	\$880	\$255
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	500	0	500
Library Materials and Information			
Books and Pamphlets	10,000	9,804	196
Total Public Services	10,500	9,804	696
Capital Outlay			
Furniture, Fixtures, and Equipment	29,500	0	29,500
Total Expenditures	40,000	9,804	30,196
Changes in Fund Balance	(39,375)	(8,924)	30,451
Fund Balance Beginning of Year	109,621	109,621	0
Fund Balance End of Year	\$70,246	\$100,697	\$30,451

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$4,500	\$2,598	(\$1,902)
Miscellaneous	\$0	\$4	\$4
Total Revenues	4,500	2,602	(1,898)
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	166,645	102,251	64,394
Library Materials and Information			
Computer Services and Information	44,278	44,278	0
Total Public Services	210,923	146,529	64,394
Capital Outlay			
Land	0	0	0
Land Improvements	10,000	2,769	7,231
Buildings and Improvements	911,686	902,698	8,988
Furniture, Fixtures, and Equipment	595,074	565,043	30,031
Total Capital Outlay	1,516,760	1,470,510	46,250
Total Expenditures	1,727,683	1,617,039	110,644
Changes in Fund Balance	(1,723,183)	(1,614,437)	108,746
Fund Balance Beginning of Year	1,520,617	1,520,617	0
Prior Year Encumbrances Appropriated	727,684	727,684	0
Fund Balance End of Year	\$525,118	\$633,864	\$108,746

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$1	\$0	(\$1)
<u>Expenditures</u>			
Capital Outlay			
Furniture, Fixtures, and Equipment	382	0	382
Changes in Fund Balance	(381)	0	381
Fund Balance Beginning Year	381	381	0
Fund Balance End of Year	\$0	\$381	\$381

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$2,100	\$2,482	\$382
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	500	0	500
Library Materials and Information			
Books and Pamphlets	3,500	3,339	161
Total Expenditures	4,000	3,339	661
Changes in Fund Balance	(1,900)	(857)	1,043
Fund Balance Beginning of Year	195,521	195,521	0
Fund Balance End of Year	\$193,621	\$194,664	\$1,043

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$225	\$237	\$12
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	500	0	500
Changes in Fund Balance	(275)	237	512
Fund Balance Beginning of Year	18,226	18,226	0
Fund Balance End of Year	\$17,951	\$18,463	\$512

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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$550	\$591	\$41
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	500	0	500
Library Materials and Information			
Books and Pamphlets	2,000	1,974	26
Total Expenditures	2,500	1,974	526
Changes in Fund Balance	(1,950)	(1,383)	567
Fund Balance Beginning of Year	49,030	49,030	0
Fund Balance End of Year	\$47,080	\$47,647	\$567

Toledo-Lucas County Public Library
Self Insurance 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, 2017

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$3,965,500	\$3,640,760	(\$324,740)
<u>Expenses</u>			
Purchased and Contracted Services			
Professional Services	460,000	418,132	41,868
Claims			
Claims	3,540,000	3,105,081	434,919
Total Expenses	4,000,000	3,523,213	476,787
Changes in Fund Balance	(34,500)	117,547	152,047
Fund Balance Beginning Year	214,929	214,929	0
Fund Balance End of Year	\$180,429	\$332,476	\$152,047

**STATISTICAL
SECTION**

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Toledo-Lucas County Public Library
Statistical Section

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-2

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-10

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

Debt Capacity..... S-21

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-23

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

Operating Information S-26

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.

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Toledo-Lucas County Public Library
Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2017	2016	2015	2014
Governmental Activities				
Net Investment in Capital Assets	\$69,867,117	\$71,597,311	\$72,377,986	\$74,530,602
Restricted for				
Capital Projects	985,026	66,612	0	0
BTOP @ccess Center	0	0	0	0
Library Materials (Sight Impared)	100,265	109,637	109,545	109,872
Library Materials (Book Acquisition)	131,489	112,130	69,743	72,858
Other Purposes	54,399	70,630	95,371	112,046
Library Materials				
Expendable	129,007	133,387	131,547	137,943
Nonexpendable	129,590	129,590	129,590	129,590
Unrestricted (Deficit)	(8,360,842)	(2,075,706)	2,781,811	1,934,751
Total Governmental Activities Net Position	<u>\$63,036,051</u>	<u>\$70,143,591</u>	<u>\$75,695,593</u>	<u>\$77,027,662</u>

Note: The Library reported the impact of GASB statement No. 68 beginning in 2014.

2013	2012	2011	2010	2009	2008
\$74,061,618	\$74,859,510	\$75,779,392	\$74,418,674	\$75,568,109	\$74,900,680
0	381	381	72,102	2,021	54,909
0	0	115,907	859,536	0	0
114,093	114,600	116,422	108,251	78,322	0
76,236	0	0	0	0	0
119,220	189,302	203,875	205,984	248,383	339,822
158,286	160,057	163,803	165,154	167,257	162,582
129,590	129,590	129,590	129,590	129,590	129,590
17,657,948	18,702,438	18,947,074	17,703,944	17,321,893	19,567,712
<u>\$92,316,991</u>	<u>\$94,155,878</u>	<u>\$95,456,444</u>	<u>\$93,663,235</u>	<u>\$93,515,575</u>	<u>\$95,155,295</u>

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

	2017	2016	2015	2014
<u>Expenses</u>				
Governmental Activities				
Public Services				
General Public Services	\$32,919,348	\$29,052,495	\$27,051,303	\$26,100,042
Purchased and Contracted Services	7,155,165	8,142,696	7,638,098	6,562,188
Library Materials and Information	3,765,253	3,927,575	3,781,439	3,725,971
Interest and Fiscal Charges	817,303	630,507	667,906	740,281
Total Governmental Activities Expenses	44,657,069	41,753,273	39,138,746	37,128,482
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
General Public Services	548,649	563,947	630,288	670,305
Operating Grants, Contributions, and Interest	131,995	90,581	38,222	42,550
Capital Grants and Contributions	0	50,000	16,350	192,987
Total Governmental Activities Program Revenues	680,644	704,528	684,860	905,842
Net Expense	(43,976,425)	(41,048,745)	(38,453,886)	(36,222,640)
<u>General Revenues and Other Changes in Net Position</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	18,511,212	17,831,250	17,977,743	17,143,512
Grants and Entitlements not Restricted to Specific Programs	17,667,427	17,185,031	18,839,969	16,356,111
Interest	170,140	38,687	42,771	44,734
Gifts and Donations	24,645	202,315	28,276	21,611
Miscellaneous	495,461	239,460	233,058	244,286
Total Governmental Activities General Revenues	36,868,885	35,496,743	37,121,817	33,810,254
Change in Net Position	(\$7,107,540)	(\$5,552,002)	(\$1,332,069)	(\$2,412,386)

Note: Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2013	2012	2011	2010	2009	2008
\$24,935,679	\$22,929,816	\$22,628,863	\$22,327,684	\$25,288,280	\$25,326,064
7,569,112	5,866,289	6,835,282	5,872,459	6,418,638	6,981,379
4,669,746	3,812,055	4,076,874	4,033,628	3,510,837	4,872,702
94,871	2,985	4,397	4,358	3,212	3,030
<u>37,269,408</u>	<u>32,611,145</u>	<u>33,545,416</u>	<u>32,238,129</u>	<u>35,220,967</u>	<u>37,183,175</u>
783,500	831,798	855,521	931,871	950,980	910,169
13,550	32,747	2,012,789	204,915	17,426	43,084
0	165,806	0	0	0	0
<u>797,050</u>	<u>1,030,351</u>	<u>2,868,310</u>	<u>1,136,786</u>	<u>968,406</u>	<u>953,253</u>
<u>(36,472,358)</u>	<u>(31,580,794)</u>	<u>(30,677,106)</u>	<u>(31,101,343)</u>	<u>(34,252,561)</u>	<u>(36,229,922)</u>
17,239,535	13,333,720	14,306,969	13,698,123	15,444,762	15,800,391
17,195,257	16,638,013	18,020,239	17,317,214	16,838,400	21,000,727
20,263	28,525	25,261	29,420	61,653	244,555
7,778	10,796	29,214	36,963	30,327	49,802
170,638	269,174	88,632	167,283	237,699	151,739
<u>34,633,471</u>	<u>30,280,228</u>	<u>32,470,315</u>	<u>31,249,003</u>	<u>32,612,841</u>	<u>37,247,214</u>
<u>(\$1,838,887)</u>	<u>(\$1,300,566)</u>	<u>\$1,793,209</u>	<u>\$147,660</u>	<u>(\$1,639,720)</u>	<u>\$1,017,292</u>

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

	2017	2016	2015	2014
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved, Designated for Scholarships	0	0	0	0
Unreserved, Undesignated	0	0	0	0
Nonspendable	311,986	454,120	490,659	470,342
Assigned	1,328,895	2,466,867	4,061,631	3,765,324
Unassigned	0	0	0	817,229
Total General Fund	1,640,881	2,920,987	4,552,290	5,052,895
All Other Governmental Funds				
Reserved	0	0	0	0
Unreserved, Reported in				
Special Revenue Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Permanent Funds	0	0	0	0
Nonspendable	129,590	129,590	129,590	129,590
Restricted	25,146,141	2,813,564	9,425,350	15,946,072
Committed	697,383	1,826,371	3,590,513	3,388,724
Unassigned (Deficit)	0	(13,636)	0	0
Total All Other Governmental Funds	25,973,114	4,755,889	13,145,453	19,464,386
Total Governmental Funds	\$27,613,995	\$7,676,876	\$17,697,743	\$24,517,281

Note: The Library implemented GASB Statement No. 54 in 2010.

2013	2012	2011	2010	2009	2008
\$0	\$0	\$0	\$0	\$3,362,500	\$1,712,077
0	0	0	0	167,771	172,167
0	0	0	0	3,295,595	3,255,876
442,788	469,265	463,514	451,632	0	0
2,937,442	1,767,692	3,265,266	4,363,749	0	0
1,514,950	2,442,544	2,652,094	3,008,177	0	0
4,895,180	4,679,501	6,380,874	7,823,558	6,825,866	5,140,120
0	0	0	0	199,230	1,601,356
0	0	0	0	320,033	323,389
0	0	0	0	2,666,004	4,043,212
0	0	0	0	165,709	159,651
129,590	129,590	129,590	129,590	0	0
20,206,051	464,104	569,576	1,404,801	0	0
4,551,052	5,430,214	4,190,602	2,343,511	0	0
0	0	0	0	0	0
24,886,693	6,023,908	4,889,768	3,877,902	3,350,976	6,127,608
\$29,781,873	\$10,703,409	\$11,270,642	\$11,701,460	\$10,176,842	\$11,267,728

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

	2017	2016	2015	2014
<u>Revenues</u>				
Property Taxes	\$17,937,134	\$17,905,303	\$17,777,330	\$17,297,879
Intergovernmental	17,497,417	17,556,219	18,170,467	17,088,035
Patron Fines and Fees	621,664	622,535	663,377	697,675
Interest	170,907	45,741	48,009	53,765
Services Provided to Others	1,369	1,303	678	4,922
Gifts and Donations	35,645	212,315	28,276	52,621
Miscellaneous	495,461	239,793	233,817	243,771
Total Revenues	36,759,597	36,583,209	36,921,954	35,438,668
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	25,813,890	25,038,089	24,319,949	23,429,244
Purchased and Contracted Services	6,965,856	6,902,470	6,399,466	6,406,211
Library Materials and Information	3,765,253	3,927,575	3,781,439	3,734,916
Capital Outlay	3,537,421	8,997,235	7,507,948	5,638,183
Debt Service				
Principal Retirement	1,138,439	1,098,571	1,055,527	943,690
Interest and Fiscal Charges	601,619	640,136	677,163	614,050
Total Expenditures	41,822,478	46,604,076	43,741,492	40,766,294
Excess of Revenues Over (Under) Expenditures	(5,062,881)	(10,020,867)	(6,819,538)	(5,327,626)
<u>Other Financing Sources (Uses)</u>				
Revenue Anticipation Notes Issued	25,000,000	0	0	0
Sale of Capital Assets	0	0	0	400
Inception of Capital Lease	0	0	0	62,634
Transfers In	0	0	850,000	0
Transfers Out	0	0	(850,000)	0
Total Other Financing Sources (Uses)	25,000,000	0	0	63,034
Changes in Fund Balance	\$19,937,119	(\$10,020,867)	(\$6,819,538)	(\$5,264,592)
Debt Service as a Percentage of Noncapital Expenditures	4.52%	4.48%	4.62%	4.42%

2013	2012	2011	2010	2009	2008
\$17,234,551	\$13,435,450	\$13,574,482	\$13,683,108	\$15,209,885	\$15,679,745
17,156,234	16,835,433	19,723,122	17,773,472	18,537,981	21,618,366
766,011	774,210	795,683	855,280	880,874	823,228
18,107	32,878	33,845	37,153	77,944	262,319
35,451	85,377	77,042	76,469	69,948	86,962
7,778	18,296	73,354	175,213	35,327	59,802
170,236	270,015	89,637	169,022	238,641	148,207
<u>35,388,368</u>	<u>31,451,659</u>	<u>34,367,165</u>	<u>32,769,717</u>	<u>35,050,600</u>	<u>38,678,629</u>
22,358,531	21,113,397	20,466,696	20,395,119	23,546,223	23,374,605
5,832,245	5,018,559	5,273,927	4,642,242	5,413,710	6,342,724
4,669,746	3,812,055	4,076,874	4,033,628	3,510,837	4,872,702
3,386,715	2,059,905	4,965,136	2,153,549	3,710,712	2,047,826
10,856	11,991	10,953	16,203	16,704	15,198
51,811	2,985	4,397	4,358	3,212	3,030
<u>36,309,904</u>	<u>32,018,892</u>	<u>34,797,983</u>	<u>31,245,099</u>	<u>36,201,398</u>	<u>36,656,085</u>
(921,536)	(567,233)	(430,818)	1,524,618	(1,150,798)	2,022,544
20,000,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	59,912	0
1,000,000	2,000,000	2,000,000	1,717,488	0	1,800,000
(1,000,000)	(2,000,000)	(2,000,000)	(1,717,488)	0	(1,800,000)
<u>20,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>59,912</u>	<u>0</u>
<u>\$19,078,464</u>	<u>(\$567,233)</u>	<u>(\$430,818)</u>	<u>\$1,524,618</u>	<u>(\$1,090,886)</u>	<u>\$2,022,544</u>
0.18%	0.05%	0.05%	0.07%	0.06%	0.05%

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			
2017	\$5,017,167	\$1,885,307	\$19,721,354	\$331,298	\$376,475
2016	4,997,756	1,868,146	19,616,863	289,964	329,505
2015	4,900,579	1,878,146	19,367,786	271,302	308,298
2014	4,885,553	1,869,311	19,299,611	254,953	289,719
2013	4,896,533	1,889,554	19,388,820	239,174	271,789
2012	5,705,432	2,002,358	22,022,257	225,867	256,667
2011	5,726,573	2,058,340	22,242,609	221,493	251,697
2010	5,739,765	2,106,034	22,416,569	215,568	244,963
2009	6,562,532	2,132,326	24,842,451	206,266	234,393
2008	6,583,148	2,065,431	24,710,226	211,387	240,213

Source: Lucas County Auditor

Note: Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. The assessed value of public utility personal property ranges from 25 percent of actual value for railroad property to 88 percent for electric transmission and distribution property. Personal property tax was assessed on all tangible personal property used in business in Ohio in previous years. The general business tangible personal property tax has been phased out. The percentage has been zero since 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed.

Tangible Personal Property		Total		Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$0	\$0	\$7,233,772	\$20,097,829	\$2.90
0	0	7,155,866	19,946,368	2.90
0	0	7,050,027	19,676,084	2.90
0	0	7,009,817	19,589,330	2.90
0	0	7,025,261	19,660,609	2.90
0	0	7,933,657	22,278,924	2.00
0	0	8,006,406	22,494,306	2.00
0	0	8,061,367	22,661,532	2.00
0	0	8,901,124	25,076,844	2.00
256,402	4,102,432	9,116,368	29,052,871	2.00

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

Collection Year	2017	2016	2015	2014	2013
Toledo-Lucas County Public Library					
Voted Millage (Total Direct Rate)					
2012 Operating Renewal					
Effective Millage Rates					
Residential/Agriculture	\$2.8589	\$2.8572	\$2.9000	\$2.9000	\$2.9000
Commercial/Industrial	2.9000	2.9000	2.9000	2.9000	2.9000
Tangible/Public Utility Personal	2.9000	2.9000	2.9000	2.9000	2.9000
Lucas County					
General Fund	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
Board of Developmental Disabilities	6.0000	6.0000	6.0000	6.0000	5.0000
Center Science and Industry	0.1700	0.1700	0.1700	0.1700	0.1700
Children Services Board	3.6500	3.2500	3.2500	3.2500	2.4000
Community Mental Health	2.5000	2.5000	2.5000	2.5000	1.5000
Senior Services	0.6000	0.6000	0.6000	0.4500	0.4500
911 Emergency Telephone System	0.7000	0.7000	0.7000	0.7000	0.7000
Zoo	1.7500	1.8500	1.8500	1.0000	1.0000
Total Lucas County	\$17.3700	\$17.0700	\$17.0700	\$16.0700	\$13.2200
School Districts					
Anthony Wayne	\$73.7800	\$71.3000	\$71.3000	\$71.6000	\$67.1000
Evergreen	44.1000	44.2000	44.4000	46.0500	46.0500
Maumee	88.6500	88.6500	88.7500	84.9500	84.5500
Oregon	69.7500	69.6500	65.6000	65.6000	66.3000
Otsego	46.2000	47.0000	46.8500	49.2000	46.6000
Ottawa Hills	139.0500	140.0500	142.6500	142.6500	135.6500
Springfield	80.3200	80.5300	74.7500	75.1500	75.1500
Swanton	62.7500	62.5600	62.6400	63.1900	64.1300
Sylvania	88.4500	83.3000	83.5000	83.6000	83.6000
Toledo	73.5800	73.1000	73.1000	67.4000	67.4000
Washington	83.5000	83.5000	83.5000	78.6000	78.6000
Joint Vocational School Districts					
Four County	\$4.2000	\$3.2000	\$3.2000	\$3.2000	\$3.2000
Penta County	3.2000	3.2000	3.2000	3.2000	3.2000
Townships					
Harding	\$5.0500	\$5.0500	\$5.0500	\$5.0500	\$5.0500
Jerusalem	10.7500	10.7500	9.7500	9.7500	9.7500
Monclova	7.5000	7.5000	7.5000	7.5000	9.7500
Providence	6.9500	6.9500	6.9500	6.9500	6.9500
Richfield	8.4000	8.4000	8.3000	8.2000	8.1000
Spencer	4.5000	8.0000	8.0000	8.0000	8.0000
Springfield	11.2000	11.2000	11.2000	11.2000	8.1000
Swanton	6.1000	6.1000	6.1000	5.3000	4.9000
Sylvania	23.0700	23.0700	22.9700	21.4700	21.4700
Washington	30.5000	30.5000	30.5000	26.7500	26.7500
Waterville	14.6000	14.6000	14.6000	14.0000	10.5000

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
2.0000	2.0000	2.0000	2.0000	2.0000
2.0000	2.0000	2.0000	2.0000	2.0000
\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
5.0000	5.0000	5.0000	5.0000	5.0000
0.1700	0.1700	0.1700	0.1700	0.0000
2.4000	2.4000	2.4000	2.4000	2.4000
1.5000	1.5000	1.5000	1.5000	1.5000
0.4500	0.4500	0.4500	0.4500	0.4500
0.7000	0.7000	0.7000	0.7000	0.7000
1.8500	1.8500	1.8500	1.8500	1.5500
<u>\$14.0700</u>	<u>\$14.0700</u>	<u>\$14.0700</u>	<u>\$14.0700</u>	<u>\$13.6000</u>
\$66.8000	\$66.8000	\$66.8000	\$66.7000	\$66.8000
46.3500	46.4500	46.4500	46.8500	47.1500
84.6500	79.4500	78.4500	75.2500	76.2500
65.4000	65.4000	65.4000	65.4000	59.5000
47.1500	47.3500	47.3500	48.6500	48.8500
134.7500	133.8500	126.0500	125.8500	126.1500
75.0500	75.0500	70.8500	70.8500	70.8500
64.1500	63.6900	63.3900	63.3900	67.4300
83.0000	78.3000	77.7000	77.6900	74.9000
65.9000	65.7000	67.7000	66.9000	66.9000
78.6000	73.7000	73.7000	73.7000	76.2500
\$3.2000	\$3.2000	\$3.2000	\$3.2000	\$3.2000
3.2000	3.2000	3.2000	3.2000	3.2000
\$5.0500	\$3.3000	\$4.8000	\$4.8000	\$4.8000
9.7500	9.7500	9.7500	9.7500	9.7500
9.7500	5.2000	5.2000	5.2000	5.2000
6.9500	6.9500	6.9500	6.9500	6.9500
8.3000	8.3000	8.3000	8.0000	8.0000
8.0000	8.0000	8.0000	8.0000	6.0000
8.1000	8.1000	8.1000	8.1000	8.1000
4.9000	4.9000	4.9000	4.9000	4.9000
20.7200	22.2900	22.2900	22.2900	20.6200
26.7500	26.7500	26.7500	24.2500	24.2500
10.5000	10.5000	10.5000	10.5000	10.5000

(continued)

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

Collection Year	2017	2016	2015	2014	2013
Municipalities					
Village of Berkey	\$4.0000	\$4.0000	\$4.0000	\$4.0000	\$4.0000
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	2.5000	2.5000	2.5000	4.0000	3.5000
Village of Ottawa Hills	8.0000	8.0000	6.9000	4.1000	4.1000
Village of Swanton	5.0000	5.0000	5.0000	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	3.7000	3.7000	3.5000	3.5000	3.5000
Village of Whitehouse	3.5000	3.5000	3.5000	3.5000	3.5000
Metroparks					
Metroparks	\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000
Toledo-Lucas County Port Authority	0.4000	0.4000	0.4000	0.4000	0.4000
Toledo Area Regional Transportation Authority (TARTA) (2)	2.5000	2.5000	2.5000	2.5000	2.5000

Source: Lucas County Auditor

(1) 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.

(2) 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. The basic property tax rate can be increased only by a majority vote of Lucas County residents.

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.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is appraised every six years and property values are updated in the third year following each reappraisal.

2012	2011	2010	2009	2008
\$2.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
7.0000	7.0000	7.0000	7.0000	7.0000
0.8000	0.8000	0.8000	0.8000	0.8000
3.7000	3.7000	3.7000	3.7000	3.7000
3.5000	3.5000	3.5000	3.5000	3.5000
4.1000	4.1000	4.1000	4.1000	4.1000
4.5000	4.5000	4.5000	4.5000	4.5000
5.1000	3.6000	3.6000	3.6000	3.6000
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
\$1.7000	\$1.7000	\$1.7000	\$1.7000	\$1.7000
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

<u>Collection Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2017	\$20,580,074	\$19,604,975	95.26%	\$684,256	20,289,231
2016	20,345,557	19,441,971	95.56	826,135	20,268,106
2015	20,292,816	18,821,303	92.75	1,335,977	20,157,280
2014	20,179,149	18,688,193	92.61	974,397	19,662,590
2013	20,229,884	18,508,564	91.49	814,314	19,322,878
2012	15,747,933	14,367,115	91.23	888,483	15,255,598
2011	15,891,751	14,570,387	91.69	837,244	15,407,631
2010	16,147,179	14,633,434	90.63	811,289	15,444,723
2009	17,842,013	16,239,450	91.02	863,929	17,103,379
2008	17,889,863	16,219,395	90.66	927,326	17,146,721

Source: Lucas County Auditor

- (1) State reimbursement of rollback and homestead exemptions are included.
- (2) Amounts listed include penalties and interest.

Note: The county's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. This presentation will be updated as new information becomes available.

<u>Percent of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Percent of Outstanding Delinquent Taxes to Total Tax Levy</u>
98.59%	\$2,652,031	12.89%
99.62	1,995,820	9.81
99.33	2,152,006	10.60
97.44	1,951,593	9.67
95.52	2,105,960	10.41
96.87	2,100,976	13.34
96.95	2,202,706	13.86
95.65	1,470,219	9.11
95.86	1,455,204	8.16
95.85	1,220,327	6.82

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
2017	\$0	\$0	0.00%	\$0	\$0
2016	0	0	0.00	0	0
2015	0	0	0.00	0	0
2014	0	0	0.00	0	0
2013	0	0	0.00	0	0
2012	0	0	0.00	0	0
2011	0	0	0.00	0	0
2010	0	0	0.00	0	0
2009	0	0	0.00	0	0
2008	497,745	492,503	98.95	78,053	570,556

Source: Lucas County Auditor

Note: The general business tangible personal property tax has been phased out.

The county's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. This presentation will be updated as new information becomes available.

<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>
0.00%	\$273,826	0.00%
0.00	216,143	0.00
0.00	217,720	0.00
0.00	226,005	0.00
0.00	247,930	0.00
0.00	269,925	0.00
0.00	356,955	0.00
0.00	278,306	0.00
0.00	297,868	0.00
114.63	449,571	90.32

Toledo-Lucas County Public Library
Principal Taxpayers
Current Year and Nine Years Ago

2017		
Taxpayer	Total Assessed Valuation	Percentage of Total Assessed Valuation
GLP Capital LP	\$56,561,480	0.79%
DFG	18,280,910	0.25
Kroger, Inc.	16,142,890	0.22
LC Spring Hollow LLC	15,488,860	0.21
Star-West Franklin Park Mall LLC	15,314,150	0.21
Seagate Land Partners LLC	10,430,000	0.15
The Andersons LLC	10,139,310	0.14
Wal-Mart	10,050,230	0.14
Meijer, Inc.	9,454,060	0.13
Realty Income Properties	8,546,250	0.12
Total	\$170,408,140	2.36%
Total All Taxpayers's Assessed Valuation	\$7,233,772,000	

2008		
Taxpayer	Total Assessed Valuation	Percentage of Total Assessed Valuation
Sunoco	\$20,112,750	0.22%
Ohio Bell	16,199,230	0.18
BP America	14,485,420	0.16
General Motors	9,079,190	0.10
Buckeye Telesystem, Inc.	7,837,940	0.09
Block Communications, Inc.	5,851,730	0.07
Johns Manville	4,416,430	0.05
B P Husky Refining LLC	3,820,700	0.04
MCI Metro Access Transmission	3,150,480	0.03
Chrysler LLC	3,058,780	0.03
Total	\$88,012,650	0.97%
Total All Taxpayers's Assessed Valuation	\$9,116,368,000	

Source: Lucas County Auditor

Toledo-Lucas County Public Library
Debt Ratios
Last Ten Years

Year	Outstanding Debt	Estimated Actual Value of All Taxable Property	Percentage of Estimated Actual Value of Taxable Property	Per Capita (1)	Percentage of Personal Income (1)
2017	\$40,835,702	\$20,097,829,000	0.20%	\$92.43	0.36%
2016	16,974,141	19,946,368,000	0.09	38.42	0.16
2015	18,072,712	19,676,084,000	0.09	40.91	0.17
2014	19,128,239	19,589,330,000	0.10	43.29	0.18
2013	20,015,395	19,660,609,000	0.10	45.30	0.19
2012	26,251	22,278,924,000	0.00	0.06	0.00
2011	38,242	22,494,306,000	0.00	0.09	0.00
2010	49,195	22,661,532,000	0.00	0.11	0.00
2009	65,398	25,076,844,000	0.00	0.14	0.00
2008	22,190	29,052,871,000	0.00	0.05	0.00

Source: Toledo Lucas County Public Library

(1) See schedule S-23 for population and personal income.

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

Toledo-Lucas County Public Library
Revenue Supported Debt Coverage
Last Four Years

Year	Library Local Government Support (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2017	\$15,107,503	\$1,128,000	\$601,619	\$1,729,619	8.73
2016	15,054,761	1,085,000	640,136	1,725,136	8.73
2015	15,287,248	1,043,000	677,163	1,720,163	8.89
2014	13,901,952	925,000	613,361	1,538,361	9.04

Source: Toledo Lucas County Public Library

(1) Includes only Library Local Government Support revenues from the General Fund.

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
2017	441,815	\$11,477,028,255	\$25,977	5.10%	4.90%
2016	441,815	10,964,081,040	24,816	5.00	5.00
2015	441,815	10,905,319,645	24,683	5.00	4.80
2014	441,815	10,595,165,515	23,981	5.30	5.10
2013	441,815	10,595,165,515	23,981	7.40	7.10
2012	441,815	10,595,165,515	23,981	7.50	6.70
2011	441,815	10,595,165,515	23,981	8.40	7.90
2010	441,815	9,065,160,170	20,518	10.00	9.20
2009	455,054	9,336,797,972	20,518	12.30	10.30
2008	455,054	9,336,797,972	20,518	10.10	7.60

Source: (1) U.S. Census
 Years 2008 through 2009 - 2000 Federal Census
 Years 2010 through 2017 - 2010 Federal Census

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

(3) Ohio Bureau of Employment Services

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Toledo-Lucas County Public Library
Principal Employers
Current Year and Nine Years Ago

2017		
Taxpayer	Total Number of Employees	Percentage of Total Number of Employees
Promedica Health Systems	11,339	5.65%
University of Toledo	10,861	5.40
Chrysler Holdings	5,893	2.93
Mercy Health Partners	5,271	2.62
Toledo City School District	4,402	2.19
Lucas County	2,879	1.43
Libbey Glass	2,766	1.38
City of Toledo	2,662	1.33
Kroger, Inc.	2,339	1.16
Wal-Mart	1,934	0.96
Total	<u>50,346</u>	<u>25.05%</u>
Total County Employment	<u>201,000</u>	
2008		
Taxpayer	Total Number of Employees	Percentage of Total Number of Employees
University of Toledo	8,700	4.38%
Mercy Health Partners	6,777	3.41
Toledo City School District	4,489	2.26
Lucas County	3,912	1.97
City of Toledo	2,855	1.44
United Parcel Service	2,001	1.01
The Andersons LLC	1,818	0.92
HCR Manor Care	1,781	0.90
Lott Industries	1,723	0.87
Meijer, Inc.	1,640	0.82
Total	<u>35,696</u>	<u>17.98%</u>
Total County Employment	<u>198,500</u>	

Source: Lucas County Auditor

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

Branch Location	2017	2016	2015	2014	2013
Birmingham					
Number of Employees	6	6	6	5	4
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	33,163	37,941	57,455	55,601	49,428
Number of Registered Borrowers	2,720	2,847	3,196	3,233	3,359
Heatherdowns					
Number of Employees	15	14	15	15	15
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	313,678	325,067	361,881	398,530	452,997
Number of Registered Borrowers	14,409	14,256	16,846	17,569	19,640
Holland					
Number of Employees	14	14	15	16	17
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	367,670	402,552	437,361	546,943	579,584
Number of Registered Borrowers	20,242	20,363	24,427	25,455	27,919
Kent					
Number of Employees	10	10	11	11	11
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	61,540	71,887	74,943	94,325	83,902
Number of Registered Borrowers	6,743	6,799	7,465	7,664	8,351
King					
Number of Employees	16	14	0	0	0
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	420,185	87,551	0	0	0
Number of Registered Borrowers	4,370	2,158	0	0	0
Lagrange					
Number of Employees	7	6	7	6	7
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	63,314	78,594	92,589	129,978	125,310
Number of Registered Borrowers	7,147	7,214	7,800	7,835	8,358
Locke					
Number of Employees	6	7	7	6	7
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	76,970	82,967	139,992	133,309	120,484
Number of Registered Borrowers	8,298	8,428	9,699	9,815	11,036
Main					
Number of Employees	185	180	185	182	159
Number of Volumes Owned	1,827,670	1,523,380	1,578,515	1,731,624	1,876,176
Number of Library Materials Circulated	684,786	713,229	781,750	1,472,065	1,316,402
Number of Registered Borrowers	57,275	53,490	54,776	56,927	52,089
Maumee					
Number of Employees	10	10	12	12	11
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	266,065	296,206	328,541	338,838	362,768
Number of Registered Borrowers	10,563	10,467	12,188	12,665	14,076
Mott					
Number of Employees	7	7	7	7	8
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	48,110	49,518	54,091	69,588	78,945
Number of Registered Borrowers	7,351	7,504	8,356	8,626	9,661
Oregon					
Number of Employees	14	15	15	7	14
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	347,152	373,056	184,791	323,993	450,748
Number of Registered Borrowers	19,165	17,968	20,522	21,925	25,478

2012	2011	2010	2009	2008
5	5	5	5	6
0	0	0	38,562	41,550
50,352	72,585	78,674	90,488	74,754
3,307	3,150	3,181	3,132	3,451
15	13	15	16	18
0	0	0	154,198	163,632
474,433	520,627	538,875	557,957	512,556
19,490	18,607	18,922	18,934	21,228
14	15	16	15	20
0	0	0	140,174	149,826
576,364	602,182	534,449	571,856	502,874
27,644	25,822	25,373	24,466	26,208
10	9	0	5	11
0	0	0	71,509	76,201
101,712	12,110	86,825	112,088	107,119
7,927	7,265	7,685	7,687	8,700
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
5	6	7	7	9
0	0	0	47,333	50,125
123,277	144,202	114,233	130,764	111,918
8,039	7,409	7,035	6,640	6,811
7	6	7	7	7
0	0	0	61,365	63,519
122,453	131,043	101,199	133,191	113,801
10,816	10,336	10,450	10,256	11,244
142	165	145	180	231
2,418,153	2,476,238	2,659,066	822,408	860,541
1,254,145	1,176,540	1,119,523	1,095,879	1,011,595
63,258	60,651	61,171	60,992	69,130
12	11	11	12	17
0	0	0	124,412	132,812
353,474	385,711	359,995	408,338	373,344
13,814	13,096	13,187	13,016	14,267
6	5	5	5	7
0	0	0	61,711	69,699
81,091	99,464	94,233	116,487	107,393
9,492	9,010	9,055	8,963	9,917
13	13	13	16	16
0	0	0	112,666	118,760
426,453	451,277	428,207	452,224	419,232
25,018	23,791	23,881	23,674	26,199

(continued)

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

Branch Location	2017	2016	2015	2014	2013
Outreach Services					
Number of Employees	15	14	12	13	14
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	180,686	226,618	344,347	401,162	434,523
Number of Registered Borrowers	3,414	3,224	3,377	3,482	3,633
Point Place					
Number of Employees	9	9	11	11	11
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	151,836	155,596	165,653	186,335	191,228
Number of Registered Borrowers	8,640	8,672	10,140	10,513	11,475
Reynolds Corners					
Number of Employees	9	10	10	11	11
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	209,552	232,196	242,571	240,851	233,550
Number of Registered Borrowers	12,461	12,486	15,250	15,669	17,176
Sanger					
Number of Employees	16	17	16	17	19
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	380,047	472,285	530,267	630,628	615,559
Number of Registered Borrowers	18,987	18,746	22,012	22,806	25,083
South					
Number of Employees	7	5	6	7	7
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	68,176	70,968	77,538	78,635	80,111
Number of Registered Borrowers	5,510	5,500	6,365	6,494	7,601
Sylvania					
Number of Employees	0	17	19	18	18
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	249,322	563,818	618,666	646,135	684,329
Number of Registered Borrowers	18,068	19,040	22,752	23,323	25,628
Toledo Heights					
Number of Employees	7	6	6	4	6
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	73,393	99,573	118,316	130,903	120,548
Number of Registered Borrowers	5,885	6,003	6,985	7,124	8,003
Washington					
Number of Employees	14	13	14	12	13
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	328,708	369,918	378,157	454,377	428,445
Number of Registered Borrowers	14,634	14,311	16,899	17,314	19,351
Waterville					
Number of Employees	12	10	12	11	12
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	275,820	288,893	318,598	326,085	351,811
Number of Registered Borrowers	9,309	10,127	10,437	10,648	11,755
West Toledo					
Number of Employees	12	12	12	11	0
Number of Volumes Owned	0	0	0	0	0
Number of Library Materials Circulated	207,195	212,211	224,295	41,171	179,695
Number of Registered Borrowers	14,806	14,625	16,930	16,863	20,280
Total Number of Employees	391	396	398	382	364
Total Number of Volumes Owned	1,827,670	1,523,380	1,578,515	1,731,624	1,876,176
Total Number of Library Materials Circulated	4,807,368	5,210,644	5,531,802	6,699,452	6,940,367
Total Number of Register Borrowers	269,997	264,228	296,422	305,950	329,952

Source: Toledo Lucas County Public Library

Note: All employees of the Library are considered part of the general public services program as reported on the Statement of Activities.

2012	2011	2010	2009	2008
12	12	10	12	15
0	0	0	137,065	117,073
456,155	457,881	441,083	436,890	351,472
4,059	3,991	4,048	3,989	4,341
8	9	10	10	13
0	0	0	91,892	97,303
185,358	203,391	205,655	229,284	206,549
11,365	10,816	10,961	10,886	12,088
8	8	9	10	0
0	0	0	114,071	130,844
250,552	282,115	276,306	63,596	210,891
17,003	16,376	16,853	16,962	20,905
15	15	15	15	20
0	0	0	147,096	153,509
631,276	635,769	563,258	567,577	475,598
24,671	23,305	23,276	22,938	25,211
5	5	6	6	8
0	0	0	43,701	50,750
83,544	97,654	93,986	108,082	94,838
7,258	6,934	6,891	6,590	7,341
16	15	17	18	24
0	0	0	152,829	161,473
671,667	693,463	639,315	656,494	597,121
25,334	24,058	24,237	23,922	26,721
4	5	5	6	8
0	0	0	52,826	55,881
119,329	131,602	115,618	135,844	124,575
7,791	7,485	7,582	7,458	8,267
11	12	12	14	18
0	0	0	121,304	127,199
405,882	419,254	390,671	437,943	418,665
18,934	18,049	18,492	18,397	20,863
11	11	11	12	14
0	0	0	105,805	109,318
330,741	353,415	338,563	382,543	332,602
11,586	10,974	10,967	10,777	11,457
10	9	9	11	15
0	0	0	103,579	113,329
233,159	267,647	258,657	304,135	282,427
20,017	19,253	19,761	19,601	21,677
329	349	328	382	477
2,418,153	2,476,238	2,659,066	2,704,506	2,843,344
6,931,417	7,137,932	6,779,325	6,991,660	6,429,324
336,823	320,378	323,008	319,280	356,026

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

<u>Year</u>	<u>Buildings</u>	<u>Bookmobiles</u>	<u>Vehicles</u>
2017	20	4	10
2016	20	4	10
2015	20	4	10
2014	20	4	9
2013	20	3	9
2012	20	3	9
2011	20	3	9
2010	20	2	9
2009	20	2	9
2008	20	2	9

Source: Toledo Lucas County Public Library

**TOLEDO-LUCAS COUNTY PUBLIC LIBRARY
LUCAS COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017

**TOLEDO-LUCAS COUNTY PUBLIC LIBRARY
LUCAS COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's 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 Street
Toledo, Ohio 43604-6614

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Toledo-Lucas County Public Library's basic financial statements and have issued our report thereon dated May 31, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Toledo-Lucas County Public Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Toledo-Lucas County Public Library's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Toledo-Lucas County Public Library's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Trustees
Toledo-Lucas County Public Library

Compliance and Other Matters

As part of reasonably assuring whether the Toledo-Lucas County Public 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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the Toledo-Lucas County Public Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Toledo-Lucas County Public Library's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
May 31, 2018



Dave Yost • 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
SEPTEMBER 4, 2018