



**Auditor of State
Betty Montgomery**

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

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Toledo-Lucas County Public Library
Lucas County
325 N. Michigan Street
Toledo, Ohio 43624-1628

To the Board of Trustees:

We have audited the financial statements of the Toledo-Lucas County Public Library (the Library) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 30, 2004, in which we noted the Library implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's discussion and Analysis - for State and Local Governments* and changed the capital assets threshold amounts. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion

on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

June 30, 2004

TOLEDO-LUCAS COUNTY
PUBLIC LIBRARY, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2003

INTRODUCTORY SECTION

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TOLEDO-LUCAS COUNTY
PUBLIC LIBRARY, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2003

Issued By:

Finance Office

Toledo-Lucas County Public Library
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2003
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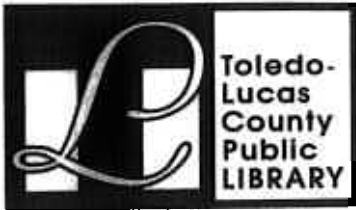
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**325 Michigan Street
Toledo, Ohio 43624-1628**

**419/259-5207
www.llibrary.toledo.oh.us**

June 30, 2004

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 tenth Comprehensive Annual Financial Report (CAFR) for the Toledo-Lucas County Public Library. This report, for the year ended December 31, 2003, 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"). This CAFR conforms to generally accepted accounting principles as applicable to governmental entities. 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.

This CAFR is divided into three sections as follows:

1. The Introductory Section contains the table of contents, letter of transmittal, a list of principal officials, organization chart of the Library, and the certificate of achievement.
2. The Financial Section includes the Independent Accountant's Report, the Basic Financial Statements and Notes, which provide an overview of the Library's financial position and operating results, and the Combining Statements and Individual Fund Schedules, which provide detailed information about the Basic Financial Statements.
3. The Statistical Section presents social and economic data and financial trend information.

GAAP require the Management's Discussion and Analysis (MD&A), a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it.

History of the Library

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

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

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

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

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

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

In the November 1995 general election, 73 percent of the Lucas County voters approved the Library's proposed capital projects. The \$38.6 million bond issue is funding the renovation and expansion of the Main Library and virtually all of the system's eighteen branch libraries from 1996 through 2005.

Subsequently, the Library assembled a team of architects, construction managers, and other experts to work with the staff and develop the complex capital plans needed. Library users of all ages have been included in this planning process. Public meetings at Library sites, where neighborhood residents talked with the project architects, and focus groups of adults, teenagers, and children have brought forth a good variety of suggestions and comments. By the end of 2003, the Main Library addition and fourteen branch libraries' capital projects had been completed (Birmingham, Heatherdowns, Holland, Kent, Maumee, Mott, Oregon, Point Place, Reynolds Corners, Sanger, Sylvania, Toledo Heights, Washington, and West Toledo). The Lagrange, South, and Waterville branches are in the planning stages. Only Locke Branch remains for updating.

Mission

The stated mission of the Library is as follows:

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

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

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

Materials/Services

The Library provides the residents of Lucas County with an abundance and variety of excellent services. With a book collection of 2.4 million volumes, of which 1 million are in the Main Library, the Toledo-Lucas County Public Library has the fifth largest public library collection in the State. Its annual circulation of over 6.3 million includes not only best sellers but also materials on all topics imaginable. In addition to books, the Library has maps, newspapers, current and bound magazines, microfilm, large print materials, videocassettes, compact discs, audio cassettes, books-on-tape, sheet music, digital video discs, and access to the Internet. Electronic books were introduced in 2000.

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

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

One hundred fifty-three PC's were made available to the public at the Main Library and four hundred eleven system-wide.

In 2003, staff members responded to approximately 608,400 reference questions from patrons that reached the Library in person, via phone, fax, or mail. The Library offers computerized database services which provide access to hundreds of topics in all fields of knowledge. In addition, the Library's online catalog and other information resources are available through dial-in access. In 2003, our web page was accessed 3,890,048 times.

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

REPORTING ENTITY

The Library's reporting entity has been defined in accordance with Statement No. 14 of the Governmental Accounting Standards Board. The Library is under the control and management of a Board of Trustees consisting of seven members. Three of the board members are appointed by the Common Pleas Court Judges and four are appointed by the Lucas County Commissioners. Board members are appointed for a term of seven years, the term of one trustee expiring each year. At its January meeting, the Board organizes for the ensuing year and elects a president, vice president, and secretary.

There is no potential for the Library to provide a financial benefit to or 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 those decisions are made, the County Commissioners must place the levy on the ballot.

The Library receives the major portion of its income from the Library and Local Government Support Fund (LLGSF). The LLGSF is a fixed portion (at present 5.7 percent) of the state income tax collection. The monies are distributed to Ohio's eighty-eight counties according to a fixed formula. Within Lucas County, the distribution is based upon a per pupil formula. In 2003, the Toledo-Lucas County Public Library received 99.07 percent of the LLGSF for Lucas County. The balance was received by Swanton Public Library and Evergreen Community.

The second largest source of operating revenue comes from a one mill Lucas County property tax levy. This tax levy is for a ten year period. The Library began collecting this tax in 1998. In 2003, Toledo-Lucas County Public Library received 1.91 percent of the public utilities property tax, 2.28 percent residential property tax, and 2.42 percent of the commercial property tax in Lucas County.

ECONOMIC CONDITION AND OUTLOOK

The Library serves the entire County of Lucas and City of Toledo. This area has historically been a prime site for heavy manufacturing of steel, glass, rubber, and plastics, especially related to the automotive industry. As manufacturing has declined, the local economic development officers have nurtured small business start up and have attempted to attract high technology companies with modest success. The City and County salaries remain lower than the State average, unemployment is slightly higher than the State average, and the recent national downturn lingers in Toledo. The economy remained bumpy throughout 2003.

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

The population of the City of Toledo has declined during the past several decades, while the County's population has slowly increased. System-wide circulation remains on a generally upward trend, with the 2003 total of all items borrowed exceeding six million items for the eighth consecutive year. Last year's total number of visitors to all Library locations reached nearly 3.4 million. The number of youngsters in the 2003 Summer Reading Club was over 17,757, a 25 percent increase over 2002. As an overall sign of a strong, effective Library system, the Toledo-Lucas County Public Library was ranked as the eighth best public library in the United States among the ninety libraries in its population category, according to the Hennen American Public Library Rating Index.

The major revenue source for the Library is the Library and Local Government Support Fund (LLGSF), based on an earmarking of the State income tax. The LLGSF is dependent on the economy of the State and, thus, fluctuates widely. In 1992, the Ohio Legislature froze the LLGSF at the 1991 level and temporarily reduced the earmarked funds from 6.3 percent to 5.7 percent. Although the earmarking percentage was reduced, the State income tax revenue grew during those years, and therefore a slight increase in actual dollars was seen in the LLGSF. In 1995, the Ohio legislature changed the temporary reduction into permanent law. Therefore, the increase of the LLGSF is due to the State income tax increase. More recently, LLGSF funding has followed the generally strong statewide economy for 1996 through 2000, however beginning July 2001, the LLGSF faced a biennium budget freeze. In 2002, the Library faced a reduction of \$1.4 million to its operating budget because of Ohio's poor economy and lowered State income tax collection. Funding from the State of Ohio via the LLGSF fell further in 2003 correlating to the ebb of the economy. Drastic reductions were made to the materials budget, supplies, building maintenance, technology upgrades, and most other line items. Over thirty staff positions were left unfilled. The State's support in 2003 was equivalent to the 1999 level of \$18.4 million. The passage of a one mill four-year operating levy approved by County residents in November 2003 will help restore Library service in 2004 and replace the lost State money.

MAJOR INITIATIVES

The following are selected highlights of the Library's accomplishments in 2003:

Circulation - 6,300,189

Reference - 608,400

Registered borrowers - 279,785

Collection total = 2,376,636 books

Web access - 3,890,048

AUTHORS! AUTHORS! - This popular series continued for a tenth year and included Sara Paretsky, Rachel Naomi Remen, Arthur Frommer, Po Bronson, John C. Moore, and Jane Brody. The Blade remained a proud co-sponsor, as did the Friends of the Library, the Library Legacy Foundation, and various Library trust funds.

OTHER LOCAL PARTNERSHIPS - In 2003, the Library formed many partnerships with community businesses and organizations which benefitted children and adults. The major cooperative efforts included the summer reading clubs and teen summer activities, funded by twenty-two local sponsors. Another season of Brown Bag concerts pleased thousands of downtown noon timers thanks to ten financial sponsors.

CAPITAL PROJECTS

Birmingham Branch Library Project - The Birmingham project was bid in February 2003 with groundbreaking occurring on April 7. The building was closed from July 18 through December 17, 2003. The Branch reopened on December 18 and celebrated a grand reopening in early 2004.

Lagrange Branch Library - Land has been acquired for the new branch at the corner of Manhattan and Lagrange Streets. The architect for the project is Collaborative, Inc. The architect worked on the site and floor plan in 2003 with bidding expected in 2004.

South Branch Library Project - The South project was successfully bid in September 2003 with groundbreaking ceremonies on October 13.

Waterville Branch Library - The Library has chosen Buchrer Group to be the architect for this project. The architect worked on the site and floor plan in 2003 with bidding expected in 2004.

PROSPECTS FOR 2003 AND BEYOND

Other Capital Projects - The Library will continue implementation of the capital projects promised to the voters of Lucas County in the 1995 campaign. There are two more years to go and the Locke Branch project to complete.

CASH MANAGEMENT

The Library pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash in obligations issued by the United States Government or the State of Ohio. The Library's deposits are collateralized as required by State statute. The total interest earned for the year ended December 31, 2003, was \$131,741.

RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 2003, the Library contracted with several companies for insurance coverage as follows:

<u>Coverage</u>	<u>Company</u>
Property*	Traveler's Insurance
General Liability	Traveler's Insurance
Employee Benefits	Traveler's Insurance
Auto	Traveler's Insurance
Umbrella	Traveler's Insurance
Boiler/Machinery	Traveler's Insurance
Earthquake/Flood	Traveler's Insurance
Directors and Officers	Chubb Executive Risk Indemnity, Inc.
Special Library Form**	Traveler's Insurance
Electronic Equipment	Traveler's Insurance
Fine Arts	Traveler's Insurance

* Includes: Glass and Transit

** Includes: Rare Books, Electronic Data Processing Equipment, Valuable Papers

There are various limits and deductibles associated with each type of insurance that is outlined in detail in the notes to the financial statements.

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.

OTHER INFORMATION

Independent Audit

An audit team for Auditor of State, Betty Montgomery's Office has performed this year's audit. The results of the audit are presented in the Independent Accountant's Report.

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 2002. This was the ninth 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 2003.

Acknowledgements

A special thanks is extended to my staff for its hard work and dedication in compiling cash reports, accrual information, and capital asset information. I would also like to express appreciation to Betty Montgomery, Auditor of State, and to her Local Government Services staff for their assistance in preparing this report.



Clyde S. Scoles
Director/Clerk-Treasurer



Shirley A. Johnson
Business Manager/Deputy Clerk-Treasurer

Toledo-Lucas County Public Library

List of Principal Officials

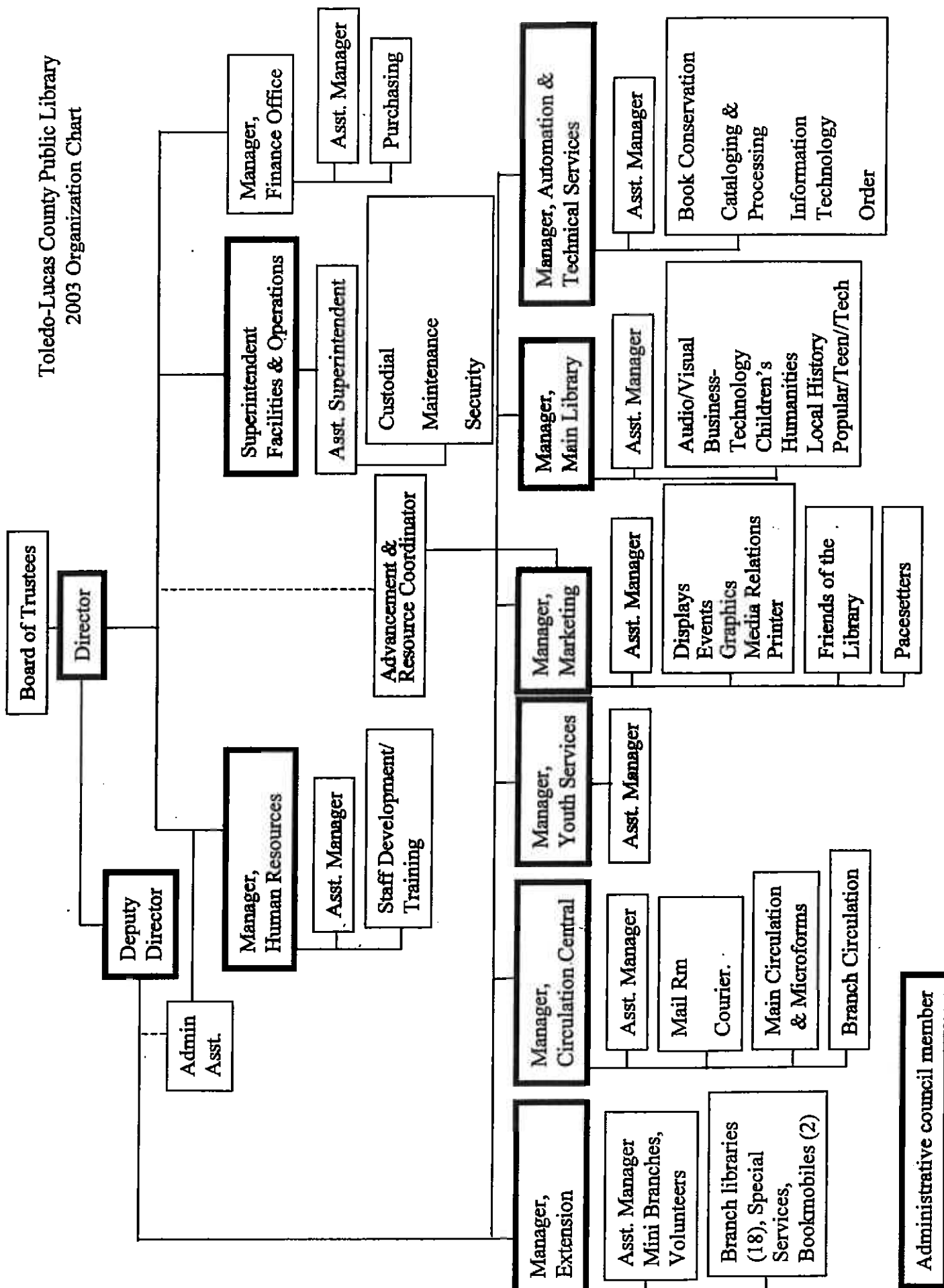
Board of Trustees

President	Carol Z. Block
Vice President	A. Randy Clay
Secretary	George R. Tucker
Board Members	John F. Hayward
	Bernard F. Judy
	Harry W. Kessler
	Susan M. Savage

Appointed Officials

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

Toledo-Lucas County Public Library
2003 Organization Chart



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, 2002

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



President

Executive Director

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FINANCIAL SECTION

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANT'S REPORT

Toledo-Lucas County Public Library
Lucas County
325 N. Michigan Street
Toledo, Ohio 43624-1628

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Toledo-Lucas County Public Library (the Library), as of and for the year ended December 31, 2003, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the Toledo-Lucas County Public Library, Lucas County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General and Improvement Levy Fund thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2003, the Library implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and changed the capital asset threshold amounts.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2004, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Betty Montgomery
Auditor of State

June 30, 2004

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2003

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, 2003. The intent of this discussion and analysis is to look at the Library's financial performance as a whole.

HIGHLIGHTS

Key highlights for 2003 are as follows:

In November 2003, County residents approved a one mill operating levy. This levy will generate approximately \$7.8 million annually over the next four years. Passage of this levy will help restore some of the reductions the Library was forced to employ in 2003 as well as take the place of some lost State resources.

In 1996, the Library began an aggressive ten-year building and improvement program. During 2003, the Library was in the planning stages for the Lagrange and Waterville Branch Libraries and construction was started on the South Branch Library in October. The Birmingham Branch Library was reopened to the public in December and this project will be concluded in 2004. At this point, only the Locke Branch Library is yet to be undertaken.

USING THIS ANNUAL REPORT

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

The Statement of Net Assets and the Statement of Activities provide information about the activities of the Library as a whole, presenting both an aggregate and a longer-term view of the Library.

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

REPORTING THE LIBRARY AS A WHOLE

The Statement of Net Assets and the Statement of Activities reflect how the Library did financially during 2003. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

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

In the Statement of Net Assets and the Statement of Activities, the Library presents a single type of activity, 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, Improvement Levy Fund, and Bond Construction Fund. While the Library uses many funds to account for its financial transactions, these are the most significant.

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

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

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

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the Library's net assets for 2003 compared to 2002

Table 1
Net Assets

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
<u>Assets</u>		
Current and Other Assets	\$37,444,218	\$32,433,778
Capital Assets, Net	72,914,680	71,932,523
Total Assets	<u>110,358,898</u>	<u>104,366,301</u>
<u>Liabilities</u>		
Current and Other Liabilities	21,521,673	15,964,218
Long-Term Liabilities	1,749,096	1,592,504
Total Liabilities	<u>23,270,769</u>	<u>17,556,722</u>
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	69,497,680	68,133,523
Restricted	4,671,554	4,250,511
Unrestricted	12,918,895	14,425,545
Total Net Assets	<u>\$87,088,129</u>	<u>\$86,809,579</u>

The increase in current and other assets from 2002 was \$5,010,440, or approximately 15 percent. This increase can be almost entirely attributed to the approval of the one mill four-year operating levy. The effect was a substantial increase in the receivable for property taxes, an increase of over 53 percent. However, the Library also experienced a fairly significant decrease in its cash balance as of the end of the year. This decrease of over \$1.2 million resulted from the decrease in the Library and Local Government Support Fund monies received from the State as well monies spent for ongoing construction. This construction activity, of course, also resulted in an increase in the Library's capital assets from the prior year. While the overall percentage of change was very insignificant, the Library acquired land for the South Branch Library and construction continued throughout 2003 for several of the Library's branches.

Liabilities were also affected by the passage of the new levy as deferred revenue increased to offset the above receivable. The only other change of any significance was a reduction in the liability for intergovernmental payables as of the end of the year. In 2002, payments to the Ohio Public Employees Retirement System were made on a quarterly basis, thus at the end of the year, an entire quarter was still outstanding. In 2003, these payments were required to be made on a monthly basis. As a result, only one month was outstanding as of year end.

A comparison of the three net asset classifications indicates a great deal of consistency with the prior year. Unrestricted net assets decreased somewhat as a result of the reductions in cash as discussed above.

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

Table 2 reflects the changes in net assets for fiscal year 2003. Since this is the first year the Library has prepared financial statements according to GASB Statement No. 34, revenue and expense comparisons to fiscal year 2002 are not available. In future years, when prior fiscal year information is available, a comparative analysis of government-wide data will be presented.

Table 2
Change in Net Assets

	Governmental Activities 2003
	<hr/>
<u>Revenues</u>	
Program Revenues:	
Charges for Services	\$879,247
Operating Grants, Contributions, and Interest	41,602
Total Program Revenues	<hr/> 920,849 <hr/>
General Revenues:	
Property Taxes Levied for General Purposes	4,910,458
Property Taxes Levied for Library Construction	4,940,166
Grants and Entitlements	19,590,118
Interest	120,667
Gifts and Donations	479,214
Miscellaneous	429,774
Total General Revenues	<hr/> 30,470,397 <hr/>
Total Revenues	<hr/> 31,391,246 <hr/>
<u>Expenses</u>	
Public Services:	
General Public Services	18,824,822
Purchased and Contracted Services	4,345,187
Library Materials and Information	2,778,720
Intergovernmental	4,968,795
Interest and Fiscal Charges	195,172
Total Expenses	<hr/> 31,112,696 <hr/>
Increase in Net Assets	<hr/> <hr/> \$278,550 <hr/> <hr/>

General revenues represent 97 percent of the Library's overall revenue sources and these are made up almost entirely from property taxes and Library and Local Government Support Fund monies. With 62 percent of all revenues provided by the State, it can be seen how any decreases in this funding source have a substantial impact on the services the Library can provide.

Over 83 percent of all expenses for governmental activities are used directly for services to the public. The intergovernmental expense represents payments to Lucas County for the payment of general obligation bonds the County has issued on the Library's behalf.

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2003

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. Comparisons to fiscal year 2002 have not been made since they are not available.

Table 3
Governmental Activities

	Total Cost of Services 2003	Net Cost of Services 2003
Public Services:		
General Public Services	\$18,824,822	\$17,941,389
Purchased and Contracted Services	4,345,187	4,345,187
Library Materials and Information	2,778,720	2,741,304
Intergovernmental	4,968,795	4,968,795
Interest and Fiscal Charges	195,172	195,172
Total Expenses	<u>\$31,112,696</u>	<u>\$30,191,847</u>

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

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The Library's major governmental funds are the General Fund, the Improvement Levy special revenue fund, and the Bond Construction capital projects fund. A review of these funds reflects a decrease in fund balance in the General Fund of \$1,322,913, or 23 percent. While the Library took measures to cut costs in 2003, decreases in the Library and Local Government Support Fund monies and tough economic conditions have caused the Library to spend more of the carry-over balance from prior years. Changes within the remainder of the Library's funds were minor.

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. While there was almost no change in budgeted revenues from the original to final budget, actual revenues were lower than estimates as a result of reductions in Library and Local Government Support Fund monies. This, of course, also affected reductions that resulted from the original to final budget for expenditures, as well as decreases which then needed to take place in actual expenditures. Reductions were made to almost every budget line item and over thirty staff positions were left unfilled. A 33 percent reduction the General Fund's fund balance demonstrates the significant impact that resulted in spending prior year carry-over balances. The new one mill four-year operating levy will help restore the General Fund's fund balance as well as services provided by the Library.

TOLEDO-LUCAS COUNTY PUBLIC LIBRARY

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Library's investment in capital assets as of December 31, 2003, was \$72,914,680 (net of accumulated depreciation). While the overall increase from the prior year was just over 1 percent, there were some noteworthy additions in 2003. The Library purchased land for the South Branch Library and construction continued on several of the Library's branches. For addition details regarding the Library's capital assets, see Note 9 to the basic financial statements.

Debt - At December 31, 2003, the Library had \$3,417,000 in revenue anticipation notes outstanding. The Library's long-term obligations consist of compensated absences. For further information regarding the Library's debt, see Notes 16 and 17 to the basic financial statements.

CURRENT ISSUES

Funding from the State of Ohio for the Library and Local Government Support Fund has been flat and will continue to be flat for 2004 and part of 2005. In 2003, the Library cut the materials budget, supplies, building maintenance, technology upgrades, and most other line items as well as not filling open positions. To help alleviate this problem, in November 2003, the Board of Library Trustees put a one mill four-year operating levy on the ballot. The voters passed the levy by 65 percent. With monies generated from this levy, the Library is restoring areas that had to be cut in 2003.

The Library has continued the ten-year building and improvement program started in 1996. The Birmingham Branch Library reopened to the public in December. Construction has started on the South Branch Library and completion is projected for September 2004. Construction has also started on the Waterville Branch Library and it is expected to be completed in December 2004. The Lagrange Branch Library is currently in the bidding process. Bids are due in June 2004 with anticipated completion in the spring of 2005.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Library's finances for all those interested in the Library's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Clyde S. Scoles, Director/Clerk-Treasurer or Shirley Johnson, Business Manager/Deputy Clerk-Treasurer, 325 Michigan Street, Toledo, Ohio 43624.

Toledo-Lucas County Public Library
Statement of Net Assets
December 31, 2003

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$8,195,164
Cash and Cash Equivalents with Escrow Agent	41,339
Accounts Receivable	38,694
Accrued Interest Receivable	4,689
Due from Other Governments	11,230,442
Prepaid Items	511,588
Materials and Supplies Inventory	72,760
Property Taxes Receivable	17,349,542
Nondepreciable Capital Assets	51,017,970
Depreciable Capital Assets, Net	21,896,710
Total Assets	110,358,898
<u>Liabilities</u>	
Accrued Wages Payable	404,016
Accounts Payable	531,188
Contracts Payable	37,160
Due to Other Governments	193,035
Claims Payable	47,022
Accrued Interest Payable	30,522
Notes Payable	3,417,000
Retainage Payable	67,283
Deferred Revenue	16,794,447
Long-Term Liabilities	
Due Within One Year	624,392
Due in More Than One Year	1,124,704
Total Liabilities	23,270,769
<u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	69,497,680
Restricted for	
Capital Projects	3,807,946
Other Purposes	585,814
Library Materials	
Expendable	148,204
Nonexpendable	129,590
Unrestricted	12,918,895
Total Net Assets	\$87,088,129

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
Statement of Activities
For the Year Ended December 31, 2003

	Program Revenues		Net (Expense) Revenue and Change in Net Assets	
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
			Total	
<u>Governmental Activities</u>				
Public Services				
General Public Services	\$18,824,822	\$879,247	\$4,186	(\$17,941,389)
Purchased and Contracted Services	4,345,187	0	0	(4,345,187)
Library Materials and Information	2,778,720	0	37,416	(2,741,304)
Intergovernmental	4,968,795	0	0	(4,968,795)
Interest and Fiscal Charges	195,172	0	0	(195,172)
Total	<u>\$31,112,696</u>	<u>\$879,247</u>	<u>\$41,602</u>	<u>(30,191,847)</u>

General Revenues

Property Taxes Levied for General Purposes	4,910,458
Property Taxes Levied for Library Construction	4,940,166
Grants and Entitlements not Restricted to Specific Programs	19,590,118
Interest	120,667
Gifts and Donations	479,214
Miscellaneous	429,774
Total General Revenues	<u>30,470,397</u>
Change in Net Assets	278,550
Net Assets Beginning of Year - Note 3	<u>86,809,579</u>
Net Assets End of Year	<u>\$87,088,129</u>

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
Balance Sheet
Governmental Funds
December 31, 2003

	General Fund	Improvement Levy Fund	Bond Construction Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$3,362,327	\$0	\$0	\$4,434,036	\$7,796,363
Accounts Receivable	38,694	0	0	0	38,694
Accrued Interest Receivable	2,402	0	0	2,287	4,689
Interfund Receivable	5,000	0	0	0	5,000
Due from Other Governments	11,224,471	0	0	5,971	11,230,442
<u>Restricted Assets</u>					
Cash and Cash Equivalents with Escrow Agent	14	0	0	41,325	41,339
Prepaid Items	511,588	0	0	0	511,588
Materials and Supplies Inventory	72,760	0	0	0	72,760
Property Taxes Receivable	13,086,413	4,263,129	0	0	17,349,542
Total Assets	\$28,303,669	\$4,263,129	\$0	\$4,483,619	\$37,050,417
<u>Liabilities and Fund Balance</u>					
<u>Liabilities</u>					
Accrued Wages Payable	\$404,016	\$0	\$0	\$0	\$404,016
Accounts Payable	531,188	0	0	0	531,188
Contracts Payable	0	0	0	37,160	37,160
Interfund Payable	0	0	0	5,000	5,000
Due to Other Governments	106,650	0	0	0	106,650
Accrued Interest Payable	0	0	30,522	0	30,522
Notes Payable	0	0	3,417,000	0	3,417,000
Retainage Payable	0	0	0	25,944	25,944
<u>Liabilities Payable from Restricted Assets</u>					
Retainage Payable	14	0	0	41,325	41,339
Deferred Revenue	22,940,452	4,263,129	0	815	27,204,396
Total Liabilities	23,982,320	4,263,129	3,447,522	110,244	31,803,215
<u>Fund Balance</u>					
Reserved for Encumbrances	1,324,913	0	0	1,256,495	2,581,408
Reserved for Restricted Principal	0	0	0	129,590	129,590
Designated for Scholarships	171,142	0	0	0	171,142
<u>Unreserved, Undesignated Reported in</u>					
General Fund	2,825,294	0	0	0	2,825,294
Special Revenue Funds	0	0	0	265,131	265,131
Capital Projects Funds (Deficit)	0	0	(3,447,522)	2,576,975	(870,547)
Permanent Funds	0	0	0	145,184	145,184
Total Fund Balance (Deficit)	4,321,349	0	(3,447,522)	4,373,375	5,247,202
Total Liabilities and Fund Balance	\$28,303,669	\$4,263,129	\$0	\$4,483,619	\$37,050,417

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
 Reconciliation of Total Governmental Fund Balance
 to Net Assets of Governmental Activities
 December 31, 2003

Total Governmental Fund Balance		\$5,247,202
Amounts reported for governmental activities on the statement of net assets are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		72,914,680
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Accounts Receivable	44	
Accrued Interest Receivable	1,845	
Due from Other Governments	9,852,965	
Property Taxes Receivable	555,095	
		10,409,949
Due to other governments includes contractually required pension contributions not expected to be paid with available expendable financial resources and, therefore, not reported in the funds.		(86,385)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated Absences Payable		(1,749,096)
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net assets.		351,779
Net Assets of Governmental Activities		\$87,088,129

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, 2003

	General Fund	Improvement Levy Fund	Bond Construction Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Property Taxes	\$4,931,663	\$4,384,434	\$580,588	\$0	\$9,896,685
Intergovernmental	18,894,859	584,146		30,000	19,509,005
Patron Fines and Fees	816,356	0	0	0	816,356
Interest	73,478	0	3,159	55,104	131,741
Services Provided to Others	62,847	0	0	0	62,847
Gifts and Donations	14,290	0	0	464,924	479,214
Miscellaneous	417,840	215	0	12,180	430,235
Total Revenues	25,211,333	4,968,795	583,747	562,208	31,326,083
<u>Expenditures</u>					
Current:					
Public Services					
General Public Services	18,217,893	0	0	16,771	18,234,664
Purchased and Contracted Services	4,138,640	0	497,388	103,658	4,739,686
Library Materials and Information	2,747,591	0	0	31,129	2,778,720
Intergovernmental	0	4,968,795	0	0	4,968,795
Capital Outlay	130,122	0	13,387	1,265,173	1,408,682
Debt Service					
Interest and Fiscal Charges	0	0	195,172	0	195,172
Total Expenditures	25,234,246	4,968,795	705,947	1,416,731	32,325,719
Excess of Revenues					
Under Expenditures	(22,913)	0	(122,200)	(854,523)	(999,636)
<u>Other Financing Sources (Uses)</u>					
Transfers In	0	0	0	1,300,000	1,300,000
Transfers Out	(1,300,000)	0	0	0	(1,300,000)
Total Other Financing Sources (Uses)	(1,300,000)	0	0	1,300,000	0
Change in Fund Balance	(1,322,913)	0	(122,200)	445,477	(999,636)
Fund Balance (Deficit) Beginning of Year - Restated (Note 3)	5,644,262	0	(3,325,322)	3,927,898	6,246,838
Fund Balance (Deficit) End of Year	\$4,321,349	\$0	(\$3,447,522)	\$4,373,375	\$5,247,202

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, 2003

Net Change in Fund Balance - Total Governmental Funds (\$999,636)

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 outlays exceeded depreciation in the current year.

Capital Outlay - Non-Depreciable Capital Assets	1,751,322	
Capital Outlay - Depreciable Capital Assets	51,859	
Depreciation	<u>(821,024)</u>	982,157

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

Property Taxes	(46,061)	
Intergovernmental	111,113	
Patron Fines and Fees	44	
Interest	96	
Miscellaneous	<u>(29)</u>	65,163

Some expenses 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.

Due to Other Governments	382,448	
Compensated Absences Payable	<u>(156,592)</u>	225,856

Internal service funds 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 revenue are eliminated. The change for governmental funds is reported for the year.

5,010

Change in Net Assets of Governmental Activities \$278,550

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, 2003

	<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	\$5,542,585	\$5,542,585	\$5,512,251	(\$30,334)
Intergovernmental	20,312,167	20,212,013	18,886,717	(1,325,296)
Patron Fines and Fees	836,000	836,000	817,511	(18,489)
Interest	94,456	94,456	79,378	(15,078)
Services Provided to Others	62,652	62,652	62,812	160
Gifts and Donations	8,500	8,500	25,820	17,320
Miscellaneous	416,000	416,000	433,853	17,853
Total Revenues	27,272,360	27,172,206	25,818,342	(1,353,864)
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	19,820,172	18,900,909	18,330,315	570,594
Purchased and Contracted Services	5,656,558	5,105,215	4,793,893	311,322
Library Materials and Information	3,940,629	3,553,129	3,397,176	155,953
Capital Outlay	263,465	360,965	314,767	46,198
Debt Service				
Principal Retirement	385,000	385,000	382,000	3,000
Interest and Fiscal Charges	200,000	200,000	198,588	1,412
Total Expenditures	30,265,824	28,505,218	27,416,739	1,088,479
Excess of Revenues Under Expenditures	(2,993,464)	(1,333,012)	(1,598,397)	(265,385)
<u>Other Financing Sources (Uses)</u>				
Other Financing Uses	(984,000)	0	0	0
Advances In	10,000	10,000	10,000	0
Advances Out	(5,000)	(5,000)	(5,000)	0
Transfers Out	0	(1,300,000)	(1,300,000)	0
Total Other Financing Sources (Uses)	(979,000)	(1,295,000)	(1,295,000)	0
Change in Fund Balance	(3,972,464)	(2,628,012)	(2,893,397)	(265,385)
Fund Balance Beginning of Year	2,498,288	2,498,288	2,498,288	0
Prior Year Encumbrances Appropriated	2,062,861	2,062,861	2,062,861	0
Fund Balance End of Year	\$588,685	\$1,933,137	\$1,667,752	(\$265,385)

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
Improvement Levy Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$6,419,750	\$6,419,750	\$4,384,434	(\$2,035,316)
Intergovernmental	580,000	580,000	584,146	4,146
Miscellaneous	250	250	215	(35)
Total Revenues	7,000,000	7,000,000	4,968,795	(2,031,205)
<u>Expenditures</u>				
Intergovernmental	7,000,000	7,000,000	4,968,795	2,031,205
Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
Statement of Fund Net Assets
Internal Service Funds
December 31, 2003

Current Assets

Equity in Pooled Cash and Cash Equivalents \$398,801

Current Liabilities

Claims Payable 47,022

Net Assets

Unrestricted \$351,779

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2003

<u>Operating Revenues</u>	
Charges for Services	<u>\$497,570</u>
<u>Operating Expenses</u>	
Purchased and Contracted Services	23,108
Claims	<u>469,452</u>
Total Operating Expenses	<u>492,560</u>
Net Income	5,010
Net Assets Beginning of Year	<u>346,769</u>
Net Assets End of Year	<u><u>\$351,779</u></u>

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2003

Increase (Decrease) in Cash and Cash Equivalents

<u>Cash Flows from Operating Activities</u>	
Cash Received from Other Funds	\$497,570
Cash Payments for Purchased and Contracted Services	(23,108)
Cash Payments for Claims	<u>(458,114)</u>
Net Cash Provided by Operating Activities	16,348
Cash and Cash Equivalents Beginning of Year	<u>382,453</u>
Cash and Cash Equivalents End of Year	<u><u>\$398,801</u></u>

Reconciliation of Net Income to Net
Cash Provided by Operating Activities

Net Income	\$5,010
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Adjustments to Reconcile Net Income to Net
Cash Provided by Operating Activities

Increase in Claims Payable	<u>11,338</u>
Net Cash Provided by Operating Activities	<u><u>\$16,348</u></u>

See Accompanying Notes to the Basic Financial Statements

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 1 - REPORTING ENTITY

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

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

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

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

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library approves the budget, the issuance of debt, or the levying of taxes. There were no component units of the Toledo-Lucas County Public Library in 2003.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(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. The Library also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service funds provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the Library's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting

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

Governmental Funds

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

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

Improvement Levy Fund - The Improvement Levy Fund is used to account for the receipt and distribution to Lucas County of the property tax levy used to pay the County general obligation bonds issued to finance Library improvements.

Bond Construction Fund - The Bond Construction Fund is used to account for bond proceeds used to improve the library system by acquiring, equipping, and otherwise improving the Library's facilities and sites, including the acquisition of real estate and interests therein, for the Main Library and all of the branches.

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

Proprietary Funds

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

Internal Service Funds - Internal service funds are used to account for the Library's self insurance programs for prescriptions, health insurance, and dental insurance.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

Deferred Revenues

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

Property taxes for which there was an enforceable legal claim at December 31, 2003, but were levied to finance 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Administrative Code. All funds are required to be budgeted and appropriated. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The budget demonstrates a need to levy all or part of previously authorized taxes. The certificate of estimated resources establishes a limit on the amount the Board of Library Trustees may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The level of control has been established by the Board at the object level for all funds.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(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 certificated 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 appropriation 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 2003, the Library invested in U.S. Treasury Notes and STAR Ohio. U.S. Treasury notes are reported at fair value, which 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2003.

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 2003 was \$73,478 which includes \$29,997 assigned from other Library funds.

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

G. Restricted Assets

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

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

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Inventory

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

J. Capital Assets

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

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

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

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

K. Library Books

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

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Interfund Receivables/Payables

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund Receivables/Payables". Interfund balances are eliminated on the statement of net assets.

M. Compensated Absences

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

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

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

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

N. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions 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.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include a grant for services provided to the elderly and 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 assets are available.

P. Fund Balance Reserves and Designations

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

Q. Operating Revenues and Expenses

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

R. Interfund Transactions

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Estimates

The preparation of the 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, CORRECTION OF AN ERROR, AND RESTATEMENT OF FUND BALANCE

A. Change in Accounting Principles

For 2003, the Library has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements".

GASB Statement No. 34 creates new basic financial statements for reporting on the Library's financial activities. The financial statements include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are aggregated and presented in a single column.

On the government-wide financial statements, the beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2002, caused by the conversion to the accrual basis of accounting.

GASB Statement No. 37 makes certain clarifications regarding escheat property and modifies several provisions of GASB Statement No. 34, including Management's Discussion and Analysis. GASB Statement No. 38 modifies, establishes, and rescinds certain financial statement disclosure requirements.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization, or program structure that the Library uses for its legally adopted budget when significant budgetary perspective differences result in the Library not being able to present budgetary comparisons for the General Fund and each major special revenue fund. The implementation of this statement did not have any effect on the Library's financial statements for 2003.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

For 2003, the Library has increased the threshold amount for capitalizing assets. The threshold amount was increased from \$100 to \$5,000, except for building improvements which have a threshold of \$100,000. As a result of this change in threshold, capital assets as previously reported decreased \$11,541,381, from \$90,019,980 to \$78,478,599.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES, CORRECTION OF AN ERROR, AND RESTATEMENT OF FUND BALANCE (continued)

B. Correction of an Error

In the prior year, the Library recorded several capital leases. However, these items did not meet the capital lease criteria.

C. Restatement of Fund Balance

The restatement due to the implementation of the above statements and interpretation had the following effect on fund balance of the major and nonmajor funds of the Library as they were previously reported. The transition from governmental fund balance to net assets of governmental activities is also presented:

	General Fund	Bond Construction Fund	Other Governmental Funds	Total Governmental Activities
Fund Balance December 31, 2002	\$5,659,009	(\$3,325,322)	\$3,927,898	\$6,261,585
Correction of an Error	(117,037)	0	0	(117,037)
GASB Interpretation No. 6 Adjustment:				
Compensated Absences Payable	102,290	0	0	102,290
Adjusted Fund Balance	\$5,644,262	(\$3,325,322)	\$3,927,898	6,246,838
GASB Statement No. 34 Adjustments:				
Accounts Receivable				29
Accrued Interest Receivable				1,749
Due from Other Governments				9,741,852
Property Taxes Receivable				601,156
Capital Assets				71,932,523
Due to Other Governments				(468,833)
Compensated Absences Payable				(1,592,504)
Internal Service Fund				346,769
Governmental Activities Net Assets December 31, 2002				\$86,809,579

NOTE 4 - ACCOUNTABILITY

At December 31, 2003, the Bond Construction capital projects fund had a deficit fund balance, in the amount of \$3,447,522. The deficit is due to recording the note liability in the fund that received the proceeds and will be as the notes are paid.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

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. The major differences between the budget basis and the GAAP basis are that:

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

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:

Net Change in Fund Balance

GAAP Basis	(\$1,322,913)
<u>Increase (Decrease) Due To</u>	
Revenue Accruals:	
Accrued 2002, Received in Cash 2003	1,428,218
Accrued 2003, Not Yet Received in Cash	(1,411,514)
Expenditure Accruals:	
Accrued 2002, Paid in Cash 2003	(864,435)
Accrued 2003, Not Yet Paid in Cash	1,041,854
	(continued)

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

Net Change in Fund Balance

Cash Adjustments:	
Unrecorded Activity 2002	\$10,096
Unrecorded Activity 2003	(379)
Prepaid Items	(84,057)
Materials and Supplies Inventory	(1,057)
Note Principal Retirement	(382,000)
Note Interest	(198,588)
Reallocation of Debt Activity	580,588
Advances In	10,000
Advances Out	(5,000)
Encumbrances Outstanding at Year End (Budget Basis)	<u>(1,694,210)</u>
Budget Basis	<u><u>(\$2,893,397)</u></u>

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.

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

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

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

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

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

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

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

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

At year end, the Library had \$11,319 in undeposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents”.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, “Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements”.

At year end, the carrying amount of the Library’s deposits was \$1,153,242 and the bank balance was \$1,656,768. Of the bank balance, \$179,056 was covered by the federal depository insurance and \$1,477,712 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Library to a successful claim by the FDIC.

The Library’s investments are categorized to give an indication of the level of risk assumed by the Library at year end. Category 1 includes investments that are insured or registered for which the securities are held by the Library or the Library’s agent in the Library’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the Library’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Library’s name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 2	Fair Value
U.S. Treasury Notes	\$1,013,219	\$1,013,219
STAR Ohio		6,058,723
Total		\$7,071,942

The classification of cash and cash equivalents and investments on the financial statements is based on the criteria set forth in GASB Statement No. 9, “Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting”. A reconciliation between the classification of cash and cash equivalents and investments on the financial statements and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$8,236,503	\$0
Cash on Hand	(11,319)	0
Investments:		
U.S. Treasury Notes	(1,013,219)	1,013,219
STAR Ohio	(6,058,723)	6,058,723
GASB Statement No. 3	\$1,153,242	\$7,071,942

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 7 - RECEIVABLES

Receivables at December 31, 2003, consisted of accounts (photocopies, facsimiles, and fines), accrued interest, interfund, intergovernmental, and property taxes receivable. All receivables are considered collectible in full and within one year. Intergovernmental receivables consisted of library local government support in the General Fund, in the amount of \$11,224,471, and a grant in the Services to the Elderly special revenue fund, in the amount of \$5,971.

NOTE 8 - PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located within the Library district. Real property tax revenues received in 2003 represent the collection of 2002 taxes. Real property taxes received in 2003 were levied after October 1, 2002, on the assessed values as of January 1, 2002, 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 2003 represent the collection of 2002 taxes. Public utility real and tangible personal property taxes received in 2003 became a lien on December 31, 2001, were levied after October 1, 2002, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in 2003 (other than public utility property) represent the collection of 2003 taxes. Tangible personal property taxes received in 2003 were levied after October 1, 2002, on the true value as of December 31, 2002. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of December 31, 2003, and for which there was an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2003 operations.

On the full accrual basis, collectible delinquent real property taxes have been recorded as a receivable and revenue. On the modified accrual basis, the revenue is deferred.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 8 - PROPERTY TAXES (continued)

The full tax rate for all Library operations for the year ended December 31, 2003, was \$1.70 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2003 property tax receipts were based are as follows:

Category	Amount
Real Property	\$6,581,213,000
Public Utility Property	329,127,000
Tangible Personal Property	868,142,000
Total Assessed Value	\$7,778,482,000

In November 2003, the voters approved a one mill four-year operating levy.

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003, was as follows:

	Restated Balance January 1, 2003	Additions	Reductions	Balance December 31, 2003
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$6,548,950	\$314,351	\$0	\$6,863,301
Construction in Progress	42,717,698	1,436,971	0	44,154,669
Total Nondepreciable Capital Assets	49,266,648	1,751,322	0	51,017,970
Depreciable Capital Assets				
Buildings and Improvements	25,645,709	0	0	25,645,709
Improvements Other Than Buildings	395,170	0	0	395,170
Furniture, Fixtures, and Equipment	2,979,899	51,859	0	3,031,758
Vehicles	191,173	0	0	191,173
Total Depreciable Capital Assets	29,211,951	51,859	0	29,263,810
Less Accumulated Depreciation for				
Buildings and Improvements	(5,549,816)	(572,715)	0	(6,122,531)
Improvements Other Than Buildings	(165,752)	(26,344)	0	(192,096)
Furniture, Fixtures, and Equipment	(678,622)	(204,764)	0	(883,386)
Vehicles	(151,886)	(17,201)	0	(169,087)
Total Accumulated Depreciation	(6,546,076)	(821,024)	0	(7,367,100)
Total Depreciable Capital Assets, Net	22,665,875	(769,165)	0	21,896,710
Governmental Activities Capital Assets, Net	\$71,932,523	\$982,157	\$0	\$72,914,680

Depreciation expense was charged to general public services.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 10 - INTERFUND RECEIVABLES/PAYABLES

At December 31, 2003, the General Fund had an interfund receivable and the Services to the Elderly Grant special revenue fund had an interfund payable, in the amount of \$5,000, to provide cash flow resources until the receipt of grant monies. This amount is expected to be repaid within one year.

NOTE 11 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 2003, the Library contracted for the following insurance coverage.

Coverage	Limits	Deductible Amounts
Property	\$106,396,874	\$1,000
General Liability	2,000,000 Aggregate 1,000,000 Each Occurrence	1,000
Employee Benefits	2,000,000 Aggregate 1,000,000 Each Employee	0
Auto	1,000,000	500 Comprehensive 500 Collision
Umbrella	5,000,000	0
Boiler/Machinery	50,000,000	1,000
Earthquake/Flood	10,000,000	50,000
Directors and Officers	2,000,000	25,000
Special Library Form	77,669,508	1,000
Electronic Equipment	2,620,670	1,000
Fine Arts	1,159,036	1,000

There has been no significant reduction in insurance coverage from 2002, 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 2003, the Library provided prescription and dental benefits through self insured programs. The Library established a Prescription Fund and Dental Fund (internal service funds) to account for and finance these employee benefits. The Prescription Fund provides for unlimited coverage and the Dental Fund provides up to \$750 of coverage, per person, per year. The Library has commercial insurance for claims in excess of coverage provided by the funds. In 2002, the Library terminated the self insured program for health coverage. The balance in the fund continues to be held to pay off any remaining claims.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 11 - RISK MANAGEMENT (continued)

All funds of the Library participate in the prescription and dental programs, and made payments to the respective funds based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Claims payable is based on the requirements of Governmental Accounting Standards Board Statement No. 30, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Claims payable at December 31, 2003, was estimated by the third party administrators at \$47,022. 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
2003	\$35,684	\$469,452	\$458,114	\$47,022
2002	120,706	1,286,842	1,371,864	35,684

NOTE 12 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The Library has several outstanding contracts for professional services and construction. The following amounts remained on these contracts as of December 31, 2003:

Branch	Contract Amount	Amount Paid as of December 31, 2003	Outstanding Balance
Birmingham	\$751,992	\$671,035	\$80,957
Lagrange	53,160	0	53,160
Main	107,260	0	107,260
South	1,121,770	201,138	920,632
Waterville	60,000	0	60,000

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

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

For the year ended December 31, 2003, members of all three plans were required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The Library's contribution rate for pension benefits for 2003 was 8.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Library's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$2,333,282, \$2,174,238, and \$2,240,973, respectively; 96 percent has been contributed for 2003 and 100 percent has been contributed for 2002 and 2001. The unpaid contribution for 2003, in the amount of \$86,385, is recorded as a liability. Contributions to the member-directed plan for 2003 were \$17,299 made by the Library and \$10,852 made by plan members.

NOTE 14 - POSTEMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 employer contribution rate was 13.55 percent of covered payroll; 5.00 percent was the portion used to fund health care.

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4 percent annually.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits was \$689,320. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2002 (the latest information available), was \$10 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the OPERS Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. The Choices Plan will incorporate a cafeteria approach offering a broader range of health care options. The Choices Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Choices Plan will also offer a spending account feature enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a medical spending account.

NOTE 15 - COMPENSATED ABSENCES

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

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 15 - COMPENSATED ABSENCES (continued)

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

Employee Type	Maximum Vacation Earned per Year	Maximum Sick Earned per Year	Maximum Vacation Accumulation	Maximum Sick Accumulation	Percentage Sick Leave Paid
Able	182	104	212	950	39%
CWA	182	104	205	925	39
Exempt	182	104	212	950	39

NOTE 16 - NOTES PAYABLE

On November 1, 2000, the Library issued revenue anticipation notes, in the amount of \$4,500,000, for completing improvements to the library system by acquiring, constructing, reconstructing, equipping, and otherwise improving the library's facilities and sites. The notes were issued under the authority of Ohio Revised Code Sections 3375.40 and 3375.404 for a ten year period, with final maturity during 2010. The notes have an interest rate of 5.36 percent. The notes are being repaid through the Bond Construction capital projects fund. The outstanding balance at December 31, 2003, was \$3,417,000. The principal paid in 2003 was \$382,000.

Principal and interest requirements to retire notes payable outstanding at December 31, 2003, were as follows:

Year Ending December 31,	Principal	Interest	Total
2004	406,000	177,792	583,792
2005	430,000	155,708	585,708
2006	457,000	132,312	589,312
2007	485,000	107,441	592,441
2008	514,000	81,070	595,070
2009 - 2010	1,125,000	76,487	1,201,487
	<u>\$3,417,000</u>	<u>\$730,810</u>	<u>\$4,147,810</u>

Toledo-Lucas County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 17 - LONG-TERM OBLIGATIONS

The Library's long-term obligations activity for the year ended December 31, 2003, was as follows:

	Restated Balance January 1, 2003	Additions	Reductions	Balance December 31, 2003	Due Within One Year
Compensated Absences Payable	\$1,592,504	\$225,007	\$68,415	\$1,749,096	\$624,392

The compensated absences liability will be paid from the General Fund.

NOTE 18 - CONSTRUCTION AND IMPROVEMENT OF FACILITIES

In 1995, the Board of Trustees of the Toledo-Lucas County Public Library submitted, to the Lucas County Commissioners, a property tax levy to be used for improvements to the Library system. The County Commissioners serve as the taxing authority and issue tax related debt on behalf of the Library, although their role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Library Trustees.

With approval of the levy, the County Commissioners issued County general obligation bonds, in the amount of \$25,000,000 in 1996 and \$13,600,000 in 1997, for Library improvements. The bonds will be paid from proceeds of the property tax levy. Because the bonds are general obligations of Lucas County, the long-term obligation is excluded from the general long-term obligations of the Toledo-Lucas County Public Library. The receipt and expenditure of the proceeds from the property tax levy for the retirement of the debt is reflected in the Improvement Levy special revenue fund.

NOTE 19 - INTERFUND TRANSFERS

During 2003, the General Fund made transfers to other governmental funds, in the amount of \$1,300,000, to subsidize building repairs and improvements.

NOTE 20 - 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, 2003, to December 31, 2003, 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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003
(continued)

NOTE 21 - SUBSEQUENT EVENT

On May 3, 2004, the Library issued revenue anticipation notes, in the amount of \$3,217,000, to refund revenue anticipation notes previously issued for completing improvements to the Library system. These notes have an interest rate of 2.65 percent and mature on May 1, 2007.

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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NONMAJOR SPECIAL REVENUE FUNDS

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

Services to the Elderly Grant

To account for grant monies for an informational and referral program and for caregiver resources for the elderly.

Staff Development

To account for monies received from Margie Malmberg for staff development.

Special Gifts

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

Marci Stothers

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

Toledo Profile

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

Lois Waffle

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

Colby

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

Kent

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

Louise M. Meffley

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

Building and Repair

To account for transfers from the General Fund to acquire or construct equipment and buildings.

Library Legacy Foundation

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

NONMAJOR PERMANENT FUNDS

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

Libbey

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

Hopkins

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

Colburn

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

Toledo-Lucas County Public Library
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2003

	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	\$286,527	\$3,871,050	\$276,459	\$4,434,036
Accrued Interest Receivable	952	0	1,335	2,287
Due from Other Governments	5,971	0	0	5,971
<u>Restricted Assets</u>				
Cash and Cash Equivalents with Escrow Agent	0	41,325	0	41,325
Total Assets	\$293,450	\$3,912,375	\$277,794	\$4,483,619
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Contracts Payable	\$0	\$37,160	\$0	\$37,160
Interfund Payable	5,000	0	0	5,000
Retainage Payable	0	25,944	0	25,944
<u>Liabilities Payable from Restricted Assets</u>				
Retainage Payable	0	41,325	0	41,325
Deferred Revenue	311	0	504	815
Total Liabilities	5,311	104,429	504	110,244
<u>Fund Balance</u>				
Reserved for Encumbrances	23,008	1,230,971	2,516	1,256,495
Reserved for Restricted Principal	0	0	129,590	129,590
<u>Unreserved, Reported in</u>				
Special Revenue Funds	265,131	0	0	265,131
Capital Projects Funds	0	2,576,975	0	2,576,975
Permanent Funds	0	0	145,184	145,184
Total Fund Balance	288,139	3,807,946	277,290	4,373,375
Total Liabilities and Fund Balance	\$293,450	\$3,912,375	\$277,794	\$4,483,619

Toledo-Lucas County Public Library
Combining Balance Sheet
All Special Revenue Funds
December 31, 2003

	Services to the Elderly Grant	Staff Development	Special Gifts	Marci Stothers	Toledo Profile
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$4,532	\$1,402	\$14,708	\$692	\$1,270
Accrued Interest Receivable	0	0	0	0	0
Due from Other Governments	5,971	0	0	0	0
Total Assets	<u>\$10,503</u>	<u>\$1,402</u>	<u>\$14,708</u>	<u>\$692</u>	<u>\$1,270</u>
<u>Liabilities and Fund Balance</u>					
<u>Liabilities</u>					
Interfund Payable	\$5,000	\$0	\$0	\$0	\$0
Deferred Revenue	0	0	0	0	0
Total Liabilities	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Balance</u>					
Reserved for Encumbrances	7,372	1,388	12,750	0	0
Unreserved (Deficit)	(1,869)	14	1,958	692	1,270
Total Fund Balance	<u>5,503</u>	<u>1,402</u>	<u>14,708</u>	<u>692</u>	<u>1,270</u>
Total Liabilities and Fund Balance	<u>\$10,503</u>	<u>\$1,402</u>	<u>\$14,708</u>	<u>\$692</u>	<u>\$1,270</u>

Lois Waffle	Colby	Kent	Louise M. Meffley	Total
\$77,775	\$50,487	\$69,541	\$66,120	\$286,527
0	360	419	173	952
0	0	0	0	5,971
<u>\$77,775</u>	<u>\$50,847</u>	<u>\$69,960</u>	<u>\$66,293</u>	<u>\$293,450</u>
\$0	\$0	\$0	\$0	\$5,000
0	76	81	154	311
0	76	81	154	5,311
0	289	0	1,209	23,008
<u>77,775</u>	<u>50,482</u>	<u>69,879</u>	<u>64,930</u>	<u>265,131</u>
<u>77,775</u>	<u>50,771</u>	<u>69,879</u>	<u>66,139</u>	<u>288,139</u>
<u>\$77,775</u>	<u>\$50,847</u>	<u>\$69,960</u>	<u>\$66,293</u>	<u>\$293,450</u>

Toledo-Lucas County Public Library
Combining Balance Sheet
All Capital Projects Funds
December 31, 2003

	<u>Building and Repair</u>	<u>Library Legacy Foundation</u>	<u>Total</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$3,117,276	\$753,774	\$3,871,050
Restricted Assets			
Cash and Cash Equivalents with Escrow Agent	<u>0</u>	<u>41,325</u>	<u>41,325</u>
Total Assets	<u>\$3,117,276</u>	<u>\$795,099</u>	<u>\$3,912,375</u>
<u>Liabilities and Fund Balance</u>			
<u>Liabilities</u>			
Contracts Payable	\$20,795	\$16,365	\$37,160
Retainage Payable	1,753	24,191	25,944
Liabilities Payable from Restricted Assets			
Retainage Payable	<u>0</u>	<u>41,325</u>	<u>41,325</u>
Total Liabilities	<u>22,548</u>	<u>81,881</u>	<u>104,429</u>
<u>Fund Balance</u>			
Reserved for Encumbrances	511,915	719,056	1,230,971
Unreserved (Deficit)	<u>2,582,813</u>	<u>(5,838)</u>	<u>2,576,975</u>
Total Fund Balance	<u>3,094,728</u>	<u>713,218</u>	<u>3,807,946</u>
Total Liabilities and Fund Balance	<u>\$3,117,276</u>	<u>\$795,099</u>	<u>\$3,912,375</u>

Toledo-Lucas County Public Library
Combining Balance Sheet
All Permanent Funds
December 31, 2003

	<u>Libbey</u>	<u>Hopkins</u>	<u>Colburn</u>	<u>Total</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$197,164	\$24,260	\$55,035	\$276,459
Accrued Interest Receivable	976	130	229	1,335
Total Assets	<u>\$198,140</u>	<u>\$24,390</u>	<u>\$55,264</u>	<u>\$277,794</u>
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Deferred Revenue	\$350	\$60	\$94	\$504
<u>Fund Balance</u>				
Reserved for Encumbrances	716	727	1,073	2,516
Reserved for Restricted Principal	100,000	10,000	19,590	129,590
Unreseved	97,074	13,603	34,507	145,184
Total Fund Balance	<u>197,790</u>	<u>24,330</u>	<u>55,170</u>	<u>277,290</u>
Total Liabilities and Fund Balance	<u>\$198,140</u>	<u>\$24,390</u>	<u>\$55,264</u>	<u>\$277,794</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, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Intergovernmental	\$30,000	\$0	\$0	\$30,000
Interest	5,357	44,184	5,563	55,104
Gifts and Donations	16,894	448,030	0	464,924
Miscellaneous	432	11,748	0	12,180
Total Revenues	52,683	503,962	5,563	562,208
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services	5,023	11,748	0	16,771
Purchased and Contracted Services	22,743	79,577	1,338	103,658
Library Materials and Information	24,264	0	6,865	31,129
Capital Outlay	0	1,265,173	0	1,265,173
Total Expenditures	52,030	1,356,498	8,203	1,416,731
Excess of Revenues Over (Under) Expenditures	653	(852,536)	(2,640)	(854,523)
<u>Other Financing Sources</u>				
Transfers In	0	1,300,000	0	1,300,000
Change in Fund Balance	653	447,464	(2,640)	445,477
Fund Balance Beginning of Year	287,486	3,360,482	279,930	3,927,898
Fund Balance End of Year	\$288,139	\$3,807,946	\$277,290	\$4,373,375

Toledo-Lucas County Public Library
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
All Special Revenue Funds
For the Year Ended December 31, 2003

	Services to the Elderly Grant	Staff Development	Special Gifts	Marci Stothers	Toledo Profile
<u>Revenues</u>					
Intergovernmental	\$30,000	\$0	\$0	\$0	\$0
Interest	0	34	172	8	15
Gifts and Donations	0	0	16,894	0	0
Miscellaneous	0	0	0	0	432
Total Revenues	30,000	34	17,066	8	447
<u>Expenditures</u>					
Current:					
Public Services					
General Public Services	2,379	2,547	97	0	0
Purchased and Contracted Services	4,423	0	17,169	0	400
Library Materials and Information	19,229	0	0	342	0
Total Expenditures	26,031	2,547	17,266	342	400
Change in Fund Balance	3,969	(2,513)	(200)	(334)	47
Fund Balance Beginning of Year	1,534	3,915	14,908	1,026	1,223
Fund Balances End of Year	\$5,503	\$1,402	\$14,708	\$692	\$1,270

<u>Lois Waffle</u>	<u>Colby</u>	<u>Kent</u>	<u>Louise M. Meffley</u>	<u>Total</u>
\$0	\$0	\$0	\$0	\$30,000
852	1,160	1,605	1,511	5,357
0	0	0	0	16,894
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>432</u>
<u>852</u>	<u>1,160</u>	<u>1,605</u>	<u>1,511</u>	<u>52,683</u>
0	0	0	0	5,023
0	189	213	349	22,743
<u>0</u>	<u>1,401</u>	<u>2,117</u>	<u>1,175</u>	<u>24,264</u>
<u>0</u>	<u>1,590</u>	<u>2,330</u>	<u>1,524</u>	<u>52,030</u>
852	(430)	(725)	(13)	653
<u>76,923</u>	<u>51,201</u>	<u>70,604</u>	<u>66,152</u>	<u>287,486</u>
<u><u>\$77,775</u></u>	<u><u>\$50,771</u></u>	<u><u>\$69,879</u></u>	<u><u>\$66,139</u></u>	<u><u>\$288,139</u></u>

Toledo-Lucas County Public Library
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
All Capital Projects Funds
For the Year Ended December 31, 2003

	<u>Building and Repair</u>	<u>Library Legacy Foundation</u>	<u>Total</u>
<u>Revenues</u>			
Interest	\$30,267	\$13,917	\$44,184
Gifts and Donations	0	448,030	448,030
Miscellaneous	11,748	0	11,748
	<u>42,015</u>	<u>461,947</u>	<u>503,962</u>
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services	11,748	0	11,748
Purchased and Contracted Services	79,577	0	79,577
Capital Outlay	476,830	788,343	1,265,173
	<u>568,155</u>	<u>788,343</u>	<u>1,356,498</u>
Excess of Revenues Under Expenditures	(526,140)	(326,396)	(852,536)
<u>Other Financing Sources</u>			
Transfers In	1,300,000	0	1,300,000
Change in Fund Balance	773,860	(326,396)	447,464
Fund Balance Beginning of Year	<u>2,320,868</u>	<u>1,039,614</u>	<u>3,360,482</u>
Fund Balance End of Year	<u>\$3,094,728</u>	<u>\$713,218</u>	<u>3,807,946</u>

Toledo-Lucas County Public Library
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
All Permanent Funds
For the Year Ended December 31, 2003

	<u>Libbey</u>	<u>Hopkins</u>	<u>Colburn</u>	<u>Total</u>
<u>Revenues</u>				
Interest	\$3,977	\$523	\$1,063	\$5,563
<u>Expenditures</u>				
Current:				
Public Services				
Purchased and Contracted Services	894	76	368	1,338
Library Materials and Information	5,652	300	913	6,865
Total Expenditures	6,546	376	1,281	8,203
Change in Fund Balance	(2,569)	147	(218)	(2,640)
Fund Balance Beginning of Year	200,359	24,183	55,388	279,930
Fund Balance End Year	<u>\$197,790</u>	<u>\$24,330</u>	<u>\$55,170</u>	<u>\$277,290</u>

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Toledo-Lucas County Public Library
Combining Statements - Proprietary Funds

INTERNAL SERVICE FUNDS

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

Prescription

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

Health

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

Dental

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

Toledo-Lucas County Public Library
Combining Statement of Net Assets
All Internal Service Funds
December 31, 2003

	<u>Prescription</u>	<u>Health</u>	<u>Dental</u>	<u>Total</u>
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$110,663	\$265,793	\$22,345	\$398,801
<u>Current Liabilities</u>				
Claims Payable	<u>28,433</u>	<u>0</u>	<u>18,589</u>	<u>47,022</u>
<u>Net Assets</u>				
Unrestricted	<u>\$82,230</u>	<u>\$265,793</u>	<u>\$3,756</u>	<u>\$351,779</u>

Toledo-Lucas County Public Library
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets
All Internal Service Funds
For the Year Ended December 31, 2003

	<u>Prescription</u>	<u>Health</u>	<u>Dental</u>	<u>Total</u>
<u>Operating Revenues</u>				
Charges for Services	<u>\$426,548</u>	<u>\$688</u>	<u>\$70,334</u>	<u>\$497,570</u>
<u>Operating Expenses</u>				
Purchased and Contracted Services	16,565	110	6,433	23,108
Claims	<u>376,589</u>	<u>32,718</u>	<u>60,145</u>	<u>469,452</u>
Total Operating Expenses	<u>393,154</u>	<u>32,828</u>	<u>66,578</u>	<u>492,560</u>
Net Income (Loss)	33,394	(32,140)	3,756	5,010
Net Assets Beginning of Year	<u>48,836</u>	<u>297,933</u>	<u>0</u>	<u>346,769</u>
Net Assets End of Year	<u><u>\$82,230</u></u>	<u><u>\$265,793</u></u>	<u><u>\$3,756</u></u>	<u><u>\$351,779</u></u>

Toledo-Lucas County Public Library
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended December 31, 2003

	<u>Prescription</u>	<u>Health</u>	<u>Dental</u>	<u>Totals</u>
Increase (Decrease) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Other Funds	\$426,548	\$688	\$70,334	\$497,570
Cash Payments for Purchased and Contracted Services	(16,565)	(110)	(6,433)	(23,108)
Cash Payments for Claims	<u>(383,840)</u>	<u>(32,718)</u>	<u>(41,556)</u>	<u>(458,114)</u>
Net Cash Provided by (Used for) Operating Activities	26,143	(32,140)	22,345	16,348
Cash and Cash Equivalents Beginning of Year	<u>84,520</u>	<u>297,933</u>	<u>0</u>	<u>382,453</u>
Cash and Cash Equivalents End of Year	<u><u>\$110,663</u></u>	<u><u>\$265,793</u></u>	<u><u>\$22,345</u></u>	<u><u>\$398,801</u></u>
 <u>Reconciliation of Net Income (Loss) to Net</u> <u>Cash Provided by (Used for) Operating Activities</u>				
Net Income (Loss)	\$33,394	(\$32,140)	\$3,756	\$5,010
 <u>Adjustments to Reconcile Net Income to Net</u> <u>Cash Provided by (Used for) Operating Activities</u>				
Increase (Decrease) in Claims Payable	<u>(7,251)</u>	<u>0</u>	<u>18,589</u>	<u>11,338</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$26,143</u></u>	<u><u>(\$32,140)</u></u>	<u><u>\$22,345</u></u>	<u><u>\$16,348</u></u>

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

Toledo-Lucas County Public Library
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2003

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Property Taxes	\$5,542,585	\$5,542,585	\$5,512,251	(\$30,334)
Intergovernmental	20,312,167	20,212,013	18,886,717	(1,325,296)
Patron Fines and Fees	836,000	836,000	817,511	(18,489)
Interest	94,456	94,456	79,378	(15,078)
Services Provided to Others	62,652	62,652	62,812	160
Gifts and Donations	8,500	8,500	25,820	17,320
Miscellaneous	416,000	416,000	433,853	17,853
Total Revenues	27,272,360	27,172,206	25,818,342	(1,353,864)
<u>Expenditures</u>				
Current:				
Public Services				
General Public Services				
Salaries and Benefits				
Salaries and Leave Benefits	13,694,500	13,296,500	12,855,563	440,937
Retirement Benefits	3,150,000	3,182,692	3,131,820	50,872
Insurance Benefits	2,377,191	1,822,500	1,802,442	20,058
Other Employee Benefits	36,985	40,221	34,881	5,340
Total Salaries and Benefits	19,258,676	18,341,913	17,824,706	517,207
Supplies				
General Administrative Supplies	266,241	261,241	242,615	18,626
Property Maintenance Supplies and Repair	174,547	194,547	182,842	11,705
Motor Vehicle Fuel, Supplies, and Parts	18,551	15,551	12,663	2,888
Other Supplies	500	500	0	500
Total Supplies	459,839	471,839	438,120	33,719
Other Expenditures				
Dues and Memberships	41,000	36,000	26,700	9,300
Taxes and Assessments	33,000	29,000	26,514	2,486
Refunds and Reimbursements	27,157	22,157	14,275	7,882
Other Miscellaneous Expenses	500	0	0	0
Total Other Expenditures	101,657	87,157	67,489	19,668
Total General Public Services	19,820,172	18,900,909	18,330,315	570,594
Purchased and Contracted Services				
Travel and Meeting Expenditures	45,284	54,284	50,026	4,258
Communications, Printing, and Publicity	964,680	857,180	803,708	53,472
Property Maintenance, Repair, and Security Services	1,265,260	1,330,260	1,227,944	102,316
Insurance	212,000	231,000	228,867	2,133
Rents/Leases	411,831	311,831	291,832	19,999
Utilities	1,932,323	1,500,315	1,417,129	83,186
Professional Services	575,004	580,011	568,734	11,277
Library Material Control Services	87,234	87,234	83,236	3,998
Other Purchased and Contracted Services	162,942	153,100	122,417	30,683
Total Purchased and Contracted Services	5,656,558	5,105,215	4,793,893	311,322

(continued)

Toledo-Lucas County Public Library
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2003
(continued)

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Library Materials and Information				
Books and Pamphlets	\$2,849,528	\$2,405,528	\$2,339,640	\$65,888
Periodicals	266,583	283,583	273,676	9,907
Audiovisual Materials	595,002	620,002	558,757	61,245
Computer Services and Information	205,526	220,526	205,832	14,694
Interlibrary Loan Fees/Charges	13,240	13,240	9,908	3,332
Library Materials Repair and Restoration	10,250	10,250	9,363	887
Library Materials - All Other	500	0	0	0
Total Library Materials and Information	<u>3,940,629</u>	<u>3,553,129</u>	<u>3,397,176</u>	<u>155,953</u>
Total Public Services	<u>29,417,359</u>	<u>27,559,253</u>	<u>26,521,384</u>	<u>1,037,869</u>
Capital Outlay				
Buildings and Improvements	31,500	31,500	23,444	8,056
Improvements Other Than Buildings	15,020	15,020	379	14,641
Furniture, Fixtures, and Equipment	194,445	314,445	290,944	23,501
Vehicles	22,000	0	0	0
Other	500	0	0	0
Total Capital Outlay	<u>263,465</u>	<u>360,965</u>	<u>314,767</u>	<u>46,198</u>
Debt Service				
Principal Retirement	385,000	385,000	382,000	3,000
Interest and Fiscal Charges	200,000	200,000	198,588	1,412
Total Debt Service	<u>585,000</u>	<u>585,000</u>	<u>580,588</u>	<u>4,412</u>
Total Expenditures	<u>30,265,824</u>	<u>28,505,218</u>	<u>27,416,739</u>	<u>1,088,479</u>
Excess of Revenues Under Expenditures	<u>(2,993,464)</u>	<u>(1,333,012)</u>	<u>(1,598,397)</u>	<u>(265,385)</u>
<u>Other Financing Sources (Uses)</u>				
Other Financing Uses	(984,000)	0	0	0
Advances In	10,000	10,000	10,000	0
Advances Out	(5,000)	(5,000)	(5,000)	0
Transfers Out	0	(1,300,000)	(1,300,000)	0
Total Other Financing Sources (Uses)	<u>(979,000)</u>	<u>(1,295,000)</u>	<u>(1,295,000)</u>	<u>0</u>
Change in Fund Balance	<u>(3,972,464)</u>	<u>(2,628,012)</u>	<u>(2,893,397)</u>	<u>(265,385)</u>
Fund Balance Beginning of Year	2,498,288	2,498,288	2,498,288	0
Prior Year Encumbrances Appropriated	<u>2,062,861</u>	<u>2,062,861</u>	<u>2,062,861</u>	<u>0</u>
Fund Balance End of Year	<u>\$588,685</u>	<u>\$1,933,137</u>	<u>\$1,667,752</u>	<u>(\$265,385)</u>

Toledo-Lucas County Public Library
Improvement Levy Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2003

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Property Taxes	\$6,419,750	\$6,419,750	\$4,384,434	(\$2,035,316)
Intergovernmental	580,000	580,000	584,146	4,146
Miscellaneous	250	250	215	(35)
Total Revenues	7,000,000	7,000,000	4,968,795	(2,031,205)
<u>Expenditures</u>				
Intergovernmental	7,000,000	7,000,000	4,968,795	2,031,205
Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Toledo-Lucas County Public Library
 Bond Construction 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, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$8,450	\$3,159	(\$5,291)
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	502,679	497,388	5,291
Capital Outlay			
Buildings and Improvements	8,160	8,160	0
Furniture, Fixtures, and Equipment	13,387	13,387	0
Total Capital Outlay	21,547	21,547	0
Total Expenditures	524,226	518,935	5,291
Change in Fund Balance	(515,776)	(515,776)	0
Fund Balance Beginning of Year	27,902	27,902	0
Prior Year Encumbrances Appropriated	487,874	487,874	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Toledo-Lucas County Public Library
Services to the Elderly Grant 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, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$73,160	\$24,029	(\$49,131)
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Salaries and Benefits			
Salaries and Leave Benefits	18,000	2,240	15,760
Supplies			
General Administrative Supplies	1,000	139	861
Total General Public Services	19,000	2,379	16,621
Purchased and Contracted Services			
Travel and Meeting Expenditures	2,771	0	2,771
Communications, Printing, and Publicity	2,635	884	1,751
Professional Services	10,200	3,539	6,661
Total Purchased and Contracted Services	15,606	4,423	11,183
Library Materials and Information			
Books and Pamphlets	34,463	21,099	13,364
Audiovisual Materials	5,625	5,502	123
Total Library Materials and Information	40,088	26,601	13,487
Total Expenditures	74,694	33,403	41,291
Excess of Revenues Over (Under) Expenditures	(1,534)	(9,374)	(7,840)
<u>Other Financing Sources (Uses)</u>			
Advances In	5,000	5,000	0
Advances Out	(15,000)	(10,000)	5,000
Total Other Financing Sources (Uses)	(10,000)	(5,000)	5,000
Change in Fund Balance	(11,534)	(14,374)	(2,840)
Fund Balance Beginning of Year	1,499	1,499	0
Prior Year Encumbrances Appropriated	10,035	10,035	0
Fund Balance End of Year	\$0	(\$2,840)	(\$2,840)

Toledo-Lucas County Public Library
 Staff Development 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, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$60	\$34	(\$26)
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Salaries and Benefits			
Other Employee Benefits			
	<u>3,975</u>	<u>3,935</u>	<u>40</u>
Change in Fund Balance	(3,915)	(3,901)	14
Fund Balance Beginning of Year	<u>3,915</u>	<u>3,915</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$14</u></u>	<u><u>\$14</u></u>

Toledo-Lucas County Public Library
Special Gifts Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$500	\$172	(\$328)
Gifts and Donations	26,724	16,894	(9,830)
Total Revenues	<u>27,224</u>	<u>17,066</u>	<u>(10,158)</u>
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Salaries and Benefits			
Other Employee Benefits	100	65	35
Supplies			
General Administrative Supplies	100	0	100
Other Expenditures			
Refunds and Reimbursements	50	32	18
Total General Public Services	<u>250</u>	<u>97</u>	<u>153</u>
Purchased and Contracted Services			
Travel and Meeting Expenditures	1,000	626	374
Professional Services	32,800	25,001	7,799
Other Purchased and Contracted Services	5,050	4,292	758
Total Purchased and Contracted Services	<u>38,850</u>	<u>29,919</u>	<u>8,931</u>
Library Materials and Information			
Books and Pamphlets	1,000	0	1,000
Total Public Services	40,100	30,016	10,084
Capital Outlay			
Furniture, Fixtures, and Equipment	1,950	0	1,950
Total Expenditures	<u>42,050</u>	<u>30,016</u>	<u>12,034</u>
Change in Fund Balance	(14,826)	(12,950)	1,876
Fund Balance Beginning of Year	14,858	14,858	0
Prior Year Encumbrances Appropriated	50	50	0
Fund Balance End of Year	<u><u>\$82</u></u>	<u><u>\$1,958</u></u>	<u><u>\$1,876</u></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, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$16	\$8	(\$8)
<u>Expenditures</u>			
Current:			
Public Services			
Library Materials and Information			
Books and Pamphlets	1,042	342	700
Change in Fund Balance	(1,026)	(334)	692
Fund Balance Beginning of Year	431	431	0
Prior Year Encumbrances Appropriated	595	595	0
Fund Balance End of Year	<u>\$0</u>	<u>\$692</u>	<u>\$692</u>

Toledo-Lucas County Public Library
 Toledo Profile 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, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$19	\$15	(\$4)
Miscellaneous	0	432	432
	<hr/>	<hr/>	<hr/>
Total Revenues	19	447	428
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	1,242	400	842
	<hr/>	<hr/>	<hr/>
Change in Fund Balance	(1,223)	47	1,270
Fund Balance Beginning of Year	1,223	1,223	0
	<hr/>	<hr/>	<hr/>
Fund Balance End of Year	<u>\$0</u>	<u>\$1,270</u>	<u>\$1,270</u>

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, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$1,155	\$852	(\$303)
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Salaries and Benefits			
Other Employee Benefits			
	<u>10,900</u>	<u>0</u>	<u>10,900</u>
Capital Outlay			
Buildings and Improvements			
Furniture, Fixtures, and Equipment			
	<u>65,050</u>	<u>0</u>	<u>65,050</u>
	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total Capital Outlay	<u>67,050</u>	<u>0</u>	<u>67,050</u>
Total Expenditures	<u>77,950</u>	<u>0</u>	<u>77,950</u>
Change in Fund Balance	(76,795)	852	77,647
Fund Balance Beginning of Year	<u>76,923</u>	<u>76,923</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$128</u></u>	<u><u>\$77,775</u></u>	<u><u>\$77,647</u></u>

Toledo-Lucas County Public Library
Colby Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$1,800	\$1,582	(\$218)
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	200	189	11
Library Materials and Information			
Books and Pamphlets	1,822	1,690	132
Total Expenditures	<u>2,022</u>	<u>1,879</u>	<u>143</u>
Change in Fund Balance	(222)	(297)	(75)
Fund Balance Beginning of Year	50,369	50,369	0
Prior Year Encumbrances Appropriated	<u>322</u>	<u>322</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$50,469</u></u>	<u><u>\$50,394</u></u>	<u><u>(\$75)</u></u>

Toledo-Lucas County Public Library
 Kent Special Revenue Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$2,475	\$2,316	(\$159)
<u>Expenditures:</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	213	213	0
Library Materials and Information			
Books and Pamphlets	3,257	2,117	1,140
Total Expenditures	3,470	2,330	1,140
Change in Fund Balance	(995)	(14)	981
Fund Balance Beginning of Year	68,826	68,826	0
Prior Year Encumbrances Appropriated	995	995	0
Fund Balance End of Year	<u>\$68,826</u>	<u>\$69,807</u>	<u>\$981</u>

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, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$2,575	\$2,162	(\$413)
<u>Expenditures</u>			
Current:			
Public Services			
Purchased and Contracted Services			
Professional Services	500	349	151
Library Materials and Information			
Books and Pamphlets	2,578	2,384	194
Total Expenditures	3,078	2,733	345
Change in Fund Balance	(503)	(571)	(68)
Fund Balance Beginning of Year	65,328	65,328	0
Prior Year Encumbrances Appropriated	403	403	0
Fund Balance End of Year	<u>\$65,228</u>	<u>\$65,160</u>	<u>(\$68)</u>

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, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$30,000	\$30,267	267
Miscellaneous	20,000	11,748	(8,252)
Total Revenues	50,000	42,015	(7,985)
<u>Expenditures</u>			
Current:			
Public Services			
General Public Services			
Other Expenditures			
Refunds and Reimbursements	11,748	11,748	0
Purchased and Contracted Services			
Professional Services	455,701	324,862	130,839
Total Public Services	467,449	336,610	130,839
Capital Outlay			
Land	195,100	195,078	22
Buildings and Improvements	1,450,867	427,123	1,023,744
Improvements Other Than Buildings	200,000	140,000	60,000
Furniture, Fixtures, and Equipment	100,000	2,800	97,200
Total Capital Outlay	1,945,967	765,001	1,180,966
Total Expenditures	2,413,416	1,101,611	1,311,805
Excess of Revenues Under Expenditures	(2,363,416)	(1,059,596)	1,303,820
<u>Other Financing Sources</u>			
Transfers In	0	1,300,000	1,300,000
Change in Fund Balance	(2,363,416)	240,404	2,603,820
Fund Balance Beginning of Year	2,066,541	2,066,541	0
Prior Year Encumbrances Appropriated	298,416	298,416	0
Fund Balance End of Year	\$1,541	\$2,605,361	\$2,603,820

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, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$17,494	\$13,917	(\$3,577)
Gifts and Donations	375,000	448,030	73,030
Total Revenues	<u>392,494</u>	<u>461,947</u>	<u>69,453</u>
<u>Expenditures</u>			
Capital Outlay			
Buildings and Improvements	1,374,993	1,370,600	4,393
Furniture, Fixtures, and Equipment	57,000	54,918	2,082
Total Expenditures	<u>1,431,993</u>	<u>1,425,518</u>	<u>6,475</u>
Change in Fund Balance	(1,039,499)	(963,571)	75,928
Fund Balance Beginning Year	<u>1,039,614</u>	<u>1,039,614</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$115</u></u>	<u><u>\$76,043</u></u>	<u><u>\$75,928</u></u>

Toledo-Lucas County Public Library
 Libbey Permanent Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$6,325	\$5,933	(\$392)
<u>Expenditures</u>			
Current:			
Purchased and Contracted Services			
Professional Services	894	894	0
Library Materials and Information			
Books and Pamphlets	7,676	6,368	1,308
Total Expenditures	<u>8,570</u>	<u>7,262</u>	<u>1,308</u>
Change in Fund Balance	(2,245)	(1,329)	916
Fund Balance Beginning of Year	196,091	196,091	0
Prior Year Encumbrances Appropriated	<u>2,444</u>	<u>2,444</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$196,290</u></u>	<u><u>\$197,206</u></u>	<u><u>\$916</u></u>

Toledo-Lucas County Public Library
Hopkins Permanent Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$825	\$780	(\$45)
<u>Expenditures</u>			
Current:			
Purchased and Contracted Services			
Professional Services	76	76	0
Library Materials and Information			
Books and Pamphlets	1,039	1,027	12
Total Expenditures	1,115	1,103	12
Change in Fund Balance	(290)	(323)	(33)
Fund Balance Beginning of Year	23,656	23,656	0
Prior Year Encumbrances Appropriated	290	290	0
Fund Balance at End of Year	<u>\$23,656</u>	<u>\$23,623</u>	<u>(\$33)</u>

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, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$1,825	\$1,690	(\$135)
<u>Expenditures</u>			
Current:			
Purchased and Contracted Services			
Professional Services	368	368	0
Library Materials and Information			
Books and Pamphlets	2,108	1,986	122
Total Expenditures	<u>2,476</u>	<u>2,354</u>	<u>122</u>
Change in Fund Balance	(651)	(664)	(13)
Fund Balance Beginning of Year	54,385	54,385	0
Prior Year Encumbrances Appropriated	<u>451</u>	<u>451</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$54,185</u></u>	<u><u>\$54,172</u></u>	<u><u>(\$13)</u></u>

Toledo-Lucas County Public Library
 Prescription Internal Service Fund

Schedule of Revenues, Expenses,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Charges for Services	\$450,000	\$426,548	(\$23,452)
<u>Expenses</u>			
Purchased and Contracted Services			
Professional Services	50,000	16,565	33,435
Claims			
Claims	460,000	383,840	76,160
Total Expenses	510,000	400,405	109,595
Change in Fund Balance	(60,000)	26,143	86,143
Fund Balance Beginning Year	84,520	84,520	0
Fund Balance End of Year	<u>\$24,520</u>	<u>\$110,663</u>	<u>\$86,143</u>

Toledo-Lucas County Public Library
 Health 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, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Charges for Services	\$330	\$688	\$358
<u>Expenses</u>			
Purchased and Contracted Services			
Professional Services	1,320	110	1,210
Claims			
Claims	296,943	32,718	264,225
Total Expenses	<u>298,263</u>	<u>32,828</u>	<u>265,435</u>
Changes in Fund Balance	(297,933)	(32,140)	265,793
Fund Balance Beginning of Year	297,603	297,603	0
Prior Year Encumbrances Appropriated	<u>330</u>	<u>330</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$265,793</u></u>	<u><u>\$265,793</u></u>

Toledo-Lucas County Public Library
Dental Internal Service Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Charges for Services	<u>\$82,000</u>	<u>\$70,334</u>	<u>(\$11,666)</u>
<u>Expenses</u>			
Purchased and Contracted Services			
Professional Services	12,000	6,433	5,567
Claims			
Claims	<u>70,000</u>	<u>41,556</u>	<u>28,444</u>
Total Expenses	<u>82,000</u>	<u>47,989</u>	<u>34,011</u>
Change in Fund Balance	0	22,345	22,345
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$22,345</u></u>	<u><u>\$22,345</u></u>

STATISTICAL SECTION

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**THE FOLLOWING UNAUDITED STATISTICAL TABLES
REFLECT SOCIAL AND ECONOMIC DATA,
FINANCIAL TRENDS, AND FISCAL CAPACITY OF THE
LIBRARY**

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Toledo-Lucas County Public Library
 General Fund Expenditures by Function
 Last Ten Years

<u>Year</u>	<u>Public Services</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
2003	\$25,104,124	\$130,122	\$0	\$25,234,246
2002	25,179,909	479,542	142,737	25,802,188
2001	25,539,260	707,128	161,266	26,407,654
2000	24,621,915	697,314	157,152	25,476,381
1999	22,891,278	1,737,941	106,213	24,735,432
1998	21,493,814	523,645	50,690	22,068,149
1997	20,260,341	315,870	14,140	20,590,351
1996	19,000,974	288,249	27,241	19,316,464
1995	17,288,597	200,272	34,248	17,523,117
1994	17,226,379	248,020	40,923	17,515,322

Source: Toledo-Lucas County Public Library records

Tables presenting revenues and expenses of governmental activities will be presented when sufficient data is available to create meaningful comparisons.

Toledo-Lucas County Public Library
 General Fund Revenues by Source
 Last Ten Years

Year	Property Taxes	Intergovernmental	Patrons Fines and Fees	Interest	Services Provided to Others
2003	\$4,931,663	\$18,894,859	\$816,356	\$73,478	\$62,847
2002	4,901,608	19,093,284	843,310	139,973	62,787
2001	4,971,874	20,637,392	825,054	300,971	61,767
2000	5,535,630	20,436,213	749,780	348,209	59,606
1999	5,540,938	19,089,223	718,819	631,463	57,665
1998	5,321,029	17,968,114	732,592	2,658,684	85,018
1997	4,892,203	15,630,071	742,769	1,892,704	114,164
1996	4,355,785	14,865,171	727,206	622,262	116,350
1995	4,307,725	13,643,067	678,323	370,147	101,392
1994	4,257,442	12,879,126	699,980	218,824	101,333

Source: Toledo-Lucas County Public Library records

Tables presenting revenues and expenses of governmental activities will be presented when sufficient data is available to create meaningful comparisons.

<u>Gifts and Donations</u>	<u>Miscellaneous</u>	<u>Total</u>
\$14,290	\$417,840	\$25,211,333
22,439	666,458	25,729,859
11,752	551,445	27,360,255
14,970	403,811	27,548,219
12,521	300,364	26,350,993
10,370	207,668	26,983,475
13,320	193,583	23,478,814
15,377	147,084	20,849,235
15,706	59,424	19,175,784
14,760	55,961	18,227,426

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</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2003	\$10,179,452	\$9,635,485	94.66%	\$365,827	\$10,001,312
2002	10,055,856	9,514,805	94.62	346,973	9,861,778
2001	10,051,354	9,620,151	95.71	182,248	9,802,399
2000	10,104,136	9,639,614	95.40	282,648	9,922,262
1999	9,763,522	9,499,692	97.30	314,001	9,813,693
1998	9,762,156	9,390,195	96.19	316,333	9,706,528
1997	8,146,000	7,912,831	97.14	356,329	8,269,160
1996	8,080,100	7,687,188	95.14	526,892	8,214,080
1995	4,005,921	3,847,687	96.05	132,953	3,980,640
1994	4,016,000	3,812,000	94.92	144,000	3,956,000

Source: Lucas County Auditor

<u>Percent of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Total Tax Levy</u>
98.25%	\$555,095	5.45%
98.07	601,156	5.98
97.52	663,629	6.60
98.20	624,775	6.18
100.51	649,621	6.65
99.43	787,480	8.07
101.51	652,742	8.01
101.66	700,727	8.67
99.37	393,515	9.82
98.51	428,000	10.66

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

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2003	\$1,568,542	\$1,368,954	87.28%	\$179,981	\$1,548,935
2002	1,596,235	1,442,911	90.39	139,277	1,582,188
2001	1,707,564	1,622,000	94.99	106,489	1,728,489
2000	1,681,842	1,666,706	99.10	61,783	1,728,489
1999	1,608,156	1,585,076	98.56	167,191	1,752,267
1998	1,554,000	1,495,259	96.22	83,411	1,578,670
1997	1,515,050	1,438,061	94.92	87,070	1,525,131
1996	1,483,424	1,440,968	97.14	64,276	1,505,244
1995	764,630	730,731	95.57	52,731	783,462
1994	732,320	722,360	98.64	42,852	765,212

Source: Lucas County Auditor

<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Tax Levy</u>
98.75%	\$321,033	20.47%
99.12	276,570	17.33
101.23	249,750	14.63
102.77	245,824	14.62
108.96	209,275	13.01
101.59	497,794	32.03
100.67	382,133	25.22
101.47	40,050	2.70
102.46	56,783	7.43
104.49	69,340	9.47

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
2003	\$6,581,213	\$18,803,466	\$329,127	\$1,316,508
2002	6,473,136	18,494,674	313,631	1,254,524
2001	6,388,628	18,253,223	453,115	1,812,460
2000	5,198,999	14,854,283	453,059	1,677,996
1999	5,100,496	14,572,846	483,823	1,791,937
1998	5,014,699	14,327,711	490,200	1,815,556
1997	4,550,925	13,002,643	494,129	1,830,107
1996	4,481,814	12,805,183	526,527	1,880,454
1995	4,449,295	12,712,271	552,585	1,973,518
1994	4,179,059	11,940,169	551,401	1,961,390

Source: Lucas County Auditor

Tangible Personal Property		Total	
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
\$868,142	\$3,617,258	\$7,778,482	\$23,737,232
934,788	3,739,152	7,721,555	23,488,350
986,679	3,946,716	7,828,422	24,012,399
934,788	3,739,152	6,586,846	20,271,431
869,274	3,477,096	6,453,593	19,841,879
862,363	3,449,452	6,367,262	19,592,719
841,559	3,366,236	5,886,613	18,198,986
801,851	3,207,404	5,810,192	17,893,041
750,332	3,001,328	5,752,212	17,687,117
732,320	2,929,280	5,462,780	16,830,839

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

Collection Year	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Toledo-Lucas County Public Library	<u>\$1.70</u>	<u>\$1.70</u>	<u>\$1.70</u>	<u>\$1.70</u>	<u>\$1.85</u>
Lucas County:					
General Fund	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Board of Mental Retardation	5.00	5.00	4.50	4.50	4.50
Children Services Board	2.65	2.65	3.50	3.50	3.50
Community Mental Health	1.50	1.50	1.50	1.50	1.50
Emergency Medical Service	0.00	0.00	0.00	0.00	0.00
Senior Services	0.45	0.45	0.45	0.25	0.25
911 Emergency Telephone System	0.70	0.70	0.70	0.70	0.70
Zoo	1.65	1.65	1.65	1.65	1.65
Total Lucas County	<u>\$13.95</u>	<u>\$13.95</u>	<u>\$14.30</u>	<u>\$14.10</u>	<u>\$14.10</u>
School Districts:					
Anthony Wayne	\$63.70	\$63.70	\$63.70	\$63.70	\$64.50
Evergreen	47.88	50.43	47.23	42.53	39.70
Maumee	62.30	62.30	62.30	62.30	62.30
Oregon	49.20	49.20	49.20	49.20	49.20
Otsego	47.40	56.90	56.90	56.90	49.11
Ottawa Hills	114.35	114.50	113.10	113.10	107.05
Springfield	68.10	68.10	64.10	64.10	64.20
Swanton	68.11	68.11	68.74	68.74	62.10
Sylvania	70.10	65.20	65.20	65.20	66.30
Toledo	67.99	63.00	63.00	63.00	57.80
Washington	65.90	65.90	65.90	65.90	61.70
Joint Vocational School Districts:					
Four County	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20
Penta County	2.20	2.20	2.20	2.20	2.20

1998	1997	1996	1995	1994
\$1.85	\$1.85	\$1.85	\$1.00	\$1.00
\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
4.50	4.50	4.50	4.50	4.50
3.50	3.50	3.50	3.50	3.50
1.50	1.50	1.50	1.50	1.50
0.00	0.00	0.00	0.00	0.00
0.25	0.25	0.25	0.25	0.25
0.70	0.50	0.50	0.50	0.50
1.65	1.65	1.70	1.70	1.20
<u>\$14.10</u>	<u>\$13.90</u>	<u>\$13.95</u>	<u>\$13.95</u>	<u>\$13.45</u>

\$64.50	\$66.80	\$66.80	\$66.80	\$65.10
39.70	42.90	42.90	42.90	42.90
62.30	64.50	59.60	59.60	59.60
49.20	49.20	45.80	45.80	42.30
57.20	51.80	52.60	52.60	54.00
107.05	104.30	104.30	104.30	97.90
64.20	67.40	67.40	67.40	63.00
62.10	64.60	65.16	65.16	58.40
66.30	68.20	63.90	63.90	62.30
57.80	57.80	57.80	57.80	57.80
61.70	61.70	56.80	56.80	56.80

\$3.20	\$3.20	\$3.20	\$3.20	\$3.20
2.20	2.20	2.20	2.20	2.20

(continued)

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

Collection Year	2003	2002	2001	2000	1999
Townships:					
Harding	\$4.30	\$4.30	\$4.30	\$4.30	\$3.30
Jerusalem	9.75	9.75	9.75	9.75	9.75
Monclova	5.20	5.20	5.20	5.20	5.20
Providence	6.95	6.95	6.95	6.95	6.95
Richfield	5.80	5.80	7.20	7.20	7.20
Spencer	6.00	6.00	6.00	6.00	6.00
Springfield	8.10	8.10	8.10	8.10	8.10
Swanton	6.10	6.10	6.10	6.10	6.10
Sylvania	17.72	17.72	16.22	16.22	15.90
Washington	18.20	18.20	18.20	18.20	18.20
Waterville	9.60	10.80	10.80	10.80	9.30
Municipalities:					
Village of Berkey	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Village of Harbor View	7.00	7.00	7.00	7.00	7.00
Village of Holland	0.80	0.80	0.80	0.80	0.80
City of Maumee	3.70	3.70	3.70	3.70	3.85
City of Oregon	3.50	3.50	3.50	3.50	3.50
Village of Ottawa Hills	4.10	4.10	4.10	4.10	4.10
Village of Swanton	4.50	4.50	4.50	4.50	3.00
City of Sylvania	5.10	5.10	5.10	5.10	5.10
City of Toledo	4.40	4.40	4.40	4.40	4.40
Village of Waterville	3.50	3.50	3.50	3.50	3.50
Village of Whitehouse	3.50	3.50	3.50	3.50	3.50
Metroparks:					
Toledo-Lucas County Port Authority	\$1.40	\$1.40	\$1.40	\$1.40	\$1.00
Toledo Area Regional Transportation Authority (TARTA) (b)	0.40	0.40	0.40	0.40	0.40
	2.50	2.50	2.50	2.50	2.50

Source: Lucas County Auditor

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

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

1998	1997	1996	1995	1994
\$3.30	\$3.30	\$3.30	\$3.30	\$3.30
9.75	9.75	9.75	9.75	9.75
5.20	4.90	4.90	4.90	4.90
4.45	6.45	6.45	6.45	6.45
7.20	5.30	5.30	5.30	5.30
6.00	6.00	6.00	6.00	6.00
8.10	6.30	6.30	6.30	6.30
5.20	4.70	4.70	4.70	4.70
16.40	16.40	16.40	16.40	16.40
18.20	19.20	19.20	19.20	19.20
9.30	9.30	9.30	9.30	9.30
\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
7.00	7.00	7.00	7.00	7.00
0.80	2.00	2.00	2.00	2.00
4.00	4.20	4.20	4.20	4.20
3.50	3.50	3.50	3.50	3.50
4.10	4.10	4.10	4.10	4.10
3.00	3.00	3.00	3.00	3.00
6.25	5.75	5.75	5.75	5.75
4.40	4.40	4.40	4.40	4.40
3.50	3.50	3.50	3.50	3.50
3.50	3.50	3.50	3.50	3.50
\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
0.40	0.40	0.40	0.40	0.40
2.50	2.50	2.50	2.50	2.50

Toledo-Lucas County Public Library
Demographic Statistics
Last Ten Years

Year	Population (a)	Unemployment Rate (b)	
		County	Ohio
2003	455,054	7.20%	6.00%
2002	455,054	5.80	5.00
2001	455,054	5.10	4.50
2000	455,054	4.90	4.10
1999	462,361	5.20	4.20
1998	462,361	5.50	4.20
1997	462,361	5.20	4.60
1996	462,361	5.00	4.90
1995	462,361	5.00	4.80
1994	462,361	5.80	5.50

Source: a - 1990 and 2000 Census
b - Ohio Bureau of Employment Services

Toledo-Lucas County Public Library
Property Values, Construction, and Bank Deposits
Last Ten Years
(dollar amounts expressed in thousands)

Year	Property Values	Residential Construction (b)		Commercial Construction (b)		County Bank Deposits (c)
		Number of Permits	Value (a)	Number of Permits	Value (a)	
2003	\$7,778,482	2,007	\$236,576	621	\$147,754	\$139,299
2002	7,721,555	1,726	194,094	1,060	139,055	83,835
2001	7,828,422	1,683	210,838	841	6,802,511	0 (d)
2000	6,586,846	7,823	211,843	1,493	507,966	2,413,149
1999	6,453,593	9,060	162,282	1,418	178,607	6,340,350
1998	6,367,262	1,806	166,716	692	452,756	5,302,858
1997	5,886,613	1,659	136,610	742	98,492	3,037,031
1996	5,810,192	9,647	169,808	1,877	177,256	3,810,869
1995	5,752,212	6,010	134,803	1,031	124,126	3,053,287
1994	5,462,780	1,624	116,231	671	76,802	2,768,305

Source: a - Estimated Actual Property Value

b - City of Toledo Building Department, Lucas County Building Regulation Department, City of Oregon Inspection Department, City of Maumee Division of Building, and the Village of Whitehouse Building Department

c - Federal Reserve Bank of Cleveland

d - During 2001 there were no bank headquarters located within the county, branches only.

Toledo-Lucas County Public Library
Principal Taxpayers
December 31, 2003

Name of Taxpayer	Total Assessed Valuation	Percentage of Total Assessed Valuation
Sun Company Incorporated	\$51,030,000	0.66%
General Motors Powertrain	50,230,000	0.65
Daimler Chrysler	37,147,000	0.48
B.P. America	36,486,000	0.47
Block Communications	24,006,000	0.31
Owens Illinois	23,944,000	0.31
Johns Manville	23,082,000	0.30
Meijer Stores	21,380,000	0.27
Andersons Incorporated	20,936,000	0.27
General Mills	17,611,000	0.23
 Total All Taxpayers' Assessed Valuation	 \$7,778,482,000	

Source: Lucas County Auditor

Toledo-Lucas County Public Library
Miscellaneous Statistics
Last Ten Years

Year	Number of Employees	Number of Volumes Owned	Number of Library Materials Circulated	Number of Registered Borrowers (a)
2003	317	2,376,636	6,300,189	279,785
2002	342	2,469,168	6,603,030	298,674
2001	360	2,227,893	6,501,428	287,912
2000	366	2,288,418	6,105,445	277,888
1999	364	2,253,118	6,045,409	271,637
1998	365	2,486,266	6,199,395	270,260
1997	358	2,418,175	6,570,426	268,205
1996	352	2,248,571	6,357,823	255,256
1995	351	2,564,304	5,834,894	N/A
1994	344	2,332,340	5,854,894	236,193

Source: Toledo-Lucas County Public Library records

a - The Toledo-Lucas County Public Library's computer system was changed during 1995.
The number of card holders was not available for 1995.

N/A - Not available

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Betty Montgomery**

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Facsimile 614-466-4490

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
JULY 27, 2004**