



# Balestra, Harr & Scherer, CPAs, Inc.

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY  
HAMILTON COUNTY, OHIO

REGULAR AUDIT

For the Year Ended December 31, 2011  
Fiscal Year Audited Under GAGAS: 2011





# Dave Yost • Auditor of State

Board of Trustees  
Public Library of Cincinnati and Hamilton County  
800 Vine Street  
Cincinnati, Ohio 45202

We have reviewed the *Independent Auditor's Report* of the Public Library of Cincinnati and Hamilton County, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 12, 2012

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**THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY**

**BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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# Balestra, Harr & Scherer, CPAs, Inc.

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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

The Public Library of Cincinnati and Hamilton County  
800 Vine Street  
Cincinnati, Ohio 45202-2071

To the Board of Trustees:

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of The Public Library of Cincinnati and Hamilton County, Hamilton County, Ohio (the Library), as of and for the year ended December 31, 2011, which collectively comprise the Library's basic financial statements and have issued our report thereon dated April 27, 2012, wherein we noted that the Library implemented GASB Statements No. 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control over Financial Reporting**

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

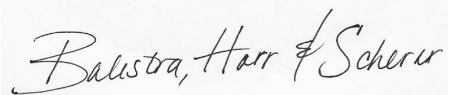
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

### **Compliance and Other Matters**

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

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.  
April 27, 2012



# The Public Library of Cincinnati & Hamilton County, Ohio

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## Comprehensive Annual Financial Report

For the Year Ended December 31, 2011



THE  
PUBLIC  
LIBRARY  
of Cincinnati  
and  
Hamilton County

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# Introductory Section

**THE PUBLIC LIBRARY OF  
CINCINNATI AND HAMILTON COUNTY, OHIO**

**Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2011**

**Issued by:**

**Patricia Schoettker  
Fiscal Officer**

**The Public Library of Cincinnati and Hamilton County**

**Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2011**

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**The Public Library of Cincinnati and Hamilton County**

**Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2011**

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**THE  
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*Executive Director*

Kimber L. Fender

*Fiscal Officer*

Patricia Schoettker

April 27, 2012

To the Citizens of Hamilton County and  
The Board of Library Trustees of  
The Public Library of Cincinnati and Hamilton County

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) for The Public Library of Cincinnati and Hamilton County for the year ended December 31, 2011. This report contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of The Public Library of Cincinnati and Hamilton County ("The Library"). This CAFR conforms to generally accepted accounting principles (GAAP) 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 management of the Library, specifically the Fiscal Office.

State law requires that every general-purpose local government publish within 150 days of the close of each fiscal year a financial report. This report is published to fulfill that requirement for the year ended December 31, 2011.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

Balestra, Harr & Scherer, CPAs, Inc., have issued an unqualified ("clean") opinion on The Public Library of Cincinnati and Hamilton County's financial statements for the year ended December 31, 2011. The independent auditor's report is located at the front of the financial section of this report.

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

# THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

## HISTORY AND DEVELOPMENT

The Public Library of Cincinnati and Hamilton County dates from 1853; however, its foundations were laid 50 years earlier when, in 1802, efforts were begun to establish the first of a series of subscription libraries. The Public Library occupied several inadequate facilities until 1870, when the burgeoning Cincinnati Library moved into its own building on Vine Street in the heart of downtown. That structure served the Queen City for 85 years until the building at 8th and Vine Streets opened. During that time, the institution acquired a reputation of quality in both its collection and its service.

The modern era for the Public Library began in 1898 with the establishment of an independent Board of Library Trustees. Within two years, the Main Library opened its first Children's Room, and the first six branches were added in nearby suburbs to create a system. The following year, philanthropist Andrew Carnegie agreed to give funds for nine additional branches, seven of which are still in service.

During the depths of the Great Depression, the Ohio legislature passed a tax on intangibles for the financial support of public libraries. This tax on stocks and bonds provided a stable source of funds for five decades, enabling the State's public libraries to grow to meet increasing patron demands and to keep up with the rapid changes in information.

In 1944, the Hamilton County electorate passed a bond issue to build what would be the first modern library in the United States of the post-war period. Eleven years later, the Main Library moved into a newly built facility at its current location at 8th and Vine Streets, just two blocks from its original building. The Library then turned its efforts to enhancing services and branch facilities, adding several new branches and renovating or expanding existing ones. Demand for library materials increased so dramatically that a major addition was made to the Main Library in 1982 and plans were made to construct a half-dozen large library branches to better serve the heavily populated "beltway" areas of the county. The opening of the Sharonville Branch in 1993 completed this master plan.

By the mid-'80s, skyrocketing public demand for downtown library services, a rapidly growing collection, and radical expansion of computerization had once again stretched the Main Library to the limits. After years of planning, an addition to the Main Library was opened in 1997 and renovation of the main library south building was completed in 1998. This created a state-of-the-art, seamless main library building of over one half million square feet.

The Library's commitment to strengthening branches resulted in the construction of a new Harrison Branch in 2001 and in the expansion and/or renovation of several branches. In 2007, a new Bond Hill Branch opened in space leased from the Cincinnati/Hamilton County Community Action Agency. Renovation costs were paid completely with donated funds.

In 2008, the Library completed the Main Library for the 21<sup>st</sup> Century project – a new service model for the Main Library designed to better address changing customer needs. The cost of the building reconfiguration needed to implement this change was more than offset by the operational savings. At the end of 2011, accessibility upgrades at the Pleasant Ridge Branch were nearing completion. Donations from the community and the Library Foundation funded 20% of project costs.

Today, The Public Library of Cincinnati and Hamilton County system provides comprehensive services countywide and beyond through its Main Library and 40 neighborhood branches.



# THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

## MATERIALS AND SERVICES

Library cards are free to all Ohio residents. Cards are also free through library consortium membership to Kentucky residents of Boone, Campbell and Kenton Counties. The card enables system-wide borrowing privileges, access to the Library's electronic resources and serves as a debit card for copiers and printing. Changes in 2011 to the Library Card Policy make it easier for kids and teens to access the Library and created new Digital Only and Internet Only cards. The number of cardholders increased in 2011 by nearly 22%.

Library facilities are open up to six days per week at 39 branches and seven days per week at the Main Library and Clifton Branch Library.

The Library has a collection of almost nine million items, including books and other print items, audiovisual formats and digital content. Use of the Library's digital content, books and music that can be downloaded, has seen huge growth, increasing by 518% in 2011. Playaway View, a small video player that comes pre-loaded with multiple videos, was added to the collection in 2011 as a new format.

The Library's website ([www.CincinnatiLibrary.org](http://www.CincinnatiLibrary.org)) provides online access to the Library's catalog, extensive reference databases, resources for readers such as our book and reading blog, homework help, digital resources, and information about the Library and its programs. Specialized web pages serve children, teens and older adults. Using the Library's website, Library cardholders may reserve, request or renew items, pay fines with a credit card, offer comments, ask a reference question and request materials from libraries throughout the world via interlibrary loan. Free Internet access is available at all locations. Self-service equipment at the Main Library and 29 branch libraries enables customers to check out their own materials and make cash and credit card payments.

The Main Library has long served as a public reference and resource center for Hamilton County and surrounding counties and has been widely recognized as having one of the nation's top genealogical research collections. Popular materials are conveniently accessible in the Popular Library, teens have a place of their own in TeenSpot and students get homework help in Homework Central. The TechCenter is the hub for state-of-the-art computer technology and computer use training. The Library continues to offer a complete U.S. Patent & Trademark Depository, a U.S. Documents Depository and an outstanding rare book collection. The Outreach Services Department serves the homebound and provides programs and book collections to elementary schools, nursing homes and other institutions. A new Virtual Information Center was opened in 2011 to serve customers via phone, email and text in their use of Library resources, including databases and downloadable materials.

The Library has been an important information source for over 150 years and, despite funding challenges, continues to seek ways to fulfill our mission of "*connecting people with the world of ideas and information*". Recent successes can be directly attributed to the strong focus placed on achieving the five major goals of the Library's new Strategic Plan:

- Advance the use of digital content
- Excel in customer service
- Be the first choice for information and research
- Support literacy and lifelong learning
- Achieve financial security

# THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

## REPORTING ENTITY

The Library's reporting entity has been defined in accordance with Statement No. 14 and Statement No. 39 of the Governmental Accounting Standards Board. The Library is under the control and management of a Board of Trustees consisting of seven members. Four members of the Board of Library Trustees are appointed by the County Commissioners and three by the judges of the Court of Common Pleas. 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, and appoints a fiscal officer. 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 Commissioners significantly influence the programs, activities, or level of service performed or provided by the Library. Although the County Commissioners serve in a ministerial capacity as the taxing authority, the Library is fiscally independent of the county. The Board of Library Trustees makes decisions regarding whether to request approval of a tax, the rate and the purpose(s) of the levy. Once those decisions are made, the County Commissioners must place the levy on the ballot.

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Public Library of Cincinnati and Hamilton County for its comprehensive annual financial report for the year ended December 31, 2010. This was the eighteenth year that the Library has received this prestigious award.

Auditor Dave Yost presented the Ohio Auditor of State Award with Distinction to the Library for excellence in financial reporting for its comprehensive annual financial report for the year ended December 31, 2010.

## ECONOMIC CONDITIONS AND OUTLOOK

The service area of the Library is the entire 413 square mile area encompassing Hamilton County and the City of Cincinnati (79 square miles), which is located wholly within the county borders. Hamilton County's population is stable at about 850,000. The area remains the largest jurisdiction in the tri-state area and is the center of commerce, as well as a major center of culture, arts, sports, conventions, and tourism. The county's diversified economy, competitive cost structure, skilled work force, international airport, and easy access to national markets continue to provide a strong foundation for future growth.

In January 2008, the Public Library Fund (PLF) replaced the Library and Local Government Support Fund, which had funded Ohio's public libraries since 1986. In establishing the PLF, the state broadened the base of library funding to include all general revenue taxes and fixed the percentage for libraries at 2.2 percent of collections. By mid-2009, the percentage was reduced to 1.97 percent and remained at this level until mid-2011. Even at this reduced level, PLF revenue began to show signs of growth in early 2011, but a new state budget for the 2012-13 biennium halted any possibility of revenue growth in the second half of the year. In the new budget, library funding was set at 95% of prior year distributions, less new deductions that fund the Ohio Public Library Information Network (OPLIN) and the Library for the Blind and Physically Handicapped.

## THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

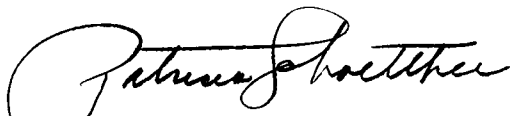
In November 2009, Hamilton County voters overwhelmingly approved a 1-mill, 5-year levy for the Library. Much of the loss in state revenue was offset in 2010 by the first year of local tax revenue. However, in 2011, revenue from the levy began to drop as a result of decreasing property tax valuations. So, although the Library's new local tax levy provides a welcome, dependable source of revenue through 2014, the amount of that revenue continues to fall and is proving insufficient in offsetting declines in state revenue.

The faltering state and national economy, a factor in the continuing demand for library services, has devastated library funding. The state funding the Library received in 2011 was \$10 million less than three years ago, \$15 million less than a decade ago and about the same amount received in 1992. Despite its decline, the PLF remained the primary source of the Library's income in 2011. The property tax levy was secondary, with additional moneys derived from fines, gifts, e-rate reimbursements, federal and state grants, investment earnings, rents and services.

### OTHER INFORMATION

Highlights of the Library's financial activities in 2011 are outlined in Management's Discussion and Analysis, starting on page 3, and in the Notes to the Financial Statements.

Special thanks are extended to my Fiscal Office staff for their hard work and dedication in compiling cash reports, accrual information and capital assets information. I would also like to express appreciation to Dave Yost, Auditor of State, and to his Local Government Services staff for their assistance in preparing this report.



PATRICIA SCHOETTKER  
FISCAL OFFICER

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Public Library  
of Cincinnati and Hamilton County  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

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.



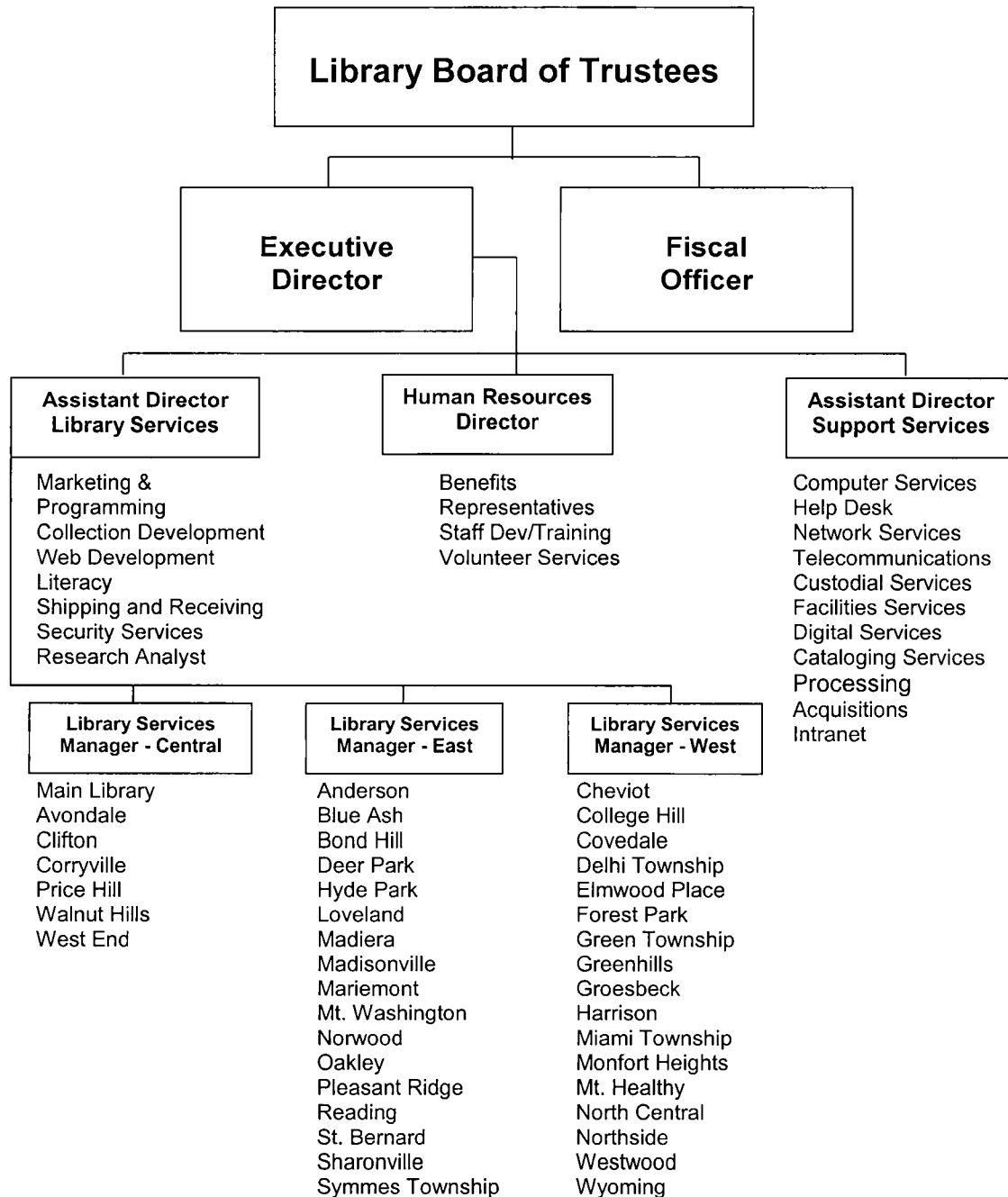
*Linda C. Danson*

President

*Jeffrey R. Emmer*

Executive Director

**THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY  
ORGANIZATIONAL CHART**



**THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY**

**LIST OF PRINCIPAL OFFICIALS  
DECEMBER 31, 2011**

Board of Library Trustees

President	William J. Moran
Vice President	Robert G. Hendon
Secretary	Ross A. Wright
Board Members	Elizabeth H. LaMacchia Paul G. Sittenfeld Barbara W. Trauth Allan G. Zaring IV

Appointed Officials

Executive Director	Kimber L. Fender
Fiscal Officer	Patricia Schoettker

Administrative Staff

Assistant Director, Library Services	Greg Edwards
Assistant Director, Support Services	Jason Buydos
Director, Human Resources	Mary Bennett-Brown

# Financial Section

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# Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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## Independent Auditor's Report

Members of the Board of Trustees  
The Public Library of Cincinnati and Hamilton County  
800 Vine Street  
Cincinnati, Ohio 45202-2071

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of The Public Library of Cincinnati and Hamilton County, Hamilton County, Ohio (the Library), as of and for the year ended December 31, 2011, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of The Public Library of Cincinnati and Hamilton County, Hamilton County, Ohio, as of December 31, 2011, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2012, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the Library's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

As described in Note 17 to the basic financial statements, the Library implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.



Balestra, Harr & Scherer, CPAs, Inc.  
April 27, 2012

**The Public Library of Cincinnati and Hamilton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

=====

This comprehensive annual financial report presents The Public Library of Cincinnati and Hamilton County's financial performance for the year ended December 31, 2011. The report consists of a series of financial statements and notes to those statements, plus other supplementary information. The financial statements are organized to present both the Library's overall financial position – *government-wide financial statements*, plus a detailed look at specific financial activities – *fund financial statements*.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- At December 31, the Library's net assets exceeded \$128 million. Of this amount, \$32 million (unrestricted net assets) may be used to meet ongoing obligations.
- At the close of the year, the Library's General Fund reported an ending fund balance of \$14.6 million, a \$5.3 million increase from the prior year.
- At December 31, 2011, the Library had no debt.

**Government-wide Financial Statements**

The government-wide financial statements include all the activities of the Library. The *statement of net assets* is the basic government-wide statement of position, presenting information on all of the Library's assets and liabilities, with the difference between the two reported as net assets.

The government-wide *statement of activities* presents changes in the net assets reported on the government-wide statement of net assets. The governmental activities of the Public Library of Cincinnati and Hamilton County are categorized as either LIBRARY SERVICES, including Public Service and Programs and Collection Development and Processing, or SUPPORT SERVICES, including Facilities Operations and Maintenance, Information Services Support, and Business Administration.

The government-wide financial statements can be found starting on page 8.

**Fund Financial Statements**

The fund financial statements provide detail of the Library's activities at the fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Library are governmental funds.

The Library's general fund, special revenue funds, capital projects funds, and permanent funds are all classified as governmental funds. The funds are reported using the modified accrual accounting method, which measures cash and other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the Library's general governmental operations and the basic services it provides. The statements include the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances*. A reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities facilitates a comparison between governmental funds and governmental activities.

The Library presents 14 individual governmental funds during the year ended December 31, 2011. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the only major fund. The remaining funds are reported together as a single "other governmental" fund. Individual data for several of these nonmajor funds is provided elsewhere in combining statements. Data from all remaining funds is combined with an appropriate fund or in a "various" fund presentation.

The Library adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (Budget and Actual (Budget Basis)) has been provided for each governmental fund that had activity during 2011 to demonstrate compliance with this budget.

## Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-32 of this report.

## Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. As of December 31, 2011, the Library's assets exceeded liabilities by over \$128 million. The table below provides a comparative analysis of net assets between years 2010 and 2011:

	2011	2010	Change
<b>Assets</b>			
Current Assets	\$60,670,256	\$57,781,074	\$2,889,182
Investments	4,586,845	5,027,381	(440,536)
Capital Assets, Net	87,483,144	88,091,522	(608,378)
<b>Total Assets</b>	<b>152,740,245</b>	<b>150,899,977</b>	<b>1,840,268</b>
<b>Liabilities</b>			
Current Liabilities	(19,676,616)	(22,181,314)	2,504,698
Long-Term Liabilities	(4,212,890)	(4,253,636)	40,746
<b>Total Liabilities</b>	<b>(23,889,506)</b>	<b>(26,434,950)</b>	<b>2,545,444</b>
<b>Net Assets</b>			
Invested in Capital Assets	87,483,144	88,091,522	(608,378)
Restricted	8,765,055	8,908,471	(143,416)
Unrestricted	32,602,540	27,465,034	5,137,506
<b>Total Net Assets</b>	<b>\$128,850,739</b>	<b>\$124,465,027</b>	<b>\$4,385,712</b>

The largest portion of the Library's net assets (68%) reflects its capital assets – land and land improvements, fine art and rare book collections, construction in progress, buildings and improvements, furniture, fixtures and equipment, and vehicles. The Library uses these assets to provide services; consequently, these assets generally are not available for future spending. This could change if a decision is made in the future to consolidate services or facilities. All of the Library's capital assets are free of outstanding debt.

An additional portion of the Library's net assets (7%) represents restricted principal and other resources subject to external restrictions. The remaining balance of unrestricted net assets (25%) may be used to meet the Library's ongoing activities, including planned capital projects. The Library is able to report positive balances in all three categories of net assets, including a healthy positive balance of \$32 million in unrestricted net assets.

In fiscal year 2011, the Library's total net assets increased by \$4,385,712, a change of 3.5%.

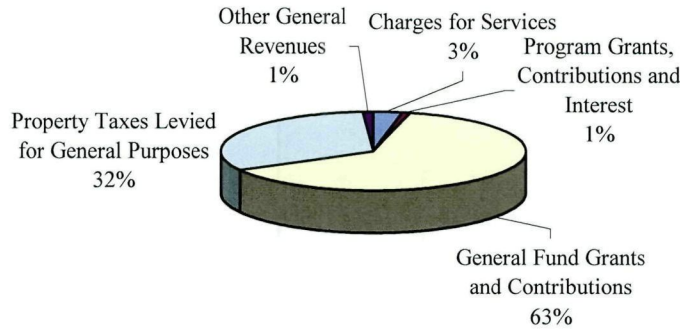
The following table explains the change in net assets in terms of the Library's governmental activities. In fiscal year 2011, the Library's total revenues decreased 2.5%. Although Public Library Fund revenue rose slightly (2%), ongoing reductions in county property tax valuations resulted in a 12% decrease in tax levy revenue.

In anticipation that both state and county funding would decrease through at least fiscal year 2012, the Library made further reductions in ongoing expenses. Despite increasing public demand for library services, program expenses between fiscal year 2010 and 2011 were reduced by 3.2%.

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Revenues			
<u>Program Revenues:</u>			
Charges for Services	\$ 1,856,747	\$ 1,983,512	\$ (126,765)
Operating Grants, Contributions and Earnings on Investments	874,064	457,780	416,284
<u>General Revenues:</u>			
Unrestricted Grants and Contributions	38,927,193	38,213,450	713,743
Property taxes levied for general purposes	17,244,148	19,618,860	(2,374,712)
Other General Revenues	619,779	723,783	(104,004)
Gain on Sale of Capital Asset	0	48,375	(48,375)
Total Revenues	<u>59,521,931</u>	<u>61,045,760</u>	<u>(1,523,829)</u>
Program Expenses			
Library Services	36,869,970	37,385,045	(515,075)
Support Services	18,271,321	19,551,620	(1,280,299)
Total Expenses	<u>55,141,291</u>	<u>56,936,665</u>	<u>(1,795,374)</u>
Change in Net Assets before Contributions	4,380,640	4,109,095	271,545
Contributions to Permanent Funds	5,072	3,911	1,161
Change in Net Assets	<u>4,385,712</u>	<u>4,113,006</u>	<u>272,706</u>
Net Assets - Beginning of Year	124,465,027	120,352,021	
Net Assets - End of Year	<u>\$ 128,850,739</u>	<u>\$ 124,465,027</u>	

Program revenues (nominal fines and fees) and grants and donations, while important, cannot begin to cover the full cost of providing free public library service, which is dependent upon intergovernmental revenue not restricted to specific programs. The following graph illustrates the Library's reliance on intergovernmental revenue, specifically the Public Library Fund and a local property tax, which together in 2011 provided 95% of the Library's total revenue for governmental activities.

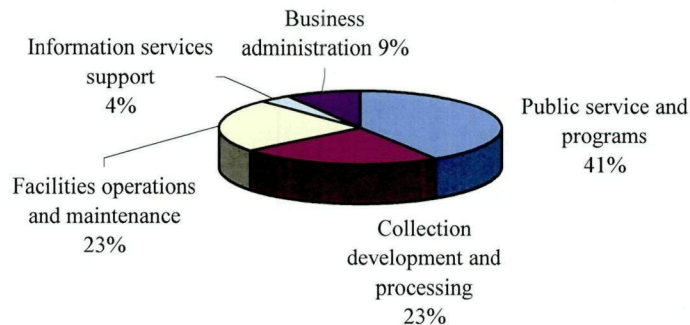
### Total Revenue By Source



In the words of our Mission Statement, the Public Library of Cincinnati and Hamilton County's function is to "connect people with the work of ideas and information". It follows then that the expenses for the governmental activity Library Services, which includes both Public Service and Programs and Collection Development and Processing, makes up the largest portion of net expense – 64%. Net expense by function is detailed in the table below and illustrated in the following graph.

Net Expense by Function	2011	2010	Change
Public Service and Programs	\$21,696,675	\$22,430,848	(\$734,173)
Collection Development and Processing	12,719,454	12,600,025	119,429
Facilities Operations and Maintenance	11,772,780	12,745,404	(972,624)
Information Services Support	1,904,725	1,971,633	(66,908)
Business Administration	4,316,845	4,747,463	(430,618)
<b>Total Net Expense by Function</b>	<b>\$52,410,479</b>	<b>\$54,495,373</b>	<b>(\$2,084,894)</b>

### Net Expense by Function



### Fund Financial Analysis

As previously noted, the General Fund is the Library's only major fund. The fund balance of the General Fund increased \$5,337,546 in 2011. Efforts to reduce ongoing operating costs were successful in offsetting revenue losses in 2011 plus generated an increase in the year-end

balance in the General Fund, allowing the Library to be better prepared should those losses continue in subsequent years.

**General Fund Budgetary Analysis**

During 2011, original revenue and expenditure budgets were unchanged. Monies were transferred from the General Fund to the Building and Repair Fund, as budgeted, for ongoing capital maintenance.

Actual revenues fell short of budget by \$1,318,500, a difference of two percent. As a result of ongoing management efforts to control operating costs, actual expenditures were \$1,072,848 less than budgeted, a difference of two percent.

**Capital Assets**

As of December 31, 2011, the Library had \$87,483,144 invested in capital assets. The table below provides a comparative analysis of capital assets net of accumulated depreciation between 2010 and 2011. The significant increase in Construction in Progress reflects the near-completion of accessibility upgrades at the Library’s Pleasant Ridge Branch; other variances are primarily the result of depreciation.

	2011	2010	Change
Land	\$14,439,577	\$14,439,577	\$0
Fine Arts and Rare Book Collection	17,614,531	17,614,531	0
Construction in Progress	1,153,978	165,585	988,393
Land Improvements	471,191	490,869	(19,678)
Buildings and Improvements	50,495,281	52,012,776	(1,517,495)
Furniture, Fixtures, and Equipment	3,247,030	3,275,539	(28,509)
Vehicles	61,556	92,645	(31,089)
Total Capital Assets	<u>\$87,483,144</u>	<u>\$88,091,522</u>	<u>(\$608,378)</u>

For more information on capital assets, see Note 7 to the basic financial statements.

**Debt**

The Library had no debt during 2011.

**Contacting the Library’s Financial Management**

This financial report is designed to provide our citizens with a general overview of the Library’s finances and to show the Library’s accountability for the money it receives. If you have any questions about this report or need additional information, contact Patricia Schoettker, Fiscal Officer, The Public Library of Cincinnati and Hamilton County, 800 Vine Street, Cincinnati, Ohio, 45202.

**The Public Library of Cincinnati and Hamilton County**

**Statement of Net Assets**

**December 31, 2011**

	<b><u>Governmental Activities</u></b>
<b><u>Assets</u></b>	
<b>Equity in Pooled Cash and Cash Equivalents</b>	<b>\$22,803,909</b>
<b>Accrued Interest Receivable</b>	<b>7,511</b>
<b>Intergovernmental Receivable</b>	<b>19,854,760</b>
<b>Prepaid Items</b>	<b>186,760</b>
<b>Supplies Inventory</b>	<b>221,988</b>
<b>Property Taxes Receivable</b>	<b>17,595,328</b>
<b>Investments</b>	<b>4,586,845</b>
<b>Capital Assets</b>	
<b>Land</b>	<b>14,439,577</b>
<b>Fine Art and Rare Books Collections</b>	<b>17,614,531</b>
<b>Construction in Progress</b>	<b>1,153,978</b>
<b>Depreciable Capital Assets, Net</b>	<b>54,275,058</b>
<b>Total Assets</b>	<b><u>152,740,245</u></b>
<b><u>Liabilities</u></b>	
<b>Accounts Payable</b>	<b>1,720,553</b>
<b>Accrued Salaries Payable</b>	<b>503,579</b>
<b>Intergovernmental Payable</b>	<b>549,335</b>
<b>Deferred Revenue</b>	<b>16,903,149</b>
<b>Noncurrent liabilities:</b>	
<b>Due within one year</b>	<b>1,614,247</b>
<b>Due in more than one year</b>	<b>2,598,643</b>
<b>Total Liabilities</b>	<b><u>23,889,506</u></b>
<b><u>Net Assets</u></b>	
<b>Invested in Capital Assets</b>	<b>87,483,144</b>
<b>Restricted for Grants, Materials, and Programs</b>	<b>241,505</b>
<b>Restricted for Permanent Funds</b>	
<b>Expendable</b>	<b>1,797,959</b>
<b>Nonexpendable</b>	<b>6,725,591</b>
<b>Unrestricted</b>	<b>32,602,540</b>
<b>Total Net Assets</b>	<b><u><u>\$128,850,739</u></u></b>

**See accompanying notes to the basic financial statements.**



**The Public Library of Cincinnati and Hamilton County**

**Statement of Activities**

**For the Year Ended December 31, 2011**

<b><u>Functions/Programs</u></b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Assets</b>
		<b>Charges for Services</b>	<b>Operating Grants, Contributions and Earnings on Investments</b>	
<b>Library Services</b>				
<b>Public service and programs</b>	<b>\$24,012,269</b>	<b>\$1,853,699</b>	<b>\$461,895</b>	<b>(\$21,696,675)</b>
<b>Collection development and processing</b>	<b>12,857,701</b>	<b>3,048</b>	<b>135,199</b>	<b>(12,719,454)</b>
<b>Support Services</b>				
<b>Facilities operations and maintenance</b>	<b>12,049,750</b>	<b>0</b>	<b>276,970</b>	<b>(11,772,780)</b>
<b>Information services support</b>	<b>1,904,726</b>	<b>0</b>	<b>0</b>	<b>(1,904,726)</b>
<b>Business administration</b>	<b>4,316,845</b>	<b>0</b>	<b>0</b>	<b>(4,316,845)</b>
<b>Total Governmental Activities</b>	<b>\$55,141,291</b>	<b>\$1,856,747</b>	<b>\$874,064</b>	<b>(52,410,480)</b>
<b>General Revenues:</b>				
<b>Grants and contributions not restricted to specific programs</b>				<b>38,927,193</b>
<b>Property taxes levied for general purposes</b>				<b>17,244,148</b>
<b>Earnings on investments</b>				<b>56,218</b>
<b>Miscellaneous</b>				<b>563,561</b>
<b>Contributions to principal for permanent funds</b>				<b>5,072</b>
<b>Total general revenues and contributions</b>				<b>56,796,192</b>
<b>Change in net assets</b>				<b>4,385,712</b>
<b>Net assets - beginning of the year</b>				<b>124,465,027</b>
<b>Net assets - end of the year</b>				<b>\$128,850,739</b>

**See accompanying notes to the basic financial statements.**

**The Public Library of Cincinnati and Hamilton County**

**Balance Sheet**

**Governmental Funds**

**December 31, 2011**

	<u>General</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
<b>Equity in Pooled Cash and Cash Equivalents</b>	<b>\$13,647,173</b>	<b>\$9,156,736</b>	<b>\$22,803,909</b>
<b>Investments</b>	<b>0</b>	<b>4,586,845</b>	<b>4,586,845</b>
<b>Receivables:</b>			
<b>Accrued Interest</b>	<b>0</b>	<b>7,511</b>	<b>7,511</b>
<b>Intergovernmental</b>	<b>19,854,760</b>	<b>0</b>	<b>19,854,760</b>
<b>Property Taxes</b>	<b>17,595,328</b>	<b>0</b>	<b>17,595,328</b>
<b>Prepaid Items</b>	<b>186,760</b>	<b>0</b>	<b>186,760</b>
<b>Supplies Inventory</b>	<b>221,988</b>	<b>0</b>	<b>221,988</b>
<b>Total Assets</b>	<b><u>\$51,506,009</u></b>	<b><u>\$13,751,092</u></b>	<b><u>\$65,257,101</u></b>
<b>Liabilities</b>			
<b>Accounts Payable</b>	<b>\$1,488,686</b>	<b>\$231,867</b>	<b>\$1,720,553</b>
<b>Accrued Salaries Payable</b>	<b>503,579</b>	<b>0</b>	<b>503,579</b>
<b>Intergovernmental Payable</b>	<b>549,335</b>	<b>0</b>	<b>549,335</b>
<b>Deferred Revenue</b>	<b>34,408,087</b>	<b>0</b>	<b>34,408,087</b>
<b>Total Liabilities</b>	<b><u>36,949,687</u></b>	<b><u>231,867</u></b>	<b><u>37,181,554</u></b>
<b>Fund Balances</b>			
<b>Nonspendable</b>	<b>408,748</b>	<b>6,725,591</b>	<b>7,134,339</b>
<b>Restricted</b>	<b>0</b>	<b>2,039,464</b>	<b>2,039,464</b>
<b>Committed</b>	<b>80,000</b>	<b>0</b>	<b>80,000</b>
<b>Assigned</b>	<b>373,970</b>	<b>4,754,170</b>	<b>5,128,140</b>
<b>Unassigned</b>	<b>13,693,604</b>	<b>0</b>	<b>13,693,604</b>
<b>Total Fund Balances</b>	<b><u>14,556,322</u></b>	<b><u>13,519,225</u></b>	<b><u>28,075,547</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$51,506,009</u></b>	<b><u>\$13,751,092</u></b>	<b><u>\$65,257,101</u></b>

**See accompanying notes to the basic financial statements.**

**The Public Library of Cincinnati and Hamilton County**

**Reconciliation of Total Governmental Fund Balances**

**To Net Assets of Governmental Activities**

**December 31, 2011**

<b>Total fund balances in governmental funds</b>		<b>\$28,075,547</b>
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
<b>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</b>		<b>87,483,144</b>
<b>Some of the Library's revenues will be collected after year-end, but are not available soon enough to pay for the current period expenditures and therefore are deferred in the funds:</b>		
<b>Intergovernmental revenue</b>	<b>15,893,243</b>	
<b>Property taxes</b>	<b>1,611,695</b>	
	<hr/>	<b>17,504,938</b>
<b>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds</b>		
<b>Compensated absences payable</b>		<b>(4,212,890)</b>
		<hr/>
<b>Net assets of governmental activities</b>		<b><u><u>\$128,850,739</u></u></b>

**See accompanying notes to the basic financial statements.**

**The Public Library of Cincinnati and Hamilton County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2011**

	<b>General</b>	<b>Other Governmental</b>	<b>Total Governmental Funds</b>
<b><u>Revenues</u></b>			
<i>Intergovernmental</i>	\$39,540,316	\$258,320	\$39,798,636
<i>Property taxes</i>	17,613,602	0	17,613,602
<i>Fines and fees</i>	1,853,699	0	1,853,699
<i>Earnings on investments</i>	32,119	163,238	195,357
<i>Services provided to other entities</i>	3,048	0	3,048
<i>Contributions, gifts and donations</i>	76,934	404,442	481,376
<i>Miscellaneous</i>	563,561	301	563,862
<b>Total Revenues</b>	<b>59,683,279</b>	<b>826,301</b>	<b>60,509,580</b>
<b><u>Expenditures</u></b>			
<b>Current</b>			
<b>Library Services</b>			
<i>Public service and programs</i>	24,089,250	294,778	24,384,028
<i>Collection development and processing</i>	12,632,747	307,756	12,940,503
<b>Support Services</b>			
<i>Facilities operations and maintenance</i>	8,872,594	2,035,179	10,907,773
<i>Information services support</i>	1,909,782	80,756	1,990,538
<i>Business administration</i>	4,341,360	9,457	4,350,817
<b>Total Expenditures</b>	<b>51,845,733</b>	<b>2,727,926</b>	<b>54,573,659</b>
 <i>Excess (deficiency) of revenues over (under) expenditures</i>	 <b>7,837,546</b>	 <b>(1,901,625)</b>	 <b>5,935,921</b>
<b><u>Other Financing Sources (Uses)</u></b>			
<i>Transfers in</i>	0	2,500,000	2,500,000
<i>Transfers out</i>	(2,500,000)	0	(2,500,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,500,000)</b>	<b>2,500,000</b>	<b>0</b>
 <i>Net change in fund balances</i>	 <b>5,337,546</b>	 <b>598,375</b>	 <b>5,935,921</b>
 <i>Fund balances - beginning of year</i>	 <b>9,218,776</b>	 <b>12,920,850</b>	 <b>22,139,626</b>
<b>Fund balances - end of year</b>	<b>\$14,556,322</b>	<b>\$13,519,225</b>	<b>\$28,075,547</b>

See accompanying notes to the basic financial statements.

**The Public Library of Cincinnati and Hamilton County**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2011**

**Net change in fund balances - total governmental funds** **\$5,935,921**

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

**Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. These items include:**

<b>Capital assets additions, net</b>	<b>1,968,625</b>	
<b>Depreciation expense</b>	<b>(2,577,003)</b>	
		<b>(608,378)</b>

**Because some revenues will not be collected for several months after the Library's year-end, they are not considered "available" revenues and are deferred in governmental funds**

<b>Decrease in intergovernmental</b>	<b>(613,123)</b>	
<b>Decrease in property taxes</b>	<b>(369,454)</b>	
		<b>(982,577)</b>

**Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The items include:**

<b>Decrease in compensated absences</b>		<b>40,746</b>

<b>Change in net assets of government activities</b>		<b>\$4,385,712</b>

**See accompanying notes to the basic financial statements.**

**The Public Library of Cincinnati and Hamilton County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budget Basis)**  
**General Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
<i>Intergovernmental</i>	\$38,878,928	\$38,878,928	\$39,688,538	\$809,610
<i>Property taxes</i>	19,620,000	19,620,000	17,613,602	(2,006,398)
<i>Fines and fees</i>	1,950,000	1,950,000	1,853,699	(96,301)
<i>Earnings on investments</i>	25,000	25,000	32,118	7,118
<i>Services provided to other entities</i>	100,000	100,000	3,048	(96,952)
<i>Contributions, gifts and donations</i>	27,000	27,000	76,934	49,934
<i>Miscellaneous</i>	549,072	549,072	563,561	14,489
<b>Total Revenues</b>	<b>61,150,000</b>	<b>61,150,000</b>	<b>59,831,500</b>	<b>(1,318,500)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<i>Salaries and leave benefits</i>	27,690,342	27,444,743	26,962,459	482,284
<i>Retirement benefits</i>	3,876,650	3,842,250	3,715,243	127,007
<i>Insurance benefits</i>	4,773,264	4,773,264	4,656,350	116,914
<i>Supplies</i>	1,238,135	1,236,754	1,103,219	133,535
<i>Purchased and contracted services</i>	7,446,985	7,691,985	7,546,431	145,554
<i>Library materials and information</i>	8,737,036	8,738,416	8,738,416	0
<i>Other objects</i>	348,000	383,000	379,540	3,460
<b>Capital outlay</b>	<b>664,588</b>	<b>664,588</b>	<b>600,494</b>	<b>64,094</b>
<b>Total Expenditures</b>	<b>54,775,000</b>	<b>54,775,000</b>	<b>53,702,152</b>	<b>1,072,848</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>6,375,000</b>	<b>6,375,000</b>	<b>6,129,348</b>	<b>(245,652)</b>
<b>Other financing sources (uses)</b>				
<i>Transfers out</i>	(2,500,000)	(2,500,000)	(2,500,000)	0
<b>Total other financing sources (uses)</b>	<b>(2,500,000)</b>	<b>(2,500,000)</b>	<b>(2,500,000)</b>	<b>0</b>
<b>Net change in fund balance</b>	<b>3,875,000</b>	<b>3,875,000</b>	<b>3,629,348</b>	<b>(245,652)</b>
<i>Fund balance at beginning of year</i>	5,436,801	5,436,801	5,436,801	0
<i>Prior year encumbrances appropriated</i>	1,625,000	1,625,000	1,625,000	0
<b>Fund balance at end of year</b>	<b>\$10,936,801</b>	<b>\$10,936,801</b>	<b>\$10,691,149</b>	<b>(\$245,652)</b>

See accompanying notes to the basic financial statements.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**NOTE 1 - REPORTING ENTITY**

The Library was founded in 1853 as a school district library of the Cincinnati School Board. In 1898 when State laws were changed, The Public Library of Cincinnati and Hamilton County, Hamilton County, Ohio (the "Library") was established as a county district library completely separate from the Cincinnati School Board. Currently there is a main library located in downtown Cincinnati and 40 branches located throughout Hamilton County.

The Board of Library Trustees has a membership of seven: three appointed by the Common Pleas Court Judges, and four by the Hamilton 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, possessing and disposing of real and personal property, and of exercising such other 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 an Executive Director and Fiscal Officer to administer the day-to-day operations of the Library.

There is no potential for the Library to provide a financial benefit or to impose a financial burden on the County Commissioners, nor can the 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.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity", the Library is considered to be a related organization of Hamilton 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. The Library has no component units.

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

The financial statements of the 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 provided they do not conflict with or contradict GASB pronouncements. The more significant of the Library's accounting policies are described below.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

A. Basis of Presentation

The Library's basic financial statements consist of government-wide 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.

Governmental-wide Financial Statements

The statement of net assets and the statement of activities display information about the Library as a whole. 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 exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function 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.

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. All funds of the Library are governmental.

Governmental funds are those through which the 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 various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Library's major governmental fund is the General Fund. This fund is the operating fund of the Library and 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.

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



**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Measurement Focus

Government-wide Financial Statements

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that 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 31 days of year-end.

Non-exchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the 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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: entitlements and earnings on investments.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met have been recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

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

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

E. Budgetary Process

The budgetary process is prescribed by internal control guidelines and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources, as certified. All funds are required to be budgeted and appropriated. Budgetary control is maintained at the object level within each fund. Budgetary modifications may only be made by resolution of the Board of Library Trustees.

Budget

In 2003, Ohio Senate Bill 55 made changes (effective January 8, 2004) to Ohio Revised Code Section 5705.28, the section of law that requires the Library to submit an annual budget. As revised, Sec. 5705.281 provides that in any county in which a single library receives all of the county library and local government support fund or receives all of that portion of the fund that is distributed to libraries, the county budget commission may waive the requirement that the public library certify to the taxing authority its estimate of contemplated revenue and expenditures. However, if the county budget commission waives this requirement, it can require the library to provide any information the commission requires to perform its duties under this chapter.

In response to a request by the Library Board of Trustees, the Hamilton County Budget Commission, on January 28, 2005, approved a motion to allow the Library to file a modified tax budget for 2006, in a simplified but more useful format. This approval has been reviewed on an annual basis since 2007.

Estimated Resources

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 final budgeted amounts on the budgetary statements reflect the amounts in the final amended certificate in effect at the time the final appropriations were passed.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

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

**Appropriations**

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as 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 final budgeted amounts represent the final appropriation amounts passed by the Board of Trustees during the year.

**F. Cash and Cash Equivalents**

Cash received by the Library is pooled in a common group of bank accounts. Moneys for all funds, except the unexpendable portion of permanent funds, are maintained in the accounts or temporarily used to purchase investments. Individual fund integrity is maintained through Library records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During 2011, investments included U.S. Savings Bonds, Federal Agency Notes, money market mutual funds, and STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2011.

Investments, except for non-participating investment contracts, are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost. For investments in money market mutual funds, the fair value is determined by the fund's current share price.

Ohio statutes specify the funds to receive an allocation of interest earnings. Interest and dividend revenue credited to the General Fund during 2011 amounted to \$32,119, which includes \$7,958 assigned from other Library funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the Library are presented on the financial statements as "Equity in Pooled Cash and Cash Equivalents"

**G. Inventory of Supplies**

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which services are consumed.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. Capital Assets

All capital assets of the Library are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. For certain assets, estimates were calculated by indexing estimated current costs back to the year of acquisition. Donated capital assets are recorded at their fair market values as of the date received. The Library maintains a capitalization threshold of \$1,500. The Library does not possess any infrastructure. 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 reported capital assets, except land, construction in progress, and fine art and rare books collections, are depreciated. Fine art and rare books collections are considered inexhaustible. Improvements are depreciated over the remaining useful lives of the related capital assets and leasehold improvements (included in building improvements) are depreciated over the life of the lease. Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	10 - 30 years
Buildings and Improvements	25 - 50 years
Furniture, Fixtures and Equipment	5 - 25 years
Vehicles	6 years

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the Library will compensate the employees for the benefits through paid time off or some other means.

The Library recognizes four "open" holidays. These are national holidays on which the Library remains open; therefore full-time employees who work earn an equal number of hours in holiday time. Holiday time is accrued as a liability at December 31.

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

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

K. Fund Balance

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

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

Enabling legislation authorizes the Library to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and include a legally enforceable requirement that those resources be used only for specific purposes stipulated in the legislation. Legal enforceability means the Library can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

Committed The committed classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Library Trustees. The committed amounts cannot be used for any other purpose unless the Board of Library Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Library Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Library Trustees.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

L. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings 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 the enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include amounts legally restricted or donor designated for specific purposes.

The Library applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. Estimates

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

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis requires accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The statement of revenues, expenditures, and changes in fund balance - budget and actual (budget basis) 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 restricted, committed, or assigned fund balance (GAAP basis).

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

**Net Change in General Fund Balance**

GAAP Basis	\$5,337,546
Revenue Accruals	148,221
Expenditure Accruals	123,582
Encumbrances	<u>(1,980,000)</u>
Budget Basis	<u>\$3,629,349</u>

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such moneys 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 that the Library 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 no 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.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

NOTE 4 - DEPOSITS AND INVESTMENTS - continued

Interim deposits are deposits of interim moneys. Interim moneys are those moneys 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.

Interim moneys may be invested in the following securities:

- A. 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;
- B. Bonds, notes, debentures, or any other obligations or securities 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;
- C. Written repurchase agreements in the securities listed above;
- D. Bonds and other obligations of the State of Ohio;
- E. No-load money market mutual funds consisting exclusively of obligations described in (A) or (B) above;
- F. The State Treasurer's investment pool (STAROhio); and
- G. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that, in event of a bank failure, the Library's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The Library has no deposit policy for custodial risk beyond the requirements of the State statute.

The Library's bank balance of \$19,888,435 is either covered by FDIC or collateralized by the financial institutions' public entity deposit pool.



**The Public Library of Cincinnati and Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011**

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

**Investments**

As of December 31, 2011, the Library had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)				
		Less than 1	1-2	2-3	3-5	More than 5
StarOhio	\$1,045,509	\$1,045,509	\$0	\$0	\$0	\$0
First American Treasury Obligation Mutual Funds	2,133,019	2,133,019	0	0	0	0
Federal Home Loan Mortgage Corp . Medium Term Notes	998,500	0	998,500	0	0	0
U.S. Savings Bonds Series HH	91,000	5,000	12,000	0	64,000	10,000
Federal National Mortgage Association Medium Term Notes	1,496,355	0	0	1,496,355	0	0
Federal Home Loan Bank Notes	2,000,990	0	0	0	2,000,990	0
	<u>\$7,765,373</u>	<u>\$ 3,183,528</u>	<u>\$ 1,010,500</u>	<u>\$ 1,496,355</u>	<u>\$ 2,064,990</u>	<u>\$ 10,000</u>

**Interest Rate Risk**

The Library's investment policy does not address interest rate risk. State statute requires an investment to mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and that an investment must be purchased with the expectation that it will be held until maturity. It has been the practice of the Library to immediately sell contributed investments that do not meet the Library's investment policy, unless the sale will result in a substantial loss. This is the reason the Library is holding U.S. Savings Bonds that mature in greater than five years.

**Credit Risk**

The Federal Home Loan Bank notes, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation notes all carry ratings of Aaa by Moody's. STAROhio carries a rating of AAAM by Standard and Poor's. The First American Treasury Obligation Mutual Funds carry a rating of Aaa by Moody's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized rating service and that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The Library has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk**

The Library places no limit on the amount it may invest in any one issuer. Of the Library's total investments, 13 percent are in Federal Home Loan Mortgage Corporation notes, 19 percent are Federal National Mortgage Association notes, and 26 percent are Federal Home Loan Bank notes.

**NOTE 5 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility located in the Library district. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012 operations.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**NOTE 5 - PROPERTY TAXES - continued**

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2011 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2011, was \$1.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$19,283,768,130
Public Utility Personal	683,435,650
Total	\$19,967,203,780

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes which are measurable as of December 31, 2011, and for which there is an enforceable legal claim. In the fund financial statements and in the entity-wide financial statements, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2011 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2011, consisted of intergovernmental, property taxes, and accrued earnings on investments. Intergovernmental receivables consisted of \$18,935,244 from the Public Library Fund and \$919,516 for homestead and rollback taxes. It is all recorded in the General Fund. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. All other receivables are considered fully collectible and will be received in one year due to the stable condition of state programs.

**The Public Library of Cincinnati and Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2011**

**NOTE 7 – CAPITAL ASSETS**

Changes in capital assets during the year ended December 31, 2011, were as follows:

	Balance at 12/31/10	Additions	Deductions	Balance at 12/31/11
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$14,439,577	\$0	\$0	\$14,439,577
Fine Art and Rare Book Collections	17,614,531	0	0	17,614,531
Construction in Progress	165,585	1,153,978	165,585	1,153,978
<b>Totals Capital Assets, Not Being Depreciated</b>	<b>32,219,693</b>	<b>1,153,978</b>	<b>165,585</b>	<b>33,208,086</b>
Capital Assets Being Depreciated:				
Land Improvements	771,546	15,098	0	786,644
Buildings and Improvements	88,099,619	323,304	0	88,422,923
Furniture, Fixtures and Equipment	14,490,813	641,830	(157,285)	14,975,358
Vehicles	491,359	0	(20,880)	470,479
<b>Totals Capital Assets, Being Depreciated</b>	<b>103,853,337</b>	<b>980,232</b>	<b>(178,165)</b>	<b>104,655,404</b>
Less Accumulated Depreciation:				
Land Improvements	(280,677)	(34,776)	0	(315,453)
Building and Improvements	(36,086,843)	(1,840,799)	0	(37,927,642)
Furniture, Fixtures and Equipment	(11,215,274)	(670,339)	157,285	(11,728,328)
Vehicles	(398,714)	(31,089)	20,880	(408,923)
<b>Total Accumulated Depreciation</b>	<b>(47,981,508)</b>	<b>(2,577,003) *</b>	<b>178,165</b>	<b>(50,380,346)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>55,871,829</b>	<b>(1,596,771)</b>	<b>0</b>	<b>54,275,058</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$88,091,522</b>	<b>(\$442,793)</b>	<b>\$165,585</b>	<b>\$87,483,144</b>

\*Depreciation expense is charged to facilities operations and maintenance.

**NOTE 8 – LEASES**

The Library leases various buildings for library service operations under noncancelable operating leases. The total cost for these leases was \$250,541 for the year ended December 31, 2011. The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31,</u>	
2012	\$228,871
2013	135,146
2014	137,884
2015	140,604
2016	143,422
<b>Total minimum lease payments</b>	<b>\$785,927</b>

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**NOTE 9 - DEFINED BENEFIT PENSION PLAN**

Plan Description – The Public Library of Cincinnati and Hamilton County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan 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. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, 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 pension 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 stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll. For 2010, member and employer contribution rates were consistent across all three plans.

The Library's 2011 contribution rate was 14.0 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the traditional plan was 4.00 percent for 2011. The portion of employer contributions allocated to health care for members in the combined plan 6.05 percent for 2011. Employer contribution rates are actuarially determined.

The Library's required contributions for pension obligations to the traditional pension and combined plans for the years ended December 31, 2011, 2010, and 2009 were \$2,378,636, \$2,421,661, \$1,502,158, respectively; 91 percent has been contributed for 2011, with the balance due included in intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the member-directed plan for 2011 were \$152,064 made by the Library and \$108,617 made by plan members.

**NOTE 10 – POST-EMPLOYMENT BENEFITS**

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

NOTE 10 – POST-EMPLOYMENT BENEFITS – continued

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in OPERS' financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to the OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The portion of employer contributions allocated to health care for members in the traditional plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the combined plan was 6.05 percent for 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Library's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$1,321,464, \$2,173,523, and \$1,926,291, respectively. For 2011, 91 percent has been contributed with the balance being reported in intergovernmental payable. The full amount has been contributed for 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1, of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**NOTE 11 - OTHER EMPLOYEE BENEFITS**

**Compensated Absences - Accumulated Unpaid Vacation and Holiday Leave**

Library employees who are eligible earn vacation leave at varying rates based upon length of service, full-time or part-time status, and union status. The Library recognizes four "open" holidays. These are national holidays on which the Library remains open; therefore, employees who work earn an equal number of hours in holiday time. In the case of termination, death or retirement, an employee (or his or her estate) is paid for any unused vacation leave up to a maximum of 66 days and unpaid holiday leave up to a maximum of five days, based on full-time or part-time status and union status. The total obligation for vacation and holiday accrual for the Library as a whole amounted to \$3,116,057 at December 31, 2011.

**Compensated Absences - Accumulated Unpaid Sick Leave**

All eligible employees earn sick leave on a pay period basis during their benefit year. In addition, an annual allocation is awarded to each full-time eligible employee who does not use more than 50 percent of their earned sick time during their benefit period. This annual sick leave allocation is calculated at 50 percent of the unused monthly days earned during their benefit year. An employee is allocated vested sick leave when they have an unused sick leave balance of 120 days and an unused annual sick leave balance of 60 days and have not used more than 50 percent of their earned sick leave during their benefit period. Vested sick leave is calculated at 50 percent of the unused monthly days allocated during their benefit period and will be added to the employee's vested sick leave balance. Upon retirement an employee is paid for their vested sick leave balance up to the maximum of 60 days. The total long-term obligation for sick leave accrual for the Library as a whole as of December 31, 2011 was \$1,096,833.

**Medical and Dental Insurance**

The Library provides medical insurance for full-time employees. An employee can choose between three health care plans: Anthem Blue Access PPO, Anthem Blue Preferred Primary HMO, and Anthem Blue Priority HMO. Dental insurance is provided through Anthem Dental PPO. Employees are required to share in the cost of their medical and dental plans.

**NOTE 12 - RISK MANAGEMENT**

The Library is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Library carries three layers of insurance coverage. In 2011, the Library contracted with several insurance companies for primary coverage as follows:

<u>Coverage</u>	<u>Company</u>
Accident	Hartford Life Insurance Company
Automobile	Charter Oak Fire Insurance/Travelers
Crime	Travelers
Equipment Breakdown Protection	Travelers
Commercial General Liability	Travelers
Commercial Umbrella	Travelers
Excess Liability	Fireman's Fund Insurance Co. of Ohio
Non-Profit Directors & Officers	Philadelphia Insurance Company
Excess Non-Profit Directors & Officers	Federal Insurance

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**NOTE 12 - RISK MANAGEMENT – continued**

No insurance settlement has exceeded insurance coverage during the last three years. There has been no significant decrease in the level of coverage from the prior year.

The Library pays the State of Ohio Bureau of Workers' Compensation System a premium based on a rate per \$100 of salaries.

The Library also carries Public Official Bond coverage for the Fiscal Officer and the Fiscal Services Manager. These bonds are provided by the Hartford Fire Insurance Company.

**NOTE 13 - LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within one Year
Compensated Absences	\$4,253,636	\$2,046,977	(\$2,087,723)	\$4,212,890	\$1,614,247

Compensated absences will be paid from the General Fund.

**NOTE 14 – FUND BALANCES**

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

Fund Balances	General	Governmental Funds	Total
<b>Nonspendable:</b>			
Prepaid items	\$186,760	\$0	\$186,760
Supplies inventory	221,988	0	221,988
Principal restricted	0	6,725,591	6,725,591
<b>Total Nonspendable</b>	<b>408,748</b>	<b>6,725,591</b>	<b>7,134,339</b>
<b>Restricted for:</b>			
Grants	0	18,346	18,346
Library programs	0	2,021,118	2,021,118
<b>Total Restricted</b>	<b>0</b>	<b>2,039,464</b>	<b>2,039,464</b>
Committed to contracts	80,000	0	80,000
<b>Assigned to:</b>			
Capital improvements and repair	0	4,754,170	4,754,170
Other purposes	373,970	0	373,970
<b>Total Assigned</b>	<b>373,970</b>	<b>4,754,170</b>	<b>5,128,140</b>
Unassigned	13,693,604	0	13,693,604
<b>Total Fund Balances</b>	<b>\$14,556,322</b>	<b>\$13,519,225</b>	<b>\$28,075,547</b>

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**NOTE 15 – INTERFUND ACTIVITY**

**Interfund Transfers and Advances**

During 2011, there was one transfer from the General Fund to the Building and Repair Fund (other Governmental Funds) for \$2,500,000 for ongoing maintenance projects.

**NOTE 16 - CONTINGENT LIABILITIES**

**Federal and State Grants**

For the period January 1, 2011 to December 31, 2011, the Library received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Library believes such disallowance, if any, would be immaterial.

**NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLES**

For 2011, the Library has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement did not result in any change in the Library's financial statements.



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# THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

## Nonmajor Fund Descriptions

### Special Revenue Funds

The Special Revenue Funds are used to account for and report revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The following are descriptions of the Library's nonmajor special revenue funds.

#### LSTA Grant Fund

To account for various Library Services and Technology Act (LSTA) grants that are restricted to expenditures for specified purposes.

#### Various Funds

To account for the following separate funds which are combined for reporting purposes:

Anderson/Mt. Washington  
Gifts

Friedman  
Hosbrook

#### Library Materials Fund

To account for various gifts that are restricted to purchase library materials.

#### Library Programs Fund

To account for various gifts that are restricted to fund library programs.

### Capital Projects Funds

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to the expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets. The following are the descriptions of the Library's nonmajor capital projects fund:

#### Building and Repair Fund

To account for transfers from the General Fund to be used for the acquisition of property for future capital construction, for major capital improvements, and for emergency repair of library facilities.

## Permanent Funds

The Permanent Funds are used to account for gifts and investment earnings that are donor restricted to expenditure for specific purposes. The following are descriptions of the Library's nonmajor permanent funds:

### Various Permanent Funds

To account for the following separate funds which are combined for reporting purposes:

Anderson Library Committee	Karline Brown	Cochran
Incidental Expenses	Haven Gillespie	Glueck
Goldsmith	Greider	Abell
Hatfield	Hattendorf	Heekin
Huenefeld	Iacobucci	Library Materials
Kahn	Kane/Merton	King
Lenke	Lewis	Marsh
Meister	Nolan	O'Brien
Plaut	DeMarke	Rhein
Schild/SCORE	Sackett	Ruth G. Stern
Stern	Striker	T & R
Trager	Valerio Family	Levesay
Dehner		

### Armstrong Fund

To account for a restricted gift from the estate of George W. Armstrong, Jr. for the general use and benefit of the Library. Investment income is used for occasional special events and to supplement the Karline Brown Fund.

### Feld Fund

To account for a restricted gift from the estate of Natalie Feld. Investment income is used for the purchase of books on travel and world affairs.

### Hadley Fund

To account for a restricted gift from Edna Hendrie Hadley. Investment income is used for travel and study purposes for library employees.

### Heisel/Dunlap Fund

To account for restricted gifts from the estates of Emma E. Heisel and Alice M. Dunlap. Investment income is used to fund educational grants for library employees.

### Kersten Fund

To account for a restricted gift from the estate of Dorothy M.M. Kersten. Investment income is used to fund library programs for children and teens.

### Dwyer Fund

To account for a restricted gift from the estate of Cecilia J. Dwyer. Investment income is used to support outreach services.

### Howard Fund

To account for a restricted gift from the estate of Jerome Howard. Investment income is used to purchase books of non-fiction, with an emphasis on nature and fine arts.

**The Public Library of Cincinnati and Hamilton County**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2011**

	<b>Nonmajor Special Revenue</b>	<b>Nonmajor Capital Projects</b>	<b>Nonmajor Permanent</b>	<b>Total Nonmajor Governmental</b>
<b>Assets</b>				
<b>Equity in Pooled Cash and Cash Equivalents</b>	<b>\$287,541</b>	<b>\$4,935,643</b>	<b>\$3,933,552</b>	<b>\$9,156,736</b>
<b>Investments</b>	<b>0</b>	<b>0</b>	<b>4,586,845</b>	<b>4,586,845</b>
<b>Receivables:</b>				
<b>Accrued Interest</b>	<b>0</b>	<b>0</b>	<b>7,511</b>	<b>7,511</b>
<b>Total Assets</b>	<b>\$287,541</b>	<b>\$4,935,643</b>	<b>\$8,527,908</b>	<b>\$13,751,092</b>
<b>Liabilities</b>				
<b>Accounts Payable</b>	<b>\$46,036</b>	<b>\$181,473</b>	<b>\$4,358</b>	<b>\$231,867</b>
<b>Total Liabilities</b>	<b>46,036</b>	<b>181,473</b>	<b>4,358</b>	<b>231,867</b>
<b>Fund Balances</b>				
<b>Nonspendable</b>	<b>0</b>	<b>0</b>	<b>6,725,591</b>	<b>6,725,591</b>
<b>Restricted</b>	<b>241,505</b>	<b>0</b>	<b>1,797,959</b>	<b>2,039,464</b>
<b>Assigned</b>	<b>0</b>	<b>4,754,170</b>	<b>0</b>	<b>4,754,170</b>
<b>Total Fund Balances</b>	<b>241,505</b>	<b>4,754,170</b>	<b>8,523,550</b>	<b>13,519,225</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$287,541</b>	<b>\$4,935,643</b>	<b>\$8,527,908</b>	<b>\$13,751,092</b>

**The Public Library of Cincinnati and Hamilton County**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2011**

	<u>LSTA</u> <u>Grant</u>	<u>Various</u>	<u>Library</u> <u>Programs</u>	<u>Total</u>
<b><u>Assets</u></b>				
<b>Equity in Pooled Cash</b>				
<b>and Cash Equivalents</b>	<b>\$35,834</b>	<b>\$174,143</b>	<b>\$77,564</b>	<b>\$287,541</b>
<b>Total Assets</b>	<b>\$35,834</b>	<b>\$174,143</b>	<b>\$77,564</b>	<b>\$287,541</b>
<b><u>Liabilities</u></b>				
<b>Accounts Payable</b>	<b>\$17,488</b>	<b>\$25,836</b>	<b>\$2,712</b>	<b>\$46,036</b>
<b>Total Liabilities</b>	<b>17,488</b>	<b>25,836</b>	<b>2,712</b>	<b>46,036</b>
<b><u>Fund Balances</u></b>				
<b>Restricted</b>	<b>18,346</b>	<b>148,307</b>	<b>74,852</b>	<b>241,505</b>
<b>Total Fund Balances</b>	<b>18,346</b>	<b>148,307</b>	<b>74,852</b>	<b>241,505</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$35,834</b>	<b>\$174,143</b>	<b>\$77,564</b>	<b>\$287,541</b>

**The Public Library of Cincinnati and Hamilton County**

**Combining Balance Sheet**

**Nonmajor Permanent Funds**

**December 31, 2011**

	<u>Various Permanent</u>	<u>Armstrong</u>	<u>Feld</u>	<u>Hadley</u>	<u>Heisell Dunlap</u>
<b>Assets</b>					
<b>Equity in Pooled Cash and Cash Equivalents</b>	\$586,941	\$1,128,511	\$1,366,595	\$66,049	\$116,246
<b>Investments</b>	652,129	672,479	1,891,487	57,527	208,612
<b>Receivables:</b>					
<b>Accrued Interest</b>	1,068	1,101	3,097	94	342
<b>Total Assets</b>	<u>\$1,240,138</u>	<u>\$1,802,091</u>	<u>\$3,261,179</u>	<u>\$123,670</u>	<u>\$325,200</u>
<b>Liabilities</b>					
<b>Accounts Payable</b>	\$122	\$0	\$3,293	\$500	\$0
<b>Total Liabilities</b>	<u>122</u>	<u>0</u>	<u>3,293</u>	<u>500</u>	<u>0</u>
<b>Fund Balances</b>					
<b>Nonspendable</b>	956,204	986,042	2,773,445	84,350	305,883
<b>Restricted</b>	283,812	816,049	484,441	38,820	19,317
<b>Total Fund Balances</b>	<u>1,240,016</u>	<u>1,802,091</u>	<u>3,257,886</u>	<u>123,170</u>	<u>325,200</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$1,240,138</u>	<u>\$1,802,091</u>	<u>\$3,261,179</u>	<u>\$123,670</u>	<u>\$325,200</u>

<b>Kersten</b>	<b>Dwyer</b>	<b>Howard</b>	<b>Total</b>
<b>\$141,613</b>	<b>\$73,429</b>	<b>\$454,168</b>	<b>\$3,933,552</b>
<b>67,196</b>	<b>88,514</b>	<b>948,901</b>	<b>4,586,845</b>
<b>110</b>	<b>145</b>	<b>1,554</b>	<b>7,511</b>
<b>\$208,919</b>	<b>\$162,088</b>	<b>\$1,404,623</b>	<b>\$8,527,908</b>
<b>\$443</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,358</b>
<b>443</b>	<b>0</b>	<b>0</b>	<b>4,358</b>
<b>98,529</b>	<b>129,786</b>	<b>1,391,352</b>	<b>6,725,591</b>
<b>109,947</b>	<b>32,302</b>	<b>13,271</b>	<b>1,797,959</b>
<b>208,476</b>	<b>162,088</b>	<b>1,404,623</b>	<b>8,523,550</b>
<b>\$208,919</b>	<b>\$162,088</b>	<b>\$1,404,623</b>	<b>\$8,527,908</b>

**The Public Library of Cincinnati and Hamilton County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2011**

	<b>Nonmajor Special Revenue</b>	<b>Nonmajor Capital Projects</b>	<b>Nonmajor Permanent</b>	<b>Total Nonmajor Governmental</b>
<b><u>Revenues</u></b>				
<i>Intergovernmental</i>	\$258,320	\$0	\$0	\$258,320
<i>Earnings on investments</i>	662	0	162,576	163,238
<i>Contributions, gifts and donations</i>	122,400	276,970	5,072	404,442
<i>Miscellaneous</i>	0	0	301	301
<b>Total Revenues</b>	<b>381,382</b>	<b>276,970</b>	<b>167,949</b>	<b>826,301</b>
<b><u>Expenditures</u></b>				
<b>Current</b>				
<b>Library Services</b>				
<i>Public service and programs</i>	200,822	0	93,956	294,778
<i>Collection development and processing</i>	198,653	0	109,103	307,756
<b>Support Services</b>				
<i>Facilities operations and maintenance</i>	0	2,035,179	0	2,035,179
<i>Information services support</i>	80,756	0	0	80,756
<i>Business administration</i>	0	0	9,457	9,457
<b>Total Expenditures</b>	<b>480,231</b>	<b>2,035,179</b>	<b>212,516</b>	<b>2,727,926</b>
 <i>Excess (deficiency) of revenues over (under) expenditures</i>	 (98,849)	 (1,758,209)	 (44,567)	 (1,901,625)
<b><u>Other Financing Sources (Uses)</u></b>				
<i>Transfers in</i>	0	2,500,000	0	2,500,000
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>2,500,000</b>	<b>0</b>	<b>2,500,000</b>
 <i>Net change in fund balances</i>	 (98,849)	 741,791	 (44,567)	 598,375
 <i>Fund balances - beginning of year</i>	 340,354	 4,012,379	 8,568,117	 12,920,850
<b>Fund balances - end of year</b>	<b>\$241,505</b>	<b>\$4,754,170</b>	<b>\$8,523,550</b>	<b>\$13,519,225</b>



**The Public Library of Cincinnati and Hamilton County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2011**

	<u>LSTA Grant</u>	<u>Various</u>	<u>Library Materials</u>	<u>Library Programs</u>	<u>Total</u>
<b>Revenues</b>					
<i>Intergovernmental</i>	\$160,820	\$97,500	\$0	\$0	\$258,320
<i>Earnings on investments</i>	0	441	0	221	662
<i>Contributions, gifts and donations</i>	33	62,404	0	59,963	122,400
<b>Total Revenues</b>	<u>160,853</u>	<u>160,345</u>	<u>0</u>	<u>60,184</u>	<u>381,382</u>
<b>Expenditures</b>					
<b>Current</b>					
<b>Library Services</b>					
<i>Public service and programs</i>	74,755	48,080	0	77,987	200,822
<i>Collection development and processing</i>	80,177	99,097	19,379	0	198,653
<b>Support Services</b>					
<i>Information services support</i>	0	80,756	0	0	80,756
<b>Total Expenditures</b>	<u>154,932</u>	<u>227,933</u>	<u>19,379</u>	<u>77,987</u>	<u>480,231</u>
 <i>Net change in fund balances</i>	 5,921	 (67,588)	 (19,379)	 (17,803)	 (98,849)
 <i>Fund balances - beginning of year</i>	 12,425	 215,895	 19,379	 92,655	 340,354
<i>Fund balances - end of year</i>	<u>\$18,346</u>	<u>\$148,307</u>	<u>\$0</u>	<u>\$74,852</u>	<u>\$241,505</u>

**The Public Library of Cincinnati and Hamilton County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the Year Ended December 31, 2011**

	<b>Various</b>			
	<b>Permanent</b>	<b>Armstrong</b>	<b>Feld</b>	<b>Hadley</b>
<b>Revenues</b>				
<i>Earnings on investments</i>	\$43,796	\$17,324	\$44,818	\$1,418
<i>Contributions, gifts and donations</i>	5,072	0	0	0
<i>Miscellaneous</i>	0	0	0	0
<b>Total Revenues</b>	<b>48,868</b>	<b>17,324</b>	<b>44,818</b>	<b>1,418</b>
<b>Expenditures</b>				
<b>Current</b>				
<i>Library Services</i>				
<i>Public service and programs</i>	15,107	0	0	0
<i>Collection development and processing</i>	9,563	0	68,038	0
<i>Support Services</i>				
<i>Business administration</i>	6,727	0	0	2,730
<b>Total Expenditures</b>	<b>31,397</b>	<b>0</b>	<b>68,038</b>	<b>2,730</b>
 <i>Net change in fund balances</i>	 17,471	 17,324	 (23,220)	 (1,312)
 <i>Fund balances - beginning of year</i>	 1,222,545	 1,784,767	 3,281,106	 124,482
<i>Fund balances - end of year</i>	<b>\$1,240,016</b>	<b>\$1,802,091</b>	<b>\$3,257,886</b>	<b>\$123,170</b>

<b>Heisell</b>				
<b>Dunlap</b>	<b>Kersten</b>	<b>Dwyer</b>	<b>Howard</b>	<b>Total</b>
<b>\$5,357</b>	<b>\$25,778</b>	<b>\$2,126</b>	<b>\$21,959</b>	<b>\$162,576</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,072</b>
<b>0</b>	<b>301</b>	<b>0</b>	<b>0</b>	<b>301</b>
<b>5,357</b>	<b>26,079</b>	<b>2,126</b>	<b>21,959</b>	<b>167,949</b>
<b>0</b>	<b>75,263</b>	<b>3,586</b>	<b>0</b>	<b>93,956</b>
<b>0</b>	<b>0</b>	<b>5,050</b>	<b>26,452</b>	<b>109,103</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,457</b>
<b>0</b>	<b>75,263</b>	<b>8,636</b>	<b>26,452</b>	<b>212,516</b>
<b>5,357</b>	<b>(49,184)</b>	<b>(6,510)</b>	<b>(4,493)</b>	<b>(44,567)</b>
<b>319,843</b>	<b>257,660</b>	<b>168,598</b>	<b>1,409,116</b>	<b>8,568,117</b>
<b>\$325,200</b>	<b>\$208,476</b>	<b>\$162,088</b>	<b>\$1,404,623</b>	<b>\$8,523,550</b>

**The Public Library of Cincinnati and Hamilton County**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**

**LSTA Grant Fund**

**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
<b>Intergovernmental</b>	\$62,297	\$168,820	\$160,820	(\$8,000)
<b>Contributions, gifts and donations</b>	33	33	33	0
<b>Total revenues</b>	<u>62,330</u>	<u>168,853</u>	<u>160,853</u>	<u>(8,000)</u>
<b>Expenditures</b>				
<b>Current</b>				
<b>Supplies</b>	0	19,793	19,752	41
<b>Purchased and contracted services</b>	0	8,000	0	8,000
<b>Capital outlay</b>	74,755	153,485	152,455	1,030
<b>Total expenditures</b>	<u>74,755</u>	<u>181,278</u>	<u>172,207</u>	<u>9,071</u>
<b>Net change in fund balance</b>	(12,425)	(12,425)	(11,354)	1,071
<b>Fund balance at beginning of year</b>	12,425	12,425	12,425	0
<b>Fund balance at end of year</b>	<u>\$0</u>	<u>\$0</u>	<u>\$1,071</u>	<u>\$1,071</u>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Various Funds**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
<b>Intergovernmental</b>	\$97,500	\$97,500	\$97,500	\$0
<b>Earnings on investments</b>	265	265	441	176
<b>Contributions, gifts and donations</b>	49,500	49,500	62,404	12,904
<b>Total revenues</b>	<u>147,265</u>	<u>147,265</u>	<u>160,345</u>	<u>13,080</u>
<b>Expenditures</b>				
<b>Current</b>				
<b>Supplies</b>	169,500	137,495	97,610	39,885
<b>Purchased and contracted services</b>	26,600	26,600	23,249	3,351
<b>Library materials and information</b>	35,679	40,679	28,751	11,928
<b>Capital outlay</b>	60,000	87,005	81,545	5,460
<b>Total expenditures</b>	<u>291,779</u>	<u>291,779</u>	<u>231,155</u>	<u>60,624</u>
<b>Net change in fund balance</b>	(144,514)	(144,514)	(70,810)	73,704
<b>Fund balance at beginning of year</b>	215,815	215,815	215,815	0
<b>Prior year encumbrances appropriated</b>	429	429	429	0
<b>Fund balance at end of year</b>	<u><u>\$71,730</u></u>	<u><u>\$71,730</u></u>	<u><u>\$145,434</u></u>	<u><u>\$73,704</u></u>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Library Materials Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Library materials and information</b>	<b>\$20,089</b>	<b>\$20,089</b>	<b>\$20,089</b>	<b>\$0</b>
<b>Total expenditures</b>	<b>20,089</b>	<b>20,089</b>	<b>20,089</b>	<b>0</b>
<b>Net change in fund balance</b>	<b>20,089</b>	<b>20,089</b>	<b>20,089</b>	<b>0</b>
<b>Fund balance at beginning of year</b>	<b>18,509</b>	<b>18,509</b>	<b>18,509</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>1,580</b>	<b>1,580</b>	<b>1,580</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$40,178</b>	<b>\$40,178</b>	<b>\$40,178</b>	<b>\$0</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Library Programs Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Earnings on investments</b>	<b>\$100</b>	<b>\$100</b>	<b>\$221</b>	<b>\$121</b>
<b>Contributions, gifts and donations</b>	<b>10,000</b>	<b>40,627</b>	<b>59,963</b>	<b>19,336</b>
<b>Total revenues</b>	<b>10,100</b>	<b>40,727</b>	<b>60,184</b>	<b>19,457</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Supplies</b>	<b>17,863</b>	<b>48,490</b>	<b>39,622</b>	<b>8,868</b>
<b>Purchased and contracted services</b>	<b>73,350</b>	<b>73,350</b>	<b>37,817</b>	<b>35,533</b>
<b>Total expenditures</b>	<b>91,213</b>	<b>121,840</b>	<b>77,439</b>	<b>44,401</b>
<b>Net change in fund balance</b>	<b>(81,113)</b>	<b>(81,113)</b>	<b>(17,255)</b>	<b>63,858</b>
<b>Fund balance at beginning of year</b>	<b>92,592</b>	<b>92,592</b>	<b>92,592</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>163</b>	<b>163</b>	<b>163</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$11,642</b>	<b>\$11,642</b>	<b>\$75,500</b>	<b>\$63,858</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Building and Repair Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
<b>Revenues</b>				
<b>Contributions, gifts and donations</b>	<b>\$258,269</b>	<b>\$258,269</b>	<b>\$276,969</b>	<b>\$18,700</b>
<b>Total revenues</b>	<b>258,269</b>	<b>258,269</b>	<b>276,969</b>	<b>18,700</b>
<b>Expenditures</b>				
<b>    Current</b>				
<b>Purchased and contracted services</b>	<b>765,056</b>	<b>765,056</b>	<b>428,290</b>	<b>336,766</b>
<b>Capital outlay</b>	<b>3,674,320</b>	<b>3,674,320</b>	<b>2,139,045</b>	<b>1,535,275</b>
<b>Total expenditures</b>	<b>4,439,376</b>	<b>4,439,376</b>	<b>2,567,335</b>	<b>1,872,041</b>
<b>Excess (deficiency) of revenues over (under)     expenditures</b>	<b>(4,181,107)</b>	<b>(4,181,107)</b>	<b>(2,290,366)</b>	<b>1,890,741</b>
<b>Other financing sources (uses)</b>				
<b>Transfers in</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>0</b>
<b>Total other financing sources (uses)</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>0</b>
<b>Net change in fund balance</b>	<b>(1,681,107)</b>	<b>(1,681,107)</b>	<b>209,634</b>	<b>1,890,741</b>
<b>Fund balance at beginning of year</b>	<b>3,580,018</b>	<b>3,580,018</b>	<b>3,580,018</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>640,691</b>	<b>640,691</b>	<b>640,691</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$2,539,602</b>	<b>\$2,539,602</b>	<b>\$4,430,343</b>	<b>\$1,890,741</b>



**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Various Permanent Funds**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b><u>Revenues</u></b>				
<b>Earnings on investments</b>	<b>\$16,115</b>	<b>\$16,115</b>	<b>\$34,058</b>	<b>\$17,943</b>
<b>Contributions, gifts and donations</b>	<b>0</b>	<b>0</b>	<b>5,072</b>	<b>5,072</b>
<b>Total revenues</b>	<b>16,115</b>	<b>16,115</b>	<b>39,130</b>	<b>23,015</b>
<b><u>Expenditures</u></b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<b>Salaries and leave benefits</b>	<b>3,200</b>	<b>3,200</b>	<b>1,000</b>	<b>2,200</b>
<b>Supplies</b>	<b>7,200</b>	<b>7,200</b>	<b>5,748</b>	<b>1,452</b>
<b>Purchased and contracted services</b>	<b>93,800</b>	<b>93,800</b>	<b>5,900</b>	<b>87,900</b>
<b>Library materials and information</b>	<b>17,625</b>	<b>17,625</b>	<b>9,718</b>	<b>7,907</b>
<b>Capital outlay</b>	<b>13,000</b>	<b>13,000</b>	<b>12,707</b>	<b>293</b>
<b>Total expenditures</b>	<b>134,825</b>	<b>134,825</b>	<b>35,073</b>	<b>99,752</b>
<b>Net change in fund balance</b>	<b>(118,710)</b>	<b>(118,710)</b>	<b>4,057</b>	<b>122,767</b>
<b>Fund balance at beginning of year</b>	<b>1,230,850</b>	<b>1,230,850</b>	<b>1,230,850</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$1,112,165</b>	<b>\$1,112,165</b>	<b>\$1,234,932</b>	<b>\$122,767</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Armstrong Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
<b>Revenues</b>				
<i>Earnings on investments</i>	<u>\$13,500</u>	<u>\$13,500</u>	<u>\$7,693</u>	<u>(\$5,807)</u>
<b>Total revenues</b>	<u>13,500</u>	<u>13,500</u>	<u>7,693</u>	<u>(5,807)</u>
<b>Net change in fund balance</b>	<b>13,500</b>	<b>13,500</b>	<b>7,693</b>	<b>(5,807)</b>
<b>Fund balance at beginning of year</b>	<u>1,793,393</u>	<u>1,793,393</u>	<u>1,793,393</u>	<u>0</u>
<b>Fund balance at end of year</b>	<u><u>\$1,806,893</u></u>	<u><u>\$1,806,893</u></u>	<u><u>\$1,801,086</u></u>	<u><u>(\$5,807)</u></u>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Feld Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Earnings on investments</b>	<b>\$32,000</b>	<b>\$50,000</b>	<b>\$17,730</b>	<b>(\$32,270)</b>
<b>Total revenues</b>	<b>32,000</b>	<b>50,000</b>	<b>17,730</b>	<b>(32,270)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Library materials and information</b>	<b>175,252</b>	<b>175,252</b>	<b>87,344</b>	<b>87,908</b>
<b>Total expenditures</b>	<b>175,252</b>	<b>175,252</b>	<b>87,344</b>	<b>87,908</b>
<b>Net change in fund balance</b>	<b>(143,252)</b>	<b>(125,252)</b>	<b>(69,614)</b>	<b>55,638</b>
<b>Fund balance at beginning of year</b>	<b>3,291,434</b>	<b>3,291,434</b>	<b>3,291,434</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>30,252</b>	<b>30,252</b>	<b>30,252</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$3,178,434</b>	<b>\$3,196,434</b>	<b>\$3,252,072</b>	<b>\$55,638</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Hadley Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
<b>Revenues</b>				
<i>Earnings on investments</i>	<b>\$1,100</b>	<b>\$1,100</b>	<b>\$593</b>	<b>(\$507)</b>
<b>Total revenues</b>	<b>1,100</b>	<b>1,100</b>	<b>593</b>	<b>(507)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<i>Other employee benefits</i>	<b>11,000</b>	<b>10,000</b>	<b>2,730</b>	<b>7,270</b>
<b>Total expenditures</b>	<b>11,000</b>	<b>10,000</b>	<b>2,730</b>	<b>7,270</b>
<b>Net change in fund balance</b>	<b>(9,900)</b>	<b>(8,900)</b>	<b>(2,137)</b>	<b>6,763</b>
<b>Fund balance at beginning of year</b>	<b>124,221</b>	<b>124,221</b>	<b>124,221</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$115,321</b>	<b>\$116,321</b>	<b>\$123,084</b>	<b>\$6,763</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Heisel/Dunlap Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Earnings on investments</b>	<b>\$3,625</b>	<b>\$3,625</b>	<b>\$1,869</b>	<b>(\$1,756)</b>
<b>Total revenues</b>	<b>3,625</b>	<b>3,625</b>	<b>1,869</b>	<b>(1,756)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<b>Other employee benefits</b>	<b>14,300</b>	<b>14,300</b>	<b>0</b>	<b>14,300</b>
<b>Total expenditures</b>	<b>14,300</b>	<b>14,300</b>	<b>0</b>	<b>14,300</b>
<b>Net change in fund balance</b>	<b>(10,675)</b>	<b>(10,675)</b>	<b>1,869</b>	<b>12,544</b>
<b>Fund balance at beginning of year</b>	<b>323,019</b>	<b>323,019</b>	<b>323,019</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$312,344</b>	<b>\$312,344</b>	<b>\$324,888</b>	<b>\$12,544</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Kersten Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
<b>Earnings on investments</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$24,816</b>	<b>\$4,816</b>
<b>Miscellaneous</b>	<b>5,000</b>	<b>5,000</b>	<b>301</b>	<b>4,699</b>
<b>Total revenues</b>	<b>25,000</b>	<b>25,000</b>	<b>25,117</b>	<b>9,515</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Supplies</b>	<b>95,525</b>	<b>95,525</b>	<b>51,221</b>	<b>44,304</b>
<b>Purchased and contracted services</b>	<b>53,600</b>	<b>53,600</b>	<b>24,042</b>	<b>29,558</b>
<b>Total expenditures</b>	<b>149,125</b>	<b>149,125</b>	<b>75,263</b>	<b>73,862</b>
<b>Net change in fund balance</b>	<b>(124,125)</b>	<b>(124,125)</b>	<b>(50,146)</b>	<b>83,377</b>
<b>Fund balance at beginning of year</b>	<b>258,522</b>	<b>258,522</b>	<b>258,522</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$134,397</b>	<b>\$134,397</b>	<b>\$208,376</b>	<b>\$83,377</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Dwyer Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
<b>Revenues</b>				
<i>Earnings on investments</i>	\$1,625	\$1,625	\$859	(\$766)
<b>Total revenues</b>	<b>1,625</b>	<b>1,625</b>	<b>859</b>	<b>(766)</b>
<b>Expenditures</b>				
<b>Current</b>				
<i>Supplies</i>	4,000	4,000	3,706	294
<i>Library materials and information</i>	8,000	8,000	5,050	2,950
<b>Total expenditures</b>	<b>12,000</b>	<b>12,000</b>	<b>8,756</b>	<b>3,244</b>
<b>Net change in fund balance</b>	<b>(10,375)</b>	<b>(10,375)</b>	<b>(7,897)</b>	<b>2,478</b>
<b>Fund balance at beginning of year</b>	<b>169,733</b>	<b>169,733</b>	<b>169,733</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$159,358</b>	<b>\$159,358</b>	<b>\$161,836</b>	<b>\$2,478</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Howard Fund**  
**For the Year Ended December 31, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
<b>Earnings on investments</b>	<b>\$15,500</b>	<b>\$15,500</b>	<b>\$8,370</b>	<b>(\$7,130)</b>
<b>Total revenues</b>	<b>15,500</b>	<b>15,500</b>	<b>8,370</b>	<b>(7,130)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Library materials and information</b>	<b>28,649</b>	<b>28,649</b>	<b>28,313</b>	<b>336</b>
<b>Total expenditures</b>	<b>28,649</b>	<b>28,649</b>	<b>28,313</b>	<b>336</b>
<b>Net change in fund balance</b>	<b>(13,149)</b>	<b>(13,149)</b>	<b>(19,943)</b>	<b>(6,794)</b>
<b>Fund balance at beginning of year</b>	<b>1,417,098</b>	<b>1,417,098</b>	<b>1,417,098</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>5,649</b>	<b>5,649</b>	<b>5,649</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$1,409,598</b>	<b>\$1,409,598</b>	<b>\$1,402,804</b>	<b>(\$6,794)</b>



# Statistical Section

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# The Public Library of Cincinnati and Hamilton County

## Statistical Section

This part of the Public Library of Cincinnati and Hamilton County, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Library's overall financial health.

<u>Contents</u>	<u>Pages</u>
<b><i>Financial Trends</i></b>	58-65
These schedules contain trend information to help the reader understand how the Library's financial performance and well-being has changed over time.	
<b><i>Revenue Capacity</i></b>	66-69
These schedules contain trend information to help the reader understand the Library's most significant sources of local revenue.	
<b><i>Debt Capacity</i></b>	70
These schedules present information to help the reader assess the affordability of the Library's current service levels of outstanding debt and the Library's ability to issue additional debt in the future.	
The Library has not included a table for Direct and Overlapping Debt as the Library is a county-wide library.	
<b><i>Economic and Demographic Information</i></b>	71-73
These schedules offer economic and demographic indicators to help the reader understand the environment in which the Library's financial activities take place.	
<b><i>Operating Information</i></b>	74-77
These schedules contain service and infrastructure data to help the reader understand how the information in the Library's financial report relates to the services the Library provides and the activities it performs.	

### **Sources:**

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Library implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**The Public Library of Cincinnati and Hamilton County**  
**Net Assets by Component**  
**Last Ten Years**  
**(accrual basis of accounting)**

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	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$101,273,805	\$99,046,288	\$96,016,005	\$93,760,981
Restricted	10,349,351	10,233,032	9,851,634	9,712,158
Unrestricted	38,819,068	40,014,143	36,272,139	37,934,299
Total Governmental Activities Net Assets	<u>\$150,442,224</u>	<u>\$149,293,463</u>	<u>\$142,139,778</u>	<u>\$141,407,438</u>

2006	2007	2008	2009	2010	2011
\$91,574,791	\$91,680,184	\$90,835,880	\$89,021,895	\$88,091,522	\$87,483,144
9,900,817	11,115,987	13,616,429	10,005,862	8,908,471	8,765,055
40,146,200	38,302,628	33,190,646	21,324,264	27,465,034	32,602,540
<u>\$141,621,808</u>	<u>\$141,098,799</u>	<u>\$137,642,955</u>	<u>\$120,352,021</u>	<u>\$124,465,027</u>	<u>\$128,850,739</u>

**The Public Library of Cincinnati and Hamilton County**

Changes in Net Assets

Last Nine Years

(accrual basis of accounting)

	2003	2004	2005	2006	2007
<b>Program Revenues:</b>					
Charges for Services:					
Library Services:					
Public Service and Programs	\$1,648,282	\$1,712,030	\$1,723,172	\$2,043,892	\$1,949,231
Collection Development and Processing	0	0	0	0	0
Operating grants, contributions, and earnings on investments:					
Library Services:					
Public Service and Programs	1,054,630	816,944	879,188	855,106	841,861
Collection Development and Processing	160,228	110,680	221,338	362,991	597,512
Support Services:					
Facilities operations and maintenance	131,800	0	207,176	184,960	419,888
Information services support	21,000	7,720	0	6,730	10,000
Business administration	7,198	0	10,278	20,621	25,869
<b>Total Revenues</b>	<b>3,023,138</b>	<b>2,647,374</b>	<b>3,041,152</b>	<b>3,474,300</b>	<b>3,844,361</b>
<b>Expenses:</b>					
Library Services:					
Public Service and Programs	23,787,560	25,022,480	24,809,705	24,616,153	24,757,848
Collection Development and Processing	11,973,598	11,916,433	11,347,223	11,082,554	11,739,723
Support Services:					
Facilities Operations and Maintenance	11,580,120	11,817,801	11,110,570	11,328,075	12,717,831
Information Services Support	3,079,959	3,403,299	2,947,289	3,014,084	3,038,053
Business Administration	3,585,641	3,500,376	3,397,102	3,468,006	3,458,818
Debt Service:					
Interest and Fiscal Charges	2,819	9,953	7,778	5,517	3,168
<b>Total Expenses</b>	<b>54,009,697</b>	<b>55,670,342</b>	<b>53,619,667</b>	<b>53,514,389</b>	<b>55,715,441</b>
<b>Net Expenses</b>	<b>(50,986,559)</b>	<b>(53,022,968)</b>	<b>(50,578,515)</b>	<b>(50,040,089)</b>	<b>(51,871,080)</b>
<b>General Revenues:</b>					
Governmental Activities:					
Grants and Contributions not Restricted to Specific Programs	48,876,713	45,044,063	48,306,813	48,307,419	49,289,425
Property taxes levied for general purposes	0	0	0	0	0
Earnings on Investments	254,478	228,453	612,660	1,057,329	1,183,073
Gain on sale of capital asset	0	0	168,179	0	87,644
Other	702,412	587,788	751,248	887,743	784,376
Contributions to Principal for Permanent Funds	4,195	8,979	7,275	1,968	3,553
<b>Total General Revenues and Contributions</b>	<b>49,837,798</b>	<b>45,869,283</b>	<b>49,846,175</b>	<b>50,254,459</b>	<b>51,348,071</b>
<b>Change in Net Assets</b>	<b>(\$1,148,761)</b>	<b>(\$7,153,685)</b>	<b>(\$732,340)</b>	<b>\$214,370</b>	<b>(\$523,009)</b>

(1) In 2009 the Library experienced a 26% decrease in Public Library Funding. This severe cut prompted the need for the property tax levy in 2010.

2008	2009	2010	2011
\$2,003,232 0	\$1,986,173 0	\$1,950,189 33,323	\$1,853,699 3,048
1,146,886 326,213	537,845 84,990	353,966 16,694	461,895 135,199
1,307 0	7,056 0	87,120 0	276,970 0
18,788	3,513	0	0
<u>3,496,426</u>	<u>2,619,577</u>	<u>2,441,292</u>	<u>2,730,811</u>
25,328,735 11,708,306	25,445,459 12,003,328	24,735,003 12,650,042	24,012,269 12,857,701
12,961,104 2,604,637 3,620,791	12,927,956 1,374,495 4,382,087	12,832,524 1,971,633 4,747,463	12,049,750 1,904,726 4,316,845
1,602	0	0	0
<u>56,225,175</u>	<u>56,133,325</u>	<u>56,936,665</u>	<u>55,141,291</u>
<u>(52,728,749)</u>	<u>(53,513,748)</u>	<u>(54,495,373)</u>	<u>(52,410,480)</u>
47,887,165 0 570,505 0 811,488 3,747	35,472,245 0 88,420 0 658,480 3,669	38,213,450 19,618,860 22,673 48,375 701,110 3,911	38,927,193 17,244,148 56,218 0 563,561 5,072
<u>49,272,905</u>	<u>36,222,814</u>	<u>58,608,379</u>	<u>56,796,192</u>
<u>(\$3,455,844)</u>	<u>(\$17,290,934) (1)</u>	<u>\$4,113,006</u>	<u>\$4,385,712</u>

**The Public Library of Cincinnati and Hamilton County**  
**Fund Balances - Governmental Funds**  
 Last Nine Years  
 (modified accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General Fund</b>					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	1,389,772	595,521	565,356	339,947	500,422
Unreserved	8,924,113	9,682,367	12,086,180	13,834,801	11,392,232
<b>Total General Fund</b>	<u>10,313,885</u>	<u>10,277,888</u>	<u>12,651,536</u>	<u>14,174,748</u>	<u>11,892,654</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	0	0	0	0	0
Assigned	0	0	0	0	0
Reserved	7,266,113	7,065,895	6,715,451	7,072,431	7,395,041
Unreserved reported in:					
Special Revenue Funds	1,608,532	1,254,563	1,206,806	1,200,192	2,207,051
Capital Projects Funds	7,270,041	7,041,663	6,528,414	6,828,166	7,390,932
Permanent Funds	1,908,744	1,804,716	1,838,783	2,018,534	2,230,095
<b>Total All Other Governmental Funds</b>	<u>18,053,430</u>	<u>17,166,837</u>	<u>16,289,454</u>	<u>17,119,323</u>	<u>19,223,119</u>
<b>Total Governmental Funds</b>	<u><u>\$28,367,315</u></u>	<u><u>\$27,444,725</u></u>	<u><u>\$28,940,990</u></u>	<u><u>\$31,294,071</u></u>	<u><u>\$31,115,773</u></u>

(1) Fund balances were classified in accordance with GASB Statement No. 54.



2008	2009	2010 (1)	2011
\$0	\$0	\$313,740	\$408,748
0	0	80,000	80,000
0	0	453,970	373,970
0	0	8,371,066	13,693,604
522,050	417,778	0	0
7,370,027	4,954,540	0	0
<u>7,892,077</u>	<u>5,372,318</u>	<u>9,218,776</u>	<u>14,556,322</u>
\$0	\$0	\$6,720,519	\$6,725,591
0	0	2,187,952	2,039,464
0	0	4,012,379	4,754,170
7,777,583	7,184,646	0	0
4,560,246	750,292	0	0
8,116,698	3,066,387	0	0
2,315,884	2,087,829	0	0
<u>22,770,411</u>	<u>13,089,154</u>	<u>12,920,850</u>	<u>13,519,225</u>
<u>\$30,662,488</u>	<u>\$18,461,472</u>	<u>\$22,139,626</u>	<u>\$28,075,547</u>

**The Public Library of Cincinnati and Hamilton County**  
**Changes in Fund Balances - Governmental Funds**  
**Last Nine Years**  
(modified accrual basis of accounting)

	2003	2004	2005	2006
<b>Revenues:</b>				
Intergovernmental	\$48,508,418	\$48,718,964	\$48,952,702	\$48,954,721
Property taxes	0	0	0	0
Fines and fees	1,648,282	1,712,030	1,723,172	2,043,892
Earnings on investments	369,154	331,505	849,015	1,486,675
Contributions, gifts, and donations	523,745	210,314	443,616	355,728
Miscellaneous	702,412	587,788	751,248	887,743
<b>Total Revenues</b>	<b>51,752,011</b>	<b>51,560,601</b>	<b>52,719,753</b>	<b>53,728,759</b>
<b>Expenditures:</b>				
Current:				
Library services:				
Public service and programs	24,770,129	24,989,151	24,875,051	24,720,722
Collection development and processing	12,038,862	11,899,780	11,457,028	11,108,535
Support Services:				
Facilities operations and maintenance	8,330,645	8,480,352	8,816,293	8,707,535
Information services support	3,994,359	3,571,299	2,954,543	3,335,661
Business administration	3,635,168	3,477,137	3,395,252	3,437,752
Debt Service:				
Principal retirement	13,550	55,519	57,695	59,956
Interest and fiscal charges	2,819	9,953	7,778	5,517
<b>Total Expenditures</b>	<b>52,785,532</b>	<b>52,483,191</b>	<b>51,563,640</b>	<b>51,375,678</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,033,521)</b>	<b>(922,590)</b>	<b>1,156,113</b>	<b>2,353,081</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	0	0	340,152	0
Inception of Capital Lease	297,271	0	0	0
Transfers In	318,621	0	728,618	503,545
Transfers Out	(318,621)	0	(728,618)	(503,545)
<b>Total Other Financing Sources (Uses)</b>	<b>297,271</b>	<b>0</b>	<b>340,152</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(\$736,250)</b>	<b>(\$922,590)</b>	<b>\$1,496,265</b>	<b>\$2,353,081</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>

2007	2008	2009	2010	2011
\$49,417,777	\$48,116,998	\$38,844,386	\$38,977,457	\$39,798,636
0	0	0	17,637,711	17,613,602
1,949,231	2,003,232	1,986,173	1,950,189	1,853,699
1,677,365	1,007,491	201,158	29,558	195,357
1,438,084	2,948,735	147,387	268,006	481,376
906,360	811,488	658,480	734,433	566,910
<u>55,388,817</u>	<u>54,887,944</u>	<u>41,837,584</u>	<u>59,597,354</u>	<u>60,509,580</u>
24,888,966	25,354,219	25,398,385	24,862,028	24,384,028
11,669,590	11,695,165	11,956,325	12,637,587	12,940,503
12,234,308	11,211,724	10,835,165	11,000,973	10,907,773
3,381,801	3,405,865	1,491,889	2,734,740	1,990,538
3,441,977	3,625,151	4,356,836	4,738,872	4,350,817
62,305	48,246	0	0	0
3,168	859	0	0	0
<u>55,682,115</u>	<u>55,341,229</u>	<u>54,038,600</u>	<u>55,974,200</u>	<u>54,573,659</u>
<u>(293,298)</u>	<u>(453,285)</u>	<u>(12,201,016)</u>	<u>3,623,154</u>	<u>5,935,921</u>
115,000	0	0	55,000	0
0	0	0	0	0
3,300,000	2,503,043	6,680,238	2,500,000	2,500,000
<u>(3,300,000)</u>	<u>(2,503,043)</u>	<u>(6,680,238)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>
<u>115,000</u>	<u>0</u>	<u>0</u>	<u>55,000</u>	<u>0</u>
<u><u>(\$178,298)</u></u>	<u><u>(\$453,285)</u></u>	<u><u>(\$12,201,016)</u></u>	<u><u>\$3,678,154</u></u>	<u><u>\$5,935,921</u></u>
0.1%	0.1%	0.0%	0.0%	0.0%

**Public Library of Cincinnati and Hamilton County**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Two Years (1)**

Year	Real Property			Tangible Personal Property		Totals		Ratio	Weighted Average Property Tax Rate (per \$1,000 of assessed value)
	Assessed Value			General Business		Assessed Value	Estimated Actual Value		
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2010	\$14,268,849,740	\$5,915,295,450	\$57,668,986,257	\$34,201,220	\$136,804,880	\$20,218,346,410	\$57,805,791,137	34.98%	1.00
2011	14,212,050,810	5,755,152,970	57,049,153,657	0	0	19,967,203,780	57,049,153,657	35.00%	1.00

(1) Prior to 2010, the Library did not have a property tax levy.

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio.

The tangible personal property values associated with 2010 represent values of telecommunications companies. 2010 is the last filing year for telecommunications companies. General business tangible personal property tax is phased out beginning in 2006 with 2010 as the last year of collection.

For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent and 2 1/2 percent rollbacks and homestead exemptions before being billed.

Source: Hamilton County Auditor

**Public Library of Cincinnati and Hamilton County**  
**Property Tax Levies and Collections**  
**Last Two Years (1)**

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2010	\$19,247,165	\$16,367,759	85.04%	\$1,272,952	\$17,640,711	91.65%
2011	19,169,285	16,832,702	87.81%	780,900	17,613,602	91.88%

**Source:** Office of the Auditor, Hamilton County, Ohio

(1) Prior to 2010, the Library did not have a property tax levy.

**Public Library of Cincinnati and Hamilton County**  
Principal Property Taxpayers  
Current Year and Last Year

Name of Taxpayer	2011		
	Assessed Value	Percent of Total Assesed Value	Rank
Duke Energy Ohio Inc	\$700,295,680	3.51%	1
City of Cincinnati	126,116,520	0.63%	2
Procter & Gamble Co	77,774,300	0.39%	3
Duke Realty Ohio	33,884,550	0.17%	4
Cincinnati Trophy LLC	29,677,330	0.15%	5
Carew Realty Inc	26,646,190	0.13%	6
Fifth Third Bank	25,334,890	0.13%	7
Dayton Power & Light Co	26,086,960	0.13%	8
Columbia Development Corp	20,448,030	0.10%	9
OTR	21,525,000	0.11%	10
<b>Total</b>	<b>\$1,087,789,450</b>	<b>5.45%</b>	

Name of Taxpayer	2010		
	Assessed Value	Percent of Total Assesed Value	Rank
Duke Energy Ohio Inc	\$662,794,160	3.28%	1
City of Cincinnati	151,290,910	0.75%	2
Procter & Gamble Co	84,343,130	0.42%	3
Duke Realty Ohio	58,715,950	0.29%	4
Cincinnati Trophy LLC	29,827,250	0.15%	5
Carew Realty Inc	29,263,860	0.14%	6
Northgate Partners LLC	27,301,070	0.14%	7
Dayton Power & Light Co	25,571,150	0.13%	8
Columbia Development Corp	24,239,670	0.12%	9
OTR	24,150,000	0.12%	10
	<b>\$1,090,196,080</b>	<b>5.39%</b>	

The total assessed valuation for 2011 equals: \$19,967,203,780

The total assessed valuation for 2010 equals: \$20,218,346,410

(1) Prior to 2010, the Library did not have a property tax levy.

Source: Office of the Auditor, Hamilton County, Ohio

**Public Library of Cincinnati and Hamilton County**  
 Direct and Overlapping Property Tax Rates  
 (Per \$1,000 of Assessed Value)  
 Last Two Years (1)

	2010	2011
<b>County Direct Rates</b>		
General Fund	\$2.26	\$2.26
Crime Info Center	0.54	0.54
Museum Center	0.18	0.18
Zoo	0.46	0.46
Family Services & Treatment	0.34	0.34
Senior Services	1.29	1.29
Mental Health	2.99	2.99
Indigent Health Care	4.49	4.07
Children's Services	2.77	2.77
Development Disabilities	4.13	4.13
Parks	1.03	1.03
Public Library	1.00	1.00
<b>Total Hamilton County</b>	<b>21.48</b>	<b>21.06</b>
<b>City Rates</b>	3.06-20.13	.65-20.13
<b>Village Rates</b>	.65-38.52	1.19-40.73
<b>School District Rates</b>	44.90-99.72	44.18-106.97
<b>Township Rates</b>	3.74-26.34	5.24-26.34
<b>Special District Rates</b>	2.25-12.05	12.05
<b>Joint Vocational Levy Rates</b>	1.93-2.70	1.93-2.70

Source: Ohio Department of Taxation, County Auditor, Hamilton County.

The rates presented are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue for that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

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

(1) Prior to 2010, the Library did not have a property tax levy.

**The Public Library of Cincinnati and Hamilton County**  
Ratio of Outstanding Debt By Type  
Governmental Activities  
Last Ten Years

Year	Capital Lease Payable	Percentage of Personal Income (1)	Per Capita (1)
2002	\$0	0.00%	0.00
2003	310,916	0.00%	0.38
2004	228,202	0.00%	0.28
2005	170,507	0.00%	0.21
2006	110,551	0.00%	0.13
2007	48,246	0.00%	0.06
2008	0	0.00%	0.00
2009	0	0.00%	0.00
2010	0	0.00%	0.00
2011	0	0.00%	0.00

Details regarding the Library's outstanding debt can be found in the notes to the financial statements

(1) See Demographic and Economic Statistics for personal income and population data.



**The Public Library of Cincinnati and Hamilton County**  
**Demographic and Economic Statistics**  
**Last Ten Years**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Hamilton County Unemployment Rate (4)</u>
2002	833,721	\$29,773,844,352	\$35,712	5.1%
2003	823,472	30,078,138,272	36,526	5.1%
2004	814,611	31,294,910,787	38,417	5.6%
2005	806,652	32,215,260,924	39,937	5.7%
2006	822,596	34,002,005,660	41,335	5.0%
2007	842,369	36,038,230,558	42,782	5.0%
2008	851,494	37,703,302,826	44,279	5.6%
2009	855,062	38,234,097,330	44,715	8.9%
2010	802,374	37,227,408,738	46,397	9.4%
2011	800,362	38,425,612,445	48,010	8.6%

- Sources:** (1) U.S. Department of Commerce, U.S. Census Bureau web site  
(2) Calculated based on per capita income multiplied by population  
(3) U.S. Department of Commerce, Bureau of Economic Analysis web site.  
Ohio's personal income increased 4.5% in 2011. County data for 2011 has been estimated based on a 4.5% increase from BEA's 2010 amount of \$36,770,921,000. County data released in April 2012.  
(4) Ohio Department of Job and Family Services web site

**Public Library of Cincinnati and Hamilton County**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2011		2002	
	Employees	Rank	Employees	Rank
Kroger Co.	19,000	1	12,000	4
University of Cincinnati	15,374	2	14,084	1
Procter & Gamble Co.	12,500	3	13,700	2
Cincinnati Children's Hospital Medical Center	12,332	4	6,433	10
TriHealth Inc.	10,197	5	6,758	8
Mercy Health Partners	8,817	6	7,223	6
Archdiocese of Cincinnati	7,500	7		
GE Aviation	7,400	8	7,500	5
St. Elizabeth Healthcare	7,300	9		
Fifth Third Bancorp	7,063	10		
Health Alliance of Greater Cincinnati			13,505	3
Cincinnati Public Schools			7,132	7
City of Cincinnati			6,500	9

Sources: *Cincinnati Business Courier Book of Lists Winter 2003 (2002 data) & 2012 (2011 data)*

**The Public Library of Cincinnati and Hamilton County**  
 Library Employees by Function  
 Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities:</b>										
Library Services:										
Public Service and Programs	628	661	649	627	625	634	629	599	614	597
Collection Development and Processing	73	74	69	64	65	70	67	68	68	63
Support Services:										
Facilities Operations and Maintenance	84	85	86	79	75	75	75	75	67	54
Information Services Support	27	24	20	18	18	18	14	12	14	14
Business Administration	39	38	37	34	33	34	36	36	35	35
<i>Total Number of Employees</i>	<u>851</u>	<u>882</u>	<u>861</u>	<u>822</u>	<u>816</u>	<u>831</u>	<u>821</u>	<u>790</u>	<u>798</u>	<u>763</u>

Source: Library records

**The Public Library of Cincinnati and Hamilton County**  
**Operating Indicators By Function**  
**Last Ten Years**

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Function/Program	2002	2003	2004	2005	2006	2007
<b>Library Services</b>						
Public Service and Programs						
Items in Collection	10,261,257	10,288,800	9,574,449	9,545,692	9,551,178	9,545,414
Material Loans	14,403,659	14,861,011	14,713,793	14,344,449	14,783,307	14,875,594
Active Registered Borrowers	404,655	403,531	408,720	375,342	286,293	243,970
Number of Public Programs	13,935	16,169	15,417	15,546	14,874	14,033
Collection Development and Processing						
Items Purchased	360,909	373,228	369,228	358,784	355,468	369,766
<b>Support Services</b>						
Facilities Operations and Maintenance						
Facilities Maintained	45	45	45	45	45	45
Square Footage of Facilities	921,861	922,661	922,661	922,661	922,661	927,213
Information Services Support						
Computer Workstations	1,045	1,193	1,195	1,286	1,329	1,381
Online Resource Usage	12,663,026	14,551,253	26,245,535	34,070,381	42,994,289	71,159,640

Source: Library records

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2007	2008	2009	2010	2011
9,545,414	9,530,479	8,959,303	8,780,764	8,819,759
14,875,594	15,627,452	16,372,499	16,311,136	17,600,307
243,970	241,752	271,646	349,139	425,454
14,033	14,567	14,578	14,247	17,546
369,766	367,602	361,228	381,780	340,298
45	45	45	45	45
927,213	927,213	927,213	929,982	931,537
1,381	1,757	1,789	1,834	1,941
71,159,640	87,344,129	110,286,831	65,046,467	137,120,046

**The Public Library of Cincinnati and Hamilton County**  
**Capital Assets Statistics by Function**  
**Last Nine Years**

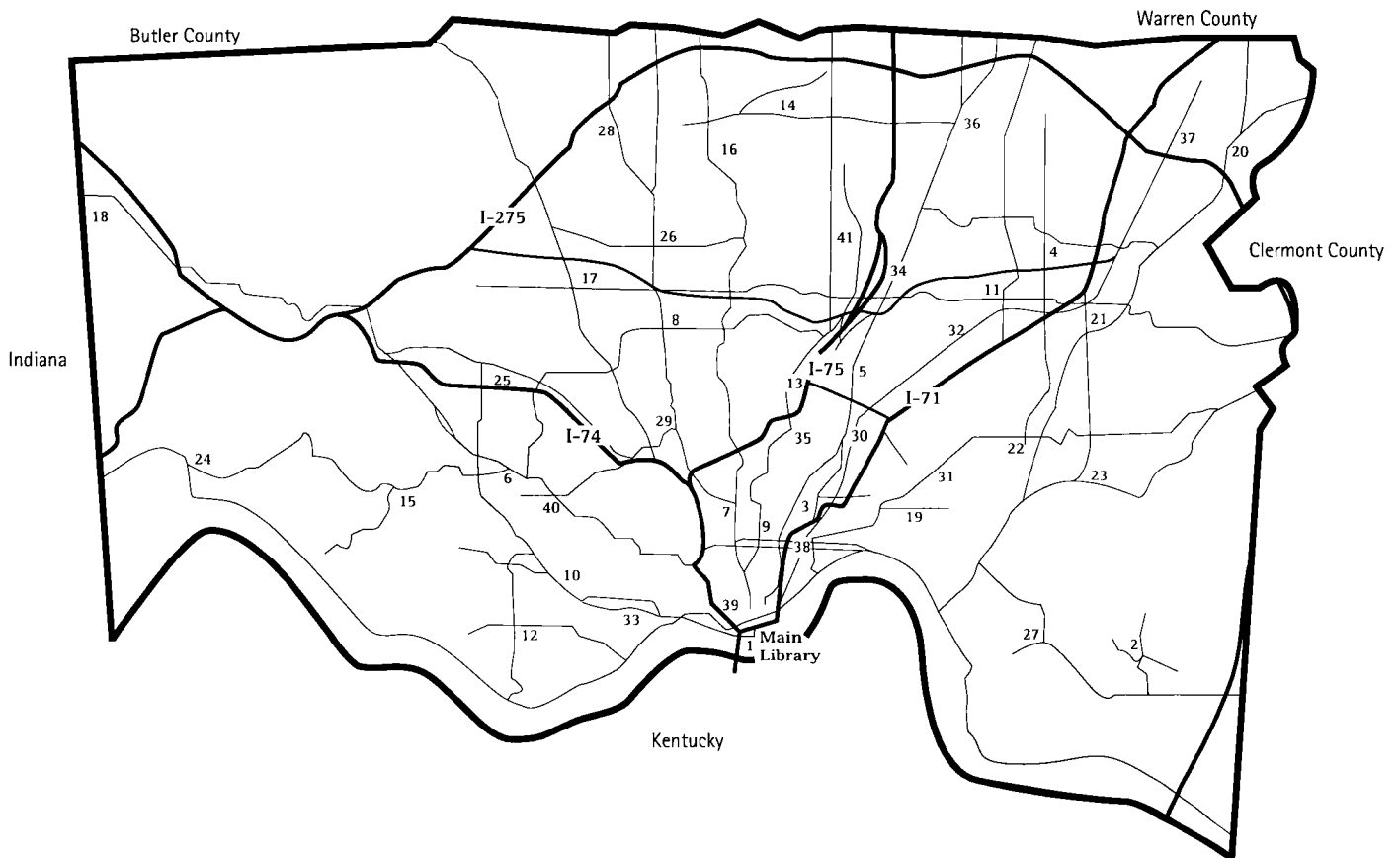
	2003	2004	2005	2006
<b>Library Services:</b>				
<b>Public Service and Programs</b>				
Land	\$12,045,336	\$12,045,336	\$12,318,298	\$12,318,597
Land improvements	356,965	374,030	358,972	355,514
Buildings and improvements	52,494,965	50,926,155	49,355,898	47,853,729
Furniture, fixtures and equipment	4,196,810	3,070,187	2,428,906	1,992,694
<b>Collection Development and Processing</b>				
Land	435,456	435,456	435,456	435,456
Fine Arts and Rare Books	17,614,531	17,614,531	17,614,531	17,614,531
Buildings and improvements	1,525,861	1,483,145	1,442,029	1,400,877
Furniture, fixtures and equipment	46,119	33,738	26,691	21,898
<b>Support Services:</b>				
<b>Facilities Operations and Maintenance</b>				
Land	922,056	922,056	922,056	922,056
Buildings and improvements	5,126,080	4,990,868	4,858,858	4,726,774
Furniture, fixtures and equipment	506,741	444,839	389,230	365,263
Vehicles	79,902	73,363	43,153	60,735
Construction in progress	0	0	0	0
<b>Information Services Support</b>				
Land	54,432	54,432	54,432	54,432
Buildings and improvements	190,733	185,393	180,254	175,110
Furniture, fixtures and equipment	454,644	405,473	398,426	359,839
<b>Business Administration</b>				
Land	707,617	707,617	707,617	707,617
Buildings and improvements	2,479,524	2,410,111	2,343,298	2,276,425
Furniture, fixtures and equipment	92,238	67,477	53,383	43,795
	<u>\$99,330,010</u>	<u>\$96,244,207</u>	<u>\$93,931,488</u>	<u>\$91,685,342</u>

Land improvements, buildings and improvements, furniture and equipment and vehicles are presented net of accumulated depreciation.

**Source:** Library capital asset records. The Library began to utilize the system in 2003; therefore, records are only available since then.

2007	2008	2009	2010	2011
\$12,326,641	\$12,326,641	\$12,326,641	\$12,320,016	\$12,320,016
407,256	490,444	480,202	490,869	471,191
47,735,190	46,510,156	45,426,537	44,293,653	43,053,195
1,763,244	1,901,610	1,680,974	2,059,240	1,764,154
435,456	435,456	435,456	435,456	435,456
17,614,531	17,614,531	17,614,531	17,614,531	17,614,531
1,392,790	1,345,455	1,301,138	1,257,218	1,211,981
180,885	166,819	192,635	151,525	197,340
922,056	922,056	922,056	922,056	922,056
4,699,487	4,539,771	4,390,239	4,247,499	4,094,863
378,277	393,044	339,792	179,401	488,101
63,248	104,443	77,367	92,645	61,556
0	125,936	0	165,585	1,153,978
54,432	54,432	54,432	54,432	54,432
174,099	168,182	162,643	157,153	151,498
577,511	774,859	725,050	825,790	742,382
707,617	707,617	707,617	707,617	707,617
2,263,284	2,186,364	2,114,349	2,057,253	1,983,744
32,426	68,064	70,236	59,583	55,053
<u>\$91,728,430</u>	<u>\$90,835,880</u>	<u>\$89,021,895</u>	<u>\$88,091,522</u>	<u>\$87,483,144</u>

# Public Library of Cincinnati and Hamilton County Service Areas and Locations



- |                    |                     |
|--------------------|---------------------|
| 1. Main Library    | 22. Madisonville    |
| 2. Anderson        | 23. Mariemont       |
| 3. Avondale        | 24. Miami Township  |
| 4. Blue Ash        | 25. Monfort Heights |
| 5. Bond Hill       | 26. Mt. Healthy     |
| 6. Cheviot         | 27. Mt. Washington  |
| 7. Clifton         | 28. North Central   |
| 8. College Hill    | 29. Northside       |
| 9. Corryville      | 30. Norwood         |
| 10. Covedale       | 31. Oakley          |
| 11. Deer Park      | 32. Pleasant Ridge  |
| 12. Delhi Township | 33. Price Hill      |
| 13. Elmwood Place  | 34. Reading         |
| 14. Forest Park    | 35. St. Bernard     |
| 15. Green Township | 36. Sharonville     |
| 16. Greenhills     | 37. Symmes Township |
| 17. Groesbeck      | 38. Walnut Hills    |
| 18. Harrison       | 39. West End        |
| 19. Hyde Park      | 40. Westwood        |
| 20. Loveland       | 41. Wyoming         |
| 21. Madeira        |                     |





# Dave Yost • Auditor of State

**PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY**

**HAMILTON 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 26, 2012**