

# Comprehensive Annual Financial Report

FOR THE YEAR ENDED DECEMBER 31, 2014

FRANKLIN COUNTY, OHIO







# Dave Yost • Auditor of State

Board of Trustees  
Worthington Libraries  
820 High St.  
Worthington, OH 43085

We have reviewed the *Independent Auditor's Report* of Worthington Libraries, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2014 through December 31, 2014. 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. Worthington Libraries is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

September 22, 2015

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**WORTHINGTON LIBRARIES**  
WORTHINGTON, OHIO

**Comprehensive Annual Financial Report**

For the Year Ended December 31, 2014

**Issued by:**  
**Worthington Libraries Finance Department**

**Chuck Gibson**  
**Director/Deputy Fiscal Officer**

**Margaret Doone**  
**Chief Fiscal Officer/Business Manager**

**WORTHINGTON LIBRARIES**  
**WORTHINGTON, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
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June 18, 2015

Citizens who reside in the Worthington City School District  
Members of the Worthington Library Board of Trustees

We are very pleased to present the 2014 Comprehensive Annual Financial Report (CAFR) for Worthington Libraries. This report, for the calendar year ended December 31, 2014, has been prepared using accounting principles generally accepted in the United States of America for governments. It contains financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of Worthington Libraries (to be hereinafter referred to as "the Library," and also known as the Worthington Public Library and the Worthington City School District Public Library).

Ohio law requires that public offices reporting pursuant to accounting principles generally accepted in the United States of America shall file their reports with the Auditor of the State of Ohio and publish notice of the availability of the financial statements within 150 days of the close of each year. The General Purpose External Financial Statements from this report were filed to fulfill that requirement for the year ended December 31, 2014.

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 of any material misstatements.

The Library's financial statements have been audited under contract by Julian and Grube, Inc., a firm of licensed certified public accountants. The Independent Public Accountant has issued an unmodified ("clean") opinion on the Library's financial statements for the year ended December 31, 2014. The Independent Auditors' 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. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **LIBRARY OVERVIEW**

The Library known as Worthington Libraries is located in the City of Worthington, Ohio, which is in central Ohio. It serves residents of the Worthington City School District. The Old Worthington Library is located downtown in the City of Worthington, the Northwest Library is located in northwest Columbus, Ohio, and the Worthington Park Library is located in northern Columbus, Ohio. All three locations are within the Worthington City School District.

Worthington Libraries is organized under Ohio State law as a school district public library. A seven-member board, one member appointed each year by the board of education for a seven-year term, governs the Library. Members belong to the community and typically have a history of avidly supporting the Library. Board members hold positions as educators, accountants, independent business owners, attorneys and a variety of other occupations. They come together to apply their knowledge and experience, and offer their insights to provide management guidance and oversight to the Library.

Under the provisions of the Governmental Accounting Standards Board Statement No. 14, “The Financial Reporting Entity,” Statement No. 39, “Determining Whether Certain Organizations are Component Units – an amendment to GASB Statement No. 14,” and Statement No. 61, “The Financial Reporting Entity: Omnibus – an amendment to GASB Statements No. 14 and No. 34,” the Library is considered to be a related organization of the Worthington City School District.

The Director is responsible for the administration of the Library, and the Fiscal Officer oversees the Library’s financial affairs. The Board of Trustees has appointed Chuck Gibson to serve as Director/CEO and Margaret Doone to serve as Fiscal Officer/CFO.

The taxing authority for the Library is the Board of Education, but the Library operates under a separate budget with funds derived primarily from the Public Library Fund and two local property tax levies totaling 4.8 mills. The Library is fiscally independent of the Worthington City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The Board of Trustees independently determines whether to request approval of a tax levy and the role and purpose(s) of the levy. If a request is approved, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

## **HISTORY OF THE LIBRARY**

The roots of Worthington Libraries can be traced to the small New England town of Granby, Connecticut. It was from Granby in 1803 that a group of 100 men, women and children set out to begin a new life in Worthington, Ohio. Among the possessions they brought with them were the books for what they would call the Stanbery Library, a subscription library named for its principal benefactor. This Library was the first in Franklin County and only the third in the State.

Throughout the next 100 years, library service in Worthington took on many forms—books were kept at the school, the local post office, etc.—but it was inevitably kept alive by groups of local citizens. They knew that if a community was to survive and grow, its residents must have a library to provide opportunities for enhanced education and continued learning.

In 1903, the Fortnightly Club, a women’s Shakespeare study club, took over management of the Worthington Reading Room. In 1908, the Fortnightly Club moved to establish the Worthington Public Library Association to take advantage of local tax funds.

In 1925, the Library was placed in control of the school board, establishing it as a school district public library. This assured the Library of much-needed financial support but did not provide an actual building to house the collection. This changed in 1927 when Mary Elizabeth Jones Deshler donated money for a library building on the northeast corner of the Village Green, the area set aside by Worthington's founders for the public pursuit of learning and education. Mrs. Deshler dedicated the building to the memory of her grandfather, Worthington founder James Kilbourne. In 1931, Mrs. Deshler funded the addition of the north and south wings on the James Kilbourne Memorial Library Building.

By 1950, Library use had increased tremendously. Although the James Kilbourne Memorial Library Building was less than 25 years old, the growing collection and increasing circulation were already straining the facility, and it was finally expanded in 1956.

In 1973, the Library proposed moving less than a mile north on land it had purchased for this possibility. The community was outraged at the prospect of the Library being located anywhere but the Village Green and defeated levy issues to build a new facility in 1973 and 1974. The Library staff persevered in their cramped conditions until a final solution was found in 1976 when the school board agreed to a property swap with the Library. Groundbreaking for the new facility was held on July 4, 1978 and it was dedicated October 21, 1979. The new Library was within sight of the old Village Green location (put to use as a school administration office).

Although the community supported the Library through its patronage, it had thus far refused to pay for it with local tax support. This finally changed in 1992, when the community voted to support a 2.2 mill property tax levy to maintain service at Old Worthington Library and fund a new library to provide service to the growing northwest-area population.

The Northwest Library, which opened in 1996, was made possible through a unique partnership agreement with the Columbus Metropolitan Library. The Columbus Metropolitan Library Board of Trustees agreed to buy the land for a future library and hold it until the Worthington Libraries levy passed in 1992. Now 18 years old, the Northwest Library is jointly operated by Worthington Libraries and the Columbus Metropolitan Library and is managed by Worthington Libraries.

In the early 2000s, the Library was once again faced with an increase in use coupled with a decline in revenue. Thanks to a grassroots campaign led by members of the Friends of Worthington Libraries and the Board of Trustees, the Library was successful in passing a permanent 2.6 mill property tax levy in November 2005.

In 2007, Worthington Libraries received the national Library of the Year award from *Gale/Library Journal*. This award annually honors the Library that most profoundly demonstrates outstanding community service. Members of *Library Journal's* editorial board, representatives from Thomson Gale's executive committee and librarians from around the world judge applicants based on the following factors: service to the community; creativity and innovation in developing specific community programs; a dramatic increase in library use; and leadership in creating programs that can be emulated by other libraries. As the recipient of the 2007 Library of the Year award, Worthington Libraries received a check for \$10,000 at a special reception held in Washington, DC during the American Library Association's annual conference in June 2007.

In 2008, Worthington Libraries opened its third location, the Worthington Park Library, in the Worthington Park Shopping Centre. This storefront Library serves patrons in the northeast part of our community and circulated more than 500,000 items in 2014.

In October 2012, *Library Journal* announced its latest Index of Public Library Service, and Worthington Libraries once again received a five-star rating, the best possible, in its category of libraries with total annual operating expenditures of between \$5-10 million. More than 7,500 libraries across the country were evaluated, but only 262 received a starred rating. Only 87 libraries received a five-star rating.

In 2012, Worthington Libraries was highlighted by *Library Journal* because it achieved a five-star rating in all five editions. It received this distinction again in 2013 and 2014, making it one of only 20 libraries nationwide to receive a five-star rating every year the index has been published.

In 2013, Worthington Libraries placed a 2.2 mill permanent replacement levy on the ballot in the Worthington School District. The issue passed with more than 70 percent of the vote, securing the library's financial future for many years.

Worthington Libraries is now one of the busiest library systems in Ohio, ranking ninth in terms of use (behind only the eight metropolitan libraries). It provides a wide array of information and services, including technology training, online access, a dynamic collection and programs for residents of the Worthington City School District, and maintains the pioneering spirit of the library's founders in looking for new and better ways to serve patrons.

## **COMMUNITY OUTLOOK**

Worthington is located in the center of the state at Ohio's crossroads and affords easy access to all parts of Ohio and the nation. A suburb of Columbus, the state capital, Worthington offers all of the attractions and conveniences of a big city combined with the charm of small town living.

Worthington was one of the Midwest's first planned communities, blending commerce, residential life, education and faith. Founded in 1803, Worthington reflects its dignified New England heritage with authentic brick sidewalks leading to the central Village Green where many of the City's original commercial buildings and churches still stand proudly. Today, as in ages past, people come to meet and greet on the Village Green and stroll the streets of downtown Worthington. Worthington's strong community spirit and excellent quality of life serve as the solid foundation for people of all ages, businesses, their employees and families.

Education, a founding tenet of the City, remains a hallmark of Worthington. Its school district serves over 9,000 students and consistently earns the highest ratings on the State's school district report cards. Its student-focused educational programs are continually recognized as some of the best in the State. This provides a perfect environment for a progressive, forward-looking, service oriented library to identify and meet emerging needs and to thrive.

Collaboration is also an integral part of the Worthington community brand, and the Library often plays a key role in the development of major community projects and initiatives.

In 2014, the Library partnered with the McConnell Arts Center and Ohio Humanities in the presentation of Ohio Chautauqua. This five-day event featuring workshops for children and adults and evening performances attracted more than 3,000 people to our community. We also presented a record-breaking summer reading club with over 10,000 participants and multiple community sponsors, including the Friends Foundation of Worthington Libraries, Worthington Parks and Recreation, Worthington Pools, Dairy Queen, Igloo Letterpress, Columbus Museum of Art and Sassafras Bakery, among many others.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Ohio's economy and tax collections, although improving, are still unpredictable. Starting in January 2008, the PLF began receiving a fixed 2.22 percent of all General Revenue Fund (GRF) tax collections. As a result of State budget difficulties, this percentage was reduced to 1.97 percent of GRF revenues in July 2009. This lower percentage was in place through June 2011. In Governor Kasich's budget for the 2012-2013 biennium, the PLF fund distributions were frozen at the 2011 levels less an additional five percent. In addition, no reimbursements to the PLF were to be made for funding OPLIN or the State Library for the

Blind. As per the state's budget for the 2014-2015 biennium, the PLF distribution is now set at 1.66% of the GRF tax revenue. However, with the reduction of the individual income tax and increase in sales tax, the impact on the Worthington Public Library's was a 1.92% reduction in the PLF compared to the calendar year 2013 on a cash basis.

Although the City of Worthington is a fully developed, first-ring suburb (and therefore faces economic challenges inherent to like-situated communities), the City is experiencing substantial private sector interest in redevelopment of existing facilities and properties. Understanding that Worthington's economic sustainability hinges on the use and redevelopment of its commercial property inventory, the City's staff has been working aggressively to locate new investors and public funding mechanisms to encourage new commercial growth.

Efforts continue to bear fruit, as Worthington is experiencing a resurgence in development activities:

- The City has revised, and structured for future success, a tax increment financing (TIF) mechanism with a local development team for the redevelopment of 140,000 square feet of retail space comprising the former Worthington Square Mall (now remodeled and rebranded as the Shops at Worthington Place).
- Worthington awarded five projects under its new façade improvement program (known as "ReCAP") for the 1960s-era industrial park on the City's eastern boundary. Its hybrid revolving loan fund-and-grant form of assistance was recognized as innovative by American Electric Power, which awarded a grant to the City for the program.
- The City continues to attract large-scale employers to its commercial office corridor, including 15,000 sq ft taken by the regional office for Pittsburgh-based Civil & Environmental Consultants Inc.
- Worthington successfully attracted a gourmet grocer to the downtown area, in response to the community's strong urging, as it partnered with Fresh Thyme Farmer's Market via a TIF arrangement (to assist with storm sewer realignment at the site).
- Created a TIF for the historic downtown Worthington to assist with long-term infrastructure improvements to the High Street corridor.
- Continued making real progress in the research and possible launch of a community-based co-working center for home-based employees of small and large businesses within the area.
- Worthington Industries, a Fortune 1000 company, purchased in late 2012 the building it had been leasing for its headquarters operations. The company is now undergoing a large-scale redevelopment and renovation of its HQ building.
- Work is nearly complete to place 200 apartments, 23,000 square feet of Class A office space, and a parking deck to the immediate west of the mall property.
- The City has worked closely with the ownership of the United Methodist Children's Home to ready the 42-acre site for redevelopment into residential, office and retail uses. The City has updated its Comprehensive Plan to guide the developer on how this site should redevelop.
- \$7 million dollars in federal transportation funds have been programmed to improve an intersection in the City's prime industrial corridor.
- Work began with the development team taking down a former auto dealership to construct a 40,000 sq. ft. neighborhood retail center, anchored with a gourmet grocery market, at the key western gateway to the City.
- The Ohio Department of Transportation is completely reconstructing the I-270/23 interchange at Worthington's northern border to address both congestion and safety problems. This will significantly improve access to our key office buildings.

## **FINANCIAL TRENDS**

During the state's biennium budget for 2014-2015, PLF will be distributed in an amount equal to 1.66% of the state's general revenues. However, the state's general revenues will be impacted by a decrease in individual income tax and an increase in sales tax. During 2014, the Library experienced a \$39,282(1.9%) decrease in funding from the PLF on a cash basis.

Real estate tax receipts have shown a declining trend since 2006 with a total decrease in property tax collection of \$822,316. Both the 1992 and 2005 levies were collected through 2014 but the 1992 levy expired with 2014 being the final collection year. In November 2013, the Board of Trustees of the Worthington Public Library placed a 2.2 replacement levy on the ballot which was passed by the voters of the Worthington School District to be collected starting in 2015.

The State reimbursement for lost revenue due to the elimination of personal property tax and public utility personal property tax was scheduled to be phased out beginning July 2011 and continuing through 2014. However, the provisions adopted in the State of Ohio's 2012-2013 biennium budget accelerated this phase out so that revenue from those services in 2011 were reduced by \$103,322 or 26.8%. An additional reduction of \$171,707 or 57% occurred in 2012 and reimbursements for 2013 and 2014 as scheduled in the original phase out plan will not be received. Any payments received for personal property tax is due to collection of delinquent taxes.

Due to a change in the Ohio Revised Code, the Library can now deposit interim and inactive funds with a public depository to be redeposited with one or more federally insured banks, savings banks, or savings and loan associations located in the United States with the redeposited money insured by the Federal Deposit Insurance Corporation. A portion of the funds previously invested in STAROhio were transferred to be invested in insured Certificates of Deposit. This practice continued in 2013 with an increase in funds invested in this manner. Due to the number of Certificates of Deposit required for the amount of investment money available, in 2014 the Library also acquired permissible federal agency securities since the investments could be made in larger increments.

While the number of materials circulated increased 45 percent from 2005 through 2015 (2,520,594 in 2005 to 3,657,979 in 2014), operating cash disbursements have only increased 38.3 percent (\$6,598,969 in 2005 to \$9,127,681 in 2014 on a cash basis) and employees only increased from 98.30 Full-Time Equivalent in 2005 to 113.30 Full-Time Equivalent in 2014. Salaries and Benefits represented 65.09 percent of operating cash disbursements in 2005 and 62.65 percent in 2014 on a cash basis. Careful management of staffing and disbursements continues to ensure operating efficiency and maintains control of the budget.

## **FINANCIAL PLANNING AND POLICIES**

All budgetary policies are established by Ohio law and/or the Board of Trustees. The budget process is as follows:

- A temporary appropriation budget is adopted and filed with the Franklin County Budget Commission by January 1.
- A permanent appropriation budget is adopted and filed with the Franklin County Budget Commission by March 31.
- For annual budgeting purposes, unused balances remain in the accounts where they were allocated.
- The level at which the Board of Trustees approves the budget becomes the legal level of control.
- Transfers of appropriations at this level require Board of Trustees' action.
- The permanent appropriations may be amended or supplemented, based on needs during the year.
- The Franklin County Budget Commission provides an annual certificate of estimated resources. The Library's maximum annual appropriations are controlled by this document. The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Fiscal Officer.

- Fines, fees, and charges are established by the Board of Trustees.
- Library cash is pooled for investment.

The Library's long-range financial plan, which provides projections through 2029, is reviewed in conjunction with every operating decision that is made.

The Director/CEO and Fiscal Officer/Business Manager regularly meet with the Administrative Team to discuss problems, new initiatives and potential opportunities. New initiatives or reactions to emerging needs and/or problems are discussed by the group. If disbursements are required, plans are developed to establish reasonable cost estimates. If an action appears to be viable, a presentation is prepared to share with the Finance/Operations Committee of the Board of Trustees. Once the Committee understands the proposal and its financial implications on the long-range financial picture, it determines if it should support taking the recommendation to the full Board of Trustees for approval. If the action is supported, the Chair of the Committee proposes the resolution at the Board meeting. This Committee meets three or four times per year, or as needed in special situations.

In addition to special situations, normal operating disbursements are continuously monitored. Annual budgets are developed based on projections in the long-range plan. Managers review actual monthly disbursements against budget allocations and recommend adjustments as needed. Funds not required for operating disbursements are invested to obtain the best return available with the least amount of risk. STAROhio, administered by the Treasurer of the State of Ohio, was used exclusively in recent years through 2011. The passage of Sub. H.B. 209 by the 129<sup>th</sup> General Assembly with an effective date of March 22, 2012 expanded state and political subdivision investment authority. This bill permits the Library to authorize a public depository, upon the deposit of public money with the depository, to arrange for the redeposit of the money with one or more federally insured banks, savings banks, or savings and loan associations located in the United States and act as custodian of the money. The Library now has money deposited with Fifth Third Bank for the purpose of depositing the funds in Certificates of Deposit at federally insured financial institutions. In 2014, the Library also has invested in Federal Agency Securities which are approved by the Library's Investment Policy. STAROhio is still utilized for investment of a portion of interim funds due to its liquidity.

The Board of Trustees receives a monthly update from the Fiscal Officer/Business Manager and copies of financial statements so that they are aware of the financial condition of the Library in any given month.

### **MAJOR INITIATIVES FOR 2014**

After the Worthington Libraries Board of Trustees adopted the 2013-2015 Strategic Plan in January, the staff went to work on its implementation.

With grant funding from Franklin County Soil and Water, Ohio EPA, The Ohio State University and Target, the Library installed a public garden at Northwest Library. The garden, which features native plants, was planted with the help of community volunteers and will serve as both a library programming space and home to birds, bees and butterflies.

The Library's partnership with the Central Library Consortium continues to flourish, with three additional libraries (Bexley Public Library, Upper Arlington Public Library and London Public Library) joining in 2014. The Library now provides patrons with access to over four million items.

The Library increased service points by partnering with Columbus Recreation and Parks to install a library "lending machine" at the Lazelle Woods Recreation Center. Residents with library cards can use the machine to check out popular DVDs and books for children, teens and adults. More than 800 items were checked out of the lending machine in 2014.

The Library's digital collection of ebooks, eAudio, movies, magazines and music grew by 56 percent in 2014 and the Library added a new content provider, giving patrons digital access to more movies (Freegal).

In 2014, the Library developed a summer reading program called "Choose Your Own Journey" for children, teens and adults. It was sponsored by the Friends Foundation of Worthington Libraries with participation from more than 14 community partners. More than 10,000 people registered for the program, making it the most successful ever presented by the Library. More than 62,000 people attended Library programs in 2014.

Worthington Libraries is fortunate to have a dedicated and sizable group of Volunteers and adult volunteers. Each summer, dozens of middle and high school students volunteer their time to staff the summer reading program registration table, and to assist with programs and other tasks. Over 100 adult volunteers support the staff at the Libraries, in Technical Services and in Outreach. Volunteers donated more than 8,000 hours of time in 2014.

### **Stewardship of Resources**

Worthington residents trust the Library to make responsible financial decisions on their behalf, which is why careful stewardship of public funds is a priority.

Prior to passage of the 2.6 mill permanent operating levy in November 2005, Library funding was in decline as use was steadily increasing. Circulation in 2014 was 3.6 million items, an increase of six percent over 2013. Circulation of digital books increased more than 200 percent, and user visits and program attendance remain steady. In 2014, more than 62,000 people attended Library programs.

The Library staff has been reorganized three times since 2002. Each time, the work that needed to be accomplished was assessed and a determination was made about the best staffing structure needed to make it happen. In 2005, the traditional library hierarchy of department managers was abolished and replaced with lead librarians and staff work groups. This reorganization saved the Library a total of \$23,907 in salaries and benefits, compared to 2004 figures, and the first phase of its development only took five months to complete from inception to implementation. Insurance carriers were also changed several times and an employee Health Savings Account was approved in 2006 and began in 2007 as another insurance option for staff members. Additionally, every time a staff member retires or resigns, their position is evaluated to determine if it should be filled or restructured to better meet the needs of the Library.

Director/CEO Chuck Gibson and Fiscal Officer/Business Manager Margaret Doone are never far from a copy of the library's long-range financial plan. Through constant review and careful management, they are able to track and maximize the use of every dollar and to see how spending projections will impact the Library now and in the future. The results have direct benefits to the community.

In December 2006, the Northwest Library bonds were paid off early. The bonds were originally issued by the City of Columbus in 1994, with a maturation date of January 1, 2015. The Library used the proceeds from the bond sale to fund the construction of the Northwest Library, which opened in 1996. Based on the stated interest rate of the bonds for their remaining life and the projected estimated earnings the Library could generate on the funds if they were not used to redeem the bonds, a savings of approximately \$50,000 was realized by paying off the bonds prior to their maturity date. There was no Debt Service Fund beginning in 2007.

One of the action plan items for 2007-2008 was to develop a higher level of financial reporting through the preparation of a capital assets inventory for the first-ever Generally Accepted Accounting Principles report and completion of a first-ever Comprehensive Annual Financial Report for 2006. These reports were also completed each year from 2007-2012 and provide the Board of Trustees and the community with an accurate reflection of the Library's financial position. The Library has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting each year 2006-



2013 and the State Auditor's "Making Your Tax Dollars Count" award for the 2006, 2007, 2008 and 2009 reports. With the change in state auditor, a new award, "Auditor of State Award with Distinction," was created and Worthington Libraries was the recipient of that award 2010-2013.

The November 2013 levy, which permanently replaced a 22-year levy passed in 1992, passed with more than 70 percent of the vote and will enable the Library to maintain the quality services, materials and programs the community expects and deserves. The Library also has a 2.6 mill permanent levy passed in 2005.

The two local property tax levies along with the associated tax exemptions, including homestead and rollbacks, now account for 66 percent of the revenue on a cash basis, while Public Library Fund dollars account for 20 percent. The Library is in an enviable funding situation compared to many other Ohio libraries—which is a direct result of the services provided and not something ever taken for granted.

### **Building and Maintaining the Collection**

In "Hennen's American Public Library Ratings 2006," Thomas Hennen writes, "Back in the mid-70s, when I went to graduate school, numbers from *Wheeler and Goldhor's Practical Administration of Public Libraries* represented the gold standard for library planning. They recommended that approximately 20 percent of a public library budget should go toward materials." Although it has become harder to do, because of rising costs in healthcare and other expenses beyond our control, the Library still strives to meet this "gold standard" in library planning. In 2014, 20 percent of the Library's budget was spent on materials.

Being part of a resource-sharing consortium with Central Library Consortium provides patrons with access to over four million items (that they can reserve and renew online) and provides the freedom to build a collection that is intentionally deep and varied. Although the Library purchases bestselling books, popular music and the latest DVDs, patrons also expect to have jazz recordings, independent film releases and poetry from small publishers. Often, patrons comment Worthington Libraries is the only library that owns the particular item they are looking for.

Although access to physical books is still the number-one service we provide, use of the Library, its resources and collection, is changing. Circulation of digital books increased more than 200 percent in 2014 and is expected to grow as more people have access to e-readers, Smartphones, tablets and other devices. Many people regard the Library as a gathering place and technology provider and visit without checking out any items. Still, physical books made up 97 percent of the Library's circulation in 2014, and continue to be the primary reason people use the Library.

In 2006, the Library began centralized selection by profile. This streamlines the ordering process and allows the Library to better track and build the collection as a whole, rather than in segments. In 2007, all materials selection was centralized and is now coordinated by two Materials Selectors, one for adult materials and one for youth materials. In 2013, we joined the Central Library Consortium and introduced a new catalog system. We now provide patrons with seamless access to the collections of 14 different library systems and over one million more unique items.

The Library staff takes collection management seriously and regularly removes items that are in poor condition or have not circulated to make room for new items. This keeps the collection fresh and interesting for patrons who are reserving items online or stopping by to browse.

### **Customer Service Model**

In 2006, a New Customer Service Model workgroup was formed and charged with researching and developing a new service model for the Library. The workgroup explored the range of possible ways to

meet the information needs of patrons in the most efficient, effective and thorough manner possible, paying particular attention to proactive services, including roving reference and concierge services.

The workgroup found adding roving reference to the Library's existing customer service model would allow the Library to help more people who ask questions at the reference desk as well as those who are afraid or not inclined to ask questions. The Library wanted to make sure people were not leaving the Library without the information they came for.

Based on the workgroup's recommendations, the Library's reference desks adjusted their coverage by assigning one person as a "rover." Rovers are assigned to one-hour shifts and are expected to greet patrons and ask if they need assistance. Roving stations with computers are being used to access the Library catalog and electronic resources to eliminate the need to run back and forth between the desk and the stacks. Phone calls are now received in the Library's call center (located in Old Worthington Library) instead of individual departments. This makes it easier for staff to remain focused on serving the needs of patrons without interruption.

The Library staff actively merchandises the collection. A merchandising work group visited several area libraries and bookstores to learn more about how to promote items to encourage patrons to borrow or buy. Advice was also solicited from a marketing consultant who has experience with working in public libraries and bookstores. The consultant walked through both libraries and pointed out several areas for improvement. Using the information gleaned from the library/bookstore visits and the consultant's report, several new initiatives were implemented. "Power walls" were designed to merchandise high-traffic areas of the collection (new fiction, picture books, mystery, cookbooks, travel, etc.). The Library has also replaced old and outdated signs with new, bold versions that are easy-to-read and attractive.

More self-checkout machines were added in 2008, making it easier, faster and more convenient to use the Library. Self-checkout machines make it possible for people to get their materials with little or no assistance, although patrons can still request help from a person. A staff member is always available to assist those that are new or unfamiliar with the process. The feedback received about the machines has been overwhelmingly positive and lines at circulation (which once could be quite long) are now almost non-existent.

Northwest Library also provides a drive-through pickup window for patrons who want to pick up reserved items without getting out of their cars. Both Northwest Library and Old Worthington Library have exterior lockers so patrons can pick up materials when the Library is closed.

In 2010, the Library made it possible for people to apply for a library card, manage their account and pay their overdue fines online and to use credit or debit cards when paying their fines in the Library.

All of this is designed to make the Library's buildings, materials and staff more welcoming and easier to access.

### **Technology and Online Access**

The Library's website is maintained by the Digital Library Manager and Web Developer with additional contributions from the Community Relations Department and the Director of Technology Services. The website delivers the same quality service and resources that patrons are accustomed to when visiting brick and mortar locations. In 2014, work continued on the redesign of Worthingtonmemory.org, the local history website, with a launch date in 2015. This project will bring together over 100,000 records from the Worthington News Index, cemeteries' databases and digitalized photos and documents.

In 2009, a mobile version of the site was made available, and a mobile app was released in 2012. Also in 2012, the Library launched a new, more attractive e-newsletter. The Library also reaches patrons through social media sites like Facebook, Twitter, Flickr, Google Plus and YouTube.

Adults can ask a reference question until 1 am by accessing KnowItNow through the Library's website. KnowItNow, a statewide service initiative funded by the State Library of Ohio, provides late-night reference help. During regular business hours, patrons can ask a question via email, text or Instant Messaging.

Technology for children includes ipads and AWE early literacy stations offering over 70 educational software programs developed specifically for children ages 2 to 8.

The Library also provides e-books, digital audiobooks, video and music for download from the website in partnership with the Digital Downloads Consortium. Circulation of digital books increased more than 200 percent in 2014.

The Library has 408 computers of which 246 computers are available for public use and offers wireless Internet access at all locations.

### **Planning for the Future**

The 2013-2015 Strategic Plan was approved by the Library's Board of Trustees in January 2013. It focuses less on items that can be easily checked off a list (such as "organize the storage areas") and more on creating real organizational and community change. It will be a challenge to implement, but the Library is confident the list of actionable items resulting from this plan will advance Worthington Libraries by leaps and bounds and make the Library a center of community life. The plan's primary focus areas are:

**ADAPTABILITY:** People have been questioning the future relevancy of the public library for many years, but the public library they remember, the one they imagine they are mourning, is already dead. We are far more than a repository of books. We are an incubator of ideas. We are an access point for new technology. We are a warm space filled with friendly faces who want to help you. **We are an adaptive organization that recognizes and embraces change.**

**COMMUNITY:** Since 1803, when Worthington was founded by the 100 men, women and children of the Scioto Company, this community has worked to build and keep a library for its residents. We are proud of that history and the vital role we play as a center of community life. We work every day to make a difference. We help people when they are in need. We work with other community groups to strengthen this place we call home. **We bring people together to share ideas and build connections.**

**LEARNING:** Learning is not confined to a classroom or the workplace. The Library's doors are open to people of all ages and learning styles. We want children to grow up with a love for the written word. We want students to succeed. We want adults to find what interests them and share their ideas with others. **We want people to learn, connect and have fun in an open environment that encourages creativity, thoughtful reflection and relaxation.**

### **OTHER INFORMATION**

#### **Independent Audit**

An audit team from the accounting firm of Julian & Grube, Inc. is under contract with the Office of the Auditor of State Dave Yost as Independent Professional Auditors, and they performed the 2014 audit. The results of the audit are presented in the Independent Auditors' Report.

## Awards

The Library was one of four or five finalists for the prestigious national Library of the Year award in 2001, 2002, 2003 and 2006. In 2007, the Library won this award and was recognized as the best library in the nation by award sponsors *Library Journal* and Thomson-Gale. Information about this prestigious award may be found at [www.worthingtonlibraries.org/libraryoftheyear](http://www.worthingtonlibraries.org/libraryoftheyear).

In 2002, the Library's website, [www.worthingtonlibraries.org](http://www.worthingtonlibraries.org), received the first ever *netConnect* award for a small public library Web site.

In 2008, Worthington Libraries was recognized in Hennen's American Public Library Ratings as the number two library system in the nation in its population category. The Hennen Report looks at 15 different factors when assessing a library's performance, including circulation, population and percent of budget spent on materials.

Also in 2011, Worthington Libraries received a John Cotton Dana Award for outstanding public relations. The John Cotton Dana honor has been awarded continuously since 1946 and is sponsored by the H.W. Wilson Co., the H.W. Wilson Foundation and the Library Leadership and Management Association, a division of the American Library Association. It is considered the most prestigious of all library awards in the field of public relations.

Worthington Libraries was highlighted by *Library Journal* because it has achieved a five-star rating in all seven editions. Only 20 libraries nationwide have achieved this distinction.

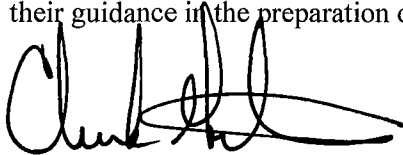
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Worthington Libraries for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2006. This was the first year that Worthington Libraries achieved this prestigious award, for its first-ever CAFR. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Library was pleased to also receive the Certificate of Achievement for our CAFR for the years 2007 through 2013.

A Certificate of Achievement is valid for a period of one year only. The Library believes that the 2014 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and it is being submitted to the GFOA to determine its eligibility for a ninth certificate.

In addition to the Certificate of Achievement, the Library also received the "Making Your Tax Dollars Count" Award from State Auditor Mary Taylor for fiscal years 2006 through 2009. It is presented for excellence in financial accounting and states, "You are a trustworthy guardian of taxpayer dollars and deserve the highest amount of recognition for your vigilance. You are truly a model for government entities throughout the state of Ohio." Under State Auditor Dave Yost, the Library received the "Ohio Auditor of State Award with Distinction" for 2010 through 2013 which was awarded for excellence in financial reporting as evidenced by the award winning CAFR and a clean audit. The award states, "Your exemplary reporting serves as the standard for clean, accountable government, representing the highest level of service to Ohioans."

**Acknowledgements**

Appreciation is extended to the Board of Trustees of Worthington Libraries and the employees responsible for contributing to the sound financial position of the Library, especially Senior Finance Specialist Sabra Lowe, Finance Specialist Barbara Burkholder, and Finance Assistant Karin Neumann. Contributions of information from Director of Community Engagement Lisa Fuller, Deputy Director Monica Baughman, Executive Assistant Pam Beretich, Director of Technical Services Susan Allen, Human Resources Manager Phyllis Winfield and Economic Development Manager for the City of Worthington Jeffry Harris were vital in preparing this transmittal letter. Special acknowledgment is extended to Kennedy Cottrell Richards for their guidance in the preparation of this report.



Chuck Gibson  
Director/Deputy Fiscal Officer



Margaret Doone  
Chief Fiscal Officer/Business Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Worthington Libraries**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

**Worthington Libraries**  
*List of Principal Officials*  
*December 31, 2014*

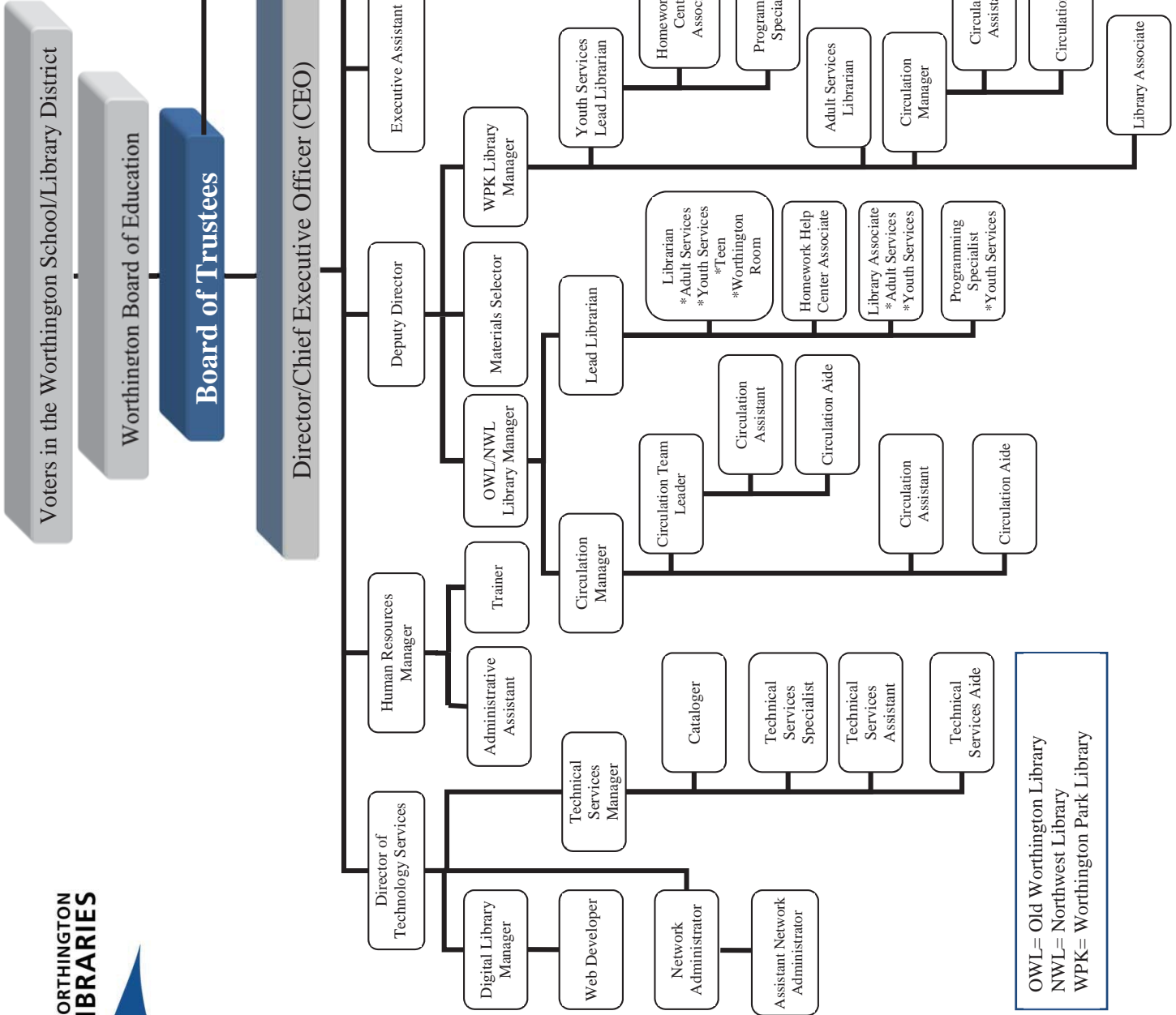
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**Board of Trustees**

President	David Goldberger	2015
Vice President	Dawn Valasco	2016
Secretary	John Butterfield	2017
Member	James Hill	2014
Member	J. Craig Baker	2018
Member	Linda Mercadante	2019
Member	Zita Hunt	2020
Worthington City School Board Liaison	Jennifer Best	2014

**Administration**

Director/CEO/Deputy Fiscal Officer	Chuck Gibson
Deputy Director	Monica Baughman
Director of Community Engagement	Lisa Fuller
Human Resources Manager	Phyllis Winfield
Director of Technology Services	Susan Allen
Chief Fiscal Officer/Business Manager	Margaret Doone



OWL= Old Worthington Library  
 NWL= Northwest Library  
 WPK= Worthington Park Library

\*Denotes subject specialists within a position description.

Note: The positions of **Business Manager** and **Chief Fiscal Officer** are currently held by one person.



## FINANCIAL SECTION

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

Independent Auditor's Report

Worthington Libraries  
Franklin County  
820 High Street  
Worthington, Ohio 43085

To the Board of Trustees:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of the Worthington Libraries, Franklin County, Ohio, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Worthington Libraries' basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

Independent Auditor's Report  
Worthington Libraries

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, its major fund, and the aggregate remaining fund information of the Worthington Libraries, Franklin County, Ohio, as of December 31, 2014, and the respective changes in financial position thereof and the budgetary comparison for the General Fund, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary and Other Information*

Our audit was conducted to opine on the Worthington Libraries' basic financial statements taken as a whole.

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the statements and schedules 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, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Independent Auditor's Report  
Worthington Libraries

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2015, on our consideration of the Worthington Libraries' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Worthington Libraries' internal control over financial reporting and compliance.

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

Julian & Grube, Inc.  
June 18, 2015

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**WORTHINGTON LIBRARIES**  
**WORTHINGTON, OHIO**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
(Unaudited)

This discussion and analysis of the Worthington Libraries (Library) financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to explain the Library's financial performance as a whole.

**Financial Highlights**

Key financial highlights for 2014 are as follows:

- The assets of the Library exceeded its liabilities and deferred outflows of resources at the close of the most recent fiscal year by \$28.6 million (net position). Of this amount, \$19.9 million represents unrestricted net position, which may be used to meet the Library's ongoing obligations to citizens.
- The Library's total net position increased by \$214,180 during the year.
- At the close of the current year, the Library's governmental funds reported combined fund balances of \$19.0 million, an increase of \$377,626 in comparison with the prior year. Of this amount, \$18.4 million is available for spending at the Library's discretion (unassigned fund balance).
- The Library has no outstanding long-term debt.

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Library's financial position.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole Library, presenting both an aggregate view of the Library's finances and a longer-term view of those finances.

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Library's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Library, the only major fund is the General Fund.

**Reporting the Library as a Whole**

*Statement of Net Position and the Statement of Activities*

The Statement of Net Position and the Statement of Activities reflect how the Library did financially during 2014. These statements include all assets and all liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

**WORTHINGTON LIBRARIES**  
**WORTHINGTON, OHIO**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
(Unaudited)

These two statements report the Library's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the Library as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors include the Library's property tax base, current property tax laws in Ohio restricting revenue growth, facility condition, and other factors.

In the Statement of Net Position and the Statement of Activities, the Library reports only governmental activities. Governmental activities are the activities where all of the Library's programs and services are reported. The Library does not have any business-type activities.

### **Reporting the Library's Most Significant Funds**

#### *Fund Financial Statements*

Fund financial statements provide detailed information about the Library's major fund – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are classified as governmental.

#### *Governmental Funds*

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the short-term impact of the Library's financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to help make this comparison between governmental funds and governmental activities.



**WORTHINGTON LIBRARIES**  
**WORTHINGTON, OHIO**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
(Unaudited)

**The Library as a Whole**

Table 1 provides a summary of the Library's net position for 2014 compared to 2013:

	Table 1 Net Position		
	2014	2013	Change
<b>Assets:</b>			
Current Assets	\$28,284,803	\$27,260,435	\$1,024,368
Capital Assets, Net	8,691,518	8,724,364	(32,846)
Total Assets	36,976,321	35,984,799	991,522
<b>Liabilities:</b>			
Other Liabilities	633,649	956,698	(323,049)
Long-Term Liabilities	159,826	138,943	20,883
Total Liabilities	793,475	1,095,641	(302,166)
<b>Deferred Inflows of Resources:</b>			
Property Taxes	7,561,444	6,481,936	1,079,508
<b>Net Position:</b>			
Investment in Capital Assets	8,691,518	8,724,364	(32,846)
Restricted	10,827	15,096	(4,269)
Unrestricted	19,919,057	19,667,762	251,295
Total Net Position	\$28,621,402	\$28,407,222	\$214,180

Current assets of the Library consist mainly of cash and receivables. The majority of the increase in current assets was due to increases in property taxes receivable. The increase in property taxes receivable is offset by an increase in deferred inflows of resources.

Other liabilities decreased significantly in comparison with the prior year. This decrease is primarily the result of a decrease in accounts payable related to renovation activities at the end of 2013.

**WORTHINGTON LIBRARIES**  
**WORTHINGTON, OHIO**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
(Unaudited)

Table 2 shows the changes in net position for the year ended December 31, 2014 compared to 2013.

Table 2  
Changes in Net Position

	2014	2013	Change
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$1,256,972	\$1,215,716	\$41,256
Operating Grants, Interest and Contributions	42,300	53,509	(11,209)
Total Program Revenues	<u>1,299,272</u>	<u>1,269,225</u>	<u>30,047</u>
General Revenues:			
Property Taxes	5,988,639	6,039,306	(50,667)
Grants and Entitlements			
Not Restricted to Specific Programs	2,655,969	2,685,043	(29,074)
Unrestricted Gifts and Contributions	6,645	32,197	(25,552)
Earnings on Investments	68,908	24,795	44,113
Miscellaneous	76,723	22,003	54,720
Total General Revenues	<u>8,796,884</u>	<u>8,803,344</u>	<u>(6,460)</u>
Total Revenues	<u>10,096,156</u>	<u>10,072,569</u>	<u>23,587</u>
<b>Program Expenses</b>			
Library Services:			
Public Services and Programs	3,910,711	3,836,827	73,884
Collection Development and Processing	2,300,663	1,910,823	389,840
Support Services:			
Facilities Operations and Maintenance	1,242,306	1,068,275	174,031
Information Services Support	895,868	1,071,654	(175,786)
Business Administration	1,532,428	1,416,663	115,765
Total Expenses	<u>9,881,976</u>	<u>9,304,242</u>	<u>\$577,734</u>
Increase in Net Position	214,180	768,327	
Net Position at Beginning of Year	<u>28,407,222</u>	<u>27,638,895</u>	
Net Position at End of Year	<u>\$28,621,402</u>	<u>\$28,407,222</u>	

**Governmental Activities**

The Library's general revenues are primarily property taxes and grants and entitlements not restricted to specific programs. These revenues represent 59 and 26 percent, respectively, of the total revenue received for the Library's activities during the year.

**WORTHINGTON LIBRARIES**  
**WORTHINGTON, OHIO**

Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
(Unaudited)

Overall, revenues increased \$23,587, mostly in program revenues. Program revenues are revenues that are derived directly from the program itself or from sources outside the government's tax base directly related to the program. There was an increase in charges for services in 2014. The Library receives a yearly reimbursement from CML for the operations of the Northwest Library based on the average of the costs of operations of three CML branches during the preceding year. An increase in this reimbursement, included in charges for services, was the result of CML experiencing higher operating costs in 2013 compared to 2012.

Total expenses increased \$577,734, due primarily to the expansion of Worthington Park Library and related increases to the costs of operation and to the increase in the circulating collection for all three locations. The decreases in information services were due to purchasing Smart Boards for each location and costs of a project to reorganize the server rooms in 2013.

If you look at the Statement of Activities on page 15, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major program expenses for governmental activities are for public services and programs. The next column of the statement entitled Program Revenues identifies amounts of revenues that are directly charged for the service provided by the Library. The Net (Expense) Revenue column compares the program revenues to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money primarily provided by local taxpayers. These net costs are paid from the general revenues which are presented at the bottom of the statement.

**The Library's Funds**

Information about the Library's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. The only major fund the Library has is the General Fund. Overall, fund balance in the General Fund increased \$355,397 in comparison with the prior year. Revenues remained fairly consistent with the prior year, increasing less than 1 percent. Expenditures increased \$537,603 from 2013. This increase is primarily the result of the increase in the circulating collection (both current types of materials and the addition of new types of materials) and to a lesser degree, increases to salaries and related benefits approved by the Board of Trustees.

During 2005, the Library passed a 2.6 mill property tax levy which has stabilized the Library's budget as well as provided funding for the renovation and remodeling projects. As part of the levy passage, the Library promised that fund balance would remain positive through 2018. This promise is subject to change due to decreased funding, such as reduced income from the Public Library Fund.

**General Fund Budgeting Highlights**

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Actual revenues were \$62,394 lower than final budgeted revenues primarily as a result of higher than expected property tax delinquencies and the early phase out of the personal property tax and public utility personal property tax. The variance between original and final budgeted revenues was insignificant.

**WORTHINGTON LIBRARIES**  
**WORTHINGTON, OHIO**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
(Unaudited)

Actual expenditures were \$1.07 million less than final budgeted expenditures as a result of conservative budgeting. The variance between original and final budgeted expenditures was insignificant.

**Capital Assets**

The Library's investment in capital assets at year-end was \$8.7 million, a decrease of \$32,846 in comparison with the prior year. This decrease represents the amount in which current year depreciation (\$304,288) and disposals (\$9,120) exceeded capital acquisitions (\$280,562).

Table 3 shows 2014 balances compared to 2013.

Table 3  
Capital Assets  
(Net of Depreciation)

	Governmental Activities		Change
	2014	2013	
Land	\$ 905,994	\$ 910,379	\$ (4,385)
Construction in Progress	-	162,645	(162,645)
Buildings and Improvements	7,246,453	7,342,096	(95,643)
Machinery and Equipment	539,071	308,390	230,681
Vehicles	-	854	(854)
Totals	\$ 8,691,518	\$ 8,724,364	\$ (32,846)

See Note 8 of the Notes to the Basic Financial Statements for more detailed information.

**Contacting the Library's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Margaret Doone, Chief Fiscal Officer/Business Manager, Worthington Libraries, 820 High Street, Worthington, OH 43085.

**WORTHINGTON LIBRARIES**

Worthington, Ohio  
Statement of Net Position  
December 31, 2014

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 19,019,868
Receivables:	
Property Taxes	7,849,927
Intergovernmental	1,305,201
Interest	11,947
Prepaid Items	97,860
Capital Assets:	
Nondepreciable	905,994
Depreciable, Net	7,785,524
Total Assets	<u>36,976,321</u>
<b>Liabilities</b>	
Accounts Payable	131,697
Accrued Wages and Benefits	139,162
Intergovernmental Payable	92,182
Vacation Leave Payable	270,608
Long-Term Liabilities:	
Due Within One Year	5,556
Due in More Than One Year	154,270
Total Liabilities	<u>793,475</u>
<b>Deferred Inflows of Resources:</b>	
Property Taxes	7,561,444
Total Deferred Inflows of Resources	<u>7,561,444</u>
<b>Net Position</b>	
Investment in Capital Assets	8,691,518
Restricted for:	
Support Services	10,827
Unrestricted	19,919,057
Total Net Position	<u>\$ 28,621,402</u>

See accompanying notes to the basic financial statements.

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**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Statement of Activities  
For the Year Ended December 31, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Library Services:				
Public Services and Programs	\$ 3,910,711	\$ 1,256,972	\$ 42,300	\$ (2,611,439)
Collection Development and Processing	2,300,663	-	-	(2,300,663)
Support Services:				
Facilities Operation and Maintenance	1,242,306	-	-	(1,242,306)
Information Services Support	895,868	-	-	(895,868)
Business Administration	1,532,428	-	-	(1,532,428)
Total Governmental Activities	<u>\$ 9,881,976</u>	<u>\$ 1,256,972</u>	<u>\$ 42,300</u>	<u>(8,582,704)</u>
		General Revenues:		
				5,988,639
				2,655,969
				6,645
				68,908
				76,723
				<u>8,796,884</u>
				214,180
				28,407,222
				<u>\$ 28,621,402</u>

See accompanying notes to the basic financial statements.

**WORTHINGTON LIBRARIES**

Worthington, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$ 18,764,891	\$ 254,977	\$ 19,019,868
Receivables:			
Property Taxes	7,849,927	-	7,849,927
Intergovernmental	1,305,201	-	1,305,201
Interest	11,947	-	11,947
Prepaid Items	78,990	18,870	97,860
Total Assets	<u>\$ 28,010,956</u>	<u>\$ 273,847</u>	<u>\$ 28,284,803</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 110,252	\$ 21,445	\$ 131,697
Accrued Wages and Benefits	139,162	-	139,162
Intergovernmental Payable	92,182	-	92,182
Total Liabilities	<u>341,596</u>	<u>21,445</u>	<u>363,041</u>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	7,561,444	-	7,561,444
Unavailable Revenue	1,326,228	-	1,326,228
Total Deferred Inflows of Resources	<u>8,887,672</u>	<u>-</u>	<u>8,887,672</u>
<b>Fund Balances:</b>			
Nonspendable:			
Prepaid Items	78,990	18,870	97,860
Restricted for:			
Support for Programs	-	10,827	10,827
Committed for:			
Compensated Absences	87,436	-	87,436
Assigned for:			
Capital Asset Replacement	-	222,705	222,705
Library Services	217,873	-	217,873
Support Services	11,298	-	11,298
Unassigned	18,386,091	-	18,386,091
Total Fund Balances	<u>18,781,688</u>	<u>252,402</u>	<u>19,034,090</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 28,010,956</u>	<u>\$ 273,847</u>	<u>\$ 28,284,803</u>

See accompanying notes to the basic financial statements.



**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Reconciliation of Total Governmental Fund Balances  
To Net Position of Governmental Activities  
December 31, 2014

<b>Total Governmental Fund Balances</b>	<b>\$ 19,034,090</b>
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	8,691,518
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds.	
Property Taxes Receivable	190,667
Intergovernmental Receivable	1,125,777
Interest Receivable	9,784
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences payable	(430,434)
<b>Net Position of Governmental Activities</b>	<b>\$ 28,621,402</b>

See accompanying notes to the basic financial statements.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property Taxes	\$ 6,063,442	\$ -	\$ 6,063,442
Intergovernmental	2,692,035	-	2,692,035
Patron Fines and Fees	224,929	-	224,929
Investment Earnings	59,124	-	59,124
Services Provided to Other Entities	1,032,043	-	1,032,043
Contributions, Gifts and Donations	6,645	42,300	48,945
Miscellaneous	33,382	-	33,382
<b>Total Revenues</b>	<b>10,111,600</b>	<b>42,300</b>	<b>10,153,900</b>
<b>Expenditures:</b>			
Current:			
Library Services:			
Public Services and Programs	3,701,382	46,569	3,747,951
Collection Development and Processing	2,286,637	-	2,286,637
Support Services:			
Facilities Operation and Maintenance	820,597	-	820,597
Information Services Support	755,387	70,169	825,556
Business Administration	1,504,000	-	1,504,000
Capital Outlay	72,442	571,552	643,994
<b>Total Expenditures</b>	<b>9,140,445</b>	<b>688,290</b>	<b>9,828,735</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	971,155	(645,990)	325,165
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Capital Assets	52,461	-	52,461
Transfers In	-	668,219	668,219
Transfers Out	(668,219)	-	(668,219)
<b>Total Other Financing Sources (Uses)</b>	<b>(615,758)</b>	<b>668,219</b>	<b>52,461</b>
Net Change in Fund Balances	355,397	22,229	377,626
Fund Balance at Beginning of Year	18,426,291	230,173	18,656,464
Fund Balance at End of Year	<b>\$ 18,781,688</b>	<b>\$ 252,402</b>	<b>\$ 19,034,090</b>

See accompanying notes to the basic financial statements.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances to the Statement of Activities  
Governmental Funds  
For the Year Ended December 31, 2014

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	377,626
 <i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
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 as depreciation expense.		
	Capital Outlays	280,562
	Depreciation Expense	(304,288)
 The effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and disposals) is to decrease net position.		
		(9,120)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(101,085)
 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.		
	Compensated Absences	<u>(29,515)</u>
 <b>Change in Net Position of Governmental Activities</b>	 \$	 <u><u>214,180</u></u>

See accompanying notes to the basic financial statements.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance (Over)/Under
<b>Revenues</b>				
Property Taxes	\$ 6,022,175	\$ 6,481,936	\$ 5,965,626	\$ (516,310)
Intergovernmental	2,743,026	2,292,719	2,682,597	389,878
Patron Fines and Fees	224,000	224,000	224,929	929
Investment Earnings	35,000	40,000	63,082	23,082
Services Provided to Other Entities	992,715	1,032,043	1,032,043	-
Contributions, Gifts and Donations	-	-	6,645	6,645
Miscellaneous	-	-	33,382	33,382
Total Revenues	<u>10,016,916</u>	<u>10,070,698</u>	<u>10,008,304</u>	<u>(62,394)</u>
<b>Expenditures</b>				
Current:				
Library Services:				
Public Services and Programs	3,833,461	3,837,570	3,686,374	151,196
Collection Development and Processing	2,683,046	2,685,678	2,540,774	144,904
Support Services:				
Facilities Operation and Maintenance	1,143,839	1,144,985	931,606	213,379
Information Services Support	764,423	765,234	714,182	51,052
Business Administration	1,835,631	1,837,582	1,517,470	320,112
Capital Outlay	91,086	110,086	72,442	37,644
Contingency	150,000	150,000	-	150,000
Total Expenditures	<u>10,501,486</u>	<u>10,531,135</u>	<u>9,462,848</u>	<u>1,068,287</u>
Excess of Revenues Over (Under) Expenditures	(484,570)	(460,437)	545,456	1,005,893
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	-	-	52,461	52,461
Transfers Out	(675,024)	(748,519)	(748,519)	-
Total Other Financing Sources (Uses)	<u>(675,024)</u>	<u>(748,519)</u>	<u>(696,058)</u>	<u>52,461</u>
Net Change in Fund Balance	(1,159,594)	(1,208,956)	(150,602)	1,058,354
Fund Balances at Beginning of Year, (Restated)	18,063,293	18,063,293	18,063,293	-
Prior Year Encumbrances Appropriated	446,422	446,422	446,422	-
Fund Balances at End of Year	<u>\$ 17,350,121</u>	<u>\$ 17,300,759</u>	<u>\$ 18,359,113</u>	<u>\$ 1,058,354</u>

See accompanying notes to the basic financial statements.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

**NOTE 1 – DESCRIPTION OF THE LIBRARY AND REPORTING ENTITY**

Worthington Libraries, Franklin County, Ohio (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library is directed by a seven member Board of Trustees appointed by the Worthington City School District Board of Education. The Library provides the community with various educational and literary resources. Currently Worthington Libraries consists of three branches, Old Worthington Library, Worthington Park Library, and the Northwest Library.

The Library is fiscally independent of the Worthington City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy and the role and purpose(s) of the levy are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

Under the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 14, “The Financial Reporting Entity”, GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14”, and Statement No. 61, “Omnibus-an amendment of GASB Statements No. 14 and No. 34”, the Library is considered to be a related organization of the Worthington City School District.

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. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Library. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library has no component units.

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

The financial statements of Worthington Libraries have been prepared in conformity with accounting principles generally accepted in the United States of America (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.

**a. Basis of Presentation**

The Library’s basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

*Government-Wide Financial Statements*

The Statement of Net Position and the Statement of Activities display information about the Library as a whole. The Statement of Net Position presents the financial condition of the governmental activities of the Library at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues which are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental 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. The Library's funds are all classified as governmental.

*Governmental Funds*

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the 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 and deferred inflows of resources is reported as fund balance. The following is the Library's major fund:

**General Fund:** This fund accounts 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 expenditures related to building projects funded by transfers from the general fund and support to children, teen, and adult programming funded by the Friends Foundation Fund.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

**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, liabilities and deferred inflows of resources associated with the operation of the Library are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

*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, current liabilities and deferred inflows of resources 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**

The 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 the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, 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 that the amount of the transaction can be determined and “available” means that the resources are collectible 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.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

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

*Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Library, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Library unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

*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 costs, such as depreciation and amortization, are not recognized in governmental funds.

**e. Cash and Investments**

To improve cash management, cash received by the Library is pooled. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements. Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

During 2014, the Library invested in negotiable certificates of deposits, federal agency securities, a U.S. government money market account and the State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at fair value which is based on quoted market price. 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 net assets value per share which is the price the investment could be sold for on December 31, 2014.

Following Ohio statutes, the Board of Trustees specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during 2014 were \$59,124, including \$1,063 assigned from other Library funds.



**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

**f. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**g. Capital Assets**

The Library’s only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. General capital assets usually result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement costs back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Library maintains a capitalization threshold of \$5,000. 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. In addition, library books are reflected as expenses when purchased and are not capitalized as assets of the Library.

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

Description	Estimated Lives
Buildings and Improvements	20-100 years
Machinery and Equipment	5-20 years
Vehicles	8 years

**h. Compensated Absences**

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

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

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

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

**i. Fund Balance**

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

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

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

Committed – The committed classification includes amounts that can be used for the specific purposes imposed by a formal action (resolution) of the Board of Trustees. The committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. 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 underlying revenue; therefore, compliance with these constraints is 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. These amounts are assigned by the Board of Trustees. In the General Fund, assigned amounts represent intended uses established by the Board of Trustees, or a library official delegated that authority by State statute. State statute authorizes the Chief Fiscal Officer/Business Manager to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

The Library applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted fund balance/net position are available. The Library considers committed, assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

**j. Net Position**

Net position represents the difference between all other elements in a statement of financial position. Investment in capital assets consists of capital assets, net of accumulated depreciation. This amount is usually presented as net of related debt, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets; however the Library has no debt. The Library applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**k. 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.

**l. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The budget documents prepared by the Library are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Trustees may appropriate. The appropriations resolution is the Board of Trustees' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established at the fund, program, and object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Trustees.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Chief Fiscal Officer/Business Manager. 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 set forth in the budgetary statements and schedules as final budgeted amounts represent amounts from the amended certificate in force at the time final appropriations were passed by the Board of Trustees.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

**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, 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 a liability in the fund financial statements only to the extent that they are due for payment during the current year.

**n. Estimates**

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

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

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

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

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
- Investments are reported at fair value (GAAP basis) rather than at cost (budget basis).
- Some funds are included in the general fund (GAAP basis), but have legally adopted budgets, (budget basis).

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

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

Net Change in Fund Balance	
	General Fund
GAAP Basis	\$355,397
Revenue Accruals	(103,296)
Expenditure Accruals	(14,417)
Adjustment for Encumbrances	(339,423)
Funds Budgeted Elsewhere	(48,863)
Budget Basis	(\$150,602)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the termination benefits fund.

**NOTE 4 – DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury Notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other 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;
3. Written repurchase agreements in the securities listed above;
4. Commercial paper and bankers acceptances if trading requirements have been met;
5. Bonds and other obligations of the State of Ohio;

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

6. No-load money market mutual funds consisting exclusively of obligations describe in division (1) or (2) above; and
7. The State Treasurer’s investment pool (STAROhio).

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:**

At December 31, 2014, the carrying amount of the Library’s deposits was \$92,722 and the bank balance was \$281,185. The Library’s entire bank balance was covered by Federal Deposit Insurance. In addition, the Library had change funds totaling \$3,576 at year-end.

**Investments**

As of December 31, 2014, the Library’s had the following investments:

	Fair Value	Credit Rating	Maturity in Years		
			less than 1	1-3	3-5
STAR Ohio	\$ 8,837,243	AAAm	\$ 8,837,243	\$ -	\$ -
FFCB	544,654	AA+	-	544,654	-
FNMA	288,254	AA+	-	288,254	-
FHLB	273,444	AA+	-	-	273,444
Negotiable Certificates of Deposit	8,700,400	NR	3,981,950	4,718,450	-
Money Market Fund	279,575	NR	279,575	-	-
Total	<u>\$ 18,923,570</u>		<u>\$ 13,098,768</u>	<u>\$ 5,551,358</u>	<u>\$ 273,444</u>

*Interest Rate Risk*

The Library’s investment policy does not address interest rate risk. State statute requires that an investment 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 to maturity. The Library’s policy also states that, to the extent possible and prudent, the Library will attempt to match its investment maturities with anticipated cash flow requirements.

*Credit Risk*

STAR Ohio carries a rating of AAAM by Standard and Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposit are in denominations of under \$250,000 each, in separate banks, and are insured by the Federal Deposit Insurance Corporation (FDIC). The negotiable certificates of deposit are, therefore, not subject to credit risk. The Library’s investment policy states that credit risk will be minimized by diversifying assets and ensuring that the minimum credit quality ratings required by Ohio Law exist.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

*Custodial Credit Risk*

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Library’s securities are either insured and registered in the name of the Library or at least registered in the name of the Library. The Library has no investment policy dealing with investment custodial risk beyond the requirement in State statute the prohibits the payments for investment prior to the delivery of the securities representing such investments to the Fiscal Officer/CEO or qualified trustee.

**NOTE 5 – PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the Library district. Property tax revenues received during 2014 for real and public utility property taxes represents collections of the 2013 taxes.

2014 real property taxes are levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015 operations.

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 alternate 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. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2014, was \$4.80 per \$1,000 of assessed value. The assessed values of real property and public utility property, upon which 2014 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	\$1,744,650,250
Public Utility Personal	35,896,610
Totals	\$1,780,546,860

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

**NOTE 5 – PROPERTY TAXES (continued)**

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 collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2014, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2014 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**NOTE 6 – GRANTS-IN-AID**

A major source of revenue for Ohio public libraries is the Public Library Fund (PLF). The source of money for this fund comes from a percentage of the State taxes collected in Ohio including State income tax and sales tax. During the first half of 2014, the PLF was distributed at approximately the same amounts distributed during the first half of 2013. During the second half of 2014, the PLF was based on 1.66 percent of the State’s General Revenue Fund tax revenue. The Franklin County Budget Commission allocates these funds to the Library based on a formula that was negotiated and agreed to by the seven public libraries located in the county. The County Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

**NOTE 7 – RECEIVABLES**

Receivables at December 31, 2014, consisted of property taxes, interest, and intergovernmental receivables. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of State programs. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amounts</u>
Public Library Fund	\$1,079,865
Homestead and Rollback	225,336
Total	<u><u>\$1,305,201</u></u>



**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

**NOTE 8 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended December 31, 2014, was as follows:

	Balance at 12/31/2013	Additions	Deletions	Balance At 12/31/2014
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 910,379	\$ -	\$ (4,385)	\$ 905,994
Construction in Progress	162,645	15,673	(178,318)	-
Total Capital Assets, Not Being Depreciated	<u>1,073,024</u>	<u>15,673</u>	<u>(182,703)</u>	<u>905,994</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	10,585,405	155,451	(11,596)	10,729,260
Machinery and Equipment	989,659	287,756	(61,932)	1,215,483
Vehicles	18,300	-	-	18,300
Total Capital Assets, Being Depreciated	<u>11,593,364</u>	<u>443,207</u>	<u>(73,528)</u>	<u>11,963,043</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,243,309)	(246,359)	6,861	(3,482,807)
Machinery and Equipment	(681,269)	(57,075)	61,932	(676,412)
Vehicles	(17,446)	(854)	-	(18,300)
Total Accumulated Depreciation	<u>(3,942,024)</u>	<u>(304,288)</u>	<u>68,793</u>	<u>(4,177,519)</u>
Capital Assets, Being Depreciated, Net	<u>7,651,340</u>	<u>138,919</u>	<u>(4,735)</u>	<u>7,785,524</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,724,364</u>	<u>\$ 154,592</u>	<u>\$ (187,438)</u>	<u>\$ 8,691,518</u>

Depreciation expense was charged to governmental programs as follows:

Library Services:	
Public Services and Programs	\$157,042
Collection Development and Processing	2,998
Support Services:	
Facilities Operations and Maintenance	58,059
Information Services Support	68,574
Business Administration	17,615
Total Depreciation Expense	<u>\$304,288</u>

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

**NOTE 9 – RISK MANAGEMENT**

**Property and Liability**

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2014, the Library contracted with the Lauterbach & Eilber Company. The commercial package policy includes coverage for commercial property, commercial inland marine, commercial general liability, commercial crime, commercial automobile, and a commercial umbrella through Ohio Casualty.

Commercial property consists of a \$16,299,405 blanket policy that covers buildings, business personal property, property of others, and equipment breakdown. It includes earthquake damage with sublimits of \$4,000,000 at Old Worthington Library and \$5,000,000 at Northwest Library and is a replacement cost valuation. Water backup from sewers and drains is covered with a \$100,000 limit at Old Worthington Library and a \$25,000 limit at Northwest Library, with a \$1,000 deductible per occurrence.

A commercial inland marine policy covers valuable papers and records. It has a \$5,540,000 limit on books, \$2,060,000 limit on audio/visual equipment with a \$250 deductible, and \$250,000 limit on fine arts with a \$1,000 deductible. It covers all risk of direct physical loss at a cash value valuation.

Commercial general liability coverage provides \$2,000,000 general aggregate coverage for bodily injury and property damage, with a \$1,000,000 limit for each occurrence. Claims coverage for products and completed operations aggregate is in place for \$2,000,000, \$1,000,000 for personal and advertising injury, \$300,000 fire damage limit, and \$15,000 medical expense limit for any one person. A \$2,000,000 policy is in place for aggregate Employer Liability (Ohio Stop Gap) with Intentional Tort coverage, with a \$500,000 limit for each accident, each employee and aggregate limit. There is also a \$2,000,000 commercial umbrella policy.

The commercial automobile policy has a \$100 comprehensive deductible and a \$250 collision deductible. This insurance includes a bodily injury and property damage combined single limit of \$1,000,000 bodily injury and property damage limit, with a \$1,000,000 non-owned and hired auto liability, a \$50,000 hired car physical damage, \$1,000,000 uninsured/underinsured motorist, \$5,000 medical payments, and a \$1,000 rental reimbursement.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

**Directors and Officers**

A directors' and officers' insurance policy through the Philadelphia Insurance Company is in place providing a \$1,000,000 limit per loss, \$1,000,000 employment practices liability limit, \$1,000,000 aggregate for each policy period, and a \$5,000 deductible. Internet liability is limited to \$1,000,000 with a \$1,000 deductible. Claims are paid on a claims made basis, retroactive to May 1, 2005.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

Plan Description – The Library 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 visiting <https://www.opers.org/investments/cafr.shtml>, 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. 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, 2014, members in state and local divisions contributed 10 percent of covered payroll for state and local employer units. For 2014, member and employer contribution rates were consistent across all three plans.

The Library's 2014 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. For 2014, the portion of employer contribution allocated to health care was 2.0 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2.0 percent. 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, 2014, 2013, and 2012 were \$542,148, \$554,219, and \$414,636, respectively. For 2014, 89 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the Member-Directed Plan for 2014 were \$34,839 made by the Library and \$24,885 made by plan members.

**NOTE 11 – 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.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

**NOTE 11 – 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, prescription drug program and Medicare Part B premium reimbursement.

In order 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 the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, 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 post-employment health care plan was established under, and is administrated 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 contributions to OPERS. A portion of each employer's contribution to 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 2014, 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 of post-employment health care benefits. For 2014, the portion of employer contributions allocated to health care for members in the Traditional Plan and the Combined Plan was 2.0 percent. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2.0 percent for both plans, as recommended by the OPERS Actuary.

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, 2014, 2013, and 2012 were \$90,358, \$42,632, and \$165,854, respectively. For 2014, 89 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2013, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0 percent of the employer contributions toward the health care fund after the end of the transition period.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

**NOTE 12 – OTHER EMPLOYEE BENEFITS**

**Insurance Benefits**

The Library provides health, dental and vision coverage to all employees with designated position hours of at least 20 hours per week through Anthem, Ameritas, and Vision Service Plan, respectively. An Employee Assistance Program through MATRIX is also available.

**Compensated Absences**

*Accumulated Unpaid Vacation*

Library employees earn vacation leave at varying rates based upon length of service and position hours. Vacation can accumulate to a maximum of one and one-half times the employee's current annual accrual calculated on the designated position hours. Vacation hours earned in excess of that amount are forfeited. If an employee with at least one year of service terminates employment, 100 percent of unused vacation leave is paid. Employees who leave with less than one year of service forfeit any accumulated unused vacation time. Any vacation time used in the first year must be repaid if an employee resigns with less than one year of service.

*Accumulated Unpaid Sick Leave*

Library employees earn sick leave at the rate of four and six tenths hours per 74 hours of service. Sick leave is cumulative up to 25.9 times the designated position's number of hours worked per week (i.e., 37 hours times 25.9 = 960). Hours earned in excess of the maximum are forfeited. Employees who voluntarily terminate employment after 10 years of service with the Library will be paid 25 percent of their accumulated sick leave balance, up to a maximum payment of 240 hours. In the case of death, an employee's estate is paid 50 percent of accumulated available sick leave hours if the employee had 10 years of service with the Library.

*Accumulated Unpaid Floating Holidays*

Library employees earn floating holiday pay based on position hours for Martin Luther King, Jr. Day, Presidents' Day and Veterans' Day, holidays in which the Library is open. These hours can be scheduled as time off with pay much like vacation and must be used before vacation time is used. An employee may accumulate no more than three floating holidays. If an employee terminates employment, 100 percent of unused floating holiday leave is paid.

**Deferred Compensation**

Library employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

**NOTE 13 – LONG-TERM OBLIGATIONS**

The changes in the Library’s long-term obligations during 2014 were as follows:

	Amount Outstanding 12/31/2013	Additions	Deletions	Amount Outstanding 12/31/2014	Amounts Due in One Year
Compensated Absences	\$ 138,943	\$ 33,239	\$ 12,356	\$ 159,826	\$ 5,556

Compensated absences will be paid from General Fund.

**NOTE 14 – INTERFUND TRANSFERS**

Interfund transfers at December 31, 2014 were as follows:

	Transfers-In	Transfers-Out
General Fund	\$ -	\$ 668,219
Nonmajor Governmental Funds	668,219	-
Total Transfers	\$ 668,219	\$ 668,219

The Library transferred cash to Nonmajor Governmental Funds from the General Fund to cover the replacement of the security and access system, technology purchases and maintenance and repairs. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**NOTE 15 – CONTINGENCIES**

**Grants**

The Library receives financial assistance from State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through December 31, 2014 will not have a material adverse effect on the Library.

**Litigation**

The Library is not currently a defendant in any legal case.

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

**NOTE 16 – SIGNIFICANT COMMITMENTS**

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$339,423
Other Governmental Funds	<u>33,715</u>
Total	<u>\$373,138</u>

**NOTE 17 – CHANGES IN ACCOUNTING PRINCIPLES**

For the year ended December 31, 2014, the Library has implemented the following:

GASB Statement No. 69 “Government Combinations and Disposals of Government Operations” establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement was implemented in the Library’s 2014 financial statements; however, there was no effect.

GASB Statement No. 70 “Accounting and Financial Reporting for Nonexchange Financial Guarantees” enhances comparability of financial statements by requiring consistent reporting by those governmental entities that extend nonexchange financial guarantees and by those governmental entities that receive nonexchange financial guarantees. This Statement was implemented in the Library’s 2014 financial statements; however, there was no effect.

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COMBINING FINANCIAL STATEMENTS  
AND  
INDIVIDUAL FUND SCHEDULES

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## **WORTHINGTON LIBRARIES**

Worthington, Ohio  
Nonmajor Fund Descriptions

### **Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

#### **Nonmajor Special Revenue Fund**

##### **Friends Foundation Fund**

This fund is used to account for monies that are restricted and received from the Friends Foundation of Worthington Libraries to support children, teen, and adult programming, along with staff support.

### **Capital Projects Funds**

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

#### **Nonmajor Capital Projects Funds**

##### **Building Fund**

To account for and report expenditures related to building projects, including improvements to the Library and construction of new facilities which are financed by transfers from the General Fund.

##### **Technology Fund**

To account for and report expenditures related to purchases of computing and network technology as well as other office equipment which are financed by transfers from the General Fund.

**WORTHINGTON LIBRARIES**

Worthington, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Totals
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$ 12,752	\$ 242,225	\$ 254,977
Prepaid Items	-	18,870	18,870
Total Assets	<u>\$ 12,752</u>	<u>\$ 261,095</u>	<u>\$ 273,847</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 1,925	\$ 19,520	\$ 21,445
Total Liabilities	<u>1,925</u>	<u>19,520</u>	<u>21,445</u>
<b>Fund Balances:</b>			
Nonspendable:			
Prepaid Items	-	18,870	18,870
Restricted for:			
Support for Programs	10,827	-	10,827
Assigned for:			
Capital Asset Replacement	-	222,705	222,705
Total Fund Balances	<u>10,827</u>	<u>241,575</u>	<u>252,402</u>
Total Liabilities and Fund Balance	<u>\$ 12,752</u>	<u>\$ 261,095</u>	<u>\$ 273,847</u>

**WORTHINGTON LIBRARIES**

Worthington, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues:</b>			
Contributions, Gifts and Donations	\$ 42,300	\$ -	\$ 42,300
Total Revenues	<u>42,300</u>	<u>-</u>	<u>42,300</u>
<b>Expenditures:</b>			
Current:			
Library Services:			
Public Services and Programs	46,569	-	46,569
Support Services:			
Information Services Support	-	70,169	70,169
Capital Outlay	-	571,552	571,552
Total Expenditures	<u>46,569</u>	<u>641,721</u>	<u>688,290</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,269)	(641,721)	(645,990)
<b>Other Financing Sources:</b>			
Transfers In	-	668,219	668,219
Total Other Financing Sources	<u>-</u>	<u>668,219</u>	<u>668,219</u>
Net Change in Fund Balances	(4,269)	26,498	22,229
Fund Balance at Beginning of Year	15,096	215,077	230,173
Fund Balance at End of Year	<u>\$ 10,827</u>	<u>\$ 241,575</u>	<u>\$ 252,402</u>

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2014

	Building Fund	Technology Fund	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$ 163,727	\$ 78,498	\$ 242,225
Prepaid Items	-	18,870	18,870
Total Assets	<u>\$ 163,727</u>	<u>\$ 97,368</u>	<u>\$ 261,095</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 9,837	\$ 9,683	\$ 19,520
Total Liabilities	<u>9,837</u>	<u>9,683</u>	<u>19,520</u>
<b>Fund Balances:</b>			
Nonspendable:			
Prepaid Items	-	18,870	18,870
Assigned for:			
Capital Asset Replacement	153,890	68,815	222,705
Total Fund Balances	<u>153,890</u>	<u>87,685</u>	<u>241,575</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 163,727</u>	<u>\$ 97,368</u>	<u>\$ 261,095</u>

**WORTHINGTON LIBRARIES**

Worthington, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2014

	Building Fund	Technology Fund	Total Nonmajor Capital Projects Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues:</b>			
Total Revenues	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
Support Services:			
Information Services Support	-	70,169	70,169
Capital Outlay	300,842	270,710	571,552
Total Expenditures	<u>300,842</u>	<u>340,879</u>	<u>641,721</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(300,842)	(340,879)	(641,721)
<b>Other Financing Sources:</b>			
Transfers In	272,835	395,384	668,219
Total Other Financing Sources	<u>272,835</u>	<u>395,384</u>	<u>668,219</u>
Net Change in Fund Balances	(28,007)	54,505	26,498
Fund Balance at Beginning of Year	181,897	33,180	215,077
Fund Balance at End of Year	<u>\$ 153,890</u>	<u>\$ 87,685</u>	<u>\$ 241,575</u>

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance (Over)/Under
<b>Revenues</b>				
Property Taxes	\$ 6,022,175	\$ 6,481,936	\$ 5,965,626	\$ (516,310)
Intergovernmental	2,743,026	2,292,719	2,682,597	389,878
Fines and Fees	224,000	224,000	224,929	929
Investment Earnings	35,000	40,000	63,082	23,082
Charges for Services	992,715	1,032,043	1,032,043	-
Contributions and Donations	-	-	6,645	6,645
Miscellaneous	-	-	33,382	33,382
Total Revenues	<u>10,016,916</u>	<u>10,070,698</u>	<u>10,008,304</u>	<u>(62,394)</u>
<b>Expenditures</b>				
Library Services:				
Public Services and Programs				
Personal Services	3,784,926	3,788,982	3,659,691	129,291
Materials and Supplies	9,490	9,500	6,898	2,602
Contractual Services	38,444	38,486	19,637	18,849
Other	601	602	148	454
Total Public Services and Programs	<u>3,833,461</u>	<u>3,837,570</u>	<u>3,686,374</u>	<u>151,196</u>
Collection Development and Processing				
Personal Services	436,199	436,667	435,512	1,155
Materials and Supplies	32,435	32,466	29,236	3,230
Contractual Services	166,582	166,747	162,172	4,575
Purchased Library Services	2,047,830	2,049,798	1,913,854	135,944
Total Collection Development and Processing	<u>2,683,046</u>	<u>2,685,678</u>	<u>2,540,774</u>	<u>144,904</u>
Support Services:				
Facilities Operation and Maintenance				
Personal Services	72,017	72,094	71,803	291
Materials and Supplies	66,292	66,360	42,361	23,999
Contractual Services	1,005,530	1,006,531	817,442	189,089
Total Facilities Operation and Maintenance	<u>1,143,839</u>	<u>1,144,985</u>	<u>931,606</u>	<u>213,379</u>
Information Services Support				
Personal Services	401,908	402,339	382,624	19,715
Materials and Supplies	15,001	15,017	14,912	105
Contractual Services	174,492	174,678	164,965	9,713
Purchased Library Services	173,022	173,200	151,681	21,519
Total Information Services Support	<u>764,423</u>	<u>765,234</u>	<u>714,182</u>	<u>51,052</u>



**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Business Administration				
Personal Services	1,314,718	1,316,128	1,185,324	130,804
Materials and Supplies	35,111	35,145	19,169	15,976
Contractual Services	469,121	469,609	298,135	171,474
Purchased Library Services	999	1,000	417	583
Other	15,682	15,700	14,425	1,275
Total Business Administration	<u>1,835,631</u>	<u>1,837,582</u>	<u>1,517,470</u>	<u>320,112</u>
Capital Outlay	91,086	110,086	72,442	37,644
Contingency	150,000	150,000	-	150,000
Total Expenditures	<u>10,501,486</u>	<u>10,531,135</u>	<u>9,462,848</u>	<u>1,068,287</u>
Excess of Revenues Over (Under) Expenditures	(484,570)	(460,437)	545,456	1,005,893
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	-	-	52,461	52,461
Transfers Out	(675,024)	(748,519)	(748,519)	-
Total Other Financing Sources (Uses)	<u>(675,024)</u>	<u>(748,519)</u>	<u>(696,058)</u>	<u>52,461</u>
Net Change in Fund Balance	(1,159,594)	(1,208,956)	(150,602)	1,058,354
Fund Balances at Beginning of Year	18,063,293	18,063,293	18,063,293	-
Prior Year Encumbrances Appropriated	446,422	446,422	446,422	-
Fund Balances at End of Year	<u>\$ 17,350,121</u>	<u>\$ 17,300,759</u>	<u>\$ 18,359,113</u>	<u>\$ 1,058,354</u>

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Friend's Foundation Fund  
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance (Over)/Under
<b>Revenues</b>				
Contributions and Donations	\$ 50,960	\$ 42,300	\$ 42,300	\$ -
Total Revenues	<u>50,960</u>	<u>42,300</u>	<u>42,300</u>	<u>-</u>
<b>Expenditures</b>				
Library Services:				
Public Services and Programs				
Materials and Supplies	33,791	31,510	23,433	8,077
Contractual Services	26,848	25,062	23,173	1,889
Other	1,202	1,129	842	287
Total Expenditures	<u>61,841</u>	<u>57,701</u>	<u>47,448</u>	<u>10,253</u>
Net Change in Fund Balance	(10,881)	(15,401)	(5,148)	10,253
Fund Balances at Beginning of Year	14,811	14,811	14,811	-
Prior Year Encumbrances Appropriated	881	881	881	-
Fund Balances at End of Year	<u>\$ 4,811</u>	<u>\$ 291</u>	<u>\$ 10,544</u>	<u>\$ 10,253</u>

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Building Fund  
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance (Over)/Under
<b>Revenues</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Capital Outlay	626,635	648,135	632,329	15,806
Total Expenditures	626,635	648,135	632,329	15,806
Excess of Revenues Over (Under) Expenditures	(626,635)	(648,135)	(632,329)	15,806
<b>Other Financing Sources (Uses)</b>				
Transfers In	272,835	272,835	272,835	-
Total Other Financing Sources (Uses)	272,835	272,835	272,835	-
Net Change in Fund Balance	(353,800)	(375,300)	(359,494)	15,806
Fund Balances at Beginning of Year	159,261	159,261	159,261	-
Prior Year Encumbrances Appropriated	353,800	353,800	353,800	-
Fund Balances at End of Year	<u>\$ 159,261</u>	<u>\$ 137,761</u>	<u>\$ 153,567</u>	<u>\$ 15,806</u>

**WORTHINGTON LIBRARIES**  
Worthington, Ohio  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Technology Fund  
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance (Over)/Under
<b>Revenues</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Support Services:				
Information Services Support				
Contractual Services	85,377	102,383	80,213	22,170
Total Information Services Support	85,377	102,383	80,213	22,170
Capital Outlay	301,617	317,167	282,185	34,982
Total Expenditures	386,994	419,550	362,398	57,152
Excess of Revenues Over (Under) Expenditures	(386,994)	(419,550)	(362,398)	57,152
<b>Other Financing Sources (Uses)</b>				
Transfers In	376,889	395,384	395,384	-
Total Other Financing Sources (Uses)	376,889	395,384	395,384	-
Net Change in Fund Balance	(10,105)	(24,166)	32,986	57,152
Fund Balances at Beginning of Year	14,061	14,061	14,061	-
Prior Year Encumbrances Appropriated	10,105	10,105	10,105	-
Fund Balances at End of Year	\$ 14,061	\$ -	\$ 57,152	\$ 57,152

## STATISTICAL SECTION

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**WORTHINGTON LIBRARIES**  
WORTHINGTON, OHIO  
Statistical Section

This part of Worthington Libraries' 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>
Financial Trends	56-63
These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	
Revenue Capacity	64-69
These schedules contain information to help the reader assess the Library's most significant local revenue source, property taxes.	
Debt Capacity	70-71
These schedules present information to help the reader assess the affordability of the Library's current levels of outstanding debt and the Library's ability to issue additional debt in the future.	
Demographic and Economic Information	72-75
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Library's financial activities take place.	
Operating information	76-79
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 2006. Schedules presenting government-wide information include information beginning in that year.

**Worthington Libraries**  
*Worthington, Ohio*  
*Net Position by Component*  
*Last Ten Years*  
*(accrual basis of accounting)*

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:				
Investment in Capital Assets	\$5,318,075	\$6,251,668	\$7,657,472	\$8,984,473
Restricted	0	0	0	0
Unrestricted	<u>5,251,015</u>	<u>8,501,531</u>	<u>11,506,214</u>	<u>11,421,601</u>
<i>Total Governmental Activities Net Position</i>	<u><u>\$10,569,090</u></u>	<u><u>\$14,753,199</u></u>	<u><u>\$19,163,686</u></u>	<u><u>\$20,406,074</u></u>



2009	2010	2011	2012	2013	2014
\$8,970,855	\$8,774,284	\$8,572,236	\$8,417,136	\$8,724,364	\$8,691,518
0	6,882	9,380	9,775	15,096	10,827
12,923,458	15,956,351	17,692,236	19,211,984	19,667,762	19,919,057
<u>\$21,894,313</u>	<u>\$24,737,517</u>	<u>\$26,273,852</u>	<u>\$27,638,895</u>	<u>\$28,407,222</u>	<u>\$28,621,402</u>

**Worthington Libraries**  
*Worthington, Ohio*  
*Changes in Net Position*  
*Last Nine Years*  
*(accrual basis of accounting)*

	2006	2007	2008	2009
<b>Expenses:</b>				
Library Services:				
Public Services and Programs	\$3,206,853	\$3,038,715	\$4,781,710	\$3,736,517
Collection Development and Processing	1,772,553	1,689,935	2,157,159	1,894,589
Support Services:				
Facilities Operations and Maintenance	586,224	574,752	737,269	723,911
Information Services Support	284,985	659,351	806,923	874,146
Business Administration	1,293,803	1,392,180	1,366,640	1,380,683
Debt Service:				
Interest and Fiscal Charges	27,115	0	0	0
<i>Total Expenses</i>	7,171,533	7,354,933	9,849,701	8,609,846
<b>Program Revenues:</b>				
Charges for Services:				
Library Services:				
Public Services and Programs	1,036,985	1,031,340	1,101,263	1,074,701
Operating Grants, Contributions, and Interest	0	0	0	0
<i>Total Program Revenues</i>	1,036,985	1,031,340	1,101,263	1,074,701
<i>Net Expenses</i>	(6,134,548)	(6,323,593)	(8,748,438)	(7,535,145)
<b>General Revenues:</b>				
Governmental Activities:				
Property Taxes	7,136,074	6,670,931	6,286,953	6,005,216
Grants and Entitlements not				
Restricted to Specific Programs	2,831,055	3,543,453	3,405,030	2,961,045
Unrestricted Gifts and Donations	825	18,828	3,661	5,222
Earnings on Investments	342,779	496,133	276,844	33,384
Miscellaneous	7,924	4,735	18,338	18,517
<i>Total General Revenues</i>	10,318,657	10,734,080	9,990,826	9,023,384
<i>Change in Net Position</i>	\$4,184,109	\$4,410,487	\$1,242,388	\$1,488,239

2010	2011	2012	2013	2014
\$3,564,762	\$3,703,955	\$3,750,218	\$3,836,827	\$3,910,711
2,033,738	1,925,179	1,943,464	1,910,823	2,300,663
762,761	1,049,211	977,008	1,068,275	1,242,306
970,701	802,472	931,896	1,071,654	895,868
1,385,264	1,307,710	1,372,469	1,416,663	1,532,428
0	0	0	0	0
8,717,226	8,788,527	8,975,055	9,304,242	9,881,976
1,011,213	1,277,288	1,282,481	1,215,716	1,256,972
26,965	32,079	43,552	53,509	42,300
1,038,178	1,309,367	1,326,033	1,269,225	1,299,272
(7,679,048)	(7,479,160)	(7,649,022)	(8,035,017)	(8,582,704)
6,149,886	6,071,068	6,134,283	6,039,306	5,988,639
4,276,501	2,916,271	2,817,570	2,685,043	2,655,969
2,582	8,062	30,588	32,197	6,645
15,674	9,405	23,717	24,795	68,908
77,609	10,689	7,907	22,003	76,723
10,522,252	9,015,495	9,014,065	8,803,344	8,796,884
\$2,843,204	\$1,536,335	\$1,365,043	\$768,327	\$214,180

**Worthington Libraries**  
*Worthington, Ohio*  
*Fund Balances - Governmental Funds*  
*Last Ten Years*  
*(modified accrual basis of accounting)*

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	253,808	273,045	277,022	259,972
Unreserved	<u>2,598,003</u>	<u>5,933,367</u>	<u>6,591,556</u>	<u>8,819,085</u>
<i>Total General Fund</i>	<u>2,851,811</u>	<u>6,206,412</u>	<u>6,868,578</u>	<u>9,079,057</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Assigned	0	0	0	0
Reserved	600	209,511	1,576,682	120,405
Unreserved, Undesignated				
Reported in:				
Special Revenue Fund	51,620	82,851	112,933	103,610
Debt Service Fund	36,785	0	0	0
Capital Projects Funds	<u>1,004,482</u>	<u>792,609</u>	<u>1,583,686</u>	<u>843,998</u>
<i>Total All Other Governmental Funds</i>	<u>1,093,487</u>	<u>1,084,971</u>	<u>3,273,301</u>	<u>1,068,013</u>
<i>Total Governmental Funds</i>	<u>\$3,945,298</u>	<u>\$7,291,383</u>	<u>\$10,141,879</u>	<u>\$10,147,070</u>

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

2009 (1)	2010	2011	2012	2013	2014
\$76,541	\$75,903	\$60,723	\$74,236	\$84,066	\$78,990
84,394	36,047	30,422	28,222	38,598	87,436
202,535	151,805	211,559	207,060	289,860	229,171
10,710,135	13,884,037	15,790,758	17,328,046	18,013,767	18,386,091
0	0	0	0	0	0
0	0	0	0	0	0
11,073,605	14,147,792	16,093,462	17,637,564	18,426,291	18,781,688
0	0	18,475	19,024	10,864	18,870
56,053	6,882	9,380	9,775	15,096	10,827
687,004	565,043	502,510	431,978	204,213	222,705
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
743,057	571,925	530,365	460,777	230,173	252,402
\$11,816,662	\$14,719,717	\$16,623,827	\$18,098,341	\$18,656,464	\$19,034,090

**Worthington Libraries**  
*Worthington, Ohio*  
*Changes in Fund Balances - Governmental Funds*  
*Last Nine Years*  
*(modified accrual basis of accounting)*

	2006	2007	2008	2009
<b>Revenues:</b>				
Property Taxes	\$6,885,758	\$6,613,736	\$6,278,922	\$5,949,645
Other Government Grants-in-Aid	3,193,006	3,429,348	3,515,269	3,142,356
Patron Fines and Fees	280,352	282,729	297,960	292,687
Services Provided to Other Entities	756,633	748,611	803,303	782,014
Contributions, Gifts, and Donations	825	18,828	3,661	5,222
Earnings on Investments	342,779	496,133	276,844	33,384
Miscellaneous	7,924	4,735	18,338	18,517
<i>Total Revenues</i>	<u>11,467,277</u>	<u>11,594,120</u>	<u>11,194,297</u>	<u>10,223,825</u>
<b>Expenditures:</b>				
Current:				
Library Services:				
Public Services and Programs	2,917,050	2,919,557	4,645,550	3,568,028
Collection Development and Processing	1,769,799	1,686,625	2,159,378	1,891,188
Support Services:				
Facilities Operations and Maintenance	556,499	543,840	711,032	686,709
Information Services Support	280,498	632,951	778,463	858,650
Business Administration	1,249,607	1,359,094	1,351,301	1,343,441
Capital Outlay	297,294	1,601,557	1,543,382	206,217
Debt Service:				
Principal Retirement	990,000	0	0	0
Interest and Fiscal Charges	60,445	0	0	0
<i>Total Expenditures</i>	<u>8,121,192</u>	<u>8,743,624</u>	<u>11,189,106</u>	<u>8,554,233</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,346,085</u>	<u>2,850,496</u>	<u>5,191</u>	<u>1,669,592</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Fixed Assets	0	0	0	0
Transfers - In	1,156,910	3,856,220	601,800	358,770
Transfers - Out	(1,156,910)	(3,856,220)	(601,800)	(358,770)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$3,346,085</u>	<u>\$2,850,496</u>	<u>\$5,191</u>	<u>\$1,669,592</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	13.1%	0.0%	0.0%	0.0%

2010	2011	2012	2013	2014
\$6,183,063	\$6,113,964	\$6,114,780	\$6,088,379	\$6,063,442
4,110,971	3,025,083	2,782,995	2,703,995	2,692,035
311,105	295,878	262,858	223,001	224,929
700,108	981,410	1,019,623	992,715	1,032,043
29,547	40,141	74,140	85,706	48,945
15,674	9,405	23,717	24,795	59,124
77,609	10,689	7,907	22,003	33,382
<u>11,428,077</u>	<u>10,476,570</u>	<u>10,286,020</u>	<u>10,140,594</u>	<u>10,153,900</u>
3,428,167	3,578,784	3,618,414	3,671,463	3,747,951
2,030,005	1,920,779	1,941,337	1,907,258	2,286,637
718,718	709,612	722,816	1,021,383	820,597
902,607	740,572	868,779	1,012,244	825,556
1,381,822	1,271,048	1,348,101	1,399,449	1,504,000
63,703	351,665	312,059	570,674	643,994
0	0	0	0	0
0	0	0	0	0
<u>8,525,022</u>	<u>8,572,460</u>	<u>8,811,506</u>	<u>9,582,471</u>	<u>9,828,735</u>
<u>2,903,055</u>	<u>1,904,110</u>	<u>1,474,514</u>	<u>558,123</u>	<u>325,165</u>
0	0	0	0	52,461
31,483	330,912	237,915	695,516	668,219
(31,483)	(330,912)	(237,915)	(695,516)	(668,219)
0	0	0	0	52,461
<u>\$2,903,055</u>	<u>\$1,904,110</u>	<u>\$1,474,514</u>	<u>\$558,123</u>	<u>\$377,626</u>
0.0%	0.0%	0.0%	0.0%	0.0%

**Worthington Libraries**  
*Worthington, Ohio*  
*Assessed Value and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Year	Real Property			Tangible Personal Property			
	Assessed Value			Public Utility		General Business	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2005	\$1,087,563,880	\$444,066,090	\$4,376,085,629	\$54,413,770	\$61,833,830	\$179,018,550	\$716,074,200
2006	1,302,759,720	449,491,770	5,006,432,829	53,865,420	61,210,705	132,307,380	705,639,360
2007	1,324,905,840	454,215,230	5,083,203,057	50,757,700	57,679,205	86,444,451	345,777,804
2008	1,341,080,840	442,283,210	5,095,325,857	29,157,310	33,133,307	49,073,694	196,294,776
2009	1,356,112,130	444,618,780	5,144,945,457	29,914,350	33,993,580	8,593,327	34,373,308
2010	1,365,780,710	439,688,670	5,158,483,943	30,224,580	34,346,114	4,296,663	17,186,652
2011	1,372,120,560	433,783,410	5,159,725,629	34,228,570	38,896,102	0	0
2012	1,325,524,970	415,586,560	4,974,604,371	37,985,760	43,165,636	0	0
2013	1,333,230,330	414,567,350	4,993,707,657	37,884,090	43,050,102	0	0
2014	1,336,091,930	408,558,320	4,984,715,000	35,896,610	40,791,602	0	0

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010.)

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent and 2 1/2 percent rollbacks and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

**Source:** Ohio Department of Taxation, Franklin County Auditor



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Totals		Ratio	Weighted Average Total Direct Tax Rate
Assessed Value	Estimated Actual Value		
\$1,765,062,290	\$5,153,993,658	34.25%	\$1.64
1,938,424,290	5,773,282,893	33.58%	3.76
1,916,323,221	5,486,660,066	34.93%	3.76
1,861,595,054	5,324,753,940	34.96%	3.70
1,839,238,587	5,213,312,345	35.28%	3.68
1,839,990,623	5,210,016,708	35.32%	3.67
1,840,132,540	5,198,621,731	35.40%	3.67
1,779,097,290	5,017,770,008	35.46%	3.67
1,785,681,770	5,036,757,759	35.45%	3.67
1,780,546,860	5,025,506,602	35.43%	3.66

**Worthington Libraries**  
*Worthington, Ohio*  
*Property Tax Levies and Collections (1)*  
*Last Ten Years*

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (2)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2005	\$2,903,568	\$2,817,409	97.03%	\$57,704	\$2,875,113	99.02%
2006	7,310,027	7,095,784	97.07%	221,696	7,317,480	100.10%
2007	7,231,825	6,959,989	96.24%	186,182	7,146,171	98.82%
2008	7,048,734	6,278,922	89.08%	144,930	6,423,852	91.13%
2009	6,757,747	6,255,053	92.56%	149,765	6,404,818	94.78%
2010	6,803,660	6,596,945	96.96%	202,942	6,799,887	99.94%
2011	6,799,383	6,581,360	96.79%	171,390	6,752,750	99.31%
2012	6,841,073	6,621,483	96.79%	148,906	6,770,389	98.97%
2013	6,840,662	6,588,689	96.32%	157,802	6,746,491	98.62%
2014	6,833,017	6,511,978	95.30%	133,330	6,645,308	97.25%

Source: Franklin County Auditor

- (1) Includes Homestead/Rollback exemptions assessed locally, but distributed through the State and reported as intergovernmental revenue.
- (2) The Franklin County Auditor's Office confirmed the Percent of Total Collections to Tax Levy column includes percentages in excess of 100% due to timing issues with the collection of property taxes. The Auditor's Office is unable to track delinquent taxes collected by year levied. Therefore, Worthington Libraries has elected to show delinquent taxes by collection year. This presentation will be updated as new information becomes available.

**Worthington Libraries**  
*Worthington, Ohio*  
*Principal Property Taxpayers*  
*2005 and 2014*

2005			2014		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
<b>Public Utilities</b>			<b>Public Utilities</b>		
1 Columbus Southern Power Company	\$23,217,380	1.31%	1 Ohio Power Company	\$30,595,780	1.72%
2 Ohio Bell Telephone Company	11,217,430	0.64%			
3 Sprintcom Inc	8,522,060	0.48%			
<b>Real Estate</b>			<b>Real Estate</b>		
1 Anheuser-Busch Inc	17,729,950	1.00%	1 Anheuser-Busch Inc	18,307,730	1.03%
2 ASP Boma LLC	11,511,520	0.65%	2 Worthington Industries Inc	9,191,870	0.52%
3 Eastrich No 167 Corp	9,312,470	0.53%	3 Worthington Meadows	7,533,770	0.42%
4 Worthington Meadows	8,490,540	0.48%	4 Fieldstone Trace Partnership	7,367,500	0.41%
5 Worthington Industries	8,184,690	0.46%	5 IS-CAN Ohio LP	7,285,310	0.41%
6 Columbus Retail Inc	8,050,000	0.46%	6 445 Hutchinson LP	7,210,010	0.40%
7 EOP-Community Corporate	7,645,740	0.43%	7 Stratford Chase	5,250,000	0.29%
8 Fieldstone Trace	7,334,260	0.42%	8 Columbus Park Club	5,183,120	0.29%
9 Regency Centers LP	7,039,510	0.40%	9 BRG Liberty Crossing LLC	4,987,510	0.28%
10 Donald R Kenney TR	6,928,120	0.39%	10 Alexander Square LLC	4,865,000	0.27%
All Others	<u>1,631,316,199</u>	<u>92.35%</u>	All Others	<u>1,672,769,260</u>	<u>93.95%</u>
Total Assessed Valuation	<u>\$1,766,499,869</u>	<u>100.00%</u>	Total Assessed Valuation	<u>\$1,780,546,860</u>	<u>100.00%</u>

Source: Office of the Auditor, Franklin County, Ohio

**Worthington Libraries**  
*Worthington, Ohio*  
*Direct and Overlapping Property Tax Rates*  
 (Per \$1,000 of Assessed Value)  
*Last Ten Years*

	2005	2006	2007	2008
<b>Voted Millage - By Levy</b>				
1992 Current Expense				
Residential/Agricultural Real	\$1.43	\$1.21	\$1.20	\$1.20
Commercial/Industrial and Public Utility Real	1.87	1.81	1.84	1.87
General Business and Public Utility Personal	2.20	2.20	2.20	2.20
2005 Current Expense				
Residential/Agricultural Real	0.00	2.20	2.19	2.19
Commercial/Industrial and Public Utility Real	0.00	2.52	2.57	2.60
General Business and Public Utility Personal	0.00	2.60	2.60	2.60
<b>Total Voted Millage By Type of Property</b>				
Residential/Agricultural Real	1.43	3.41	3.39	3.39
Commercial/Industrial and Public Utility Real	1.87	4.33	4.40	4.47
General Business and Public Utility Personal	2.20	4.80	4.80	4.80
<b>Overlapping Rates By Taxing District</b>				
<b>Franklin County</b>				
General Fund	1.47	1.47	1.47	1.47
Children Services	5.05	5.05	5.05	5.05
ADAMH Board	2.20	2.20	2.20	2.20
MRDD	7.47	7.47	7.47	7.47
Metro Park	0.65	0.65	0.65	0.65
Zoological Park	0.75	0.75	0.75	0.75
Office on Aging	0.85	0.85	0.85	0.90
<b>Total Franklin County</b>	<b>18.44</b>	<b>18.44</b>	<b>18.44</b>	<b>18.49</b>
<b>School District</b>				
Worthington City School District	84.56	83.23	83.23	83.23
<b>Townships</b>				
Sharon Township	23.50	23.50	23.50	23.50
Perry Township	18.40	18.40	21.20	21.20
<b>Cities</b>				
City of Worthington	3.00	3.00	5.00	5.00
City of Columbus	3.14	3.14	3.14	3.14

**Source:** Ohio Department of Taxation, County Auditor, Franklin County

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

2009	2010	2011	2012	2013	2014
\$1.20	\$1.20	\$1.25	\$1.25	\$1.25	\$2.13
1.86	1.88	2.00	2.00	2.06	2.20
2.20	2.20	0.00	0.00	2.20	2.20
2.19	2.19	2.28	2.28	2.28	2.21
2.59	2.60	2.60	2.60	2.60	2.60
2.60	2.60	0.00	0.00	2.60	2.60
3.39	3.39	3.53	3.53	3.53	4.31
4.45	4.48	4.60	4.60	4.66	4.80
4.80	4.80	4.80	4.80	4.80	4.80
1.47	1.47	1.47	1.47	1.47	1.47
5.05	5.00	5.00	5.00	5.00	5.00
2.20	2.20	2.20	2.20	2.20	2.20
7.00	7.00	7.00	7.00	7.00	7.00
0.65	0.75	0.75	0.75	0.75	0.75
0.75	0.75	0.75	0.75	0.75	0.75
0.90	0.90	0.90	1.30	1.30	1.30
18.02	18.07	18.07	18.47	18.47	18.47
83.14	87.04	88.54	94.94	95.94	96.94
23.50	23.50	23.50	23.50	23.50	1.57
18.10	17.60	18.10	21.60	21.60	21.60
5.00	5.00	5.00	5.00	5.00	5.00
3.14	1.57	3.14	3.14	3.14	3.14

**Worthington Libraries**  
*Worthington, Ohio*  
*Computation of Direct and Overlapping Governmental Debt*  
*December 31, 2014*

	Net Long-term Debt Outstanding		Amount Applicable to Library
<b>Direct:</b>			
Worthington Libraries	\$0	100.00%	\$0
<b>Overlapping:</b>			
Worthington City School District (2)			
Certificates of Participation	3,992,674	100.00%	3,992,674
General Obligation Bonds and Notes	78,877,719	100.00%	78,877,719
Energy Conservation Notes	1,277,000	100.00%	1,277,000
City of Worthington			
General Obligation Bonds and Notes	6,855,000	100.00%	6,855,000
Franklin County			
General Obligation Bonds	290,158,000	6.81%	19,748,697
Special Obligation Bonds & Notes	29,980,000	6.81%	2,040,495
OPWC Loans	8,730,838	6.81%	594,237
City of Columbus			
Revenue Obligations	427,365,000	7.20%	30,787,588
General Obligation Bonds	2,430,807,000	7.20%	175,116,551
Ohio Water Development Authority Loans	943,636,000	7.20%	67,980,009
TIF Long Term Notes	9,949,000	7.20%	716,731
Short Term Notes	18,100,000	7.20%	1,303,933
RiverSouth Lease Revenue Bonds (Component Unit)	57,965,000	7.20%	4,175,828
<b>Total Overlapping Debt</b>	<b>4,307,693,231</b>		<b>393,466,461</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$4,307,693,231</b>		<b>\$393,466,461</b>

**Source:** Office of the Auditor, Franklin County, Ohio, and Financial Statements for the respective subdivision

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2014 collection year.
- (2) The debt outstanding for Worthington School District is at June 30, 2014.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Library. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Library. This process recognizes that, when considering the Library's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

**Worthington Libraries**  
*Worthington, Ohio*  
*Ratio of Outstanding Debt by Type*  
*Governmental Activities*  
*Last Ten Years*

Year	Capital Lease Payable	Percentage of Personal Income (1)	Per Capita (1)
2005	\$990,000	0.05%	16.43
2006	0	0.00%	0.00
2007	0	0.00%	0.00
2008	0	0.00%	0.00
2009	0	0.00%	0.00
2010	0	0.00%	0.00
2011	0	0.00%	0.00
2012	0	0.00%	0.00
2013	0	0.00%	0.00
2014	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 table for personal income and population data.

**Worthington Libraries**  
*Worthington, Ohio*  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (4)	Unemployment Rate (3)
2005	60,248	\$2,078,254,760	\$34,495	5.6%
2006	59,983	2,069,113,585	34,495	4.8%
2007	57,550	2,011,084,750	34,945	5.3%
2008	61,153	2,120,786,040	34,680	5.7%
2009	61,492	2,246,610,220	36,535	9.0%
2010	59,374	2,169,229,090	36,535	9.2%
2011	59,501	2,197,193,427	36,927	7.6%
2012	59,529	2,335,560,786	39,234	6.1%
2013	59,689	2,456,560,484	41,156	6.2%
2014	59,978	2,609,402,868	43,506	4.8%

**Sources:** (1) Mid Ohio Regional Planning Commission  
(2) Calculated based on per capita income and population  
(3) Ohio Bureau of Employment Services, not available for Worthington  
Public Libraries. Figures presented are for Franklin County.  
(4) U.S. Bureau of Economic Analysis



## Worthington Libraries

Worthington, Ohio

Principal Employers

2006 and 2014

Employer	Nature of Business	2006		2014	
		Number of Employees	Rank	Number of Employees	Rank
Worthington Industries Inc	Steel Industry	1,100	2	1,229	1
Worthington School District	Education	1,176	1	1,156	2
Anthem Blue Cross	Insurance	840	5	825	3
Liebert Corporation	Energy/Power	1,000	3	800	4
Anheuser-Busch Inc	Production Plant	892	4	776	5
Huntington Bank	Mortgage/Banking	540	6	525	6
Diamond Innovations Inc	Diamond Products	375	7	369	7
Medvet Medical Center	Animal Care	250	9	288	8
American Automobile Association	Automotive	0	N/A	200	9
The Laurels Healthcare	Healthcare	290	8	240	10
American Health Holding	Healthcare	231	10	0	N/A

**Source:** Chamber of Commerce and Individual employer records

Note: Above figures are estimates based on Chamber of Commerce information and employer data provided to the Library. Actual information, as well as information prior to 2006, was not available. Percentage of total employment is not available.

**Worthington Libraries**  
*Worthington, Ohio*  
*Library Employees by Function/Program*  
*Last Ten Years*

Function/Program	2005	2006	2007	2008
<b>Governmental Activities:</b>				
Library Services:				
Public Services and Programs	105	104	120	118
Collection Development and Processing	8	7	7	9
Support Services:				
Facilities Operations and Maintenance	1	1	1	1
Information Services Support	4	4	5	5
Business Administration	11	14	15	14
<i>Total Number of Employees</i>	129	130	148	147

Note: Figures include both full and part time employees.

**Source:** Worthington Public Library Records

2009	2010	2011	2012	2013	2014
116	117	117	119	123	120
9	9	9	9	9	9
1	1	1	1	1	1
5	5	5	5	5	5
14	14	13	14	14	15
145	146	145	148	152	150

**Worthington Libraries**  
*Worthington, Ohio*  
*Operating Indicators By Function/Program*  
*Last Ten Years*

<b>Function/Program</b>	2005	2006	2007	2008
Library Services:				
Public Services and Programs				
Number of Materials Circulated	2,520,594	2,632,136	2,957,725	3,237,654
Number of Registered Borrowers	61,436	63,583	62,605	62,571
Collection Development and Processing				
Number of Materials Owned	436,349	405,070	377,847	409,060
Support Services:				
Facilities Operations and Maintenance				
Square footage of Facility Maintained:				
Old Worthington Library	41,668	41,668	41,668	42,446
Northwest Library	23,635	23,635	23,635	25,481
Worthington Park Library	0	0	0	5,280
Information Services Support				
Number of Computers	129	130	225	347
Number of Web Site Visits	738,686	761,586	1,268,262	1,858,073

**Source:** Worthington Public Libraries Information and Public Library Data Service (PLDS)

2009	2010	2011	2012	2013	2014
3,561,742	3,554,451	3,417,074	3,308,392	3,397,947	3,657,979
70,202	83,784	89,368	89,247	93,047	97,839
498,773	502,685	491,733	468,667	548,598	556,636
42,446	42,446	42,446	42,446	42,446	42,446
25,481	25,481	25,481	25,481	25,481	25,481
5,280	5,280	5,280	5,280	8,680	8,680
348	356	359	368	410	408
1,348,505	1,451,305	1,071,611	1,049,421	1,055,779	1,047,878

**Worthington Libraries**  
*Worthington, Ohio*  
*Capital Assets Statistics by Function/Class*  
*Last Ten Years*

Function/Class	2005	2006	2007	2008
<b>Library Services:</b>				
Public Services and Programs				
Land	\$697,350	\$697,350	\$697,350	\$697,350
Construction in Progress	0	63,255	1,261,891	2,233,909
Buildings and Improvements	5,150,819	5,150,819	5,150,819	5,150,819
Machinery and Equipment	393,319	393,319	266,794	471,025
Collection Development and Processing				
Land	17,206	17,206	17,206	17,206
Construction in Progress	0	1,561	31,135	55,119
Buildings and Improvements	126,966	126,966	126,966	126,966
<b>Support Services:</b>				
Facilities Operations and Maintenance				
Land	120,443	120,443	120,443	120,443
Construction in Progress	0	10,925	217,948	385,830
Buildings and Improvements	1,166,919	1,166,919	1,166,919	1,184,115
Machinery and Equipment	0	0	0	12,800
Information Services Support				
Land	8,558	8,558	8,558	8,558
Construction in Progress	0	776	15,485	27,414
Buildings and Improvements	63,147	63,147	63,147	63,147
Machinery and Equipment	158,402	178,804	149,804	143,834
Business Administration				
Land	66,822	66,822	66,822	66,822
Construction in Progress	0	6,061	120,917	214,058
Buildings and Improvements	493,085	493,085	493,085	493,085
Machinery and Equipment	175,994	175,994	187,792	197,965
Vehicles	23,933	18,300	18,300	18,300
<i>Total Governmental Activities</i>	<u>\$8,662,963</u>	<u>\$8,760,310</u>	<u>\$10,181,381</u>	<u>\$11,688,765</u>

**Source:** Library capital assets records.

Amounts presented are actual costs of assets.

2009	2010	2011	2012	2013	2014
\$697,350	\$697,350	\$697,350	\$697,350	\$697,350	\$693,992
0	0	0	66,655	23,771	0
7,533,449	7,533,449	7,564,905	7,564,905	7,942,335	8,228,692
471,025	471,025	492,346	492,346	492,346	505,499
17,206	17,206	17,206	17,206	17,206	17,123
0	0	0	0	0	0
185,754	185,754	185,754	185,754	185,754	135,314
120,443	120,443	120,443	120,443	120,443	119,863
0	21,674	0	0	0	0
1,595,632	1,604,209	1,604,209	1,620,250	1,620,250	1,436,958
18,367	24,847	24,847	31,609	31,609	243,277
8,558	8,558	8,558	8,558	8,558	8,516
0	0	0	0	138,874	0
92,386	92,386	92,386	92,386	115,672	400,617
143,834	149,088	174,085	187,274	250,986	251,508
66,822	66,822	66,822	66,822	66,822	66,500
0	0	0	0	0	0
721,394	721,394	721,394	721,394	721,394	527,679
204,462	204,462	204,462	204,462	214,718	215,199
18,300	18,300	18,300	18,300	18,300	18,300
<u>\$11,894,982</u>	<u>\$11,936,967</u>	<u>\$11,993,067</u>	<u>\$12,095,714</u>	<u>\$12,666,388</u>	<u>\$12,869,037</u>

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**Independent Auditor's Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Required by *Government Auditing Standards***

Worthington Libraries  
Franklin County  
820 High Street  
Worthington, Ohio 43085

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of the Worthington Libraries, Franklin County, Ohio, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Worthington Libraries' basic financial statements and have issued our report thereon dated June 18, 2015.

***Internal Control Over Financial Reporting***

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

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

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

Board of Trustees  
Worthington Libraries

***Compliance and Other Matters***

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

***Purpose of this Report***

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



Julian & Grube, Inc.  
June 18, 2015



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