



Dave Yost • Auditor of State

PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY
HAMILTON COUNTY

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Dave Yost • Auditor of State

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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Public Library of Cincinnati and Hamilton county, Hamilton County, (the Library) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 1, 2016, wherein we noted the Library adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

June 1, 2016

THE PUBLIC LIBRARY OF CINCINNATI & HAMILTON COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2015



THE
PUBLIC
LIBRARY
of Cincinnati
and
Hamilton County



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Introductory Section

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THE PUBLIC LIBRARY OF
CINCINNATI AND HAMILTON COUNTY, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

Issued by:

Molly DeFosse
Fiscal Officer

The Public Library of Cincinnati and Hamilton County

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

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The Public Library of Cincinnati and Hamilton County

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

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**THE
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of Cincinnati
and
Hamilton County

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Monica Donath Kohnen
Elizabeth H. LaMacchia
William J. Moran
Barbara W. Trauth
Ross A. Wright
Allen G. Zaring IV

*The Eva Jane Romaine
Coombe Director*
Kimber L. Fender

Fiscal Officer
Molly DeFosse

June 01, 2016

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

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) for The Public Library of Cincinnati and Hamilton County for the year ended December 31, 2015. This report contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of The Public Library of Cincinnati and Hamilton County ("The Library"). This CAFR conforms to generally accepted accounting principles (GAAP) as applicable to governmental entities. The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the management of the Library, specifically the Fiscal Office.

State law requires that every general-purpose local government publish within 150 days of the close of each fiscal year a financial report. This report is published to fulfill that requirement for the year ended December 31, 2015.

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

The Auditor of State of Ohio has issued an unmodified (clean) opinion on The Public Library of Cincinnati and Hamilton County's financial statements for the year ended December 31, 2015. The independent auditor's report is located at the front of the financial section of this report.

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

HISTORY AND DEVELOPMENT

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

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

The Public Library of Cincinnati and Hamilton County

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

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

By the mid-'80s, skyrocketing public demand for downtown library services, a rapidly growing collection, and radical expansion of computerization had once again stretched the Main Library to the limits. After years of planning, an addition to the Main Library was opened in 1997 and renovation of the Main Library south building was completed in 1998. This created a state-of-the-art, seamless main library building of over one half million square feet. In 2008, the Library completed the Main Library for the 21st Century project . a new service model for the Main Library designed to better address changing customer needs. The cost of the building reconfiguration needed to implement this change was more than offset by the operational savings.

In 2013 and 2014, the Library continued its commitment to strengthening branches with the beginning of our largest branch facilities plan in more than 25 years. In 2014, the Avondale branch accessibility project was completed. In addition to making the branch fully accessible, the branch underwent a significant renovation. In 2015, the Library opened new branch libraries in St. Bernard, Reading and Clifton. The new branches have meeting rooms, tech labs, areas for children, teens and adults, and spaces to sit and read. Plus, Reading and St. Bernard have small makerspaces of their own. The buildings are all energy-efficient and St. Bernard and Reading are LEED Certified.

MATERIALS AND SERVICES

Library cards are free to all Ohio residents. Cards are also free through library consortium membership to Kentucky residents of Boone, Campbell and Kenton Counties. The card enables system-wide borrowing privileges, access to the Library's electronic resources and serves as a debit card for copiers and printing. As of the end of 2015 we had more than 620,000 cardholders. Over 80% of households in Hamilton County have at least one Library cardholder.

Our use statistics were high in many areas . circulation was over 18.7 million. Digital downloads once again led the growth with 3.1 million items downloaded, accounting for about 17%, of our total circulation. Print (books and magazines) accounts for 50% of the items borrowed with the remaining 40% comprised of all forms of audiovisual materials. Reference questions were also up 8% surpassing 2.1 million. Our Library was ranked 5th in circulation up from 6th in 2013. We are delighted that Hamilton County residents value and use their Library so much.

Looking beyond these services, the Library also offered many services to meet specific needs in our community: preparing our children for kindergarten, serving children living in poverty, improving reading skills for third grade students, assisting jobseekers, and helping adults prepare for the GED. These numbers are smaller than our circulation or visit counts but they are certainly just as important.

The second year of the Summer Learning Program, incorporating Summer Reading, Summer Camp Reading, Summer Lunch Service, and Brain Camps, continued to engage all ages in summer learning activities.

Library facilities are open six days per week at 36 branches and seven days per week at the Main Library and Clifton, Sharonville, Monfort Heights, and North Central branch Libraries.

The Public Library of Cincinnati and Hamilton County

The Library's website (www.CincinnatiLibrary.org) provides online access to the Library's catalog, extensive reference databases, resources for readers such as our book and reading blog, homework help, digital resources, and information about the Library and its programs. Specialized web pages serve children, teens and older adults. Using the Library's website, Library cardholders may reserve, request or renew items, pay fines with a credit card, offer comments, ask a reference question and request materials from libraries throughout the world via interlibrary loan. Free Internet access is available at all locations. Self-service equipment at the Main Library and all 40 branch libraries enables customers to check out their own materials and make cash and credit card payments. With the use of tablets and smartphones replacing desktop computers, the Library began moving to a mobile service model in 2015 at the three new branch libraries.

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

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

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

REPORTING ENTITY

The Library's reporting entity has been defined in accordance with Statement No. 61 of the Governmental Accounting Standards Board. The Library is under the control and management of a Board of Trustees consisting of seven members. Four members of the Board of Library Trustees are appointed by the County Commissioners and three by the judges of the Court of Common Pleas. Board members are appointed for a term of seven years, the term of one trustee expiring each year. At its Annual meeting, the Board organizes for the ensuing year and elects a president, vice president and secretary, and appoints a fiscal officer. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the County Commissioners, nor can the Commissioners significantly influence the programs, activities, or level of service performed or provided by the Library. Although the County Commissioners serve in a ministerial capacity as the taxing authority, the Library is fiscally independent of the county. The Board of Library Trustees makes decisions regarding whether to request approval of a tax, the rate and the purpose(s) of the levy. Once those decisions are made, the County Commissioners must place the levy on the ballot.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Public Library of Cincinnati and Hamilton County for its comprehensive annual financial report for the year ended December 31, 2014. This was the twenty-second year that the Library has received this prestigious award.

The Public Library of Cincinnati and Hamilton County

Auditor Dave Yost presented the Ohio Auditor of State Award with Distinction to the Library for excellence in financial reporting for its comprehensive annual financial report for the year ended December 31, 2014.

In addition, Library Journal awarded the Library a five star rating, the highest rating possible for the third year in a row. The ranking considers per capita circulation, visits, program attendance, and Internet use.

ECONOMIC CONDITIONS AND OUTLOOK

The service area of the Library is the entire 413 square mile area encompassing Hamilton County and the City of Cincinnati (79 square miles), which is located wholly within the county borders. At a little over 800,000 people, Hamilton County's population is slowly increasing. The area remains the largest jurisdiction in the tri-state area and is the center of commerce, as well as a major center of culture, arts, sports, conventions, and tourism. The County's diversified economy, competitive cost structure, skilled work force, access to an international airport, and easy access to national markets continue to provide a strong foundation for future growth.

In January 2008, the Public Library Fund (PLF) replaced the Library and Local Government Support Fund, which had funded Ohio's public libraries since 1986. In establishing the PLF, the state broadened the base of library funding to include all general revenue taxes and fixed the percentage for libraries at 2.2 percent of collections. By mid-2009, the percentage was reduced to 1.97 percent. The 2012-13 biennium budget set library funding at 95% of prior year distributions, less new deductions that fund the Ohio Public Library Information Network (OPLIN) and the Library for the Blind and Physically Handicapped. The 2014-15 biennium budget eliminated the fixed monthly distribution and returned to the percentage of revenue funding approach. The current biennium budget decreased the percentage from 1.97 percent to 1.66 percent in the first year but increased slightly in July 2015 to 1.7%.

In November 2013, Hamilton County voters overwhelmingly renewed a 1-mill operating levy for ten years for the Library. Over the last several years, the levy revenue has offset the loss of state revenue. The levy will provide a dependable source of revenue through 2023 but will not provide any potential for growth.

The PLF remained the primary source of the Library's income in 2015. The property tax levy was secondary, with additional moneys derived from fines, gifts, e-rate reimbursements, federal and state grants, investment earnings, rents and services. The Library continues to balance available funding with service needs by seeking grants and gifts and routinely evaluating service delivery efficiencies.

LONG-TERM FINANCIAL PLANNING

The Library maintains a five-year financial projection at all times. It is updated as material changes to income and expenditures are determined, and it covers both operational and capital needs to maintain and enhance current services and facilities.

OTHER INFORMATION

Highlights of the Library's financial activities in 2015 are outlined in Management's Discussion and Analysis, starting on page 4, and in the Notes to the Financial Statements.

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



MOLLY DEFOSSE
FISCAL OFFICER



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

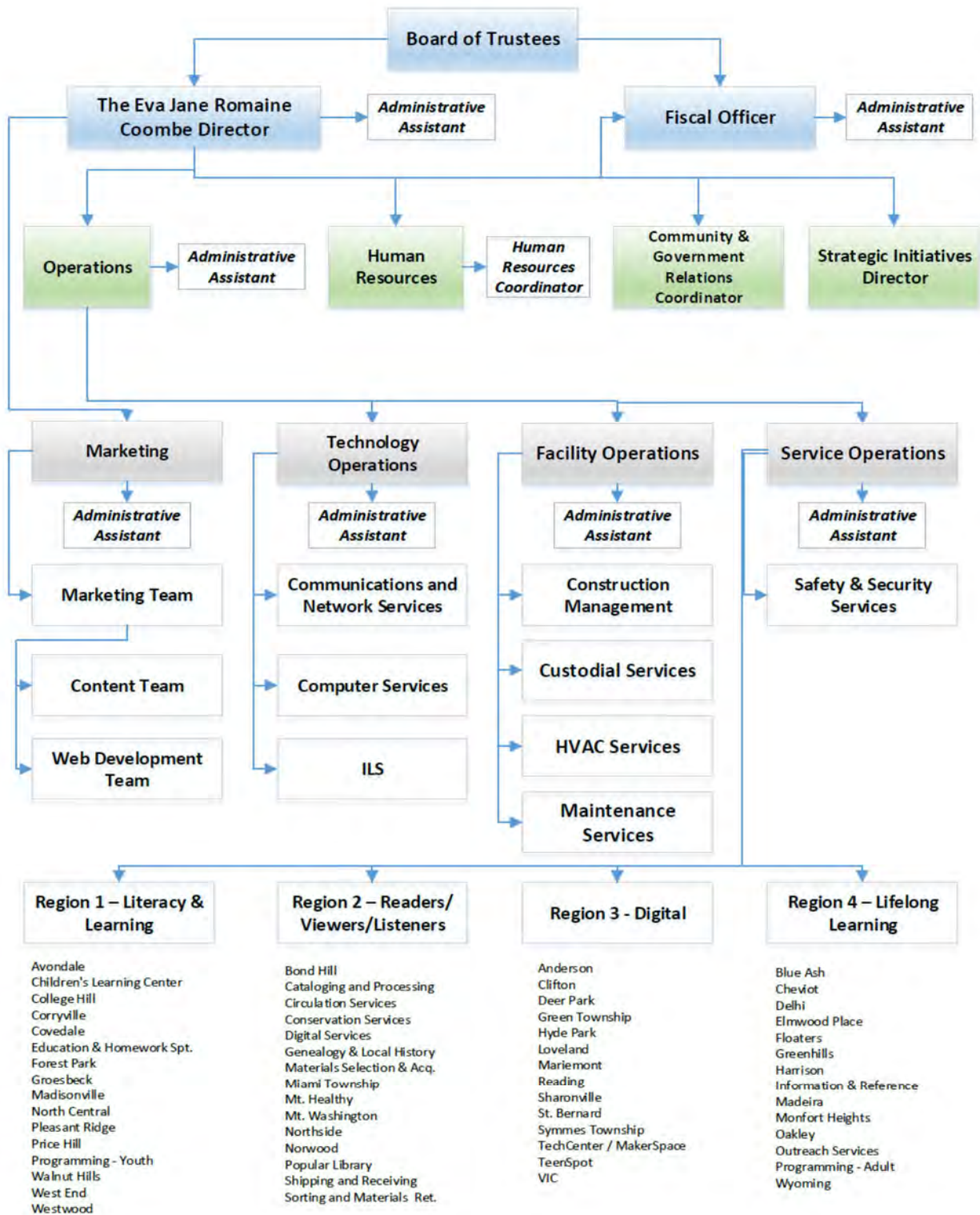
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

ORGANIZATIONAL CHART
DECEMBER 31, 2015



THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2015

Board of Library Trustees

President	Elizabeth H. LaMacchia
Vice President	Allen G. Zaring IV
Secretary	Barbara W. Trauth
Board Members	Robert G. Hendon Monica Donath Kohnen William J. Moran Ross A. Wright

Appointed Officials

The Eva Jane Romaine Coombe Director	Kimber L. Fender
Fiscal Officer	Molly DeFosse

Administrative Staff

Deputy Director	Greg Edwards
Director, Human Resources	Andrea Kaufman

Financial Section

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Public Library of Cincinnati and Hamilton County, Hamilton County, Ohio (the Library), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Public Library of Cincinnati and Hamilton County, Hamilton County, Ohio, as of December 31, 2015, 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.

Emphasis of Matter

As discussed in Note 17 to the financial statements, during the year ended December 31, 2015, the Library adopted Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and also GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2016, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 Library's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

June 1, 2016

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The Public Library of Cincinnati and Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

This comprehensive annual financial report presents The Public Library of Cincinnati and Hamilton County's financial performance for the year ended December 31, 2015. The report consists of a series of financial statements and notes to those statements, plus other supplementary information. The financial statements are organized to present both the Library's overall financial position . *government-wide financial statements*, plus a detailed look at specific financial activities . *fund financial statements*.

Financial Highlights

Key financial highlights for 2015 are as follows:

- At December 31, the Library's net position was almost \$118 million. Of this amount, \$18 million (unrestricted net position) may be used to meet ongoing obligations.
- At the close of the year, the Library's governmental funds reported combined fund balances of \$30.9 million, a \$1 million increase from the prior year.
- At December 31, 2015, the Library had no debt.

Government-wide Financial Statements

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

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

The government-wide financial statements can be found starting on page 11.

Fund Financial Statements

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

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

The Library presents 13 individual governmental funds during the year ended December 31, 2015. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund. The General Fund, along with the Building and Repair Fund, are the only major funds. The remaining funds are reported together as a single ~~major~~ governmental fund. Individual data for several of these nonmajor funds is provided elsewhere in combining statements. Data from all remaining funds is combined with an appropriate fund or in a ~~various~~ fund presentation.

The Library adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (Budget and Actual (Budget Basis)) has been provided for each governmental fund that had activity during 2015 to demonstrate compliance with this budget.

The Public Library of Cincinnati and Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-36 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2015, the Library's assets plus deferred outflows exceeded liabilities plus deferred inflows of resource by almost \$118 million. The table below provides a comparative analysis of net position between years 2015 and 2014:

	2015	2014 (Restated)	Change
Assets			
Current and Other Assets	\$68,273,562	\$68,421,376	(\$147,814)
Capital Assets, Net	91,459,134	89,838,832	1,620,302
<i>Total Assets</i>	<u>159,732,696</u>	<u>158,260,208</u>	<u>1,472,488</u>
Deferred Outflows of Resources			
Pension	3,981,677	2,756,148	1,225,529
Liabilities			
Current Liabilities	3,098,341	4,915,112	(1,816,771)
Long-Term Liabilities			
Due Within One Year	1,655,934	1,633,558	22,376
Due in More than One Year:			
Net Pension Liability	22,595,418	22,085,063	510,355
Other Amounts	2,031,691	2,086,919	(55,228)
<i>Total Liabilities</i>	<u>29,381,384</u>	<u>30,720,652</u>	<u>(1,339,268)</u>
Deferred Inflows of Resources			
Property Taxes	15,965,304	15,784,749	180,555
Pension	404,272	-	404,272
<i>Total Deferred Inflows of Resources</i>	<u>16,369,576</u>	<u>15,784,749</u>	<u>584,827</u>
Net Position			
Invested in Capital Assets	91,459,134	89,838,832	1,620,302
Restricted	8,418,530	8,451,806	(33,276)
Unrestricted	18,085,749	16,220,317	1,865,432
<i>Total Net Position</i>	<u>\$117,963,413</u>	<u>\$114,510,955</u>	<u>\$3,452,458</u>

During 2015, the Library adopted GASB Statement 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27, which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Library's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

The Public Library of Cincinnati and Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Under the new standards required by GASB 68, the net pension liability equals the Library's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

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

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

In accordance with GASB 68, the Library's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the Library is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$133,839,870 to \$114,510,955.

The largest portion of the Library's net position (78%) reflects its capital assets. Land and land improvements, fine art and rare book collections, construction in progress, buildings and improvements, furniture, fixtures and equipment, and vehicles. The Library uses these assets to provide services; consequently, these assets generally are not available for future spending. This could change if a decision is made in the future to consolidate services or facilities. All of the Library's capital assets are free of outstanding debt.

An additional portion of the Library's net position (7%) represents restricted principal and other resources subject to external restrictions. The remaining balance of unrestricted net position (15%) may be used to meet the Library's ongoing activities, including planned capital projects. The Library is able to report positive balances in all three categories of net position, including a healthy positive balance of \$18 million in unrestricted net position.

The Public Library of Cincinnati and Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

The following table explains the change in net position in terms of the Library's governmental activities.

	2015	2014
Revenues		
Program Revenues		
Charges for Services	\$1,464,251	\$1,378,960
Operating Grants, Contributions and Earnings on Investments	588,057	578,702
General Revenues		
Unrestricted Grants and Contributions	41,480,926	39,124,507
Local Tax	16,204,408	15,046,679
Other General Revenues	921,162	1,184,968
Total Revenues	60,658,804	57,313,816
Program Expenses		
Library Services	37,280,342	35,572,711
Support Services	19,928,304	20,854,374
Total Expenses	57,208,646	56,427,085
Increase in Net Position before Contributions	3,450,158	886,731
Contributions to Principal	2,300	5,099
<i>Increase in Net Position</i>	3,452,458	891,830
<i>Net Position - Beginning of Year (Restated)</i>	114,510,955	N/A
<i>Net Position - End of Year</i>	\$117,963,413	\$114,510,955

In fiscal year 2015, the Library's total revenues increased 5.8% which is primarily the result of increases in the Public Library Fund (PLF) and improved tax collections.

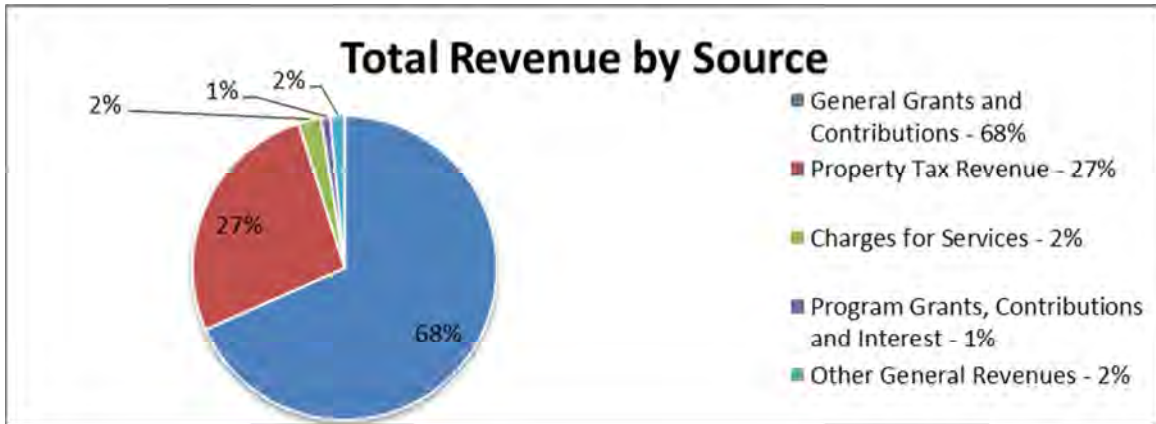
The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$2,756,148 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$2,465,152. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$57,208,646
Pension expense under GASB 68	(2,465,152)
2015 contractually required contribution	2,776,054
Adjusted 2015 program expenses	57,519,548
Total 2014 program expenses under GASB 27	56,427,085
Increase in program expenses not related to pension	\$1,092,463

Overall expenses not related to pension for 2015 increased by just over 1.9% from 2014 expenses as a result of one-time expenses associated with technology enhancements partially offset by timing of capital project expenses.

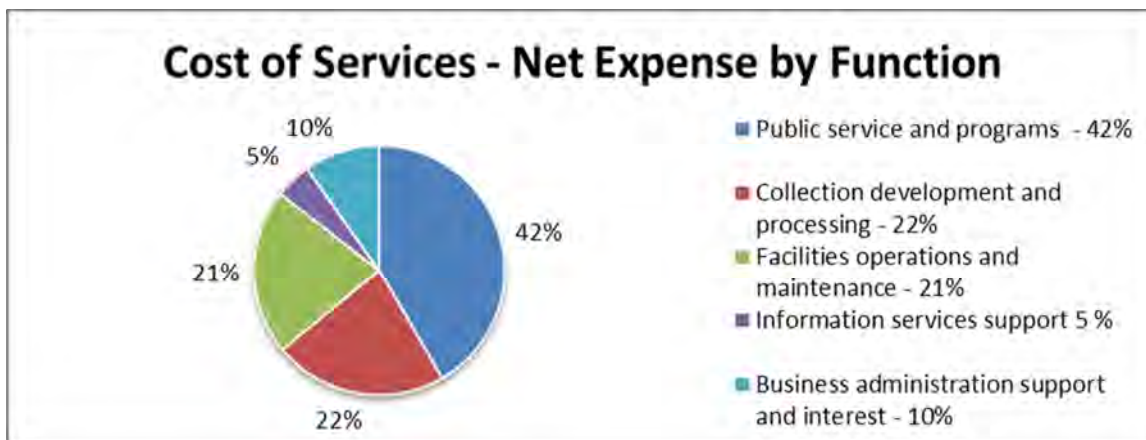
Program revenues (nominal fines and fees) and grants and donations, while important, cannot begin to cover the full cost of providing free public library service, which is dependent upon intergovernmental revenue not restricted to specific programs. The following graph illustrates the Library's reliance on intergovernmental revenue, specifically the Public Library Fund and a local property tax, which together in 2015 provided 95% of the Library's total revenue for governmental activities.

The Public Library of Cincinnati and Hamilton County
Management's Discussion and Analysis
 For the Year Ended December 31, 2015
 Unaudited



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

Net Expense by Function	2015	2014	Change
Public Service and Programs	\$22,954,607	\$21,672,056	\$1,282,551
Collection Development and Processing	12,375,252	11,994,643	380,609
Facilities Operations and Maintenance	11,841,023	13,120,751	(1,279,728)
Information Services Support	2,565,611	2,008,484	557,127
Business Administration	5,419,845	5,673,489	(253,644)
Total Net Expense by Function	\$55,156,338	\$54,469,423	\$686,915



Fund Financial Analysis

As previously noted, the General Fund and the Building and Repair Fund are the Library's only major funds. The fund balance of the General Fund increased \$3,501,179 in 2015 primarily as a result of additional Public Library Funding (PLF). The fund balance in the Building and Repair Fund decreased by \$2,462,427 as a result of the net difference between transfers from the General Fund and the completion of capital projects.

The Public Library of Cincinnati and Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

General Fund Budgetary Analysis

In 2015, original revenue and expenditure total budgets remained unchanged during the year. There were significant variances from budget to actual in the area of salaries and benefits and purchased and contracted services. The overall variance was a result of conservative budget estimates in both salaries and benefits and utility expenses.

Actual revenues exceeded the budget by \$2,923,304 a difference of nearly 5.2%. As a result of ongoing management efforts to control operating costs and the increase in Public Library Fund (PLF), actual expenditures were \$876,696 less than budgeted, a difference of approximately 1.5%.

Capital Assets

As of December 31, 2015, the Library had \$91,459,134 invested in capital assets. The table below provides a comparative analysis of capital assets net of accumulated depreciation between 2015 and 2014. The significant decrease in Construction in Progress and increase in Buildings and Improvements reflects the completion of the St. Bernard Branch, Reading Branch, and Clifton Branch libraries.

	2015	2014	Change
Land	\$14,266,034	\$14,266,034	\$0
Fine Arts and Rare Book Collection	17,614,531	17,614,531	0
Construction in Progress	0	4,953,806	(4,953,806)
Land Improvements	389,261	409,823	(20,562)
Buildings and Improvements	55,958,912	49,563,228	6,395,684
Furniture, Fixtures, and Equipment	3,129,969	2,961,914	168,055
Vehicles	100,427	69,496	30,931
Total Capital Assets	\$91,459,134	\$89,838,832	\$1,620,302

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

Debt

The Library had no debt during 2015.

Contacting the Library's Financial Management

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

The Public Library of Cincinnati and Hamilton County

Statement of Net Position

December 31, 2015

	<u>Governmental Activities</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$24,254,561
Accrued Interest Receivable	19,681
Intergovernmental Receivable	20,507,104
Prepaid Items	194,631
Supplies Inventory	221,391
Property Taxes Receivable	17,141,913
Investments	5,934,281
Capital Assets	
Land	14,266,034
Fine Art and Rare Books Collections	17,614,531
Depreciable Capital Assets, Net	<u>59,578,569</u>
Total Assets	<u>159,732,696</u>
<u>Deferred Outflows of Resources</u>	
Pension	<u>3,981,677</u>
<u>Liabilities</u>	
Accounts Payable	1,532,944
Contracts Payable	66,913
Accrued Salaries Payable	910,904
Intergovernmental Payable	587,580
Noncurrent liabilities:	
Due within one year	1,655,934
Due in more than one year:	
Net Pension Liability	22,595,418
Other Amounts	<u>2,031,691</u>
Total Liabilities	<u>29,381,384</u>
<u>Deferred Inflows of Resources</u>	
Property Taxes	15,965,304
Pension	<u>404,272</u>
Total Deferred Inflows of Resources	<u>16,369,576</u>
<u>Net Position</u>	
Invested in Capital Assets	91,459,134
Restricted for Grants, Materials, and Programs	276,189
Restricted for Permanent Funds:	
Collection Development	
Expendable	291,496
Nonexpendable	4,666,652
Employee Training & Awards	
Expendable	63,187
Nonexpendable	487,266
Public Programs	
Expendable	101,009
Nonexpendable	207,631
Other	
Expendable	946,118
Nonexpendable	1,378,982
Unrestricted	<u>18,085,749</u>
Total Net Position	<u>\$117,963,413</u>

See accompanying notes to the basic financial statements.

The Public Library of Cincinnati and Hamilton County

Statement of Activities

For the Year Ended December 31, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>			Net (Expense) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants, Contributions and Earnings on Investments</u>	
Library Services				
Public service and programs	\$24,825,845	\$1,464,251	\$406,987	(\$22,954,607)
Collection development and processing	12,454,497	0	79,245	(12,375,252)
Support Services				
Facilities operations and maintenance	11,942,451	0	101,428	(11,841,023)
Information services support	2,565,611	0	0	(2,565,611)
Business administration	5,420,242	0	397	(5,419,845)
Total Governmental Activities	<u>\$57,208,646</u>	<u>\$1,464,251</u>	<u>\$588,057</u>	<u>(55,156,338)</u>
General Revenues:				
Grants and contributions not restricted to specific programs				41,480,926
Property taxes levied for general purposes				16,204,408
Unrestricted earnings on investments				59,692
Miscellaneous				861,470
Contributions to principal for permanent funds				2,300
Total general revenues and contributions				<u>58,608,796</u>
Change in net position				<u>3,452,458</u>
Net position - beginning of the year- Restated				<u>114,510,955</u>
Net position - end of the year				<u><u>117,963,413</u></u>

See accompanying notes to the basic financial statements.

The Public Library of Cincinnati and Hamilton County

Balance Sheet
 Governmental Funds
 December 31, 2015

	General	Building & Repair	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$17,283,214	\$4,490,127	\$2,481,220	\$24,254,561
Investments	0	0	5,934,281	5,934,281
Receivables:				
Accrued Interest	861	1,428	17,392	19,681
Intergovernmental	20,507,104	0	0	20,507,104
Property Taxes	17,141,913	0	0	17,141,913
Prepaid Items	194,631	0	0	194,631
Supplies Inventory	221,391	0	0	221,391
Total Assets	<u>\$55,349,114</u>	<u>\$4,491,555</u>	<u>\$8,432,893</u>	<u>\$68,273,562</u>
<u>Liabilities</u>				
Accounts Payable	\$1,518,581	\$0	\$14,363	\$1,532,944
Contracts Payable	0	66,913	0	66,913
Accrued Salaries Payable	910,904	0	0	910,904
Intergovernmental Payable	587,580	0	0	587,580
Total Liabilities	<u>3,017,065</u>	<u>66,913</u>	<u>14,363</u>	<u>3,098,341</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	15,965,304	0	0	15,965,304
Unavailable Revenue	18,345,139	0	0	18,345,139
Total Deferred Inflows of Resources	<u>34,310,443</u>	<u>0</u>	<u>0</u>	<u>34,310,443</u>
<u>Fund Balances</u>				
Nonspendable	416,022	0	6,740,531	7,156,553
Restricted	0	0	1,677,999	1,677,999
Committed	80,000	0	0	80,000
Assigned	1,440,624	4,424,642	0	5,865,266
Unassigned	16,084,960	0	0	16,084,960
Total Fund Balances	<u>18,021,606</u>	<u>4,424,642</u>	<u>8,418,530</u>	<u>30,864,778</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$55,349,114</u>	<u>\$4,491,555</u>	<u>\$8,432,893</u>	<u>\$68,273,562</u>

See accompanying notes to the basic financial statements.

The Public Library of Cincinnati and Hamilton County

Reconciliation of Total Governmental Fund Balances

To Net Position of Governmental Activities

December 31, 2015

Total fund balances in governmental funds		\$30,864,778
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		91,459,134
The net pension liability is not due and payable in the current period. Therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred outflows- pension	3,981,677	
Deferred Inflows- pension	(404,272)	
Net pension liability	<u>(22,595,418)</u>	(19,018,013)
Some of the Library's revenues will be collected after year-end, but are not available soon enough to pay for the current period expenditures and therefore are deferred in the funds:		
Intergovernmental revenue	17,168,531	
Property taxes	<u>1,176,608</u>	18,345,139
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds		
Compensated absences payable		<u>(3,687,625)</u>
Net Position of governmental activities		<u><u>\$117,963,413</u></u>

See accompanying notes to the basic financial statements.

The Public Library of Cincinnati and Hamilton County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2015

	General	Building & Repair	Other Governmental	Total Governmental Funds
Revenues				
Intergovernmental	\$40,976,246	\$0	\$29,348	\$41,005,594
Property taxes	16,226,162	0	0	16,226,162
Fines and fees	1,464,251	0	0	1,464,251
Earnings on investments	48,313	1,428	96,146	145,887
Contributions, gifts and donations	47,000	100,000	178,740	325,740
Miscellaneous	861,470	0	124,074	985,544
Total Revenues	59,623,442	101,428	428,308	60,153,178
Expenditures				
Current				
Library Services				
Public service and programs	25,410,460	0	313,375	25,723,835
Collection development and processing	12,360,068	0	123,161	12,483,229
Support Services				
Facilities operations and maintenance	8,250,077	4,563,855	0	12,813,932
Information services support	2,647,622	0	0	2,647,622
Business administration	5,454,036	0	25,048	5,479,084
Total Expenditures	54,122,263	4,563,855	461,584	59,147,702
Excess (deficiency) of revenues over (under) expenditures	5,501,179	(4,462,427)	(33,276)	1,005,476
Other Financing Sources (Uses)				
Transfers in	0	2,000,000	0	2,000,000
Transfers out	(2,000,000)	0	0	(2,000,000)
Total Other Financing Sources (Uses)	(2,000,000)	2,000,000	0	0
Net change in fund balances	3,501,179	(2,462,427)	(33,276)	1,005,476
Fund balances - beginning of year	14,520,427	6,887,069	8,451,806	29,859,302
Fund balances - end of year	\$18,021,606	\$4,424,642	\$8,418,530	\$30,864,778

See accompanying notes to the basic financial statements.

The Public Library of Cincinnati and Hamilton County
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds \$1,005,476

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

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

Capital assets additions, net	4,799,852	
Depreciation expense	<u>(3,179,550)</u>	1,620,302

Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.		2,776,054
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Except for amounts reported as deferred inflows/outflows, changes in the net position liability are reported as pension expense in the statement of activities.		(2,465,152)
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Because some revenues will not be collected for several months after the Library's year-end, they are not considered "available" revenues and are deferred in governmental funds. Deferred inflows changed by these amounts:

Increase in intergovernmental	504,680	
Decrease in property taxes	<u>(21,754)</u>	482,926

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

Decrease in compensated absences		<u>32,852</u>
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Change in net position of government activities		<u><u>\$3,452,458</u></u>
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See accompanying notes to the basic financial statements.

The Public Library of Cincinnati and Hamilton County
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$38,553,168	\$38,553,168	\$40,773,719	\$2,220,551
Property taxes	15,760,000	15,760,000	16,226,162	466,162
Fines and fees	1,292,457	1,292,457	1,464,251	171,794
Earnings on investments	40,000	40,000	50,702	10,702
Services provided to other entities	2,500	2,500	0	(2,500)
Contributions, gifts and donations	40,000	40,000	47,000	7,000
Miscellaneous	811,875	811,875	861,470	49,595
Total Revenues	<u>56,500,000</u>	<u>56,500,000</u>	<u>59,423,304</u>	<u>2,923,304</u>
Expenditures				
Current				
Salaries and benefits				
Salaries and leave benefits	27,506,616	27,006,616	26,601,580	405,036
Retirement benefits	3,809,046	3,759,046	3,668,173	90,873
Insurance benefits	4,608,000	4,458,000	4,409,145	48,855
Supplies	1,529,617	1,664,617	1,662,515	2,102
Purchased and contracted services	9,690,587	9,380,587	9,113,300	267,287
Library materials and information	9,150,233	9,750,233	9,750,233	0
Other objects	426,100	376,100	344,075	32,025
Capital outlay	1,371,833	1,696,833	1,666,315	30,518
Total Expenditures	<u>58,092,032</u>	<u>58,092,032</u>	<u>57,215,336</u>	<u>876,696</u>
Excess (deficiency) of revenues over (under) expenditures	(1,592,032)	(1,592,032)	2,207,968	3,800,000
Other financing sources (uses)				
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	0
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>0</u>
Net change in fund balance	(3,592,032)	(3,592,032)	207,968	3,800,000
Fund balance at beginning of year	9,750,000	9,750,000	9,750,000	0
Prior year encumbrances appropriated	3,092,032	3,092,032	3,092,032	0
Fund balance at end of year	<u>\$9,250,000</u>	<u>\$9,250,000</u>	<u>\$13,050,000</u>	<u>\$3,800,000</u>

See accompanying notes to the basic financial statements.

The Public Library of Cincinnati and Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 1 - REPORTING ENTITY

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

The Board of Library Trustees has a membership of seven: three appointed by the Common Pleas Court Judges, and four by the Hamilton County Commissioners. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing and disposing of real and personal property, and of exercising such other powers and privileges as are conferred upon it by law. The Library also determines and operates under its own budget. The control and management of the Library is governed by sections 3375.22 to 3375.27 of the Ohio Revised Code. The Board of Library Trustees appoints the Eva Jane Romaine Coombe Director and Fiscal Officer to administer the day-to-day operations of the Library.

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

Under the provisions of Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity: Omnibus", the Library is considered to be a related organization of Hamilton County.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library's accounting policies are described below.

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.

Governmental-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 therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered

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by the program and grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Library, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Library.

Fund Financial Statements

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

Fund Accounting

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

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

The Library's major governmental funds are the General Fund and the Building and Repair Fund. The General Fund accounts for and reports 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 Building and Repair Fund is used to account for transfers from the General Fund to be used for the acquisition of property for future capital construction, for major capital improvements, and for emergency repair of library facilities.

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

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets plus deferred outflows of resources and liabilities plus 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 and current liabilities plus 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.

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Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred inflows and outflows 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 the amount of the transaction can be determined and ~~available~~ means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Library, available means expected to be received within 31 days of year-end.

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Library, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 9.

In addition to liabilities, the statements of financial position report 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 until that time. For the Library, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 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. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 14. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 9)

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Expenses/Expenditures

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

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

Budgetary Process

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

Budget

In 2003, Ohio Senate Bill 55 made changes (effective January 8, 2004) to Ohio Revised Code Section 5705.28, the section of law that requires the Library to submit an annual budget. As revised, Sec. 5705.281 provides that in any county in which a single library receives all of the county library and local government support fund or receives all of that portion of the fund that is distributed to libraries, the county budget commission may waive the requirement that the public library certify to the taxing authority its estimate of contemplated revenue and expenditures. However, if the county budget commission waives this requirement, it can require the library to provide any information the commission requires to perform its duties under this chapter. In response to a request by the Library Board of Trustees, the Hamilton County Budget Commission, on January 28, 2005, approved a motion to allow the Library to file a modified tax budget for 2006, in a simplified but more useful format. This approval has been reviewed on an annual basis since 2007.

Estimated Resources

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

Appropriations

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

Cash and Cash Equivalents

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

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During 2015, investments included U.S. Savings Bonds, Federal Agency Notes, money market mutual funds, negotiable certificates of deposits and STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold for on December 31, 2015.

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

Ohio statutes specify the funds to receive an allocation of interest earnings. Interest and dividend revenue credited to the General Fund during 2015 amounted to \$48,313, which includes \$11,055 assigned from other Library funds.

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

Inventory of Supplies

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which services are consumed.

Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. For certain assets, estimates were calculated by indexing estimated current costs back to the year of acquisition. Donated capital assets are recorded at their fair market values as of the date received. The Library maintains a capitalization threshold of \$1,500. The Library does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, except land, construction in progress, and fine art and rare books collections, are depreciated. Fine art and rare books collections are considered inexhaustible. Improvements are depreciated over the remaining useful lives of the related capital assets and leasehold improvements (included in building improvements) are depreciated over the life of the lease. Depreciation is computed using the straight-line method over the following useful lives:

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

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Compensated Absences

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

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

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

Fund Balance

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

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

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

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

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Library Trustees. The committed amounts cannot be used for any other purpose unless the Board of Library Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Library Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints 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. In the General Fund, assigned amounts represent intended uses established by the Board of Library Trustees. State statute authorizes the Fiscal Officer to assign fund balance for purchases on order provide 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.

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

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.

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, and are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability 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.

Net Position

Net Position represents the difference between all other elements on a Statement of Financial Position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include amounts legally restricted or donor designated for specific purposes. The Library's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Estimates

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

Pensions

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

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NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenues, expenditures, and changes in fund balance - budget and actual (budget basis) for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

Net Change in General Fund Balance

GAAP Basis	\$3,501,179
Revenue Accruals	(200,138)
Expenditure Accruals	206,554
Encumbrances	(3,299,627)
Budget Basis	<u>\$207,968</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits that the Library has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing no later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Interim moneys may be invested in the following securities:

- A. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
- B. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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- C. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- D. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
- E. Bonds and other obligations of the State of Ohio;
- F. The State Treasurer's investment pool (STAR Ohio);
- G. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if trading requirements have been met; and
- H. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

Deposits

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

The Library's bank balance of \$21,088,337 is either covered by FDIC or collateralized by the financial institutions' public entity deposit pool.

Investments

As of December 31, 2015, the Library had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-2	2-3	3-5
StarOhio	\$1,048,172	\$1,048,172	\$0	\$0	\$0
Negotiable Certificates of Deposit	1,000,000	250,000	750,000	0	0
First American Treasury Obligation Mutual Funds	726,059	726,059	0	0	0
Federal National Mortgage Assoc. Medium Term Notes	850,068	301,554	200,750	347,764	0
U.S. Savings Bonds Series HH	74,000	64,000	0	10,000	0
Federal Home Loan Mortgage Corporation Notes	2,056,451	705,509	650,214	0	700,728
Federal National Mortgage Assoc. Debenture	1,458,894	552,297	350,577	556,020	0
Federal National Mortgage Assoc. Notes	297,996	0	0	297,996	0
Federal Home Loan Bank Notes	1,693,622	0	348,880	547,434	797,308
	<u>\$9,205,262</u>	<u>\$3,647,591</u>	<u>\$2,300,421</u>	<u>\$1,759,214</u>	<u>\$1,498,036</u>

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Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

The Library places no limit on the amount it may invest in any one issuer. Of the Library's total investments, 28 percent are Federal National Mortgage Association notes and debentures, 22 percent are in Federal Home Loan Mortgage Corporation notes, 19 percent are Federal Home Loan Bank notes and 11 percent are in Negotiable Certificates of Deposit.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility located in the Library district. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016 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 later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2015 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2015, was \$1.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$17,367,886,550
Public Utility Personal	899,653,520
Total	<u>\$18,267,540,070</u>

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, 2015, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 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.

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NOTE 6 - RECEIVABLES

Receivables at December 31, 2015, consisted of intergovernmental, property taxes, and accrued earnings on investments. Intergovernmental receivables consisted of \$19,574,430 from the Public Library Fund and \$932,674 for homestead and rollback taxes. It is all recorded in the General Fund. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. All other receivables are considered fully collectible and will be received in one year due to the stable condition of state programs.

NOTE 7 – CAPITAL ASSETS

Changes in capital assets during the year ended December 31, 2015, were as follows:

	Balance at 12/31/2014	Additions	Deductions	Balance at 12/31/2015
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$14,266,034	\$0	\$0	\$14,266,034
Fine Art and Rare Book Collections	17,614,531	0	0	17,614,531
Construction in Progress	4,953,806	3,708,413	(8,662,219)	0
Total Capital Assets, Not Being Depreciated	36,834,371	3,708,413	(8,662,219)	31,880,565
Capital Assets Being Depreciated:				
Land Improvements	834,591	17,036	0	851,627
Buildings and Improvements	93,592,571	8,708,607	0	102,301,178
Furniture, Fixtures and Equipment	16,024,800	966,800	(128,105)	16,863,495
Vehicles	404,551	61,215	(22,294)	443,472
Totals Capital Assets, Being Depreciated	110,856,513	9,753,658	(150,399)	120,459,772
Less Accumulated Depreciation:				
Land Improvements	(424,768)	(37,598)	0	(462,366)
Building and Improvements	(44,029,343)	(2,312,923)	0	(46,342,266)
Furniture, Fixtures and Equipment	(13,062,886)	(798,745)	128,105	(13,733,526)
Vehicles	(335,055)	(30,284)	22,294	(343,045)
Total Accumulated Depreciation	(57,852,052)	(3,179,550) *	150,399	(60,881,203)
Total Capital Assets Being Depreciated, Net	53,004,461	6,574,108	0	59,578,569
Governmental Activities Capital Assets, Net	<u>\$89,838,832</u>	<u>\$10,282,521</u>	<u>(\$8,662,219)</u>	<u>\$91,459,134</u>

*Depreciation expense is charged to facilities and maintenance operations.

NOTE 8 – LEASES

The Library leases various buildings for library service operations under noncancelable operating leases. The total cost for these leases was \$310,895 for the year ended December 31, 2015. The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31,</u>	
2016	\$277,753
2017	136,875
2018	49,021
Total minimum lease payments	<u>\$463,649</u>

NOTE 9 - DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$2,776,054 for 2015. Of this amount \$272,245 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on the Library's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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	OPERS
Proportionate Share of Net Pension Liability	\$22,595,418
Proportion of the Net Pension Liability	0.187341%
Pension Expense	\$2,465,152

At December 31, 2015, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$1,205,623
Library contributions subsequent to the measurement date	2,776,054
Total Deferred Outflows of Resources	\$3,981,677
 Deferred Inflows of Resources	
Differences between expected and actual experience	\$396,957
Difference between Library contributions and proportionate share of contributions	7,315
Total Deferred Inflows of Resources	\$404,272

\$2,776,054 reported as deferred outflows of resources related to pension resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2016	\$118,248
2017	118,248
2018	270,764
2019	301,406
	\$808,666

Actuarial Assumptions- OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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	Traditional Pension Plan
Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	4.25 to 10.05 percent including wage inflation 3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used, set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was for a five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan, and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other Investments	18.00	4.59
 Total	 100.00 %	 5.28 %

Discount Rate The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following table presents the Library's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8.0 percent, as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.0 percent lower or higher than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Library's proportionate share of the net pension liability	\$41,569,094	\$22,595,418	\$6,615,011

NOTE 10 – POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

OPERS maintains two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS's CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.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 the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employees' Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS's actuary, the portion of employer contributions allocated to health care

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beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

Substantially all of the Library's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014, and 2013 was \$506,352, \$471,898, and \$232,157, respectively. For 2015, 92 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences - Accumulated Unpaid Vacation

The Library grants paid time off to employees regularly scheduled to work at least 20 hours per week. Library employees who are eligible earn vacation leave at varying rates based upon length of service and full-time or part-time status. The Library does not close on four legal holidays. Holiday time is not granted, but rather is included as part of paid time off. In the case of termination, death or retirement, an employee (or his or her estate) is paid for any unused vacation leave based on the board approved policy. The total obligation for vacation accrual for the Library as a whole amounted to \$2,871,481 at December 31, 2015.

Compensated Absences - Accumulated Unpaid Sick Leave

All eligible employees earn sick leave at the board approved rates. Full-time employees who retire from the Library with proper notice receive a payout at their current rate of pay, for the amount of unused sick leave over 1,440 hours up to the maximum allowable amount. If a staff member dies in service, this payment will be made to their estate. There is no sick leave payout to any staff member who resigns or is discharged. The total long-term obligation for sick leave accrual for the Library as a whole as of December 31, 2015 was \$816,144.

Medical and Dental Insurance

The Library provides medical insurance for full-time employees through an Anthem Lumenos Health Savings Account. Dental insurance is provided through Metlife Dental. Employees are required to share in the cost of their medical and dental plans. The Library provides a \$20,000 life insurance policy for all full-time employees through Metlife.

NOTE 12 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Library carries three layers of insurance coverage. In 2015, the Library contracted with several insurance companies for primary coverage as follows:

<u>Coverages</u>	<u>Company</u>
Property and Equipment Breakdown Protection	Fireman's Fund Insurance Co. Ohio
Automobile	Great American Insurance Company
Crime	Travelers
Commercial General Liability and Commercial Umbrella	Great American Insurance Company
Excess Liability and Excess Non-Profit Director's & Officers	Chubb Insurance Company
Non-Profit Directors & Officers	Philadelphia Insurance Company

No insurance settlement has exceeded insurance coverage during the last three years. There has been no significant decrease in the level of coverage from the prior year. The Library pays the State of Ohio Bureau of Workers' Compensation System a premium based on a rate per \$100 of salaries.

The Library also carries Public Official Bond coverage for the Fiscal Officer and the Senior Financial Analyst/Deputy Fiscal Officer. These bonds are provided by the Hartford Fire Insurance Company.

The Public Library of Cincinnati and Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 13 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Restated Balance 12/31/2014	Increase	Decrease	Balance 12/31/2015	Amount Due Within One Year
Net Pension Liability	\$22,085,063	\$510,355	\$0	\$22,595,418	\$0
Compensated Absences	3,720,477	2,330,650	2,363,502	3,687,625	1,655,934
Total	<u>\$25,805,540</u>	<u>\$2,841,005</u>	<u>\$2,363,502</u>	<u>\$26,283,043</u>	<u>\$1,655,934</u>

The Library pays obligations related to employee compensation (compensated absences and pension obligations) from the fund benefitting from their service. All obligations will be paid from the General Fund.

NOTE 14 – FUND BALANCES

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

Fund Balances	General	Building and Repair	Other Governmental Funds	Total
Nonspendable:				
Prepaid items	\$194,631	\$0	\$0	\$194,631
Supplies inventory	221,391	0	0	221,391
Principal restricted	0	0	6,740,531	6,740,531
Total Nonspendable	<u>416,022</u>	<u>0</u>	<u>6,740,531</u>	<u>7,156,553</u>
Restricted for:				
Library programs	0	0	1,677,999	1,677,999
Total Restricted	<u>0</u>	<u>0</u>	<u>1,677,999</u>	<u>1,677,999</u>
Committed to contracts	<u>80,000</u>	<u>0</u>	<u>0</u>	<u>80,000</u>
Assigned to:				
Capital improvements and repair	0	4,424,642	0	4,424,642
Purchases on Order:				
Library Material and Information	585,255	0	0	585,255
Purchased and Contracted Services	542,610	0	0	542,610
Capital Outlay	223,035	0	0	223,035
Other Purposes	89,724	0	0	89,724
Total Assigned	<u>1,440,624</u>	<u>4,424,642</u>	<u>0</u>	<u>5,865,266</u>
Unassigned	<u>16,084,960</u>	<u>0</u>	<u>0</u>	<u>16,084,960</u>
Total Fund Balances	<u>\$18,021,606</u>	<u>\$4,424,642</u>	<u>\$8,418,530</u>	<u>\$30,864,778</u>

NOTE 15 – INTERFUND ACTIVITY

Interfund Transfers

During 2015, there was one transfer from the General Fund to the Building and Repair Fund for \$2,000,000 for ongoing maintenance projects.

The Public Library of Cincinnati and Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 16 - CONTINGENT LIABILITIES

Federal and State Grants

For the period January 1, 2015 to December 31, 2015, the Library received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Library believes such disallowance, if any, would be immaterial.

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

For 2015, the Library implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, an Amendment of GASB Statement No. 27+ and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68.+

GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

Net position December 31, 2014	\$133,839,870
Adjustments:	
Net Pension Liability	(22,085,063)
Deferred Outflow - Payments Subsequent to Measurement Date	2,756,148
Restated Net Position December 31, 2014	\$114,510,955

Other than employer contributions subsequent to the measurement date, the Library made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on fund balances.

NOTE 18 – 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 year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Fund	Year-End Encumbrances
General	\$3,299,627
Building & Repair	122,020
Other nonmajor governmental funds	34,224
Total	\$3,455,871

The Public Library of Cincinnati and Hamilton County
Required Supplementary Information
Schedule of the Library's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System- Traditional Plan
Last Two Years (1)

	2013	2014
Library's proportion of the net pension liability (asset)	0.187341%	0.187341%
Library's proportionate share of the net pension liability (asset)	\$22,085,063	\$22,595,418
Library's covered-employee payroll	\$22,678,392	\$22,967,900
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	97.38%	98.38%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%

(1) Information not available prior to 2013.

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

The Public Library of Cincinnati and Hamilton County
Required Supplementary Information
Schedule of Library Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Three Years (1)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$2,948,191	\$2,756,148	\$2,776,054
Contributions in relation to the contractually required contribution	<u>(2,948,191)</u>	<u>(2,756,148)</u>	<u>(2,776,054)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Library covered-employee payroll	\$22,678,392	\$22,967,900	\$23,133,783
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%

(1) Information not available prior to 2013.

The Public Library of Cincinnati and Hamilton County

Nonmajor Fund Descriptions

Special Revenue Funds

The Special Revenue Funds are used to account for and report revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects and include:

Various Funds - To account for the Anderson/Mt. Washington Fund and the Gift Fund which are combined for reporting purposes.

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

Library Programs Fund - To account for various gifts that are restricted to fund library programs.

Permanent Funds

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

Various Permanent Funds

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

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

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

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

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

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

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

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

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

The Public Library of Cincinnati and Hamilton County

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2015

	Nonmajor Special Revenue	Nonmajor Permanent	Total Nonmajor Governmental
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$282,259	\$2,198,961	\$2,481,220
Investments	0	5,934,281	5,934,281
Receivables:			
Accrued Interest	0	17,392	17,392
Total Assets	<u>\$282,259</u>	<u>\$8,150,634</u>	<u>\$8,432,893</u>
<u>Liabilities</u>			
Accounts Payable	\$6,070	\$8,293	\$14,363
Total Liabilities	<u>6,070</u>	<u>8,293</u>	<u>14,363</u>
<u>Fund Balances</u>			
Nonspendable	0	6,740,531	6,740,531
Restricted	276,189	1,401,810	1,677,999
Total Fund Balances	<u>276,189</u>	<u>8,142,341</u>	<u>8,418,530</u>
Total Liabilities and Fund Balances	<u>\$282,259</u>	<u>\$8,150,634</u>	<u>\$8,432,893</u>

The Public Library of Cincinnati and Hamilton County

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2015

	<u>Various</u>	<u>Library Programs</u>	<u>Total</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$218,891	\$63,368	\$282,259
Total Assets	<u>\$218,891</u>	<u>\$63,368</u>	<u>\$282,259</u>
<u>Liabilities</u>			
Accounts Payable	\$6,038	\$32	\$6,070
Total Liabilities	<u>6,038</u>	<u>32</u>	<u>6,070</u>
<u>Fund Balances</u>			
Restricted	212,853	63,336	276,189
Total Fund Balances	<u>212,853</u>	<u>63,336</u>	<u>276,189</u>
Total Liabilities and Fund Balances	<u>\$218,891</u>	<u>\$63,368</u>	<u>\$282,259</u>

The Public Library of Cincinnati and Hamilton County

Combining Balance Sheet

Nonmajor Permanent Funds

December 31, 2015

	Various Permanent	Armstrong	Feld	Hadley	Heisel/ Dunlap
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$379,218	\$934,357	\$532,329	\$44,364	\$44,541
Investments	854,983	868,099	2,441,707	74,261	269,295
Receivables:					
Accrued Interest	2,506	2,544	7,156	218	789
Total Assets	<u>\$1,236,707</u>	<u>\$1,805,000</u>	<u>\$2,981,192</u>	<u>\$118,843</u>	<u>\$314,625</u>
<u>Liabilities</u>					
Accounts Payable	\$0	\$750	\$6,871	\$0	\$0
Total Liabilities	<u>0</u>	<u>750</u>	<u>6,871</u>	<u>0</u>	<u>0</u>
<u>Fund Balances</u>					
Nonspendable	971,144	986,042	2,773,445	84,350	305,883
Restricted	265,563	818,208	200,876	34,493	8,742
Total Fund Balances	<u>1,236,707</u>	<u>1,804,250</u>	<u>2,974,321</u>	<u>118,843</u>	<u>314,625</u>
Total Liabilities and Fund Balances	<u>\$1,236,707</u>	<u>\$1,805,000</u>	<u>\$2,981,192</u>	<u>\$118,843</u>	<u>\$314,625</u>

<u>Kersten</u>	<u>Dwyer</u>	<u>Howard</u>	<u>Total</u>
\$76,673	\$22,812	\$164,667	\$2,198,961
86,744	114,262	1,224,930	5,934,281
254	335	3,590	17,392
<u>\$163,671</u>	<u>\$137,409</u>	<u>\$1,393,187</u>	<u>\$8,150,634</u>
\$0	\$298	\$374	\$8,293
<u>0</u>	<u>298</u>	<u>374</u>	<u>8,293</u>
98,529	129,786	1,391,352	6,740,531
65,142	7,325	1,461	1,401,810
<u>163,671</u>	<u>137,111</u>	<u>1,392,813</u>	<u>8,142,341</u>
<u>\$163,671</u>	<u>\$137,409</u>	<u>\$1,393,187</u>	<u>\$8,150,634</u>

The Public Library of Cincinnati and Hamilton County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue	Nonmajor Permanent	Total Nonmajor Governmental
Revenues			
Intergovernmental	\$29,348	\$0	\$29,348
Earnings on investments	3,390	92,756	96,146
Contributions, gifts and donations	176,043	2,697	178,740
Miscellaneous	124,074	0	124,074
Total Revenues	<u>332,855</u>	<u>95,453</u>	<u>428,308</u>
Expenditures			
Current			
Library Services			
Public service and programs	272,694	40,681	313,375
Collection development and processing	0	123,161	123,161
Support Services			
Business administration	1,088	23,960	25,048
Total Expenditures	<u>273,782</u>	<u>187,802</u>	<u>461,584</u>
Net change in fund balances	59,073	(92,349)	(33,276)
Fund balances - beginning of year	217,116	8,234,690	8,451,806
Fund balances - end of year	<u>\$276,189</u>	<u>\$8,142,341</u>	<u>\$8,418,530</u>

The Public Library of Cincinnati and Hamilton County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015

	<u>Various</u>	<u>LSTA Grant</u>	<u>Library Programs</u>	<u>Total</u>
<u>Revenues</u>				
Intergovernmental	\$1,000	\$28,348	\$0	\$29,348
Earnings on investments	400	0	2,990	3,390
Contributions, gifts and donations	151,869	0	24,174	176,043
Miscellaneous	<u>124,074</u>	<u>0</u>	<u>0</u>	<u>124,074</u>
Total Revenues	<u>277,343</u>	<u>28,348</u>	<u>27,164</u>	<u>332,855</u>
<u>Expenditures</u>				
Current				
Library Services				
Public service and programs	225,934	28,348	18,412	272,694
Support Services				
Business Administration	0	0	1,088	1,088
Total Expenditures	<u>225,934</u>	<u>28,348</u>	<u>19,500</u>	<u>273,782</u>
Net change in fund balances	51,409	0	7,664	59,073
Fund balances - beginning of year	<u>161,444</u>	<u>0</u>	<u>55,672</u>	<u>217,116</u>
Fund balances - end of year	<u><u>\$212,853</u></u>	<u><u>\$0</u></u>	<u><u>\$63,336</u></u>	<u><u>\$276,189</u></u>

The Public Library of Cincinnati and Hamilton County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended December 31, 2015

	<u>Various Permanent</u>	<u>Armstrong</u>	<u>Feld</u>	<u>Hadley</u>
<u>Revenues</u>				
Earnings on investments	\$20,641	\$8,592	\$19,716	\$659
Contributions, gifts and donations	2,697	0	0	0
Total Revenues	<u>23,338</u>	<u>8,592</u>	<u>19,716</u>	<u>659</u>
<u>Expenditures</u>				
Current				
Library Services				
Public service and programs	1,950	750	0	0
Collection development and processing	20,973	0	88,008	0
Support Services				
Business administration	9,176	12,614	0	2,170
Total Expenditures	<u>32,099</u>	<u>13,364</u>	<u>88,008</u>	<u>2,170</u>
Net change in fund balances	(8,761)	(4,772)	(68,292)	(1,511)
Fund balances - beginning of year	1,245,468	1,809,022	3,042,613	120,354
Fund balances - end of year	<u>\$1,236,707</u>	<u>\$1,804,250</u>	<u>\$2,974,321</u>	<u>\$118,843</u>

<u>Heisel/ Dunlap</u>	<u>Kersten</u>	<u>Dwyer</u>	<u>Howard</u>	<u>Total</u>
\$2,128	\$30,480	\$919	\$9,621	\$92,756
0	0	0	0	2,697
<u>2,128</u>	<u>30,480</u>	<u>919</u>	<u>9,621</u>	<u>95,453</u>
0	32,394	5,587	0	40,681
0	0	0	14,180	123,161
0	0	0	0	23,960
<u>0</u>	<u>32,394</u>	<u>5,587</u>	<u>14,180</u>	<u>187,802</u>
2,128	(1,914)	(4,668)	(4,559)	(92,349)
312,497	165,585	141,779	1,397,372	8,234,690
<u>\$314,625</u>	<u>\$163,671</u>	<u>\$137,111</u>	<u>\$1,392,813</u>	<u>\$8,142,341</u>

The Public Library of Cincinnati and Hamilton County

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

Building and Repair Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions, gifts and donations	\$0	\$100,000	\$100,000	\$0
Total revenues	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Expenditures				
Current				
Purchased and contracted services	1,340,871	1,340,871	576,088	764,783
Capital outlay	6,958,943	7,058,943	6,301,520	757,423
Total expenditures	<u>8,299,814</u>	<u>8,399,814</u>	<u>6,877,608</u>	<u>1,522,206</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,299,814)</u>	<u>(8,299,814)</u>	<u>(6,777,608)</u>	<u>1,522,206</u>
Other financing sources (uses)				
Transfers in	2,000,000	2,000,000	2,000,000	0
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>
Net change in fund balance	(6,299,814)	(6,299,814)	(4,777,608)	1,522,206
Fund balance at beginning of year	2,845,900	2,845,900	2,845,900	0
Prior year encumbrances appropriated	6,299,814	6,299,814	6,299,814	0
Fund balance at end of year	<u>\$2,845,900</u>	<u>\$2,845,900</u>	<u>\$4,368,106</u>	<u>\$1,522,206</u>

The Public Library of Cincinnati and Hamilton County

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

Various Funds

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental receipts	\$0	\$0	\$1,000	\$1,000
Earnings on investments	0	0	400	400
Contributions, gifts and donations	80,000	127,000	151,869	24,869
Miscellaneous	0	183,000	124,074	(58,926)
Total revenues	<u>80,000</u>	<u>310,000</u>	<u>277,343</u>	<u>(32,657)</u>
Expenditures				
Current				
Supplies	82,797	209,797	179,176	30,621
Purchased and contracted services	32,120	94,120	46,810	47,310
Library materials and information	11,563	11,563	9,085	2,478
Capital outlay	56,048	71,048	51,310	19,738
Total expenditures	<u>182,528</u>	<u>386,528</u>	<u>286,381</u>	<u>100,147</u>
Net change in fund balance	(102,528)	(76,528)	(9,038)	67,490
Fund balance at beginning of year	146,122	146,122	146,122	0
Prior year encumbrances appropriated	65,628	65,628	65,628	0
Fund balance at end of year	<u>\$109,222</u>	<u>\$135,222</u>	<u>\$202,712</u>	<u>\$67,490</u>

The Public Library of Cincinnati and Hamilton County

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

LSTA Grant Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$28,348	\$28,348	\$28,348	\$0
Total revenues	<u>28,348</u>	<u>28,348</u>	<u>28,348</u>	<u>0</u>
Expenditures				
Current				
Supplies	7,204	7,204	7,204	0
Capital outlay	21,144	21,144	21,144	0
Total expenditures	<u>28,348</u>	<u>28,348</u>	<u>28,348</u>	<u>0</u>
Net change in fund balance	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The Public Library of Cincinnati and Hamilton County

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

Library Programs Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$0	\$0	\$2,990	\$2,990
Contributions, gifts and donations	25,000	25,000	24,174	(826)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>27,164</u>	<u>2,164</u>
Expenditures				
Current				
Supplies	37,827	37,827	12,183	25,644
Purchased and contracted services	20,100	20,100	15,088	5,012
Total expenditures	<u>57,927</u>	<u>57,927</u>	<u>27,271</u>	<u>30,656</u>
Net change in fund balance	(32,927)	(32,927)	(107)	32,820
Fund balance at beginning of year	60,178	60,178	60,178	0
Prior year encumbrances appropriated	2,927	2,927	2,927	0
Fund balance at end of year	<u>\$30,178</u>	<u>\$30,178</u>	<u>\$62,998</u>	<u>\$32,820</u>

The Public Library of Cincinnati and Hamilton County

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

Various Permanent Funds

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$23,720	\$23,720	\$24,978	\$1,258
Contributions, gifts and donations	1,000	1,000	2,697	1,697
Total revenues	<u>24,720</u>	<u>24,720</u>	<u>27,675</u>	<u>2,955</u>
Expenditures				
Current				
Salaries and benefits				
Salaries and leave benefits	8,000	8,000	1,000	7,000
Supplies	7,150	7,150	2,822	4,328
Purchased and contracted services	20,500	20,500	9,450	11,050
Library materials and information	22,900	22,900	21,006	1,894
Total expenditures	<u>58,550</u>	<u>58,550</u>	<u>34,278</u>	<u>24,272</u>
Net change in fund balance	(33,830)	(33,830)	(6,603)	27,227
Fund balance at beginning of year	1,249,587	1,249,587	1,249,587	0
Prior year encumbrances appropriated	150	150	150	0
Fund balance at end of year	<u>\$1,215,907</u>	<u>\$1,215,907</u>	<u>\$1,243,134</u>	<u>\$27,227</u>

The Public Library of Cincinnati and Hamilton County

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

Armstrong Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$12,000	\$12,000	\$7,797	(\$4,203)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>7,797</u>	<u>(4,203)</u>
Expenditures				
Current				
Supplies	15,000	15,000	12,711	2,289
Purchased and contracted services	<u>10,000</u>	<u>10,000</u>	<u>935</u>	<u>9,065</u>
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>13,646</u>	<u>11,354</u>
Net change in fund balance	(13,000)	(13,000)	(5,849)	7,151
Fund balance at beginning of year	1,817,256	1,817,256	1,817,256	0
Prior year encumbrances appropriated	<u>1,741</u>	<u>1,741</u>	<u>1,741</u>	<u>0</u>
Fund balance at end of year	<u><u>\$1,805,997</u></u>	<u><u>\$1,805,997</u></u>	<u><u>\$1,813,148</u></u>	<u><u>\$7,151</u></u>

The Public Library of Cincinnati and Hamilton County

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

Feld Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$30,000	\$30,000	\$17,481	(\$12,519)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>17,481</u>	<u>(12,519)</u>
Expenditures				
Current				
Library materials and information	106,578	106,578	95,022	11,556
Total expenditures	<u>106,578</u>	<u>106,578</u>	<u>95,022</u>	<u>11,556</u>
Net change in fund balance	(76,578)	(76,578)	(77,541)	(963)
Fund balance at beginning of year	3,066,218	3,066,218	3,066,218	0
Prior year encumbrances appropriated	<u>6,578</u>	<u>6,578</u>	<u>6,578</u>	<u>0</u>
Fund balance at end of year	<u><u>\$2,996,218</u></u>	<u><u>\$2,996,218</u></u>	<u><u>\$2,995,255</u></u>	<u><u>(\$963)</u></u>

The Public Library of Cincinnati and Hamilton County

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

Hadley Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$1,000	\$1,000	\$591	(\$409)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>591</u>	<u>(409)</u>
Expenditures				
Current				
Salaries and benefits				
Other employee benefits	35,135	35,135	2,670	32,465
Total expenditures	<u>35,135</u>	<u>35,135</u>	<u>2,670</u>	<u>32,465</u>
Net change in fund balance	(34,135)	(34,135)	(2,079)	32,056
Fund balance at beginning of year	121,071	121,071	121,071	0
Prior year encumbrances appropriated	135	135	135	0
Fund balance at end of year	<u>\$87,071</u>	<u>\$87,071</u>	<u>\$119,127</u>	<u>\$32,056</u>

The Public Library of Cincinnati and Hamilton County

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

Heisel/Dunlap Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$3,000	\$3,000	\$1,882	(\$1,118)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>1,882</u>	<u>(1,118)</u>
Expenditures				
Current				
Salaries and benefits				
Other employee benefits	5,000	5,000	0	5,000
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Net change in fund balance	(2,000)	(2,000)	1,882	3,882
Fund balance at beginning of year	315,592	315,592	315,592	0
Fund balance at end of year	<u>\$313,592</u>	<u>\$315,192</u>	<u>\$317,474</u>	<u>\$2,282</u>

The Public Library of Cincinnati and Hamilton County

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

Kersten Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$30,000	\$30,000	\$30,400	\$400
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>30,400</u>	<u>400</u>
Expenditures				
Current				
Supplies	30,534	30,534	23,564	6,970
Purchased and contracted services	20,000	20,000	9,736	10,264
Total expenditures	<u>50,534</u>	<u>50,534</u>	<u>33,300</u>	<u>17,234</u>
Net change in fund balance	(20,534)	(20,534)	(2,900)	17,634
Fund balance at beginning of year	166,435	166,435	166,435	0
Prior year encumbrances appropriated	534	534	534	0
Fund balance at end of year	<u>\$146,435</u>	<u>\$146,435</u>	<u>\$164,069</u>	<u>\$17,634</u>

The Public Library of Cincinnati and Hamilton County

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

Dwyer Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$1,400	\$1,400	\$815	(\$585)
Total revenues	<u>1,400</u>	<u>1,400</u>	<u>815</u>	<u>(585)</u>
Expenditures				
Current				
Supplies	5,027	5,027	1,610	3,417
Library materials and information	5,000	5,000	4,692	308
Total expenditures	<u>10,027</u>	<u>10,027</u>	<u>6,302</u>	<u>3,725</u>
Net change in fund balance	(8,627)	(8,627)	(5,487)	3,140
Fund balance at beginning of year	142,064	142,064	142,064	0
Prior year encumbrances appropriated	1,027	1,027	1,027	0
Fund balance at end of year	<u>\$134,464</u>	<u>\$134,464</u>	<u>\$137,604</u>	<u>\$3,140</u>

The Public Library of Cincinnati and Hamilton County

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

Howard Fund

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$14,000	\$14,000	\$8,499	(\$5,501)
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>8,499</u>	<u>(5,501)</u>
Expenditures				
Current				
Library materials and information	15,175	15,175	14,600	575
Total expenditures	<u>15,175</u>	<u>15,175</u>	<u>14,600</u>	<u>575</u>
Net change in fund balance	(1,175)	(1,175)	(6,101)	(4,926)
Fund balance at beginning of year	1,411,383	1,411,383	1,411,383	0
Prior year encumbrances appropriated	175	175	175	0
Fund balance at end of year	<u>\$1,410,383</u>	<u>\$1,410,383</u>	<u>\$1,405,457</u>	<u>(\$4,926)</u>

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Statistical Section

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The Public Library of Cincinnati and Hamilton County

Statistical Section

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the Library's financial performance and well-being has changed over time.	62-69
Revenue Capacity These schedules contain trend information to help the reader understand the Library's most significant sources of local revenue.	70-74
Debt Capacity These schedules present information to help the reader assess the affordability of the Library's current service levels of outstanding debt and the Library's ability to issue additional debt in the future.	75
The Library has not included a table for Direct and Overlapping Debt as the Library is a county-wide library.	
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment in which the Library's financial activities take place.	76-78
Operating Information 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.	80-83

Sources:

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

The Public Library of Cincinnati and Hamilton County

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 (*)</u>
Governmental Activities:				
Invested in Capital Assets	\$91,574,791	\$91,680,184	\$90,835,880	\$88,897,763
Restricted	9,900,817	11,115,987	13,616,429	10,005,862
Unrestricted	<u>40,146,200</u>	<u>38,302,628</u>	<u>33,190,646</u>	<u>21,324,264</u>
Total Governmental Activities Net Position	<u><u>\$141,621,808</u></u>	<u><u>\$141,098,799</u></u>	<u><u>\$137,642,955</u></u>	<u><u>\$120,227,889</u></u>

*Amount restated to correctly reflect accumulated depreciation

**Amount restated in accordance with GASB Statement No.68

2010 (*)	2011 (*)	2012 (*)	2013	2014(**)	2015
\$87,843,258	\$87,110,748	\$85,341,907	\$84,898,227	\$89,838,832	\$91,459,134
8,908,471	8,765,055	8,549,943	8,640,838	8,451,806	8,418,530
27,465,034	32,602,540	36,678,842	39,408,975	16,220,317	18,085,749
<u>\$124,216,763</u>	<u>\$128,478,343</u>	<u>\$130,570,692</u>	<u>\$132,948,040</u>	<u>\$114,510,955</u>	<u>\$117,963,413</u>

The Public Library of Cincinnati and Hamilton County

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2006	2007	2008	2009 (*)
Program Revenues:				
Charges for Services:				
Library Services:				
Public Service and Programs	\$2,043,892	\$1,949,231	\$2,003,232	\$1,986,173
Collection Development and Processing	0	0	0	0
Operating grants, contributions, and earnings on investments:				
Library Services:				
Public Service and Programs	855,106	841,861	1,146,886	537,845
Collection Development and Processing	362,991	597,512	326,213	84,990
Support Services:				
Facilities operations and maintenance	184,960	419,888	1,307	7,056
Information services support	6,730	10,000	0	0
Business administration	20,621	25,869	18,788	3,513
Total Program Revenues	3,474,300	3,844,361	3,496,426	2,619,577
Expenses:				
Library Services:				
Public Service and Programs	24,616,153	24,757,848	25,328,735	25,445,459
Collection Development and Processing	11,082,554	11,739,723	11,708,306	12,003,328
Support Services:				
Facilities Operations and Maintenance	11,328,075	12,717,831	12,961,104	13,052,088
Information Services Support	3,014,084	3,038,053	2,604,637	1,374,495
Business Administration	3,468,006	3,458,818	3,620,791	4,382,087
Debt Service:				
Interest and Fiscal Charges	5,517	3,168	1,602	0
Total Expenses	53,514,389	55,715,441	56,225,175	56,257,457
Net Expenses	(50,040,089)	(51,871,080)	(52,728,749)	(53,637,880)
General Revenues:				
Governmental Activities:				
Grants and Contributions not Restricted to Specific Programs				
Property taxes levied for general purposes	0	0	0	0
Earnings on Investments	1,057,329	1,183,073	570,505	88,420
Gain on sale of capital asset	0	87,644	0	0
Other	887,743	784,376	811,488	658,480
Contributions to Principal for Permanent Funds	1,968	3,553	3,747	3,669
Total General Revenues and Contributions	50,254,459	51,348,071	49,272,905	36,222,814
Change in Net Position	\$214,370	(\$523,009)	(\$3,455,844)	(\$17,415,066) (1)

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

*Amount restated to correctly reflect accumulated depreciation

2010 (*)	2011 (*)	2012 (*)	2013	2014	2015
\$1,950,189	\$1,853,699	\$1,836,534	\$1,488,381	\$1,378,960	\$1,464,251
33,323	3,048	270	0	0	0
353,966	461,895	302,650	446,865	225,674	406,987
16,694	135,199	90,651	35,756	301,378	79,245
87,120	276,970	34,121	268,402	51,650	101,428
0	0	0	0	0	0
0	0	950	0	0	397
2,441,292	2,730,811	2,265,176	2,239,404	1,957,662	2,052,308
24,735,003	24,012,269	25,089,210	24,481,482	23,276,690	24,825,845
12,650,042	12,857,701	13,256,882	11,779,143	12,296,021	12,454,497
12,956,656	12,173,882	11,344,275	10,776,056	13,172,401	11,942,451
1,971,633	1,904,726	1,146,958	1,759,322	2,008,484	2,565,611
4,747,463	4,316,845	4,746,904	5,165,273	5,673,489	5,420,242
0	0	0	0	0	0
57,060,797	55,265,423	55,584,229	53,961,276	56,427,085	57,208,646
(54,619,505)	(52,534,612)	(53,319,053)	(51,721,872)	(54,469,423)	(55,156,338)
38,213,450	38,927,193	38,320,131	38,316,460	39,124,507	41,480,926
19,618,860	17,244,148	15,912,280	14,954,099	15,046,679	16,204,408
22,673	56,218	56,419	48,273	53,111	59,692
48,375	0	0	0	0	0
701,110	563,561	1,119,987	775,432	1,131,857	861,470
3,911	5,072	2,585	4,956	5,099	2,300
58,608,379	56,796,192	55,411,402	54,099,220	55,361,253	58,608,796
\$3,988,874	\$4,261,580	\$2,092,349	\$2,377,348	\$891,830	\$3,452,458

The Public Library of Cincinnati and Hamilton County

Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010 (1)
General Fund					
Nonspendable	\$0	\$0	\$0	\$0	\$313,740
Committed	0	0	0	0	80,000
Assigned	0	0	0	0	453,970
Unassigned	0	0	0	0	8,371,066
Reserved	339,947	500,422	522,050	417,778	0
Unreserved	13,834,801	11,392,232	7,370,027	4,954,540	0
Total General Fund	14,174,748	11,892,654	7,892,077	5,372,318	9,218,776
All Other Governmental Funds					
Nonspendable	\$0	\$0	\$0	\$0	\$6,720,519
Restricted	0	0	0	0	2,187,952
Assigned	0	0	0	0	4,012,379
Reserved	7,072,431	7,395,041	7,777,583	7,184,646	0
Unreserved reported in:					
Special Revenue Funds	1,200,192	2,207,051	4,560,246	750,292	0
Capital Projects Funds	6,828,166	7,390,932	8,116,698	3,066,387	0
Permanent Funds	2,018,534	2,230,095	2,315,884	2,087,829	0
Total All Other Governmental Funds	17,119,323	19,223,119	22,770,411	13,089,154	12,920,850
Total Governmental Funds	\$31,294,071	\$31,115,773	\$30,662,488	\$18,461,472	\$22,139,626

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

2011	2012	2013	2014	2015
\$408,748	\$530,998	\$286,770	\$262,519	\$416,022
80,000	80,000	80,000	80,000	80,000
373,970	827,940	1,061,664	1,561,251	1,440,624
13,693,604	14,007,805	17,553,989	12,616,657	16,084,960
0	0	0	0	0
0	0	0	0	0
<u>14,556,322</u>	<u>15,446,743</u>	<u>18,982,423</u>	<u>14,520,427</u>	<u>18,021,606</u>
\$6,725,591	\$6,728,176	\$6,733,132	\$6,738,231	\$6,740,531
2,039,464	1,821,767	1,907,706	1,713,575	1,677,999
4,754,170	6,604,104	6,742,069	6,887,069	4,424,642
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>13,519,225</u>	<u>15,154,047</u>	<u>15,382,907</u>	<u>15,338,875</u>	<u>12,843,172</u>
<u><u>\$28,075,547</u></u>	<u><u>\$30,600,790</u></u>	<u><u>\$34,365,330</u></u>	<u><u>\$29,859,302</u></u>	<u><u>\$30,864,778</u></u>

The Public Library of Cincinnati and Hamilton County

Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2006	2007	2008	2009
Revenues:				
Intergovernmental	\$48,954,721	\$49,417,777	\$48,116,998	\$38,844,386
Property taxes	0	0	0	0
Fines and fees	2,043,892	1,949,231	2,003,232	1,986,173
Earnings on investments	1,486,675	1,677,365	1,007,491	201,158
Contributions, gifts, and donations	355,728	1,438,084	2,948,735	147,387
Miscellaneous	887,743	906,360	811,488	658,480
Total Revenues	53,728,759	55,388,817	54,887,944	41,837,584
Expenditures:				
Current:				
Library services:				
Public service and programs	24,720,722	24,888,966	25,354,219	25,398,385
Collection development and processing	11,108,535	11,669,590	11,695,165	11,956,325
Support Services:				
Facilities operations and maintenance	8,707,535	12,234,308	11,211,724	10,835,165
Information services support	3,335,661	3,381,801	3,405,865	1,491,889
Business administration	3,437,752	3,441,977	3,625,151	4,356,836
Debt Service:				
Principal retirement	59,956	62,305	48,246	0
Interest and fiscal charges	5,517	3,168	859	0
Total Expenditures	51,375,678	55,682,115	55,341,229	54,038,600
Excess of Revenues Over (Under) Expenditures	2,353,081	(293,298)	(453,285)	(12,201,016)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	115,000	0	0
Inception of Capital Lease	0	0	0	0
Transfers In	503,545	3,300,000	2,503,043	6,680,238
Transfers Out	(503,545)	(3,300,000)	(2,503,043)	(6,680,238)
Total Other Financing Sources (Uses)	0	115,000	0	0
Net Change in Fund Balances	\$2,353,081	(\$178,298)	(\$453,285)	(\$12,201,016)
Debt Service as a Percentage of Noncapital Expenditures	0.1%	0.1%	0.1%	0.0%

2010	2011	2012	2013	2014	2015
\$38,977,457	\$39,798,636	\$37,445,155	\$38,162,831	\$37,742,457	\$41,005,594
17,637,711	17,613,602	15,948,657	16,044,155	16,172,491	16,226,162
1,950,189	1,853,699	1,836,534	1,488,381	1,378,960	1,464,251
29,558	195,357	144,720	93,056	162,977	145,887
268,006	481,376	276,749	683,196	312,071	325,740
734,433	566,910	1,121,163	775,432	1,131,857	985,544
59,597,354	60,509,580	56,772,978	57,247,051	56,900,813	60,153,178
24,862,028	24,384,028	25,405,327	24,701,042	24,569,487	25,723,835
12,637,587	12,940,503	13,475,983	11,844,354	12,392,518	12,483,229
11,000,973	10,907,773	9,191,772	9,745,206	16,721,876	12,813,932
2,734,740	1,990,538	1,632,347	1,966,232	2,164,844	2,647,622
4,738,872	4,350,817	4,862,306	5,225,677	5,593,116	5,479,084
0	0	0	0	0	0
0	0	0	0	0	0
55,974,200	54,573,659	54,567,735	53,482,511	61,441,841	59,147,702
3,623,154	5,935,921	2,205,243	3,764,540	(4,541,028)	1,005,476
55,000	0	320,000	0	35,000	0
0	0	0	0	0	0
2,500,000	2,500,000	2,500,000	2,000,000	9,000,000	2,000,000
(2,500,000)	(2,500,000)	(2,500,000)	(2,000,000)	(9,000,000)	(2,000,000)
55,000	0	320,000	0	35,000	0
\$3,678,154	\$5,935,921	\$2,525,243	\$3,764,540	(\$4,506,028)	\$1,005,476
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Year	Real Property			Tangible Personal Property				Weighted Average Property Tax Rate (per \$1,000 of assessed value)	
	Assessed Value			General Business		Totals			
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2010	\$14,056,000,000	\$5,807,000,000	\$56,751,428,571	\$32,770,000	\$131,080,000	\$19,895,770,000	\$56,882,508,571	34.98%	1.00
2011	14,030,000,000	5,590,000,000	56,057,142,857	0	0	19,620,000,000	56,057,142,857	35.00%	1.00
2012	12,239,420,000	5,159,970,000	49,712,542,857	0	0	17,399,390,000	49,712,542,857	35.00%	1.00
2013	12,244,400,000	5,265,760,000	50,029,028,571	0	0	17,510,160,000	50,029,028,571	35.00%	1.00
2014	12,705,736,300	5,463,869,150	51,913,158,429	0	0	18,169,605,450	51,913,158,429	35.00%	1.00
2015	12,781,985,050	5,485,555,020	52,192,971,629	0	0	18,267,540,070	52,192,971,629	35.00%	1.00

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

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

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

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

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

Source: Hamilton County Auditor

The Public Library of Cincinnati and Hamilton County

Property Tax Levies and Collections

Last Six Years (1)

<u>Collection Year</u>	<u>Current Tax Levy (2)</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (1)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy(3)</u>
2010	\$17,829,538	\$16,367,759	91.80%	\$1,272,952	\$17,640,711	98.94%
2011	17,557,590	16,832,702	95.87%	780,900	17,613,602	100.32%
2012	15,983,633	15,202,234	95.11%	746,423	15,948,657	99.78%
2013	15,643,227	15,489,157	99.02%	554,998	16,044,155	102.56%
2014	15,673,500	15,601,048	99.54%	571,443	16,172,491	103.18%
2015	15,784,750	15,702,798	99.48%	523,364	16,226,162	102.80%

Source: Office of the Auditor, Hamilton County, Ohio

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

(2) Does not include homestead/rollback reimbursement from the State of Ohio.

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs. Delinquent taxes based upon levy year, not collection year.

The Public Library of Cincinnati and Hamilton County

Direct and Overlapping Property Tax Rates

(Per \$1,000 of Assessed Value)

Last Six Years (1)

	<u>2010</u>	<u>2011</u>	<u>2012</u>
County Direct Rates			
General Fund	\$2.26	\$2.26	\$2.26
Crime Info Center	0.54	0.54	0.54
Museum Center	0.18	0.18	0.18
Zoo	0.46	0.46	0.46
Family Services & Treatment	0.34	0.34	0.34
Senior Services	1.29	1.29	1.29
Mental Health	2.99	2.99	2.99
Indigent Health Care	4.49	4.07	4.07
Children's Services	2.77	2.77	2.77
Development Disabilities	4.13	4.13	4.13
Parks	1.03	1.03	1.03
Public Library	1.00	1.00	1.00
	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
Total Hamilton County	<u>\$21.48</u>	<u>\$21.06</u>	<u>\$21.06</u>
City Rates	.65-38.52	.65-20.13	.65-20.13
Village Rates	3.06-20.13	1.19-40.73	1.19-40.73
School District Rates	44.90-99.72	44.18-106.97	44.18-107.77
Township Rates	3.74-26.34	5.24-26.34	5.24-26.34
Special District Rates	2.25-12.05	2.25-12.05	2.28-12.05
Joint Vocational Levy Rates	1.93-2.70	1.93-2.70	1.93-2.70

Source: Ohio Department of Taxation, Office of the Auditor, Hamilton County, Ohio

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

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

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

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

<u>2013</u>	<u>2014</u>	<u>2015</u>
\$2.26	\$2.26	\$2.26
0.54	0.54	0.54
0.18	0.00	0.00
0.46	0.46	0.46
0.34	0.34	0.34
1.29	1.29	1.29
2.99	2.99	2.99
4.07	4.07	4.07
2.77	2.77	2.77
4.13	4.13	4.13
1.03	1.03	1.03
1.00	1.00	1.00
<u>\$21.06</u>	<u>\$20.88</u>	<u>\$20.88</u>
.65-20.13	.65-27.60	.65-27.60
1.19-48.73	1.19-48.73	1.19-48.73
44.18-107.77	44.18-113.92	44.18-113.92
5.24-26.34	5.24-30.58	5.24-30.58
2.25-12.05	1.50-12.05	1.50-12.05
1.93-2.70	1.93-2.70	1.93-2.70

The Public Library of Cincinnati and Hamilton County

Principal Property Taxpayers

Current Year and First Year

Name of Taxpayer	2015		
	Assessed Value (1)	Percent of Total Assesed Value	Rank
Duke Energy Ohio Inc	\$869,119,340	4.76%	1
City of Cincinnati	121,780,650	0.67%	2
Procter & Gamble Co	78,149,290	0.43%	3
Fifth Third Bank	47,780,800	0.26%	4
The Christ Hospital	41,789,170	0.23%	5
Duke Energy Miami Fort LLC	37,129,160	0.20%	6
Dayton Power & Light Co	29,532,580	0.16%	7
CLP-SPF Rookwood Commons	26,936,180	0.15%	8
Carew Realty Inc	26,113,270	0.14%	9
Columbia Development Corp	20,039,070	0.11%	10
	Subtotal	1,298,369,510	7.11%
	All Other	16,969,170,560	92.89%
Total		\$18,267,540,070	100.00%

Name of Taxpayer	2010		
	Assessed Value (1)	Percent of Total Assesed Value	Rank
Duke Energy Ohio Inc	\$662,794,160	3.33%	1
City of Cincinnati	151,290,910	0.76%	2
Procter & Gamble Co	84,343,130	0.42%	3
Duke Realty Ohio	58,715,950	0.30%	4
Cincinnati Trophy LLC	29,827,250	0.15%	5
Carew Realty Inc	29,263,860	0.15%	6
Northgate Partners LLC	27,301,070	0.14%	7
Dayton Power & Light Co	25,571,150	0.13%	8
Columbia Development Corp	24,239,670	0.12%	9
OTR	24,150,000	0.12%	10
	Subtotal	1,117,497,150	5.54%
	All Other	18,778,272,850	94.46%
Total		\$19,895,770,000	100.00%

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

(1) The assessed value is 35% of the market value of the property. Taxes are levied against the assessed value. The taxes are calculated annually using the reduction factor which maintains the existing level of taxes paid on voted millage. The taxing district collects the same amount of revenue that was voted regardless of increased property values, except for added value of new construction.

Source: Office of the Auditor, Hamilton County, Ohio, Total County Valuation

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

Year	Capital Lease Payable	Percentage of Personal Income (1)	Per Capita (1)
2006	\$110,551	0.00%	0.13
2007	48,246	0.00%	0.06
2008	0	0.00%	0.00
2009	0	0.00%	0.00
2010	0	0.00%	0.00
2011	0	0.00%	0.00
2012	0	0.00%	0.00
2013	0	0.00%	0.00
2014	0	0.00%	0.00
2015	0	0.00%	0.00

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

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

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

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Hamilton County Unemployment Rate (4)
2006	822,596	\$34,002,005,660	\$41,335	5.0%
2007	842,369	36,038,230,558	42,782	5.0%
2008	851,494	37,703,302,826	44,279	5.6%
2009	855,062	38,234,097,330	44,715	8.9%
2010	802,374	37,227,408,738	46,397	9.4%
2011	800,362	38,425,612,445	48,010	8.6%
2012	802,038	38,947,903,470	48,561	7.0%
2013	804,520	40,522,867,880	50,369	7.1%
2014	806,631	42,101,298,414	52,194	5.3%
2015	807,598	42,654,903,566	52,817	4.4%

- Sources:** (1) U.S. Department of Commerce, U.S. Census Bureau web site
(2) Calculated based on rounded per capita income multiplied by population
(3) U.S. Department of Commerce, Bureau of Economic Analysis web site.
Ohio's personal income increased 3.1% in 2015. County data for 2015 has
been estimated based on a 3.1% increase from BEA's 2014 revised amount of
\$41,322,507,000. County data released in November 2015.
(4) Ohio Department of Job and Family Services web site

The Public Library of Cincinnati and Hamilton County

Principal Employers

Current Year and Nine Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Kroger Co.	21,646	1	2.11%	15,093	2	1.47%
University of Cincinnati	16,016	2	1.56%	15,400	1	1.50%
Cincinnati Children's Hospital Medical Center	14,944	3	1.45%	8,874	6	0.87%
TriHealth Inc.	11,800	4	1.15%	8,912	5	0.87%
Procter & Gamble Co.	11,000	5	1.07%	12,256	4	1.20%
UC Health	10,000	6	0.97%			
GE Aviation	7,800	7	0.76%	7,100	10	0.69%
Mercy Health- Cincinnati	7,500	8	0.73%			
St. Elizabeth Healthcare	7,479	9	0.73%			
Fifth Third Bancorp	6,882	10	0.67%	8,834	7	0.86%
Health Alliance of Greater Cincinnati				13,745	3	1.34%
ABX Air Inc.				8,500	8	0.83%
Wal-Mart Stores				7,122	9	0.70%
Average County Employment for the Year	<u>1,027,280</u>			<u>1,023,340</u>		

Sources: Cincinnati Business Courier Book of Lists 2007 (2006 data) & 2015/2016 (2015 data)
 U.S. Bureau of Labor Statistics

The Public Library of Cincinnati and Hamilton County

Library Employees by Function

Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Library Services:										
Public Service and Programs	625	634	629	599	614	597	591	637	630	651
Collection Development and Processing	65	70	67	68	68	63	59	79	82	84
Support Services:										
Facilities Operations and Maintenance	75	75	75	75	67	54	32	43	43	45
Information Services Support	18	18	14	12	14	14	15	16	16	14
Business Administration	33	34	36	36	35	35	31	31	34	35
<i>Total Number of Employees</i>	<u>816</u>	<u>831</u>	<u>821</u>	<u>790</u>	<u>798</u>	<u>763</u>	<u>728</u>	<u>806</u>	<u>805</u>	<u>829</u>

Source: Library records

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The Public Library of Cincinnati and Hamilton County

Operating Indicators by Function

Last Ten Years

Function/Program	2006	2007	2008	2009	2010
Library Services					
Public Service and Programs					
Items in Collection	9,551,178	9,545,414	9,530,479	8,959,303	8,780,764
Material Loans	14,783,307	14,875,594	15,627,452	16,372,499	16,311,136
Active Registered Borrowers	286,293	243,970	241,752	271,646	349,139
Number of Public Programs	14,874	14,033	14,567	14,578	14,247
Collection Development and Processing					
Items Purchased	355,468	369,766	367,602	361,228	381,780
Support Services					
Facilities Operations and Maintenance					
Facilities Maintained	45	45	45	45	45
Square Footage of Facilities	922,661	927,213	927,213	927,213	929,982
Information Services Support					
Computer Workstations/Devices	1,329	1,381	1,757	1,789	1,834
Online Resource Usage	42,994,289	71,159,640	87,344,129	110,286,831	65,046,467

Source: Library records

*Catalog Searches no longer counted for Online Resource Usage

2011	2012	2013	2014	2015
8,819,759	9,558,816	9,793,942	10,161,894	9,886,509
17,600,307	17,335,953	17,884,498	18,249,132	18,771,227
425,454	483,110	526,678	579,158	620,062
17,546	20,964	23,178	25,093	17,098
340,298	321,279	332,345	362,333	372,038
45	43	43	43	42
931,537	917,083	917,083	916,574	925,567
1,941	1,934	2,202	2,217	2,479
137,120,046	118,964,203	20,179,323 *	17,114,285	17,973,823

The Public Library of Cincinnati and Hamilton County

Capital Assets Statistics by Function

Last Ten Years

	2006	2007	2008	2009 (*)
Library Services:				
Public Service and Programs				
Land	\$12,318,597	\$12,326,641	\$12,326,641	\$12,326,641
Land improvements	355,514	407,256	490,444	480,202
Buildings and improvements	47,853,729	47,735,190	46,510,156	45,302,405
Furniture, fixtures and equipment	1,992,694	1,763,244	1,901,610	1,680,974
Collection Development and Processing				
Land	435,456	435,456	435,456	435,456
Fine Arts and Rare Books	17,614,531	17,614,531	17,614,531	17,614,531
Buildings and improvements	1,400,877	1,392,790	1,345,455	1,301,138
Furniture, fixtures and equipment	21,898	180,885	166,819	192,635
Support Services:				
Facilities Operations and Maintenance				
Land	922,056	922,056	922,056	922,056
Buildings and improvements	4,726,774	4,699,487	4,539,771	4,390,239
Furniture, fixtures and equipment	365,263	378,277	393,044	339,792
Vehicles	60,735	63,248	104,443	77,367
Construction in progress	0	0	125,936	0
Information Services Support				
Land	54,432	54,432	54,432	54,432
Buildings and improvements	175,110	174,099	168,182	162,643
Furniture, fixtures and equipment	359,839	577,511	774,859	725,050
Business Administration				
Land	707,617	707,617	707,617	707,617
Buildings and improvements	2,276,425	2,263,284	2,186,364	2,114,349
Furniture, fixtures and equipment	43,795	32,426	68,064	70,236
	<u>\$91,685,342</u>	<u>\$91,728,430</u>	<u>\$90,835,880</u>	<u>\$88,897,763</u>

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

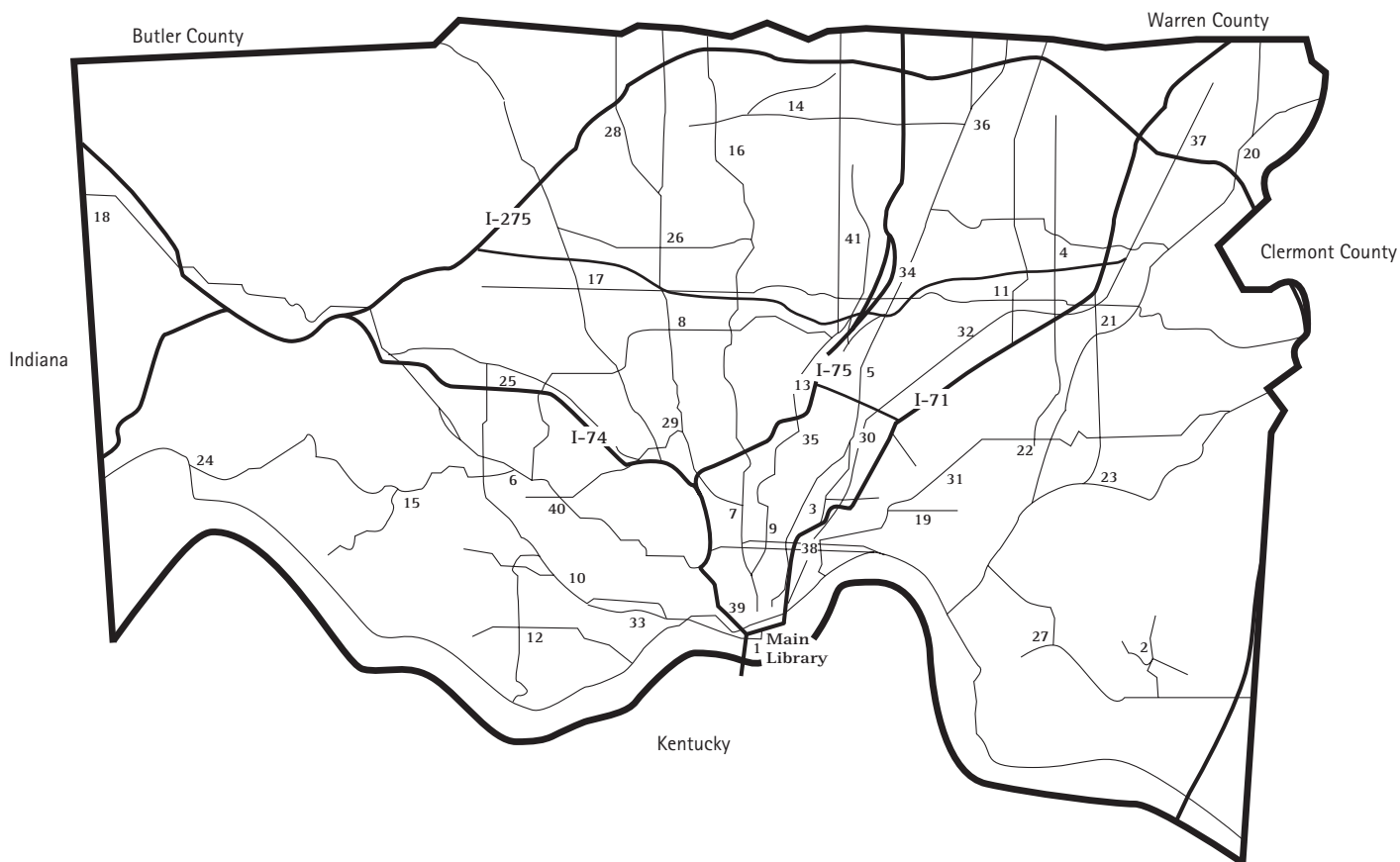
Source: Library capital asset records.

*Amount restated to correctly reflect accumulated depreciation

<u>2010 (*)</u>	<u>2011 (*)</u>	<u>2012 (*)</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$12,320,016	\$12,320,016	\$12,268,873	\$12,268,873	\$12,146,473	\$12,146,473
490,869	471,191	471,863	446,995	409,823	389,261
44,045,389	42,680,799	41,932,318	40,780,204	40,040,148	38,075,315
2,059,240	1,764,154	1,775,488	1,648,080	1,388,615	1,671,206
435,456	435,456	435,456	435,456	435,456	435,456
17,614,531	17,614,531	17,614,531	17,614,531	17,614,531	17,614,531
1,257,218	1,211,981	1,176,827	1,129,890	1,077,287	1,020,448
151,525	197,340	212,284	211,337	326,667	283,702
922,056	922,056	922,056	922,056	922,056	922,056
4,247,499	4,094,863	3,976,247	3,817,874	6,546,266	15,063,090
179,401	488,101	581,826	592,273	549,483	591,269
92,645	61,556	36,433	15,455	69,496	100,427
165,585	1,153,978	252,834	1,403,665	4,953,806	0
54,432	54,432	54,432	54,432	54,432	54,432
157,153	151,498	147,104	141,237	134,662	127,557
825,790	742,382	790,393	812,909	667,678	559,784
707,617	707,617	707,617	707,617	707,617	707,617
2,057,253	1,983,744	1,926,618	1,850,345	1,764,865	1,672,502
59,583	55,053	58,707	44,998	29,471	24,008
<u>\$87,843,258</u>	<u>\$87,110,748</u>	<u>\$85,341,907</u>	<u>\$84,898,227</u>	<u>\$89,838,832</u>	<u>\$91,459,134</u>

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Public Library of Cincinnati and Hamilton County Service Areas and Locations



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

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Dave Yost • Auditor of State

PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 21, 2016**