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# Comprehensive Annual Financial Report

For the Year Ended  
December 31, 2009



**THE  
PUBLIC  
LIBRARY**  
of Cincinnati  
and Hamilton  
County, Ohio

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Mary Taylor, CPA  
Auditor of State

Board of Library Trustees  
The Public Library of Cincinnati and Hamilton County  
800 Vine Street  
Cincinnati, Ohio 45202-2009

We have reviewed the *Independent Auditor's Report* of The Public Library of Cincinnati and Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 13, 2010

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# **Introductory Section**

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

**Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2009**

**Issued by:**

**Patricia Schoettker  
Fiscal Officer**

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

**Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2009**

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

**Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2009**

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**THE  
PUBLIC  
LIBRARY**  
of Cincinnati  
and  
Hamilton County

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*Board of Library Trustees*

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*Executive Director*

Kimber L. Fender

*Fiscal Officer*

Patricia Schoettker

May 7, 2010

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, 2009. 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, 2009.

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

Balestra, Harr & Scherer, CPAs, Inc., have issued an unqualified ("clean") opinion on The Public Library of Cincinnati and Hamilton County's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

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

# THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

## HISTORY AND DEVELOPMENT

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

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

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

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

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

Since the completion of this renovation, the Library's commitment to strengthening the branches resulted in the construction of a new Harrison Branch in 2001 and in the expansion and/or renovation of several branches. The first new branch library in nearly 6 years opened in 2007 in space leased from the Cincinnati/Hamilton County Community Action Agency in the community of Bond Hill. Renovation costs were paid completely with donated funds.

In 2008, despite static income, the Library completed the Main Library for the 21<sup>st</sup> Century project – a new service model for the Main Library designed to better address the changing needs of our customers. By the end of 2009, the building reconfiguration to implement this change was more than offset by an operational savings of about \$1 million annually.

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

# THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

## MATERIALS AND SERVICES

Library cards are free to all Ohio residents. Cards are also free through library consortium membership to Kentucky residents of Boone, Campbell and Kenton Counties. The card enables system-wide borrowing privileges, access to the Library's electronic resources, and serves as a debit card for copiers and printing. Library facilities are open up to six days per week at 39 branches and seven days per week at the Main Library and Clifton Branch Library.

The Library has a collection of almost 9 million items, including books, audiovisual formats, digital books and videos, public documents, slides, maps, sheet music and magazine and newspaper subscriptions. While bestsellers and audiovisual materials account for a significant percentage of the Library's annual circulation, the Library's comprehensive book collection ranges from children's picture books to literature in dozens of languages. The Library also has collections of materials for adult new readers to complement its literacy services that include GED testing, literacy tutoring and English as a second language programs.

The Library's web site ([www.CincinnatiLibrary.org](http://www.CincinnatiLibrary.org)) provides access to the Library's online catalog and picture-based interface for kids, extensive reference databases, resources for readers such as our book and reading blog, online homework help and information about the Library and its programs. Specialized web pages – Kidspace and Teenspace – serve children and teens. Using the Library's web site, 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 11 branch libraries enables customers to check out their own materials and make cash and credit card payments.

The Main Library has long served as a public reference and resource center for Hamilton County and surrounding counties and has been widely recognized as having one of the nation's top genealogical research collections. Popular materials are conveniently accessible in the Popular Library, teens have a place of their own in TeenSpot and students get homework help in Homework Central. The TechCenter is the hub for state-of-the-art computer technology and computer use training. The Library continues to offer a complete U.S. Patent & Trademark Depository, a U.S. Documents Depository, an outstanding rare book collection, a Career Resource Center, Small Business Resource Center, and Grants Resource Center. The Outreach Services Department serves the homebound, and provides programs and book collections to elementary schools, nursing homes, retirement centers, hospitals, and correctional facilities.

After many years of serving blind and physically handicapped readers in Ohio's 33 southern counties, the Cincinnati Regional Library for the Blind & Physically Handicapped merged with the Cleveland Regional Library, consolidating service into one location. Although the Cincinnati Regional Library's last day of operation was June 30, 2009, our Library continues to address the special needs of those who are unable to use traditional library materials and services.

The Public Library of Cincinnati and Hamilton County system is widely regarded as one of the best public libraries in the country, ranking among the top ten in Hennen's American Public Library Ratings for libraries serving a population of 500,000 or more. 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"*.

# THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

## REPORTING ENTITY

The Library's reporting entity has been defined in accordance with Statement No. 14 and Statement No. 39 of the Governmental Accounting Standards Board. The Library is under the control and management of a Board of Trustees consisting of seven members. Four members of the Board of Library Trustees are appointed by the County Commissioners and three by the judges of the Court of Common Pleas. Board members are appointed for a term of seven years, the term of one trustee expiring each year. At its January meeting, the Board organizes for the ensuing year and elects a president, vice president and secretary, and appoints a fiscal officer. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the County Commissioners, nor can the Commissioners significantly influence the programs, activities, or level of service performed or provided by the Library. Although the County Commissioners serve in a ministerial capacity as the taxing authority, the Library is fiscally independent of the county. The Board of Library Trustees makes decisions regarding whether to request approval of a tax, the rate and the purpose(s) of the levy. Once those decisions are made, the County Commissioners must place the levy on the ballot.

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Public Library of Cincinnati and Hamilton County for its comprehensive annual financial report for the year ended December 31, 2008. This was the sixteenth year that the Library has received this prestigious award.

Auditor of the State of Ohio Mary Taylor presented a *Making Your Tax Dollars Count Award* to the Library for excellence in financial reporting for its comprehensive annual financial report for the year ended December 31, 2008, the fourth year the Library has received this award.

## ECONOMIC CONDITIONS AND OUTLOOK

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

In January 2008, the Public Library Fund (PLF) replaced the Library and Local Government Support Fund, which had funded Ohio's public libraries since 1986. In establishing the PLF, the state broadened the base of library funding to include all general revenue taxes and fixed the percentage for libraries at 2.2% of collections, but by mid-2009 it was reduced to 1.97%.

The faltering state and national economy, a factor in the continuing demand for library services, devastated library funding in 2009. The state funding our Library received in 2009 was \$8.5 million less than in 2008 and about the same amount received in 1994. Regardless, the PLF provided the major portion of the Library's income in 2009, with additional moneys derived from services, fines, federal and state grants, e-rate reimbursements, rents, gifts and investment earnings.

## THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

Until 2007, cost-cutting measures adopted to operate during a multi-year freeze of state income also generated a balance – a savings to cushion the uncertainties of future funding. In 2009, the remainder of that balance was used to offset insufficient state funding. In addition, undesignated gift funds and monies set aside for capital improvements were used to pay ongoing operating costs.

With the prospect of exhausting our savings and other one-time revenue in 2009 and with state funding projected to continue to drop in 2010, the Library Board approved placing a property tax levy on the ballot in November 2009. Fortunately, Hamilton County voters overwhelmingly approved this 1-mill, 5-year levy. Beginning in 2010, the projected \$20 million annual income from this local levy will provide a new dependable source of revenue that may offset much of the decline in state revenue.

### OTHER INFORMATION

Highlights of the Library's financial activities in 2009 are outlined in Management's Discussion and Analysis, starting on page 3, and in the Notes to the Financial Statements.

A special thanks is 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 Ms. Mary Taylor, Auditor of State, and to her Local Government Services staff for their assistance in preparing this report.



PATRICIA SCHOETTKER  
FISCAL OFFICER

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Public Library  
of Cincinnati and Hamilton County  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

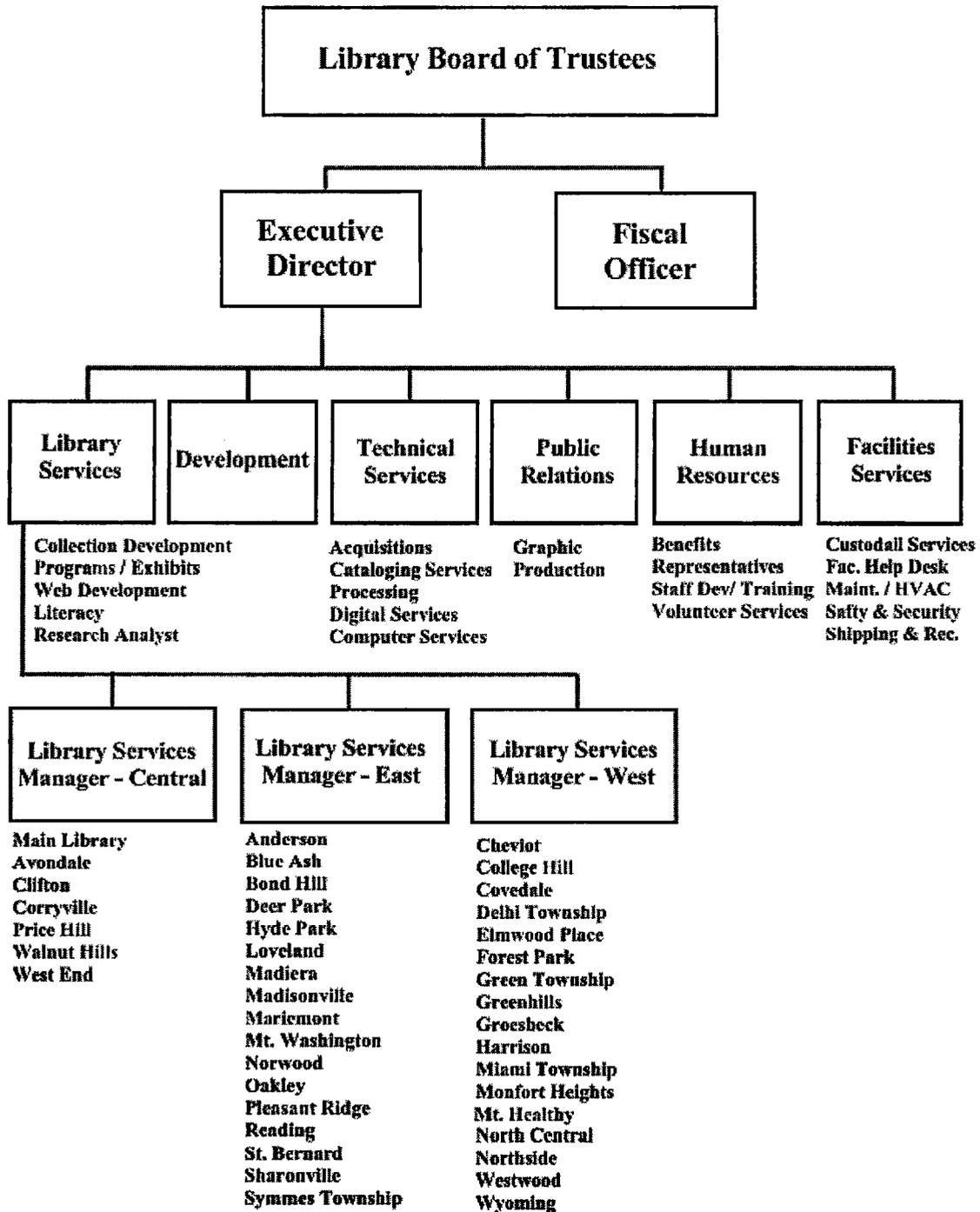
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

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



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

**LIST OF PRINCIPAL OFFICIALS  
DECEMBER 31, 2009**

**Board of Library Trustees**

President	Elizabeth H. LaMacchia
Vice President	William J. Moran
Secretary	Tara L. Khoury
Board Members	Deliaan A. Gettler Robert G. Hendon Paul G. Sittenfeld Ross A. Wright

**Appointed Officials**

Executive Director	Kimber L. Fender
Fiscal Officer	Patricia Schoettker

**Administrative Staff**

Director, Development	John Reusing
Director, Human Resources	Mary Bennett-Brown
Director, Public Services	Greg Edwards
Director, Public Relations	Amy Banister
Director, Technical Services	Jason Buydos
Director, Facilities and Security	Ray Hils

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# **Financial Section**



Balestra, Harr & Scherer, CPAs, Inc.

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Members American Institute of Certified Public Accountants

Members Ohio Society of Certified Public Accountants

### Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of The Public Library of Cincinnati and Hamilton County, Hamilton County, Ohio (the Library), as of and for the year ended December 31, 2009, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of The Public Library of Cincinnati and Hamilton County, Hamilton County, Ohio, as of December 31, 2009, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2010, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

As described in Note 16 to the basic financial statements, the Library implemented Governmental Accounting Standards Board (GASB) Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 56, *Codification of Accounting and Financial Report Guidance Contained in the AICPA Statements on Auditing Standards*, GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.



Balestra, Harr & Scherer, CPAs, Inc.  
May 7, 2010

**The Public Library of Cincinnati and Hamilton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2009*  
*Unaudited*

=====  
This comprehensive annual financial report presents The Public Library of Cincinnati and Hamilton County's financial performance for the year ended December 31, 2009. 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 2009 are as follows:

- At December 31, the Library's net assets exceeded \$120 million. Of this amount, \$21 million (unrestricted net assets) may be used to meet ongoing obligations.
- At the close of the fiscal year, the Library's General Fund reported an ending fund balance of \$5.4 million, a \$2.5 million decrease from the prior year.
- At December 31, 2009, the Library had no debt.

**Government-wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

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

The Library presents 19 individual governmental funds during the year ended December 31, 2009. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances only for the General Fund, the only major fund. The remaining funds are reported together as a single "other governmental" fund. Individual data for several of these nonmajor funds is provided elsewhere in combining statements. Data from all remaining funds is combined with an appropriate fund or in a "various" fund presentation.

The Library adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (Budget and Actual (Budget Basis)) has been provided for each governmental fund that had activity during 2009 to demonstrate compliance with this budget.

### Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-31 of this report.

### Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. As of December 31, 2009, the Library's assets exceeded liabilities by over \$120 million. The table below provides a comparative analysis of net assets between years 2008 and 2009:

	2009	2008	Change
<b>Assets</b>			
Current Assets	\$51,150,431	\$48,873,143	\$2,277,288
Investments	4,898,026	4,511,195	386,831
Capital Assets, Net	89,021,895	90,835,880	(1,813,985)
<b>Total Assets</b>	<b>145,070,352</b>	<b>144,220,218</b>	<b>850,134</b>
<b>Liabilities</b>			
Current Liabilities	(20,503,412)	(2,636,591)	(17,866,821)
Long-Term Liabilities	(4,214,919)	(3,940,672)	(274,247)
<b>Total Liabilities</b>	<b>(24,718,331)</b>	<b>(6,577,263)</b>	<b>(18,141,068)</b>
<b>Net Assets</b>			
Invested in Capital Assets	89,021,895	90,835,880	(1,813,985)
Restricted	10,005,862	13,616,429	(3,610,567)
Unrestricted	21,324,264	33,190,646	(11,866,382)
<b>Total Net Assets</b>	<b>\$120,352,021</b>	<b>\$137,642,955</b>	<b>(\$17,290,934)</b>

The largest portion of the Library's net assets (74%) reflects its capital assets – land and land improvements, fine art and rare book collections, construction in progress, buildings and improvements, furniture, fixtures and equipment, and vehicles. The Library uses these assets to provide services; consequently, these assets generally are not available for future spending. This could change if a decision is made in the future to consolidate services or facilities. All of the Library's capital assets are free of outstanding debt.

An additional portion of the Library's net assets (8%) represents restricted principal and other resources subject to external restrictions. The remaining balance of unrestricted net assets (18%) may be used to meet the Library's ongoing activities, including planned capital projects. The Library is able to report positive balances in all three categories of net assets, including a healthy positive balance of \$21 million in unrestricted net assets.

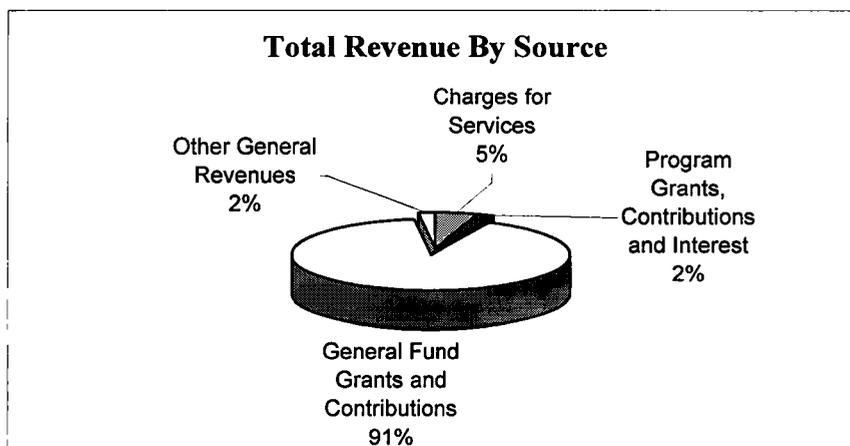
In fiscal year 2009, the Library's total net assets increased by \$17,290,934, a change of 13%.

The following table explains the change in net assets in terms of the Library's governmental activities. The comparative analysis between fiscal year 2008 and 2009 illustrates a 26.4% decrease in total revenues, a direct result of the global economic downturn and ongoing reduction in intergovernmental revenue, specifically the Public Library Fund. Contributions and investment earnings also decreased.

In the face of falling revenues, every effort was made to control costs, despite increasing public demand for library services. As a result, program expenses between fiscal year 2008 and 2009 decreased slightly, a change of less than 0.2%.

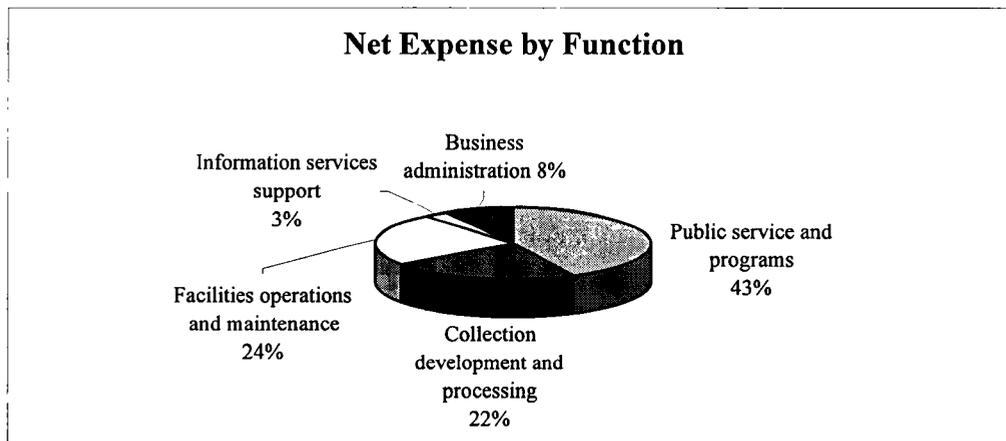
	<u>2009</u>	<u>2008</u>	<u>Change</u>
Revenues			
<u>Program Revenues:</u>			
Charges for Services	\$ 1,986,173	\$ 2,003,232	\$ (17,059)
Operating Grants, Contributions and Earnings on Investments	633,404	1,493,194	(859,790)
<u>General Revenues:</u>			
Unrestricted Grants and Contributions	35,472,245	47,887,165	(12,414,920)
Other General Revenues	746,900	1,381,993	(635,093)
Total Revenues	<u>38,838,722</u>	<u>52,765,584</u>	<u>(13,926,862)</u>
Program Expenses			
Library Services	37,448,787	37,037,041	411,746
Support Services	18,684,538	19,186,532	(501,994)
Interest	0	1,602	(1,602)
Total Expenses	<u>56,133,325</u>	<u>56,225,175</u>	<u>(91,850)</u>
Decrease in Net Assets before Contributions	(17,294,603)	(3,459,591)	(13,835,012)
Contributions to Principal	3,669	3,747	(78)
Decrease in Net Assets	<u>(17,290,934)</u>	<u>(3,455,844)</u>	<u>(13,835,090)</u>
Net Assets - Beginning of Year	137,642,955	141,098,799	
Net Assets - End of Year	<u>\$ 120,352,021</u>	<u>\$ 137,642,955</u>	

Program revenues (nominal fines and fees) and grants and donations, while important, cannot begin to cover the full cost of providing free public library service, which is dependent upon intergovernmental revenue not restricted to specific programs. The following graph illustrates the Library's reliance on intergovernmental revenue, specifically the Public Library Fund, which in 2009 provided 86% of the Library's total revenue for governmental activities.



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 – 65%. Net expense by function is detailed in the table below and illustrated in the following graph. The realignment of Information Services staffing to other administrative areas changed how those functions are categorized.

Net Expense by Function	2009	2008	Change
Public Service and Programs	\$ 22,921,441	\$ 22,179,231	\$ 742,210
Collection Development and Processing	11,918,338	11,414,773	503,565
Facilities Operations and Maintenance	12,920,900	12,959,797	(38,897)
Information Services Support	1,374,495	2,604,637	(1,230,142)
Business Administration	4,378,574	3,604,436	774,138
Interest	-	1,602	(1,602)
<b>Total Net Expense by Function</b>	<b>\$ 53,513,748</b>	<b>\$ 52,764,476</b>	<b>\$ 749,272</b>



### Fund Financial Analysis

As previously noted, the General Fund is the Library's only major fund. The fund balance of the General Fund decreased \$2,519,759 in 2009, the result of a \$12,908,842 increase in Total Assets offset by a \$15,428,601 increase in Total Liabilities. Until 2007, cost-cutting measures adopted to operate during the freeze of state income also generated a savings, carried as an unreserved balance in the General Fund. From 2007 through 2009, that entire savings was spent to supplement insufficient state funding.

### General Fund Budgetary Analysis

During 2009, the original revenue budget was reduced to reflect the continuing decrease in the Public Library Fund and minor changes were made between line items in the expenditure budget. Monies were transferred from capital funds to the General Fund to offset the decrease in governmental revenue.

Actual revenues exceeded the final budget by \$79,017, primarily as a result of final Public Library Fund revenue for the year. As a result of ongoing management efforts to control operating costs, actual expenditures were \$575,277 less than budgeted.

## Capital Assets

As of December 31, 2009, the Library had \$89,021,895 invested in capital assets. The table below provides a comparative analysis of capital assets between fiscal years 2008 and 2009. The small variance is primarily a result of facility improvements and depreciation.

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Land	\$14,446,202	\$14,446,202	\$0
Fine Arts and Rare Book Collection	17,614,531	17,614,531	0
Construction in Progress	0	125,936	(125,936)
Land Improvements	480,202	490,444	(10,242)
Buildings and Improvements	53,394,906	54,749,928	(1,355,022)
Furniture, Fixtures, and Equipment	3,008,687	3,304,396	(295,709)
Vehicles	77,367	104,443	(27,076)
	<u>\$89,021,895</u>	<u>\$90,835,880</u>	<u>(\$1,813,985)</u>

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

## Debt

The Library had no debt during 2009.

## Contacting the Library's Financial Management

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

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

**Statement of Net Assets**

**December 31, 2009**

	<b>Governmental Activities</b>
<b>Assets</b>	
<i>Equity in Pooled Cash and Cash Equivalents</i>	\$12,104,240
<i>Accrued Interest Receivable</i>	32,371
<i>Intergovernmental Receivable</i>	20,239,056
<i>Prepaid Items</i>	146,451
<i>Supplies Inventory</i>	248,313
<i>Property Taxes Receivable</i>	18,380,000
<i>Investments</i>	4,898,026
<b>Capital Assets</b>	
<i>Land</i>	14,446,202
<i>Fine Art and Rare Books Collections</i>	17,614,531
<i>Depreciable Capital Assets, Net</i>	56,961,162
<b>Total Assets</b>	<b>145,070,352</b>
<b>Liabilities</b>	
<i>Accounts Payable</i>	1,159,122
<i>Accrued Salaries Payable</i>	424,758
<i>Intergovernmental Payable</i>	539,532
<i>Deferred Revenue</i>	18,380,000
<b>Noncurrent liabilities:</b>	
<i>Due within one year</i>	1,684,902
<i>Due in more than one year</i>	2,530,017
<b>Total Liabilities</b>	<b>24,718,331</b>
<b>Net Assets</b>	
<i>Invested in Capital Assets</i>	89,021,895
<i>Restricted for Grants, Materials, and Programs</i>	1,185,929
<b>Restricted for Permanent Funds</b>	
<i>Expendable</i>	2,103,325
<i>Nonexpendable</i>	6,716,608
<i>Unrestricted</i>	21,324,264
<b>Total Net Assets</b>	<b>\$120,352,021</b>

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

**The Public Library of Cincinnati and Hamilton County**  
**Statement of Activities**  
**For the Year Ended December 31, 2009**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants, Contributions and Earnings on Investments</u>	
<b>Library Services</b>				
<i>Public service and programs</i>	\$25,445,459	\$1,986,173	\$537,845	(\$22,921,441)
<i>Collection development and processing</i>	12,003,328	0	84,990	(11,918,338)
<b>Support Services</b>				
<i>Facilities operations and maintenance</i>	12,927,956	0	7,056	(12,920,900)
<i>Information services support</i>	1,374,495	0	0	(1,374,495)
<i>Business administration</i>	4,382,087	0	3,513	(4,378,574)
<b>Total Governmental Activities</b>	<b>\$56,133,325</b>	<b>\$1,986,173</b>	<b>\$633,404</b>	<b>(53,513,748)</b>

**General Revenues:**

<i>Grants and contributions not restricted to specific programs</i>	35,472,245
<i>Earnings on investments</i>	88,420
<i>Miscellaneous</i>	658,480
<i>Contributions to principal for permanent funds</i>	3,669
<b>Total general revenues and contributions</b>	<b>36,222,814</b>
<b>Change in net assets</b>	<b>(17,290,934)</b>
<b>Net assets - beginning of the year</b>	<b>137,642,955</b>
<b>Net assets - end of the year</b>	<b>\$120,352,021</b>

See accompanying notes to the basic financial statements.

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

**Balance Sheet  
Governmental Funds  
December 31, 2009**

	<u>General</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
<b>Equity in Pooled Cash and Cash Equivalents</b>	<b>\$3,928,718</b>	<b>\$8,175,522</b>	<b>\$12,104,240</b>
<b>Investments</b>	<b>0</b>	<b>4,898,026</b>	<b>4,898,026</b>
<b>Receivables:</b>			
<b>Accrued Interest</b>	<b>0</b>	<b>32,371</b>	<b>32,371</b>
<b>Intergovernmental</b>	<b>20,239,056</b>	<b>0</b>	<b>20,239,056</b>
<b>Property Taxes</b>	<b>18,380,000</b>		<b>18,380,000</b>
<b>Prepaid Items</b>	<b>146,451</b>	<b>0</b>	<b>146,451</b>
<b>Supplies Inventory</b>	<b>248,313</b>	<b>0</b>	<b>248,313</b>
<b>Total Assets</b>	<b><u>\$42,942,538</u></b>	<b><u>\$13,105,919</u></b>	<b><u>\$56,048,457</u></b>
<b>Liabilities</b>			
<b>Accounts Payable</b>	<b>\$1,142,357</b>	<b>\$16,765</b>	<b>\$1,159,122</b>
<b>Accrued Salaries Payable</b>	<b>424,758</b>	<b>0</b>	<b>424,758</b>
<b>Intergovernmental Payable</b>	<b>539,532</b>	<b>0</b>	<b>539,532</b>
<b>Deferred Revenue</b>	<b>35,463,573</b>	<b>0</b>	<b>35,463,573</b>
<b>Total Liabilities</b>	<b><u>37,570,220</u></b>	<b><u>16,765</u></b>	<b><u>37,586,985</u></b>
<b>Fund Balances</b>			
<b>Reserved for:</b>			
<b>Encumbrances</b>	<b>417,778</b>	<b>468,038</b>	<b>885,816</b>
<b>Restricted Principal</b>	<b>0</b>	<b>6,716,608</b>	<b>6,716,608</b>
<b>Unreserved, reported in:</b>			
<b>General Fund</b>	<b>4,954,540</b>	<b>0</b>	<b>4,954,540</b>
<b>Special Revenue Funds</b>	<b>0</b>	<b>750,292</b>	<b>750,292</b>
<b>Capital Projects Funds</b>	<b>0</b>	<b>3,066,387</b>	<b>3,066,387</b>
<b>Permanent Funds</b>	<b>0</b>	<b>2,087,829</b>	<b>2,087,829</b>
<b>Total Fund Balances</b>	<b><u>5,372,318</u></b>	<b><u>13,089,154</u></b>	<b><u>18,461,472</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$42,942,538</u></b>	<b><u>\$13,105,919</u></b>	<b><u>\$56,048,457</u></b>

See accompanying notes to the basic financial statements.

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

**Reconciliation of Total Governmental Fund Balances**

**To Net Assets of Governmental Activities**

**December 31, 2009**

<b>Total fund balances in governmental funds</b>	<b>\$18,461,472</b>
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>	
<b>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</b>	<b>89,021,895</b>
<b>Intergovernmental receivables are not available to pay for current-period expenditures and, therefore are deferred in the funds</b>	<b>17,083,573</b>
<b>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds</b>	
<b>Compensated absences payable</b>	<b>(4,214,919)</b>
<b>Net assets of governmental activities</b>	<b><u>\$120,352,021</u></b>

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

**The Public Library of Cincinnati and Hamilton County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2009**

	<u>General</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>			
<i>Intergovernmental</i>	\$38,473,931	\$370,455	\$38,844,386
<i>Fines and fees</i>	1,986,173	0	1,986,173
<i>Earnings on investments</i>	74,751	126,407	201,158
<i>Contributions, gifts and donations</i>	25,136	122,251	147,387
<i>Miscellaneous</i>	654,875	3,605	658,480
<b>Total Revenues</b>	<b>41,214,866</b>	<b>622,718</b>	<b>41,837,584</b>
<b><u>Expenditures</u></b>			
<b>Current</b>			
<b>Library Services</b>			
<i>Public service and programs</i>	24,682,692	715,693	25,398,385
<i>Collection development and processing</i>	11,565,472	390,853	11,956,325
<b>Support Services</b>			
<i>Facilities operations and maintenance</i>	7,066,213	3,768,952	10,835,165
<i>Information services support</i>	1,347,840	144,049	1,491,889
<i>Business administration</i>	3,918,114	438,722	4,356,836
<b>Total Expenditures</b>	<b>48,580,331</b>	<b>5,458,269</b>	<b>54,038,600</b>
 <i>Excess (deficiency) of revenues over (under) expenditures</i>	 <b>(7,365,465)</b>	 <b>(4,835,551)</b>	 <b>(12,201,016)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
<i>Transfers in</i>	4,845,706	1,834,532	6,680,238
<i>Transfers out</i>	0	(6,680,238)	(6,680,238)
<b>Total Other Financing Sources (Uses)</b>	<b>4,845,706</b>	<b>(4,845,706)</b>	<b>0</b>
 <i>Net change in fund balances</i>	 <b>(2,519,759)</b>	 <b>(9,681,257)</b>	 <b>(12,201,016)</b>
 <i>Fund balances - beginning of year</i>	 <b>7,892,077</b>	 <b>22,770,411</b>	 <b>30,662,488</b>
<b>Fund balances - end of year</b>	<b>\$5,372,318</b>	<b>\$13,089,154</b>	<b>\$18,461,472</b>

See accompanying notes to the basic financial statements.

**The Public Library of Cincinnati and Hamilton County**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2009**

**Net change in fund balances - total governmental funds** **(\$12,201,016)**

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

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

<b>Capital assets additions</b>	<b>582,254</b>	
<b>Depreciation expense</b>	<b>(2,402,732)</b>	
	<b>(1,820,478)</b>	<b>(1,820,478)</b>

**Donations of capital assets are not reported in the governmental funds.**

**However, in the statement of activities, their value at the time of donation is reported as revenue.** **6,493**

**Intergovernmental revenue relating to grants and entitlements in the statement of activities that do not provide current resources are not reported as revenues in the funds. Deferred revenues changed by this amount this year.** **(3,001,686)**

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

<b>Increase in compensated absences</b>		<b>(274,247)</b>
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<b>Change in net assets of governmental activities</b>		<b>(\$17,290,934)</b>
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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, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
<i>Intergovernmental</i>	\$44,276,388	\$39,003,611	\$39,066,947	\$63,336
<i>Fines and fees</i>	2,000,000	2,000,000	1,986,173	(13,827)
<i>Earnings on investments</i>	400,000	172,776	130,884	(41,892)
<i>Contributions, gifts and donations</i>	25,000	25,000	25,136	136
<i>Miscellaneous</i>	583,611	583,611	654,875	71,264
<b>Total Revenues</b>	<b>47,284,999</b>	<b>41,784,998</b>	<b>41,864,015</b>	<b>79,017</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<i>Salaries and leave benefits</i>	27,398,878	27,256,106	27,256,106	0
<i>Retirement benefits</i>	3,835,843	3,835,843	3,802,014	33,829
<i>Insurance benefits</i>	4,858,343	4,858,343	4,824,590	33,753
<i>Other employee benefits</i>	7,000	7,650	7,650	0
<b>Supplies</b>	997,310	939,931	830,919	109,012
<i>Purchased and contracted services</i>	4,531,315	4,723,315	4,433,605	289,710
<i>Library materials and information</i>	8,385,488	8,385,488	8,276,860	108,628
<i>Other objects</i>	65,000	72,500	72,155	345
<b>Capital outlay</b>	213,257	213,257	213,257	0
<b>Total Expenditures</b>	<b>50,292,434</b>	<b>50,292,433</b>	<b>49,717,156</b>	<b>575,277</b>
<b>Excess (deficiency) of revenues over (under)</b>				
<b>expenditures</b>	<b>(3,007,435)</b>	<b>(8,507,435)</b>	<b>(7,853,141)</b>	<b>654,294</b>
<b>Other financing sources (uses)</b>				
<i>Advances in</i>	150,000	150,000	150,000	0
<i>Transfers in</i>	0	5,500,000	4,845,706	(654,294)
<b>Total other financing sources (uses)</b>	<b>150,000</b>	<b>5,650,000</b>	<b>4,995,706</b>	<b>(654,294)</b>
<b>Net change in fund balance</b>	<b>(2,857,435)</b>	<b>(2,857,435)</b>	<b>(2,857,435)</b>	<b>0</b>
<b>Fund balance at beginning of year</b>	<b>3,257,435</b>	<b>3,257,435</b>	<b>3,257,435</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$0</b>

See accompanying notes to the basic financial statements.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

**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 forty branches located throughout Hamilton County.

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

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

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

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

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

The financial statements of the Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Library also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the Library's accounting policies are described below.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

A. Basis of Presentation

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

Governmental-wide Financial Statements

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

Fund Financial Statements

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

B. Fund Accounting

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

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

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

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

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues-Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Library, available means expected to be received within 31 days of year-end.

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

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

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

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

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

E. Budgetary Process

The budgetary process is prescribed by internal control guidelines and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources, as certified. All funds are required to be budgeted and appropriated. Budgetary control is maintained at the object level. 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 in 2007, 2008 and 2009.

Estimated Resources

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

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Appropriations

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

F. Cash and Cash Equivalents

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

During 2008, investments included Negotiable Certificates of Deposit, U.S. Treasury Notes, U.S. Savings Bonds, Federal Agency Notes, money market mutual funds, and STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2009.

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

Ohio statutes specify the funds to receive an allocation of interest earnings. Interest and dividend revenue credited to the General Fund during 2009 amounted to \$74,751, which includes \$19,358 assigned from other Library funds.

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

G. Inventory of Supplies

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which services are consumed.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

I. Capital Assets

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

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

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

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

J. Compensated Absences

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

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

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

The entire compensated absences liability is reported on the governmentwide financial statements.

K. Reservations of Fund Balance

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure, or the portion of fund balance that is legally segregated for a specific future use. Fund balances have been reserved for encumbrances and restricted principal (the contributions to the permanent funds).

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

L. Internal Activity

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

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

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include amounts legally restricted or donor designated for specific purposes.

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

O. Estimates

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

**The Public Library of Cincinnati and Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

**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. Advances in are transactions (budgetary basis) as opposed to balance sheet transactions (GAAP basis).
3. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
4. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

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

**Net Change in General Fund Balance**

GAAP Basis	(\$2,519,759)
Revenue Accruals	649,149
Advances In	150,000
Expenditure Accruals	115,175
Encumbrances	<u>(1,252,000)</u>
Budget Basis	<u>(\$2,857,435)</u>

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

**The Public Library of Cincinnati and Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

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

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

Interim moneys may be invested in the following securities:

- A. United States Treasury Bills, Bonds, Notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
- B. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- C. Written repurchase agreements in the securities listed above;
- D. Bonds and other obligations of the State of Ohio;
- E. No-load money market mutual funds consisting exclusively of obligations described in division (A) or (B) of this section;
- F. The State Treasurer's investment pool (STAROhio); and
- G. Commercial paper and bankers acceptances if training requirements have been met.

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

**Investments**

As of December 31, 2009, the Library had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)				
		Less than 1	1-2	2-3	3-5	More than 5
StarOhio	\$1,043,703	\$1,043,703	\$0	\$0	\$0	\$0
Negotiable Certificates of Deposit	203,732	203,732	0	0	0	0
First American Treasury Obligation Mutual Funds	1,642,273	1,642,273	0	0	0	0
Federal Home Loan Mortgage Corp . Medium Term Notes	1,014,090	514,065	0	500,025	0	0
U.S. Savings Bonds Series HH	114,500	11,500	17,000	0	12,000	74,000
U.S. Treasury Notes	756,302	756,302	0	0	0	0
Federal Home Loan Bank Notes	3,013,135	1,015,625	0	999,380	998,130	0
	<u>\$7,787,735</u>	<u>\$ 5,187,200</u>	<u>\$ 17,000</u>	<u>\$ 1,499,405</u>	<u>\$ 1,010,130</u>	<u>\$ 74,000</u>

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

NOTE 4 - DEPOSITS AND INVESTMENTS - continued

Interest Rate Risk

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

Credit Risk

The Federal Home Loan Bank notes and Federal Home Loan Mortgage Corporation notes all carry ratings of Aaa by Moody's. STAROhio carries a rating of AAAm by Standard and Poor's. The First American Treasury Obligation Mutual Fund carries a rating of Aaa by Moody's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized rating service and that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The negotiable certificates of deposit are in denominations of \$250,000 or less each, in separate banks, and are insured by the Federal Deposit Insurance Corporation (FDIC). The negotiable certificates of deposit are, therefore, not subject to credit risk. The Library has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Library places no limit on the amount it may invest in any one issuer. Of the Library's total investments, 13 percent are in Federal Home Loan Mortgage Corporation notes, and 39 percent are Federal Home Loan Bank notes.

NOTE 5 - PROPERTY TAXES

In November 2009, the Library passed a 1 mill tax levy with first collections beginning in 2010.

Property taxes include amounts levied against all real, public utility, and tangible personal property located in Hamilton County.

2009 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

**The Public Library of Cincinnati and Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

**NOTE 5 - PROPERTY TAXES - continued**

2009 tangible personal property taxes are levied against local and inter-exchange telephone companies after October 1, 2008 on the value as of December 31, 2008. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The full tax rate for all Library operations is \$1.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which the property tax receivable was based are as follows:

Category	Assessed Value
Real Property	\$19,533,632,560
Public Utility Real Property	650,512,630
Public Utility Tangible Personal Property	30,943,790
Total	\$20,215,088,980

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes which are measurable as of December 31, 2009, and for which there is an enforceable legal claim. In the fund financial statements and in the entity-wide financial statements, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations. As collection of the property taxes approved in November, 2009 began in 2010, there are no delinquent amounts at December 31, 2009.

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2009, consisted of intergovernmental, property taxes, and accrued earnings on investments. Intergovernmental receivables consisted of \$20,239,056 from the Public Library Fund and is recorded in the General Fund. All receivables are considered fully collectible and will be received in one year due to the stable condition of state programs.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

**NOTE 7 – CAPITAL ASSETS**

Changes in capital assets during the year ended December 31, 2009, were as follows:

	Balance at 12/31/08	Additions	Deductions	Balance at 12/31/09
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$14,446,202	\$0	\$0	\$14,446,202
Fine Art and Rare Book Collections	17,614,531	0	0	17,614,531
Construction in Progress	125,936	0	125,936	0
Totals Capital Assets, Not Being Depreciated	<u>32,186,669</u>	<u>0</u>	<u>125,936</u>	<u>32,060,733</u>
Capital Assets Being Depreciated:				
Land Improvements	708,984	18,630	0	727,614
Buildings and Improvements	87,203,091	448,339	0	87,651,430
Furniture, Fixtures and Equipment	13,543,169	247,714	(95,727)	13,695,156
Vehicles	476,113	0	0	476,113
Totals Capital Assets, Being Depreciated	<u>101,931,357</u>	<u>714,683</u>	<u>(95,727)</u>	<u>102,550,313</u>
Less Accumulated Depreciation:				
Land Improvements	(218,540)	(28,872)	0	(247,412)
Building and Improvements	(32,453,163)	(1,803,361)	0	(34,256,524)
Furniture, Fixtures and Equipment	(10,238,773)	(543,423)	95,727	(10,686,469)
Vehicles	(371,670)	(27,076)	0	(398,746)
Total Accumulated Depreciation	<u>(43,282,146)</u>	<u>(2,402,732) *</u>	<u>95,727</u>	<u>(45,589,151)</u>
Total Capital Assets Being Depreciated, Net	<u>58,649,211</u>	<u>(1,688,049)</u>	<u>0</u>	<u>56,961,162</u>
Governmental Activities Capital Assets, Net	<u>\$90,835,880</u>	<u>(\$1,688,049)</u>	<u>\$125,936</u>	<u>\$89,021,895</u>

Additions to capital assets being depreciated include \$6,493 in assets donated by outside entities.

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

**NOTE 8 – LEASES**

The Library leases various buildings for library service operations under noncancelable operating leases. The total cost for these leases was \$303,047 for the year ended December 31, 2009. The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31,</u>	
2010	\$ 281,698
2011	250,541
2012	228,871
2013	135,146
2014	137,884
2015-2016	<u>284,026</u>
Total minimum lease payments	<u>\$ 1,318,166</u>

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

**NOTE 9 - DEFINED BENEFIT PENSION PLAN**

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll.

The Library's contribution rate for 2009 was 14.0 percent of covered payroll.

The Library's required contributions for pension obligations to the traditional pension and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$1,502,158, \$1,926,291, and \$2,178,952, respectively; 92 percent has been contributed for 2009 and 100 percent for 2008 and 2007. Contributions to the member-directed plan for 2009 were \$126,181 made by the Library and \$90,130 made by plan members.

**NOTE 10 – POST-EMPLOYMENT BENEFITS**

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

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

Disclosures for the health care plan are presented separately in OPERS' financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

NOTE 10 – POST-EMPLOYMENT BENEFITS – continued

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional pension and combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.0 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2009, the portion of employer contributions allocated to health care was 7.00% from January 1 through March 31 and 5.50% from April 1 through December 31.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Library's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$2,173,523, \$1,926,291, and \$1,434,145, respectively; 92 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

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

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences - Accumulated Unpaid Vacation and Holiday Leave

Library employees who are eligible earn vacation leave at varying rates based upon length of service, full-time or part-time status, and union status. The Library recognizes 4 "open" holidays. These are national holidays on which the Library remains open; therefore, employees who work earn an equal number of hours in holiday time. In the case of termination, death or retirement, an employee (or his or her estate) is paid for any unused vacation leave up to a maximum of 66 days and unpaid holiday leave up to a maximum of 5 days, based on full-time or part-time status and union status. The total obligation for vacation and holiday accrual for the Library as a whole amounted to \$3,051,309 at December 31, 2009.

Compensated Absences - Accumulated Unpaid Sick Leave

All eligible employees earn sick leave on a pay period basis during their benefit year. In addition, an annual allocation is awarded to each full-time eligible employee who does not use more than 50 percent of their earned sick time during their benefit period. This annual sick leave allocation is calculated at 50 percent of the unused monthly days earned during their benefit year. An employee is allocated vested sick leave when they have an unused sick leave balance of 120 days and an unused annual sick leave balance of 60 days and have not used more than 50 percent of their earned sick leave during their benefit period. Vested sick leave is calculated at 50 percent of the unused monthly days allocated during their benefit period and will be added to the employee's vested sick leave balance. Upon retirement an employee is paid for their vested sick leave balance up to the maximum of 60 days. The total long-term obligation for sick leave accrual for the Library as a whole as of December 31, 2009 was \$1,163,610.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

NOTE 11 - OTHER EMPLOYEE BENEFITS - continued

Medical and Dental Insurance

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

NOTE 12 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Library carries three layers of insurance coverage. In 2009, the Library contracted with several insurance companies for primary coverage as follows:

<u>Coverage</u>	<u>Company</u>
Accident	Hartford Accident & Indemnity Company
Automobile	St. Paul/Travelers
Crime	St. Paul/Travelers
Commercial Property & Contents	Federal Insurance Company (Chubb Group)
Property/Fine Arts & Rare Books	AXA Art Insurance Group
Property/Library Materials & Valuable Papers	ACE Insurance Company of Ohio
Boiler and Machinery	St. Paul/Travelers
Commercial General Liability	St. Paul/Travelers
Commercial Umbrella	St. Paul/Travelers
Excess Liability	Fireman's Fund Insurance Co. of Ohio
Non-Profit Directors & Officers	Philadelphia Insurance Company
Excess Non-Profit Directors & Officers	St. Paul/Travelers

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

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

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

NOTE 13 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within one Year</u>
Compensated Absences	\$ 3,940,672	\$ 2,194,801	\$ (1,920,554)	\$ 4,214,919	\$ 1,684,902

Compensated absences will be paid from the General Fund.

**The Public Library of Cincinnati and Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

**NOTE 14 – INTERFUND ACTIVITY**

**Interfund Transfers and Advances**

Transfers made during the year ended December 31, 2009, were as follows:

	<u>Transfers From:</u>			
	<u>Other Governmental Fund</u>			
	<u>Building &amp; Repair Fund</u>	<u>St. Bernard Branch Fund</u>	<u>Reading Branch Fund</u>	<u>Total</u>
<u>Transfers To:</u>				
General Fund	\$2,345,706	\$1,050,000	\$1,450,000	\$4,845,706
Building & Repair Fund	0	1,834,532	0	1,834,532
<b>Total</b>	<b><u>\$2,345,706</u></b>	<b><u>\$2,884,532</u></b>	<b><u>\$1,450,000</u></b>	<b><u>\$6,680,238</u></b>

The interfund transfers to the General Fund were to offset the shortfall in the Public Library Fund during the year and the interfund transfer to the Building and Repair Fund was a result of the St. Bernard Branch fund being canceled.

The \$150,000 advance was repaid to the General Fund from the Library For the Blind Fund when the Fund was closed out in June, 2009.

**NOTE 15 - CONTINGENT LIABILITIES**

**Federal and State Grants**

For the period January 1, 2009 to December 31, 2009, 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 16 – CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2009, the Library has implemented Governmental Accounting Standards Board (GASB) Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the Library's financial statements.

**The Public Library of Cincinnati and Hamilton County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2009**

NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLES - continued

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the Library's financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the Library's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the Library's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the library's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the Library's financial statements.

## THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY

### Nonmajor Fund Descriptions

#### Special Revenue Funds

The Special Revenue Funds are used to account for revenue sources that are legally restricted or donor restricted to expenditures for specific purposes. The following are descriptions of the Library's nonmajor special revenue funds.

##### LSTA Grant Fund

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

##### I-Net Production Studio Fund

To account for money received when the City of Cincinnati granted a cable television franchise to Warner Cable, for participation in the Institutional Network (I-NET).

##### Regional Library for the Blind Fund

To account for federal and state grants received for the operation of one of two regional libraries in Ohio serving the blind and physically handicapped, per agreement with the State Library of Ohio.

##### Various Funds

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

Anderson/Mt. Washington  
Friedman  
Fey  
Gifts

Hattendorf  
Hosbrook  
Pet Memorial

##### Library Materials Fund

To account for various gifts to purchase library materials.

##### Dater Fund

To account for a gift from the Charles H. Dater Foundation for renovation, maintenance, operation, replacement and upkeep of the Westwood Branch Children's Library.

##### Library Programs Fund

To account for various gifts to fund library programs.

#### Capital Projects Funds

The Capital Projects Funds are used to account for the acquisition or construction of major capital facilities. The following are the descriptions of the Library's nonmajor capital projects funds:

##### Building and Repair Fund

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

##### St. Bernard Branch Fund

To account for transfers from the General Fund to be used for the construction of a new St. Bernard Branch Library.

##### Reading Branch Fund

To account for transfers from the General Fund to be used for the construction of a new Reading Branch Library.

## Permanent Funds

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

### Various Permanent Funds

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

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

### Armstrong Fund

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

### Heisel/Dunlap Fund

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

### Howard Fund

To account for a 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, 2009**

	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Capital Projects</u>	<u>Nonmajor Permanent</u>	<u>Total Nonmajor Governmental</u>
<b><u>Assets</u></b>				
<b>Equity in Pooled Cash and Cash Equivalents</b>	<b>\$1,191,692</b>	<b>\$3,083,292</b>	<b>\$3,900,538</b>	<b>\$8,175,522</b>
<b>Investments</b>	<b>0</b>	<b>0</b>	<b>4,898,026</b>	<b>4,898,026</b>
<b>Receivables:</b>				
<b>Accrued Interest</b>	<b>0</b>	<b>0</b>	<b>32,371</b>	<b>32,371</b>
<b>Total Assets</b>	<b><u>\$1,191,692</u></b>	<b><u>\$3,083,292</u></b>	<b><u>\$8,830,935</u></b>	<b><u>\$13,105,919</u></b>
<b><u>Liabilities</u></b>				
<b>Accounts Payable</b>	<b>\$5,763</b>	<b>\$0</b>	<b>\$11,002</b>	<b>\$16,765</b>
<b>Total Liabilities</b>	<b><u>5,763</u></b>	<b><u>0</u></b>	<b><u>11,002</u></b>	<b><u>16,765</u></b>
<b><u>Fund Balances</u></b>				
<b>Reserved for:</b>				
<b>Encumbrances</b>	<b>435,637</b>	<b>16,905</b>	<b>15,496</b>	<b>468,038</b>
<b>Restricted Principal</b>	<b>0</b>	<b>0</b>	<b>6,716,608</b>	<b>6,716,608</b>
<b>Unreserved, reported in:</b>				
<b>Special Revenue Funds</b>	<b>750,292</b>	<b>0</b>	<b>0</b>	<b>750,292</b>
<b>Capital Projects Funds</b>	<b>0</b>	<b>3,066,387</b>	<b>0</b>	<b>3,066,387</b>
<b>Permanent Funds</b>	<b>0</b>	<b>0</b>	<b>2,087,829</b>	<b>2,087,829</b>
<b>Total Fund Balances</b>	<b><u>1,185,929</u></b>	<b><u>3,083,292</u></b>	<b><u>8,819,933</u></b>	<b><u>13,089,154</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$1,191,692</u></b>	<b><u>\$3,083,292</u></b>	<b><u>\$8,830,935</u></b>	<b><u>\$13,105,919</u></b>

**The Public Library of Cincinnati and Hamilton County**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2009**

	<b>I-Net</b>		<b>Library</b>		<b>Library</b>	
	<b>Production</b>		<b>Materials</b>		<b>Programs</b>	
	<b>Studio</b>	<b>Various</b>	<b>Dater</b>	<b>Total</b>		
<b>Assets</b>						
<b>Equity in Pooled Cash and Cash Equivalents</b>	<b>\$55,949</b>	<b>\$926,196</b>	<b>\$70,776</b>	<b>\$9,696</b>	<b>\$129,075</b>	<b>\$1,191,692</b>
<b>Total Assets</b>	<b>\$55,949</b>	<b>\$926,196</b>	<b>\$70,776</b>	<b>\$9,696</b>	<b>\$129,075</b>	<b>\$1,191,692</b>
<b>Liabilities</b>						
<b>Accounts Payable</b>	<b>\$0</b>	<b>\$448</b>	<b>\$20</b>	<b>\$5,295</b>	<b>\$0</b>	<b>\$5,763</b>
<b>Total Liabilities</b>	<b>0</b>	<b>448</b>	<b>20</b>	<b>5,295</b>	<b>0</b>	<b>5,763</b>
<b>Fund Balances</b>						
<b>Reserved for:</b>						
<b>Encumbrances</b>	<b>0</b>	<b>434,345</b>	<b>159</b>	<b>1,083</b>	<b>50</b>	<b>435,637</b>
<b>Unreserved</b>	<b>55,949</b>	<b>491,403</b>	<b>70,597</b>	<b>3,318</b>	<b>129,025</b>	<b>750,292</b>
<b>Total Fund Balances</b>	<b>55,949</b>	<b>925,748</b>	<b>70,756</b>	<b>4,401</b>	<b>129,075</b>	<b>1,185,929</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$55,949</b>	<b>\$926,196</b>	<b>\$70,776</b>	<b>\$9,696</b>	<b>\$129,075</b>	<b>\$1,191,692</b>

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

**Combining Balance Sheet**

**Nonmajor Permanent Funds**

**December 31, 2009**

	<b>Various Permanent</b>	<b>Armstrong</b>	<b>Feld</b>	<b>Hadley</b>	<b>Heisell Dunlap</b>
<b>Assets</b>					
<b>Equity in Pooled Cash and Cash Equivalents</b>	\$577,255	\$1,062,882	\$1,334,881	\$64,215	\$97,981
<b>Investments</b>	688,448	719,455	2,023,617	61,546	223,185
<b>Receivables:</b>					
<b>Accrued Interest</b>	4,550	4,755	13,374	407	1,475
<b>Total Assets</b>	<u>\$1,270,253</u>	<u>\$1,787,092</u>	<u>\$3,371,872</u>	<u>\$126,168</u>	<u>\$322,641</u>
<b>Liabilities</b>					
<b>Accounts Payable</b>	\$0	\$0	\$6,207	\$927	\$0
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>6,207</u>	<u>927</u>	<u>0</u>
<b>Fund Balances</b>					
<b>Reserved for:</b>					
<b>Encumbrances</b>	133	0	8,187	0	0
<b>Restricted Principal</b>	947,221	986,042	2,773,445	84,350	305,883
<b>Unreserved</b>	322,899	801,050	584,033	40,891	16,758
<b>Total Fund Balances</b>	<u>1,270,253</u>	<u>1,787,092</u>	<u>3,365,665</u>	<u>125,241</u>	<u>322,641</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$1,270,253</u>	<u>\$1,787,092</u>	<u>\$3,371,872</u>	<u>\$126,168</u>	<u>\$322,641</u>

<b>Kersten</b>	<b>Dwyer</b>	<b>Howard</b>	<b>Total</b>
<b>\$223,232</b>	<b>\$83,535</b>	<b>\$456,557</b>	<b>\$3,900,538</b>
<b>71,891</b>	<b>94,697</b>	<b>1,015,187</b>	<b>4,898,026</b>
<b>475</b>	<b>626</b>	<b>6,709</b>	<b>32,371</b>
<b>\$295,598</b>	<b>\$178,858</b>	<b>\$1,478,453</b>	<b>\$8,830,935</b>

<b>\$108</b>	<b>\$0</b>	<b>\$3,760</b>	<b>\$11,002</b>
<b>108</b>	<b>0</b>	<b>3,760</b>	<b>11,002</b>

<b>0</b>	<b>150</b>	<b>7,026</b>	<b>15,496</b>
<b>98,529</b>	<b>129,786</b>	<b>1,391,352</b>	<b>6,716,608</b>
<b>196,961</b>	<b>48,922</b>	<b>76,315</b>	<b>2,087,829</b>
<b>295,490</b>	<b>178,858</b>	<b>1,474,693</b>	<b>8,819,933</b>
<b>\$295,598</b>	<b>\$178,858</b>	<b>\$1,478,453</b>	<b>\$8,830,935</b>

**The Public Library of Cincinnati and Hamilton County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2009**

	<b>Nonmajor Special Revenue</b>	<b>Nonmajor Capital Projects</b>	<b>Nonmajor Permanent</b>	<b>Total Nonmajor Governmental</b>
<b><u>Revenues</u></b>				
<i>Intergovernmental</i>	\$370,455	\$0	\$0	\$370,455
<i>Earnings on investments</i>	18,062	0	108,345	126,407
<i>Contributions, gifts and donations</i>	111,526	7,056	3,669	122,251
<i>Miscellaneous</i>	3,605	0	0	3,605
<b>Total Revenues</b>	<b>503,648</b>	<b>7,056</b>	<b>112,014</b>	<b>622,718</b>
<b><u>Expenditures</u></b>				
<b>Current</b>				
<b>Library Services</b>				
<i>Public service and programs</i>	564,427	0	151,266	715,693
<i>Collection development and processing</i>	227,423	0	163,430	390,853
<b>Support Services</b>				
<i>Facilities operations and maintenance</i>	2,591,149	1,177,803	0	3,768,952
<i>Information services support</i>	144,049	0	0	144,049
<i>Business administration</i>	416,652	0	22,070	438,722
<b>Total Expenditures</b>	<b>3,943,700</b>	<b>1,177,803</b>	<b>336,766</b>	<b>5,458,269</b>
 <i>Excess (deficiency) of revenues over (under) expenditures</i>	 (3,440,052)	 (1,170,747)	 (224,752)	 (4,835,551)
<b><u>Other Financing Sources (Uses)</u></b>				
<i>Transfers in</i>	0	1,834,532	0	1,834,532
<i>Transfers out</i>	0	(6,680,238)	0	(6,680,238)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(4,845,706)</b>	<b>0</b>	<b>(4,845,706)</b>
 <i>Net change in fund balances</i>	 (3,440,052)	 (6,016,453)	 (224,752)	 (9,681,257)
 <i>Fund balances - beginning of year</i>	 4,625,981	 9,099,745	 9,044,685	 22,770,411
<i>Fund balances - end of year</i>	<u>\$1,185,929</u>	<u>\$3,083,292</u>	<u>\$8,819,933</u>	<u>\$13,089,154</u>

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**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, 2009**

	<u>LSTA Grant</u>	<u>I-Net Production Studio</u>	<u>Regional Library for the Blind</u>	<u>Various</u>	<u>Library Materials</u>
<b><u>Revenues</u></b>					
<i>Intergovernmental</i>	\$55,488	\$0	\$314,967	\$0	\$0
<i>Earnings on investments</i>	0	0	0	16,890	450
<i>Contributions, gifts and donations</i>	0	0	0	41,666	10,733
<i>Miscellaneous</i>	0	0	0	105	0
<b>Total Revenues</b>	<b>55,488</b>	<b>0</b>	<b>314,967</b>	<b>58,661</b>	<b>11,183</b>
<b><u>Expenditures</u></b>					
<b>Current</b>					
<b>Library Services</b>					
<i>Public service and programs</i>	37,907	38,842	316,081	47,422	0
<i>Collection development and processing</i>	23,995	0	19,345	37,756	123,392
<b>Support Services</b>					
<i>Facilities operations and maintenance</i>	0	0	0	2,591,149	0
<i>Information services support</i>	0	0	0	144,049	0
<i>Business administration</i>	0	0	0	416,652	0
<b>Total Expenditures</b>	<b>61,902</b>	<b>38,842</b>	<b>335,426</b>	<b>3,237,028</b>	<b>123,392</b>
 <b>Net change in fund balances</b>	 <b>(6,414)</b>	 <b>(38,842)</b>	 <b>(20,459)</b>	 <b>(3,178,367)</b>	 <b>(112,209)</b>
 <b>Fund balances - beginning of year</b>	 <b>6,414</b>	 <b>94,791</b>	 <b>20,459</b>	 <b>4,104,115</b>	 <b>182,965</b>
<b>Fund balances - end of year</b>	<b>\$0</b>	<b>\$55,949</b>	<b>\$0</b>	<b>\$925,748</b>	<b>\$70,756</b>

<b>Dater</b>	<b>Library Programs</b>	<b>Total</b>
\$0	\$0	\$370,455
0	722	18,062
0	59,127	111,526
0	3,500	3,605
<b>0</b>	<b>63,349</b>	<b>503,648</b>
28,016	96,159	564,427
22,935	0	227,423
0	0	2,591,149
0	0	144,049
0	0	416,652
<b>50,951</b>	<b>96,159</b>	<b>3,943,700</b>
<b>(50,951)</b>	<b>(32,810)</b>	<b>(3,440,052)</b>
<b>55,352</b>	<b>161,885</b>	<b>4,625,981</b>
<b>\$4,401</b>	<b>\$129,075</b>	<b>\$1,185,929</b>

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**The Public Library of Cincinnati and Hamilton County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2009**

	<u>Building and Repair</u>	<u>St. Bernard Branch</u>	<u>Reading Branch</u>	<u>Total</u>
<b><u>Revenues</u></b>				
Contributions, gifts and donations	\$7,056	\$0	\$0	\$7,056
<b>Total Revenues</b>	<b>7,056</b>	<b>0</b>	<b>0</b>	<b>7,056</b>
<b><u>Expenditures</u></b>				
<b>Current</b>				
<b>    Support Services</b>				
Facilities operations and maintenance	1,177,803	0	0	1,177,803
<b>Total Expenditures</b>	<b>1,177,803</b>	<b>0</b>	<b>0</b>	<b>1,177,803</b>
Excess (deficiency) of revenues over (under) expenditures	(1,170,747)	0	0	(1,170,747)
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	1,834,532	0	0	1,834,532
Transfers out	(2,345,706)	(2,884,532)	(1,450,000)	(6,680,238)
<b>Total Other Financing Sources (Uses)</b>	<b>(511,174)</b>	<b>(2,884,532)</b>	<b>(1,450,000)</b>	<b>(4,845,706)</b>
Net change in fund balances	(1,681,921)	(2,884,532)	(1,450,000)	(6,016,453)
Fund balances - beginning of year	4,765,213	2,884,532	1,450,000	9,099,745
Fund balances - end of year	<b>\$3,083,292</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,083,292</b>

**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, 2009**

	<u>Various Permanent</u>	<u>Armstrong</u>	<u>Feld</u>	<u>Hadley</u>
<b><u>Revenues</u></b>				
<i>Earnings on investments</i>	\$19,871	\$13,669	\$25,869	\$890
<i>Contributions, gifts and donations</i>	3,669	0	0	0
<b>Total Revenues</b>	<u>23,540</u>	<u>13,669</u>	<u>25,869</u>	<u>890</u>
<b><u>Expenditures</u></b>				
<b>Current</b>				
<b>Library Services</b>				
<i>Public service and programs</i>	972	0	0	0
<i>Collection development and processing</i>	36,066	0	62,121	0
<b>Support Services</b>				
<i>Business administration</i>	4,793	0	0	5,047
<b>Total Expenditures</b>	<u>41,831</u>	<u>0</u>	<u>62,121</u>	<u>5,047</u>
 <b>Net change in fund balances</b>	 (18,291)	 13,669	 (36,252)	 (4,157)
 <b>Fund balances - beginning of year</b>	 <u>1,288,544</u>	 <u>1,773,423</u>	 <u>3,401,917</u>	 <u>129,398</u>
<b>Fund balances - end of year</b>	<u>\$1,270,253</u>	<u>\$1,787,092</u>	<u>\$3,365,665</u>	<u>\$125,241</u>

<b>Heisell Dunlap</b>	<b>Kersten</b>	<b>Dwyer</b>	<b>Howard</b>	<b>Total</b>
\$2,623	\$32,156	\$1,307	\$11,960	\$108,345
0	0	0	0	3,669
<u>2,623</u>	<u>32,156</u>	<u>1,307</u>	<u>11,960</u>	<u>112,014</u>
0	147,143	3,151	0	151,266
0	0	7,336	57,907	163,430
<u>12,230</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,070</u>
<u>12,230</u>	<u>147,143</u>	<u>10,487</u>	<u>57,907</u>	<u>336,766</u>
(9,607)	(114,987)	(9,180)	(45,947)	(224,752)
<u>332,248</u>	<u>410,477</u>	<u>188,038</u>	<u>1,520,640</u>	<u>9,044,685</u>
<u>\$322,641</u>	<u>\$295,490</u>	<u>\$178,858</u>	<u>\$1,474,693</u>	<u>\$8,819,933</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, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
<b>Intergovernmental</b>	<b>\$26,489</b>	<b>\$55,488</b>	<b>\$55,488</b>	<b>\$0</b>
<b>Total revenues</b>	<b>26,489</b>	<b>55,488</b>	<b>55,488</b>	<b>0</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<b>Salaries and leave benefits</b>	<b>0</b>	<b>4,342</b>	<b>4,342</b>	
<b>Supplies</b>	<b>24,903</b>	<b>24,903</b>	<b>24,903</b>	<b>0</b>
<b>Purchased and contracted services</b>	<b>8,000</b>	<b>8,657</b>	<b>8,657</b>	<b>0</b>
<b>Capital outlay</b>	<b>0</b>	<b>24,000</b>	<b>24,000</b>	<b>0</b>
<b>Total expenditures</b>	<b>32,903</b>	<b>61,902</b>	<b>61,902</b>	<b>0</b>
<b>Net change in fund balance</b>	<b>(6,414)</b>	<b>(6,414)</b>	<b>(6,414)</b>	<b>0</b>
<b>Fund balance at beginning of year</b>	<b>6,414</b>	<b>6,414</b>	<b>6,414</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**I-Net Production Studio Fund**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
<b>Contributions</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Supplies</b>	<b>54,791</b>	<b>54,791</b>	<b>38,842</b>	<b>15,949</b>
<b>Capital outlay</b>	<b>40,000</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>
<b>Total expenditures</b>	<b>94,791</b>	<b>94,791</b>	<b>38,842</b>	<b>55,949</b>
<b>Net change in fund balance</b>	<b>(94,791)</b>	<b>(94,791)</b>	<b>(38,842)</b>	<b>55,949</b>
<b>Fund balance at beginning of year</b>	<b>94,791</b>	<b>94,791</b>	<b>94,791</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$55,949</b>	<b>\$55,949</b>

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

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

**Regional Library for the Blind Fund**

**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget Positive (Negative)</b>
<b>Revenues</b>				
<b>Intergovernmental</b>	<b>\$314,967</b>	<b>\$314,967</b>	<b>\$314,967</b>	<b>\$0</b>
<b>Total revenues</b>	<b>314,967</b>	<b>314,967</b>	<b>314,967</b>	<b>0</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<b>Salaries and leave benefits</b>	<b>168,339</b>	<b>148,510</b>	<b>148,510</b>	<b>0</b>
<b>Retirement benefits</b>	<b>26,567</b>	<b>16,481</b>	<b>16,481</b>	<b>0</b>
<b>Insurance benefits</b>	<b>11,654</b>	<b>13,717</b>	<b>13,717</b>	<b>0</b>
<b>Supplies</b>	<b>15,000</b>	<b>42,975</b>	<b>42,975</b>	<b>0</b>
<b>Purchased and contracted services</b>	<b>79,005</b>	<b>88,143</b>	<b>88,143</b>	<b>0</b>
<b>Library materials</b>	<b>24,547</b>	<b>19,346</b>	<b>19,346</b>	<b>0</b>
<b>Capital outlay</b>	<b>14,390</b>	<b>10,330</b>	<b>10,330</b>	<b>0</b>
<b>Total expenditures</b>	<b>339,502</b>	<b>339,502</b>	<b>339,502</b>	<b>0</b>
<b>Excess (deficiency) of revenues over (under)</b>				
<b>expenditures</b>	<b>(24,535)</b>	<b>(24,535)</b>	<b>(24,535)</b>	<b>0</b>
<b>Other financing sources sources (uses)</b>				
<b>Advances out</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>0</b>
<b>Total other financing sources (uses)</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>0</b>
<b>Net change in fund balance</b>	<b>(174,535)</b>	<b>(174,535)</b>	<b>(174,535)</b>	<b>0</b>
<b>Fund balance at beginning of year</b>	<b>174,535</b>	<b>174,535</b>	<b>174,535</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Various Funds**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<i>Earnings on investments</i>	\$30,500	\$30,500	\$36,570	\$6,070
<i>Contributions, gifts and donations</i>	419,900	419,900	41,681	(378,219)
<i>Miscellaneous</i>	0	0	105	105
<b>Total revenues</b>	<b>450,400</b>	<b>450,400</b>	<b>78,356</b>	<b>(372,044)</b>
<b>Expenditures</b>				
<b>Current</b>				
<i>Supplies</i>	233,122	305,094	91,903	213,191
<i>Purchased and contracted services</i>	3,293,864	3,582,536	3,245,194	337,342
<i>Library materials and information</i>	48,890	48,137	37,926	10,211
<i>Capital outlay</i>	763,834	643,943	630,282	13,661
<b>Total expenditures</b>	<b>4,339,710</b>	<b>4,579,710</b>	<b>4,005,305</b>	<b>574,405</b>
<b>Net change in fund balance</b>	<b>(3,889,310)</b>	<b>(4,129,310)</b>	<b>(3,926,949)</b>	<b>202,361</b>
<b>Fund balance at beginning of year</b>	<b>4,265,337</b>	<b>4,265,337</b>	<b>4,265,337</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>153,050</b>	<b>153,050</b>	<b>153,050</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$529,077</b>	<b>\$289,077</b>	<b>\$491,438</b>	<b>\$202,361</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Library Materials Fund**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<i>Earnings on investments</i>	\$3,500	\$3,500	\$689	(\$2,811)
<i>Contributions, gifts and donations</i>	5,000	5,000	10,732	5,732
<b>Total revenues</b>	<b>8,500</b>	<b>8,500</b>	<b>11,421</b>	<b>2,921</b>
<b>Expenditures</b>				
<i>Current</i>				
<i>Library materials and information</i>	142,247	142,247	123,550	18,697
<b>Total expenditures</b>	<b>142,247</b>	<b>142,247</b>	<b>123,550</b>	<b>18,697</b>
<b>Net change in fund balance</b>	<b>(133,747)</b>	<b>(133,747)</b>	<b>(112,129)</b>	<b>21,618</b>
<b>Fund balance at beginning of year</b>	<b>181,979</b>	<b>181,979</b>	<b>181,979</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>747</b>	<b>747</b>	<b>747</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$48,979</b>	<b>\$48,979</b>	<b>\$70,597</b>	<b>\$21,618</b>

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

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

**Dater Fund**

**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Earnings on investments</b>	\$0	\$0	\$0	\$0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Current</b>				
<b>Supplies</b>	7,461	22,839	19,521	3,318
<b>Purchased and contracts services</b>	4,700	4,700	4,700	0
<b>Library materials and information</b>	44,991	24,810	24,810	0
<b>Capital outlay</b>	0	4,803	4,803	0
<b>Total expenditures</b>	<u>57,152</u>	<u>57,152</u>	<u>53,834</u>	<u>3,318</u>
<b>Net change in fund balance</b>	<b>(57,152)</b>	<b>(57,152)</b>	<b>(53,834)</b>	<b>3,318</b>
<b>Fund balance at beginning of year</b>	52,160	52,160	52,160	0
<b>Prior year encumbrances appropriated</b>	4,992	4,992	4,992	0
<b>Fund balance at end of year</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,318</u></u>	<u><u>\$3,318</u></u>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Library Programs Fund**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<i>Earnings on investments</i>	\$5,000	\$5,000	\$1,124	(\$3,876)
<i>Contributions, gifts and donations</i>	25,000	56,626	59,127	2,501
<i>Miscellaneous</i>	0	0	3,500	3,500
<b>Total revenues</b>	<b>30,000</b>	<b>61,626</b>	<b>63,751</b>	<b>2,125</b>
<b>Expenditures</b>				
<b>Current</b>				
<i>Supplies</i>	63,125	74,751	45,622	29,129
<i>Purchased and contracted services</i>	56,875	76,875	50,587	26,288
<b>Total expenditures</b>	<b>120,000</b>	<b>151,626</b>	<b>96,209</b>	<b>55,417</b>
<b>Net change in fund balance</b>	<b>(90,000)</b>	<b>(90,000)</b>	<b>(32,458)</b>	<b>57,542</b>
<b>Fund balance at beginning of year</b>	<b>161,483</b>	<b>161,483</b>	<b>161,483</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$71,483</b>	<b>\$71,483</b>	<b>\$129,025</b>	<b>\$57,542</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Building and Repair Fund**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Contributions, gifts and donations	\$395,650	\$395,650	\$7,056	(\$388,594)
<b>Total revenues</b>	<b>395,650</b>	<b>395,650</b>	<b>7,056</b>	<b>(388,594)</b>
<b>Expenditures</b>				
<b>Current</b>				
Purchased and contracted services	706,584	835,700	459,724	375,976
Capital outlay	4,586,043	2,456,927	950,259	1,506,668
<b>Total expenditures</b>	<b>5,292,627</b>	<b>3,292,627</b>	<b>1,409,983</b>	<b>1,882,644</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,896,977)</b>	<b>(2,896,977)</b>	<b>(1,402,927)</b>	<b>1,494,050</b>
<b>Other financing sources sources (uses)</b>				
Transfers in	1,834,532	1,834,532	1,834,532	0
Transfers out	0	(3,000,000)	(2,345,708)	654,292
<b>Total other financing sources (uses)</b>	<b>1,834,532</b>	<b>(1,165,468)</b>	<b>(511,176)</b>	<b>654,292</b>
<b>Net change in fund balance</b>	<b>(3,062,445)</b>	<b>(4,062,445)</b>	<b>(1,914,103)</b>	<b>2,148,342</b>
<b>Fund balance at beginning of year</b>	<b>3,782,166</b>	<b>3,782,166</b>	<b>3,782,166</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>1,198,324</b>	<b>1,198,324</b>	<b>1,198,324</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$1,918,045</b>	<b>\$918,045</b>	<b>\$3,066,387</b>	<b>\$2,148,342</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**St. Bernard Branch Fund**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
<b>Revenues</b>				
<i>Miscellaneous</i>	\$0	\$0	\$0	\$0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other financing sources (uses)</b>				
<i>Transfers out</i>	(1,834,532)	(2,884,532)	(2,884,532)	0
<b>Total other financing sources (uses)</b>	<u>(1,834,532)</u>	<u>(2,884,532)</u>	<u>(2,884,532)</u>	<u>0</u>
<b>Net change in fund balance</b>	(1,834,532)	(2,884,532)	(2,884,532)	0
<b>Fund balance at beginning of year</b>	2,884,532	2,884,532	2,884,532	0
<b>Fund balance at end of year</b>	<u><u>\$1,050,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

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

**Reading Branch Fund**

**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
<i>Miscellaneous</i>	\$0	\$0	\$0	\$0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other financing sources (uses)</b>				
<i>Transfers out</i>	0	(1,450,000)	(1,450,000)	0
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>(1,450,000)</u>	<u>(1,450,000)</u>	<u>0</u>
<b>Net change in fund balance</b>	0	(1,450,000)	(1,450,000)	0
<b>Fund balance at beginning of year</b>	1,450,000	1,450,000	1,450,000	0
<b>Fund balance at end of year</b>	<u><u>\$1,450,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></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, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>Revenues</u></b>				
<b>Earnings on investments</b>	<b>\$13,400</b>	<b>\$13,400</b>	<b>\$35,891</b>	<b>\$22,491</b>
<b>Contributions, gifts and donations</b>	<b>3,000</b>	<b>3,000</b>	<b>3,669</b>	<b>669</b>
<b>Total revenues</b>	<b>16,400</b>	<b>16,400</b>	<b>39,560</b>	<b>23,160</b>
<b><u>Expenditures</u></b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<b>Salaries and leave benefits</b>	<b>3,635</b>	<b>3,635</b>	<b>3,635</b>	<b>0</b>
<b>Supplies</b>	<b>17,934</b>	<b>17,934</b>	<b>2,202</b>	<b>15,732</b>
<b>Purchased and contracted services</b>	<b>5,000</b>	<b>5,000</b>	<b>972</b>	<b>4,028</b>
<b>Library materials and information</b>	<b>38,895</b>	<b>38,895</b>	<b>36,202</b>	<b>2,693</b>
<b>Total expenditures</b>	<b>65,464</b>	<b>65,464</b>	<b>43,011</b>	<b>22,453</b>
<b>Net change in fund balance</b>	<b>(49,064)</b>	<b>(49,064)</b>	<b>(3,451)</b>	<b>45,613</b>
<b>Fund balance at beginning of year</b>	<b>1,264,000</b>	<b>1,264,000</b>	<b>1,264,000</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>1,179</b>	<b>1,179</b>	<b>1,179</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$1,216,115</b>	<b>\$1,216,115</b>	<b>\$1,261,728</b>	<b>\$45,613</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Armstrong Fund**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
<b>Earnings on investments</b>	<b>\$17,600</b>	<b>\$17,600</b>	<b>\$35,702</b>	<b>\$18,102</b>
<b>Total revenues</b>	<b>17,600</b>	<b>17,600</b>	<b>35,702</b>	<b>18,102</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<b>Other employee benefits</b>	<b>19,205</b>	<b>19,205</b>	<b>15,785</b>	<b>3,420</b>
<b>Total expenditures</b>	<b>19,205</b>	<b>19,205</b>	<b>15,785</b>	<b>3,420</b>
<b>Net change in fund balance</b>	<b>(1,605)</b>	<b>(1,605)</b>	<b>19,917</b>	<b>21,522</b>
<b>Fund balance at beginning of year</b>	<b>1,739,196</b>	<b>1,739,196</b>	<b>1,739,196</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>19,205</b>	<b>19,205</b>	<b>19,205</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$1,756,796</b>	<b>\$1,756,796</b>	<b>\$1,778,318</b>	<b>\$21,522</b>

**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, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<i>Earnings on investments</i>	<b>\$33,000</b>	<b>\$33,000</b>	<b>\$75,406</b>	<b>\$42,406</b>
<b>Total revenues</b>	<b>33,000</b>	<b>33,000</b>	<b>75,406</b>	<b>42,406</b>
<b>Expenditures</b>				
<b>Current</b>				
<i>Library materials and information</i>	<b>74,292</b>	<b>74,292</b>	<b>72,417</b>	<b>1,875</b>
<b>Total expenditures</b>	<b>74,292</b>	<b>74,292</b>	<b>72,417</b>	<b>1,875</b>
<b>Net change in fund balance</b>	<b>(41,292)</b>	<b>(41,292)</b>	<b>2,989</b>	<b>44,281</b>
<b>Fund balance at beginning of year</b>	<b>3,325,518</b>	<b>3,325,518</b>	<b>3,325,518</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>4,292</b>	<b>4,292</b>	<b>4,292</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$3,288,518</b>	<b>\$3,288,518</b>	<b>\$3,332,799</b>	<b>\$44,281</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Hadley Fund**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Earnings on investments</b>	<b>\$1,300</b>	<b>\$1,300</b>	<b>\$2,400</b>	<b>\$1,100</b>
<b>Total revenues</b>	<b>1,300</b>	<b>1,300</b>	<b>2,400</b>	<b>1,100</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<b>Other employee benefits</b>	<b>43,200</b>	<b>43,200</b>	<b>4,620</b>	<b>38,580</b>
<b>Total expenditures</b>	<b>43,200</b>	<b>43,200</b>	<b>4,620</b>	<b>38,580</b>
<b>Net change in fund balance</b>	<b>(41,900)</b>	<b>(41,900)</b>	<b>(2,220)</b>	<b>39,680</b>
<b>Fund balance at beginning of year</b>	<b>127,137</b>	<b>127,137</b>	<b>127,137</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$85,737</b>	<b>\$85,737</b>	<b>\$125,417</b>	<b>\$39,680</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Heisel/Dunlap Fund**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Earnings on investments</b>	<b>\$3,300</b>	<b>\$3,300</b>	<b>\$7,928</b>	<b>\$4,628</b>
<b>Total revenues</b>	<b>3,300</b>	<b>3,300</b>	<b>7,928</b>	<b>4,628</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Salaries and benefits</b>				
<b>Other employee benefits</b>	<b>21,720</b>	<b>21,720</b>	<b>15,694</b>	<b>6,026</b>
<b>Total expenditures</b>	<b>21,720</b>	<b>21,720</b>	<b>15,694</b>	<b>6,026</b>
<b>Net change in fund balance</b>	<b>(18,420)</b>	<b>(18,420)</b>	<b>(7,766)</b>	<b>10,654</b>
<b>Fund balance at beginning of year</b>	<b>320,365</b>	<b>320,365</b>	<b>320,365</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>7,320</b>	<b>7,320</b>	<b>7,320</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$309,265</b>	<b>\$309,265</b>	<b>\$319,919</b>	<b>\$10,654</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Kersten Fund**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Earnings on investments</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$35,973</b>	<b>\$10,973</b>
<b>Total revenues</b>	<b>25,000</b>	<b>25,000</b>	<b>35,973</b>	<b>10,973</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Supplies</b>	<b>138,600</b>	<b>138,600</b>	<b>111,283</b>	<b>27,317</b>
<b>Purchased and contracted services</b>	<b>45,180</b>	<b>45,180</b>	<b>35,920</b>	<b>9,260</b>
<b>Total expenditures</b>	<b>183,780</b>	<b>183,780</b>	<b>147,203</b>	<b>36,577</b>
<b>Net change in fund balance</b>	<b>(158,780)</b>	<b>(158,780)</b>	<b>(111,230)</b>	<b>47,550</b>
<b>Fund balance at beginning of year</b>	<b>405,672</b>	<b>405,672</b>	<b>405,672</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$247,072</b>	<b>\$247,072</b>	<b>\$294,622</b>	<b>\$47,550</b>

**The Public Library of Cincinnati and Hamilton County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)**  
**Dwyer Fund**  
**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Earnings on investments</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$3,618</b>	<b>\$1,618</b>
<b>Total revenues</b>	<b>2,000</b>	<b>2,000</b>	<b>3,618</b>	<b>1,618</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Supplies</b>	<b>15,000</b>	<b>15,000</b>	<b>3,301</b>	<b>11,699</b>
<b>Library materials and information</b>	<b>8,072</b>	<b>8,072</b>	<b>7,336</b>	<b>736</b>
<b>Total expenditures</b>	<b>23,072</b>	<b>23,072</b>	<b>10,637</b>	<b>12,435</b>
<b>Net change in fund balance</b>	<b>(21,072)</b>	<b>(21,072)</b>	<b>(7,019)</b>	<b>14,053</b>
<b>Fund balance at beginning of year</b>	<b>184,500</b>	<b>184,500</b>	<b>184,500</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$163,500</b>	<b>\$163,500</b>	<b>\$177,553</b>	<b>\$14,053</b>

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

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

**Howard Fund**

**For the Year Ended December 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
<i>Earnings on investments</i>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$36,091</b>	<b>\$21,091</b>
<b>Total revenues</b>	<b>15,000</b>	<b>15,000</b>	<b>36,091</b>	<b>21,091</b>
<b>Expenditures</b>				
<b>Current</b>				
<i>Library materials and information</i>	<b>68,060</b>	<b>68,060</b>	<b>66,992</b>	<b>1,068</b>
<b>Total expenditures</b>	<b>68,060</b>	<b>68,060</b>	<b>66,992</b>	<b>1,068</b>
<b>Net change in fund balance</b>	<b>(53,060)</b>	<b>(53,060)</b>	<b>(30,901)</b>	<b>22,159</b>
<b>Fund balance at beginning of year</b>	<b>1,478,126</b>	<b>1,478,126</b>	<b>1,478,126</b>	<b>0</b>
<b>Prior year encumbrances appropriated</b>	<b>8,060</b>	<b>8,060</b>	<b>8,060</b>	<b>0</b>
<b>Fund balance at end of year</b>	<b>\$1,433,126</b>	<b>\$1,433,126</b>	<b>\$1,455,285</b>	<b>\$22,159</b>

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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.

### Contents

### Pages

#### ***Financial Trends***

66-69

These schedules contain trend information to help the reader understand how the Library's financial performance and well-being has changed over time.

#### ***Revenue Capacity***

These schedules contain trend information to help the reader understand the Library's most significant sources of local revenue.

The Library has opted not to include an additional table for own source revenue as it represents on 5% of total revenue and is all income from patron fines and fees.

The Library has opted to not include Principal Employer information in these tables as the revenue the Library receives from the state is based on statewide collections and not a local source.

#### ***Debt Capacity***

70

These schedules present information to help the reader assess the affordability of the Library's current service levels of outstanding debt and the Library's ability to issue additional debt in the future.

The Library has not included a table for Direct and Overlapping Debt as the Library is a county-wide library.

#### ***Economic and Demographic Information***

71-72

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

#### ***Operating Information***

73-74

These schedules contain service and infrastructure data to help the reader understand how the information in the Library's financial report relates to the services the Library provides and the activities it performs.

#### **Sources:**

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

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

	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:								
Invested in Capital Assets, Net of Related Debt	\$101,273,805	\$99,046,288	\$96,016,005	\$93,760,981	\$91,574,791	\$91,680,184	\$90,835,880	\$89,021,895
Restricted	10,349,351	10,233,032	9,851,634	9,712,158	9,900,817	11,115,987	13,616,429	10,005,862
Unrestricted	38,819,068	40,014,143	36,272,139	37,934,299	40,146,200	38,302,628	33,190,646	21,324,264
Total Governmental Activities Net Assets	\$150,442,224	\$149,293,463	\$142,139,778	\$141,407,438	\$141,621,808	\$141,098,799	\$137,642,955	\$120,352,021

2003 was the first year GASB 34 was implemented.

**The Public Library of Cincinnati and Hamilton County**  
**Changes in Net Assets**  
**Last Seven Years**  
**(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009
<b>Program Revenues:</b>							
Charges for Services:							
Library Services:							
Public Service and Programs	\$1,648,282	\$1,712,030	\$1,723,172	\$2,043,892	\$1,949,231	\$2,003,232	\$1,986,173
Operating grants, contributions, and earnings on investments:							
Library Services:							
Public Service and Programs	1,054,630	816,944	879,188	855,106	841,861	1,146,886	537,845
Collection Development and Processing	160,228	110,680	221,338	362,991	597,512	326,213	84,990
Support Services:							
Facilities operations and maintenance	131,800	0	207,176	184,960	419,888	1,307	7,056
Information services support	21,000	7,720	0	6,730	10,000	0	0
Business administration	7,198	0	10,278	20,621	25,869	18,788	3,513
<b>Total Revenues</b>	<b>3,023,138</b>	<b>2,647,374</b>	<b>3,041,152</b>	<b>3,474,300</b>	<b>3,844,361</b>	<b>3,496,426</b>	<b>2,619,577</b>
<b>Expenses:</b>							
Library Services:							
Public Service and Programs	23,787,560	25,022,480	24,809,705	24,616,153	24,757,848	25,328,735	25,445,459
Collection Development and Processing	11,973,598	11,916,433	11,347,223	11,082,554	11,739,723	11,708,306	12,003,328
Support Services:							
Facilities Operations and Maintenance	11,580,120	11,817,801	11,110,570	11,328,075	12,717,831	12,961,104	12,927,956
Information Services Support	3,079,959	3,403,299	2,947,289	3,014,084	3,038,053	2,604,637	1,374,495
Business Administration	3,585,641	3,500,376	3,397,102	3,468,006	3,458,818	3,620,791	4,382,087
Debt Service:							
Interest and Fiscal Charges	2,819	9,953	7,778	5,517	3,168	1,602	0
<b>Total Expenses</b>	<b>54,009,697</b>	<b>55,670,342</b>	<b>53,619,667</b>	<b>53,514,389</b>	<b>55,715,441</b>	<b>56,225,175</b>	<b>56,133,325</b>
<b>Net Expenses</b>	<b>(50,986,559)</b>	<b>(53,022,968)</b>	<b>(50,578,515)</b>	<b>(50,040,089)</b>	<b>(51,871,080)</b>	<b>(52,728,749)</b>	<b>(53,513,748)</b>
<b>General Revenues:</b>							
Governmental Activities:							
Grants and Contributions not Restricted to Specific Programs	48,876,713	45,044,063	48,306,813	48,307,419	49,289,425	47,887,165	35,472,245
Earnings on Investments	254,478	228,453	612,660	1,057,329	1,183,073	570,505	88,420
Gain on sale of capital asset	0	0	168,179	0	87,644	0	0
Other	702,412	587,788	751,248	887,743	784,376	811,488	658,480
Contributions to Principal for Permanent Funds	4,195	8,979	7,275	1,968	3,553	3,747	3,669
<b>Total General Revenues and Contributions</b>	<b>49,837,798</b>	<b>45,869,283</b>	<b>49,846,175</b>	<b>50,254,459</b>	<b>51,348,071</b>	<b>49,272,905</b>	<b>36,222,814</b>
<b>Change in Net Assets</b>	<b>(\$1,148,761)</b>	<b>(\$7,153,685)</b>	<b>(\$732,340)</b>	<b>\$214,370</b>	<b>(\$523,009)</b>	<b>(\$3,455,844)</b>	<b>(\$17,290,934)</b>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund							
Reserved	\$1,389,772	\$595,521	\$565,356	\$339,947	\$500,422	\$522,050	\$417,778
Unreserved	8,924,113	9,682,367	12,086,180	13,834,801	11,392,232	7,370,027	4,954,540
<b>Total General Fund</b>	<b><u>10,313,885</u></b>	<b><u>10,277,888</u></b>	<b><u>12,651,536</u></b>	<b><u>14,174,748</u></b>	<b><u>11,892,654</u></b>	<b><u>7,892,077</u></b>	<b><u>5,372,318</u></b>
All Other Governmental Funds							
Reserved	7,266,113	7,065,895	6,715,451	7,072,431	7,395,041	7,777,583	7,184,646
Unreserved reported in:							
Special Revenue Funds	1,608,532	1,254,563	1,206,806	1,200,192	2,207,051	4,560,246	750,292
Capital Projects Funds	7,270,041	7,041,663	6,528,414	6,828,166	7,390,932	8,116,698	3,066,387
Permanent Funds	1,908,744	1,804,716	1,838,783	2,018,534	2,230,095	2,315,884	2,087,829
<b>Total All Other Governmental Funds</b>	<b><u>18,053,430</u></b>	<b><u>17,166,837</u></b>	<b><u>16,289,454</u></b>	<b><u>17,119,323</u></b>	<b><u>19,223,119</u></b>	<b><u>22,770,411</u></b>	<b><u>13,089,154</u></b>
<b>Total Governmental Funds</b>	<b><u><u>\$28,367,315</u></u></b>	<b><u><u>\$27,444,725</u></u></b>	<b><u><u>\$28,940,990</u></u></b>	<b><u><u>\$31,294,071</u></u></b>	<b><u><u>\$31,115,773</u></u></b>	<b><u><u>\$30,662,488</u></u></b>	<b><u><u>\$18,461,472</u></u></b>

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

	2003	2004	2005	2006	2007	2008	2009
<b>Revenues:</b>							
Intergovernmental	\$48,508,418	\$48,718,964	\$48,952,702	\$48,954,721	\$49,417,777	\$48,116,998	\$38,844,386
Fines and fees	1,648,282	1,712,030	1,723,172	2,043,892	1,949,231	2,003,232	1,986,173
Earnings on investments	369,154	331,505	849,015	1,486,675	1,677,365	1,007,491	201,158
Contributions, gifts, and donations	523,745	210,314	443,616	355,728	1,438,084	2,948,735	147,387
Miscellaneous	702,412	587,788	751,248	887,743	906,360	811,488	658,480
<b>Total Revenues</b>	<b>51,752,011</b>	<b>51,560,601</b>	<b>52,719,753</b>	<b>53,728,759</b>	<b>55,388,817</b>	<b>54,887,944</b>	<b>41,837,584</b>
<b>Expenditures:</b>							
<b>Current:</b>							
Library services:							
Public service and programs	24,770,129	24,989,151	24,875,051	24,720,722	24,888,966	25,354,219	25,398,385
Collection development and processing	12,038,862	11,899,780	11,457,028	11,108,535	11,669,590	11,695,165	11,956,325
Support Services:							
Facilities operations and maintenance	8,330,645	8,480,352	8,816,293	8,707,535	12,234,308	11,211,724	10,835,165
Information services support	3,994,359	3,571,299	2,954,543	3,335,661	3,381,801	3,405,865	1,491,889
Business administration	3,635,168	3,477,137	3,395,252	3,437,752	3,441,977	3,625,151	4,356,836
Debt Service:							
Principal retirement	13,550	55,519	57,695	59,956	62,305	48,246	0
Interest and fiscal charges	2,819	9,953	7,778	5,517	3,168	859	0
<b>Total Expenditures</b>	<b>52,785,532</b>	<b>52,483,191</b>	<b>51,563,640</b>	<b>51,375,678</b>	<b>55,682,115</b>	<b>55,341,229</b>	<b>54,038,600</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,033,521)</b>	<b>(922,590)</b>	<b>1,156,113</b>	<b>2,353,081</b>	<b>(293,298)</b>	<b>(453,285)</b>	<b>(12,201,016)</b>
<b>Other Financing Sources (Uses):</b>							
Proceeds from Sale of Capital Assets	0	0	340,152	0	115,000	0	0
Inception of Capital Lease	297,271	0	0	0	0	0	0
Transfers In	318,621	0	728,618	503,545	3,300,000	2,503,043	6,680,238
Transfers Out	(318,621)	0	(728,618)	(503,545)	(3,300,000)	(2,503,043)	(6,680,238)
<b>Total Other Financing Sources (Uses)</b>	<b>297,271</b>	<b>0</b>	<b>340,152</b>	<b>0</b>	<b>115,000</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(\$736,250)</b>	<b>(\$922,590)</b>	<b>\$1,496,265</b>	<b>\$2,353,081</b>	<b>(\$178,298)</b>	<b>(\$453,285)</b>	<b>(\$12,201,016)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.0%</b>

**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)
2000	0	0.00%	\$0.00
2001	0	0.00%	0.00
2002	0	0.00%	0.00
2003	310,916	0.00%	0.38
2004	228,202	0.00%	0.28
2005	170,507	0.00%	0.21
2006	110,551	0.00%	0.13
2007	48,246	0.00%	0.06
2008	0	0.00%	0.00
2009	0	0.00%	0.00

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

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

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

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Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Hamilton County Unemployment Rate (4)
2000	845,303	\$28,373,440,498	\$33,566	2.9%
2001	835,362	28,819,153,638	34,499	3.8%
2002	833,721	29,773,844,352	35,712	5.1%
2003	823,472	30,078,138,272	36,526	5.1%
2004	814,611	31,294,910,787	38,417	5.6%
2005	806,652	32,215,260,924	39,937	5.7%
2006	822,596	34,002,005,660	41,335	5.0%
2007	842,369	36,038,230,558	42,782	5.0%
2008	851,494	37,703,302,826	44,279	5.6%
2009	855,062	38,234,097,330	44,715	8.9%

- Sources:** (1) U.S. Census Bureau web site  
(2) Calculated based on Per capita income multiplied by population  
(3) U.S. Department of Commerce, Bureau of Economic Analysis web site.  
County data for 2009 will be released in April 2010 but has been estimated based on a 1% increase from 2008.  
(4) Ohio Bureau of Employment Services web site

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

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities:</b>										
<b>Library Services:</b>										
Public Service and Programs	676	703	628	661	649	627	625	634	629	599
Collection Development and Processing	76	80	73	74	69	64	65	70	67	68
<b>Support Services:</b>										
Facilities Operations and Maintenance	81	85	84	85	86	79	75	75	75	75
Information Services Support	26	27	27	24	20	18	18	18	14	12
Business Administration	38	40	39	38	37	34	33	34	36	36
<b>Total Number of Employees</b>	<b>897</b>	<b>935</b>	<b>851</b>	<b>882</b>	<b>861</b>	<b>822</b>	<b>816</b>	<b>831</b>	<b>821</b>	<b>790</b>

Source: Library records

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

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Library Services										
Public Service and Programs										
Items in Collection	10,076,270	10,363,842	10,261,257	10,288,800	9,574,449	9,545,692	9,551,178	9,545,414	9,530,479	8,959,303
Material Loans	13,326,369	13,808,229	14,403,659	14,861,011	14,713,793	14,344,449	14,783,307	14,875,594	15,627,452	16,372,499
Active Registered Borrowers	403,531	409,954	404,655	403,531	408,720	375,342	286,293	243,970	241,752	271,646
Number of Public Programs	12,182	12,967	13,935	16,169	15,417	15,546	14,874	14,033	14,567	14,578
Collection Development and Processing										
Items Purchased	297,479	329,434	360,909	373,228	369,228	358,784	355,468	369,766	367,602	361,228
Support Services										
Facilities Operations and Maintenance										
Facilities Maintained	45	45	45	45	45	45	45	45	45	45
Square Footage of Facilities	907,664	919,664	921,861	922,661	922,661	922,661	922,661	927,213	927,213	927,213
Information Services Support										
Computer Workstations	609	748	1,045	1,193	1,195	1,286	1,329	1,381	1,757	1,789
Online Resource Usage	na	na	12,663,026	14,551,253	26,245,535	34,070,381	42,994,289	71,159,640	87,344,129	110,286,831

na - The information is not available for these years.

Source: Library records

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

	2003	2004	2005	2006	2007	2008	2009
<b>Library Services:</b>							
<b>Public Service and Programs</b>							
Land	\$12,045,336	\$12,045,336	\$12,318,298	\$12,318,597	\$12,326,641	\$12,326,641	\$12,326,641
Land improvements	356,965	374,030	358,972	355,514	407,256	490,444	480,202
Buildings and improvements	52,494,965	50,926,155	49,355,898	47,853,729	47,735,190	46,510,156	45,426,537
Furniture and equipment	4,196,810	3,070,187	2,428,906	1,992,694	1,763,244	1,901,610	1,680,974
<b>Collection Development and Processing</b>							
Land	435,456	435,456	435,456	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	17,614,531	17,614,531	17,614,531
Buildings and improvements	1,525,861	1,483,145	1,442,029	1,400,877	1,392,790	1,345,455	1,301,138
Furniture and equipment	46,119	33,738	26,691	21,898	180,885	166,819	192,635
<b>Support Services:</b>							
<b>Facilities Operations and Maintenance</b>							
Land	922,056	922,056	922,056	922,056	922,056	922,056	922,056
Buildings and improvements	5,126,080	4,990,868	4,858,858	4,726,774	4,699,487	4,539,771	4,390,239
Furniture and equipment	506,741	444,839	389,230	365,263	378,277	393,044	339,792
Vehicles	79,902	73,363	43,153	60,735	63,248	104,443	77,367
Construction in progress	0	0	0	0	0	125,936	0
<b>Information Services Support</b>							
Land	54,432	54,432	54,432	54,432	54,432	54,432	54,432
Buildings and improvements	190,733	185,393	180,254	175,110	174,099	168,182	162,643
Furniture and equipment	454,644	405,473	398,426	359,839	577,511	774,859	725,050
<b>Business Administration</b>							
Land	707,617	707,617	707,617	707,617	707,617	707,617	707,617
Buildings and improvements	2,479,524	2,410,111	2,343,298	2,276,425	2,263,284	2,186,364	2,114,349
Furniture and equipment	92,238	67,477	53,383	43,795	32,426	68,064	70,236
	<u>\$99,330,010</u>	<u>\$96,244,207</u>	<u>\$93,931,488</u>	<u>\$91,685,342</u>	<u>\$91,728,430</u>	<u>\$90,835,880</u>	<u>\$89,021,895</u>

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

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

The Public Library of Cincinnati and Hamilton County

Hamilton County

Regular Audit

January 1, 2009 through December 31, 2009

Years Audited Under GAGAS: 2009



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**Balestra, Harr & Scherer, CPAs, Inc.**

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800 Gallia Street, Suite 38, Portsmouth, OH 45662 Phone: 740.876.9121 Fax: 800.210.2573

**The Public Library of Cincinnati and Hamilton County**  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of The Public Library of Cincinnati and Hamilton County, Hamilton County (the Library), as of and for the year ended December 31, 2009, which collectively comprise the Library's basic financial statements and have issued our report thereon dated May 7, 2010, wherein we noted the Library implemented Governmental Accounting Standards Board (GASB) Statements No. 52, No. 53, No. 55, No. 56, No. 57, and No. 58. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

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

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

Members of the Board

The Public Library of Cincinnati and Hamilton County

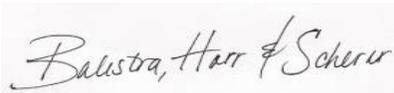
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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### **Compliance and Other Matters**

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

We intend this report solely for the information and use of management and members of the Board. We intend it for no one other than these specified parties.

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

Balestra, Harr & Scherer, CPAs, Inc.

May 7, 2010



Mary Taylor, CPA  
Auditor of State

THE PUBLIC LIBRARY OF CINCINNATI AND HAMILTON COUNTY  
HAMILTON COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 27, 2010