



Dave Yost • Auditor of State

**CUYAHOGA COUNTY PUBLIC LIBRARY
CUYAHOGA COUNTY**

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Dave Yost • Auditor of State

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

Cuyahoga County Public Library
Cuyahoga County
2111 Snow Road
Parma, Ohio 44134

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuyahoga County Public Library, Cuyahoga County, (the Library) as of and for the year ended December 31, 2011, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 22, 2012, wherein we noted the Library implemented Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," the implementation of this statement did not result in a change in total fund balance but only the classification of fund balance on the City's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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 did note certain matters not requiring inclusion in this report that we reported to the Library's management in a separate letter dated June 22, 2012.

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



Dave Yost
Auditor of State

June 22, 2012

COMPREHENSIVE *Annual*

FINANCIAL REPORT

for the Year Ended December 31, 2011



*B*YOND
|| bricks & books ||

A Capital Campaign for the Future of Cuyahoga County Public Library



Cuyahoga County Public Library
cuyahogalibrary.org

Administrative Offices, Parma, Ohio

CUYAHOGA COUNTY PUBLIC LIBRARY

ADMINISTRATIVE OFFICES, PARMA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

**Issued by:
Scott A. Morgan
Finance Director**

INTRODUCTORY SECTION

Cuyahoga County Public Library
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011
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June 22, 2012

To the Board of Library Trustees and the Citizens of the Cuyahoga County Public Library District:

It is with great pleasure that we submit to you Cuyahoga County Public Library's (the Library) 2011 Comprehensive Annual Financial Report (CAFR). It has been prepared by the Library's Finance Division for the year ended December 31, 2011. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Library. We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Library, and that all disclosures necessary to enable the reader to gain the maximum understanding of the Library's financial activity have been included. This report will provide the taxpayers of the Cuyahoga County Public Library District with comprehensive financial data in a format that enables them to gain a true understanding of the Library's financial status.

The Library is required to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis, and Ohio Revised Code Section 117.38 which requires that public offices reporting on a GAAP basis to file unaudited General Purpose External Financial Statements (GPFS) with the Auditor of State within 150 days of year end.

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

The Ohio Auditor of State has issued an unqualified ('clean') opinion on the Library's financial statements for the year ended December 31, 2011. The independent accountants' report is located at the front of the financial section of this report.

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

REPORTING ENTITY

Cuyahoga County Public Library is organized under the Ohio Revised Code as a county district public library. A seven-member board governs the Library. Members are appointed for seven-year terms and serve without compensation. Four members are appointed every other year by the Cuyahoga County Executive and approval of the Cuyahoga County Council and three members are appointed every other year by the judges of the Cuyahoga County Court of Common Pleas. The taxing authority for the Library is the Cuyahoga County Executive and Cuyahoga County Council, but the Library is not a part of County government. Instead, it operates as a separate political subdivision with its own budget through funds derived from two primary sources: a local 2.5 mill property tax approved by the voters in the 47 communities served by the Library and the State of Ohio's Public Library Fund (PLF) which currently comes from 1.97 percent of the State's total general tax revenue.

Administrative Offices

2111 Snow Road / Parma, Ohio 44134-2728 / p 216.398.1800 / f 216.749.9500 / cuyahogalibrary.org

*Executive Director / Sari Feldman Board of Trustees / Leonard M. Calabrese, President Robert W. Varley, Vice President
Maria L. Haller, Secretary Susan M. Adams, Trustee Edward H. Blakemore, Trustee Sanjiv K. Kapur, Trustee Dale D. Powers, Trustee*

The Executive Director is responsible for the administration of the Library, and the Operations Director / Fiscal Officer oversees the Library's financial affairs. The Board of Library Trustees has appointed Sari Feldman to the position of Executive Director and Scott Morgan to the position of Operations Director / Fiscal Officer.

PROFILE OF GOVERNMENT

In 1921, the State Legislature of Ohio passed a law which enabled the establishment of a county district library for any area not served by a free public library, subject to a vote of the people. As residents began moving into outlying areas of Cuyahoga County and the need for library services to these residents became more evident, a referendum was placed on the November 7, 1922 general election ballot authorizing a county library district. The issue passed by more than two to one, making Cuyahoga County Public Library the first county library in Ohio to be organized under the new law. The original petition called for the inclusion of all of Cuyahoga County not then served by an existing public library. In 1922, only eight communities had tax-supported library service and only a few other communities had libraries supported by private funds.

The newly-appointed Library Board met on March 4, 1923. Because its members wanted to provide immediate service, the new Cuyahoga County Public Library System began operations as a department of the Cleveland Public Library and reimbursed it for all services rendered. From the beginning, however, County Library hired its own personnel and purchased and processed its own books.

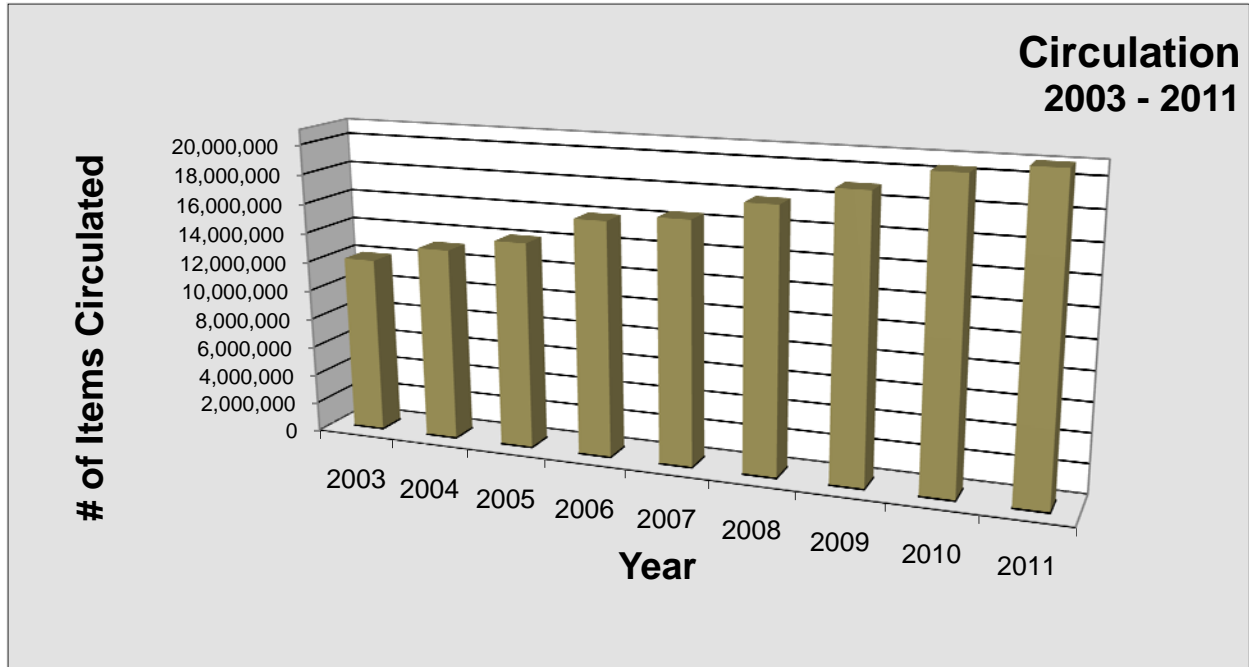
Making library service available through the schools in the new district proved to be the best way to serve residents eager for a library. Many schools had ample space and were willing to make quarters available rent-free. According to the first County Library Report covering the period from April 1924 through December 1925, eight branches and 49 stations and classroom libraries were opened. The book stock figure was 45,468 and the circulation for the first 21 months of operation was 285,569.

In May of 1925, the County Library moved from its rented quarters in the Kinney and Levan Building at East 14th Street and Euclid Avenue in Cleveland to the Crown Annex Building on West Third Street in Cleveland. Book cars, followed by bookmobiles, gave way to branch libraries as local communities saw the value of having a library which served as a community center rather than just a warehouse for books.

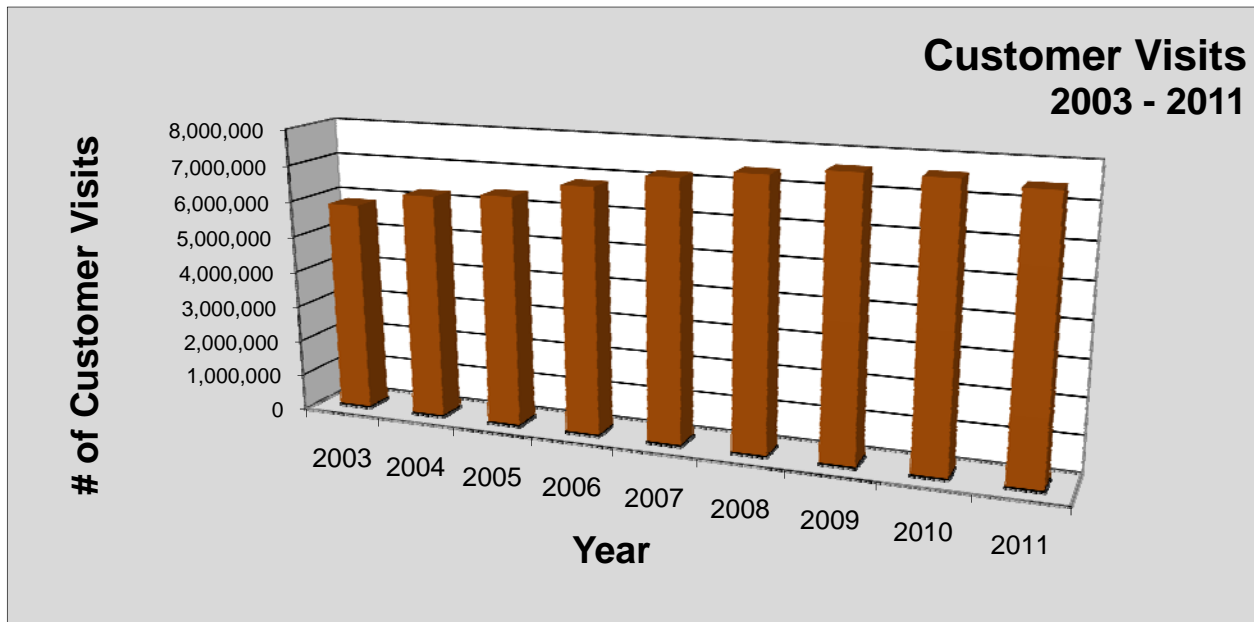
From 1955 to 1965, 20 new branches were added to the Library system and four existing branches were expanded. Annual circulation grew to six million items. In 1968, the Library's administrative offices and support services were relocated to a building purchased by the Board of Trustees at 4510 Memphis Avenue in Cleveland.

By the mid 1980s, circulation had grown to more than 10 million items annually and technology presented needs that required a move to a new building. In 1990, the Library's Administrative Offices were moved to a nine-acre campus at 2111 Snow Road in Parma, the largest suburban community served by Cuyahoga County Public Library. The Administrative Offices central location and proximity to all of the interstate highways make it an ideal location for delivery of materials to branches six days a week.

Currently, Cuyahoga County Public Library has 28 branches that serve 47 communities, and consistently ranks among the ten busiest and best library systems in the United States. Since 2003, circulation has grown 76.71 percent, as the following chart documents:



Over that same period, 2003 – 2011, customer visits to the Library’s branches increased 27.87 percent, as documented in the following chart:



ECONOMIC CONDITIONS AND OUTLOOK

In 2006, a Capital Facilities Plan Committee, composed of a cross section of the disciplines and communities served by the Library, met for five months to review current facilities, study best practices, funding methods, and capital funding options for the Library. The 45 members included mayors and other government officials, library customers, teachers, financial professionals, and members of the clergy. At the end of the five months, the Committee recommended to the Board of Library Trustees that the Library shift to a system-wide funding mechanism for capital needs to enable better planning, ensure equitable and efficient maintenance, and establish centers of excellence throughout the Library system.

In April 2007, the Cuyahoga County Public Library Board of Trustees passed a resolution of intent to place a levy on the November 2008 election ballot. Later, in June 2008, the Library Board passed a resolution declaring the need to replace the Library's existing 2 mill tax levy, which was to expire at the end of 2009, and add a half mill. The additional half mill was added to allow the Library to provide the same level of high quality service at each of its 28 locations. The resolution was forwarded to the Board of Cuyahoga County Commissioners for submission of a 2.5 mill continuing issue before the public in the 47 communities served by Cuyahoga County Public Library. The issue passed by a 58.70 percent margin of victory at the polls on November 4, 2008. Even with the increase from 2 to 2.5 mills, Cuyahoga County Public Library has the lowest millage of any of the nine library systems in Cuyahoga County.

In September 2008, the nation's economy began heading toward the deepest economic recession since the Great Depression. The stock market plummeted, banks closed and/or merged, and home foreclosure rates soared, particularly in Cuyahoga County. In Ohio, tax collections at both the State and local levels declined, forcing the Ohio General Assembly to make difficult cuts to balance the 2010 – 2011 biennium budget; including a reduction of the Public Library Fund from 2.22 percent to 1.97 percent of total State revenue.

At its August 2009 meeting, the Cuyahoga County Public Library Board of Trustees approved a series of cost-saving measures to help address nearly \$14 million in State and local revenue reductions through 2010, which included the elimination of 41 positions held by union, managerial and confidential staff; a one-time resignation/retirement incentive; pay freezes; changes in healthcare contributions; and reductions in operational expenses and the materials budget. In September 2009, daily overdue fines on most Library materials were increased from \$.05 to \$.10 per item, the fine limit per item was increased from \$5.00 to \$10.00, and Sunday hours were limited to just seven Library branches.

During this economic downturn, business has been booming at Cuyahoga County Public Library. Circulation and customer visits to the Library's branches are at an all-time high, and attendance at its free programs has increased as well. The remarkable growth in use and recognition as a national leader in library service that Cuyahoga County Public Library has experienced in recent years are testaments to the effectiveness of its core service priorities and evidence of its vital role in the community. Though the Library is busier than ever, State funding and local property tax revenues have decreased, creating a very stressful situation for the Library's staff as well as its customers, who rely on the Library for materials, career counseling, computer training, financial literacy, Internet access, and other services.

These circumstances have presented the Library with a new challenge – to continue its tradition of excellence and innovation with fewer resources. To meet this challenge, the Cuyahoga County Public Library Board of Trustees has developed a long-term financial plan that emphasizes Convenient, Accountable, Relevant and Effective library service. The plan is called CARE: A Library for the Future. The CARE plan is the result of an ongoing process of community engagement, research, and analysis. It is a plan that will maximize the Library's financial resources while allowing for continued investments in innovation and technology; a plan that will enable the Library to adapt as technology, demographics, and community needs change over time. Most importantly, it's a plan that ensures Cuyahoga County residents will continue to have access to public library service of the highest level.

LONG-TERM FINANCIAL PLANNING

The Library has developed a long-range operating budget as well as a 25-year plan for capital purposes, which includes the sale of bonds to generate sufficient capital funds to complete a Facilities Master Plan (the Plan). We are currently engaged in that Plan.

The Plan emphasizes high value and low overhead; allowing us to continue to make investments in innovation, technology and facilities, and, ultimately, ensure that our customers have access to world-class library services and materials now and into the future.

In June 2010, our Board adopted the Plan to support its long-term financial plan. The Plan will reduce our dependence on State money and help us achieve a system-wide operating and capital budget that lives within our 2.5 mill levy – the lowest library cost in the county. When it is fully implemented, it will save the Library approximately \$4 million a year by reducing our footprint across the 47 communities we serve and replacing our costliest buildings with sustainable facilities that cost significantly less to staff and operate. Our Board has worked closely with our union, SEIU 1199, on this plan and is committed to reduce staff through attrition.

The Plan will not require the Library to ask taxpayers for additional funds. In 2010, the Library sold notes to raise \$75 million in capital funds at a favorable variable interest rate ranging from 2.00 to 6.25 percent. These funds must be spent on capital improvements within the next three years. We are spending resources on this plan now because, over the long-term, it will ensure that our customers will continue to have access to excellent library service.

A detailed 10-year budget projection indicates that the Plan makes long-term fiscal sense when compared to simply repairing and maintaining our aging fleet of buildings:

WITHOUT the Plan

- Salaries and benefits for existing staff are projected to increase 2 percent each year.
- The Library's material expenditures increase modestly only once in the 10-year period. Other expenditures remain flat.
- \$35,000,000 is set aside to account for major repairs to many of the current facilities — \$3.5 million in each of the 10 years.
- Under this scenario there would be no additional funds to transfer into a “rainy day fund.”

WITH the Plan

- A decrease in salaries and benefits as new, more efficient branches allow us to reduce our workforce through attrition.
- The Library's materials budget grows 22 percent over 10 years.
- Capital expenditures will be reduced as our costliest repairs will be resolved by the Plan projects.
- Over the course of the 10 years, we will save over \$10 million.
- Under this scenario, there is a new expense line item for payment of debt service covering principal and interest on the notes sold to pay for the plan.

We are working collaboratively with cities to acquire property at no cost. By acquiring land at no cost, we are able to maximize our investment in the buildings themselves. In partnership with community leaders, we are seeking to deepen the connection between the delivery of our six service priorities and cities'/communities' economic development plans.

With this plan we are putting residents of Cuyahoga County back to work. We have hired or are in negotiations with local architects and construction management firms for each of the projects included in the Plan, and we are investing millions in the future of the Library. In Parma, for example, we plan to construct a 45,000 square foot branch near Parma City Hall and expand and renovate the busy Parma-Snow Branch. The estimated cost of these two projects alone is \$22 million.

This Plan exists for one reason – it is the best way to meet the needs of our district with limited resources. This plan will help ensure that Cuyahoga County Public Library remains one of the nation’s best library systems.

RELEVANT FINANCIAL POLICIES

The Library’s Finance Division has a Policy and Procedures Manual that was created some time ago. It has been updated several times. The complete manual is currently being rewritten and updated. The completion of this process is part of the goals for the Library’s Finance Division for 2012-2013.

MAJOR INITIATIVES

The Library’s Mission

Cuyahoga County Public Library will be at the center of community life by providing an environment where reading, lifelong learning and civic engagement thrive.

The Library’s Vision

The Library will support initiatives and efforts that impact the quality of life for all in Cuyahoga County. We will be the most convenient public library in the nation and be known for the quality of our customer service. Our branches and website will be centers of excellence and serve as gathering places. Through innovative services and collaborations we will satisfy our community’s needs and exceed expectations. Our staff will reflect the diversity of our communities and promote and create an accessible, friendly environment.

The Library’s Six Service Priorities

- Reconnect with reading
- Ensure every child enters school ready to learn
- Help youth to reach maximum potential
- Put Cuyahoga County back to work
- Keep seniors healthy, happy and independent
- Connect with new Americans

Cuyahoga County Public Library is recognized as a national leader in public library service for its innovative programs and services to the community.

2011 HIGHLIGHTS

Breaking Ground

In May, Cuyahoga County Public Library and the City of Warrensville Heights broke ground for a new 25,000-square-foot Warrensville Heights Branch at 4415 Northfield Road between Clarkwood Parkway and Emery Road. The new branch will replace the Library's existing Warrensville Branch, which was built in 1971. It will be co-located with the City of Warrensville Heights' new YMCA building, as part of an initiative to create a city center.

The Warrensville Heights Branch will feature an eco-friendly design and a dynamic, curving glass façade that will give passersby a glimpse into its attractive community spaces. The interior space will feature an interactive Play, Learn and Grow area for children, made possible through a \$100,000 grant from the Reinberger Foundation. Other features will include:

Large community gathering spaces.

- A dedicated space for teens that will include a small recording studio.
- An afterschool Homework Center where students will receive homework help and engage in learning activities.
- A café and business copy center.
- A media vending box.
- Quiet study areas.
- Public access computers.
- A technology classroom.

Computer Training Classes

The Library's free classes provide basic computer training in Microsoft software applications commonly used by today's employers. In 2011, an Every Citizen Online grant through Connect Ohio enabled the Library to significantly expand its offering of computer training classes to underserved communities. Overall, the Library provided 26 percent of all Connect Ohio training in the State of Ohio.

5,902

Computer Training Program Attendance

93 percent

Increase in Program Attendance Over 2010

Homework Centers

The Library's award-winning Homework Center program has impacted the lives of thousands of at-risk students in grades K – 10. The program seeks not only to help improve students' grades and subject comprehension, but to improve their attitudes toward school and increase their self esteem as well. Another goal of the program is to create lifelong library users.

During the 2011 calendar year, our Homework Centers received student visits and served students from 30 communities and 150 individual schools. Following the 2010-2011 school year, 98 percent of parents we surveyed said their child understood their homework better after attending our Homework Center Program and 83 percent said their child's grades improved.

The Job and Career Center

Job seekers gain valuable skills for today's competitive job market through the Library's Job & Career Center. The Library's licensed career counselors provide one-on-one consultations for area job seekers, facilitate job clubs and conduct workshops on résumé writing, career planning, searching for jobs online, filling out online job applications and developing interview skills.

1,529	3,222
Number of Counseling Sessions	Job Club Attendance
1,730	6,481
Workshop Attendance	Total Participation

Summer Reading

49,590 children, teens and adults participated in our 2011 Summer Reading Program. More than 9,300 people signed up for Summer Reading On-the-Go, an outreach program that brings our Summer Reading Game to outside groups such as childcare and senior centers.

For further information, visit www.cuyahogalibrary.org.

STATISTICS

616,527	1,205,923
Service Population	Hours of Public Computer Use
21,226,357	34.43
Items Borrowed	Items Borrowed Per Capita
7,488,461	12.15
Number of Visitors	Visits Per Capita
1,757,236	2,767,622
Reference Questions Answered	Directional Questions Answered
6,344,740	6,485,510
Home Page Hits	Total Page Hits
15,582	357,630
Programs Sponsored	Program Attendance
5.8	14,143
Program Attendance Per Capita	Meeting Room Use
289,026	49,590
Meeting Room Attendance	Summer Reading Program Participants

Since 2003, the Library's circulation has increased 76.71 percent and customer visits to its branches have increased 27.87 percent. Reading materials made up 54.66 percent of the more than 21 million items borrowed from the Library in 2011.

Digital circulation increased 266.80 percent last year as customers borrowed 154,506 items from our growing Digital Collection of eBooks, audiobooks and music.

OTHER INFORMATION

Independent Audit

Included in this report is an unqualified audit opinion rendered on the Library's financial statements as of and for the year ended December 31, 2011, by our independent auditor, **Auditor of State Dave Yost**.

Library management plans to continue to subject financial statements to an annual independent audit as part of the preparation of a CAFR. An annual audit also serves to maintain and strengthen the Library's accounting and budgetary controls.

Awards

For the third consecutive year, Cuyahoga County Public Library was named one of America's Star Libraries in *Library Journal's* 2011 Index of Public Library Services (LJ Index). The LJ Index, sponsored by Baker & Taylor's Bibliostat, gives an overall indication of how libraries stack up to their peers and provides guidance for libraries to assess and improve their services. The nation's top libraries in each budget category are assigned five, four, or three Michelin guide-like stars. Cuyahoga County Public Library earned a five-star ranking and was the highest scoring library system in its budget category, scoring 1,808 points – 585 points higher than the next highest scorer. LJ Index star ratings are based on four per capita output measures: circulation, visits, program attendance and public Internet use. In its budget category, Cuyahoga County Public Library ranked first in the nation in all four output measures. Overall, 7,513 U.S. public libraries were rated based on 2009 data obtained from the Institute of Museum and Library Services. Notably, the Library's per capita circulation of 33.4 items was significantly higher than other library systems in its budget category.

Cuyahoga County Public Library received the 2011 Organization Innovation Award from the Mandel Center for Nonprofit Organizations at Case Western Reserve University for its commitment to enhancing the quality of life for Cuyahoga residents through innovative materials, services and collaborations.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cuyahoga County Public Library for its Comprehensive Annual Financial Report for the year ended December 31, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

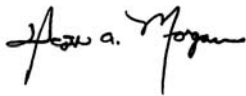
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement requirements and we are submitting it to GFOA.


Acknowledgements

We wish to express our appreciation to the members of the Board of Library Trustees for their continued support in planning and conducting the financial operations of the Library and for the fiscal responsibility that they have demonstrated throughout the year.

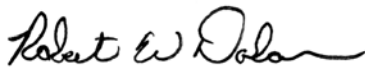
Respectfully submitted,

A handwritten signature in black ink that reads "Scott A. Morgan". The signature is written in a cursive style with a large initial 'S'.

Scott A. Morgan, Operations Director / Fiscal Officer

A handwritten signature in black ink that reads "Sari Feldman". The signature is written in a cursive style with a large initial 'S'.

Sari Feldman, Executive Director

A handwritten signature in black ink that reads "Robert W. Dolan". The signature is written in a cursive style with a large initial 'R'.

Robert W. Dolan, Assistant Operations Director – Finance

CUYAHOGA COUNTY PUBLIC LIBRARY

LIST OF PRINCIPAL OFFICIALS as of December 31, 2011

BOARD OF LIBRARY TRUSTEES



Leonard M. Calabrese
President



Robert W. Varley
Vice President (1)



Maria L. Haller
Secretary (2)



Susan M. Adams
Trustee



Edward H. Blakemore
Trustee (3)



Dale D. Powers
Trustee



Vacant
Trustee

(1) As of January 24, 2012 Robert W. Varley was elected President of Cuyahoga County Public Library Board of Trustees.
(2) As of January 24, 2012 Maria L. Haller was elected Vice President of Cuyahoga County Public Library Board of Trustees.
(3) As of January 24, 2012 Edward H. Blakemore was elected Secretary of Cuyahoga County Public Library Board of Trustees.

ADMINISTRATION



Sari Feldman
Executive Director



Tracy Strobel
Deputy Director



Scott A. Morgan
*Operations Director/
Fiscal Officer*



Daniel Hauenstein
Human Resources Director



Judith Carey
*Marketing &
Development Director*



Enda Bracken
Branch Services Director



Caroline Vicchiarelli
Branch Services Director



James Haprian
*Information
Technology Director*

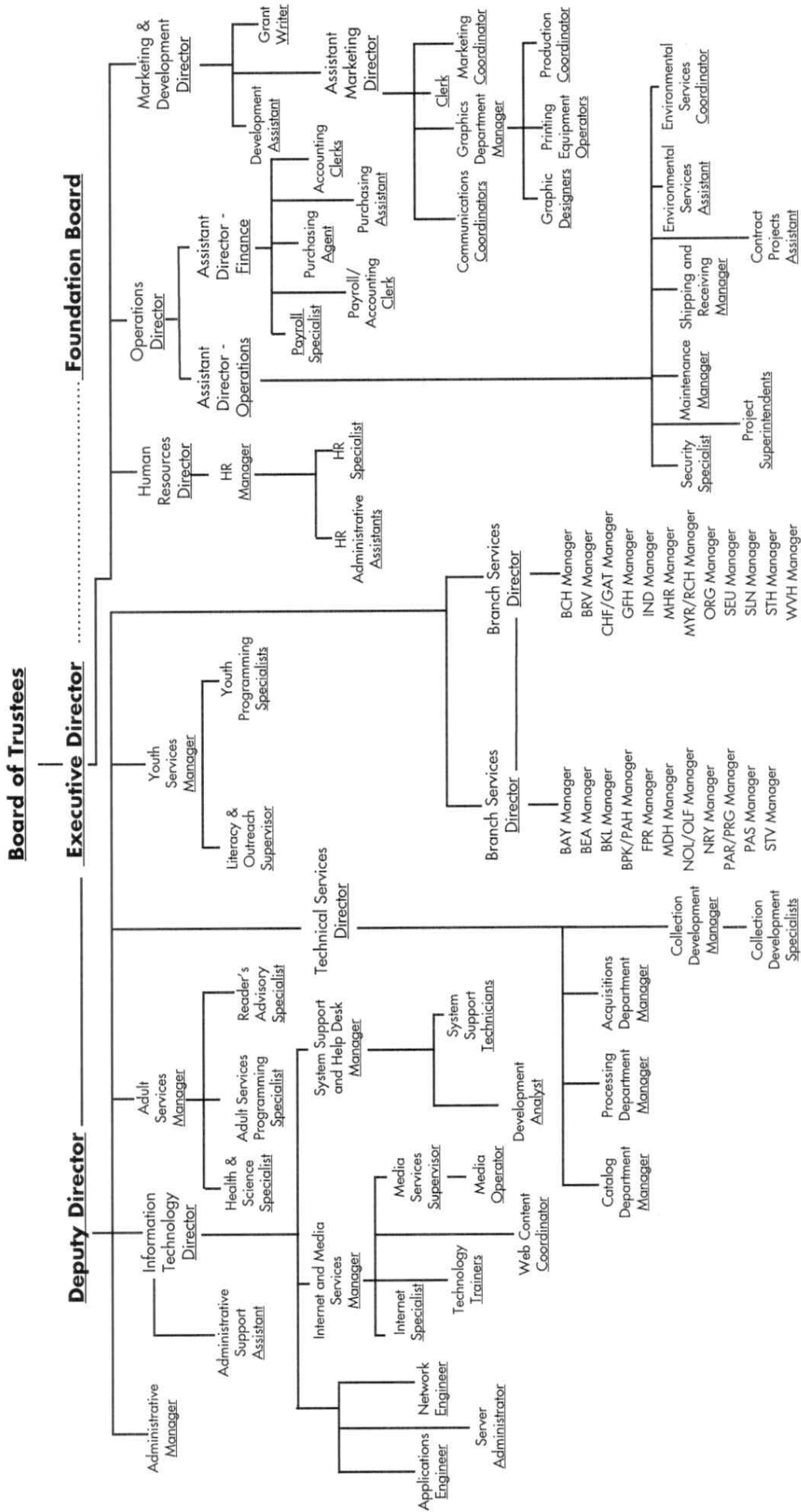


Deborah P. Ensor
Technical Services Director



Robert Dolan
*Assistant Finance Director/
Deputy Fiscal Officer*

CUYAHOGA COUNTY PUBLIC LIBRARY ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to
Cuyahoga County Public Library
Ohio

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

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



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Cuyahoga County Public Library
Cuyahoga County
2111 Snow Road
Parma, Ohio 44134

To the Board of Trustees:

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

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

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

As described in Note 4, the Library implemented Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," the implementation of this statement did not result in a change in total fund balance but only the classification of fund balance on the Library's financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2012, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Dave Yost
Auditor of State

June 22, 2012

Cuyahoga County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

The management's discussion and analysis of the Cuyahoga County Public Library's (the Library) financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2011. The intent of this management's discussion and analysis is to look at the Library's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Library's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- The Library broke ground for the first new building as part of the Capital Plan that was developed and funded through the sale of notes in 2010. This new building will replace our current Warrensville Heights Branch and the new location is on Northfield Road. The property was given to the Library by the City of Warrensville at a cost of \$1.00. The 25,000 square foot branch library will be part of a complex that includes a new YMCA and other expansion planned by the City of Warrensville Heights. The budget for the project is \$9,750,000 and opened in April of 2012.
- As part of the Capital Plan the Library has also planned to remodel three branches in the first phase. All three of those projects began in 2011. The Solon Branch will receive a renovation and 1,560 square foot addition. Both the Beachwood Branch and the Fairview Park Branch will receive renovations. The budgets for those projects are as follows: Solon - \$1,200,000; Beachwood - \$1,120,000; and Fairview Park - \$1,000,000.
- The Library also began the planning phase of Design Development for new buildings in Garfield Heights, Mayfield, North Royalton and Olmsted Falls. Design Development also began on two projects planned for Parma. A new 43,000 square foot building located behind the Parma City Hall on Powers Boulevard will allow us to combine the current Parma-South and Parma-Ridge Branch Libraries into one facility allowing us to save on operating funds. This was part of the cost savings plan that was developed in 2009-2010. We will also be expanding the current Parma-Snow Branch Library and connecting it to the Administration Building and adding a 450 seat auditorium.
- In May, we created a new Division within Administration. The new Operations Division was created by combining the Finance and Facilities Divisions. The Finance Director was appointed to Operations Director/Fiscal Officer and the Environment Services Director was promoted to Assistant Operations Director-Facilities. This allowed for one less Director within management, the Facilities Director. This was once again planned as part of the cost savings measures that were put in place beginning in 2009.
- Also as part of the cost saving measures the Library expanded the use of our payroll and human resources system through ADP. We upgraded the payroll and eTime modules and installed a new self service and benefits modules as well as a new employment and on-boarding module. This upgrade and expansion has allowed us to decrease the number of staff positions in the Human Resources Division thus saving us salaries and benefits for additional staff.

Cuyahoga County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

- In March, the Library opened a public point of service inside Metro Health Hospital. This was an expansion of the long time service that was a small collection. The new service point is not a full branch but has an expanded collection of materials, a public computer and copy, fax and scanning capabilities and serves both the patients and staff of the Hospital.

Using This Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Cuyahoga County Public Library as a financial whole or as an entire operating entity. The statements provide a detailed look at the Library's specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole Library, presenting both an aggregate view of the Library's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the Library's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the Cuyahoga County Public Library as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the Library to provide services to our citizens, the view of the Library as a whole considers all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the Library's net assets and the changes in those net assets. The change in net assets is important because it tells the reader whether, for the Library as a whole, the financial position of the Library has improved or diminished. However, in evaluating the overall position of the Library, non-financial information such as changes in the Library's tax base and the condition of the Library's capital assets also needs to be evaluated.

The Statement of Net Assets and the Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Expenses and Revenues
- General Revenues
- Net Assets Beginning of Year and Year's End

Cuyahoga County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2011
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Reporting the Cuyahoga County Public Library's Most Significant Funds

Fund Financial Statements

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. The Cuyahoga County Public Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library's funds can be classified as either governmental or fiduciary. Fund financial reports provide detailed information about the Library's major funds. The Library has established funds that account for the multitude of services and facilities provided to our residents. However, these fund financial statements focus on the Library's most significant funds. In the case of the Cuyahoga County Public Library, our major funds are the general fund and capital improvement capital projects fund.

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. All Library activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year end available for spending in future periods. Our funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Library's general operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental fund financial statements can be found on pages 14 – 17 of this report.

The Cuyahoga County Public Library as a Whole

Recall that the Statement of Net Assets pictures the Library as a whole. Table 1 provides a summary of the Library's net assets for 2011 compared to 2010.

Cuyahoga County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Table 1
Net Assets

	Governmental Activities		
	2011	2010	Change
Assets			
Current and Other Assets	\$172,975,982	\$177,981,237	(\$5,005,255)
Capital Assets, Net	51,419,213	43,144,069	8,275,144
Total Assets	224,395,195	221,125,306	3,269,889
Liabilities			
Current Liabilities	43,542,209	42,300,439	(1,241,770)
Long-Term Liabilities			
Due Within One Year	3,860,805	3,828,187	(32,618)
Due in More Than One Year	74,110,666	76,624,314	2,513,648
Total Liabilities	121,513,680	122,752,940	1,239,260
Net Assets			
Invested in Capital Assets, Net of Related Debt	41,749,699	42,037,638	(287,939)
Restricted for:			
Capital Projects	1,372,407	900,937	471,470
Homework Centers	76,607	156,071	(79,464)
Jobs and Training	0	198,690	(198,690)
Library Support	1,040,891	904,357	136,534
Branch Support	968,076	978,293	(10,217)
Other Purposes	178,758	64,935	113,823
South Euclid Books and Periodicals			
Expendable	9,519	9,486	33
Nonexpendable	50,000	50,000	0
Gates Mills Children's Activities			
Expendable	1,395	1,391	4
Nonexpendable	4,919	4,919	0
Unrestricted	57,429,244	53,065,649	4,363,595
Total Net Assets	\$102,881,515	\$98,372,366	\$4,509,149

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Cuyahoga County Public Library, net assets increased over 2010. By comparing assets and liabilities, one can see that the overall position of the Library is good.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year. Table 2 shows total revenues, expenses and changes in net assets for fiscal years 2011 and 2010.

Cuyahoga County Public Library
Management's Discussion and Analysis
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Table 2
Change in Net Assets

	2011	2010	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$1,429,845	\$1,744,726	(\$314,881)
Operating Grants and Contributions	952,229	828,922	123,307
Capital Grants and Contributions	1,130,000	50,000	1,080,000
<i>Total Program Revenues</i>	<u>3,512,074</u>	<u>2,623,648</u>	<u>888,426</u>
<i>General Revenues</i>			
Property Taxes	39,464,409	39,954,710	(490,301)
Grants and Entitlements not Restricted	27,295,828	27,747,781	(451,953)
Investment Earnings	697,376	178,952	518,424
Gain on Sale of Capital Assets	7,905	0	7,905
Miscellaneous	103,214	20,952	82,262
<i>Total General Revenues</i>	<u>67,568,732</u>	<u>67,902,395</u>	<u>(333,663)</u>
<i>Total Revenues</i>	<u>71,080,806</u>	<u>70,526,043</u>	<u>554,763</u>
Program Expenses			
Library Services:			
Public Service and Programs	40,610,983	39,429,207	(1,181,776)
Collection Development and Processing	3,125,944	3,077,807	(48,137)
Support Services:			
Facilities Operations and Maintenance	5,399,765	5,380,492	(19,273)
Business Administration	13,602,210	13,686,514	84,304
Interest and Fiscal Charges	3,832,755	1,404,541	(2,428,214)
<i>Total Program Expenses</i>	<u>66,571,657</u>	<u>62,978,561</u>	<u>(3,593,096)</u>
<i>Change in Net Assets</i>	4,509,149	7,547,482	(3,038,333)
Net Assets Beginning of Year	98,372,366	90,824,884	7,547,482
Net Assets End of Year	<u>\$102,881,515</u>	<u>\$98,372,366</u>	<u>\$4,509,149</u>

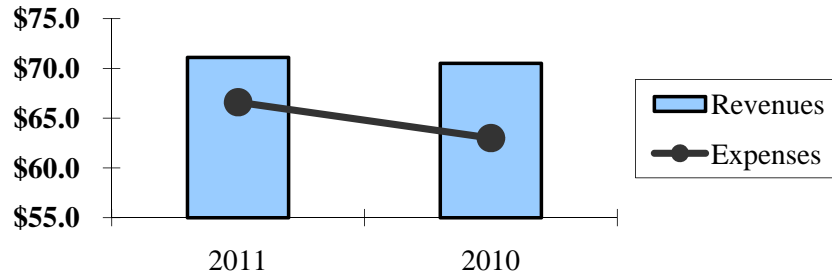
The vast majority of revenue supporting all governmental activities is general revenue. The most significant portions of the general revenues are local property taxes and intergovernmental revenues. The remaining amount of revenue received was in the form of program revenues.

Graph 1
Revenues and Expenses
(In Millions)

	2011	2010
Revenues	\$71.1	\$70.5
Expenses	66.6	63.0

Cuyahoga County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2011
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Revenues and Expenses
(in millions)



Analysis of Overall Financial Positions and Results of Operations

In Table 3 below, the total cost of services column contains all costs related to the programs and the net cost of services column shows how much of the total amount is not covered by program revenues. The net costs are program costs that must be covered by unrestricted State aid (Public Library Fund) or property taxes.

Table 3
Governmental Activities

Programs	Total Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2011	Net Cost of Services 2010
Library Services:				
Public Service and Programs	\$40,610,983	\$39,429,207	\$37,583,830	\$37,294,935
Collection Development and Processing	3,125,944	3,077,807	3,125,944	3,077,807
Support Services:				
Facilities Operations and Maintenance	5,399,765	5,380,492	5,344,765	5,330,492
Business Administration	13,602,210	13,686,514	13,172,289	13,247,138
Interest and Fiscal Charges	3,832,755	1,404,541	3,832,755	1,404,541
Total Expenses	<u>\$66,571,657</u>	<u>\$62,978,561</u>	<u>\$63,059,583</u>	<u>\$60,354,913</u>

Governmental Activities

Several revenue sources fund our governmental activities with the Library property tax being the largest contributor. Property tax revenues account for a large portion of total revenues. General revenues from grants and entitlements, such as local government funds, are the next largest source of revenue. This would include the funds received by the State through the Public Library Fund.

Library property tax collections in 2011 again saw a decrease from 2010, although the decrease was much smaller than the decrease we experienced in the year before. This small decrease is attributed to decreased tax collections from Cuyahoga County.

Cuyahoga County Public Library
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The Library did see a slight increase in the amount of funding it receives from the State of Ohio through the Public Library Fund, despite the decrease that libraries received throughout the State based on the Governor's 2010-2011 State biennium budget. This increase was attributed to increased general revenues of the State. That is the factor that is used to determine the amount of funds that are put into the Public Library Fund. The current amount is set at 1.97 percent of the State's general revenue fund tax collections. Although this increase was welcomed, the Library Administration and Board of Trustees is committed to continue to work on cost reductions to decrease our dependency on State funds.

The Library had a significant increase in capital contributions due to land contributed from the cities of North Royalton and Warrensville Heights in 2011. The City of North Royalton contributed 5.27 acres of land appraised at a value of \$525,000. The City of Warrensville Heights contributed 4.26 acres of land appraised at a value of \$550,000.

The Library System's geographic boundaries encompass 47 communities throughout Cuyahoga County. These communities are primarily residential in nature. The continued foreclosures and overall increase in delinquencies, in addition to a generally stagnant State economy, is cause for concern today and into the future.

Although the Library relies heavily upon local property taxes to support its operations, we continue to actively solicit and receive additional grant and entitlement funds to help offset operating and program costs. Our Development Office continues to actively seek grant funds to fund special programs and new services. They have been very successful in securing funding for these services and will continue to seek other grant funds that may be available.

The Library's Funds

Information about the Library's governmental funds begins on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue of \$71,416,813 and expenditures of \$77,258,890. The general fund had a decrease in fund balance due to a significant increase in transfers out to cover the expenditure for debt service and capital improvements. The capital improvement fund also realized a fund balance decrease due to increased expenditures with the launch of the Capital Master Plan through the groundbreaking for the Warrensville Branch Library and the start of other building projects. Other governmental funds had an increase in fund balance due to additional funds received through the work on government and private grants from the Development Division. As one can see from the Statement of Revenues, Expenditures and Changes in Funds Balances – Governmental Funds, property taxes from the communities that we serve are the largest source of revenue, accounting for 54.9 percent of the total governmental revenue.

General Fund Budgetary Highlights

The Library's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of 2011, the Library amended its general fund budget, but no amendment was significant. The Library uses an operational cost center budget process and has in place systems that are designed to tightly control expenditures but provide flexibility for program based decision and management.

Final budgeted revenues were higher than the original budgeted revenues due to conservative estimates on property tax collection and funds collected from the Public Library Fund. Final budget basis expenditures were lower than the original estimate because the Library continued the cost cutting measures that began in 2009 and moved available resources to the capital improvement capital projects fund for future use. The

Cuyahoga County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2011
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Library's actual expenditures were \$584,362 lower than the final estimate. This is due in large part to the Library's continued commitment to provide quality service while still controlling cost.

Capital Assets and Debt

Capital Assets

Table 4
Capital Assets at December 31
(Net of Accumulated Depreciation)

	Governmental Activities		
	2011	2010	Change
Land	\$2,441,410	\$1,517,513	\$923,897
Construction in Progress	10,230,870	830,347	9,400,523
Land Improvements	1,030,871	1,245,044	(214,173)
Buildings and Building Improvements	35,678,045	36,735,767	(1,057,722)
Furniture, Fixtures and Equipment	554,697	1,075,330	(520,633)
Vehicles	202,137	257,253	(55,116)
Software	1,281,183	1,482,815	(201,632)
Total Capital Assets	<u>\$51,419,213</u>	<u>\$43,144,069</u>	<u>\$8,275,144</u>

During fiscal year 2011, capital assets net of accumulated depreciation increased from the prior year. The largest additions were to land and construction in progress with the launch of the Capital Master Plan. We broke ground in the City of Warrensville Heights, began improvements in Solon, Beachwood and Fairview Park and began design development on 6 other projects. This is the first phase of the Capital Master Plan and we expect the plan to be completed in about 3 to 4 years. For additional information on the Library's capital assets see Note 12 to the basic financial statements.

Debt

Table 5 summarizes the long-term debt outstanding:

Table 5
Outstanding Long-term Debt
Governmental Activities

	2011	2010	Change
Library Fund Facilities Notes	<u>\$73,617,364</u>	<u>\$75,694,746</u>	<u>(\$2,077,382)</u>

The Library issued the Library Fund Facilities Notes to finance the implementation of the Capital Master Plan which began during the year. The Notes will be paid out of the debt service fund.

The Cuyahoga County Public Library's overall legal debt margin was \$1,831,571,925 on December 31, 2011. See Note 16 for additional information on the Library's long-term obligations.

Cuyahoga County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Current Financial Related Activities

The Cuyahoga County Public Library has continued to maintain the highest standard of service to the customers of our communities. The Cuyahoga County Public Library is financially strong. Although this past year saw a decline in our revenues collected from the property tax levy. The Library continues to maintain the cost cutting measures that began in 2009. The Board of Library Trustees and administration will continue to closely monitor revenues and expenditures in accordance with its financial forecast and will continue to find cost savings that will decrease our dependence on State funding.

The Cuyahoga County Public Library relies on its property tax payers to support its operations and the fiscal capacity and community support for the Library is quite strong. The Cuyahoga County Public Library voters have passed an operating levy in 2008, which will help the general operations and permanent improvements of the Library. The Cuyahoga County Public Library is working on a master plan for capital improvements. Some preliminary work began in 2010, but the majority of the work began in 2011 and will take approximately 3 to 4 years for completion.

The operating levy that was passed in 2008 was also a continuing issue. The Board and administration will continue to monitor property values in the county. Any dramatic decrease in those property values would decrease the amount of property taxes collected. This is a concern that we will continue to monitor. The board and administration have made a commitment to continue to decrease operating expenditures so we do not have to go back to our communities for additional tax money.

Contacting the Library's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Library's finances and demonstrates the Library's accountability for all money it receives, spends, and invests. Please direct any questions about this report or financial information inquiries to Operations Director/Fiscal Officer, Scott A. Morgan, Cuyahoga County Public Library, 2111 Snow Road, Parma, Ohio 44134, or email smorgan@cuyahogalibrary.org.

Cuyahoga County Public Library

Statement of Net Assets

December 31, 2011

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$115,531,589
Accrued Interest Receivable	53,460
Accounts Receivable	36,562
Intergovernmental Receivable	13,117,735
Prepaid Items	226,039
Property Taxes Receivable	43,473,416
Deferred Charges	537,181
Nondepreciable Capital Assets, Net	12,672,280
Depreciable Capital Assets, Net	<u>38,746,933</u>
<i>Total Assets</i>	<u>224,395,195</u>
Liabilities	
Accounts Payable	876,791
Contracts Payable	1,984,332
Accrued Wages	1,697,703
Intergovernmental Payable	635,385
Matured Compensated Absences Payable	41,386
Deferred Revenue	37,989,421
Accrued Interest Payable	317,191
Long-Term Liabilities:	
Due Within One Year	3,860,805
Due In More Than One Year	<u>74,110,666</u>
<i>Total Liabilities</i>	<u>121,513,680</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	41,749,699
Restricted for:	
Capital Projects	1,372,407
Homework Centers	76,607
Library Support	1,040,891
Branch Support	968,076
Other Purposes	178,758
South Euclid Books and Periodicals	
Expendable	9,519
Nonexpendable	50,000
Gates Mills Children's Activities	
Expendable	1,395
Nonexpendable	4,919
Unrestricted	<u>57,429,244</u>
<i>Total Net Assets</i>	<u><u>\$102,881,515</u></u>

See accompanying notes to the basic financial statements

Cuyahoga County Public Library
Statement of Activities
For the Year Ended December 31, 2011

	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental Activities					
Library Services:					
Public Service and Programs	\$40,610,983	\$1,065,951	\$886,202	\$1,075,000	(\$37,583,830)
Collection Development and Processing	3,125,944	0	0	0	(3,125,944)
Support Services:					
Facilities Operations and Maintenance	5,399,765	0	0	55,000	(5,344,765)
Business Administration	13,602,210	363,894	66,027	0	(13,172,289)
Interest and Fiscal Charges	3,832,755	0	0	0	(3,832,755)
<i>Total Governmental Activities</i>	<u>\$66,571,657</u>	<u>\$1,429,845</u>	<u>\$952,229</u>	<u>\$1,130,000</u>	<u>(63,059,583)</u>
General Revenues					
Property Taxes Levied for General Purposes					39,464,409
Grants and Entitlements not Restricted to Specific Programs					27,295,828
Investment Earnings					697,376
Gain on Sale of Capital Assets					7,905
Miscellaneous					103,214
<i>Total General Revenues</i>					<u>67,568,732</u>
Change in Net Assets					4,509,149
<i>Net Assets Beginning of Year</i>					<u>98,372,366</u>
<i>Net Assets End of Year</i>					<u>\$102,881,515</u>

See accompanying notes to the basic financial statements

Cuyahoga County Public Library

*Balance Sheet
Governmental Funds
December 31, 2011*

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,984,457	\$111,173,587	\$2,373,545	\$115,531,589
Receivables:				
Property Taxes	43,473,416	0	0	43,473,416
Accounts	35,737	0	825	36,562
Intergovernmental	13,012,776	0	104,959	13,117,735
Accrued Interest	52,789	671	0	53,460
Interfund Receivable	103,959	0	0	103,959
Prepaid Items	226,039	0	0	226,039
 <i>Total Assets</i>	 <u>\$58,889,173</u>	 <u>\$111,174,258</u>	 <u>\$2,479,329</u>	 <u>\$172,542,760</u>
 Liabilities				
Accounts Payable	\$871,586	\$0	\$5,205	\$876,791
Contracts Payable	0	1,984,332	0	1,984,332
Accrued Wages	1,697,703	0	0	1,697,703
Intergovernmental Payable	595,385	0	40,000	635,385
Interfund Payable	0	0	103,959	103,959
Deferred Revenue	52,494,688	0	0	52,494,688
Matured Compensated Absences Payable	41,386	0	0	41,386
 <i>Total Liabilities</i>	 <u>55,700,748</u>	 <u>1,984,332</u>	 <u>149,164</u>	 <u>57,834,244</u>
 Fund Balances				
Nonspendable	226,039	0	54,919	280,958
Restricted	0	64,707,893	2,275,246	66,983,139
Committed	630,110	0	0	630,110
Assigned	96,094	44,482,033	0	44,578,127
Unassigned	2,236,182	0	0	2,236,182
 <i>Total Fund Balances</i>	 <u>3,188,425</u>	 <u>109,189,926</u>	 <u>2,330,165</u>	 <u>114,708,516</u>
 <i>Total Liabilities and Fund Balances</i>	 <u>\$58,889,173</u>	 <u>\$111,174,258</u>	 <u>\$2,479,329</u>	 <u>\$172,542,760</u>

See accompanying notes to the basic financial statements

Cuyahoga County Public Library
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2011*

Total Governmental Fund Balances	\$114,708,516
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	51,419,213
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	5,483,995
Intergovernmental	<u>9,021,272</u>
Total	14,505,267
Note issuance costs will be amortized over the life of the notes on the statement of net assets.	537,181
In the statement of activities, interest is accrued on outstanding notes, whereas in governmental funds, an interest expenditure is reported when due.	(317,191)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Library Fund Facilities Notes	(73,617,364)
Compensated Absences	<u>(4,354,107)</u>
Total	<u>(77,971,471)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$102,881,515</u></u>

See accompanying notes to the basic financial statements

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

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$39,214,412	\$0	\$0	\$39,214,412
Patron Fines and Fees	1,319,361	0	0	1,319,361
Intergovernmental	27,657,923	0	376,236	28,034,159
Interest	58,166	638,702	508	697,376
Contributions, Gifts and Donations	1,082,514	55,000	800,293	1,937,807
Rentals	26,573	0	0	26,573
Refunds and Reimbursements	83,911	0	0	83,911
Miscellaneous	65,294	16,316	21,604	103,214
<i>Total Revenues</i>	<u>69,508,154</u>	<u>710,018</u>	<u>1,198,641</u>	<u>71,416,813</u>
Expenditures				
Current:				
Library Services:				
Public Service and Programs	37,337,457	0	946,175	38,283,632
Collection Development and Processing	2,961,288	0	0	2,961,288
Support Services:				
Facilities Operations and Maintenance	5,348,036	0	0	5,348,036
Business Administration	12,640,545	0	32,040	12,672,585
Capital Outlay	1,318,199	10,558,158	275,796	12,152,153
Debt Service:				
Principal Retirement	0	0	1,995,000	1,995,000
Interest and Fiscal Charges	0	0	3,846,196	3,846,196
<i>Total Expenditures</i>	<u>59,605,525</u>	<u>10,558,158</u>	<u>7,095,207</u>	<u>77,258,890</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>9,902,629</u>	<u>(9,848,140)</u>	<u>(5,896,566)</u>	<u>(5,842,077)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	7,905	0	0	7,905
Transfers In	0	6,000,000	6,092,755	12,092,755
Transfers Out	(12,092,755)	0	0	(12,092,755)
<i>Total Other Financing Sources (Uses)</i>	<u>(12,084,850)</u>	<u>6,000,000</u>	<u>6,092,755</u>	<u>7,905</u>
<i>Net Change in Fund Balances</i>	(2,182,221)	(3,848,140)	196,189	(5,834,172)
<i>Fund Balances Beginning of Year</i>	<u>5,370,646</u>	<u>113,038,066</u>	<u>2,133,976</u>	<u>120,542,688</u>
<i>Fund Balances End of Year</i>	<u>\$3,188,425</u>	<u>\$109,189,926</u>	<u>\$2,330,165</u>	<u>\$114,708,516</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds (\$5,834,172)

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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	11,274,433
Depreciation	<u>(2,804,300)</u>

Total 8,470,133

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (194,989)

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

Property Taxes	249,997
Intergovernmental	(362,095)
Contributions, Gifts and Donations	<u>(231,814)</u>

Total (343,912)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,995,000

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:

Accrued Interest on Notes	3,325
Amortization of Note Issuance Costs	(72,266)
Amortization of Note Premium	90,331
Amortization of Note Discount	<u>(7,949)</u>

Total 13,441

Some expenses, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 403,648

Change in Net Assets of Governmental Activities \$4,509,149

See accompanying notes to the basic financial statements

Cuyahoga County Public Library
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$38,576,511	\$39,215,000	\$39,214,412	(\$588)
Patron Fines and Fees	1,303,427	1,325,000	1,318,997	(6,003)
Intergovernmental	26,821,524	27,265,454	27,265,454	0
Interest	18,626	18,934	18,526	(408)
Contributions, Gifts and Donations	1,079,722	1,079,800	1,082,514	2,714
Rentals	25,847	26,273	26,273	0
Refunds and Reimbursements	55,424	56,343	55,183	(1,160)
Miscellaneous	63,148	64,325	65,693	1,368
<i>Total Revenues</i>	<u>67,944,229</u>	<u>69,051,129</u>	<u>69,047,052</u>	<u>(4,077)</u>
Expenditures				
Current:				
Library Services:				
Public Service and Programs	39,158,956	38,204,455	38,173,568	30,887
Collection Development and Processing	3,052,397	2,991,198	2,991,106	92
Support Services:				
Facilities Operations and Maintenance	5,340,770	5,373,614	5,373,475	139
Business Administration	13,593,968	13,376,525	12,880,285	496,240
Capital Outlay	2,177,713	1,543,923	1,486,919	57,004
<i>Total Expenditures</i>	<u>63,323,804</u>	<u>61,489,715</u>	<u>60,905,353</u>	<u>584,362</u>
<i>Excess of Revenues Over Expenditures</i>	<u>4,620,425</u>	<u>7,561,414</u>	<u>8,141,699</u>	<u>580,285</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	7,905	7,905	7,905	0
Advances Out	0	(103,959)	(103,959)	0
Transfers Out	(9,500,000)	(12,337,030)	(12,092,755)	244,275
<i>Total Other Financing Sources (Uses)</i>	<u>(9,492,095)</u>	<u>(12,433,084)</u>	<u>(12,188,809)</u>	<u>244,275</u>
<i>Net Change in Fund Balance</i>	(4,871,670)	(4,871,670)	(4,047,110)	824,560
<i>Fund Balance Beginning of Year</i>	2,598,662	2,598,662	2,598,662	0
Prior Year Encumbrances Appropriated	2,284,006	2,284,006	2,284,006	0
<i>Fund Balance End of Year</i>	<u>\$10,998</u>	<u>\$10,998</u>	<u>\$835,558</u>	<u>\$824,560</u>

See accompanying notes to the basic financial statements

Cuyahoga County Public Library
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2011

Assets	
Equity in Pooled Cash and Cash Equivalents	\$171,932
Cash and Cash Equivalents in Segregated Accounts	<u>153,135</u>
<i>Total Assets</i>	<u><u>\$325,067</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$325,067</u></u>

See accompanying notes to the basic financial statements

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 – Description of the Library and Reporting Entity

The Cuyahoga County Public Library (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Cuyahoga County Executive and the Common Pleas Judges. 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 property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Finance Director. The Library provides the community with various educational and literary resources.

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

The Friends of the Cuyahoga County Public Library consist of twenty-six separate not-for-profit organizations each with a self-appointing board. The Library is not financially accountable for any of the organizations, nor does the Library approve the budgets or the issuance of debt of the organizations. Therefore, these organizations have been excluded from the reporting entity of the Library.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the Library as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities of the Library that are governmental and those that are considered business-type. However, the Library has only governmental activities; therefore no business-type activities are presented.

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

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

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The Library's funds are classified as either governmental or fiduciary.

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

General Fund The general fund accounts for and reports all financial resources except those required to be accounted for and reported 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.

Capital Improvement Fund The capital improvement fund accounts for and reports debt proceeds that are restricted and transfers that are assigned for the acquisition or construction of major capital facilities.

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

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

trust funds and agency funds. Trust funds are used to account for assets held by the Library under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Library's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Library only utilizes the agency fund type. The agency funds account for monies held for employee contributions to a flexible spending account used for healthcare and dependent care as well as checks for payroll liabilities, for the collection and distribution of revenues from book sales, union candy fundraisers and donations for the United Way and Community Shares Charitable campaigns and for capital contractor retainage.

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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.

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 and the statement presented for fiduciary funds 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 Nonexchange 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. 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 sixty days of year-end.

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, Public Library Fund payments, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from Public Library Fund payments, grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Library must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: interest, federal and state grants and subsidies, state-levied locally shared taxes, fees and rentals.

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the Library is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

The Library has segregated bank accounts for monies held separate from the Library's central bank account. These interest bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the Library Treasury.

During 2011, investments were limited to STAR Ohio, Corporate Bonds, Federal Farm Credit Bank Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds and Victory Federal Money Market Mutual Fund.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as money market fund and nonnegotiable certificates of deposit are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2011.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2011 amounted to \$58,166 which includes \$46,187 assigned from other Library funds.

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Investments with original maturities of three months or less at the time they are purchased and investments of the cash management pool are presented on the financial statements as cash equivalents.

Prepaid Items

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

Capital Assets

All capital assets of the Library are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Library was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The Library maintains a capitalization threshold of five thousand dollars with the exception of land as land was listed regardless of cost. 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.

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

Description	Governmental Activities Estimated Lives
Land Improvements	15-30 Years
Buildings and Building Improvements	15-40 Years
Furniture, Fixtures and Equipment	5-15 Years
Vehicles	8 years
Software	5-15 Years

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes amounts accumulated by those employees who are currently eligible to receive termination benefits and those the Library has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Library's termination policy. The Library records a liability for accumulated unused sick leave for employees after ten years of service with the Library.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees who have resigned or retired will be paid.

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 a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term notes are recognized as a liability on the governmental fund financial statements when due.

Fund Balance

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

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

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

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Library Board. Those committed amounts cannot be used for any other purpose unless the Library Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Board or a Library official delegated that authority by resolution or by State statute.

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include the youth system and financial literacy programs.

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

Note Issuance Costs

Note issuance costs for underwriting fees and insurance are being amortized using the straight-line method over the life of the notes on the government-wide statements. The straight-line method of amortization is not materially different from the effective-interest method. Note issuance costs are generally paid from the note proceeds. On the fund financial statements, issuance costs are expended in the year in which the notes are issued.

As permitted by State statute, the Library paid note issuance costs from the note proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized note issuance costs, which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

Note Premiums and Discounts

On the government-wide financial statements, note premiums and discounts are deferred and amortized over the term of the notes using the straight line method. The straight-line method of amortization is not materially different from the effective-interest method. Note premiums are presented as an increase of the face amount of the general obligation notes payable. On fund financial statements, note premiums are received in the year the notes are issued. On the government-wide financial statements, note discounts are presented as a decrease of the face amount of the general obligation notes payable. On the fund financial statements, note discounts are expended in the year the notes are issued.

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for 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.

Extraordinary and Special Items

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

Estimates

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

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The budgetary process is prescribed by provisions of the Ohio Administrative Code 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 tax budget demonstrates a need for existing or increased tax rates.

The certificate of estimated resources establishes a limit on the amount the Board of Trustees may appropriate. The appropriations resolution is the Board of Trustees' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established by the Board of Trustees at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Trustees. The Finance Director has been given authority to allocate Board appropriations to the function and object levels within each fund.

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

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

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 3 – Fund Balances

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

Fund Balances	General	Capital Improvement	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$226,039	\$0	\$0	\$226,039
South Euclid Books and Periodicals	0	0	50,000	50,000
Gates Mills Children's Activities	0	0	4,919	4,919
<i>Total Nonspendable</i>	<u>226,039</u>	<u>0</u>	<u>54,919</u>	<u>280,958</u>
<u>Restricted for:</u>				
Facilities Construction	0	64,707,893	0	64,707,893
Library Programs and Services	0	0	2,246,588	2,246,588
Library Administration	0	0	17,744	17,744
South Euclid Books and Periodicals	0	0	9,519	9,519
Gates Mills Children's Activities	0	0	1,395	1,395
<i>Total Restricted</i>	<u>0</u>	<u>64,707,893</u>	<u>2,275,246</u>	<u>66,983,139</u>
<u>Committed to:</u>				
Library Programs and Services	630,110	0	0	630,110
<u>Assigned to:</u>				
Capital Improvements and Repair	0	44,482,033	0	44,482,033
Other Purposes	96,094	0	0	96,094
<i>Total Assigned</i>	<u>96,094</u>	<u>44,482,033</u>	<u>0</u>	<u>44,578,127</u>
Unassigned:	<u>2,236,182</u>	<u>0</u>	<u>0</u>	<u>2,236,182</u>
Total Fund Balances	<u><u>\$3,188,425</u></u>	<u><u>\$109,189,926</u></u>	<u><u>\$2,330,165</u></u>	<u><u>\$114,708,516</u></u>

Note 4 – Change in Accounting Principles

For 2011, the Library has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” and GASB Statement No. 59, “Financial Instruments Omnibus”.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

the resources reported in governmental funds. The implementation of this statement did not result in a change in total fund balance but only the classification of fund balance on the Library's financial statements.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the Library's financial statements.

Note 5 - Budgetary Basis of Accounting

While the Library is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented 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 (generally accepted accounting principles) are:

- a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- b) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- c) Encumbrances are treated as expenditures for all funds (budget) rather than as a reservation of fund balance (GAAP).
- d) Investments are reported at cost (budget) rather than at fair value (GAAP).
- e) Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	(\$2,182,221)
Net Adjustment for Revenue Accruals	(442,642)
Net Adjustment for Expenditure Accruals	(132,125)
Beginning Fair Value Adjustment for Investments	(37,264)
Ending Fair Value Adjustment for Investments	18,804
Advance Out	(103,959)
Encumbrances	(1,167,703)
Budget Basis	<u><u>(\$4,047,110)</u></u>

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 6 - Deposits and Investments

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

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

Inactive deposits are public deposits that the 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 depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

1. United States treasury bills, bonds, notes or any other obligation and security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched

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to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$15,661,649 of the Library's bank balance of \$35,885,277 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Library to a successful claim by the FDIC.

The Library has no deposit policy for custodial risk beyond the requirements of State Statute. Ohio Law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Library or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

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

	Fair Value	Maturity	Moody Rating	Percent of Total Investments
STAR Ohio	\$7,128,467	Average of 57.0 Days	N/A	N/A
Corporate Bonds	6,995,415	Less than one year	N/A	8.66%
Corporate Bonds	10,084,153	Less than one year	P-1	12.49%
Federal Farm Credit Bank Bonds	12,781,294	Less than two years	Aaa	15.83%
Federal National Mortgage Association Bonds	8,755,688	Less than three years	Aaa	10.84%
Federal Home Loan Bank Bonds	34,824,823	Less than two years	Aaa	43.12%
Victory Federal Money Market Mutual Fund	191,240	Less than one year	N/A	N/A
Total	<u>\$80,761,080</u>			

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library does not have an investment policy beyond the requirements of State Statute. Ohio Law addresses interest rate risk by requiring that the Library's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Corporate Bonds, Federal Farm Credit Bank Bonds, Federal National Mortgage Association Bonds and Federal Home Loan Bank Bonds are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The Library has no

Cuyahoga County Public Library
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investment policy dealing with investment custodial risk beyond the requirement in State Statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the finance director or qualified trustee.

Credit Risk The Moody's ratings of the Library's investments are listed in the table above. STAR Ohio and the Victory Federal Money Market Mutual Funds carry a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Library has no investment policy that addresses credit risk.

Concentration of Credit Risk The Library places no limit on the amount it may invest in any one issuer.

Note 7 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the 47 communities serviced within Cuyahoga County. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2011, was \$2.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2011 property tax receipts were based are as follows:

Category	Assessed Values
Real Estate	
Residential/Agricultural	\$12,872,799,260
Other Real Estate	4,923,582,490
Tangible Personal Property	
Public Utility	342,446,110
Total	\$18,138,827,860

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library District. The County Fiscal Officer periodically remits to the Library its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2011, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as revenue while on the modified accrual basis the revenue has been deferred.

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 8 - Receivables

Receivables at December 31, 2011, consisted of property taxes, accounts, accrued interest and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
Public Library Fund	\$9,825,278
Homestead and Rollback	2,498,094
Building America Bonds - IRS Reimbursement	568,745
Tangible Personal Property Loss Reimbursement	120,659
Special School Programming Grants	74,959
8th to 9th Grade Kits - MyCom Reimbursement	30,000
Total	<u>\$13,117,735</u>

Note 9 - Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2011, the Library contracted with several companies for various types of insurance coverage as follows:

Company	Type of Coverage	Deductible	Coverage
Cincinnati Insurance Company	General Liability	N/A	\$2,000,000
	Automobile Liability	N/A	1,000,000
	Uninsured/Underinsured Motorist	N/A	1,000,000
	Electronic Data Processing	2,500/5,000	9,324,164
	Crime	1,000	500,000
	Inland Marine	1,000	500,000
	Flood and Earthquake	50,000	10,000,000
	Commercial Property	5,000	207,742,834
	Umbrella Liability	N/A	20,000,000
National Union Fire Insurance	Employee Benefits Liability	1,000	1,000,000
	Public Official Liability	N/A	5,000,000

In addition to the above, the Finance Director and the Assistant Finance Director are bonded for \$1,500,000. Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Cuyahoga County Public Library
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For the Year Ended December 31, 2011

The Library provides health insurance to employees through a private carrier. Dental coverage is also provided. The Library's liability for health care is limited to the premiums paid.

Note 10 – Interfund Transactions

Interfund Transfers

Interfund transfers for the year ended December 31, 2011, consisted of the following:

<u>Transfers To</u>	<u>Transfer From</u>
	<u>General</u>
Capital Improvements	\$6,000,000
Other Governmental Funds	<u>6,092,755</u>
Total All Funds	<u><u>\$12,092,755</u></u>

The transfer from the general fund to the capital improvement fund was for the purpose of reserving funds to cover major capital improvements. The remaining transfers from the general fund were made to move unrestricted balances to support programs and projects accounted for in the various special revenue funds and to meet debt service obligations in the debt service fund.

Interfund Balances

Interfund balances at December 31, 2011, consist of an interfund receivable in the general fund of \$103,959 and interfund payables in the 8th to 9th grade transition kits and special school programming special revenue funds of \$30,000 and \$73,959, respectively. The balances resulted from advances made from the general fund during 2011. These advances were made to cover qualifying expenditures in the fund which will be reimbursed when grant monies are received by the Library.

Note 11 - Contingencies

Grants

The Library receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Library.

Litigation

The Library is a party to legal proceedings. The Library management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the Library and that the Library has adequate liability insurance coverage to protect itself against any material loss.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 12 - Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Governmental activities:				
Capital assets, not being depreciated				
Land	\$1,517,513	\$1,075,000	(\$151,103)	\$2,441,410
Construction in progress	830,347	10,056,846	(656,323)	10,230,870
Total capital assets not being depreciated	2,347,860	11,131,846	(807,426)	12,672,280
Capital assets, being depreciated				
Land Improvements	4,019,576	0	(32,635)	3,986,941
Buildings and Building Improvements	71,655,930	695,685	0	72,351,615
Furniture, Fixtures and Equipment	6,004,947	50,332	(32,929)	6,022,350
Vehicles	973,146	0	(56,191)	916,955
Software	2,743,604	52,893	0	2,796,497
Total capital assets being depreciated	85,397,203	798,910	(121,755)	86,074,358
Accumulated depreciation				
Land Improvements	(2,774,532)	(183,170)	1,632	(2,956,070)
Buildings and Building Improvements	(34,920,163)	(1,753,407)	0	(36,673,570)
Furniture, Fixtures and Equipment	(4,929,617)	(558,082)	20,046	(5,467,653)
Vehicles	(715,893)	(55,116)	56,191	(714,818)
Software	(1,260,789)	(254,525)	0	(1,515,314)
Total accumulated depreciation	(44,600,994)	(2,804,300) *	77,869	(47,327,425)
Total Capital assets being depreciated, net	40,796,209	(2,005,390)	(43,886)	38,746,933
Governmental activities capital assets, net	\$43,144,069	\$9,126,456	(\$851,312)	\$51,419,213

* Depreciation expense was charged to governmental activities as follows:

Library Services:	
Public Service and Programs	\$1,700,686
Collection Development and Processing	178,533
Support Services:	
Facilities Operation and Maintenance	57,026
Business Administration	868,055
Total	\$2,804,300

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 13 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2011, members in state and local divisions contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2011, member and employer contribution rates were consistent across all three plans.

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

The Library's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010 and 2009 were \$2,977,308, \$2,670,756 and \$2,421,814, respectively. For 2011, 92 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$76,248 made by the Library and \$54,464 made by plan members.

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 14 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

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

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

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

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

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

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

The Library’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010 and 2009 were \$1,190,923, \$1,519,628 and \$1,679,898, respectively. For 2011, 92 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

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

Note 15 – Compensated Absences

All full time and part time benefit eligible employees earn vacation based on years of service and job grade. An employee can accrue between 80 hours and 200 hours annually. Annual vacation may be carried forward from one year to the next up to a limit of one and a half of their annual accrual. Accrued vacation leave is paid upon retirement, termination, or death of the employee.

Benefit eligible employees can float the Presidents Day, Veterans Day, Columbus Day and Martin Luther King holidays up to a maximum of 180 days. Part time employees may float the New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, Christmas Eve, and New Years Eve holidays up to a maximum of 180 days. Unused holidays that have not expired are paid out upon retirement, termination or death of the employee.

Sick leave is accrued for all full time employees based on their hire date and job grade. A full-time management or confidential employee hired on or before March 31, 2010 accumulates sick leave at a rate of .05775 per hour up to 120 hours for a full year's employment. A full-time management or confidential employee hired on or after April 1, 2010 accumulates sick leave depending on job grade at either the rate of .0385 per hour up to 60 hours per year or .05775 per hour up to 120 hours for a full year's employment. Sick leave is accrued for bargaining unit employees hired on or before March 31, 2010 at an accrual rate of .05775 per hour up to 120 hours for a full year's employment and a total accumulation not to exceed 800 hours, plus current year. Sick leave is accrued for bargaining unit employees hired on or after April 1, 2010 at an accrual rate of .0385 per hour up to 60 hours for a full year's employment and a total accumulation not to exceed 800 hours, plus current year. Part-time employees working sixteen hours or more per week shall receive a pro-rata share. Upon retirement, a management or confidential employee can be paid a percentage of accumulated, unused sick leave depending on years of service. Retiring bargaining unit employees are paid unused sick leave as outlined in the bargaining unit contract.

Note 16 - Long-Term Obligations

Original issue amounts and interest rates of the Library's debt issues were as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
Library Fund Facilities Notes, Series 2010			
Tax-exempt Serial Notes	2.00% to 4.00%	\$20,045,000	2019
Build America Bonds Serial Notes	4.75% to 5.20%	8,020,000	2022
Build America Bonds Term Notes	5.55% to 6.25%	46,935,000	2035

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The changes in the Library's long-term obligations during the year consist of the following:

	Principal Outstanding 12/31/2010	Additions	Deletions	Principal Outstanding 12/31/2011	Amounts Due In One Year
<i>Governmental Activities</i>					
2010 Library Fund Facilities Notes, Series 2010					
Tax-exempt Serial Notes	\$20,045,000	\$0	\$1,995,000	\$18,050,000	\$2,035,000
Premium on Tax-exempt Notes	761,783	0	90,331	671,452	0
Discount on Tax-exempt Notes	(67,037)	0	(7,949)	(59,088)	0
Total Tax-exempt Serial Notes	<u>20,739,746</u>	<u>0</u>	<u>2,077,382</u>	<u>18,662,364</u>	<u>2,035,000</u>
Build America Bonds Serial Notes	8,020,000	0	0	8,020,000	0
Build America Bonds Term Notes	46,935,000	0	0	46,935,000	0
Total Build America Bonds	<u>54,955,000</u>	<u>0</u>	<u>0</u>	<u>54,955,000</u>	<u>0</u>
<i>Total Library Fund Facilities Notes</i>	<u>75,694,746</u>	<u>0</u>	<u>2,077,382</u>	<u>73,617,364</u>	<u>2,035,000</u>
<i>Other Long Term Obligations</i>					
Compensated Absences	<u>4,757,755</u>	<u>4,082,439</u>	<u>4,486,087</u>	<u>4,354,107</u>	<u>1,825,805</u>
<i>Total General Long-term Obligations</i>	<u>\$80,452,501</u>	<u>\$4,082,439</u>	<u>\$6,563,469</u>	<u>\$77,971,471</u>	<u>\$3,860,805</u>

Compensated absences will be paid from the general fund.

On August 19, 2010, the Library issued \$75,000,000 in Library Fund Library Facilities Notes for the purpose of constructing, remodeling, renovating and otherwise improving, equipping and furnishing library buildings and parts of library buildings and other real property, and purchasing personal property, necessary for the proper maintenance and operation of the library. The notes include tax-exempt serial notes and Build America Bonds (BABs) in the amounts of \$20,045,000 and \$54,955,000, respectively. As part of the American Recovery and Reinvestment Act of 2009, Congress added Sections 54AA and 6431 to the Code, which permit state or local governments to obtain certain tax advantages when they issue BABs. Under Section 6431 of the Code, the Library may elect to receive payments directly from the Secretary of the United States Treasury equal to 35 percent of the corresponding interest payable on this issue. The tax-exempt serial notes were issued at both a premium of \$812,973 and a discount of \$71,542. The notes were issued for a twenty-five year period with final maturity at December 1, 2035. The notes will be retired from the note retirement debt service fund from Public Library Fund revenue. The Library had \$63,335,486 in unspent proceeds as of December 31, 2011.

The BABs term notes maturing on December 1, 2025, 2030 and 2035 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Year	Issue		
	\$8,865,000	\$17,165,000	\$20,905,000
2023	2,850,000	0	0
2024	2,955,000	0	0
2026	0	3,170,000	0
2027	0	3,295,000	0
2028	0	3,430,000	0
2029	0	3,565,000	0
2031	0	0	3,855,000
2032	0	0	4,010,000
2033	0	0	4,175,000
2034	0	0	4,345,000
Total	\$5,805,000	\$13,460,000	\$16,385,000
Stated Maturity	12/1/2025	12/1/2030	12/1/2035

The remaining principal amount of the term bonds (\$3,060,000, \$3,705,000 and \$4,520,000) will mature at the stated maturity.

The BABs maturing on and after December 1, 2021, shall be subject to optional redemption, by and at the sole option of the Library, either in whole or in part (as selected by the Library and in multiples of \$5,000), on any date on or after December 1, 2020, at a redemption price of 100 percent of the principal amount redeemed, plus accrued interest to the redemption date.

The BABs are subject to extraordinary optional redemption by the Library prior to maturity, in whole at any time or in part on any interest payment date, at a redemption price of 100 percent (expressed as a percentage of the principal amount), plus interest accrued to the date fixed for redemption in the event that the Build America payments from the federal government cease or are in an amount less than 35 percent of the corresponding interest payable on the BABs.

The Library's overall legal debt margin was \$1,831,571,925 with an unvoted debt margin of \$924,630,532 at December 31, 2011. Principal and interest requirements to maturity for the Library Fund Facilities Notes, Series 2010 outstanding at December 31, 2011, are as follows:

	Serial Notes		Term Notes		Subsidy	Total
	Principal	Interest	Principal	Interest		
2012	\$2,035,000	\$956,370	\$0	\$2,849,926	(\$1,137,490)	\$4,703,806
2013	2,075,000	915,670	0	2,849,926	(1,137,490)	4,703,106
2014	2,115,000	874,170	0	2,849,926	(1,137,490)	4,701,606
2015	2,200,000	789,570	0	2,849,926	(1,137,490)	4,702,006
2016	2,290,000	701,570	0	2,849,926	(1,137,490)	4,704,006
2017-2021	12,595,000	2,313,000	0	14,249,630	(5,644,392)	23,513,238
2022-2026	2,760,000	143,520	12,035,000	13,277,274	(4,697,277)	23,518,517
2027-2031	0	0	17,850,000	8,717,600	(3,051,158)	23,516,442
2032-2035	0	0	17,050,000	2,717,188	(951,016)	18,816,172
Total	\$26,070,000	\$6,693,870	\$46,935,000	\$53,211,322	(\$20,031,293)	\$112,878,899

Cuyahoga County Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 17 – Contractual Commitments

As of December 31, 2011, the Library had the following contractual construction commitments outstanding:

Construction Project	Contract Amount	Amount Paid to date	Remaining Contract
Administration	\$1,502,281	\$39,577	\$1,462,704
Beachwood Branch	1,096,264	78,402	1,017,862
Brecksville Branch	95,000	90,278	4,722
Chagrin Falls Branch	379,523	245,440	134,083
Fairview Park Branch	138,508	50,681	87,827
Garfield Heights Branch	1,428,350	364,823	1,063,527
Independence Branch	17,900	0	17,900
Information Technology Department	345,114	272,850	72,264
Mayfield Branch	1,310,908	288,227	1,022,681
North Royalton Branch	1,300,194	148,031	1,152,163
Olmsted Falls Branch	142,154	2,838	139,316
Parma Branch	1,586,076	106,292	1,479,784
Parma Snow Branch	1,524,000	141,792	1,382,208
Solon Branch	207,646	48,762	158,884
Warrensville Heights Branch	9,512,011	5,606,923	3,905,088
	<u>\$20,585,929</u>	<u>\$7,484,916</u>	<u>\$13,101,013</u>

Combining and Individual Fund Statements and Schedules

Combining Statements – Non-major Governmental Funds

Non-major Special Revenue Funds

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

Financial Literacy Project Fund – This fund accounts for and reports monies received from the FINRA Investor Education Foundation restricted to the “Money and Investing Fundamentals” financial literacy project.

Fairview Park Career Center Fund – This fund accounts for and reports donations restricted to career services at the Fairview Park Branch Library.

PNC Financial Literacy Fund – This fund accounts for and reports donations received from the PNC Foundation restricted to the PNC Financial Literacy program.

Cleveland Browns Fund – This fund accounts for and reports donations restricted to the Read with the Cleveland Browns reading program.

8th to 9th Grade Transition Kits Fund – This fund accounts for and reports grant monies restricted for the creation and assembly of kits for students transitioning from 8th to 9th grade in all of Cuyahoga County.

Preschool Kits Fund – This fund accounts for and reports donations restricted to the creation and assembly of kits for children entering preschool in all of Cuyahoga County.

Homework Centers Fund – This fund accounts for and reports contributions from the Cleveland Foundation restricted to support the centers to assist youth with their homework through tutoring.

Summer Camps Fund – This fund accounts for and reports donations restricted to support the summer day camps for youth.

Kindergarten Kits Fund – This fund accounts for and reports grant monies restricted for the creation and assembly of kits for children entering kindergarten in all of Cuyahoga County.

Jobs and Training Fund – This fund accounts for and reports contributions from the Cleveland Foundation restricted to support two new positions in the Library system – a new career counselor at the Maple Heights branch and a new technology trainer – to increase the number of people the Library can serve through career counseling and technology classes.

Youth System Program Fund – This fund accounts for and reports donations from The DBJ Foundation restricted to secure activities and consultants for system wide youth programs named in honor of The David and Barbara Jacobs Youth Learning Series.

Special School Programming Fund – This fund accounts for and reports grant monies that are restricted for enrichment and literacy based programming to help youth connect to reading and reach their maximum potential.

State Library Grants Fund – This fund accounts for and reports grant monies that pass through the State Library from the Institute of Museum and Library Services that are restricted for the purchase of DVD boxes.

(continued)

Combining Statements – Non-major Governmental Funds (continued)

Non-major Special Revenue Funds (continued)

Connect Ohio Fund – This fund accounts for and reports grant monies restricted for the purchase of computers to be used for Library administration.

Metro Health Medical Center Fund – This fund accounts for and reports contributions restricted to fund salaries/benefits for the librarian position and the cost of computers and collection materials at the Metro Health Medical Center Consumer Education Library.

Library to You Fund – This fund accounts for and reports donations from the McGregor Foundation restricted for the Library to You program which mails library materials to homebound individuals.

Library Support Fund – This fund accounts for and reports restricted donations and gifts that are given to the individual branches and several divisions within administration designated by the contributors. The monies can be spent at the discretion of the branch or division which receives the monies.

Branch Support Fund – This fund accounts for and reports restricted donations and gifts that are given to the individual branches for a specific purpose designated by the contributors.

Non-major Debt Service Fund

The debt service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Debt Service Fund – This fund accounts for and reports the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Non-major Permanent Funds

The Permanent funds are used to account for and report resources received that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Library's programs, that is, for the benefit of the Library. A description of the Library's nonmajor permanent funds follows:

Levenson Memorial Fund – This fund accounts for and reports contributions from an estate. This principal amount must remain intact, with the interest earned to be used for children's library activities at the discretion of the Gates Mills branch supervisors.

South Euclid Memorial Fund – This fund accounts for and reports contributions from an estate. This principal amount must remain intact, with the interest earned to be used to establish a memorial shelf, and to purchase books and periodicals for the South Euclid Library. The agreement expires when 25 years have elapsed from the creation of the fund (February 25, 1993); at this time the Library is free to use the principal for the benefit of the South Euclid Library.

Cuyahoga County Public Library

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,307,712	\$65,833	\$2,373,545
Receivables:			
Accounts	825	0	825
Intergovernmental	104,959	0	104,959
<i>Total Assets</i>	<u>\$2,413,496</u>	<u>\$65,833</u>	<u>\$2,479,329</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$5,205	\$0	\$5,205
Intergovernmental Payable	40,000	0	40,000
Interfund Payable	103,959	0	103,959
<i>Total Liabilities</i>	<u>149,164</u>	<u>0</u>	<u>149,164</u>
Fund Balances			
Nonspendable	0	54,919	54,919
Restricted	2,264,332	10,914	2,275,246
<i>Total Fund Balances</i>	<u>2,264,332</u>	<u>65,833</u>	<u>2,330,165</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,413,496</u>	<u>\$65,833</u>	<u>\$2,479,329</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental	\$376,236	\$0	\$0	\$376,236
Interest	471	0	37	508
Contributions, Gifts and Donations	800,293	0	0	800,293
Miscellaneous	21,604	0	0	21,604
<i>Total Revenues</i>	<u>1,198,604</u>	<u>0</u>	<u>37</u>	<u>1,198,641</u>
Expenditures				
Current:				
Library Services:				
Public Service and Programs	946,175	0	0	946,175
Support Services:				
Business Administration	32,040	0	0	32,040
Capital Outlay	275,796	0	0	275,796
Debt Service:				
Principal Retirement	0	1,995,000	0	1,995,000
Interest and Fiscal Charges	0	3,846,196	0	3,846,196
<i>Total Expenditures</i>	<u>1,254,011</u>	<u>5,841,196</u>	<u>0</u>	<u>7,095,207</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(55,407)	(5,841,196)	37	(5,896,566)
Other Financing Sources				
Transfers In	251,559	5,841,196	0	6,092,755
<i>Net Change in Fund Balances</i>	196,152	0	37	196,189
<i>Fund Balances Beginning of Year</i>	<u>2,068,180</u>	<u>0</u>	<u>65,796</u>	<u>2,133,976</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,264,332</u></u>	<u><u>\$0</u></u>	<u><u>\$65,833</u></u>	<u><u>\$2,330,165</u></u>

Cuyahoga County Public Library
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Financial Literacy Project	Fairview Park Career Center	PNC Financial Literacy
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,307	\$23,400	\$42,446
Receivables:			
Accounts	0	0	0
Intergovernmental	0	0	0
<i>Total Assets</i>	<u>\$2,307</u>	<u>\$23,400</u>	<u>\$42,446</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$191	\$0	\$0
Intergovernmental Payable	0	0	0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	191	0	0
Fund Balances			
Restricted	2,116	23,400	42,446
<i>Total Liabilities and Fund Balances</i>	<u>\$2,307</u>	<u>\$23,400</u>	<u>\$42,446</u>

<u>Cleveland Browns</u>	<u>8th to 9th Grade Transition Kits</u>	<u>Preschool Kits</u>	<u>Homework Centers</u>	<u>Kindergarten Kits</u>	<u>Youth System Program</u>
\$5,648	\$0	\$2,042	\$117,028	\$1,103	\$51,455
0	0	0	75	0	0
0	30,000	0	0	0	0
<u>\$5,648</u>	<u>\$30,000</u>	<u>\$2,042</u>	<u>\$117,103</u>	<u>\$1,103</u>	<u>\$51,455</u>
\$0	\$0	\$835	\$496	\$0	\$0
0	0	0	40,000	0	0
0	30,000	0	0	0	0
0	30,000	835	40,496	0	0
5,648	0	1,207	76,607	1,103	51,455
<u>\$5,648</u>	<u>\$30,000</u>	<u>\$2,042</u>	<u>\$117,103</u>	<u>\$1,103</u>	<u>\$51,455</u>

(continued)

Cuyahoga County Public Library
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2011

	<u>Special School Programming</u>	<u>Connect Ohio</u>	<u>Library to You</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$20,355	\$17,744	\$12,393
Receivables:			
Accounts	0	0	0
Intergovernmental	<u>74,959</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$95,314</u></u>	<u><u>\$17,744</u></u>	<u><u>\$12,393</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$109
Intergovernmental Payable	0	0	0
Interfund Payable	<u>73,959</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	73,959	0	109
Fund Balances			
Restricted	<u>21,355</u>	<u>17,744</u>	<u>12,284</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$95,314</u></u>	<u><u>\$17,744</u></u>	<u><u>\$12,393</u></u>

Library Support	Branch Support	Total Nonmajor Special Revenue Funds
\$1,043,715	\$968,076	\$2,307,712
750	0	825
0	0	104,959
<u>\$1,044,465</u>	<u>\$968,076</u>	<u>\$2,413,496</u>
\$3,574	\$0	\$5,205
0	0	40,000
0	0	103,959
3,574	0	149,164
<u>1,040,891</u>	<u>968,076</u>	<u>2,264,332</u>
<u>\$1,044,465</u>	<u>\$968,076</u>	<u>\$2,413,496</u>

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

	Financial Literacy Project	Fairview Park Career Center	PNC Financial Literacy	Cleveland Browns
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Interest	0	0	0	0
Contributions, Gifts and Donations	27,000	23,400	50,000	8,000
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>27,000</u>	<u>23,400</u>	<u>50,000</u>	<u>8,000</u>
Expenditures				
Current:				
Library Services:				
Public Service and Programs	34,533	0	7,554	0
Support Services:				
Business Administration	0	0	0	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>34,533</u>	<u>0</u>	<u>7,554</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,533)	23,400	42,446	8,000
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(7,533)	23,400	42,446	8,000
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>9,649</u>	<u>0</u>	<u>0</u>	<u>(2,352)</u>
<i>Fund Balances End of Year</i>	<u>\$2,116</u>	<u>\$23,400</u>	<u>\$42,446</u>	<u>\$5,648</u>

8th to 9th Grade Transition Kits	Preschool Kits	Homework Centers	Summer Camps	Kindergarten Kits	Jobs and Training
\$30,000	\$0	\$0	\$0	\$99,152	\$0
0	0	0	0	0	0
0	20,000	300,075	17,490	0	81,814
0	0	0	0	0	0
<u>30,000</u>	<u>20,000</u>	<u>300,075</u>	<u>17,490</u>	<u>99,152</u>	<u>81,814</u>
30,000	18,793	223,774	49,483	99,152	198,690
0	0	0	0	0	0
0	0	5,765	0	0	0
<u>30,000</u>	<u>18,793</u>	<u>229,539</u>	<u>49,483</u>	<u>99,152</u>	<u>198,690</u>
0	1,207	70,536	(31,993)	0	(116,876)
0	0	0	31,993	0	0
0	1,207	70,536	0	0	(116,876)
0	0	6,071	0	1,103	116,876
<u>\$0</u>	<u>\$1,207</u>	<u>\$76,607</u>	<u>\$0</u>	<u>\$1,103</u>	<u>\$0</u>

(continued)

Cuyahoga County Public Library
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2011

	Youth System Program	Special School Programming	State Library Grants	Connect Ohio
Revenues				
Intergovernmental	\$0	\$127,920	\$53,137	\$66,027
Interest	0	0	0	0
Contributions, Gifts and Donations	50,000	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>50,000</u>	<u>127,920</u>	<u>53,137</u>	<u>66,027</u>
Expenditures				
Current:				
Library Services:				
Public Service and Programs	48,775	108,923	12,692	0
Support Services:				
Business Administration	0	0	0	32,040
Capital Outlay	0	1,240	58,158	179,656
<i>Total Expenditures</i>	<u>48,775</u>	<u>110,163</u>	<u>70,850</u>	<u>211,696</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,225	17,757	(17,713)	(145,669)
Other Financing Sources				
Transfers In	0	0	17,713	163,413
<i>Net Change in Fund Balances</i>	1,225	17,757	0	17,744
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>50,230</u>	<u>3,598</u>	<u>0</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$51,455</u>	<u>\$21,355</u>	<u>\$0</u>	<u>\$17,744</u>

Metro Health Medical Center	Library to You	Library Support	Branch Support	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$376,236
0	0	25	446	471
57,153	25,000	140,361	0	800,293
0	0	21,604	0	21,604
<u>57,153</u>	<u>25,000</u>	<u>161,990</u>	<u>446</u>	<u>1,198,604</u>
52,340	12,716	45,640	3,110	946,175
0	0	0	0	32,040
4,813	0	18,611	7,553	275,796
<u>57,153</u>	<u>12,716</u>	<u>64,251</u>	<u>10,663</u>	<u>1,254,011</u>
0	12,284	97,739	(10,217)	(55,407)
0	0	38,440	0	251,559
0	12,284	136,179	(10,217)	196,152
0	0	904,712	978,293	2,068,180
<u>\$0</u>	<u>\$12,284</u>	<u>\$1,040,891</u>	<u>\$968,076</u>	<u>\$2,264,332</u>

Cuyahoga County Public Library
Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2011

	Levenson Memorial	South Euclid Memorial	Total Nonmajor Permanent Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$6,314	\$59,519	\$65,833
Liabilities and Fund Balances			
Fund Balances			
Nonspendable	\$4,919	\$50,000	\$54,919
Restricted	1,395	9,519	10,914
<i>Total Liabilities and Fund Balances</i>	\$6,314	\$59,519	\$65,833

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

	Levenson Memorial	South Euclid Memorial	Total Nonmajor Permanent Funds
Revenues			
Interest	\$4	\$33	\$37
Expenditures	0	0	0
<i>Net Change in Fund Balances</i>	4	33	37
<i>Fund Balances Beginning of Year</i>	6,310	59,486	65,796
<i>Fund Balances End of Year</i>	\$6,314	\$59,519	\$65,833

Fiduciary Fund

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Library under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Library's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Section 125 Healthcare and Dependent Care Fund - This fund reflects resources that belong to the Library employees to be used for healthcare and dependent care expenses.

Payroll Deductions Fund – This fund accounts for various payroll deductions until they are forwarded on to the proper organization. Current payroll deductions include amount to be forwarded onto the Ohio Public Employees Retirement System and amounts for employees to purchase Library logo clothing.

Friends Book Sale Fund– This fund accounts for the collection and distribution of revenue from the book sales within each library by the Friends of the Cuyahoga County Public Library.

Union Candy Money Fund – This fund accounts for the collection and distribution of revenue from the union candy fundraisers.

United Way and Community Shares Donations Fund– This fund accounts for the donations received from employees to be forwarded to the United Way and Community Shares Charitable campaign.

Capital Contractor Retainage Fund – This fund accounts for retainage monies being held until the completion of various capital projects.

Cuyahoga County Public Library
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2011

	Beginning Balance 12/31/10	Additions	Deductions	Ending Balance 12/31/11
<i>Section 125 Healthcare and Dependent Care</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$40,245	\$166,732	\$165,528	\$41,449
Liabilities				
Deposits Held and Due to Others	\$40,245	\$166,732	\$165,528	\$41,449
 <i>Payroll Deductions</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$116,156	\$2,997,905	\$2,999,178	\$114,883
Liabilities				
Deposits Held and Due to Others	\$116,156	\$2,997,905	\$2,999,178	\$114,883
 <i>Friends Book Sale</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,122	\$128,011	\$124,983	\$11,150
Liabilities				
Deposits Held and Due to Others	\$8,122	\$128,011	\$124,983	\$11,150
 <i>Union Candy Money</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,558	\$59,099	\$58,207	\$4,450
Liabilities				
Deposits Held and Due to Others	\$3,558	\$59,099	\$58,207	\$4,450

(continued)

Cuyahoga County Public Library
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2011

	Beginning Balance 12/31/10	Additions	Deductions	Ending Balance 12/31/11
<i>United Way and Community Shares Donations</i>				
Assets				
Cash and Cash Equivalents In Segregated Accounts	\$7,051	\$8,216	\$7,294	\$7,973
Liabilities				
Deposits Held and Due to Others	\$7,051	\$8,216	\$7,294	\$7,973
<i>Capital Contractor Retainage</i>				
Assets				
Cash and Cash Equivalents In Segregated Accounts	\$0	\$145,162	\$0	\$145,162
Liabilities				
Deposits Held and Due to Others	\$0	\$145,162	\$0	\$145,162
<i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$168,081	\$3,351,747	\$3,347,896	\$171,932
Cash and Cash Equivalents In Segregated Accounts	7,051	153,378	7,294	153,135
<i>Total Assets</i>	\$175,132	\$3,505,125	\$3,355,190	\$325,067
Liabilities				
Deposits Held and Due to Others	\$175,132	\$3,505,125	\$3,355,190	\$325,067

**Individual Fund Schedules of Revenues, Expenditures
and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual**

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$38,576,511	\$39,215,000	\$39,214,412	(\$588)
Patron Fines and Fees	1,303,427	1,325,000	1,318,997	(6,003)
Intergovernmental	26,821,524	27,265,454	27,265,454	0
Interest	18,626	18,934	18,526	(408)
Contributions, Gifts and Donations	1,079,722	1,079,800	1,082,514	2,714
Rentals	25,847	26,273	26,273	0
Refunds and Reimbursements	55,424	56,343	55,183	(1,160)
Miscellaneous	63,148	64,325	65,693	1,368
<i>Total Revenues</i>	<u>67,944,229</u>	<u>69,051,129</u>	<u>69,047,052</u>	<u>(4,077)</u>
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Salaries and Wages	22,919,284	22,062,665	22,062,270	395
Fringe Benefits	3,336,096	3,348,645	3,348,452	193
Purchased Services	1,579,669	1,655,345	1,653,831	1,514
Materials and Supplies	11,281,656	11,105,545	11,076,781	28,764
Other	42,251	32,255	32,234	21
Total Public Service and Programs	<u>39,158,956</u>	<u>38,204,455</u>	<u>38,173,568</u>	<u>30,887</u>
Collection Development and Processing				
Salaries and Wages	2,502,990	2,409,440	2,409,416	24
Fringe Benefits	358,113	359,460	359,435	25
Purchased Services	19,966	20,945	20,918	27
Materials and Supplies	168,577	199,253	199,237	16
Other	2,751	2,100	2,100	0
Total Collection Development and Processing	<u>3,052,397</u>	<u>2,991,198</u>	<u>2,991,106</u>	<u>92</u>
Total Library Services	<u>42,211,353</u>	<u>41,195,653</u>	<u>41,164,674</u>	<u>30,979</u>
Support Services:				
Facilities Operations and Maintenance				
Salaries and Wages	2,157,160	2,076,535	2,076,512	23
Fringe Benefits	316,146	317,335	317,312	23
Purchased Services	2,532,852	2,591,995	2,591,923	72
Materials and Supplies	334,612	387,749	387,728	21
Total Facilities Operations and Maintenance	<u>\$5,340,770</u>	<u>\$5,373,614</u>	<u>\$5,373,475</u>	<u>\$139</u>

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Business Administration				
Salaries and Wages	\$3,420,565	\$3,292,720	\$3,292,671	\$49
Fringe Benefits	4,989,646	5,008,415	5,008,345	70
Purchased Services	4,125,480	4,124,132	4,124,013	119
Materials and Supplies	339,481	402,520	402,039	481
Other	718,796	548,738	53,217	495,521
Total Business Administration	13,593,968	13,376,525	12,880,285	496,240
Total Support Services	18,934,738	18,750,139	18,253,760	496,379
Capital Outlay				
Purchase of Land	1,075,000	1,075,000	1,075,000	0
Building Improvements	50,000	0	0	0
Furniture and Equipment	982,604	330,044	330,044	0
Software	20,109	130,534	73,533	57,001
Motor Vehicles	50,000	8,345	8,342	3
Total Capital Outlay	2,177,713	1,543,923	1,486,919	57,004
Total Expenditures	63,323,804	61,489,715	60,905,353	584,362
Excess of Revenues Over Expenditures	4,620,425	7,561,414	8,141,699	580,285
Other Financing Sources (Uses)				
Sale of Capital Assets	7,905	7,905	7,905	0
Advances Out	0	(103,959)	(103,959)	0
Transfers Out	(9,500,000)	(12,337,030)	(12,092,755)	244,275
Total Other Financing Sources (Uses)	(9,492,095)	(12,433,084)	(12,188,809)	244,275
Net Change in Fund Balance	(4,871,670)	(4,871,670)	(4,047,110)	824,560
Fund Balance Beginning of Year	2,598,662	2,598,662	2,598,662	0
Prior Year Encumbrances Appropriated	2,284,006	2,284,006	2,284,006	0
Fund Balance End of Year	\$10,998	\$10,998	\$835,558	\$824,560

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$678,684	\$678,684	\$471,529	(\$207,155)
Contributions, Gifts and Donations	55,000	55,000	55,000	0
Miscellaneous	16,316	16,316	16,316	0
<i>Total Revenues</i>	<u>750,000</u>	<u>750,000</u>	<u>542,845</u>	<u>(207,155)</u>
Expenditures				
Current:				
Support Services:				
Facilities Operation and Maintenance				
Purchased Services	11,637,452	11,637,452	10,504,954	1,132,498
Materials and Supplies	2,395	2,395	1,689	706
Total Support Services	<u>11,639,847</u>	<u>11,639,847</u>	<u>10,506,643</u>	<u>1,133,204</u>
Capital Outlay				
Purchase of Land	26,175	26,175	26,171	4
Land Improvements	50,000	50,000	50,000	0
Building	8,689,188	8,689,188	7,923,843	765,345
Building Improvements	2,659,132	2,659,132	2,659,132	0
Furniture and Equipment	894,595	894,595	520,670	373,925
Total Capital Outlay	<u>12,319,090</u>	<u>12,319,090</u>	<u>11,179,816</u>	<u>1,139,274</u>
<i>Total Expenditures</i>	<u>23,958,937</u>	<u>23,958,937</u>	<u>21,686,459</u>	<u>2,272,478</u>
<i>Excess of Revenues Under Expenditures</i>	(23,208,937)	(23,208,937)	(21,143,614)	2,065,323
Other Financing Sources				
Transfers In	0	0	6,000,000	6,000,000
<i>Net Change in Fund Balance</i>	(23,208,937)	(23,208,937)	(15,143,614)	8,065,323
<i>Fund Balance Beginning of Year</i>	112,404,996	112,404,996	112,404,996	0
Prior Year Encumbrances Appropriated	958,437	958,437	958,437	0
<i>Fund Balance End of Year</i>	<u>\$90,154,496</u>	<u>\$90,154,496</u>	<u>\$98,219,819</u>	<u>\$8,065,323</u>

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Financial Literacy Project Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Contributions, Gifts and Donations	\$60,500	\$60,500	\$27,000	(\$33,500)
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	68,359	68,359	32,842	35,517
Materials and Supplies	1,900	1,900	1,610	290
<i>Total Expenditures</i>	<u>70,259</u>	<u>70,259</u>	<u>34,452</u>	<u>35,807</u>
<i>Net Change in Fund Balance</i>	(9,759)	(9,759)	(7,452)	2,307
<i>Fund Balance Beginning of Year</i>	<u>9,759</u>	<u>9,759</u>	<u>9,759</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$2,307</u>	<u>\$2,307</u>

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fairview Park Career Center Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Contributions, Gifts and Donations	\$23,400	\$23,400	\$23,400	\$0
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Salaries and Wages	13,100	13,100	0	13,100
Fringe Benefits	2,300	2,300	0	2,300
Materials and Supplies	8,000	8,000	0	8,000
<i>Total Expenditures</i>	<u>23,400</u>	<u>23,400</u>	<u>0</u>	<u>23,400</u>
<i>Net Change in Fund Balance</i>	0	0	23,400	23,400
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$23,400</u>	<u>\$23,400</u>

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
PNC Financial Literacy Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Contributions, Gifts and Donations	\$50,000	\$50,000	\$50,000	\$0
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	48,000	48,000	6,029	41,971
Materials and Supplies	2,000	2,000	1,525	475
<i>Total Expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>7,554</u>	<u>42,446</u>
<i>Net Change in Fund Balance</i>	0	0	42,446	42,446
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$42,446</u>	<u>\$42,446</u>

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cleveland Browns Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions, Gifts and Donations	\$8,000	\$8,000	\$8,000	\$0
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	8,491	8,491	2,843	5,648
<i>Net Change in Fund Balance</i>	(491)	(491)	5,157	5,648
<i>Fund Balance Beginning of Year</i>	491	491	491	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$5,648	\$5,648

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
8th to 9th Grade Transition Kits Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	30,000	30,000	30,000	0
<i>Excess of Revenues Under Expenditures</i>	(30,000)	(30,000)	(30,000)	0
Other Financing Sources				
Advances In	30,000	30,000	30,000	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Kits Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Contributions, Gifts and Donations	\$20,000	\$20,000	\$20,000	\$0
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	14,740	14,740	13,740	1,000
Materials and Supplies	5,260	5,260	4,218	1,042
<i>Total Expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>17,958</u>	<u>2,042</u>
<i>Net Change in Fund Balance</i>	0	0	2,042	2,042
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$2,042</u>	<u>\$2,042</u>

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Homework Centers Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions, Gifts and Donations	\$150,000	\$182,972	\$300,000	\$117,028
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Salaries and Wages	82,591	98,562	98,562	0
Fringe Benefits	12,760	15,227	15,227	0
Purchased Services	66,927	79,869	79,869	0
Materials and Supplies	3,400	4,058	4,058	0
Total Library Services	165,678	197,716	197,716	0
Capital Outlay				
Furniture and Equipment	4,831	5,765	5,765	0
<i>Total Expenditures</i>	170,509	203,481	203,481	0
<i>Net Change in Fund Balance</i>	(20,509)	(20,509)	96,519	117,028
<i>Fund Balance Beginning of Year</i>	20,509	20,509	20,509	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$117,028	\$117,028

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer Camps Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Contributions, Gifts and Donations	\$68,007	\$68,007	\$17,490	(\$50,517)
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	96,300	96,300	48,869	47,431
Materials and Supplies	3,700	3,700	614	3,086
<i>Total Expenditures</i>	<u>100,000</u>	<u>100,000</u>	<u>49,483</u>	<u>50,517</u>
<i>Excess of Revenues Under Expenditures</i>	(31,993)	(31,993)	(31,993)	0
Other Financing Sources				
Transfers In	31,993	31,993	31,993	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Kindergarten Kits Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$115,000	\$115,000	\$99,152	(\$15,848)
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	39,103	39,103	33,967	5,136
Materials and Supplies	77,000	77,000	65,185	11,815
<i>Total Expenditures</i>	116,103	116,103	99,152	16,951
<i>Net Change in Fund Balance</i>	(1,103)	(1,103)	0	1,103
<i>Fund Balance Beginning of Year</i>	1,103	1,103	1,103	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$1,103	\$1,103

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Jobs and Training Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions, Gifts and Donations	\$40,907	\$81,814	\$81,814	\$0
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Salaries and Wages	136,669	172,102	172,102	0
Fringe Benefits	21,114	26,588	26,588	0
<i>Total Expenditures</i>	157,783	198,690	198,690	0
<i>Net Change in Fund Balance</i>	(116,876)	(116,876)	(116,876)	0
<i>Fund Balance Beginning of Year</i>	116,876	116,876	116,876	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Youth System Program Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions, Gifts and Donations	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$0</u>
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	50,230	50,230	48,875	1,355
Materials and Supplies	<u>1,000</u>	<u>1,000</u>	<u>900</u>	<u>100</u>
<i>Total Expenditures</i>	<u>51,230</u>	<u>51,230</u>	<u>49,775</u>	<u>1,455</u>
<i>Net Change in Fund Balance</i>	(1,230)	(1,230)	50,225	1,455
<i>Fund Balance Beginning of Year</i>	<u>1,230</u>	<u>1,230</u>	<u>1,230</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$51,455</u></u>	<u><u>\$1,455</u></u>

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special School Programming Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$12,700	\$127,370	\$55,661	(\$71,709)
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	11,443	107,943	91,324	16,619
Materials and Supplies	2,011	18,970	17,599	1,371
Total Library Services	13,454	126,913	108,923	17,990
Capital Outlay				
Furniture and Equipment	144	1,355	1,240	115
<i>Total Expenditures</i>	13,598	128,268	110,163	18,105
<i>Excess of Revenues Under Expenditures</i>	(898)	(898)	(54,502)	(53,604)
Other Financing Sources				
Advances In	0	0	73,959	73,959
<i>Net Change in Fund Balance</i>	(898)	(898)	19,457	20,355
<i>Fund Balance Beginning of Year</i>	898	898	898	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$20,355	\$20,355

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Library Grants Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$53,137	\$53,137	\$53,137	\$0
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Materials and Supplies	12,692	12,692	12,692	0
Capital Outlay				
Furniture and Equipment	57,260	57,260	57,260	0
Software	898	898	898	0
Total Capital Outlay	58,158	58,158	58,158	0
<i>Total Expenditures</i>	70,850	70,850	70,850	0
<i>Excess of Revenues Under Expenditures</i>	(17,713)	(17,713)	(17,713)	0
Other Financing Sources				
Transfers In	17,713	17,713	17,713	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Connect Ohio Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$121,455	\$121,455	\$66,027	(\$55,428)
Expenditures				
Current:				
Support Services:				
Business Administration				
Purchased Services	105,212	105,212	32,040	73,172
Capital Outlay				
Furniture and Equipment	179,656	179,656	179,656	0
<i>Total Expenditures</i>	284,868	284,868	211,696	73,172
<i>Excess of Revenues Under Expenditures</i>	(163,413)	(163,413)	(145,669)	17,744
Other Financing Sources				
Transfers In	163,413	163,413	163,413	0
<i>Net Change in Fund Balance</i>	0	0	17,744	17,744
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$17,744	\$17,744

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Metro Health Medical Center Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions, Gifts and Donations	\$57,153	\$57,153	\$57,153	\$0
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Salaries and Wages	40,483	40,483	40,483	0
Fringe Benefits	6,255	6,255	6,255	0
Materials and Supplies	5,602	5,602	5,602	0
Total Library Services	52,340	52,340	52,340	0
Capital Outlay				
Furniture and Equipment	4,309	4,309	4,309	0
Software	504	504	504	0
Total Capital Outlay	4,813	4,813	4,813	0
<i>Total Expenditures</i>	57,153	57,153	57,153	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Library to You Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions, Gifts and Donations	\$25,000	\$25,000	\$25,000	\$0
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	25,000	25,000	12,607	12,393
<i>Net Change in Fund Balance</i>	0	0	12,393	12,393
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$12,393	\$12,393

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Library Support Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$25	\$25	\$25	\$0
Contributions, Gifts and Donations	1,600	1,600	141,202	\$139,602
Miscellaneous	2,875	2,875	21,604	18,729
<i>Total Revenues</i>	<u>4,500</u>	<u>4,500</u>	<u>162,831</u>	<u>158,331</u>
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	36,100	36,100	34,132	1,968
Materials and Supplies	18,862	18,862	12,070	6,792
Other	2,740	2,740	2,203	537
Total Library Services	57,702	57,702	48,405	9,297
Capital Outlay				
Furniture and Equipment	90,329	90,329	29,076	61,253
<i>Total Expenditures</i>	<u>148,031</u>	<u>148,031</u>	<u>77,481</u>	<u>70,550</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(143,531)	(143,531)	85,350	228,881
Other Financing Sources				
Transfers In	0	0	38,440	38,440
<i>Net Change in Fund Balance</i>	(143,531)	(143,531)	123,790	267,321
<i>Fund Balance Beginning of Year</i>	900,812	900,812	900,812	0
Prior Year Encumbrances Appropriated	8,531	8,531	8,531	0
<i>Fund Balance End of Year</i>	<u>\$765,812</u>	<u>\$765,812</u>	<u>\$1,033,133</u>	<u>\$267,321</u>

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Branch Support Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$20,000	\$20,000	\$446	(\$19,554)
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	9,500	9,500	0	9,500
Materials and Supplies	15,490	15,490	4,608	10,882
Total Library Services	24,990	24,990	4,608	20,382
Capital Outlay				
Furniture and Equipment	28,273	28,273	7,553	20,720
<i>Total Expenditures</i>	53,263	53,263	12,161	41,102
<i>Net Change in Fund Balance</i>	(33,263)	(33,263)	(11,715)	21,548
<i>Fund Balance Beginning of Year</i>	976,528	976,528	976,528	0
Prior Year Encumbrances Appropriated	3,263	3,263	3,263	0
<i>Fund Balance End of Year</i>	\$946,528	\$946,528	\$968,076	\$21,548

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Debt Service:				
Principal Retirement	1,995,000	1,995,000	1,995,000	0
Interest and Fiscal Charges	<u>3,846,196</u>	<u>3,846,196</u>	<u>3,846,196</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,841,196</u>	<u>5,841,196</u>	<u>5,841,196</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(5,841,196)	(5,841,196)	(5,841,196)	0
Other Financing Sources				
Transfers In	<u>5,841,196</u>	<u>5,841,196</u>	<u>5,841,196</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Levenson Memorial Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$333	\$333	\$4	(\$329)
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	333	333	4	(329)
<i>Fund Balance Beginning of Year</i>	6,310	6,310	6,310	0
<i>Fund Balance End of Year</i>	\$6,643	\$6,643	\$6,314	(\$329)

Cuyahoga County Public Library
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
South Euclid Memorial Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$333	\$333	\$33	(\$300)
Expenditures				
Current:				
Library Services:				
Public Service and Programs				
Purchased Services	1,140	1,140	0	1,140
Capital Outlay				
Furniture and Equipment	360	360	0	360
<i>Total Expenditures</i>	1,500	1,500	0	1,500
<i>Net Change in Fund Balance</i>	(1,167)	(1,167)	33	1,200
<i>Fund Balance Beginning of Year</i>	59,486	59,486	59,486	0
<i>Fund Balance End of Year</i>	\$58,319	\$58,319	\$59,519	\$1,200

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STATISTICAL SECTION

Statistical Section

This part of the Cuyahoga County Public Library, 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(s)
<i>Financial Trends</i>	<i>S2 – S5</i>
These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S6 – S16</i>
These schedules contain information to help the reader assess the Library's most significant local revenue, the property tax.	
<i>Debt Capacity</i>	<i>S17 – S19</i>
These schedules present information to help the reader assess the affordability of the Library's current levels of outstanding debt and the Library's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	<i>S20 – S21</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the Library's financial activities take place.	
<i>Operating Information</i>	<i>S22 – S27</i>
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 generally accepted accounting principles, including the reporting model in GASB Statement No. 34 in 2008; schedules presenting government-wide and governmental fund information include information beginning in that year.

Cuyahoga County Public Library*Net Assets By Component**Last Five Years**(Accrual Basis of Accounting)*

	2011	2010	2009	2008	2007
Governmental Activities					
Invested in Capital Assets,					
Net of Related Debt	\$41,749,699	\$42,037,638	\$45,108,243	\$47,479,600	\$49,606,581
Restricted:					
Capital Projects	1,372,407	900,937	0	0	0
Homework Centers	76,607	156,071	109,772	67,910	166,189
Jobs and Training	0	198,690	198,690	0	0
Library Support	1,040,891	904,357	620,519	684,304	355,541
Branch Support	968,076	978,293	997,949	904,230	864,970
Other Purposes	178,758	64,935	76,731	2,119	97,556
South Euclid Books and Periodicals					
Expendable	9,519	9,486	10,912	10,866	9,319
Nonexpendable	50,000	50,000	50,000	50,000	50,000
Gates Mills Children's Activities					
Expendable	1,395	1,391	1,384	1,367	1,208
Nonexpendable	4,919	4,919	4,919	4,919	4,919
Unrestricted	57,429,244	53,065,649	43,645,765	34,476,157	36,298,396
<i>Total Governmental Activities</i>					
<i>Net Assets</i>	<u>\$102,881,515</u>	<u>\$98,372,366</u>	<u>\$90,824,884</u>	<u>\$83,681,472</u>	<u>\$87,454,679</u>

Cuyahoga County Public Library

Changes in Net Assets

Last Four Years

(Accrual Basis of Accounting)

	2011	2010	2009	2008
Program Revenues				
Governmental Activities:				
Charges for Services:				
Library Services:				
Public Service and Programs	\$1,065,951	\$1,306,219	\$877,159	\$814,215
Support Services:				
Business Administration	363,894	438,507	271,892	262,977
Subtotal - Charges for Services	<u>1,429,845</u>	<u>1,744,726</u>	<u>1,149,051</u>	<u>1,077,192</u>
Operating Grants and Contributions:				
Library Services:				
Public Service and Programs	886,202	828,053	779,301	659,834
Support Services:				
Business Administration	66,027	869	1,337	1,979
Subtotal - Operating Grants and Contributions	<u>952,229</u>	<u>828,922</u>	<u>780,638</u>	<u>661,813</u>
Capital Grants and Contributions:				
Library Services:				
Public Service and Programs	1,075,000	0	0	0
Support Services:				
Facilities Operations and Maintenance	55,000	50,000	0	0
Subtotal - Capital Grants and Contributions	<u>1,130,000</u>	<u>50,000</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government Program Revenues</i>	<u>3,512,074</u>	<u>2,623,648</u>	<u>1,929,689</u>	<u>1,739,005</u>
Expenses				
Governmental Activities:				
Library Services:				
Public Service and Programs	40,610,983	39,429,207	43,363,079	43,018,918
Collection Development and Processing	3,125,944	3,077,807	3,254,310	3,030,063
Support Services:				
Facilities Operations and Maintenance	5,399,765	5,380,492	5,724,015	5,571,671
Business Administration	13,602,210	13,686,514	13,973,557	14,458,832
Interest and Fiscal Charges	3,832,755	1,404,541	0	0
<i>Total Governmental Activities Expenses</i>	<u>66,571,657</u>	<u>62,978,561</u>	<u>66,314,961</u>	<u>66,079,484</u>
Net Expense				
Governmental Activities	<u>(63,059,583)</u>	<u>(60,354,913)</u>	<u>(64,385,272)</u>	<u>(64,340,479)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Property Taxes Levied For:				
General Purposes	39,464,409	39,954,710	43,966,467	30,739,274
Grants and Entitlements not Restricted to				
Specific Programs	27,295,828	27,747,781	27,230,984	28,825,143
Investment Earnings	697,376	178,952	303,543	948,649
Gain on Sale of Capital Assets	7,905	0	853	14,421
Miscellaneous	103,214	20,952	26,837	39,785
<i>Total Governmental Activities</i>	<u>67,568,732</u>	<u>67,902,395</u>	<u>71,528,684</u>	<u>60,567,272</u>
Change in Net Assets				
Governmental Activities	<u>\$4,509,149</u>	<u>\$7,547,482</u>	<u>\$7,143,412</u>	<u>(\$3,773,207)</u>

Cuyahoga County Public Library
Fund Balances, Governmental Funds
Last Five Years
(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008	2007
General Fund					
Nonspendable	\$226,039	\$301,338	\$0	\$0	\$0
Committed	630,110	0	0	0	0
Assigned	96,094	1,446,455	0	0	0
Unassigned	2,236,182	3,622,853	0	0	0
Reserved	0	0	1,525,851	2,001,013	4,795,577
Unreserved	0	0	1,978,587	4,104,628	6,304,309
Total General Fund	3,188,425	5,370,646	3,504,438	6,105,641	11,099,886
All Other Governmental Funds					
Nonspendable	54,919	54,919	0	0	0
Restricted	66,983,139	76,875,915	0	0	0
Assigned	44,482,033	38,243,560	0	0	0
Unassigned (Deficit)	0	(2,352)	0	0	0
Reserved	0	0	63,574	59,454	60,940
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	0	0	1,853,554	1,544,828	1,478,235
Capital Projects Funds	0	0	31,166,843	21,006,236	15,865,148
Permanent Funds	0	0	12,296	12,233	10,527
Total All Other Governmental Funds	111,520,091	115,172,042	33,096,267	22,622,751	17,414,850
Total Governmental Funds	\$114,708,516	\$120,542,688	\$36,600,705	\$28,728,392	\$28,514,736

Note: The Library implemented GASB 54 in 2011.

Cuyahoga County Public Library
Changes in Fund Balances, Governmental Funds
Last Four Years
(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008
Revenues				
Property Taxes	\$39,214,412	\$39,713,012	\$42,162,129	\$31,238,936
Patron Fines and Fees	1,319,361	1,140,831	774,172	673,815
Intergovernmental	28,034,159	27,154,987	27,877,926	30,223,712
Interest	697,376	178,952	303,543	948,649
Contributions, Gifts and Donations	1,937,807	667,275	465,473	534,813
Rentals	26,573	42,026	40,081	36,966
Refunds and Reimbursements	83,911	561,869	334,798	366,411
Miscellaneous	103,214	20,952	26,837	39,785
<i>Total Revenues</i>	<u>71,416,813</u>	<u>69,479,904</u>	<u>71,984,959</u>	<u>64,063,087</u>
Expenditures				
Current:				
Library Services:				
Public Service and Programs	38,283,632	37,420,994	41,484,911	41,049,507
Collection Development and Processing	2,961,288	2,901,655	3,213,683	3,070,048
Support Services:				
Facilities Operations and Maintenance	5,348,036	5,337,363	5,584,429	5,416,361
Business Administration	12,672,585	12,426,863	12,815,616	13,089,209
Capital Outlay	12,152,153	1,452,320	1,014,757	1,238,727
Debt Service:				
Interest and Fiscal Charges	1,995,000	1,089,756	0	0
Note Issuance Costs	3,846,196	650,401	0	0
<i>Total Expenditures</i>	<u>77,258,890</u>	<u>61,279,352</u>	<u>64,113,396</u>	<u>63,863,852</u>
<i>Excess of Revenues Over Expenditures</i>	<u>(5,842,077)</u>	<u>8,200,552</u>	<u>7,871,563</u>	<u>199,235</u>
Other Financing Sources (Uses)				
Library Notes Issued	0	75,000,000	0	0
Premium on Notes	0	812,973	0	0
Discount on Notes	0	(71,542)	0	0
Sale of Capital Assets	7,905	0	750	14,421
Transfers In	12,092,755	9,264,008	10,125,000	5,155,000
Transfers Out	(12,092,755)	(9,264,008)	(10,125,000)	(5,155,000)
<i>Total Other Financing Sources (Uses)</i>	<u>7,905</u>	<u>75,741,431</u>	<u>750</u>	<u>14,421</u>
<i>Net Change in Fund Balances</i>	<u>(\$5,834,172)</u>	<u>\$83,941,983</u>	<u>\$7,872,313</u>	<u>\$213,656</u>
Debt Service as a Percentage of Noncapital Expenditures	8.9%	2.9%	0.0%	0.0%

Cuyahoga County Public Library
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2011	\$12,872,799,260	\$4,923,582,490	\$50,846,805,000	\$342,446,110	\$389,143,307
2010	12,844,834,240	4,888,915,190	50,667,855,514	333,998,340	379,543,568
2009	13,804,105,680	4,858,835,770	53,322,689,857	314,157,640	356,997,318
2008	13,734,447,790	4,878,209,650	53,179,021,257	300,757,120	341,769,455
2007	13,624,790,390	4,875,455,920	52,857,846,600	414,795,870	471,358,943
2006	12,258,806,840	4,530,826,770	47,970,381,743	417,851,570	474,831,330
2005	12,099,756,860	4,504,902,010	47,441,882,486	456,367,210	518,599,102
2004	11,923,128,470	4,400,085,920	46,637,755,400	459,535,620	522,199,568
2003	10,907,431,190	4,220,122,480	43,221,581,914	449,330,070	510,602,352
2002	10,751,057,530	4,206,278,430	42,735,245,600	476,776,080	541,791,000

Source: Cuyahoga County, Ohio; County Auditor

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero percent for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). Starting in 2010, the County did not include an assessed value for general business tangible personal property.

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

Tangible Personal Property					Weighted Average Tax Rate (per \$1,000 of Assessed Value)
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$18,138,827,860	\$51,235,948,307	35.40 %	\$2.5000
0	0	18,067,747,770	51,047,399,082	35.39	2.5000
229,943,506	3,679,096,096	19,207,042,596	57,358,783,271	33.49	2.5000
439,174,500	7,026,792,000	19,352,589,060	60,547,582,712	31.96	1.8319
1,160,917,702	9,287,341,616	20,075,959,882	62,616,547,159	32.06	1.8406
1,480,738,249	7,897,270,661	18,688,223,429	56,342,483,733	33.17	1.9957
1,479,326,353	5,917,305,412	18,540,352,433	53,877,787,001	34.41	1.9929
1,529,334,035	6,117,336,140	18,312,084,045	53,277,291,108	34.37	1.1884
1,676,807,706	6,707,230,824	17,253,691,446	50,439,415,091	34.21	1.2616
1,765,211,561	7,060,846,244	17,199,323,601	50,337,882,843	34.17	1.2622

Cuyahoga County Public Library
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Five Years (1)

	2011	2010
Voted Millage - by levy		
2008 Current Expense		
Residential/Agricultural Real	\$2.5000	\$2.5000
Commercial/Industrial and Public Utility Real	2.5000	2.5000
General Business and Public Utility Personal	2.5000	2.5000
2004 Current Expense		
Residential/Agricultural Real	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000
Total Millage		
Residential/Agricultural Real	\$2.5000	\$2.5000
Commercial/Industrial and Public Utility Real	2.5000	2.5000
General Business and Public Utility Personal	2.5000	2.5000
Overlapping Rates by Taxing District		
Cuyahoga County	\$12.8412 - 13.3200	\$12.8457 - 13.3200
Cities/Villages		
Bay Village	14.9000	14.9000
Beachwood	4.0000	4.0000
Bedford	21.7000	21.7000
Bedford Heights	21.9000	13.0000
Bentleyville	7.4721 - 8.9000	7.4705 - 8.9000
Berea	16.5843 - 20.6500	16.5837 - 20.6500
Brecksville	8.2100	8.2100
Broadview Heights	6.3153 - 9.4000	6.3157 - 9.4000
Brook Park	4.6459 - 4.7500	4.6458 - 4.7500
Brooklyn	5.9000	5.9000
Brooklyn Heights	4.4000	4.4000
Chagrin Falls	11.1828 - 11.2000	11.2000
Cleveland	12.7000	12.7000
Cuyahoga Heights	4.4000	4.4000
Fairview Park	11.5750 - 11.8000	11.5743 - 11.8000
Garfield Heights	24.7000	28.7000
Gates Mills	12.7249 - 14.4000	12.7194 - 14.4000
Glenwillow	3.3000	3.3000

2009	2008	2007
\$2.5000	\$0.0000	\$0.0000
2.5000	0.0000	0.0000
2.5000	0.0000	0.0000
0.0000	1.8086	1.8093
0.0000	1.8719	1.8764
0.0000	2.0000	2.0000
\$2.5000	\$1.8086	\$1.8093
2.5000	1.8719	1.8764
2.5000	2.0000	2.0000

\$12.6607 - 13.3200 \$11.8688 - 13.4200 \$11.8655 - 13.4200

14.9000	14.9000	14.9000
4.0000	4.0000	4.0000
12.8000	12.8000	12.8000
13.0000	13.0000	13.0000
7.4565 - 8.9000	7.4530 - 8.9000	7.4528 - 8.9000
16.2931 - 20.4500	12.0540 - 16.2000	12.0669 - 16.2000
8.5000	8.6000	8.6000
6.2738 - 9.4000	6.2731 - 9.4000	6.2725 - 9.4000
4.6462 - 4.7500	4.6469 - 4.7500	4.6753 - 4.8000
6.9000	6.9000	6.9000
4.4000	4.4000	4.4000
8.8402 - 11.2000	8.8379 - 11.2000	8.8416 - 11.2000
12.7000	12.7000	12.7000
4.4000	4.4000	4.4000
11.5054 - 11.8000	11.5044 - 11.8000	11.5041 - 11.8000
23.3000	21.9000	21.9000
12.1300 - 14.4000	12.0951 - 14.4000	12.0862 - 14.4000
3.3000	3.3000	3.3000

(continued)

Cuyahoga County Public Library
Property Tax Rates - Direct and Overlapping Governments (continued)
(Per \$1,000 of Assessed Valuation)
Last Five Years (1)

	2011	2010
Cities/Villages (continued)		
Highland Hills	\$11.4924 - 20.7000	\$11.4894 - 20.7000
Highland Heights	4.0000	4.0000
Hunting Valley	5.1000	5.1000
Independence	2.6000	2.8000
Lyndhurst	11.5000	11.5000
Maple Heights	15.4926 - 15.5000	15.5000
Mayfield	4.1656 - 7.3000	4.1649 - 7.3000
Mayfield Heights	10.0000	10.0000
Middleburg Heights	4.6878 - 5.4500	4.6877 - 5.4500
Moreland Hills	7.3000	7.3000
North Olmsted	13.3000	13.3000
North Randall	4.2148 - 4.8000	4.2132 - 4.8000
North Royalton	5.9129 - 8.2000	5.9117 - 8.2000
Oakwood	3.8000	3.8000
Olmsted Falls	10.9706 - 14.2500	9.7199 - 14.5000
Orange	7.1000	7.1000
Parma	6.6274 - 7.1000	6.6267 - 7.1000
Parma Heights	10.0000	10.0000
Pepper Pike	9.4989 - 9.5000	9.5000
Richmond Heights	15.5394 - 18.1000	14.4382 - 17.0000
Seven Hills	8.8225 - 9.2000	8.8251 - 9.2000
Solon	3.7565 - 3.9000	3.7563 - 3.9000
South Euclid	13.1000	13.2621 - 14.9000
Strongsville	7.3637 - 9.9000	7.3603 - 9.9000
Valleyview	6.7000	6.7000
Walton Hills	0.3000	0.3000
Warrensville Heights	5.6209 - 9.7000	5.5887 - 9.7000
Woodmere	4.3000	4.3000
Townships		
Chagrin Falls	\$0.4000	\$0.4000
Olmsted	13.8021 - 23.5000	11.7057 - 21.5000
Special Districts		
Chagrin Falls Township Fire District	\$0.8000	\$0.8000
Cleveland Metro Parks	1.7243 - 1.85000	1.7249 - 1.8500
Cleveland Cuyahoga Port Authority	0.1029 - 0.1300	0.1027 - 0.1300
Cuyahoga Community College	3.0151 - 3.1000	2.5973 - 2.8000

2009	2008	2007
\$12.8526 - 20.7000	\$12.8036 - 20.7000	\$12.9625 - 20.7000
4.0000	4.0000	4.0000
5.1000	5.1000	5.1000
2.8000	2.8000	2.8000
11.5000	11.5000	11.5000
15.5000	14.7784 - 15.5000	14.7776 - 15.5000
4.1548 - 7.3000	4.1546 - 7.3000	4.1541 - 7.3000
10.0000	10.0000	10.0000
4.6687 - 5.4500	4.6686 - 5.4500	4.6685 - 5.4500
7.3000	7.3000	7.3000
13.2000	13.2000	13.2000
4.1724 - 4.8000	4.1714 - 4.8000	4.1692 - 4.8000
5.7698 - 8.2000	5.7708 - 8.2000	5.7741 - 8.2000
3.8000	3.8000	3.8000
10.2464 - 15.7000	9.5842 - 16.5000	9.5844 - 16.5000
7.1000	7.100000	7.100000
6.5166 - 7.1000	6.5160 - 7.1000	4.5157 - 5.1000
10.2000	10.2000	10.2000
9.0676 - 9.5000	9.0548 - 9.5000	9.0533 - 9.5000
14.3042 - 17.0000	14.3033 - 17.0000	11.3082 - 14.0000
8.6129 - 9.2000	8.6075 - 9.2000	8.7096 - 9.3000
3.9418 - 4.1000	3.9411 - 4.1000	3.9405 - 4.1000
13.1066 - 14.9000	12.9048 - 14.7000	12.9037 - 14.7000
7.2091 - 9.9000	6.1886 - 10.1000	6.1981 - 10.1000
5.3339 - 7.1000	5.3333 - 7.1000	5.3333 - 7.1000
0.3000	0.3000	0.3000
10.9618 - 19.4000	6.5852 - 13.2000	6.5906 - 13.2000
4.3000	4.3000	4.3000
\$0.4000	\$0.4000	\$0.4000
11.0654 - 21.5000	11.0986 - 21.5000	11.0963 - 21.5000
\$0.8000	\$0.8000	\$0.8000
1.6698 - 1.8500	1.6720 - 1.8500	1.6715 - 1.85000
0.0946 - 0.1300	0.0946 - 0.1300	0.0946 - 0.1300
2.3952 - 2.8000	2.3924 - 2.8000	2.3915 - 2.8000

(continued)

Cuyahoga County Public Library
Property Tax Rates - Direct and Overlapping Governments (continued)
(Per \$1,000 of Assessed Valuation)
Last Five Years (1)

	2011	2010
Joint Vocational Schools		
Cuyahoga Valley JVS	\$2.0000	\$2.0000
Polaris JVS	2.0130 - 2.4000	2.0076 - 2.4000
Schools		
Bay Village City	\$52.9108 - 114.9500	\$46.7717 - 108.8500
Beachwood City	41.0169 - 86.4000	38.4658 - 83.9000
Bedford City	38.6990 - 72.5000	38.6966 - 72.5000
Berea City	38.5574 - 74.9000	38.6449 - 75.0000
Brecksville-Broadview Heights City	39.1176 - 77.2000	39.1700 - 77.3000
Brooklyn City	34.2129 - 47.2000	33.8602 - 47.0000
Chagrin Falls Exempted Village	47.3264 - 107.7000	48.2246 - 108.6000
Cuyahoga Heights Local	22.4628 - 28.8000	22.6478 - 29.0000
Fairview Park City	56.7442 - 97.6000	56.5149 - 97.4000
Garfield Heights City	42.1197 - 56.3000	42.3215 - 56.5000
Independence Local	29.8969 - 31.9000	30.0066 - 32.0000
Maple Heights City	49.7767 - 74.2000	47.4149 - 71.9000
Mayfield City	40.1003 - 78.3200	40.0984 - 78.3200
North Olmsted City	52.5281 - 91.4000	44.5989 - 83.5000
North Royalton City	41.0839 - 65.8000	40.8465 - 65.5000
Olmsted Falls City	54.1712 - 101.7000	45.4560 - 93.0000
Orange City	41.8247 - 86.1000	41.6958 - 86.0000
Parma City	42.4584 - 66.1000	42.3449 - 66.0000
Richmond Heights Local	41.3640 - 82.6000	41.3344 - 82.6000
Solon City	48.1861 - 82.2000	41.4666 - 75.5000
South Euclid-Lyndhurst City	55.3403 - 101.6000	55.2646 - 101.6000
Strongsville City	40.2545 - 81.1900	40.3511 - 81.2900
Warrensville Heights City	51.1160 - 89.5000	51.9729 - 90.8000

Source: Ohio Department of Taxation

(1) Information prior to 2007 is not available.

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

The Library's basic property tax rate may be increased only by a majority vote of the Library's residents.

Overlapping rates are those of local and county governments that apply to property owners within the Cities.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

2009	2008	2007
\$2.0000	\$2.0000	\$2.0000
2.0000 - 2.4000	2.0000 - 2.4000	2.0000 - 2.4000
\$45.8465 - 108.8500	\$45.7500 - 108.8500	\$46.5149 - 109.6500
36.3519 - 83.9000	34.7835 - 82.3000	34.8002 - 82.3000
30.9967 - 67.6000	31.0146 - 67.6000	31.0134 - 67.6000
35.9565 - 74.9000	35.9966 - 74.9000	36.0527 - 74.9000
48.2883 - 90.9000	37.1756 - 77.1000	37.2513 - 77.2000
32.9276 - 46.4000	26.0149 - 39.5000	26.0062 - 39.5000
47.8160 - 108.3000	47.4618 - 108.3000	39.6005 - 100.4000
22.4517 - 28.9000	22.4422 - 28.9000	22.3479 - 28.8000
51.7746 - 92.9000	51.7746 - 96.0000	51.3583 - 95.6000
40.1189 - 54.6000	40.0213 - 54.5000	40.0080 - 54.5000
29.2736 - 31.4000	29.3471 - 31.5000	28.5896 - 31.5000
37.4304 - 63.4000	36.1949 - 62.9000	36.9111 - 62.9000
38.1502 - 78.3200	31.2351 - 71.4200	31.5673 - 71.7000
41.1736 - 83.5000	41.1462 - 83.5000	34.6098 - 77.0000
33.7001 - 58.8000	34.5000 - 59.6000	34.6999 - 59.8000
41.6942 - 91.9000	41.6553 - 91.8000	39.6874 - 89.8000
40.1501 - 86.0000	40.0270 - 86.0000	40.0179 - 86.0000
38.86820 - 65.1000	35.1460 - 61.4000	38.4394 - 64.7000
33.6186 - 78.6000	33.5915 - 78.6000	33.7406 - 78.6000
39.9334 - 75.3000	39.8732 - 75.3000	39.8195 - 75.3000
50.6368 - 101.5000	45.2685 - 96.2000	45.3339 - 96.3000
38.2268 - 81.2000	38.3385 - 81.3000	31.9410 - 74.8000
49.673 - 90.1000	49.6674 - 90.1000	49.8122 - 90.2000

Cuyahoga County Public Library
Real Property and Public Utility Tax Levies And Collections
Last Nine Years (1)

Collection Year	Total Tax Levy(2)	Current Tax Collections(2)	Percent of Current Tax Collections To Current Tax Levy	Delinquent Tax Collection	Total Tax Collections(3)
2011	\$45,439,590	\$42,845,737	94.29%	\$1,334,053	\$44,179,790
2010	45,312,997	42,826,803	94.51	1,396,265	44,223,068
2009	47,542,340	45,087,531	94.84	1,263,226	46,350,757
2008	34,540,307	32,909,648	95.28	1,042,822	33,952,470
2007	34,541,633	32,624,457	94.45	975,849	33,600,306
2006	34,385,976	32,809,363	95.41	946,689	33,756,052
2005	34,068,394	32,449,911	95.25	1,012,298	33,462,209
2004	19,638,717	18,766,845	95.56	613,969	19,380,814
2003	19,476,935	18,658,135	95.80	526,492	19,184,627

Source: Cuyahoga County, Ohio; County Auditor

(1) Information prior to 2003 is not available.

(2) Information for Real and Public Utility Property Only.

(3) State Reimbursements of Rollback and Homestead Exemptions are included.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Tax Levy
97.23%	\$5,407,820	11.90%
97.59	4,656,216	10.28
97.49	4,249,352	8.94
98.30	2,684,506	7.77
97.27	2,564,495	7.42
98.17	2,261,856	6.58
98.22	2,000,253	5.87
98.69	1,242,524	6.33
98.50	1,183,420	6.08

Cuyahoga County Public Library
Principal Real Property Taxpayers
 2011 and 2008 (1)

<i>2011</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$227,720,700	1.28 %
Southpark Mall, LLC	65,745,630	0.37
University Hospital Health System	58,548,320	0.33
Beachwood PL LTD	47,970,900	0.27
City of Cleveland	43,324,220	0.24
American Transmission Systems	39,819,210	0.22
Legacy Village	39,497,510	0.22
Gotham King Lee Owner	33,729,590	0.19
Cleveland Clinic	33,044,630	0.19
Progressive Direct Insurance	32,993,200	0.19
Total	\$622,393,910	3.50 %
Total Real Property Assessed Valuation	\$17,796,381,750	

<i>2008</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$174,856,560	0.94 %
Southpark Mall, LLC	61,280,560	0.33
Beachwood PL LTD	47,970,900	0.26
Cleveland Clinic	47,724,580	0.25
Legacy Village	40,096,110	0.21
Duke Realty Ohio	34,775,880	0.19
Progressive Casualty Inc	32,248,130	0.17
City View Center	29,527,870	0.16
Parmatown One LLC	27,215,000	0.15
Great Northern Partnership	26,344,050	0.14
Total	\$522,039,640	2.80 %
Total Real Property Assessed Valuation	\$18,612,657,440	

Source: Cuyahoga County Auditor

(1) Information before 2008 was not available.

Cuyahoga County Public Library
*Ratios of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Two Years (1)*

Fiscal Year	Library Fund Facilities Notes	Total Personal Income	Percentage Of Personal Income	Population	Per Capita
2011	\$73,617,364	\$15,465,128,820	0.48%	619,820	\$118.77
2010	75,694,746	15,983,918,160	0.47	619,820	122.12

(1) 2010 was the first year the Library had debt.

Cuyahoga County Public Library
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2011*

Jurisdiction	Governmental Activities Debt	Percentage Applicable to Library (1)	Amount Applicable to the Library
Direct			
Library Fund Facilities Notes	\$73,617,364	100.00 %	\$73,617,364
Overlapping (2)			
Cuyahoga County	493,854,842	60.98	301,152,683
All Townships wholly within the Library	2,105,000	100.00	2,105,000
All Cities wholly within the Library	317,740,351	100.00	317,740,351
All Villages wholly within the Library	30,810,000	100.00	30,810,000
All School Districts wholly within the Library	302,503,653	100.00	302,503,653
Brook Park City	1,060,000	95.38	1,011,028
Cleveland City	42,140,000	1.07	450,898
Fairview Park City	155,220	94.29	146,357
Garfield Heights City	5,745,000	93.68	5,381,916
South Euclid City	4,975,000	94.11	4,681,973
Hunting Valley Village	5,500,000	88.40	4,862,000
Olmsted Falls City School District	17,215,950	96.58	16,627,165
Strongsville City School District	8,124,430	99.78	8,106,556
Chargin Falls Exempted Village School District	24,536,212	61.91	15,190,369
Polaris Career Center	3,400,000	99.57	3,385,380
<i>Total Overlapping Debt</i>	<u>1,259,865,658</u>		<u>1,014,155,328</u>
<i>Total Direct and Overlapping Debt</i>	<u>\$1,333,483,022</u>		<u>\$1,087,772,692</u>

Source: Ohio Municipal Advisory Council (OMAC)

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the Library by the total assessed valuation of the government. The valuations used were for the 2010 tax year, 2011 collection year.

(2) The overlapping debt information is as of December 31, 2011.

Cuyahoga County Public Library

Legal Debt Margin Information

Last Two Years (1)

	2011	2010
Total Assessed property value	<u>\$18,138,827,860</u>	<u>\$18,067,747,770</u>
Overall Debt Limitation (10.5% of assessed valuation)	\$1,904,576,925	\$1,897,113,516
Debt Outstanding:		
Balance in Debt Service Fund	0	0
Library Fund Facilities Notes	<u>73,005,000</u>	<u>75,000,000</u>
Total Gross Indebtedness	73,005,000	75,000,000
Total Net Debt Applicable to Debt Limit	<u>73,005,000</u>	<u>75,000,000</u>
Legal Debt Margin Within 10.5% Limitations	<u>\$1,831,571,925</u>	<u>\$1,822,113,516</u>
Legal Debt Margin as a Percentage of the Debt Limit	96.17%	96.05%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$997,635,532	\$993,726,127
Total Gross Indebtedness	<u>73,005,000</u>	<u>75,000,000</u>
Unvoted Legal Debt Margin Within 5.5% Limitations	<u>\$924,630,532</u>	<u>\$918,726,127</u>
Unvoted Legal Debt Margin as a Percentage of the		
Unvoted Debt Limitation	92.68%	92.45%

Note: Under State of Ohio finance law, the Cuyahoga County Public Library's outstanding general obligation debt should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value.

By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

(1) 2010 was the first year the Library had debt.

Cuyahoga County Public Library

Principal Employers

2011 and 2008 (1)

2011			
Employer	Nature of Activity	Employees	Percentage of Total Employment
Progressive Corporation	Insurance and Financial	8,612	2.63 %
Swagelok Company	Industrial Manufacturer	3,600	1.10
J. C. Penney Company	Department Store	2,265	0.69
Nestle Prepared Foods Company	Food Manufacturer	1,947	0.59
Southwest General	Hospital	1,805	0.55
Rockwell Automation Inc.	Distributor	1,561	0.48
Parma Community General Hospital	Hospital	1,461	0.45
Ben Venue Laboratories Inc.	Medical Manufacturer	1,303	0.40
Philips Medical Systems	Medical Manufacturer	1,250	0.37
Menorah Park Center for Senior Living	Senior Care	854	0.26
Total		24,658	7.52 %
Total Employment within the Library		327,900	

2008			
Employer	Nature of Activity	Employees	Percentage of Total Employment
Giant Eagle Inc.	Food Reseller	10,657	3.35 %
Progressive Corporation	Insurance	9,057	2.85
Swagelok Company	Industrial Manufacturer	3,600	1.13
Rockwell Automation Inc.	Distributor	1,982	0.62
J. C. Penney Company	Retail Store	1,820	0.57
Parma City School District	Public Education	1,783	0.56
Nestle Prepared Foods Company	Food Manufacturer	1,539	0.48
Parma Community General Hospital	Medical Facility	1,537	0.48
General Motors Corporation	Automotive Manufacturer	1,465	0.47
Philips Medical Systems	Medical Manufacturer	1,200	0.39
Total		34,640	10.90 %
Total Employment within the Library		317,900	

Source: Crain's Cleveland Business and Ohio Department of Job and Family Services

(1) Information prior to 2008 is not available.

Cuyahoga County Public Library
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (1)	Per Capita Income (1) Cuyahoga County	Unemployment Rate (2)		Estimated Actual Property Value (3)
				Cuyahoga County	State of Ohio	
2011	619,820	\$15,465,128,820	24,951	7.1%	7.6%	\$51,235,948,307
2010	619,820	15,983,918,160	25,788	8.6	9.3	51,047,399,082
2009	613,467	16,452,571,473	26,819	9.0	10.7	57,358,783,271
2008	598,364	15,205,625,968	25,412	7.1	6.5	60,547,582,712
2007	603,547	15,337,336,364	25,412	6.1	5.6	62,616,547,159
2006	610,721	15,519,642,052	25,412	5.5	5.6	56,342,483,733
2005	617,410	15,689,622,920	25,412	5.9	5.9	53,877,787,001
2004	621,943	13,851,914,496	22,272	6.3	5.9	53,277,291,108
2003	626,211	13,946,971,392	22,272	6.2	6.1	50,439,415,091
2002	629,941	14,030,045,952	22,272	5.7	5.7	50,337,882,843

Sources:

- (1) U.S. Census Bureau 2000, 2005-2010 Estimates, Library Estimates based on Census.
- (2) Ohio Bureau of Employment Services; U.S. Department of Labor, Bureau of Labor Statistics.
- (3) Cuyahoga County, Ohio; County Auditor.

Cuyahoga County Public Library
Full-Time Equivalent Library Employees by Function/Program
Last Five Years (1)

Function/Program	2011	2010	2009	2008	2007
Public Service and Administration					
Branch Services	4.00	6.15	4.00	4.00	5.00
Youth Services	8.40	10.40	9.00	10.00	10.00
Adult Services	4.00	2.00	1.00	2.00	2.00
Interloan Services	0.00	0.00	0.00	5.80	5.80
Bay Village Branch	14.48	14.20	12.00	14.55	14.98
Beachwood Branch	17.18	16.55	13.80	15.03	14.80
Berea Branch	16.23	15.23	12.40	15.35	15.25
Brecksville Branch	16.48	15.93	13.10	16.03	16.43
Brooklyn Branch	21.25	18.40	16.48	18.68	17.28
Brookpark Branch	12.10	12.48	10.85	12.98	12.98
Chagrin Falls Branch	11.68	10.25	8.80	12.43	12.05
Fairview Park Branch	28.80	32.13	23.20	36.60	35.88
Gates Mills Branch	5.35	4.85	4.10	3.75	3.25
Garfield Heights Branch	12.48	11.25	12.45	13.20	12.95
Independence Branch	14.18	14.60	11.50	13.90	13.95
Middleburgh Heights Branch	12.13	13.38	11.60	14.60	14.60
Maple Heights Branch	28.25	28.15	26.78	36.40	34.48
Mayfield Village Branch	31.33	29.45	24.95	36.98	38.03
North Olmsted Branch	20.18	20.00	17.26	17.75	17.55
North Royalton Branch	16.38	16.38	13.50	15.60	14.65
Olmsted Falls Branch	5.63	5.93	8.90	10.85	9.60
Orange Branch	11.03	11.83	10.40	11.80	11.78
Parma Heights Branch	12.50	12.85	12.10	15.05	15.35
Parma South Branch	31.30	29.90	26.70	36.48	38.05
Parma Snow Branch	19.78	17.78	14.80	17.50	17.23
Parma Ridge Branch	11.78	12.30	10.75	12.85	11.95
Richmond Heights Branch	0.35	0.35	2.35	0.00	0.00
South Euclid - Lyndhurst Branch	14.50	15.73	15.95	17.63	19.33
Solon Branch	18.05	17.20	14.60	17.18	14.75
Southeast Branch	14.75	14.00	12.85	14.28	13.65
Strongsville Branch	22.25	23.13	17.90	21.38	19.70
Warrensville Branch	12.50	11.90	12.13	13.53	12.65
Collection Development and Processing					
Technical Services Division	2.00	1.00	1.00	1.00	1.00
Catalog Division	14.00	15.60	15.60	17.60	17.60
Processing Division	13.00	13.00	13.00	15.00	15.00
Acquisitions Division	8.00	8.00	9.00	10.00	10.00
Collection Development Division	9.00	9.00	10.00	8.00	9.60
Facilities, Operation & Maintenance					
Facilities	2.00	0.00	2.00	1.00	0.00
Shipping & Receiving	13.00	14.50	15.50	14.50	14.50
Maintenance	16.00	18.00	19.00	19.00	19.00
Environmental/Contract Services	2.00	5.00	5.00	0.00	0.00
Projects/Contracts	1.00	0.00	0.00	3.00	3.00
Environmental Services	2.00	0.00	0.00	3.00	3.00

(continued)

Cuyahoga County Public Library
Full-Time Equivalent Library Employees by Function/Program (continued)
Last Five Years (1)

Function/Program	2011	2010	2009	2008	2007
Business Administration					
Executive Director	4.80	5.00	3.00	4.00	4.50
Marketing	6.00	6.00	5.00	6.00	6.00
Graphics	6.00	6.00	6.00	6.00	7.00
Security (2)	1.00	1.00	1.00	5.93	4.50
Development Office	2.00	2.38	3.00	0.50	0.00
Finance Division	7.00	8.00	7.50	7.50	7.50
Information Technologies Division	2.00	2.00	1.00	2.00	2.00
Internet & Media Services	7.00	8.00	7.00	9.00	8.00
Network Services	2.00	3.00	5.00	5.00	5.00
System Support/Help Desk	8.00	9.00	7.00	9.00	9.00
Human Resource Division	4.00	4.00	10.00	13.00	13.00
Totals:	<u>601.10</u>	<u>603.16</u>	<u>551.80</u>	<u>664.19</u>	<u>655.15</u>

Method: Using total hours worked by all staff divided by a 40-hour work week at December 31.

- (1) Information prior to 2007 is not available
 (2) For 2009, the Library placed security personnel under the branch in which they work.
 The split of security employees by branch before 2009 is not available.

Cuyahoga County Public Library
Capital Assets Statistics by Function/Program
Last Four Years (1)

Function/Program	2011	2010	2009	2008
Public Service				
Number of Buildings	28	28	28	28
Public Meeting Rooms	55	55	55	55
Vehicles for Delivery	8	8	8	8
Square Footage				
Bay Village Branch	15,806	15,806	15,806	15,806
Beachwood Branch	18,626	18,626	18,626	18,626
Berea Branch	15,666	15,666	15,666	15,666
Brecksville Branch	15,251	15,251	15,251	15,251
Brookpark Branch	13,225	13,225	13,225	13,225
Brooklyn Branch	17,400	17,400	17,400	16,490
Chagrin Falls Branch	12,806	12,806	12,806	12,838
Fairview Park Branch	44,225	44,225	44,225	44,225
Garfield Heights Branch	11,164	11,164	11,164	11,164
Gates Mills Branch	3,600	3,600	3,600	3,600
Independence Branch	16,530	16,530	16,530	15,356
Maple Heights Branch	48,434	48,434	48,434	48,434
Mayfield Village Branch	23,897	23,897	23,897	23,897
Metro Health Hospital	465	0	0	0
Middleburg Heights Branch	12,370	12,370	12,370	12,370
North Olmsted Branch	37,897	37,897	37,897	37,897
North Royalton Branch	14,936	14,936	14,936	14,766
Olmsted Falls Branch	5,339	5,339	5,339	5,339
Orange Branch	12,276	12,276	12,276	12,276
Parma Heights Branch	15,515	15,515	15,515	15,515
Parma South Branch	33,523	33,523	33,523	33,523
Parma Ridge Branch	15,602	15,602	15,602	15,602
Parma Snow Branch	12,174	12,174	12,174	12,174
Richmond Branch	3,364	3,364	1,971	1,010
Solon Branch	20,440	20,440	20,440	20,440
South Euclid - Lyndhurst Branch	19,842	19,842	19,842	19,842
Southeast Branch	16,455	16,455	16,455	16,455
Strongsville Branch	36,002	36,002	36,002	36,002
Warrensville Branch	14,267	14,267	14,267	14,267
Public Use Copy Machines	49	48	48	48
Public Use PCs	877	894	768	635

(continued)

Cuyahoga County Public Library
Capital Assets Statistics by Function/Program (continued)
Last Four Years (1)

Function/Program	2011	2010	2009	2008
Administration				
Square Footage				
Administration Building 2111 Snow Road	103,770	103,770	103,770	103,770
6128 Wilson Mills Road	3,368	3,368	3,368	3,368
6120 Wilson Mills Road	3,601	3,601	3,601	3,601
14506 State Road (2)	0	2,416	2,416	2,416
14436 State Road (2)	0	1,872	1,872	1,872
7271 Ridge Road	2,455	2,455	2,455	2,455
7259 Ridge Road	1,893	1,893	1,893	1,893
4629 Mayfield Road	2,486	2,486	2,486	2,486
14466 State Road (2)	0	1,092	0	0
5413 Turney Road	1,064	1,064	0	0
5417 Turney Road	1,460	1,460	0	0
Administrative Copy Machines	1	6	6	4
Administrative Multi Functional Copier, Printer, Fax & Scanner	9	9	9	6
Administrative Fax Machines	2	4	4	6
Staff Use PCs	478	564	591	692

(1) Information prior to 2008 is not available

(2) In 2011, the Library traded the land located on State Road in a land swap agreement.

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Dave Yost • Auditor of State

CUYAHOGA COUNTY PUBLIC LIBRARY

CUYAHOGA 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 05, 2012**