

2008
COMPREHENSIVE
ANNUAL FINANCIAL
REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2008



COLUMBUS METROPOLITAN LIBRARY



Mary Taylor, CPA
Auditor of State

Board of Trustees
Columbus Metropolitan Library
96 South Grant Street
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the Columbus Metropolitan Library, Franklin County, prepared by Kennedy Cottrell Richards LLC, for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 9, 2009

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Columbus Metropolitan
Library, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. R. R.", is written above the title.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is written above the title.

Executive Director

Columbus Metropolitan Library

Columbus, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended December 31, 2008



Issued by:

DEWITT HARRELL

Chief Financial Officer/Fiscal Officer

Columbus Metropolitan Library

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2008

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Columbus Metropolitan Library

LIBRARY OFFICIALS AS OF DECEMBER 31, 2008

BOARD OF TRUSTEES

Ms. Amy Milbourne,	President of the Board
Mr. Stephen Rasmussen,	Vice President of the Board
Mr. Roger Sugarman,	Secretary of the Board
Dr. Terry A. Boyd,	Member
Ms. Cynthia A. Hilsheimer,	Member
Ms. Erika Clark Jones,	Member
Mr. Randy Fortener,	Member

EXECUTIVE STAFF

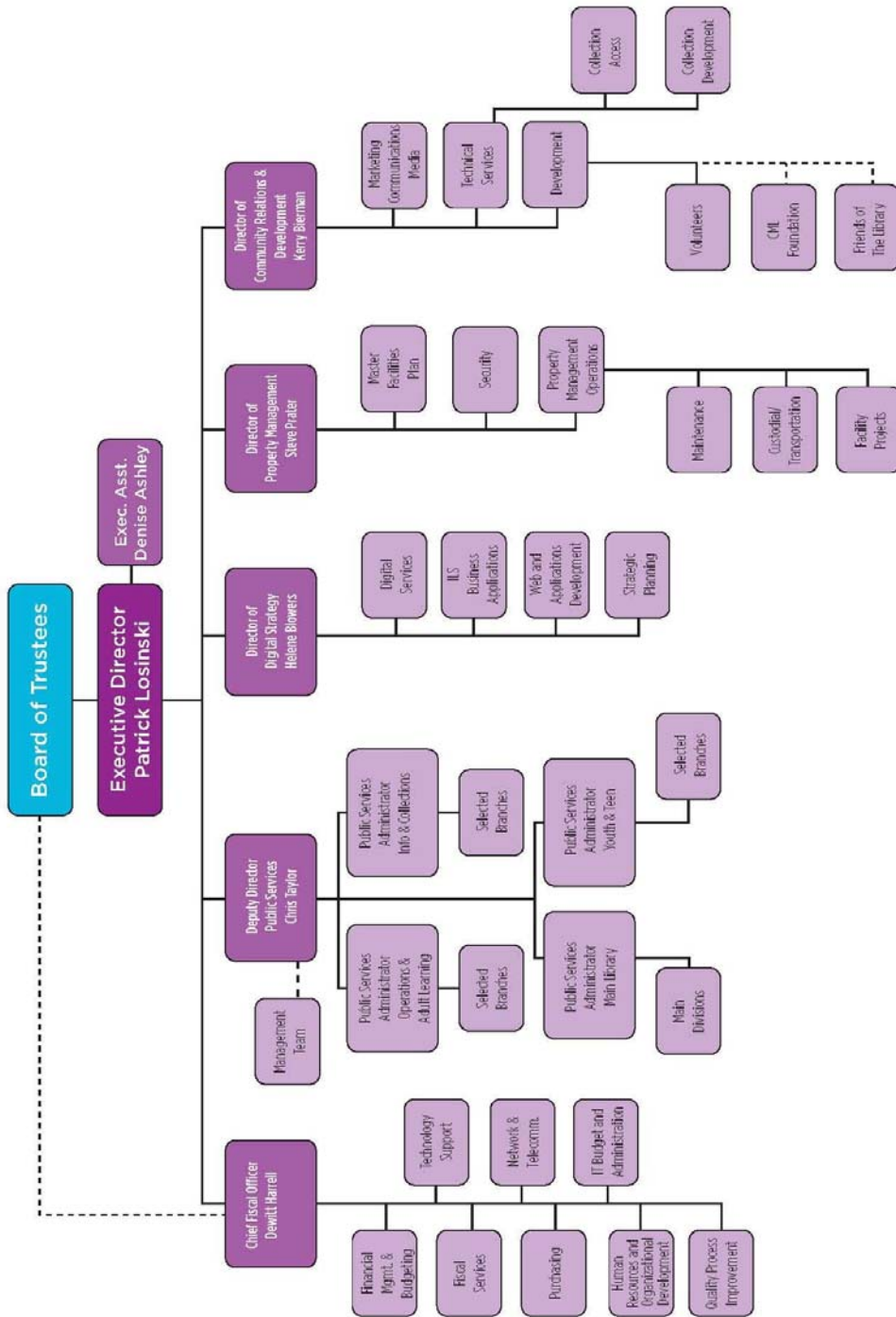
Mr. Patrick Losinski,	Executive Director
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ADMINISTRATIVE STAFF

Ms. Chris Taylor,	Deputy Director of Public Services
Mr. Dewitt D. Harrell,	Chief Financial Officer/Fiscal Officer
Mr. Stephen K. Prater,	Director of Property Management
Ms. Helene Blowers,	Director of Web Strategy
Mr. Kerry M. Bierman,	Director of Community Relations & Development

ORGANIZATION CHART

January 14, 2009





May 4, 2009

**To the Citizens of the City of Columbus and Franklin County and
The Board of Trustees and Executive Director
of the Columbus Metropolitan Library**

The Ohio Revised Code requires that all general-purpose governments publish a complete set of financial statements, presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, I hereby issue the comprehensive annual financial report (CAFR) of the Columbus Metropolitan Library, Franklin County, Ohio, (the Library) for the fiscal year ended December 31, 2008.

This report consists of management's representations concerning the finances of the Library. Consequently, management assumes all responsibility for completeness and reliability of all of the information presented in this report.

The management of the Library has established a comprehensive internal control framework that is designed to compile sufficient information for the presentation of the Library's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefit, the Library's comprehensive framework of internal controls has been designed to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement.

The Library's financial statements have been audited under contract with the Auditor of State of Ohio by Kennedy Cottrell Richards, a firm of licensed certified public accountants. The independent auditor concluded that the Library's financial statements for the fiscal year ended December 31, 2008, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The Library's MD&A can be found immediately following the report of the independent auditors.

Columbus Metropolitan Library

THE HISTORY OF THE LIBRARY

During the early history of Columbus, a series of libraries existed which operated on a subscription or membership fee basis. With the support of a group of public-spirited citizens, a permanent tax-supported free public library was established by the Columbus City Council in 1872. This library opened its doors to the public in a room in the newly constructed City Hall in 1873 and was officially designated by the City Council as the Public Library and Reading Room of Columbus.

This was officially changed to the Columbus Public Library thirty years later when plans were commenced to construct a separate building. With a gift from philanthropist Andrew Carnegie of \$200,000, the Board succeeded in constructing a building that is part of the present Main Library on South Grant Avenue. At the same time this building was opened to the public in 1907, the Library initiated a series of deposit collections in various locations throughout the community. Out of these collections grew the current branch library system, expanding with the growth of Columbus and Franklin County.

In 1976, the Library became a county district library and changed its name to the Public Library of Columbus and Franklin County. Its legal service district was then defined as all of Franklin County, except for those legal service areas of the other six library systems within the county.

A milestone in the Library's history occurred in 1986, when the Library Board of Trustees (the Board) voted to seek funds and implement a comprehensive services and capital improvements package. Thanks to the support of library customers and thousands of volunteers throughout Franklin County, a combination renewal and new fifteen-year General Property tax levy totaling 2.2 mills was approved by library district voters in November 1986. In November 2000, the voters of Franklin County renewed the 2.2 mills for an additional ten years.

After the tax levy was approved, one of the first service improvements included additional public service hours at many of the library locations. Sunday hours, requested by the public for years, were added in September of that year at the Main Library and the system's regional branch locations. The materials budget was increased significantly, allowing the Library to purchase additional books, magazines, newspapers, databases, audio and video cassettes, and other items to meet the burgeoning demand.

As the Public Library of Columbus and Franklin County continued to enhance services and facilities to Columbus' suburbs, there was an increasing awareness that the Library's name did not accurately describe the system's responsibilities to many Central Ohio residents.

In June of 1989, the Board approved a new name for the system, the "Columbus Metropolitan Library," to better reflect the organization's mission to the communities within the Library's service district, including Brice, Canal Winchester, Columbus, Dublin, Gahanna, Hilliard, Lockbourne, New Albany, Obetz, Reynoldsburg, Valleyview, and Whitehall. The Board also adopted a new logo for the Library, designed to increase customers' awareness of the system's libraries and services.

The construction of new library branches, or the renovation and expansion of existing facilities, has created an excitement which has drawn thousands of new customers into the Library.

Today the Library consists of a Main Library and 21 branches located throughout Franklin County, Ohio. Additionally, the Library entered into a contract in 1993 with Worthington Public Library, a

Columbus Metropolitan Library

separate legal entity, to contribute to the operation of a library facility that services the citizens of both library districts.

REPORTING ENTITY

The Library's reporting entity has been defined in accordance with Section 3375.20 (E) of the Ohio Revised Code, and thus reaffirms the boundaries of the Columbus Metropolitan Library, a county library district, to be composed of all of the land area within Franklin County, Ohio, except for the land area lying within the boundaries of other public library districts in the County.

The land area lying within the Columbus Metropolitan Library is composed of the following:

Canal Winchester Local School District, Columbus City School District, Dublin Local School District, Gahanna-Jefferson City School District, Groveport-Madison Local School District, Hamilton Local School District, Hilliard City School District, Licking Heights Local School District, Plain Local School District, Reynoldsburg City School District, Upper Arlington City School District (outside of the municipality boundaries), and Whitehall City School District.

The Library, which is a separate legal entity, is under the control and management of a seven (7) member Board of Trustees. Three Board members are appointed by the Judges of the Court of Common Pleas and four are appointed by the Franklin County Commissioners. Board members are appointed for a term of seven (7) years with one term expiring each year. Since the Library is a separate legal entity, it is financially and operationally independent from Franklin County and the City of Columbus. The Library does not provide a financial benefit or impose a financial burden to the County. The County Commissioners can not influence the programs, activities or level of services provided by the Library. Although the County Commissioners serve as the Library's taxing authority, any decision to request approval of a tax, the rate and purpose(s) of a levy lies solely with the Board of Trustees. Based on a formal request from the Board, the County Commissioners, in accordance with the Ohio Revised Code, shall place the issue on the ballot.

The basic financial statements included in the financial section of this report, comply with provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," and GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – and amendment to GASB Statement No. 14" in that the financial statements include all the organizations, activities and functions for which the Library (the reporting entity) is financially accountable. Financial accountability is defined as either (1) the Library's ability to impose its will over the component units or (2) the possibility that the component units will provide a financial benefit to or impose a specific financial burden on the Library.

Materials and Services

The Library's collection contains over 2 million items including books, audio and video tapes, compact discs, DVD's, multimedia CD-ROM's, e-book and audio e-book services, magazines, books-on-tape, books-on-CD's, pamphlets, maps, annual reports, sheet music and circulating visuals. The Library also has a microfilm collection of past issues of many periodicals including magazines and newspapers that serve as a resource for historians and genealogists.

Public access computers at all Library locations provide access to the Internet and a wealth of electronic databases. Customers can utilize many resources through the Library's Virtual Branch, at

Columbus Metropolitan Library

columbuslibrary.org. This site provides access to directories, indexes, abstracts and full-text information on careers and researching businesses.

The Library offers programs for adults and children to showcase our collections and resources. Story hours and an annual summer reading program for children, teens and adults are designed to engage people in the art of reading.

The Outreach Division of the Public Services Department provides library services to customers who are not able to visit a Library facility. These services include a talking books program, special services to the homebound, jail services, lobby stops at extended care facilities, and the MetroMouse Mobiles, which serve children at risk of starting school unprepared to read.

OUR PLAN

At the Columbus Metropolitan Library, our focus is on our customers and the future of our community. Our mission and vision is realized through aligning our annual work with a focused Strategic Plan. We defined our Strategic Plan in 2006 as a result of extensive customer research. Strong adherents to the value of customer segmentation, our research identified approximately 15 types of customer behaviors. Through an analytical process, our executive leadership refined and prioritized the customer behaviors into three groups: Young Minds, Virtual Users, and Power Users. Additionally, we add two internal strategies: Expand Our Capacity and Engage Our Team. We drive our service and our annual work towards meeting the goals within our five strategies.

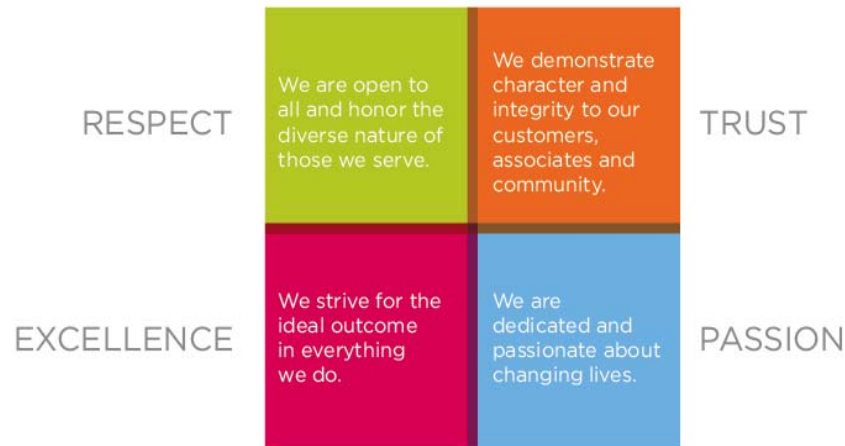


“TO PROMOTE READING AND
GUIDE LEARNING IN PURSUIT
OF INFORMATION, KNOWLEDGE
AND WISDOM.”



“A THRIVING COMMUNITY WHERE
WISDOM PREVAILS.”

Columbus Metropolitan Library



	SEGMENT	STRATEGY	OUTCOME
EXTERNAL	1. YOUNG MINDS	Support children and their caregivers through the teen years	Enhanced opportunities to read and grow
	2. VIRTUAL USERS	Make technology "Open to All"	Connected individuals and communities
	3. POWER USERS	Deliver tomorrow's library today	Wildly enthusiastic customers!
INTERNAL	4. CML STAFF	Expand our capacity	Maximum impact
	5. CML STAFF	Engage our team	Committed associates who live the brand

The annual budget serves the foundation of the Library's financial planning and control. The Board is required to adopt a final budget no later than April 1st of the current fiscal year. The level at which the Board approves each budget becomes the "legal level of control". This is the level at which transfers of appropriation requires Board action. For the General Fund, the Board approves the budget at the character level, as follows: Salaries and Benefits and All Other Expenditures. All other funds are budgeted at the total expenditure level.

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After the Board has adopted the budget, any amendment which will increase or decrease the approved appropriation requires Board approval. The Board has delegated purchase and expenditure/expense approval to the Library's administration for the daily operational needs of the Library.

2008 STRATEGIC ACCOMPLISHMENTS

Top Priorities for 2008

- 2020 Vision Plan – development of a detailed comprehensive 10 - 15 year plan to revitalize and improve our existing services and facilities
- Management Development – the Library invested in management development; 100 managers completed the first round of training to develop and grow the Library's managerial core
- Young Minds – development of programs and services to help children of all ages develop literacy skills
- Discovery Place – updated technology for managing all library materials
- Virtual Branch – expanded digital and technology choices for our customers.
- Development Plan – enhanced our development plan to ensure library funding for future generations

Key Accomplishments by Segment for 2008

1. Young Minds

- Revised Raising Readers activities to align with Ready to Read concepts. Through a continuing partnership with Action for Children and funding from the United Way, Ready to Read workshops were presented at sixty new sites. Workshops taught attendees how to integrate 6 pre literacy skills into daily interactions to prepare children for a successful start in kindergarten. In addition, we received a contract from the Ohio Dept of Job and Family Services to provide 15 Ready to Read workshops and in-home visits for 150 family child care providers. (Tactic 1.1.1)
- Expanded market research to include deeper insights into at-risk populations, particularly children and their caregivers. (Tactic 1.1.3)
- Revised and funded young minds programs. Privately raised \$87,500 to support the 2008 Summer Reading Club. (Tactic 1.2.1)
- Implemented improvements to the Summer Reading Club program; over 71,500 kids, teens, and adults participated. Attendance at programs increased by 54%. (Tactic 1.3.1)
- Funded and built Homework Help Centers at Driving Park, Gahanna, Northside, Southeast, and Whetstone. CML was awarded the Ingram-White Castle Foundation's GROW Award for a grant of \$100,000. The grant is payable over three years to support our Homework Help Centers. A gift of \$45,022 came from the Otterbein College Fund through our friends at The Columbus Foundation in support of our Homework Help Centers. Another gift of \$45,521.30 was received for the Gahanna Homework Help Center. The Friends of the Library received \$50,000 as a bequest from Ruth Lang; the money was used for our Southeast branch Homework Help Center. (Tactic 1.4.1)
- Implemented online sign-in for our Homework Help Centers to automate tracking of student visits and volunteer hours; 31,780 students used our Homework Help Centers in 2008.

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2. Virtual Users

- Developed a framework, strategy and a roadmap for CML's digital services that is shaped by our community and engages, enriches, and empowers our customers.(Tactic 2.1.1)
- Added 27,850 bibliographic records to the online catalog and added a total of 27,814 new titles to the library system's collection of materials. (Tactic 2.2.2)
- Created and implemented a process for web development that actively integrates internal and external customer feedback and usability testing into product design and software life cycle. (Tactic 2.2.8)
- Implemented a strategy for teaching basic computer skills classes to customers. (Tactic 2.3.1)
- Created resources that allow CML customers to embed power-tools and widgets offered by CML into their virtual space. (Tactic 2.3.7)

3. Power Users

- Created public PC kiosks that integrate the catalog with other CML services for convenient, one-stop self service to the customer (examples catalog, WebPay, meeting room booking, etc). (Tactic 3.1.2)
- Replaced all current 'language acquisition' audio titles in cassette format with the CD format. (Tactic 3.3.3)
- Completed year 1 of the 2020 Vision Plan for Services and Facilities. (Tactic 3.5.1)
- Installed web based UPS monitoring system and installed Battery On Site Spare system at the Operations Center. (Tactic 3.7.3)

4. Expand Our Capacity

- Implemented the direct and immediate refund of patrons at the branches for amounts up to \$25, which increased customer relations and reduced the number of patron refunds issued by Accounts Payable by 71%.
- Streamlined payroll processing procedures and reduced payment time by 40%.
- Implemented vendor payment efficiencies resulting in 32% reduction in checks issued and eliminating 50% of scheduled check runs. (Tactic 4.4.12)
- Implemented VMWare Server Virtualization software to reduce operational costs and eliminate the purchase of expensive hardware. With this software, IT deployed/migrated over 40 virtual servers eliminating the need to 40 new servers, a cost savings of over \$100,000.
- Completed several significant indexing projects, moving the Play Index, Song Finder, Picture Book Index, Youth Fiction Finder and Magazine and Newspaper Index into the catalog. This project saved PS staff time and made the library's material more accessible in our online catalog for customers. Customers can create and print or email lists of titles as well. (Tactic 4.4.14)
- Drupal, a popular open source content management and web development platform, was selected to replace our present use of Adobe ColdFusion. New web sites are launched under this new enterprise solution. Along with this, the CML brand is unified across our entire digital presence. (Tactic 4.4.15)

5. Engage Our Team

- Completed round 1 of Management Development Business of People training (100 Managers Completed) and 8 staff participated in Management Development (Business of People) Trainer certification program. (Tactic 5.5.1)

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- Conducted the 2008 Organizational Climate Survey (OCS); 68% of staff participated. The overall OCS results were positive with all 17 areas showing improvement from the 2005 survey. (Tactic 5.1.1)
- Implemented Learn & Play web 2.0 technology training; 63% of staff participated (Tactic 5.2.4)
- Added staff photos to the staff Intranet to strengthen security and increase awareness (Tactic 5.1.5)
- Created, implemented, and trained project management methodology and tools. (Tactic 5.3.1)

The following table demonstrates the tactics worked on throughout 2008 and the divisions within the Library working together to accomplish the objectives.

Tactic #	Tactic Descriptions	Carryover	The Blue Zone												
		Completed	Effectuated Functional Areas												
		Project Status	HR	EXEC	DS	FOL	CMLF	OD	CR&D	PMQ	PM	FIN	PSD	IT	TS
1.1.1	Revise Raising Readers activities to align with Ready to Read concepts	Completed							X				X		
1.1.2	Develop and implement a plan to expand outreach effort to at risk children to increase kindergarten readiness	Completed							X				X		
1.1.3	Conduct and gather research into patterns of behavior of at-risk 0-K children and their caregivers	Completed			X				X				X		
1.1.4	Implement a customized resource and provide content regarding kindergarten readiness to parents and caregivers (such as GetSet4K.org).	Completed			X				X				X	X	
1.2.1	Revise and fund young minds programs	Completed				X	X		X			X	X	X	
1.2.2	Offer Ready to Read parent workshops outside the library in 60 new places where families in crisis and/or non-library users gather	Carryover 09						X	X				X		
1.2.3	Add early literacy Ready to Read manipulatives to each location's children's area	Completed				X	X		X		X		X		
1.3.1	Implement the improved SRC assessment recommendations	Completed			X				X	X	X		X	X	
1.4.1	Implement up to three additional Homework Help Centers (Possibilities include Southeast, Whetstone, Gahanna)	Completed	X			X	X		X		X		X	X	X
1.4.2	Utilize teens as monitors, role models and paid workers for the HHCs	Carryover 09	X						X				X		
1.4.5	Create a catalog for juvenile and youth materials (Aquabrowser).	Completed			X				X				X	X	X
1.5.1	Expand teen gaming program by offering tournament play over CMLs network among all locations and add website functionality to promote gaming	Carryover 09			X				X		X		X	X	
1.5.2	Conduct customer and market research on millennial generation to determine such factors as user patterns, voter registration, library space requirements and literacy levels	Carryover 10			X				X	X			X	X	
2.1.1	Develop framework, strategy and a roadmap for CML's digital services that is shaped by our community and engages, enriches, and empowers our customers.	Completed			X				X				X	X	X
2.1.3	Participate in the planning of an entrepreneurial portal	Completed			X				X				X		
2.1.4	Position CML to be a rich source of information as the community moves towards celebrating the bicentennial of Columbus in 2012 by creating a treasury of local history on Columbuslibrary.org.	Carryover 09			X				X				X	X	
2.2.11	Achieve seamless integration of CML's multitude of our web and catalog sites in order to meet the customer's diverse needs for search and entry points.	Completed			X				X				X		X
2.2.2	Add bibliographic records to the catalog for all e-resources (premium, audio, books, e-journals) to provide additional access points	Completed			X										X
2.2.3	Investigate and implement translation software/tools to make the website and catalog accessible in multiple languages	Carryover 09			X								X	X	X
2.2.4	Digitize key collections for integrated searching and migrate existing local databases	Carryover 09			X				X				X	X	X
2.2.5	Provide training to Infoline staff to respond to the needs of our virtual users who contact us via Infoline	Carryover 09							X				X	X	
2.2.6	Analyze and understand customer usage of CML websites by utilizing tools in our web stats system.	Completed			X				X	X			X	X	
2.2.7	Provide opportunity for customers to review, rate and recommend related items in the catalog (Aquabrowser)	Carryover 09			X				X				X	X	X
2.2.8	Create and implement a process for web development that actively integrates internal and external customer feedback and usability testing into product design and software life cycle.	Completed			X				X				X	X	
2.2.9	Upgrade the MetroLine automated callout/callin system to enhance telephone notifications and offer more features to customers.	Carryover 09			X								X	X	
2.3.1	Implement a strategy for teaching basic computer skills classes to customers	Completed							X				X	X	
2.3.2	Develop and implement a strategy for programs in Home Work Help Centers during non home work help hours (tech labs, literacy classes, etc)	Completed											X	X	
2.3.4	Reduce time for PC reservation wait periods for public computers	Carryover 09								X			X	X	
2.3.5	Investigate and enhance partnership with Tech Columbus to create an onsite CML space at Tech Columbus	Completed													
2.3.6	Encourage growth of the Power Users population by offering a series of online, educational videos demonstrating tech savvy use of CML resources (such as catalog, premium resources, web widgets).	Carryover 09			X				X				X	X	X

Columbus Metropolitan Library

Tactic #	Tactic Descriptions	Carryover	The Blue Zone												
		Completed	Effectuated Functional Areas												
		Project Status	HR	EXEC	DS	FOL	CMLF	OD	CR&D	PMQ	PM	FIN	PSD	IT	TS
2.3.7	Create resources that allow CML customers to embed powertools and widgets offered by CML into their virtual space.	Completed			X								X	X	
3.1.1	Gather data from cardholder signup, customer checkout and web analytics to better understand customer behaviors	Carryover 09			X			X	X			X	X		
3.1.2	Create public PC kiosks that integrate the catalog with other CML services for convenient, one-stop self service to the customer (examples catalog, WebPay, meeting room booking, etc).	Completed			X			X				X	X		
3.1.3	Create a spotlight showcasing activities of wildly enthusiastic customers that demonstrates the value of CML's web services in ways that connects users to each other and encourages experiential marketing (such as Get-Caught Reading posters, sharing the tips & tricks of power users, Young Minds on the web).	Carryover 09			X			X				X	X		
3.2.1	Continue to investigate possible partner libraries for our ILS and other initiatives	Carryover 09			X			X		X			X		
3.3.2	Create self-check out upgrades to include an option to read the text in Spanish for customers	Carryover 09			X							X	X		
3.3.3	Replace all current 'language acquisition' audio titles in cassette format with the CD format	Completed										X		X	
3.4.1	Reduce wait times on reserves for high interest titles by 20% by the end of the 3rd quarter	Completed			X				X			X		X	
3.4.4	Implement real-time, text based communication for library's information service (examples are instant messaging, chat, SMS/text messages to mobile phones).	Carryover 09			X							X	X		
3.4.5	Conduct a feasibility study for building a reserve pick-up window at Hilliard	Completed	X		X						X	X	X		
3.5.1	Develop and implement the 2020 VPSF	Carryover 09		X	X	X	X	X		X	X	X	X		
3.7.1	Enhance security system including the implementation of new access system and staff ID cards	Carryover 09	X		X			X		X	X	X	X		
3.7.10	Complete a consultant study to determine the feasibility and cost of attaining 'Lead Certification' for one regional and one smaller branch by the end of fourth quarter	Completed	X					X	X	X	X	X			
3.7.11	Expose visitors to a modern, hands-on digital experience (example multi-touch screen technology, Citywall.org) as a way to interactively explore our electronic collections.	Completed			X			X		X		X	X		
3.7.2	Implement improvements to Main cameras per 2007 consultant study	Carryover 09	X					X		X	X	X	X		
3.7.3	Install web based UPS monitoring system; increase inspection interval to quarterly; purchase and install Battery On Site Spare system by the end of the first quarter	Completed								X			X		
3.7.4	Implement improvements to branch HVAC and Air Quality per 2007 engineering study	Carryover 09								X	X	X			
3.7.5	Implement improvements to Main roof per 2007 consultant study	Carryover 09						X	X	X	X				
3.7.7	Implement exterior building sign program per 2007 consultant study	Carryover 09						X	X	X	X				
3.7.8	Detail and implement annual facilities upgrades/maintenance plan	Completed						X	X	X	X				
4.1.3	Develop an 20/20 Vision Plan page on cml.org where stakeholders can access easy-to-use information on CML's 20/20 plan.	Completed			X	X	X	X							
4.1.4	Using current market penetration data, evaluate methods and targets to increase market share, and register more voters. Consider impact on in/out of county users	Completed						X				X			
4.1.6	Conduct a "Fee for Service" Study	Carryover 09				X		X	X		X	X			
4.2.1	Develop and implement a comprehensive recruitment plan including an enhanced recruiting/career website and remodel of HR space for recruiting.	Carryover 09	X	X	X			X	X	X			X		
4.2.2	Implement the HR recruitment solution and automated recruiting processes for recruitment and staffing	Carryover 09	X	X	X		X	X	X	X	X	X	X	X	
4.3.1	Identify organizational activities, services, programs and/or partnerships that do not align with CML strategic direction and coordinate their elimination	Completed	X		X		X	X	X	X	X	X	X	X	
4.3.2	Complete the implementation of the PSD Program Review Process by 2008	Carryover 09						X				X			
4.3.3	Convert outreach homebound service to a resource by mail service	Carryover 09			X			X	X	X		X			
4.4.10	Revise and automate the HR performance assessment (i.e.PACE) process for 2009	Carryover 09	X	X	X		X	X	X	X	X	X	X	X	
4.4.11	Automate Banking/Merchant services processes and related accounting reconciliations	Carryover 09						X		X		X			
4.4.12	Initiate Electronic Funds Transfer as an alternative form of payment	Completed						X		X		X			
4.4.13	Perform feasibility study and cost analysis to determine if EIPP (Electronic Invoice Presentation and Payment) should be an alternate form of payment	Completed			X						X	X			
4.4.14	Move indexing of the bibliographic databases (e.g. Picture Book Index) to technical services and integrate in the online catalog	Completed			X							X	X		
4.4.15	Determine and implement best web content management system for increased flexibility, access to larger library development community, and engagement of staff to develop CML's and other web sites.	Completed			X		X	X				X	X		
4.4.16	Complete the installation of the AV Security Solution by 2008	Completed	X							X		X			
4.4.17	Develop, maintain, implement and refine a series of three-year technology plans during each year of the strategic plan	Carryover 09						X				X	X		
4.4.18	Investigate Materials Handling Automation and participate in peer library pilot.	Carryover 09													
4.4.3	Automate Main library parking facility	Carryover 09	X					X	X	X	X	X	X	X	
4.4.4	Automate internal forms - streamline analog processes	Carryover 09	X		X				X		X				
4.4.5	Remodel, reconfigure and/or add return wall to 6 circulation desks as directed by PSD	Carryover 09	X					X		X	X	X	X		
4.4.6	Swap the locations of the Fiction and AV collections to allow for Main Circ, Infoline and HFAR teams to staff service points on single floors. Consolidate Infoline/Rovers work and staff space into one area. Replace remaining carpet at Main.	Carryover 09	X					X		X	X	X	X		
4.4.8	Implement "Smart Registers" to automate daily and weekly cash reporting	Carryover 09			X		X				X	X	X		

Columbus Metropolitan Library

Tactic #	Tactic Descriptions	Carryover	The Blue Zone												
		Completed	Effectuated Functional Areas												
		Project Status	HR	EXEC	DS	FOL	CMLF	OD	CR&D	PMQ	PM	FIN	PSD	IT	TS
4.4.9	Implement replacement hardware and designated custom programming from user gap lists as outlined by the first year of the DP Roadmap.	Carryover 09			X			X	X				X	X	X
4.5.1	Carry out the installations of the new audio-visual/presentation equipment in rooms that were reviewed (e.g. Auditorium)	Completed						X		X			X	X	
4.5.10	Assess networking services (including directory services, platform for files/print/email). Form a 3 year roadmap of network enhancements and redesign, and implement first year's changes.	Completed			X									X	
4.5.11	Revitalize Main Library break room to include new furniture and paint.	Completed	X					X	X		X	X	X		
4.5.12	Implement best practices processes and technology to ensure CML data is protected (ex. File encryption on laptops).	Completed												X	
4.5.13	Investigate and implement a standard database platform	Completed			X									X	
4.5.14	Utilize server virtualization technology to reduce reliance on physical hardware	Completed			X									X	
4.5.15	Review LearnerWeb, and implement a training/learning portal (a.k.a. learning management system or LMS) that centers has personalization for staff and is highly usable	Completed						X						X	
4.5.16	Determine technical standards and form plan for implementing web infrastructure that produces exceptionally well-integrated web sites.	Completed			X				X					X	
4.5.2	Lease new surplus warehouse space and initiate revised surplus furniture procedures	Completed			X					X	X	X	X	X	
4.5.4	Select and implement contract management software; streamline contract management procedures.	Carryover 09			X				X		X		X		
4.5.5	Implement the dashboard module of the IFAS system	Completed			X				X		X		X		
4.5.6	Implement the document online modules of the IFAS system	Completed			X				X		X		X		
4.5.7	Develop a comprehensive, organization-wide strategy in order to provide improved access to documents, including scanned and electronic	Carryover 09	X	X					X		X	X	X		
4.5.8	Standardize/establish account coding dedicated to true capital projects resulting in a streamline purchase identifier (description) to easily identify assets for the fixed asset database in compliance with CML policy.	Completed									X				
4.5.9	Implement best practices regarding data storage and up time	Completed												X	
4.6.2	Continue to align CMLF, FOL and CML strategic plans	Completed		X	X	X		X			X	X	X		
4.6.3	Redesign the CMLF website to more actively engage online giving	Completed			X	X	X	X						X	
4.6.4	Implement the development plan that results from work with Development Task Force and Benefactors Counsel, Inc.	Completed	X	X	X	X	X	X	X	X	X	X	X	X	X
4.6.5	Redesign the FOL website to more accurately align the FOL/CML brands	Completed		X	X	X								X	
4.7.1	Prioritize strategic process improvement projects and implement (obtained from the 2008 tactical plan)	Carryover 09							X		X				
4.7.3	Review, revise and develop system level performance measures to track short and long term goals	Carryover 09		X					X		X				
4.8.1	Implement the COSO Risk Management framework which identifies operational and financial areas of risk	Carryover 09	X	X	X			X	X	X	X	X	X	X	X
4.8.2	Develop and implement a disaster recovery plan	Carryover 09	X	X	X			X	X	X	X	X	X	X	X
4.8.3	Develop a strategy for centralized, unified and standardized shipping, receiving and distribution functions at Main Library to be implemented in 2009	Carryover 09						X	X	X	X	X	X		
5.1.1	Complete CML Organization Climate Survey	Completed	X	X				X	X						
5.1.3	Elevate volunteer recognition at CML	Completed	X	X				X	X				X		
5.1.4	Develop and implement a comprehensive diversity plan	Carryover 09	X	X	X			X	X	X	X	X	X	X	X
5.1.5	Strengthen security and identification awareness by placing and maintaining all staff personnel photos on CMLsi	Completed	X	X	X			X	X	X	X	X	X	X	X
5.1.6	Develop, prioritize, communicate and implement the annual curriculum plan	Carryover 09	X					X	X					X	
5.1.7	Investigate opportunities to utilize simulators to make Discovery Place online training a real world experience for staff	Carryover 09			X			X					X	X	
5.1.8	Offer options for system-wide software training and recorded playback of classes via the virtual classroom by incorporating tele/web/videoconferencing	Carryover 09						X						X	
5.1.9	Implement a training assessment tool that allows CML to create custom quizzes	Completed						X						X	
5.2.1	Create and offer basic technology and internet trouble shooting courses for staff	Carryover 09						X	X				X	X	
5.2.2	Create and offer training on Web 2.0 for strategically selected staff	Carryover 09			X			X	X				X	X	
5.2.3	Provide distance learning options for training track requirements	Carryover 09						X	X					X	
5.2.4	Implement a technology training plan for our staff to include training on technology that our customers use inside and outside the library (i.e. Learning 2.0)	Completed			X			X	X				X	X	
5.2.5	Develop certification and funding requirements for select staff positions	Completed	X	X	X			X	X	X	X	X	X	X	X
5.3.1	Collaborate on identification and rollout of project management methodology and tools. Create, implement, and train project management methodology and tools	Completed	X					X	X	X	X	X	X	X	
5.4.1	Implement recommendations of Main Library Cross Training Taskforce for reference orientation training at all Main divisions for information PSD staff	Completed						X					X		
5.4.3	Develop and implement a coordinated strategy for Reader's Advisory training in all areas (fictions, nonfiction, juvenile/teen, etc) to help staff connect readers with great material	Completed						X					X		

Columbus Metropolitan Library

Tactic #	Tactic Descriptions	Carryover	The Blue Zone												
		Completed	Effectuated Functional Areas												
		Project Status	HR	EXEC	DS	FOL	CMLF	OD	CR&D	PMO	PM	FIN	PSD	IT	TS
5.5.1	Implement Managerial Training and Development for 100 Managers	Carryover 09	x	x	x			x	x	x	x	x	x	x	x
5.5.4	Targeted staffing structure metrics are developed for information and technology public service tasks in PSD by 2008	Completed	x		x					x			x		
5.6.2	Create the 2008-2010 Wellness Plan, implement activities for 2008	Carryover 09	x		x	x	x	x	x	x	x	x	x	x	
5.7.1	Implement the Facilities Plan Master Communication Plan	Carryover 09	x	x	x	x	x	x	x	x	x	x	x	x	

ECONOMIC CONDITIONS AND OUTLOOK

The Library is located entirely within the City of Columbus and Franklin County, Ohio. Columbus, the largest city in the state, is one of the top growth areas of the country. The population of the county has grown steadily as evidenced by the following chart:

<u>Population Growth</u>	<u>City of Columbus</u>	<u>Franklin County, Ohio</u>
1980	566,800	869,132
1990	632,910	961,437
2000	711,470	1,068,978
2010*	Not Available	1,155,911
2020*	Not Available	1,238,250
2030*	Not Available	1,326,180

Source: Sales & Marketing Management; U.S. Department of Commerce, Bureau of Census; Ohio Department of Development, Office of Strategic Research

* - projected

The usually diverse and strong economy of the Columbus Metropolitan Area continued to show signs of economic stability through 2008. Annual unemployment in Franklin County was 5.5%, which is lower than the State of Ohio rate of 6.5% and is comparable to the United States rate of 5.8%.

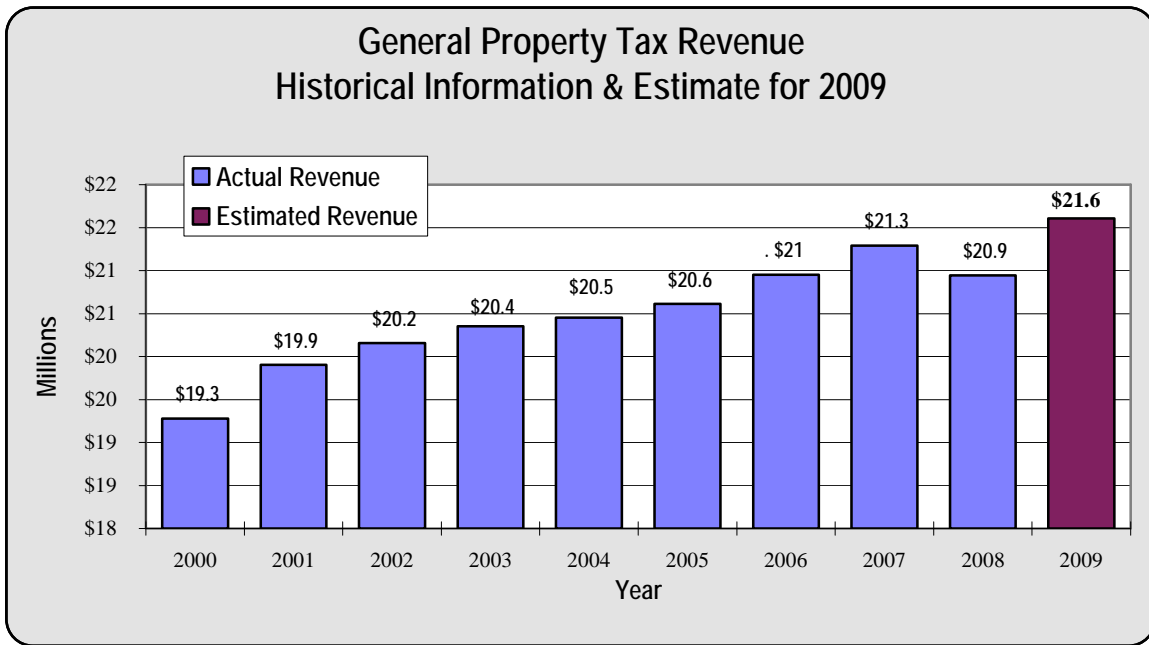
However, there is concern of future strength as the US economy shows signs of recession and deals with the impact of the recent housing and credit crisis. As of March, 2009, the most recent data available, the United States unemployment rate has increased to 8.1% and the State of Ohio unemployment rate has increased to 9.5%. Meanwhile, the Franklin County unemployment rate for February 2009 (the most recent county data available) is below both the state and national rates at 7.7%.

Source: Ohio Department of Job and Family Services

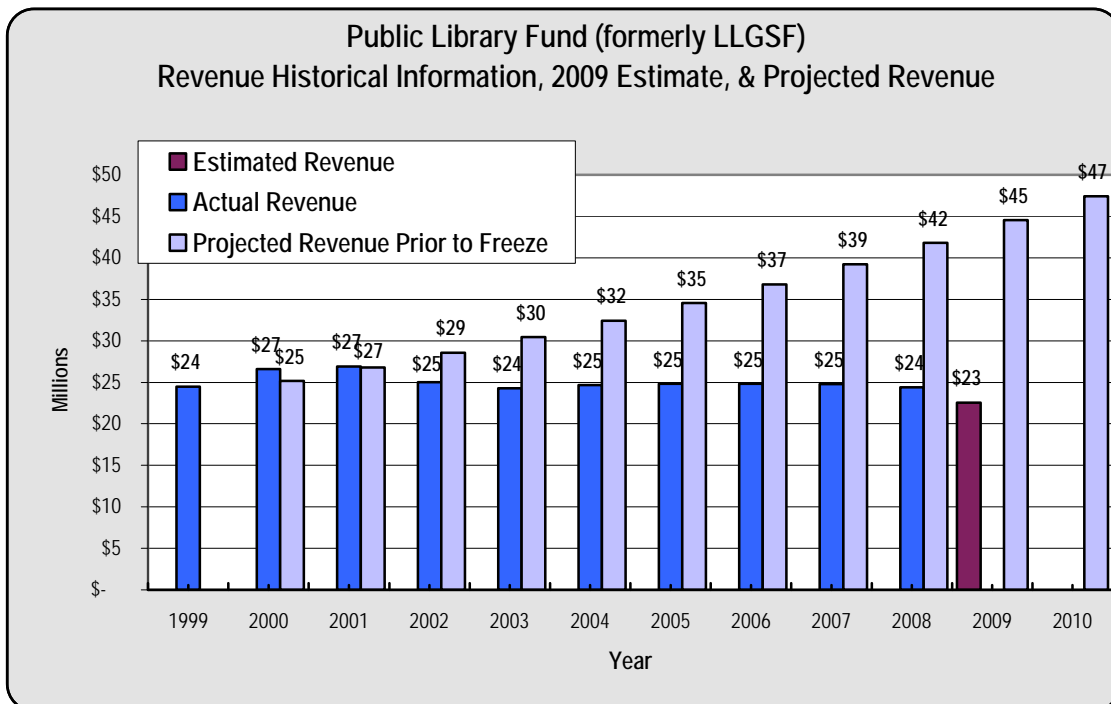
LONG-TERM FINANCIAL PLANNING

A major source of revenue for the Library is the revenue generated by the 2.2 mill property tax levy. In November 2000, this levy was renewed by the voters in the Library's taxing district for another ten-year period. As the following chart shows, property taxes continue to be the most dependable and stable source of revenues for the Library.

Columbus Metropolitan Library

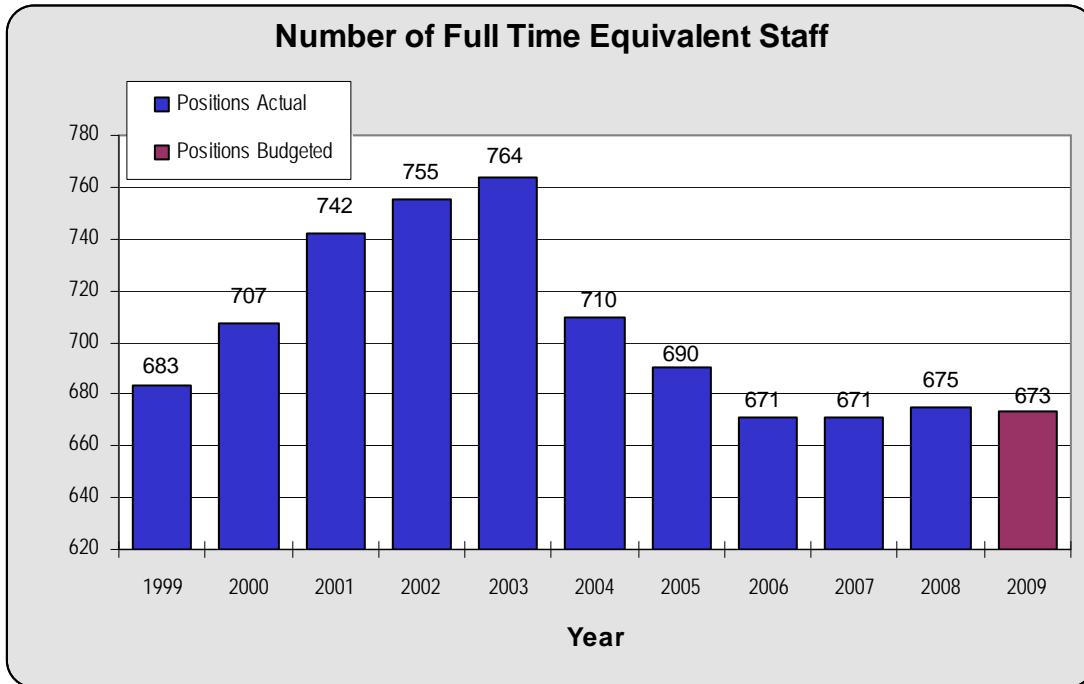


The following chart shows the effect of changes in State of Ohio funding over the past several years. This source of revenue had been increasing at a significant pace until 2001 and had been projected to continue going forward. However, due to the several years of economic downturn, the State froze their funding in 2001. This freeze was in effect through 2007. Effective January, 2008 state legislation changed their funding source to 2.22% of all types of the state's General Revenue Fund tax revenues. While the diversity of revenue types was intended to provide future growth to this fund, current economic conditions have provided modest growth in 2008 that looks to continue through 2009.

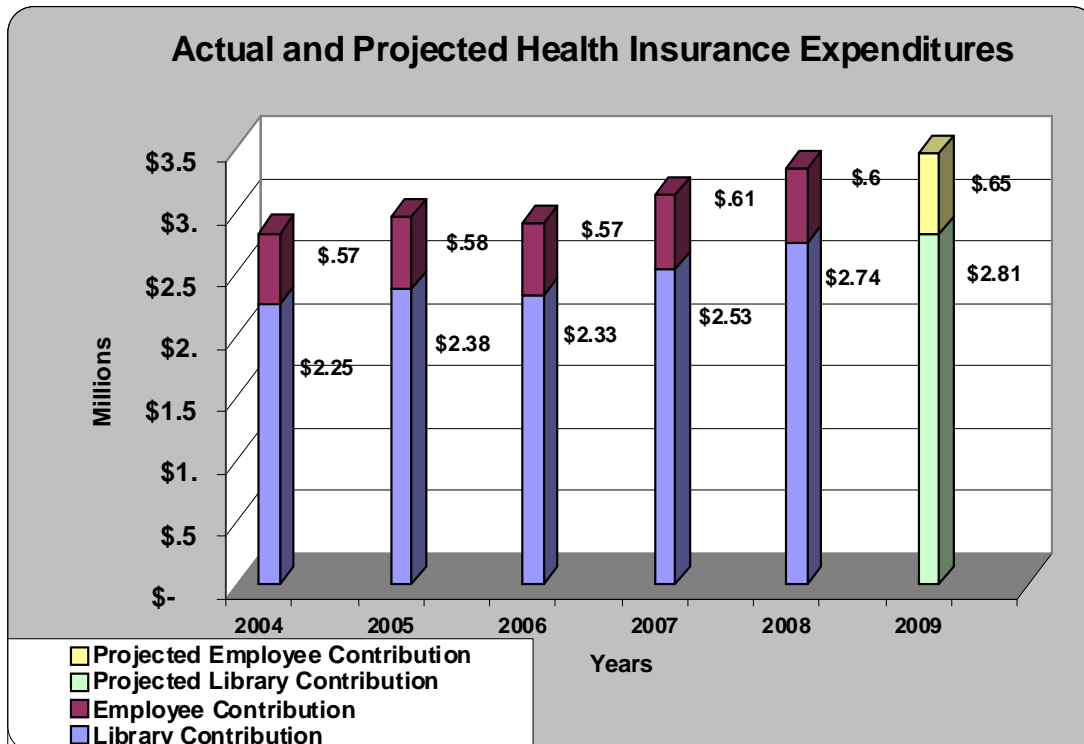


Columbus Metropolitan Library

One area of concern is the continued rise in the cost of staffing and employee benefits, especially health insurance coverage. The following chart shows the Library's effort to reduce vacant positions through the use of process efficiencies and automation. The Library has committed to reducing staff only through attrition and not layoffs.

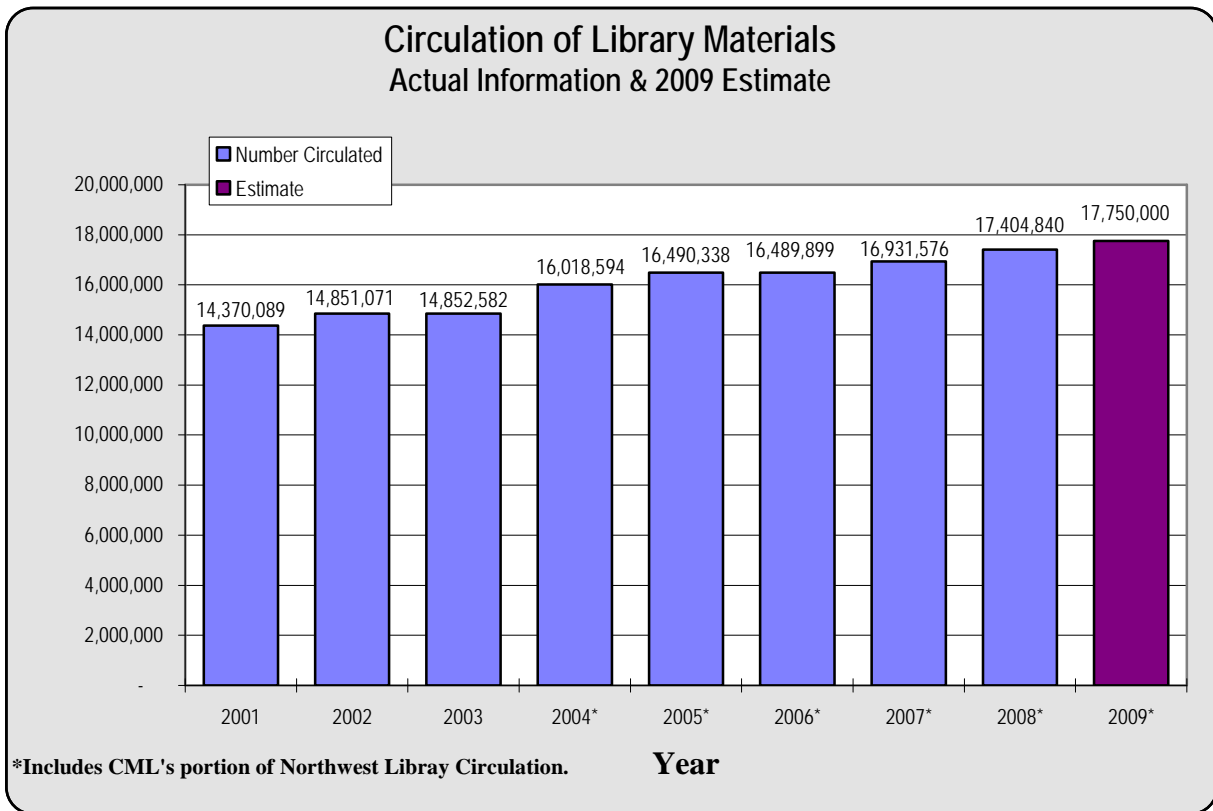


Even with decrease in staffing levels, the cost of health insurance still continues to increase. The following chart shows the rapid increase to both the Library and to the employee.



Columbus Metropolitan Library

Decreased State funding, staff reductions and increasing costs are all occurring at a time when the demand for services is at an all-time high, as the following chart documents.



FINANCIAL INFORMATION

Financial Reporting Model

The Library prepares its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units – and amendment to GASB Statement No. 14*. GASB Statement No. 34 requires reporting on the Library's financial activities as follows:

Government-wide financial statements. These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by business.

Fund financial statements. These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in one column. These statements are prepared on a modified accrual basis of accounting and include a reconciliation to the information presented in the government-wide statements.

Statement of budgetary comparison. This statement presents a comparison of actual information to the legally adopted budget.

Columbus Metropolitan Library

Accounting System and Budgetary Control

The Library's budget and accounting system is organized on a "fund basis". Each fund is a separate, self-balancing accounting entity. For annual financial statement purposes, the Library reports on a Generally Accepted Accounting Principal (GAAP) basis. For budgetary purposes, the financial records are maintained in a budgetary (cash plus encumbrances) basis of accounting. This means revenues are recorded when received in cash, expenditures are recorded when paid in cash and encumbrances are recorded as a reservation of an appropriation balance.

The Board of Trustees of the Library (the Board) reviews and approves the budget prior to the beginning of each year and establishes the appropriations for each fund.

Once the Board has approved the annual budget, the Library administration makes further breakdowns of estimated revenues and appropriations to the lower object and subobject levels. The budget is then subdivided into departments, divisions and sections to further control expenditures and encumbrances.

After the Board has adopted the budget, any amendments which will re-appropriate funds between Salary & Benefits and All Other Expenditure types (Supplies, Library Materials, Purchased Services, etc.) requires Board approval.

Budgetary and Financial Policies

All budgetary and financial policies are established by Ohio law and/or the Library Board. Budgetary procedures are established by the Library's Fiscal Officer. The implementation of policies and procedures is the responsibility of the Library's Executive Director and Fiscal Officer. The following are the significant financial policies of the Library:

Applies to All Funds:

- A temporary budget may be adopted prior to January 1 each year for all funds. The final budget for the year must be filed with the Franklin County Budget Commission by April 1, in accordance with Ohio law.
- Appropriations, when established for multiple-year projects, are for the life of the project and lapse only when the project is closed. For annual budgeting purposes, the remaining appropriation balance in each of these projects is reappropriated at the beginning of each budget year.
- The level at which the Board approves each budget becomes the "legal level of control." This is the level at which transfers of appropriation requires Board action. For the General Fund, the Board approves the budget at the Salaries & Benefits and Other Expenditures (Supplies, Purchased/Contracted Services, Library Materials, etc.) levels. All other funds are budgeted at the total expenditure level.
- The permanent budget may be amended or supplemented after being adopted, as new information becomes available later in the year. The Board must authorize all amendments or supplements to the budget. Cash transfers between funds also require the Board's approval.
- The County Budget Commission provides, on an annual basis, a Certificate of Estimated Resources. This document controls the maximum amount that can be appropriated for each fund. It lists the beginning balance in each fund, provides the tax collection estimate for each fund, and shows other revenues estimated by the Library. The Library's maximum annual

Columbus Metropolitan Library

appropriations are controlled by this document. The Library may request that this document be amended during the year if revenues are lower or higher than first anticipated.

- All rates for patron fines, fees, and charges are established by the Board.
- Purchase orders and contracts outstanding and unpaid at the end of each year are automatically re-encumbered and reappropriated at the beginning of the succeeding budget year.
- Library cash is pooled for investment purposes. All investments and interest earned on investments are credited to each fund in accordance with Library Board policy.
- Library revenues and expenditures are monitored and reported to the Board monthly by the Library's Fiscal Officer to determine if they are on target with estimates.

Applies to only the General Fund:

- The Board of Trustees has mandated a "balanced" budget, where operating expenditures cannot exceed anticipated revenues. Operating expenditures does not include one-time or infrequent equipment purchases or the transfer of monies to the Capital Projects Fund for future projects.

Applies to only the Capital Projects Fund:

- This fund is used to account for major capital projects only, typically defined as individual projects with a budget in excess of \$50,000.
- It is the Board's policy that for each Library branch construction project, one percent of the construction costs shall be appropriated for the purchase of "artwork."
- Whenever real property is sold, the proceeds are credited to the Capital Projects Fund.

RISK MANAGEMENT

The Library is part of a statewide plan for workers' compensation insurance coverage. Additionally, the Library carries property insurance, liability and excess liability insurance coverage as well as officers' and directors' liability insurance. In addition, all employees are covered under a blanket bond.

The Library is self-insured for employee health care. To account for and finance its uninsured health claims, the Library established the Self-Insurance Fund (an internal service fund). All departments of the Library participate in the program and make payments to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay current and future claims. The Library has purchased specific stop loss insurance for claims which exceed \$100,000 per covered individual in one year and aggregate stop loss coverage at 125% of annual estimated claims.

PENSION BENEFITS

All employees of the Library are required to participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

1. The Traditional Pension Plan (TP) – a cost-sharing, multiple employer defined benefit pension plan.
2. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20%

Columbus Metropolitan Library

per year). Under the MD Plan, members accumulate retirement assets equal to the value of member (and vested) employer contributions plus any investment earnings thereon.

3. The Combined Plan (CO) – a cost-sharing, multiple-employer defined benefit pension plan. Under the CO Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP Plan and the CO Plan. Members of the MD Plan do not qualify for ancillary benefits.

In addition to the pension benefits described above, OPERS also provides post-retirement health care benefits to qualifying members of the TP Plan and the CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available.

See Note 7 for additional pension information.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Columbus Metropolitan Library for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007. This is the twenty-second (22nd) consecutive year that the Library has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

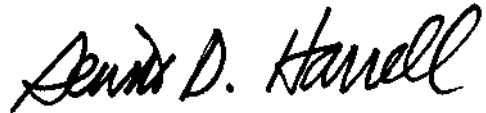
ACKNOWLEDGMENTS

While many individuals have contributed to the preparation of this report, special thanks are extended to Todd Daughenbaugh, CGFM, CPA, Manager of Fiscal Services; Wendy Mohr, Senior Accountant, Kimberly Hampton, Sr. Business Analyst, and the entire staff of the Fiscal Services Division of the Finance Department.

Columbus Metropolitan Library

I also wish to express my appreciation to the Executive Leadership Team and the members of the Board of Trustees for their continued interest and support in planning and conducting the financial operations of the Library in a responsible and progressive manner.

Sincerely,

A handwritten signature in black ink that reads "DeWitt D. Harrell". The signature is written in a cursive style with a large, prominent initial "D".

DEWITT HARRELL
Chief Financial Officer/Fiscal Officer

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Columbus Metropolitan Library
96 South Grant Street
Columbus, Ohio 43215

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Metropolitan Library (the Library), Franklin County, Ohio, as of and for the year ended December 31, 2008, 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 an opinion 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Columbus Metropolitan Library, Franklin County, Ohio as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2009, on our consideration of 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

KENNEDY COTTRELL RICHARDS LLC

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

May 4, 2009

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2008 (unaudited)

As management of the Columbus Metropolitan Library (the Library), we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Columbus Metropolitan Library for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the financial statements, and the notes to the financial statements.

Financial Highlights

Key financial highlights for the fiscal year 2008 are as follows:

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by \$89,877,638. Of this amount, \$11,259,145 was unrestricted and may be used to meet the Library's ongoing obligations.
- The Library's net assets decreased by \$4,238,950 or 4.5%.
- Of the \$51,085,787 in total revenues, general revenues accounted for \$47,107,587 or 92.2%. Program specific revenues in the form of charges for services, grants and contributions accounted for \$3,978,200 or 7.8%.
- The Library had \$55,324,737 in expenses related to governmental activities; 7.2% of these expenditures were offset with program specific revenues. The remaining 92.8% was provided by general revenues of the Library, including Property Taxes, State of Ohio shared revenues and investment earnings.
- The Library has two major funds: the general fund and the capital projects fund. Under the modified basis of accounting, the general fund had \$48,866,390 in revenues and \$51,807,714 in expenditures, resulting in a decrease in fund balance of \$2,941,324. The capital projects fund had \$134,953 in revenues and \$1,860,829 in expenditures, resulting in a decrease in fund balance of \$1,725,876.
- At the end of the fiscal year, the unreserved fund balance in the general fund was \$6,089,229. This represents 73.2% of total fund balance and 11.8% percent of 2008 general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to private-sector business.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2008 (unaudited)

The Statement of Net Assets presents information on all of the Library's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The Statement of Activities presents information showing how the Library's net assets changed during the most recent fiscal year. All changes to net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses reported in the statement for some items will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused leave).

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 Library uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The funds of the Library are divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds focus on the near-term inflows and outflows of spendable financial resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Library's near-term financing requirements.

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, a reader 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 Library maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds

The Library's only proprietary fund is the self-insurance fund. The self-insurance fund is an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Library's various functions. The service provided by this fund benefits the governmental funds and has been included within governmental activities in the government-wide financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2008
(unaudited)

Government-wide Financial Analysis

The Statement of Net Assets provides the perspective of the Library as a whole. Table 1 provides a summary of the Library's net assets for 2008 compared to 2007. See note 11 for restatement details.

Table 1
Net Assets

	Governmental Activities	
	2008	2007, Restated
Assets		
Current and Other Assets	\$ 48,533,623	\$ 51,653,635
Capital Assets	<u>69,437,656</u>	<u>70,477,531</u>
Total Assets	<u>\$117,971,279</u>	<u>\$122,131,166</u>
Liabilities		
Long-Term Liabilities	2,631,314	2,350,446
Other Liabilities	<u>25,462,327</u>	<u>25,664,132</u>
Total Liabilities	<u>28,093,641</u>	<u>28,014,578</u>
Net Assets		
Invested in Capital Assets	69,437,656	70,477,531
Restricted	9,180,837	11,011,649
Unrestricted	<u>11,259,145</u>	<u>12,627,408</u>
Total Net Assets	<u>\$ 89,877,638</u>	<u>\$ 94,116,588</u>

Total assets decreased \$4,159,887. Equity in Pooled Cash and Cash Equivalents decreased \$3,825,996, or 15.3%, due to the effects of operations and Net Capital Assets decreased \$1,039,875, or 1.5%, primarily due to deletions and depreciation expenses. Total liabilities increased \$79,063.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2008
(unaudited)

Table 2 shows a comparison of the changes in net assets for the fiscal year ended December 31, 2008 compared to December 31, 2007.

	Governmental Activities	
	2008	2007
Revenues		
Program Revenues		
Charges for Services	\$ 3,683,248	\$ 4,037,076
Operating Grants, Contributions and Interest	294,952	130,556
General Revenue		
Property Taxes	17,530,349	18,233,344
Intergovernmental	28,487,444	16,019,512
Investment Earnings	<u>1,089,794</u>	<u>1,495,748</u>
Total Revenues	\$ <u>51,085,787</u>	\$ <u>39,916,236</u>
Program Expenses		
Public Service	34,999,765	34,198,334
Administrative and Support	<u>20,324,972</u>	<u>19,428,007</u>
Total Expenses	<u>55,324,737</u>	<u>53,626,341</u>
Increase (decrease) in Net Assets	\$ <u>(4,238,950)</u>	\$ <u>(13,710,105)</u>

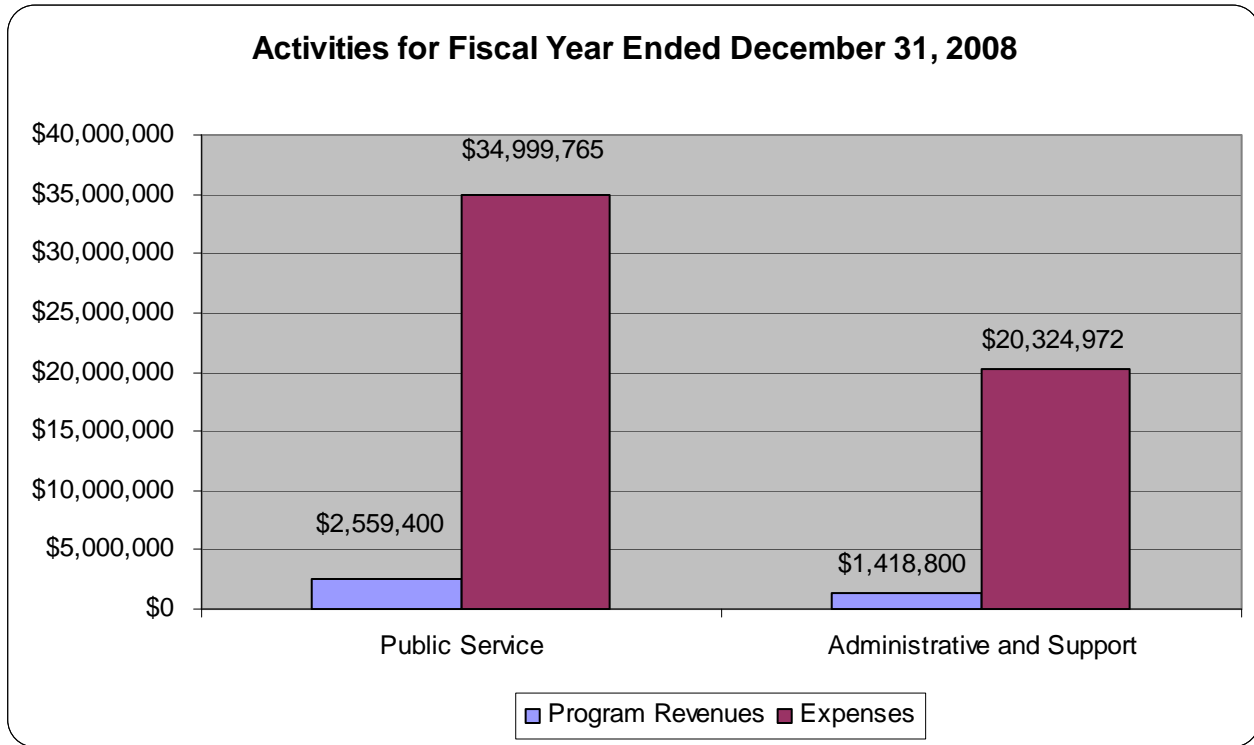
A major source of funding for the Library is money received from the State of Ohio's Public Library Fund (PLF). The source of money for this fund comes from a percentage of the state taxes collected in Ohio including, state income tax and sales tax.

Based on this formula a percentage of this fund is distributed to each county for use by the public library districts within that county. Within Franklin County there are seven (7) public library districts that share this revenue. Each library's share of the fund is established by the Budget Commission. The Budget Commission uses a formula to determine each Library's share of the money; however, the use of a formula is not mandatory under Ohio law. This formula was negotiated and agreed to by each of the library districts within the county. Based on the formula, the Library received 59.82% in 2008.

Another major source of revenue for the Library is the revenue generated by the 2.2 mill property tax levy. In November 2000, this levy was renewed by the voters in the Library's taxing district for another ten-year period.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2008
(unaudited)



The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and state shared revenues.

Table 3
Governmental Activities

	<u>Total Cost of Services – 2008</u>	<u>Total Cost of Services – 2007</u>	<u>Net Cost of Services – 2008</u>	<u>Net Cost of Services – 2007</u>
Program Expenses				
Public Service	\$ 34,999,765	\$ 34,198,334	\$ 32,440,365	\$ 31,649,430
Administrative and Support	<u>20,324,972</u>	<u>19,428,007</u>	<u>18,906,172</u>	<u>17,809,279</u>
Total	\$ <u>55,324,737</u>	\$ <u>53,626,341</u>	\$ <u>51,346,537</u>	\$ <u>49,458,709</u>

The above schedule clearly shows the dependence upon tax revenues and state subsidies for governmental activities. Program revenues, such as charges for services, grants and contributions, cover only 7.2% of the expenses related to the activities performed by the Library. The remaining 92.8% of expenses is provided through taxes, intergovernmental revenues, and investment earnings.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2008 (unaudited)

Fund Financial Analysis

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Library's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Library. At December 31, 2008, \$6,089,229 of the Library's ending fund balance represents the unreserved portion of the general fund, which is available for spending at the Library's discretion. This unreserved fund balance represents 11.8 percent of 2008 general fund expenditures.

On the Balance Sheet, equity in pooled cash and cash equivalents decreased \$3,291,256, or 29.2%, primarily due to the effects of 2008 operations. Accounts payable decreased \$338,979 or 15.3% and accrued liabilities decreased \$144,114, or 10.8%, due to the timing of payments at year end 2008.

On the Statement of Revenues, Expenditures and Changes in Fund Balances, property tax revenue decreased \$1,792,556, or 9.8%. A portion of this decrease is due to the increase in delinquent property taxes remaining uncollected. In addition, the State of Ohio is phasing out the collection of personal property taxes. The State has committed to hold the library 'harmless' by offsetting lost tax revenue through an increase in state shared revenue.

Intergovernmental revenues increased \$5,950,470, or 26.4%. 2007 legislation changes in the way the State of Ohio funds libraries resulted in a one-time reduction in realized revenue during 2007. 2008 represents an entire year of collection. In addition, the Library received additional state shared revenue related to the phase out of personal property taxes described above.

At December 31, 2008, the capital projects fund had an ending fund balance of \$5,571,885 available to complete current projects and provide funding for future projects.

On the Balance Sheet, equity in pooled cash and cash equivalents decreased \$1,501,206, or 16.9%, primarily due to the effects of 2008 operations.

On the Statement of Revenues, Expenditures and Changes in Fund Balances, investments earnings decreased \$514,185, or 100%, due to a change in how investment earnings are allocated across the funds. Beginning January 1, 2008, the Capital Projects Fund no longer received interest earnings from pooled cash and investments.

As of December 31, 2008, the Library's governmental funds reported combined ending fund balances of \$17,108,294, a decrease of \$4,577,323 in comparison to the prior year. All governmental funds had total revenues of \$49,918,766 and expenditures of \$54,409,368.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2008
(unaudited)

General Fund Budgeting 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.

For the general fund, budget basis revenue was \$49,101,229, which was short of the estimate of \$51,770,000 by \$2,668,771. \$1,280,967, or 48.0%, of this short-fall is contributed to an increase of property tax delinquencies. The \$500,954 related to investment earnings was a result of current economic conditions.

For the general fund, budget basis expenditures were \$52,142,860, which was below the estimate of \$54,393,000. Of this \$2,250,140 difference, \$1,117,358, or 49.7%, is due to salaries and benefits savings and \$624,793 was due to lower than anticipated purchased service costs.

The Library's ending Fund Balance is \$4,638,060.

Capital Assets

At the end of fiscal year 2008, the Library had \$69,437,656 invested in capital assets. Table 4 shows fiscal ended December 31, 2008 compared to December 31, 2007.

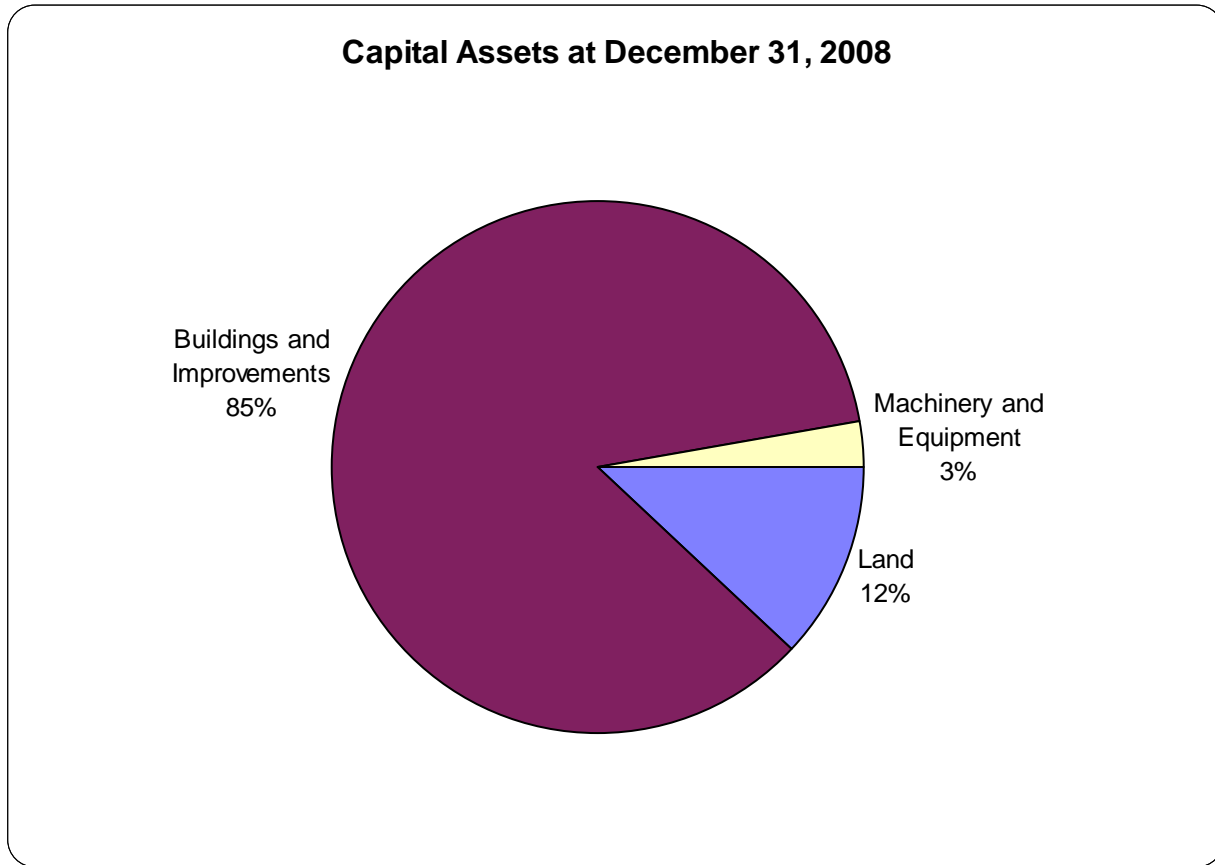
Table 4
Capital Assets at December 31,
(Net of Depreciation)

	Governmental Activities	
	2008	2007
Land	\$ 8,383,033	\$ 8,325,279
Buildings and Improvements	59,121,688	60,248,954
Machinery and Equipment	<u>1,932,935</u>	<u>1,903,298</u>
Totals	\$ <u>69,437,656</u>	\$ <u>70,477,531</u>

During 2007, the Library invested \$386,079 in additional Capital Assets. See Note 6 for additional capital asset information.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2008
(unaudited)



Economic Factors

Recent legislation is eliminating the Personal Property portion of the tax levy. This portion of the tax will be phased out through 2017. While the State has committed to make the Library whole through the remainder of our current property tax levy, future levies may need to be adjusted to compensate for this lost revenue.

In addition, the recent difficulties of the housing market have led to higher delinquencies. For 2008, the Library collected only 87.2% of levied taxes, representing slightly more than a \$2.5 million shortfall in collections for the year.

Furthermore, the source of the PLF is 2.22% of all types of the state's General Revenue Fund tax revenues. While the diversity of revenue types was intended to provide future growth to this fund, current fiscal conditions has resulted in a decrease in state tax collections and, therefore, a corresponding decrease in Library revenue.

Contacting the Library's Financial Management

This financial report is designed to provide our citizen's and taxpayers with a general overview of the Library's finances and to show the Library's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Mr. Todd Daughenbaugh, CGFM, CPA, Deputy Fiscal Officer/Manager of Fiscal Services at Columbus Metropolitan Library, 96 South Grant Ave., Columbus, Ohio 43215 or by e-mail at tdaughenbaugh@columbuslibrary.org.

COLUMBUS METROPOLITAN LIBRARY
Statement of Net Assets
December 31, 2008

	Primary Government Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 21,101,550
Receivables	26,570,469
Prepays	861,604
Capital Assets, Nondepreciable	8,383,033
Capital Assets, Net of Depreciation	61,054,623
Total Assets	117,971,279
LIABILITIES	
Accounts Payable	2,548,647
Unearned Revenues	21,662,590
Accrued Liabilities, current	1,221,367
Compensated Absences, due within twelve months	29,723
Compensated Absences, due beyond twelve months	2,631,314
Total Liabilities	28,093,641
NET ASSETS	
Invested in Capital Assets	69,437,656
Expendable - Restricted for:	
Land Development	1,479,181
Restricted Donations	217,396
Capital Projects	7,411,722
Permanent Fund	4,796
Non-Expendable - Restricted for:	
Permanent Fund	67,742
Unrestricted	11,259,145
Total Net Assets	\$ 89,877,638

The notes to the financial statements are an integral part of this statement.

COLUMBUS METROPOLITAN LIBRARY
Statement of Activities
For the Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Program Revenues</u>			Net (Expense)
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	Revenue and
Primary Government:		<u>Services</u>	<u>Grants and</u>	Changes in
Governmental Activities			<u>Contributions</u>	Net Assets
General Government:				
Public Service	\$ 34,999,765	\$ 2,264,448	\$ 294,952	\$ (32,440,365)
Administrative and Support	20,324,972	1,418,800	-	(18,906,172)
Total Governmental Activities	\$ 55,324,737	\$ 3,683,248	\$ 294,952	(51,346,537)

General Revenues:	
Property Taxes	17,530,349
Intergovernmental, Unrestricted	28,487,444
Unrestricted Investment Earnings	1,089,794
Total General Revenues	<u>47,107,587</u>
Change in Net Assets	(4,238,950)
Net Assets - Beginning	94,203,309
Restatement - See Note 11	(86,721)
Net Assets - Ending	<u>\$ 89,877,638</u>

The notes to the financial statements are an integral part of this statement.

COLUMBUS METROPOLITAN LIBRARY
Balance Sheet
Governmental Funds
December 31, 2008

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 7,972,567	\$ 7,407,013	\$ 1,784,486	\$ 17,164,066
Receivables	26,512,471	-	40,165	26,552,636
Prepays	835,835	-	25,769	861,604
Total Assets	<u>\$ 35,320,873</u>	<u>\$ 7,407,013</u>	<u>\$ 1,850,420</u>	<u>\$ 44,578,306</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,870,229	\$ 381,370	\$ 7,416	\$ 2,259,015
Accrued Liabilities	1,186,758	-	64,332	1,251,090
Deferred Revenue	23,950,350	-	9,557	23,959,907
Total Liabilities	<u>27,007,337</u>	<u>381,370</u>	<u>81,305</u>	<u>27,470,012</u>
Fund Balances:				
Reserved for:				
Encumbrances	1,388,472	1,453,758	340	2,842,570
Prepays	835,835	-	25,769	861,604
Endowments	-	-	67,742	67,742
Unreserved, Special Revenue	-	-	1,670,468	1,670,468
Unreserved, Capital Projects	-	5,571,885	-	5,571,885
Unreserved, Permanent	-	-	4,796	4,796
Unreserved	6,089,229	-	-	6,089,229
Total Fund Balances	<u>8,313,536</u>	<u>7,025,643</u>	<u>1,769,115</u>	<u>17,108,294</u>
Total Liabilities and Fund Balances	<u>\$ 35,320,873</u>	<u>\$ 7,407,013</u>	<u>\$ 1,850,420</u>	<u>\$ 44,578,306</u>

The notes to the financial statements are an integral part of this statement.

COLUMBUS METROPOLITAN LIBRARY
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2008

Total Fund Balances for Governmental Funds	\$	17,108,294
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		69,437,656
Long-term liabilities, such as the long-term portion of compensated absences, are not due and payable in the current period therefore not reported in the governmental funds.		(2,631,314)
Assets of the internal service fund that primarily serve governmental funds		3,955,317
Liabilities of the internal service fund that primarily serve governmental funds		(289,632)
Liabilities for revenue earned, but uncollected		2,297,317
Net Assets of Governmental Activities	<u>\$</u>	<u>89,877,638</u>

The notes to the financial statements are an integral part of this statement.

COLUMBUS METROPOLITAN LIBRARY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 16,515,427	\$ -	\$ -	\$ 16,515,427
Intergovernmental	28,487,444	-	-	28,487,444
Fines and Fees	2,041,208	-	-	2,041,208
Investment Earnings	743,805	-	63,151	806,956
Charges for Services	874,544	-	674,995	1,549,539
Contributions and Donations	1,244	134,953	159,999	296,196
Miscellaneous	202,718	-	19,278	221,996
Total Revenues	<u>48,866,390</u>	<u>134,953</u>	<u>917,423</u>	<u>49,918,766</u>
EXPENDITURES				
Current:				
Public Service	33,215,530	27,898	142,373	33,385,801
Administrative and Support	17,731,506	566,030	584,938	18,882,474
Capital Outlay	860,678	1,266,901	13,514	2,141,093
Total Expenditures	<u>51,807,714</u>	<u>1,860,829</u>	<u>740,825</u>	<u>54,409,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,941,324)</u>	<u>(1,725,876)</u>	<u>176,598</u>	<u>(4,490,602)</u>
Net Changes in Fund Balances	(2,941,324)	(1,725,876)	176,598	(4,490,602)
Fund Balances at Beginning of Year	11,254,860	8,838,240	1,592,517	21,685,617
Restatement (See Note 11)	-	(86,721)	-	(86,721)
Funds Balance End of Year	<u>\$ 8,313,536</u>	<u>\$ 7,025,643</u>	<u>\$ 1,769,115</u>	<u>\$ 17,108,294</u>

The notes to the financial statements are an integral part of this statement.

COLUMBUS METROPOLITAN LIBRARY
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2008

Net Change in Fund Balances - Total Governmental Funds	\$ (4,490,602)
Amounts reported for governmental activities in the statement of activities are different because:	
Eliminate capitalizable expenditures incurred for the acquisition or construction of capital assets.	386,079
Reverse prior year revenue earned during the prior period.	(1,319,796)
Depreciation expense.	(1,744,223)
Net revenue of internal service fund activities.	442,775
Record internal service fund revenues and expenses not subject to consolidation.	152,099
Revenue earned, but uncollected	2,334,718
Change in Net Assets of Governmental Activities	\$ (4,238,950)

The notes to the financial statements are an integral part of this statement.

COLUMBUS METROPOLITAN LIBRARY
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP) and Actual
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property Taxes	\$ 17,522,936	\$ 17,522,936	\$ 16,840,141	\$ (682,795)
Intergovernmental	29,807,312	29,807,312	28,526,345	(1,280,967)
Fines and Fees	2,200,000	2,200,000	2,067,899	(132,101)
Charges for Services	690,459	690,459	739,085	48,626
Investment Earnings	1,222,793	1,222,793	721,839	(500,954)
Contributions and donations	40,000	40,000	1,244	(38,756)
Miscellaneous	286,500	286,500	204,676	(81,824)
Total Revenues	<u>51,770,000</u>	<u>51,770,000</u>	<u>49,101,229</u>	<u>(2,668,771)</u>
EXPENDITURES				
Current:				
Public Service	35,230,070	35,231,742	33,807,093	1,424,649
Administrative and Support	17,979,461	18,041,492	17,413,401	628,091
Capital Outlay	1,183,469	1,119,766	922,366	197,400
Total Expenditures	<u>54,393,000</u>	<u>54,393,000</u>	<u>52,142,860</u>	<u>2,250,140</u>
Excess (deficiency) of Revenue over (under) Expenditures	(2,623,000)	(2,623,000)	(3,041,631)	(418,631)
OTHER FINANCING SOURCES (USES)				
Transfers In	23,000	23,000	-	(23,000)
Total Other Financing Sources (Uses)	<u>23,000</u>	<u>23,000</u>	<u>-</u>	<u>(23,000)</u>
Net Changes in Fund Balances	(2,600,000)	(2,600,000)	(3,041,631)	(441,631)
Fund Balances at Beginning of Year	7,679,691	7,679,691	7,679,691	-
Funds Balance End of Year	<u>\$ 5,079,691</u>	<u>\$ 5,079,691</u>	<u>\$ 4,638,060</u>	<u>\$ (441,631)</u>

The notes to the financial statements are an integral part of this statement.

COLUMBUS METROPOLITAN LIBRARY
Statement of Net Assets
Proprietary Fund
December 31, 2008

	Governmental Activities Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 3,937,484
Receivables	17,833
Total Assets	\$ 3,955,317
LIABILITIES	
Current Liabilities:	
Claims Payable	\$ 289,632
Total Liabilities	289,632
NET ASSETS	
Unrestricted	3,665,685
Total Net Assets	\$ 3,665,685

The notes to the financial statements are an integral part of this statement.

COLUMBUS METROPOLITAN LIBRARY
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended December 31, 2008

	Governmental Activities Internal Service Fund
Operating Revenues	
Charges for Services	\$ 3,235,636
Miscellaneous	14,391
Total Operating Revenues	3,250,027
Operating Expenses	
Contractual Services	465,292
Claims Paid	2,341,960
Total Operating Expenses	2,807,252
Operating Income	442,775
Non Operating Revenues	
Interest	152,099
Total Non Operating Revenues	152,099
Change in Net Assets	594,874
Net Assets Beginning of Year	3,070,811
Net Assets End of Year	\$ 3,665,685

The notes to the financial statements are an integral part of this statement.

COLUMBUS METROPOLITAN LIBRARY
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2008

	Governmental Activities Internal Service Fund
CASH FLOW FROM OPERATING ACTIVITIES	
Cash Received for Claims	\$ 3,368,861
Cash Received from Reimbursements	24,466
Cash Payments for Administrative Fees	(465,292)
Cash Payments for Claims	(2,274,328)
Net Cash Provided by Operating Activities	653,707
CASH FLOW FROM INVESTING ACTIVITIES	
Interest Income	152,099
Net Cash Provided from Investing Activities	152,099
Net Increase in Cash and Cash Equivalents	805,806
Cash and Cash Equivalents Beginning of Year	3,131,678
Cash and Cash Equivalents End of Year	\$ 3,937,484
 Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating Income	\$ 442,775
Adjustments:	
Decrease in Receivables	142,809
Increase in Claims Payable	68,123
Total Adjustments	210,932
Net Cash Provided by Operating Activities	\$ 653,707

The notes to the financial statements are an integral part of this statement.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(1) **Summary of Significant Accounting Policies**

The Columbus Metropolitan Library (the Library) was founded in 1872. The Library is a county district library established in accordance with Section 3375.20 of the Ohio Revised Code. The Library lends books, periodicals and audiovisual materials to residents and certain others at no charge. The Library, which is a separate legal entity, is financially, managerially and operationally independent from both Franklin County and the City of Columbus.

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB statement No. 39, *Determining Whether Certain Organizations are Component Units – and amendment to GASB Statement No. 14* in that the financial statements include all the organizations, activities, functions and component units for which the Library (the reporting entity) is financially accountable. Financial accountability is defined as the appointment authority of a voting majority of the component's unit board, and either (1) the Library's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Library.

In June 2007, GASB issued Statement No. 51 *Accounting and Financial Reporting for Intangible Assets*. This Statement is to establish accounting and financial reporting requirements for intangible assets. This statement is effective for periods beginning after June 15, 2009 and the Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

In November 2007, GASB issued Statement No. 52 *Land and Other Real Estate Held as Investments by Endowments*. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. This statement is effective for periods beginning after June 15, 2008 and the Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

In June 2008, GASB issued Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments*. This Statement establishes methods for evaluating the effectiveness of a derivative instrument. The statement also requires a disclosure that includes an indication of the location of the fair market value of a derivative instrument. This Statement is effective for periods beginning after June 15, 2009 and the Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

The accounting policies and financial reporting practices of the Library conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of its significant accounting policies:

(a) **Government-wide and fund financial statements**

The financial information of the Library is presented in this report as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Library's financial activities.
- Government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(1) **Summary of Significant Accounting Policies** (continued)

(a) **Government-wide and fund financial statements** (continued)

These statements report all of the assets, liabilities, revenues, expenses and gains and losses of the Library. Governmental activities are reported separately from business type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business type activities are normally supported by fees and charges for services and are usually intended by management to be financially self-sustaining. Fiduciary funds are not included in these government-wide financial statements.

Internal service fund balances, whether positive or negative, have been eliminated against the expenses and program revenues shown in governmental activities Statement of Activities. The activities of the internal service fund are eliminated to avoid "doubling up" revenues and expenses which is consistent with the Library policy for such activity. Interfund services provided and used are not eliminated in the process of consolidation.

The Statement of Activities presents a comparison between the direct expenses and program revenues for each function of the Library's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

- Fund financial statements consist of a series of statements focusing on information about the Library's major governmental funds. Separate financial statements are presented for the governmental and proprietary funds.

The Library's major funds are the General Fund and the Capital Projects Fund.

The General Fund is the accounting entity in which all governmental activity, except that which is required to be accounted for in other funds, is accounted for. Its revenues consist primarily of taxes, intergovernmental shared revenue, fines and fees, charges for services, investment income and others. General Fund expenditures represent costs of public services administration and support and capital outlay.

The Capital Projects Fund is used to account for financial resources set aside for the acquisition of equipment or the construction and renovation of facilities. The revenues for this fund are derived from transfers from the General Fund, the sale of real property, donations, and other miscellaneous receipts.

- Notes to the financial statements providing information that is essential to the user's understanding of the basic financial statements.

(b) **Financial reporting presentation**

The accounts of the Library are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). Fund types are as follows:

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(1) Summary of Significant Accounting Policies (continued)

(b) Financial reporting presentation (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically 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 governmental funds:

General Fund (Major Fund) - The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund. The fund balance of the general fund is available to the Library for any purpose provided it is expended or transferred according to the laws of Ohio. The General Fund is comprised of multiple accounts that are reported in one fund.

Capital Project Fund (Major Fund) - Capital Project Funds are used to account for financial resources to be used for the acquisition of major capital assets or the construction of major capital facilities (other than those financed by proprietary funds and trust funds). The Capital Projects Fund is comprised of multiple individual projects that are reported in one fund.

Other Governmental Funds

Other governmental funds of the Library are used to account for land development operations, restricted donations and any other resources which are restricted for a particular purpose.

PROPRIETARY FUNDS

Proprietary Funds are those which focus on the determination of operating income, changes in net assets, financial position and cash flows. The following is the Library's proprietary fund:

Internal Service Fund - The Internal Service Fund is used to account for the financing of services provided by one department to another department on a cost reimbursement basis. The Library's internal service fund reports on the self-insurance health care program.

(c) **Measurement focus and basis of accounting**

Except for budgetary purposes, the basis of accounting used by the Library conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The accounting and financial reporting treatment is determined by its measurement focus.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Library gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, shared revenues and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the Library. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(1) **Summary of Significant Accounting Policies** (continued)

(c) **Measurement focus and basis of accounting** (continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Library considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the fiscal year end. Nonexchange transactions, under the modified accrual basis of accounting, are recognized when the amounts are measurable, available and satisfy eligibility requirements. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments and compensated absences, which are recognized as expenditures when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

(d) **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in all funds. On the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities, but are reported as reservations of fund balances in governmental funds.

(e) **Cash Equivalents**

For purposes of the statement of cash flows, the Proprietary Fund considers all highly liquid investments, with purchased maturities of three months or less, to be cash equivalents. In addition, all pooled cash and investments with the Fiscal Officer are considered to be cash equivalents since they are available to the Library on demand.

(f) **Investments**

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Library records all of its investments at fair value as defined in the Statement. The Library does not engage in any form of derivatives or reverse repurchase agreements in the management of its investment portfolio. During 2008, investments were limited to non-negotiable certificates of deposit, federal agency securities, money market accounts and STAR Ohio. All investments are reported at fair value except for non-negotiable certificates of deposit, which are reported at cost. The Library's cash and investments are further explained in Note 3.

(g) **Capital Assets**

Property, plant and equipment are reported in the applicable governmental columns in the government-wide financial statements. The Library does not have any infrastructure assets. The Library defines capital assets as assets with an individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are completed.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(1) Summary of Significant Accounting Policies (continued)

(g) Capital Assets (continued)

Library books and materials purchased by the Library are reflected as expenditures when purchased and are not capitalized as assets of the Library. The Library currently has a library materials collection of approximately 2,100,000 volumes. The Library does not own any fine art, rare book collections or artifacts.

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Life (years)</u>
Buildings	60
Furniture/Artwork/Grounds Equipment	20
Land Development/Machinery & General Equipment	15
Bookmobiles	12
Other Vehicles/ Business Machines/Printers/AudioVisual Equipment	10
Security Equipment	7
Computer Equipment & Software/Telecommunications Equipment	5

(h) Insurance

The Library is insured by private carriers for property damage, personal injury and public official liability. Judgments and claims in excess of policy limits are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. At December 31, 2008, 2007 and 2006, there were no outstanding judgments or claims in excess of policy limits. There were no significant changes in insurance coverage from the previous year and no insurance settlement has exceeded insurance coverage during the last three years.

The Library provides dental, vision, life and disability insurance coverage for employees through a private insurance carrier. The Library is part of the state-wide plan for Worker's Compensation insurance coverage.

Beginning in 2001, the Library established self-insured employee health care. To account for and finance its uninsured health claims, the Library established the Self Insurance Fund (an internal service fund). All departments of the Library participate in the program and make payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay current and future claims. The Library has purchased specific stop loss insurance for claims which exceed \$100,000 per covered individual in one year and aggregate stop loss coverage at 125% of annual estimated claims.

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Unpaid Claims Jan 1,	\$ 147,000	\$ 218,000	\$ 222,000
Incurred Claims	2,038,437	2,212,543	2,341,960
Payment of Claims	<u>(1,967,437)</u>	<u>(2,208,543)</u>	<u>(2,274,328)</u>
Unpaid Claims Dec 31,	<u>\$ 218,000</u>	<u>\$ 222,000</u>	<u>\$ 289,632</u>

The \$289,632 of unpaid claims are reflected in the internal service fund's claims payable line item.

(i) Compensated Absences

Library employees accumulate one "bank" of hours for both sick and vacation called Paid Time Off (PTO). These hours are vested at 100% when earned. Payment is dependent upon many factors; therefore, timing of future payments was not readily determinable. However, management believes that sufficient resources will be available for the payment of PTO when such payments become due.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(1) Summary of Significant Accounting Policies (continued)

(i) Compensated Absences (continued)

The total liability for PTO has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by Library policy. Library employees are granted PTO in varying amounts, based on scheduled hours and years of service.

On 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. Any governmental fund liability reported is for the unpaid balance of reimbursable unused leave for employees that terminated on or before December 31, 2008. All liabilities are paid from the general fund. The noncurrent portion of the liability is not reported.

The noncurrent portion of the liability is reported on the government-wide financial statements.

(j) Interfund Transactions

During the course of normal operations, the Library has numerous transactions between funds. 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 of repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after no operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the basic financial statements.

Interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements. There were not interfund transactions for the fiscal year ended December 31, 2008.

(k) Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items. Prepaid items consist primarily of insurance premiums, conferences and training, memberships and library material subscriptions.

(l) Budgetary Basis of Accounting

Budget

A budget of estimated cash receipts and disbursements, including encumbrances, is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year for the fiscal year commencing the following January 1.

Estimated Resources

The County Budget Commission certifies the budget to the Library by September 1. As part of this certification, the Library receives the official Certificate of Estimated Resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. The total estimated receipts together with prior year carry over of unencumbered cash then serves as the basis for the annual appropriation. Expenditures and encumbrances from any fund during the ensuing fiscal year must not exceed the amount stated in the Amended Certificate of Estimated Resources.

Appropriations

The Library is required by state statute to adopt an annual appropriation cash basis budget. A temporary appropriation measure to control cash disbursements is passed by the Library's Board of Trustees in December

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(1) Summary of Significant Accounting Policies (continued)

(l) Budgetary Basis of Accounting (continued)

of each year to be effective as of January 1. The permanent appropriation measure then must be passed by April 1 of each year for the period January 1 to December 31. The permanent appropriation measure then may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. Unencumbered appropriations lapse at year-end except in Capital Projects Fund which has continuing appropriations. For the General Fund, any budget change that increases or decreases expenditures at the Salaries & Benefits or Other Expenditures (Supplies, Purchased/Contracted Services, Library Materials, etc.) level requires Board authorization. For all other funds, increases or decreases in expenditures requires Board authorization at the total appropriation level.

The governmental fund types for which the Library budgets annual expenditures are the General and Special Revenue Funds. The budget specifies expenditure amounts by function within these funds. Expenditures cannot exceed appropriations at the Salaries & Benefits and Other Expenditures (Supplies, Purchased/Contracted Services, Library Materials, etc.) levels for the General Fund and cannot exceed total appropriations for all other budgeted funds. In the supplemental reports, the Library has provided a further breakdown of the legal reporting level. Capital Projects Fund revenues and expenditures are not budgeted on an annual basis; budgetary control over these fund types is established on a project basis.

The Library budgets annual expenses for one nongovernmental fund type, the Internal Service Fund. The budget specifies expense amounts by function within the fund. Expenses can not exceed total appropriations.

In addition to the annual expenditures/expenses budgeting described in the preceding paragraphs, all revenues, except for tax revenues, for the General Fund are estimated by the Fiscal Officer in conjunction with the annual budgeting process. However, the annual appropriations should not exceed the estimated resources as certified by the County Budget Commission in the annual Certificate of Estimated Resources.

The Board has delegated purchase and expenditure approval to the Library administration for daily operational needs of the Library. Any appropriation change which will increase or decrease any of the major appropriation classifications requires approval of the Board. Expenditures did not exceed appropriations in any fund type.

The Library's budgetary process is based upon accounting for certain transactions on a basis other than GAAP. To provide a meaningful comparison of actual results with the budget, the actual results of operations for governmental funds are presented in the Supplemental Data section of this report.

The major differences between the budget basis and the GAAP basis are as follows:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- C. Encumbrances are recorded as the equivalent of expenditures (budget basis), as opposed to a reservation of fund balance (GAAP basis).

(m) Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(1) Summary of Significant Accounting Policies (continued)

(m) Net Assets (continued)

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

(n) Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Library's proprietary funds are charges for services. Operating expenses for the proprietary funds include claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

(o) Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The Library reports a reservation of fund balance for amounts representing encumbrances outstanding, prepaids, endowments, and advances in the governmental fund financial statements.

(2) Commitments and Contingencies

(a) Litigation

The Library is currently the defendant in legal cases for which management and legal counsel are unable to determine the likelihood or range of loss, if any. However, in the opinion of the management, the resolution of these matters will not have a material adverse effect on the financial condition of the Library

(b) Compensated Absences

A summary of changes in long-term obligations for the year ended December 31, 2008, follows:

	<u>Balance</u> <u>Jan 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec 31, 2008</u>
Governmental Activities	\$ 2,711,116	\$ 2,485,042	(\$ 2,535,121)	\$ 2,661,037

Accrued liabilities are composed of accrued compensatory time earned. Of which, \$29,723 was due as of December 31, 2008. 100% of the compensated absences liability will be liquidated with General Fund resources.

(3) Cash and Investments

The Library pools all individual fund cash balances for investment purposes, except for cash with fiscal agents and restricted investments. According to state statutes and Library's Investment policy, all earnings received from pooled investments must be credited to the Library's General Fund, unless specified by the Library's Fiscal Officer. Interest income earned on investments held in perpetuity is credited to the Library's Permanent Fund.

Credit risk is the risk of loss due to the failure of a security issuer to pay principal or interest, or the failure of the issuer to make timely payments of principal or interest. Eligible investments, pursuant to Ohio Revised Code Section 135.14, affected by credit risk include certificates of deposit, commercial paper and bankers acceptances. The Library has no formal policy related to credit risk. However, this risk is minimized by (1) diversifying assets by issuer; (2) ensuring that required, minimum credit quality ratings exist prior to the purchase of commercial paper and bankers acceptances; and (3) maintaining adequate collateralization of certificates of deposits, pursuant to the method as determined by the Fiscal Officer.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements December 31, 2008

(3) Cash and Investments (continued)

The Library's Investment Policy addresses custodial risk in accordance with Ohio Revised Code §135.37, which states "collateral so pledged or deposited may be in an amount that when added to the portion of the deposit insured by the federal deposit insurance corporation . . . will, in the aggregate, equal or exceed the amount of public moneys so deposited . . ."

Deposits:

At December 31, 2008, the carrying amount of all the Library's deposits was \$839,622 and the bank balance was \$2,206,191.40. Of the bank balance, \$250,000 was covered by Federal Deposit Insurance and \$1,806,191 was uninsured and collateralized with securities held by the financial institution or by its trust department or agent but not in the Library's name. Restricted assets of \$67,742 is the endowment principal of the restricted fund.

Investments:

The Library adopted a formal investment policy. The objectives of the policy shall be the preservation of capital and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. This policy covers all funds under the direct control of the Fiscal Officer. Funds are invested in accordance with Section 135 "Uniform Depository Act" of the Ohio Revised Code as revised by Senate Bill 81.

The types of obligations eligible for investment and deposits are:

1. U.S. Treasury Bills, Notes and Bonds; various federal agency securities, including issues of Federal National Mortgage Assn. (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student Loan Marketing Assn. (SLMA), Government National Mortgage Association (GNMA), and other agencies or instrumentalities of the United States. Eligible investments include securities that may be "called" (by the issuer) prior to final maturity date. All eligible investments may be purchased at a premium or a discount. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
2. Commercial paper notes issued by companies incorporated under the laws of the United States; specific limitations apply as defined under Ohio Revised Code Section 135.14(B)(7).
3. Bankers acceptances issued by any domestic bank rated in the highest category by a nationally recognized rating agency; specific limitations apply as defined under Ohio Revised Code Section 135.14(B)(7).
4. Certificates of deposit from any eligible institution mentioned in Ohio Revised Code Section 135.32.
5. No-load money market mutual funds rated in the highest category by at least one nationally recognized rating agency, investing exclusively in the same types of eligible securities as defined in Ohio Revised Code Sections 135.14(B)(1) and 135.14 (B)(2) and repurchase agreements secured by such obligations. Eligible money market funds shall comply with Ohio Revised Code Section 135.01, regarding limitations and restrictions.
6. Repurchase agreements with any eligible institutions mentioned in Ohio revised Code Section 135.32, or any eligible securities dealer pursuant to Ohio revised Code Section 135.32(J), except that such eligible securities dealers shall be restricted to primary government securities dealers. Repurchase agreements will settle on a delivery vs. payment basis with collateral held in safekeeping by a third party custodian as agreed to by the Fiscal Officer. The market value of securities subject to a repurchase agreement must exceed the principal value of the repurchase agreement by at least two percent as defined under the Ohio Revised Code. The Fiscal Officer reserves the right to require an additional percentage of collateral securing such repurchase agreements.
7. The state treasurer's investment pool (STAR Ohio), pursuant to Ohio Revised Code Section 135.45.

Investments of the Library funds are prohibited or restricted as follows:

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(3) Cash and Investments (continued)

1. The use of derivative securities, as defined by Ohio revised Code Section 135.14, is expressly prohibited.
2. The final maturity of all eligible investments is five years, unless the investment is matched to a specific obligation or debt of the Library, and the investment is specifically approved by the Board of Trustees.
3. A repurchase agreement under the terms of which the investing authority agrees to sell securities to a purchaser and agrees with that purchaser to unconditionally repurchase those securities.
4. The investment into a fund established by another subdivision if the fund was established for the purpose of investing monies of other subdivisions.
5. The use of leveraging, in which the investing authority uses its current investment assets as collateral for the purpose of purchasing other assets.
6. The issuance of taxable notes for the purpose of arbitrage.
7. Contracting to sell securities that have not yet been acquired, for the purpose of purchasing such securities on the speculation that bond prices will decline.

Cash and investments at year-end were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	Maturity in Years	
			<u><1</u>	<u>1-3</u>
STAR Ohio (State Treasurer's Asset Reserve)	\$ 8,560,424	AAAm ¹	\$ 8,560,424	\$ -
Federal Agency Securities (Non-callable)	6,793,563	AAA ¹	1,000,000	5,793,563
Federal Agency Securities (Callable)	4,268,104	AAA ¹	-	4,268,104 ²
Money Market Fund	624,312	AAAm ¹	624,312	-
Carrying Amount of Deposits	839,622		839,622	-
Change Funds and NSF Redeposits	15,525		15,525	-
Total	<u>\$ 21,101,550</u>		<u>\$ 11,039,883</u>	<u>\$ 10,061,667</u>
Per Statement of Net Assets:				
Cash and investments	\$ 21,033,808			
Cash and investments – Restricted	<u>67,742</u>			
Total	<u>\$ 21,101,550</u>			

¹ - Standard & Poors.

² - as of 04/05/09, \$2,508,417 has been called. Of the remaining \$1,759,687, \$758,438 is callable within 1 year and an additional \$499,531 is callable within 2 years.

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 Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a-7 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, 2008.

(4) Donor Restricted Endowments

The Library's Permanent Fund includes donor-restricted endowments. Net Assets – Permanent Fund represents both the \$67,742 principal portion of the endowment and the \$8,955 that is available for expenditure. The Library Board of Trustees is permitted to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms state otherwise.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(5) Receivables

Receivables at December 31, 2008 for the Library's individual funds consists of the following:

	<u>Taxes & Shared Revenue</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
General	\$ 26,387,554	\$ 62,477	\$ 62,440	\$ 26,512,471
Capital Project	-	-	-	-
Other Governmental	-	5,942	34,223	40,165
Internal Service	-	<u>15,848</u>	<u>1,985</u>	<u>17,833</u>
Total	<u>\$ 26,387,554</u>	<u>\$ 84,267</u>	<u>\$ 98,648</u>	<u>\$ 26,570,469</u>

(6) Capital Assets

A summary of changes in capital assets for the year ended December 31, 2008, follows:

	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2008</u>
Nondepreciable Assets:				
Land	\$ 8,325,279	\$ 57,754	\$ -	\$ 8,383,033
Depreciable Assets:				
Buildings and improvements	81,332,973	231,259	(21,025)	81,543,207
Machinery and equipment	<u>6,900,570</u>	<u>97,066</u>	<u>(1,284,335)</u>	<u>5,713,301</u>
Total Depreciable Assets	<u>88,233,543</u>	<u>328,325</u>	<u>(1,305,360)</u>	<u>87,256,508</u>
Total Capital Assets	<u>\$ 96,558,822</u>	<u>\$ 386,079</u>	<u>\$ (1,305,360)</u>	<u>\$ 95,639,541</u>
Accumulated Depreciation:				
Buildings and improvements	(21,084,019)	(1,343,574)	6,074	(22,421,519)
Machinery and equipment	<u>(4,997,272)</u>	<u>(60,706)</u>	<u>1,277,612</u>	<u>(3,780,366)</u>
Total Accumulated Depreciation	<u>(26,081,291)</u>	<u>(1,404,280)</u>	<u>1,283,686</u>	<u>(26,201,885)</u>
Total Capital Assets, net	<u>\$ 70,477,531</u>	<u>\$ (1,018,201)</u>	<u>\$ (21,674)</u>	<u>\$ 69,437,656</u>

Projects were funded through the Capital Projects Fund by monies transferred from the General Fund. The balance of these Capital projects will be funded by available financial resources.

Of the \$1,404,280 depreciation expense, \$617,883 was related to Public Service and \$786,397 was related to Administrative and Support.

(7) Pension Plans

All employees of the Library are required to participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

1. The Traditional Pension Plan (TP) – a cost-sharing, multiple employer defined benefit pension plan.
2. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan, members accumulate retirement assets equal to the value of member (vested) employer contributions plus any investment earnings.
3. The Combined Plan (CO) – a cost-sharing, multiple-employer defined benefit pension plan. Under the CO Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(7) Pension Plans (continued)

in nature to the TP Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP Plan and the CO Plan. Members of the MD Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand alone financial report. Interested parties may obtain a copy by writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. For 2008, member contribution rates were 10.0% of their annual covered salary. The 2008 employer contribution rate was 14.00% of covered payroll. Total required employer contributions for all three plans are equal to 100% of employer charges and should be extracted from the employer's records.

The Library's contributions to OPERS for the years ending December 31, 2008, 2007 and 2006, were \$3,601,231, \$3,419,547 and \$3,291,241, respectively, which were equal to the required contributions for each year.

(8) Other Post-Employment Benefits

In addition to the pension plans described in note 7, the Ohio Public Employees Retirement System (OPERS) also maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of the Traditional Pension (TP) and the Combined (CO) Plans. Members of the MD Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Post-Employment Benefit (OPEB), as described in GASB Statement No. 45.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, the Library contributed 14.0% of covered payroll. The Ohio Revised Code currently limits the Library's contribution to a rate not to exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established in accordance with Internal Revenue Code §401(h). Each year, the OPERS Retirement Board determines the portion of the employer rate that will be set aside for funding of post employment health care benefits. For 2008, the Library's contribution allocated to the health care plan was 7.0% of covered payroll. 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.

The rates stated above are actuarially determined contribution requirements for OPERS. The amount of actuarially determined Library contributions actually made to fund post-employment benefits was approximately \$1,800,615 in 2008, \$1,357,586 in 2007 and \$1,081,173 in 2006.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(8) **Other Post-Employment Benefits (continued)**

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

(9) **Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the Library district.

Real property taxes and public utility taxes collected during 2008 were levied after October 1 on the assessed value listed as of the prior January 1, the lien date. These taxes are payable annually or semi-annually. If paid annually, payment is due by January 20; if paid semi-annually, the first payment is due by January 20 with remainder payable by June 20. Under certain circumstances, state statutes permit earlier or later payment dates to be established.

Assessed values are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years. The last revaluation was completed in 2005. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value, which is a certain percentage of cost. Percentages vary according to the type of utility involved. Tangible personal property assessments were 25% of true value for personal property. The assessed values upon which the 2008 taxes were collected were approximately \$19.8 billion.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Increases in the property tax rate are restricted only by voter willingness to approve such increases. In 1986, voters approved taxation of property for the Library of .22% (2.2 mills) of assessed value effective January 1, 1986, for collection in 1987. This levy was to be collected for a period of 15 years and expired after the collection year 2002. In November 2000, the voters in Franklin County approved renewing the existing 2.2 levy. The collection year for the new levy began in 2002.

The Franklin County Treasurer collects property taxes on behalf of taxing districts in the county. The Franklin County Auditor periodically remits to the Library its portion of the taxes collected. Property taxes with both a lien and levy date prior to fiscal year end are recorded as unearned revenue and receivables. However, property taxes including delinquent property taxes that were measurable at December 31, 2008, and available to the Library are recorded as revenues and receivables.

(10) **Joint Ventures**

In April 1992, the Library's Board of Trustees adopted a resolution to participate with the Worthington Public Library (Worthington), a separate legal entity, to construct and operate a library facility, containing approximately 23,000 square feet of public service space, at a location which will serve both library districts. On October 13, 1993, a written contract was entered into between the two library districts.

According to the terms of the agreement, the Library will not assume any responsibility for the daily management, operation and maintenance of the building. In addition, the agreement states that the Library will contribute, based on a formula, to the operational needs of the facility. In 2008, the Library contributed \$803,303 to the operational costs of Worthington.

In 2009, the Library has appropriated \$800,000 in the General Fund to be paid to Worthington. The activity of this operation is contained in the financial statements of the Worthington Public Library, which can be obtained from the Worthington Library's Finance Department located at 820 High Street, Worthington, Ohio 43085.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2008

(11) Prior Period Adjustments

(a) The beginning balance for the General Fund, General Operating Account presented within the Combining Schedule of Revenues, Expenditures, and Changes in Account Balance – Budget (Non-GAAP) and Budgetary Basis) – General Fund has been restated because of the reclassification of the General Fund, Building Repair & Equipment Replacement Account.

The net effect on the Combining Schedule of Revenues, Expenditures, and Changes in Account Balance – Budget (Non-GAAP) and Budgetary Basis – General Fund is as follows:

	<u>Account Balance</u> <u>December 31, 2007</u>	<u>Restatement</u>	<u>Account Balance</u> <u>December 31, 2007</u> <u>(Restated)</u>
General Fund, General Operating Account	\$ 5,055,899	\$ (512,433)	\$ 4,543,466
General Fund, Building Repair & Equipment Replacement Account	403,992	512,433	916,425
General Fund, 27 th Pay Period Account	1,252,325	-	1,252,325
General Fund, Northwest Library Remodel Account	<u>967,475</u>	<u>-</u>	<u>967,475</u>
Total General Fund	<u><u>7,679,691</u></u>	<u><u>-</u></u>	<u><u>7,679,691</u></u>

The net effect on the Combining Supplemental Schedule of Revenues, Expenditures, and Changes in Account Balance – General Fund is as follows:

	<u>Account Balance</u> <u>December 31, 2007</u>	<u>Restatement</u>	<u>Account Balance</u> <u>December 31, 2007</u> <u>(Restated)</u>
General Fund, General Operating Account	\$ 8,454,171	\$ 580,889	\$ 9,035,060
General Fund, Building Repair & Equipment Replacement Account	580,889	(580,889)	-
General Fund, 27 th Pay Period Account	1,252,325	-	1,252,325
General Fund, Northwest Library Remodel Account	<u>967,475</u>	<u>-</u>	<u>967,475</u>
Total General Fund	<u><u>11,254,860</u></u>	<u><u>-</u></u>	<u><u>11,254,860</u></u>

(b) In 2008, the Library stopped allocating investment earnings to the Capital Projects Fund. The 2007 ending balance for the Capital Projects Fund included \$86,721 in interest receivables that were never realized in 2008.

The net effect on the Combining Supplemental Schedule of Revenues, Expenditures, and Changes in Project Balance – Capital Projects is as follows:

	<u>Project Balance</u> <u>December 31, 2007</u>	<u>Restatement</u>	<u>Project Balance</u> <u>December 31, 2007</u> <u>(Restated)</u>
Capital Project, Non-Project Related	\$ 6,639,373	\$ (86,721)	\$ 6,552,652

The net effect on the Statement of Revenues, Expenditures, and Changes in Project Balance – Governmental Funds is as follows:

	<u>Fund Balance</u> <u>December 31, 2007</u>	<u>Restatement</u>	<u>Fund Balance</u> <u>December 31, 2007</u> <u>(Restated)</u>
Capital Projects Fund	\$ 8,838,240	\$ (86,721)	\$ 8,751,519

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements
December 31, 2008

(11) Prior Period Adjustments (continued)

The net effect on the Statement of Net Assets is as follows:

Net Assets <u>December 31, 2007</u>	<u>Restatement</u>	Fund Balance December 31, 2007 <u>(Restated)</u>
\$ 94,203,309	\$ (86,721)	\$ 94,116,588

(12) Budgetary Basis of Accounting

The adjustments necessary to convert the results of General Fund operations and fund balances at end of year on the GAAP basis to the budgetary basis are as follows:

	Net Change in <u>Fund Balance</u>	Fund Balance, <u>December 31, 2008</u>
GAAP basis	\$(2,941,324)	\$8,313,536
<u>Due to revenues:</u>		
Received in cash during 2008, but accrued at December 31, 2007	26,065,282	
Accrued at December 31, 2008, not yet received in cash	(26,750,030)	(26,750,030)
Deferred at December 31, 2007, but not recognized in budget	(23,030,763)	
Deferred at December 31, 2008, but recognized in budget	23,950,350	23,950,350
<u>Due to expenditures:</u>		
Paid in cash during 2008, accrued at December 31, 2007	(2,338,563)	
Accrued at December 31, 2008, not paid in cash	1,334,388	1,334,388
<u>Due to encumbrances:</u>		
Expenditures of amounts encumbered during the year ended December 31, 2007	2,892,481	
Recognized as expenditures in 2008 budget	(2,210,167)	(2,210,167)
Others, net	<u>(13,285)</u>	<u>(17)</u>
Budgetary Basis	<u>\$ (3,041,631)</u>	<u>\$ 4,638,060</u>

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COLUMBUS METROPOLITAN LIBRARY FUND DESCRIPTIONS

Major Funds

General Fund

The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities and equipment other than those financed by Proprietary Funds. The titles of the projects are descriptive of the activities involved. The active Capital Projects are:

- Homework Help Centers '07 Project
- Proactive Reference Project, Phase II
- Air Quality Improvement Project
- Main Library Roof Repair Project
- Main Library Remodeling Project
- Vehicle Signage Project
- Energy Conservation Projects
- Carpet Replacement Project
- Main Library Revitalization Project
- Branch Carpet Replacement Project
- Northern Lights Branch Remodel
- Receipts System Project
- Branch HVAC & Air Quality Project
- Driving Park Branch Remodel
- Human Resource Automation Upgrade Project
- Access Control and Photo ID Project
- CCTV Enhancements Project
- 2008 Homework Help Centers Project
- HVAC Improvement Project
- 20/20 Vision Plan Project
- Circulation Des Remodels Project
- Dublin Branch Children's Area Remodel
- Discover Place Roadmap Project
- AV System and Equipment Project

Non-Major Funds

Special Revenue Funds

Special Revenue Funds are used to account for types of resources for which specific uses are mandated by Library Board policies, federal and/or state statutes, or other external donors. The title of the fund is descriptive of the activities accounted for therein. The Special Revenue Funds are:

- Restricted Fund
- Land Development Fund

Internal Service Fund

The Internal Service Fund is used to account for goods or services provided by one department to other departments of the Library. The one Internal Service Fund the Library has is the Self Insurance Fund.

Permanent Fund

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

COLUMBUS METROPOLITAN LIBRARY
Schedule of Assets, Liabilities and Balances of Accounts
within the General Fund
As of December 31, 2008

	General Operating Account	Payroll Liability Account	27th Pay Period Account	Northwest Library Remodel Account	Total General Fund
ASSETS					
Equity in Pooled Cash and Investments	\$ 6,134,581	\$ 870,186	\$ 325	\$ 967,475	\$ 7,972,567
Accounts Receivable	26,512,471	-	-	-	26,512,471
Prepays	835,835	-	-	-	835,835
Total Assets	\$ 33,482,887	\$ 870,186	\$ 325	\$ 967,475	\$ 35,320,873
LIABILITIES					
Accounts Payable	\$ 1,870,229	\$ -	\$ -	\$ -	\$ 1,870,229
Accrued Liabilities	316,572	870,186	-	-	1,186,758
Deferred Revenue	23,950,350	-	-	-	23,950,350
Total Liabilities	26,137,151	870,186	-	-	27,007,337
FUNDS BALANCE					
Reserved for Encumbrances	1,388,472	-	-	-	1,388,472
Reserved for Prepays	835,835	-	-	-	835,835
Unreserved:					
Undesignated	5,121,429	-	325	967,475	6,089,229
Total Fund Balance	7,345,736	-	325	967,475	8,313,536
Total Liabilities and Fund Balance	\$ 33,482,887	\$ 870,186	\$ 325	\$ 967,475	\$ 35,320,873

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Account Balance
General Fund
For the Year Ended December 31, 2008

	General Operating Account	Payroll Liability Account	27th Pay Period Account	Northwest Library Remodel Account	Total General Fund
REVENUES					
Property Taxes	\$ 16,515,427	\$ -	\$ -	\$ -	\$ 16,515,427
Intergovernmental	28,487,444	-	-	-	28,487,444
Fines and Fees	2,041,208	-	-	-	2,041,208
Charges for Services	743,805	-	-	-	743,805
Investment Earnings	874,544	-	-	-	874,544
Contributions and Donations	1,244	-	-	-	1,244
Miscellaneous	202,718	-	-	-	202,718
Total Revenues	48,866,390	-	-	-	48,866,390
EXPENDITURES					
Public Services:					
Salaries and Benefits	23,141,212	-	-	-	23,141,212
Supplies	408,089	-	-	-	408,089
Purchased/Contracted Services	3,130,608	-	-	-	3,130,608
Library Materials	6,535,621	-	-	-	6,535,621
Total Public Service	33,215,530	-	-	-	33,215,530
Administrative and Support:					
Salaries and Benefits	9,982,525	-	-	-	9,982,525
Supplies	828,108	-	-	-	828,108
Purchased/Contracted Services	6,063,913	-	-	-	6,063,913
Library Materials	53,657	-	-	-	53,657
Other	803,303	-	-	-	803,303
Total Administrative and Support	17,731,506	-	-	-	17,731,506
Capital Outlay	860,678	-	-	-	860,678
Total Expenditures	51,807,714	-	-	-	51,807,714
Excess (deficiency) of Revenue over (under) Expenditures	(2,941,324)	-	-	-	(2,941,324)
OTHER FINANCING SOURCES (USES)					
Inter-Fund Transfers In	1,252,000	-	-	-	1,252,000
Inter-Fund Transfers Out	-	-	1,252,000	-	1,252,000
Total Other Financing Sources (Uses)	1,252,000	-	(1,252,000)	-	-
Net Change in Fund Balances	(1,689,324)	-	(1,252,000)	-	(2,941,324)
Fund Balances Beginning of Year	8,454,171	-	1,252,325	967,475	10,673,971
Restatement (see Note 11)	580,889	-	-	-	580,889
Fund Balances at End of Year	\$ 7,345,736	\$ -	\$ 325	\$ 967,475	\$ 8,313,536

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Assets, Liabilities and Project Balances
Capital Projects Fund
December 31, 2008

	Capital Project Non-Project Related	Homework Help Centers '07 Project	Proactive Reference Project Phase II	Air Quality Improvement Project	Main Library Roof Repair Project
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 1,544,712	\$ 512	\$ 249,165	\$ 209,236	\$ 250,000
Total Assets	<u>\$ 1,544,712</u>	<u>\$ 512</u>	<u>\$ 249,165</u>	<u>\$ 209,236</u>	<u>\$ 250,000</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 4,703	\$ -	\$ 2,500
Total Liabilities	<u>-</u>	<u>-</u>	<u>4,703</u>	<u>-</u>	<u>2,500</u>
FUNDS BALANCE					
Reserved for Encumbrances	-	488	15,297	35,300	236,930
Unreserved:					
Undesignated	1,544,712	24	229,165	173,936	10,570
Total Fund Balance	<u>1,544,712</u>	<u>512</u>	<u>244,462</u>	<u>209,236</u>	<u>247,500</u>
Total Liabilities and Fund Balance	<u>\$ 1,544,712</u>	<u>\$ 512</u>	<u>\$ 249,165</u>	<u>\$ 209,236</u>	<u>\$ 250,000</u>

Main Library Remodeling Project	Vehicle Signage Project	Energy Conservation Projects	Carpet Replacement Project	Main Library Revitalization Project	Branch Carpet Replacement Project
\$ 340,734	\$ 238,700	\$ 30,619	\$ 5,485	\$ 1,300,000	\$ 375,473
\$ 340,734	\$ 238,700	\$ 30,619	\$ 5,485	\$ 1,300,000	\$ 375,473
\$ -	\$ 78,395	\$ -	\$ 4,446	\$ 5,561	\$ 44,900
-	78,395	-	4,446	5,561	44,900
	47,319			159,439	79,518
340,734	112,986	30,619	1,039	1,135,000	251,055
340,734	160,305	30,619	1,039	1,294,439	330,573
\$ 340,734	\$ 238,700	\$ 30,619	\$ 5,485	\$ 1,300,000	\$ 375,473

(Continued)

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Assets, Liabilities and Project Balances
Capital Projects Fund
December 31, 2008

	Nothern Lights Branch Remodel Project	Receipts System Project	Branch HVAC & Air Quality Project	Driving Park Branch Remodel Project	Human Resource Automation Upgrade Project
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 64,648	\$ 159,275	\$ 200,000	\$ 18,552	\$ 46,609
Total Assets	<u>\$ 64,648</u>	<u>\$ 159,275</u>	<u>\$ 200,000</u>	<u>\$ 18,552</u>	<u>\$ 46,609</u>
LIABILITIES					
Accounts Payable	\$ 13,850	\$ -	\$ -	\$ 3,690	\$ -
Total Liabilities	<u>13,850</u>	<u>-</u>	<u>-</u>	<u>3,690</u>	<u>-</u>
FUNDS BALANCE					
Reserved for Encumbrances	48,102	-		1,254	28,750
Unreserved:					
Undesignated	2,696	159,275	200,000	13,608	17,859
Total Fund Balance	<u>50,798</u>	<u>159,275</u>	<u>200,000</u>	<u>14,862</u>	<u>46,609</u>
Total Liabilities and Fund Balance	<u>\$ 64,648</u>	<u>\$ 159,275</u>	<u>\$ 200,000</u>	<u>\$ 18,552</u>	<u>\$ 46,609</u>

Access Control and Photo ID Project	CCTV Enhancements Project	2008 Homework Help Centers Project	HVAC Improvement Project	Linden Land Acquisition Project	20/20 Vision Plan Project
\$ 85,385	\$ 132,883	\$ 196,459	\$ 23,075	\$ 17,246	\$ 301,813
\$ 85,385	\$ 132,883	\$ 196,459	\$ 23,075	\$ 17,246	\$ 301,813
\$ -	\$ 80,000	\$ 7,701	\$ -	\$ -	\$ 79,998
-	80,000	7,701	-	-	79,998
73,511	40,925	32,452	7,731	2,450	111,897
11,874	11,958	156,306	15,344	14,796	109,918
85,385	52,883	188,758	23,075	17,246	221,815
\$ 85,385	\$ 132,883	\$ 196,459	\$ 23,075	\$ 17,246	\$ 301,813

(Continued)

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Assets, Liabilities and Project Balances
Capital Projects Fund
December 31, 2008

	Circulation Desk Remodels Project	Dublin Branch Childrens' Area Remodel Project	Discovery Place Roadmap Project	SBN Tech Center Project
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 167,000	\$ 43,197	\$ 1,322,464	\$ -
Total Assets	\$ 167,000	\$ 43,197	\$ 1,322,464	\$ -
LIABILITIES				
Accounts Payable	\$ 6,000	\$ 769	\$ 48,857	\$ -
Total Liabilities	6,000	769	48,857	-
FUNDS BALANCE				
Reserved for Encumbrances	6,000	3,554	522,841	-
Unreserved:				
Undesignated	155,000	38,874	750,766	-
Total Fund Balance	161,000	42,428	1,273,607	-
Total Liabilities and Fund Balance	\$ 167,000	\$ 43,197	\$ 1,322,464	\$ -

Merchandising Collection Project	AV Materials Security Project	Reynoldsburg Children's Remodel Project	AV System and Equipment Project	Total Capital Projects Fund
\$ -	\$ -	\$ -	\$ 83,771	\$ 7,407,013
\$ -	\$ -	\$ -	\$ 83,771	\$ 7,407,013
\$ -	\$ -	\$ -	\$ -	\$ 381,370
-	-	-	-	381,370
-	-	-	-	1,453,758
-	-	-	83,771	5,571,885
-	-	-	83,771	7,025,643
\$ -	\$ -	\$ -	\$ 83,771	\$ 7,407,013

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Project Balance
Capital Projects
For the Year Ended December 31, 2008

	Capital Project Non-Project Related	Homework Help Centers '07 Project	Proactive Reference Project Phase II	Air Quality Improvement Project	Main Library Roof Repair Project
REVENUES					
Contributions and Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
EXPENDITURES					
Public Services:					
Purchased/Contracted Services	-	3,915	-	-	-
Total Public Service	-	3,915	-	-	-
Administrative and Support:					
Salaries and Benefits					
Supplies	-	-	-	-	-
Purchased/Contracted Services	-	-	-	-	-
Total Administrative and Support	-	-	-	-	-
Capital Outlay	-	5,363	8,970	16,450	2,500
Total Expenditures	-	9,278	8,970	16,450	2,500
Excess (deficiency) of revenue over (under) expenditures	-	(9,278)	(8,970)	(16,450)	(2,500)
OTHER FINANCING SOURCES (USES)					
Inter-Fund Transfer-In	206,028	-	-	-	250,000
Inter-Fund Transfer-Out	(5,213,968)	-	-	-	-
Total Other Financing Sources (Uses)	(5,007,940)	-	-	-	250,000
Net Change in Fund Balances	(5,007,940)	(9,278)	(8,970)	(16,450)	247,500
Fund Balances Beginning of Year	6,639,373	9,790	253,432	225,686	-
Restatement, See Note 11	(86,721)	-	-	-	-
Fund Balances at End of Year	\$ 1,544,712	\$ 512	\$ 244,462	\$ 209,236	\$ 247,500

Main Library Remodeling Project	Vehicle Signage Project	Energy Conservation Projects	Carpet Replacement Project	Main Library Revitalization Project	Branch Carpet Replacement Project
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
58,981	54,386	6,600	49,014	-	9,827
58,981	54,386	6,600	49,014	-	9,827
62,387	149,521	-	-	5,561	44,900
121,368	203,907	6,600	49,014	5,561	54,727
(121,368)	(203,907)	(6,600)	(49,014)	(5,561)	(54,727)
-	-	-	-	1,300,000	385,300
-	-	-	-	-	-
-	-	-	-	1,300,000	385,300
(121,368)	(203,907)	(6,600)	(49,014)	1,294,439	330,573
462,102	364,212	37,219	50,053	-	-
-	-	-	-	-	-
\$ 340,734	\$ 160,305	\$ 30,619	\$ 1,039	\$ 1,294,439	\$ 330,573

(Continued)

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Project Balance
Capital Projects
For the Year Ended December 31, 2008

	Nothern Lights Branch Remodel Project	Receipts System Project	Branch HVAC & Air Quality Project	Driving Park Branch Remodel Project	Human Resource Automation Upgrade Project
REVENUES					
Contributions and Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
EXPENDITURES					
Public Services:					
Purchased/Contracted Services	-	-	-	-	-
Total Public Service	-	-	-	-	-
Administrative and Support:					
Salaries and Benefits					
Supplies	-	-	-	109	-
Purchased/Contracted Services	-	-	-	36,901	-
Total Administrative and Support	-	-	-	37,010	-
Capital Outlay	17,202	-	-	144,840	-
Total Expenditures	17,202	-	-	181,850	-
Excess (deficiency) of revenue over (under) expenditures	(17,202)	-	-	(181,850)	-
OTHER FINANCING SOURCES (USES)					
Inter-Fund Transfer-In	-	-	200,000	-	-
Inter-Fund Transfer-Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	200,000	-	-
Net Change in Fund Balances	(17,202)	-	200,000	(181,850)	-
Fund Balances Beginning of Year	68,000	159,275	-	196,712	46,609
Restatement, See Note 11	-	-	-	-	-
Fund Balances at End of Year	\$ 50,798	\$ 159,275	\$ 200,000	\$ 14,862	\$ 46,609

Access Control and Photo ID Project	CCTV Enhancements Project	2008 Homework Help Centers Project	HVAC Improvements Project	Linden Land Acquisition Project	2020 Vision Plan Project
\$ -	\$ -	\$ 134,953	\$ -	\$ -	\$ -
-	-	134,953	-	-	-
-	-	23,983	-	-	-
-	-	23,983	-	-	-
-	-	-	-	-	1,841
-	-	-	-	-	221,346
-	-	-	-	-	223,187
90,000	88,400	82,212	-	57,754	79,998
90,000	88,400	106,195	-	57,754	303,185
(90,000)	(88,400)	28,758	-	(57,754)	(303,185)
175,385	141,283	160,000	-	75,000	525,000
-	-	-	-	-	-
175,385	141,283	160,000	-	75,000	525,000
85,385	52,883	188,758	-	17,246	221,815
-	-	-	23,075	-	-
-	-	-	-	-	-
\$ 85,385	\$ 52,883	\$ 188,758	\$ 23,075	\$ 17,246	\$ 221,815

(Continued)

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Project Balance
Capital Projects
For the Year Ended December 31, 2008

	Circulation Desk Remodels Project	Dublin Branch Childrens' Area Remodel Project	Discovery Place Roadmap Project	SBN Tech Center Project
REVENUES				
Contributions and Donations	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Public Services:				
Purchased/Contracted Services	-	-	-	-
Total Public Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administrative and Support:				
Salaries and Benefits				
Supplies	-	-		-
Purchased/Contracted Services	-	6,803	93,749	11,899
Total Administrative and Support	<u>-</u>	<u>6,803</u>	<u>93,749</u>	<u>11,899</u>
Capital Outlay	6,000	769	232,644	70,201
Total Expenditures	<u>6,000</u>	<u>7,572</u>	<u>326,393</u>	<u>82,100</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(6,000)</u>	<u>(7,572)</u>	<u>(326,393)</u>	<u>(82,100)</u>
OTHER FINANCING SOURCES (USES)				
Inter-Fund Transfer-In	167,000	50,000	1,600,000	-
Inter-Fund Transfer-Out	-	-	-	(106,004)
Total Other Financing Sources (Uses)	<u>167,000</u>	<u>50,000</u>	<u>1,600,000</u>	<u>(106,004)</u>
Net Change in Fund Balances	161,000	42,428	1,273,607	(188,104)
Fund Balances Beginning of Year	-	-	-	188,104
Restatement, See Note 11	-	-	-	-
Fund Balances at End of Year	<u>\$ 161,000</u>	<u>\$ 42,428</u>	<u>\$ 1,273,607</u>	<u>\$ -</u>

Merchandising Collection Project	AV Materials Security Project	Reynoldsburg Children's Remodel Project	AV System and Equipment Project	Total Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ 134,953
-	-	-	-	134,953
-	-	-	-	27,898
-	-	-	-	27,898
-	2,100	-	-	4,050
-	-	12,474	-	561,980
-	2,100	12,474	-	566,030
-	-	-	101,229	1,266,901
-	2,100	12,474	101,229	1,860,829
-	(2,100)	(12,474)	(101,229)	(1,725,876)
-	-	-	185,000	5,419,996
(100,000)	(6)	(18)	-	(5,419,996)
(100,000)	(6)	(18)	185,000	-
(100,000)	(2,106)	(12,492)	83,771	(1,725,876)
100,000	2,106	12,492	-	8,838,240
-	-	-	-	(86,721)
\$ -	\$ -	\$ -	\$ 83,771	\$ 7,025,643

COLUMBUS METROPOLITAN LIBRARY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 1,707,671	\$ 76,815	\$ 1,784,486
Receivables	40,128	37	40,165
Prepays	25,769	-	25,769
Total Assets	<u>\$ 1,773,568</u>	<u>\$ 76,852</u>	<u>\$ 1,850,420</u>
LIABILITIES			
Account Payable	\$ 3,102	\$ 4,314	\$ 7,416
Accrued Liabilities	64,332	-	64,332
Unearned Revenue	9,557	-	9,557
Total Liabilities	<u>76,991</u>	<u>4,314</u>	<u>81,305</u>
FUNDS BALANCE			
Reserved for Encumbrances	340	-	340
Reserved for Prepays	25,769	-	25,769
Reserved for Endowments	-	67,742	67,742
Unreserved:			
Special Revenue	1,670,468	-	1,670,468
Permanent	-	4,796	4,796
Total Fund Balance	<u>1,696,577</u>	<u>72,538</u>	<u>1,769,115</u>
Total Liabilities and Fund Balance	<u>\$ 1,773,568</u>	<u>\$ 76,852</u>	<u>\$ 1,850,420</u>

COLUMBUS METROPOLITAN LIBRARY
Combining Statement of Revenues, Expenditures and
Changes in Funds Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment Earnings	\$ 60,417	\$ 2,734	\$ 63,151
Charges for Services	674,995	-	674,995
Contributions and Donations	159,999	-	159,999
Miscellaneous	19,278	-	19,278
Total Revenues	914,689	2,734	917,423
EXPENDITURES			
Public Services:			
Supplies	107,356	-	107,356
Purchased and Contracted Services	17,767	-	17,767
Library Materials	7,078	10,172	17,250
Capital Outlay	1,135	-	1,135
Total Public Service	133,336	10,172	143,508
Administrative and Support:			
Supplies	24,023	-	24,023
Purchased and Contracted Services	560,915	-	560,915
Capital Outlay	12,379	-	12,379
Total Administrative and Support	597,317	-	597,317
Total Expenditures	730,653	10,172	740,825
Excess (deficiency) of Revenue over (under) Expenditures	184,036	(7,438)	176,598
OTHER FINANCING SOURCES (USES)			
Net Change in Fund Balances	184,036	(7,438)	176,598
Fund Balances at Beginning of Year	1,512,541	79,976	1,592,517
Fund Balances at End of Year	\$ 1,696,577	\$ 72,538	\$ 1,769,115

COLUMBUS METROPOLITAN LIBRARY
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Restricted Fund	Land Development Fund	Total Nonmajor Special Revenue Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 186,698	\$ 1,520,973	\$ 1,707,671
Receivables	33,800	6,328	40,128
Prepays	-	25,769	25,769
Total Assets	220,498	1,553,070	1,773,568
LIABILITIES			
Accounts Payable	\$ 3,102	\$ -	\$ 3,102
Accrued Liabilities	-	64,332	64,332
Unearned Revenue	-	9,557	9,557
Total Liabilities	3,102	73,889	76,991
FUNDS BALANCE			
Reserved for Encumbrances	340	-	340
Reserved for Prepays	-	25,769	25,769
Unreserved:			
Special Revenue	217,056	1,453,412	1,670,468
Total Fund Balance	217,396	1,479,181	1,696,577
Total Liabilities and Fund Balance	\$ 220,498	\$ 1,553,070	\$ 1,773,568

COLUMBUS METROPOLITAN LIBRARY
Combining Statement of Revenues, Expenditures and
Changes in Funds Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008

	Restricted Fund	Land Development Fund	Total Nonmajor Special Revenue Funds
REVENUES			
Investment Earnings	\$ -	\$ 60,417	\$ 60,417
Charges for Services	-	674,995	674,995
Contributions and Donations	159,999	-	159,999
Miscellaneous	-	19,278	19,278
Total Revenues	159,999	754,690	914,689
EXPENDITURES			
Public Services:			
Supplies	107,356	-	107,356
Purchased/Contracted Services	17,767	-	17,767
Library Materials	7,078	-	7,078
Capital Outlay	1,135	-	1,135
Total Public Service	133,336	-	133,336
Administrative and Support:			
Supplies	-	24,023	24,023
Purchased/Contracted Services	-	560,915	560,915
Capital Outlay	-	12,379	12,379
Total Administrative and Support	-	597,317	597,317
Total Expenditures	133,336	597,317	730,653
Excess (deficiency) of Revenue over (under) Expenditures	26,663	157,373	184,036
Net Change in Fund Balances	26,663	157,373	184,036
Fund Balances Beginning of Year	190,733	1,321,808	1,512,541
Fund Balances at End of Year	\$ 217,396	\$ 1,479,181	\$ 1,696,577

COLUMBUS METROPOLITAN LIBRARY
Combining Schedule of Revenues, Expenditures and Changes
in Account Balances - Budget (Non-GAAP) and Actual
General Fund
For the Year Ended December 31, 2008

	<u>General Operating Account</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property Taxes	\$ 17,522,936	\$ 17,522,936	\$ 16,840,141	\$ (682,795)
Intergovernmental	29,807,312	29,807,312	28,526,345	(1,280,967)
Fines and Fees	2,200,000	2,200,000	2,067,899	(132,101)
Charges for Services	690,459	690,459	739,085	48,626
Investment Earnings	1,222,793	1,222,793	721,839	(500,954)
Contributions and donations	40,000	40,000	1,244	(38,756)
Miscellaneous	286,500	286,500	204,676	(81,824)
Total Revenues	<u>51,770,000</u>	<u>51,770,000</u>	<u>49,101,229</u>	<u>(2,668,771)</u>
EXPENDITURES				
Current:				
Public Service:				
Salaries and Benefits	25,213,353	25,213,353	23,994,478	1,218,875
Supplies	404,518	405,940	406,657	(717)
Purchased and Contracted Services	3,107,330	3,107,330	3,030,538	76,792
Library Materials	6,504,869	6,505,119	6,375,420	129,699
Administrative and Support:				
Salaries and Benefits	10,110,666	10,110,666	10,212,183	(101,517)
Supplies	853,401	853,401	805,865	47,536
Purchased and Contracted Services	6,085,408	6,104,134	5,556,133	548,001
Library Materials	168,486	168,486	35,917	132,569
Other	761,500	804,805	803,303	1,502
Equipment	1,183,469	1,119,766	922,366	197,400
Total Expenditures	<u>54,393,000</u>	<u>54,393,000</u>	<u>52,142,860</u>	<u>2,250,140</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>(2,623,000)</u>	<u>(2,623,000)</u>	<u>(3,041,631)</u>	<u>(418,631)</u>
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	1,252,000	2,168,425	2,168,425	-
Transfers In	23,000	23,000	-	(23,000)
Intra-Fund Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,275,000</u>	<u>2,191,425</u>	<u>2,168,425</u>	<u>(23,000)</u>
Net Changes in Fund Balances	(1,348,000)	(431,575)	(873,206)	(441,631)
Fund Balances at Beginning of Year	5,055,899	5,055,899	5,055,899	-
Restatement (see Note 11)	(512,433)	(512,433)	(512,433)	-
Funds Balance End of Year	<u>\$ 3,195,466</u>	<u>\$ 4,111,891</u>	<u>\$ 3,670,260</u>	<u>\$ (441,631)</u>

COLUMBUS METROPOLITAN LIBRARY
Combining Schedule of Revenues, Expenditures and Changes
in Account Balances - Budget (Non-GAAP) and Actual
General Fund
For the Year Ended December 31, 2008

	<u>27th Pay Period Account</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and Fees	-	-	-	-
Charges for Services	-	-	-	-
Investment earnings	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Public Service:				
Salaries and Benefits	-	-	-	-
Supplies	-	-	-	-
Purchased and Contracted Services	-	-	-	-
Library Materials	-	-	-	-
Administrative and Support:				
Salaries and Benefits	-	-	-	-
Supplies	-	-	-	-
Purchased and Contracted Services	-	-	-	-
Library Materials	-	-	-	-
Other	-	-	-	-
Capital Outlay:	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of Revenue over (under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	-	-	-	-
Transfers In	-	-	-	-
Intra-Fund Transfers Out	(1,252,000)	(1,252,000)	(1,252,000)	-
Total Other Financing Sources (Uses)	(1,252,000)	(1,252,000)	(1,252,000)	-
Net Changes in Fund Balances	(1,252,000)	(1,252,000)	(1,252,000)	-
Fund Balances at Beginning of Year	1,252,325	1,252,325	1,252,325	-
Restatement (see Note 11)	-	-	-	-
Funds Balance End of Year	\$ 325	\$ 325	\$ 325	\$ -

COLUMBUS METROPOLITAN LIBRARY
Combining Schedule of Revenues, Expenditures and Changes
in Account Balances - Budget (Non-GAAP) and Actual
General Fund
For the Year Ended December 31, 2008

	<u>Combining General Fund Totals</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property Taxes	\$ 17,522,936	\$ 17,522,936	\$ 16,840,141	\$ (682,795)
Intergovernmental	29,807,312	29,807,312	28,526,345	(1,280,967)
Fines and Fees	2,200,000	2,200,000	2,067,899	(132,101)
Charges for Services	690,459	690,459	739,085	48,626
Investment earnings	1,222,793	1,222,793	721,839	(500,954)
Contributions and donations	40,000	40,000	1,244	(38,756)
Miscellaneous	286,500	286,500	204,676	(81,824)
Total Revenues	51,770,000	51,770,000	49,101,229	(2,668,771)
EXPENDITURES				
Current:				
Public Service:				
Salaries and Benefits	25,213,353	25,213,353	23,994,478	1,218,875
Supplies	404,518	405,940	406,657	(717)
Purchased and Contracted Services	3,107,330	3,107,330	3,030,538	76,792
Library Materials	6,504,869	6,505,119	6,375,420	129,699
Administrative and Support:				
Salaries and Benefits	10,110,666	10,110,666	10,212,183	(101,517)
Supplies	853,401	853,401	805,865	47,536
Purchased and Contracted Services	6,085,408	6,104,134	5,556,133	548,001
Library Materials	168,486	168,486	35,917	132,569
Other	761,500	804,805	803,303	1,502
Capital Outlay:	1,183,469	1,119,766	922,366	197,400
Total Expenditures	54,393,000	54,393,000	52,142,860	2,250,140
Excess (deficiency) of Revenue over (under) Expenditures	(2,623,000)	(2,623,000)	(3,041,631)	(418,631)
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	1,252,000	2,168,425	2,168,425	-
Transfers In	23,000	23,000	-	(23,000)
Intra-Fund Transfers Out	(1,252,000)	(2,168,425)	(2,168,425)	-
Total Other Financing Sources (Uses)	23,000	23,000	-	(23,000)
Net Changes in Fund Balances	(2,600,000)	(2,600,000)	(3,041,631)	(441,631)
Fund Balances at Beginning of Year	7,679,691	7,679,691	7,679,691	-
Restatement (see Note 11)	-	-	-	-
Funds Balance End of Year	\$ 5,079,691	\$ 5,079,691	\$ 4,638,060	\$ (441,631)

COLUMBUS METROPOLITAN LIBRARY
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP) and Actual
Restricted - Special Revenue Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
REVENUES				
Contributions and Donations	\$ 200,000	\$ 200,000	\$ 143,699	\$ (56,301)
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>143,699</u>	<u>(56,301)</u>
EXPENDITURES				
Current:				
Public Service:				
Supplies	4,756	122,212	104,056	18,156
Purchased and Contracted Services	179	14,691	14,426	265
Library Materials	18,718	19,371	5,479	13,892
Other	328,704	196,083	-	196,083
Equipment	<u>216</u>	<u>216</u>	<u>-</u>	<u>216</u>
Total Expenditures	<u>352,573</u>	<u>352,573</u>	<u>123,961</u>	<u>228,612</u>
Excess (deficiency) of Revenues over (under) Expenditures	(152,573)	(152,573)	19,738	172,311
Fund Balance at Beginning of Year	165,994	165,994	165,994	-
Fund Balance End of Year	<u>\$ 13,421</u>	<u>\$ 13,421</u>	<u>\$ 185,732</u>	<u>\$ 172,311</u>

COLUMBUS METROPOLITAN LIBRARY
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP) and Actual
Land Development - Special Revenue Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for Services	\$ 620,976	\$ 620,976	\$ 632,716	\$ 11,740
Investment Earnings	59,560	59,560	48,759	(10,801)
Miscellaneous	19,600	19,600	18,279	(1,321)
Total Revenues	700,136	700,136	699,754	(382)
EXPENDITURES				
Current:				
Administrative and Support:				
Supplies	29,500	29,500	27,213	2,287
Purchased and Contracted Services	547,621	576,621	576,330	291
Capital Outlay	9,850	9,850	12,379	(2,529)
Total Expenditures	586,971	615,971	615,922	49
Excess of Revenues Over Expenditures	113,165	84,165	83,832	(333)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(23,000)	-	-	-
Total Other Financing Sources (Uses)	23,000	-	-	-
Net Changes in Fund Balances	136,165	84,165	83,832	(333)
Fund Balance at Beginning of Year	1,300,592	1,300,592	1,300,592	-
Fund Balance End of Year	\$ 1,436,757	\$ 1,384,757	\$1,384,424	\$ (333)

COLUMBUS METROPOLITAN LIBRARY
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP) and Actual
Permanent Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget
				Positive
				(Negative)
REVENUES				
Investment Earnings	\$ 3,400	\$ 3,400	\$ 2,734	\$ (666)
Total Revenues	3,400	3,400	2,734	(666)
EXPENDITURES				
Current:				
Public Service:				
Library Materials	15,762	15,762	9,540	6,222
Administrative and Support:				
Other	3,400	3,400	-	3,400
Total Expenditures	19,162	19,162	9,540	9,622
Deficiency of Revenues under Expenditures over (under) Expenditures	(15,762)	(15,762)	(6,806)	8,956
Fund Balance at Beginning of Year	15,762	15,762	15,762	-
Fund Balance End of Year	\$ -	\$ -	\$ 8,956	\$ 8,956

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STATISTICAL SECTION

STATISTICAL SECTION

This section of the Columbus Metropolitan Library's Comprehensive Annual Financial Report (CAFR) presents current and historical information as a context for understanding the financial statements, note disclosures, and required information.

	<u>Pages</u>
Financial Trends	66-69
These schedules summarize financial information to assist the reader in analyzing and understanding how the Library's financial performance and condition changed over time.	
Revenue Capacity	70-75
These schedules contain information to assist the reader in evaluating factors affecting the Library's ability to generate property tax revenue.	
Debt Capacity	N/A
Currently, the Library has no debt. Therefore, these schedules are not required.	
Economic and Demographic Information	76-77
These schedules offer economic and demographic indicators to assist the reader in understanding environmental factors that influence the Library's financial activities.	
Operating Information	75-78
These schedules assist the reader in measuring the Library's financial performance as it relates to various operational statistics.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. In fiscal year 2003, the Library implemented Governmental Accounting Standards Board Statement No. 34 (GASB 34). Schedules presenting government-wide information commenced with that year.

Columbus Metropolitan Library
Net Assets by Component,
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities						
Invested in Capital Assets, net of related debt	\$ 76,488,699	\$ 77,538,653	\$ 76,346,337	\$ 71,928,282	\$ 70,477,531	\$ 69,437,656
Restricted	9,588,057	10,931,502	13,663,182	13,365,169	11,011,649	9,180,837
Unrestricted	9,410,729	9,057,840	21,822,333	23,030,705	12,714,129	11,259,145
Total primary government net assets	<u>\$ 95,487,485</u>	<u>\$ 97,527,995</u>	<u>\$ 111,831,852</u>	<u>\$ 108,324,156</u>	<u>\$ 94,203,309</u>	<u>\$ 89,877,638</u>

Note: The Library began to report accrual information when it implemented GASB Statement 34 in 2003.

Columbus Metropolitan Library
Changes in Net Assets,
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses						
Governmental activities:						
Public Service	\$ 31,863,473	\$ 32,481,244	\$ 32,512,093	\$ 33,456,423	\$ 34,198,334	\$ 34,999,765
Administrative and Support	17,016,864	16,200,886	16,768,918	17,956,008	19,428,007	20,324,972
Total primary government expenses	<u>\$ 48,880,337</u>	<u>\$ 48,682,130</u>	<u>\$ 49,281,011</u>	<u>\$ 51,412,431</u>	<u>\$ 53,626,341</u>	<u>\$ 55,324,737</u>
Program Revenues						
Governmental activities:						
Charges for Services						
Public Service	\$ 3,013,381	\$ 2,490,354	\$ 2,517,277	\$ 2,150,708	\$ 2,418,348	\$ 2,264,448
Administrative and Support	702,286	991,232	1,247,755	1,468,269	1,618,728	1,418,800
Operating grants and contributions	858,135	504,607	105,987	209,120	130,556	294,952
Capital grants and contributions	130,594	63,000	-	-	-	-
Total primary government program revenues	<u>\$ 4,704,396</u>	<u>\$ 4,049,193</u>	<u>\$ 3,871,019</u>	<u>\$ 3,828,097</u>	<u>\$ 4,167,632</u>	<u>\$ 3,978,200</u>
Net (Expense) Revenue						
Total primary government net expense	<u>\$ (44,175,941)</u>	<u>\$ (44,632,937)</u>	<u>\$ (45,409,992)</u>	<u>\$ (47,584,334)</u>	<u>\$ (49,458,709)</u>	<u>\$ (51,346,537)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 18,463,751	\$ 18,502,301	\$ 20,243,252	\$ 18,096,282	\$ 18,233,344	\$ 17,530,349
Intergovernmental, unrestricted	26,478,734	26,528,795	38,571,919	27,358,159	16,019,512	28,487,444
Unrestricted Investment Earnings	293,723	289,987	766,584	1,404,862	1,495,748	1,089,794
Total primary government	<u>\$ 45,236,208</u>	<u>\$ 45,321,083</u>	<u>\$ 59,581,755</u>	<u>\$ 46,859,303</u>	<u>\$ 35,748,604</u>	<u>\$ 47,107,587</u>
Changes in Net Assets						
Total primary government	<u>\$ 1,060,267</u>	<u>\$ 688,146</u>	<u>\$ 14,171,763</u>	<u>\$ (725,031)</u>	<u>\$ (13,710,105)</u>	<u>\$ (4,238,950)</u>

Notes: The Library began to report accrual information when it implemented GASB Statement 34 in 2003

**Columbus Metropolitan Library
Fund Balances, Governmental Funds,
Last Ten Fiscal Years**
(modified accrual basis of accounting)

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Reserved	\$ 2,385,396	\$ 2,904,460	\$ 2,964,839	\$ 2,407,513	\$ 2,378,884	\$ 2,481,749	\$ 2,700,933	\$ 2,043,617	\$ 2,373,149	\$ 2,224,307
Unreserved	1,005,671	3,329,160	5,820,642	10,476,615	8,011,240	7,799,574	8,192,614	14,221,722	8,881,711	6,089,229
Total general fund	<u>\$ 3,391,067</u>	<u>\$ 6,233,620</u>	<u>\$ 8,785,481</u>	<u>\$ 12,884,128</u>	<u>\$ 10,390,124</u>	<u>\$ 10,281,323</u>	<u>\$ 10,893,547</u>	<u>\$ 16,265,339</u>	<u>\$ 11,254,860</u>	<u>\$ 8,313,536</u>
All Other Governmental Funds										
Reserved	\$ 1,366,520	\$ 183,945	\$ 6,121,706	\$ 2,920,075	\$ 1,244,097	\$ 1,306,002	\$ 1,566,655	\$ 1,128,643	\$ 285,254	\$ 1,547,609
Unreserved reported in:										
Special revenue fund	1,088,140	1,184,297	1,527,847	1,600,938	1,808,492	1,793,711	1,347,298	1,569,790	1,487,467	1,670,468
Capital projects fund	13,313,924	16,332,243	11,917,997	6,515,306	7,448,295	7,804,484	8,613,615	9,282,602	8,645,802	5,571,885
Permanent fund	-	-	-	-	8,304	8,364	10,525	14,694	12,234	4,796
Total all other governmental Funds	<u>\$ 19,159,651</u>	<u>\$ 23,934,105</u>	<u>\$ 28,353,031</u>	<u>\$ 23,920,447</u>	<u>\$ 20,899,312</u>	<u>\$ 21,193,884</u>	<u>\$ 22,431,640</u>	<u>\$ 28,261,068</u>	<u>\$ 21,685,617</u>	<u>\$ 17,108,294</u>

Note: The Library implemented GASB Statement 34 in 2003. Therefore, financial data related to Schedule 4 for fiscal years 2002 and prior have not been restated to include Internal Service Fund, Trust and Agency Fund and the Expendable Fund.

Columbus Metropolitan Library
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues										
Property Taxes	\$ 18,596,196	\$ 19,401,783	\$ 19,665,370	\$ 20,427,733	\$ 18,463,751	\$ 18,502,301	\$ 18,378,399	\$ 18,566,700	\$ 18,307,983	\$ 16,515,427
Intergovernmental	24,477,146	26,612,381	26,909,882	24,845,572	26,486,233	26,573,796	26,987,656	32,557,054	22,536,974	28,487,444
Fines and Fees	1,874,421	1,924,045	2,085,581	2,201,380	1,875,357	1,857,329	1,918,291	1,866,936	1,945,475	2,041,208
Investment Earnings	1,129,029	1,635,419	1,351,384	611,715	285,907	274,599	716,174	1,292,009	1,350,592	806,956
Charges for Services	1,473,797	1,501,421	1,559,283	1,575,048	1,305,124	1,357,039	1,328,725	1,425,250	1,486,019	1,549,539
Contributions and Donations	127,044	120,400	291,157	202,646	955,636	271,667	105,987	209,120	130,556	296,196
Miscellaneous	180,357	161,675	486,496	152,081	591,984	504,528	534,148	322,795	601,492	221,996
Total revenues	47,857,990	51,357,124	52,349,153	50,016,175	49,963,992	49,341,259	49,969,380	56,239,864	46,359,091	49,918,766
Expenditures										
Public Service	23,245,384	24,734,509	27,038,038	27,578,545	30,457,034	30,703,177	31,941,341	32,335,004	33,012,423	33,385,801
Administrative	15,158,009	16,371,241	17,287,713	18,594,176	15,477,281	15,321,179	14,587,253	15,825,673	17,405,684	18,882,474
Capital Outlay	3,031,634	3,360,156	3,597,230	10,128,668	6,843,228	3,022,331	2,203,030	2,249,759	2,516,435	2,141,093
Debt Service										
Principal	3,020,324	2,885,000	-	-	-	-	-	-	-	-
Interest	277,534	123,889	-	-	-	-	-	-	-	-
Total expenditures	44,732,885	47,474,795	47,922,981	56,301,389	52,777,543	49,046,687	48,731,624	50,410,436	52,934,542	54,409,368
Excess of revenues over (under) expenditures	3,125,105	3,882,329	4,426,172	(6,285,214)	(2,813,551)	294,572	1,237,756	5,829,428	(6,575,451)	(4,490,602)
Other Financing Sources (Uses)										
Transfers In	15,468,551	4,468,552	12,674,700	1,670,000	6,192,490	3,450,000	2,501,520	1,500,000	22,768	5,419,996
Transfers Out	(15,468,551)	(4,468,552)	(12,674,700)	(1,670,000)	(6,192,490)	(3,450,000)	(2,501,520)	(1,500,000)	(22,768)	(5,419,996)
Proceeds from sale of property	21,950	721,345	212,199	-	-	-	-	-	-	-
Total other financing sources (uses)	21,950	721,345	212,199	-	-	-	-	-	-	-
Net change in fund balances	\$ 3,147,055	\$ 4,603,674	\$ 4,638,371	\$ (6,285,214)	\$ (2,813,551)	\$ 294,572	\$ 1,237,756	\$ 5,829,428	\$ (6,575,451)	\$ (4,490,602)
Debt service as a percentage of noncapital expenditures	7.91%	6.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Columbus Metropolitan Library
Assessed and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
(in thousands)**

Tax Year¹	Real Property		Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1999	\$10,415,332	\$29,758,091	\$1,760,418	\$7,041,672
2000	12,038,975	34,397,071	1,881,401	7,525,604
2001	12,439,564	35,541,611	1,908,473	7,633,892
2002	12,877,239	36,792,111	1,970,966	7,883,864
2003	15,015,039	42,900,111	1,642,488	6,569,952
2004	15,432,104	44,091,726	1,575,753	6,303,012
2005	17,927,605	51,221,729	1,154,863	4,619,452
2006	18,455,997	52,731,420	814,754	3,259,016
2007	18,820,172	53,771,920	466,184	1,864,736
2008	19,197,804	54,850,869	58,937	589,370

Source: Franklin County Auditor

¹Tax year ended December 31, yyyy represents the year taxes are collected. However, they are

² Rate per \$1,000 of assessed value

Public Utilities		Total		Total Direct Tax Rate²	Assessed Value as a Percentage of Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$695,294	\$1,986,554	\$12,871,044	\$38,786,317	\$16.99	33.184%
712,261	2,035,031	14,632,637	43,957,706	16.99	33.288
696,282	1,989,377	15,044,319	45,164,880	16.99	33.310
581,963	1,662,751	15,430,168	46,338,726	16.99	33.299
579,702	1,656,291	17,237,229	51,126,354	16.99	33.715
608,039	1,737,254	17,615,896	52,131,992	16.99	33.791
579,631	1,656,089	19,662,099	57,497,270	17.79	34.197
549,787	1,570,820	19,820,538	57,561,256	17.79	34.434
408,559	1,167,311	19,694,915	56,803,967	17.79	34.672
422,371	1,206,774	19,679,112	56,647,013	17.84	34.740

applied the following year (e.g. taxes collected in 2007 are applied in 2008).

**Columbus Metropolitan Library
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years**
(rate per \$1,000 of assessed value)

	Years									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	for	for	for	for	for	for	for	for	for	for
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
COUNTY -										
Franklin County	\$16.99	\$16.99	\$16.99	\$16.99	\$16.99	\$16.99	\$17.79	\$17.79	\$17.79	\$17.84
SCHOOL DISTRICT:										
Canal Winchester	\$55.86	\$55.91	\$55.91	\$62.80	\$61.20	\$61.05	\$61.00	\$61.25	\$61.25	\$61.25
Columbus	57.95	57.57	57.37	57.37	58.80	59.18	67.65	66.47	67.65	67.65
Dublin	65.50	65.22	65.22	65.22	64.60	64.60	64.60	72.50	72.50	72.50
Gahanna-Jefferson	62.09	61.35	61.21	61.24	60.90	61.19	60.14	59.24	66.95	65.80
Groveport-Madison	56.33	55.40	55.05	54.50	53.78	53.88	53.36	52.60	52.75	52.81
Hamilton	47.13	47.09	54.10	54.11	53.75	53.65	53.43	55.57	55.15	55.60
Hilliard	59.71	59.71	65.61	65.61	64.44	64.44	74.40	73.14	75.89	75.89
Licking Heights	40.10	39.60	48.50	48.10	47.53	47.52	47.52	48.50	48.52	47.07
Reynoldsburg	55.12	55.49	55.39	55.28	58.20	58.21	59.63	59.30	59.30	59.10
Upper Arlington	84.03	83.95	83.32	89.52	89.15	89.11	96.24	95.88	95.88	95.88
Whitehall	65.61	65.49	65.52	65.49	65.40	65.40	65.40	65.33	65.45	65.45

(Continued)

**Columbus Metropolitan Library
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years**
(rate per \$1,000 of assessed value)

	Years									
	1998 for 1999	1999 for 2000	2000 for 2001	2001 for 2002	2002 for 2003	2003 for 2004	2004 for 2005	2005 for 2006	2006 for 2007	2007 for 2008
JOINT VOCATIONAL SCHOOL DISTRICT:										
Central Ohio	\$1.60	\$1.60	\$1.10	\$1.10	\$0.50	\$0.50	\$0.50	\$0.50	\$1.30	\$1.30
Eastland	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Licking County	2.00	2.00	2.00	2.00	3.00	2.80	3.00	3.00	3.00	3.00
MUNICIPAL CORPORATIONS:										
Brice	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20
Canal Winchester	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Columbus	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14
Dublin	2.97	2.97	2.97	2.97	2.97	2.96	2.96	2.95	2.95	2.95
Gahanna	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Groveport	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Hilliard	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Lockbourne	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
New Albany	1.70	1.57	1.23	1.72	1.73	1.94	1.94	1.94	1.94	1.94
Obetz	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Reynoldsburg	0.77	0.76	0.76	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Valleyview	24.53	24.53	24.53	24.53	24.53	24.53	24.53	24.53	22.53	22.53
Whitehall	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Lithopolis	N/A	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90

(Continued)

**Columbus Metropolitan Library
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years**
(rate per \$1,000 of assessed value)

	Years									
	1998 for 1999	1999 for 2000	2000 for 2001	2001 for 2002	2002 for 2003	2003 for 2004	2004 for 2005	2005 for 2006	2006 for 2007	2007 for 2008
TOWNSHIPS:										
Blendon	\$22.43	\$22.41	\$22.16	\$22.00	\$25.40	\$25.07	\$25.05	\$25.02	\$26.55	\$26.51
Brown	9.60	9.60	9.60	9.60	9.60	9.60	12.80	12.80	12.80	12.80
Clinton	25.64	25.64	25.64	25.64	25.64	25.64	25.64	31.14	31.14	31.14
Franklin	13.05	13.05	13.05	13.05	13.05	13.05	18.05	18.05	21.31	21.31
Hamilton	14.55	15.05	15.55	15.80	15.80	15.80	15.80	15.80	15.80	15.80
Jefferson	10.82	10.59	10.53	10.50	10.37	10.37	10.28	10.21	10.09	9.12
Madison	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80
Mifflin	20.80	20.80	21.80	21.80	21.80	21.80	22.80	22.80	22.80	22.80
Norwich	18.80	18.80	18.80	18.80	21.60	21.60	21.60	21.60	21.60	21.60
Perry	23.80	23.80	20.50	23.80	23.80	20.40	18.40	18.40	21.20	21.20
Plain	9.34	10.72	13.58	13.52	13.43	13.12	13.37	13.27	13.15	12.85
Prairie	14.20	14.20	16.20	14.20	14.20	14.20	14.20	18.20	18.20	18.20
Sharon	13.10	19.10	19.08	19.00	23.50	23.50	23.50	23.50	23.50	23.50
Truro	12.65	12.65	12.65	12.65	16.65	16.65	16.65	16.65	16.65	16.65
Washington	18.51	20.01	20.00	20.00	20.00	20.00	19.99	19.99	19.95	14.47
OTHER ENTITIES:										
Columbus Metropolitan Library	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20
Metropolitan Park District	0.55	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65

Source: Franklin County Auditor

**Columbus Metropolitan Library
Principal Property Taxpayers,
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>Fiscal Year 2008³</u>			<u>Fiscal Year 1999⁴</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value¹</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value²</u>
Columbus Southern Power	\$ 350,514,610	1	1.78 %	\$ 299,703,060	1	2.07 %
Columbia Gas of Ohio, Inc.	48,255,120	2	0.25	118,458,440	3	0.82
Nationwide Mutual Insurance Co.	71,313,430	3	0.36	99,252,620	4	0.68
Distribution Land Corp.	70,122,890	4	0.36	42,892,790	10	0.30
Duke Realty	59,053,730	5	0.30			-
Huntington Center Associates	58,100,000	6	0.30	48,685,000	7	0.34
OhioHealth Corp.	55,662,670	7	0.28			
Ohio Bell Telephone Co	30,525,450	8	0.16	155,558,900	2	1.07
American Electric Power Service Corp.	25,953,350	9	0.13			-
New Par	25,527,770	10	0.13			-
New Albany Company	-		-			-
Lucent Technologies Inc.	-		-	70,380,190	5	0.49
Abbott Laboratories	-		-	45,260,470	8	0.31
Capitol South Community	-		-	65,535,530	6	0.45
Techneglas Inc.	-		-	43,851,150	9	0.30
Total	\$ 795,029,020		4.04 %	\$ 989,578,150		6.82 %

¹The total assessed valuation for 2008 equals: \$19,679,111,123

²The total assessed valuation for 1999 equals: \$14,501,941,092

Source of Principal Property Taxpayer Listing:

³Franklin County Auditor

⁴Columbus Metropolitan Library's 1999 CAFR

**Columbus Metropolitan Library
Property Tax Levies and Collections,
Last Ten Fiscal Years**

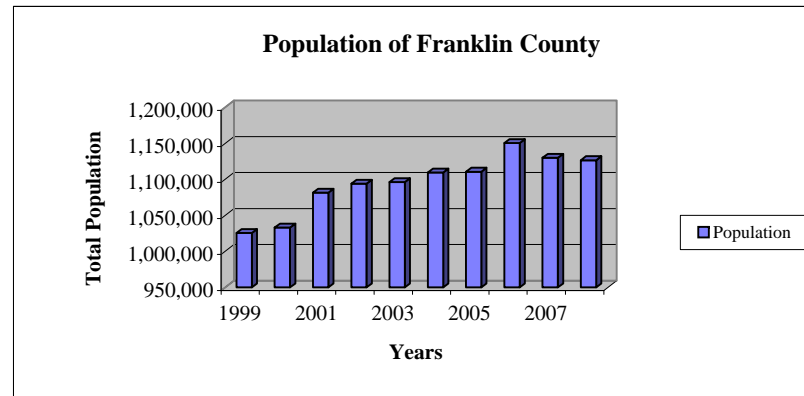
Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$18,612,899	\$18,194,005	97.75%	\$652,402	\$18,846,407	101.25%
2000	19,358,825	18,552,034	95.83	681,859	19,233,893	99.35
2001	20,051,448	19,080,748	95.16	735,808	19,816,556	98.83
2002	20,342,296	19,440,388	95.57	949,406	20,389,794	100.23
2003	20,295,199	19,004,793	93.64	1,002,198	20,006,991	98.58
2004	20,446,512	18,976,377	92.81	1,144,646	20,121,023	98.41
2005	20,895,559	20,256,245	96.94	834,776	21,091,021	100.94
2006	20,533,480	18,711,078	91.12	943,001	19,654,079	95.72
2007	20,423,141	18,272,720	89.47	939,357	19,212,077	94.07
2008	19,816,075	17,286,854	87.24	860,646	18,147,500	91.58

Source: Franklin County Auditor

**Columbus Metropolitan Library
Demographic and Economic Statistics,
Last Ten Calendar Years**

Year	Population	Personal Income (1)	Per Capita Personal Income (1)	Median Age	K-12 School Enrollment (2)	Unemployment Rates		
						Franklin County	State of Ohio	United States
1999	1,025,742 (4)	29,983,000	N/A	32.9 (4)	194,036	2.1 (3)	3.8 (3)	3.7 (3)
2000	1,033,293 (4)	31,616,000	31,527	33.7 (4)	193,618	2.1 (3)	3.7 (3)	3.7 (3)
2001	1,081,784 (4)	31,913,000	32,664	32.9 (4)	200,462	3.1 (5)	4.8 (5)	5.8 (5)
2002	1,094,050 (1)	32,955,000	33,144	32.9 (1)	203,724	3.9 (5)	5.3 (5)	6.0 (5)
2003	1,096,230 (1)	33,205,000	34,456	33.3 (1)	204,586	4.0 (5)	6.0 (5)	5.7 (5)
2004	1,109,630 (1)	34,043,000	35,199	33.4 (1)	203,149	4.3 (5)	5.9 (5)	5.4 (5)
2005	1,110,830 (1)	34,754,000	36,714	34.0 (1)	204,878	4.8 (5)	5.5 (5)	4.6 (5)
2006	1,150,722 (4)	35,526,000	39,395	38.8 (4)	207,204	4.5 (6)	5.4 (6)	4.3 (6)
2007	1,130,253 (4)	39,485,000	38,773	34.0 (4)	203,394	4.7 (5)	5.6 (5)	4.6 (5)
2008	1,126,742 (4)	40,331,000	40,009	34.0 (4)	200,001	6.1 (5)	7.7 (5)	7.1 (5)

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Source: (1) State Profile. Ohio Woods & Poole Economics, Inc., Washington, D.C.
 (2) Quality Education Data, Inc., School Guide
 (3) State of Ohio Labor Market Information
 (4) Community Sourcebook of County Demographics ERSI Business Informations

(5) Ohio Dept. of Job and Family Services, LMI; <http://lmi.state.oh.us> ERSI Business Informations
 (6) Franklin County Auditor

**Columbus Metropolitan Library
Principal Employers,
Current Year and Nine Years Ago**

<u>Employer</u>	<u>Fiscal Year 2008¹</u>			<u>Fiscal Year 1999¹</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
State of Ohio	24,492	1	4.14 %	27,755	1	4.69 %
The Ohio State University	21,107	2	3.57 %	17,164	2	2.90 %
JP Morgan Chase & Co. (formerly Bank One)	14,689	3	2.48 %	9,917	6	1.68 %
Nationwide	11,441	4	1.93 %	9,309	7	1.57 %
United States Federal Government	10,762	5	1.82 %	16,500	3	2.79 %
Ohio Health (formerly Grant/Riverside)	10,592	6	1.79 %	6,600	10	1.12 %
Honda of America Manufacturing, Inc.	8,800	7	1.49 %	13,300	4	2.25 %
Columbus City Schools	8,276	8	1.40 %	8,583	8	1.45 %
City of Columbus	8,227	9	1.39 %	8,398	9	1.42 %
Franklin County Limited Inc.	6,310	10	1.07 %	-	-	-
	-		-	10,000	5	1.69 %
Total	124,696		21.08 %	127,526		21.56 %
Average County Employment for the Year ²	591,600			576,700		

Source:

¹Business First of Columbus, Book of Lists 2008 and 1999

²Ohio Workforce Informer

**Columbus Metropolitan Library
Capital Asset Statistics by Branch
Last Five Fiscal Years**

The Columbus Metropolitan Library has 21 branch locations that service customers in Franklin County and the surrounding areas.

	Fiscal Year				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Driving Park (1973)					
Number of Registered Borrowers	4,858	4,858	4,858	5,139	4,655
Volume Size (Collection)	29,000	29,000	29,000	29,000	29,000
Circulation	134,186	131,800	119,347	106,594	93,618
Dublin (1981)					
Number of Registered Borrowers	30,067	30,067	30,067	33,365	33,483
Volume Size (Collection)	160,000	160,000	160,000	160,000	160,000
Circulation	1,352,672	1,464,079	1,529,032	1,630,425	1,739,138
Franklinton (1995)					
Number of Registered Borrowers	5,849	5,849	5,849	5,583	5,401
Volume Size (Collection)	33,000	33,000	33,000	33,000	33,000
Circulation	163,499	172,133	156,707	135,920	138,550
Gahanna (1991)					
Number of Registered Borrowers	32,261	31,581	31,987	32,833	32,481
Volume Size (Collection)	143,000	143,000	143,000	143,000	143,000
Circulation	1,181,822	1,153,960	1,182,590	1,263,524	1,353,457
Hilliard (1996)					
Number of Registered Borrowers	37,161	37,954	38,901	40,606	41,020
Volume Size (Collection)	170,000	170,000	170,000	170,000	170,000
Circulation	1,484,093	1,589,055	1,637,625	1,749,510	1,863,562
Hilltop (1996)					
Number of Registered Borrowers	23,613	23,171	23,741	24,490	23,426
Volume Size (Collection)	145,000	145,000	145,000	145,000	145,000
Circulation	755,969	734,511	676,625	659,391	660,015
Karl Road (1988)					
Number of Registered Borrowers	32,581	32,252	32,252	32,282	31,009
Volume Size (Collection)	170,000	170,000	170,000	170,000	170,000
Circulation	1,108,873	1,141,037	1,051,858	985,798	946,994
Linden (2004)					
Number of Registered Borrowers	7,485	10,446	10,446	10,438	9,714
Volume Size (Collection)	32,000	32,000	32,000	32,000	32,000
Circulation	221,530	195,609	175,826	175,469	178,532
Livingston (1992)					
Number of Registered Borrowers	13,293	13,235	14,399	15,192	13,976
Volume Size (Collection)	90,000	90,000	90,000	90,000	90,000
Circulation	320,773	321,463	287,361	281,320	300,800
Main Library (1901)					
Number of Registered Borrowers	75,778	71,070	70,791	78,846	79,331
Volume Size (Collection)	928,000	928,000	928,000	928,000	928,000
*Circulation	3,002,018	3,075,642	3,041,414	3,041,972	2,898,452
Martin Luther King (1969)					
Number of Registered Borrowers	5,798	5,335	5,484	5,402	5,203
Volume Size (Collection)	30,000	30,000	30,000	30,000	30,000
Circulation	153,269	161,761	147,531	143,224	162,779

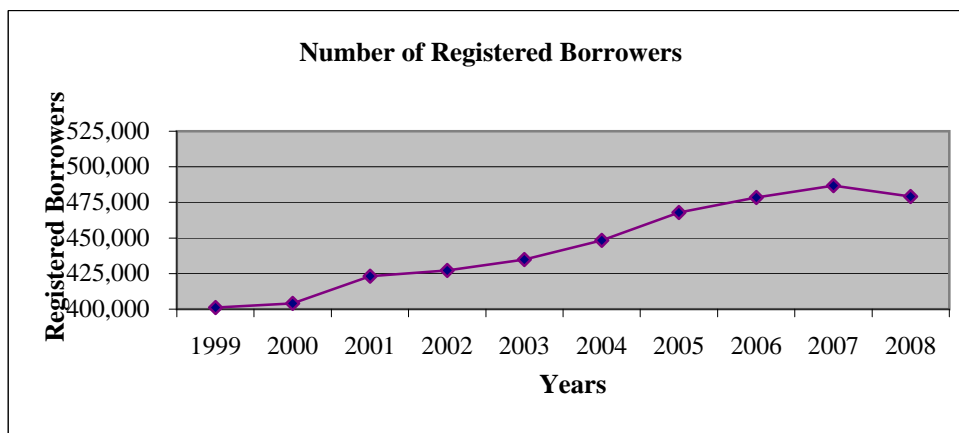
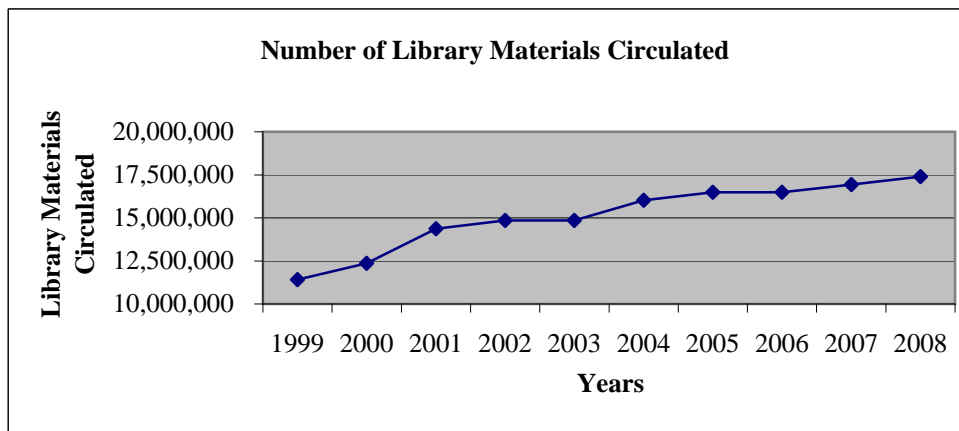
**Columbus Metropolitan Library
Capital Asset (Library Materials) Statistics by Branch
Last Five Fiscal Years**

	Fiscal Year				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
New Albany (2004)					
Number of Registered Borrowers	5,496	10,120	15,353	18,827	19,526
Volume Size (Collection)	120,000	120,000	120,000	120,000	120,000
Circulation	706,147	784,162	868,032	935,378	979,920
Northern Lights (1993)					
Number of Registered Borrowers	16,439	15,995	16,843	16,671	15,550
Volume Size (Collection)	72,000	72,000	72,000	72,000	72,000
Circulation	379,914	367,434	363,203	353,919	385,163
Northside (1991)					
Number of Registered Borrowers	10,790	11,200	11,810	13,521	13,081
Volume Size (Collection)	48,000	48,000	48,000	48,000	48,000
Circulation	436,643	468,681	477,942	506,680	501,656
Parsons (1956)					
Number of Registered Borrowers	7,924	7,582	8,012	8,074	7,552
Volume Size (Collection)	37,000	37,000	37,000	37,000	37,000
Circulation	194,794	200,023	184,034	178,203	197,213
Reynoldsburg (1981)					
Number of Registered Borrowers	38,374	38,052	38,798	39,573	38,766
Volume Size (Collection)	170,000	170,000	170,000	170,000	170,000
Circulation	1,374,100	1,428,857	1,397,845	1,393,610	1,466,922
Shepard (1986)					
Number of Registered Borrowers	4,215	4,136	4,346	4,594	4,448
Volume Size (Collection)	33,000	33,000	33,000	33,000	33,000
Circulation	146,882	154,409	163,632	155,974	134,556
Southeast (2001)					
Number of Registered Borrowers	23,922	24,910	26,969	29,334	29,202
Volume Size (Collection)	112,000	112,000	112,000	112,000	112,000
Circulation	857,012	862,107	901,580	977,527	996,428
South High (1992)					
Number of Registered Borrowers	13,134	13,004	13,523	13,968	13,536
Volume Size (Collection)	84,000	84,000	84,000	84,000	84,000
Circulation	352,501	334,314	336,883	329,242	346,657
Whetstone (1986)					
Number of Registered Borrowers	26,162	26,152	26,829	27,701	27,663
Volume Size (Collection)	170,000	170,000	170,000	170,000	170,000
Circulation	1,285,310	1,341,553	1,386,441	1,518,429	1,655,248
Whitehall (1959)					
Number of Registered Borrowers	13,655	26,152	26,829	14,523	14,196
Volume Size (Collection)	63,000	63,000	63,000	63,000	63,000
Circulation	406,587	407,748	404,391	409,467	405,180

*Main Library's circulation total also includes totals credited to Outreach, Inter-Library Loans (ILLs), Virtual Branch (E-Branch) and Library Partners.

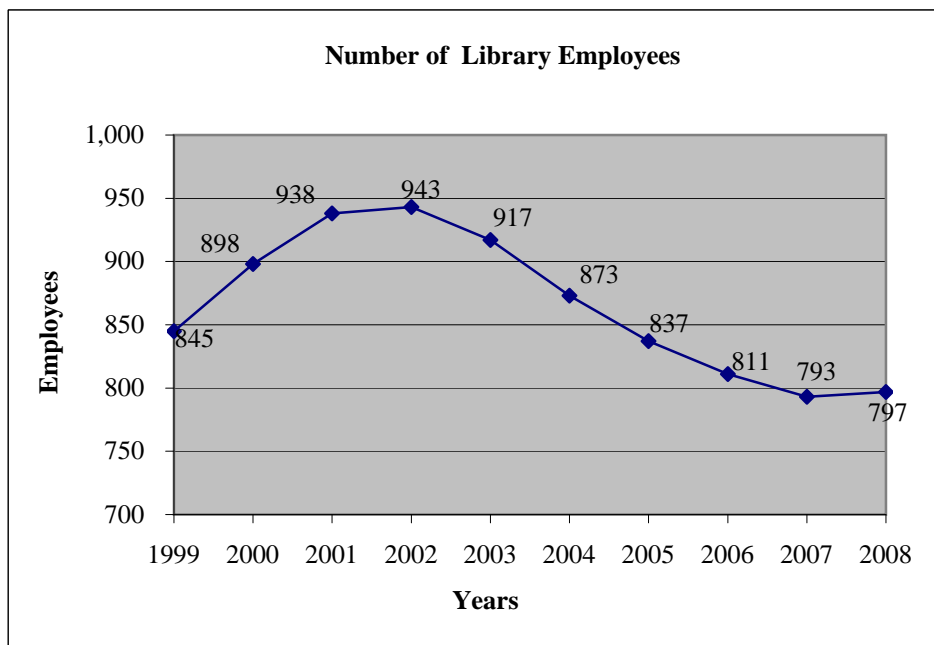
**Columbus Metropolitan Library
 Operation Indicators,
 Last Ten Fiscal Years**

<u>Year</u>	<u>Number of Library Materials Circulated</u>	<u>Number of Registered Borrowers</u>
1999	11,411,499	401,192
2000	12,364,216	404,018
2001	14,372,353	423,167
2002	14,851,071	427,137
2003	14,852,582	434,884
2004	16,018,594	448,422
2005	16,490,338	467,986
2006	16,489,899	478,465
2007	16,931,576	486,674
2008	17,404,840	479,219



**Columbus Metropolitan Library
Employment Trend,
Last Ten Fiscal Years**

<u>Year</u>	<u>Number of Library Employees¹</u>	<u>Percentage of Change Over Prior Year</u>
1999	845	-
2000	898	6.27%
2001	938	4.45%
2002	943	0.53%
2003	917	-2.76%
2004	873	-4.80%
2005	837	-4.12%
2006	811	-3.11%
2007	793	-2.22%
2008	797	0.50%



(1) Includes full-time, part-time and part-time temporary employees

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Columbus Metropolitan Library
96 South Grant Street
Columbus, Ohio 43215-4781

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Metropolitan Library, Franklin County, Ohio (the Library) as of and for the year ended December 31, 2008, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated May 4, 2009. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control over financial reporting. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings as item 2008-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the Library in a separate letter dated May 4, 2009.

The Library's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Library's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the audit committee, management, Board of Trustees, and the Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

KENNEDY COTTRELL RICHARDS LLC

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

May 4, 2009

**Columbus Metropolitan Library
Franklin County, Ohio**

Schedule of Findings

December 31, 2008

2008-1 SIGNIFICANT DEFICIENCY: JOURNAL ENTRY PREPARATION

The compilation and presentation of materially correct financial statements and the related footnotes is the responsibility of management. It is important that management develop control procedures related to drafting financial statements and footnotes that enable management to prevent and detect potential misstatements in the financial statements and footnotes prior to audit. It is also important to note that independent auditors are not part of an entity's internal control structure and should not be relied upon by management to detect misstatements.

As a result of our audit, we noted a misstatement causing the Property Tax Receivables and Unearned Revenue line items both to be understated by the same amount. The error in the journal entry that caused that misstatement was not detected by management's review process, which appears to be insufficient. In conjunction, we noted that the form used by management to prepare journal entries contains a place for a reviewer to document his/her approval of the journal entry; however, none of the journal entries prepared for the financial statement compilation had documentation of a review or approval. We discussed the adjustment with management who subsequently corrected the misstatement.

We recommend the Library implement control procedures related to financial reporting that enable management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes prior to the start of the audit. Control procedures could include a separate review and analysis of the financial statements and related journal entries by someone knowledgeable of generally accepted accounting principles. In addition, the reviewer should appropriately document his/her approval.

Views of Responsible Officials

The misstatement was the result of one (1) number being left out during the transfer of information from the Library's ERP system to the electronic spreadsheets used to compile the annual financial statements and subsequently missed in the Library's final review process.

Based on this recommendation, the Library has already provided additional training and has put additional controls in place.

During the preparation of the 2008 Financial Statements, additional staff members were trained in either all or a portion of the Financial Statement preparation and compilation process. In addition, the Fiscal Services Division has also completed a reorganization. This training and reorganization has positioned existing resources so that they can own their components of the Financial Statement compilation. Since the training and reorganization, staff have already begun incorporating financial statement preparation into their daily workload, lessening the impact of the current 'once a year' data conversion.

In the future, this expanded knowledge of generally accepted accounting principles will provide opportunity for separate review and analysis and will create a stronger control environment, enabling management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes prior to the start of the audit.

**Columbus Metropolitan Library
Franklin County, Ohio**

Schedule of Findings

December 31, 2008

In addition to the above training and knowledge transfer, a key component of the CAFR conversion process was being prepared by staff outside of the Fiscal Services Division. This component is being transitioned back to the Fiscal Services staff in order to better control the results and related timeline.

Additional improvements that the Library will implement for future periods include:

1. More flexibility with the project time line to accommodate unanticipated delays. Previous delays have been perceived as a negative, creating an environment where the target completion date cannot be missed, regardless of if there is a need for additional review time.
2. A final review of the working papers and financial statements to be completed with the CFO. This final, independent review with someone not involved in the details of the compilation will provide a fresh set of eyes that can see the 'forest through the trees'. This will also give the CFO the assurance that everything has been properly accounted for.
3. A review of the existing process in order to identify areas of continued improvement through automation and use of technology.

Because of the training and knowledge transfer that was occurring during the 2008 compilation, reviews were performed in a way that was more collaborative and less formal. In this training-type environment, we acknowledge that the form did not contain the formal approval sign-off typically used in situations where the compilation and the review are not so coordinated. Even though the form did not contain the formal sign-off, it is important to note that all support documentation and related journal entries were independently reviewed, as demonstrated by notes and/or markings on the working papers.



Mary Taylor, CPA
Auditor of State

COLUMBUS METROPOLITAN LIBRARY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 23, 2009