



2012
COMPREHENSIVE
ANNUAL FINANCIAL
REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2012





Dave Yost • Auditor of State

Board of Trustees
Columbus Metropolitan Library
96 South Grant Avenue
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, 2012 through December 31, 2012. 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.

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

Dave Yost
Auditor of State

June 27, 2013

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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, 2011

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.



Christopher P. Moirice

President

Jeffrey R. Emer

Executive Director

Columbus Metropolitan Library
Columbus, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended December 31, 2012



Issued by:

DEWITT D. HARRELL

Chief Financial Officer/Fiscal Officer

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2012

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**LIBRARY OFFICIALS
AS OF DECEMBER 31, 2012**

BOARD OF TRUSTEES

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

EXECUTIVE STAFF

Mr. Patrick Losinski,	Chief Executive Officer
Ms. Alison Circle,	Chief Customer Experience Officer
Mr. Dewitt D. Harrell,	Chief Financial Officer/Fiscal Officer

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CML Organization Chart

PROMOTES ORGANIZATION-WIDE EXECUTION WHILE FOCUSING ON THE CUSTOMER





May 10, 2013

**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, 2012.

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, 2012, 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.

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. In November 2010, the voters of Franklin County continued to support the library passing a 2.8 mill continuing levy.

After the 1986 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. In 2006 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 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 – an 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 1.9 million items including books, audio books, music CDs, DVD's, digital downloads, magazines, newspapers, maps and sheet music. 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 website, at <http://www.columbuslibrary.org/research>. This site provides access to

directories, indexes, abstracts and full-text information on careers, genealogy, consumer information, obituaries, literature, 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 BookMobiles, which serve children at risk of starting school unprepared to read. In 2009 the Library was granted funds from the United Way of Central Ohio, Chase, Nationwide Foundation and Columbus Metropolitan Library Foundation to operate the Ready to Read program which goes into the community to train parents and caregivers on the importance of early literacy as well as techniques to engage young children with a love of literacy. The Library has incorporated these programs and services as part of its normal operations as grant funds have expired.

OUR PLAN

At Columbus Metropolitan Library, our focus is on our customers and the future of our community. Our purpose and vision is realized through aligning our annual work with a focused Strategic Plan. In 2012, we reviewed our Strategic Plan to ensure we continue to meet the needs of our community. As a result, we have returned Young Minds to the top tier of our Strategic Plan. We realized that our purpose starts with our youngest customers to ensure their success in school and beyond to build a thriving community where wisdom prevails.



OUR VISION



HOW WE SEE THE FUTURE

“A THRIVING COMMUNITY WHERE WISDOM PREVAILS.”

OUR VALUES



WHAT WE BELIEVE IN

RESPECT

We are open to all and honor the diverse nature of those we serve.

We demonstrate character and integrity to our customers, associates, and community.

TRUST

EXCELLENCE

We strive for the ideal outcome in everything we do.

We are dedicated and passionate about changing lives.

PASSION



OUR STRATEGIES AND OUTCOMES

WHERE WE FOCUS AND HOW PEOPLE BENEFIT



TO EXTERNAL AUDIENCES:



OUR STRATEGIES AND OUTCOMES

WHERE WE FOCUS AND HOW PEOPLE BENEFIT



TO INTERNAL AUDIENCES:



Strategy	2012
Young Minds	Develop Homework Help Center business plan
	Identify Kids PC needs and update equipment
	Develop Ready to Read business plan
	Participate in SRC Study with OSU (Phase 2 of 3)
	Plan network of teen-centric learning labs (YouMedia grant)
	Develop teen learning lab pilot at Main Library
My Library	Expand digitization efforts (GHT)
	Implement mobile device applications
	Investigate passport service at Main Library
	Redesign columbuslibrary.org and migrate to Drupal
	Participate in the Discovery District Precinct Plan
	Develop Rare Book Collection Strategy (Main Library)
	Implement customer suggestion product for eBooks (Overdrive WIN)
	Create Main Library Precinct Plan
	Investigate and implement people counter technology pilot to obtain accurate customer use of facilities
	Restructure the visual image collections
	Research new self-serve scanning/fax machines at Main
	Implement Phase 1 Integrated Library System (ILS)
	Develop program book for new Driving Park Branch
	Develop program book for new Whitehall Branch
Life Skills	Investigate new Technology Center in North Linden neighborhood
	Participate in financial education activities during National Financial Education month
Leverage Capacity	Develop Job Help Center business plan
	Analyze/improve the Restricted Donation process
	Complete the migration from Novell to Microsoft
	Evaluate FOL book sales
	Implement Office 365 from Microsoft
	Implement recommendations of Comprehensive Fleet Management analysis
	Complete disaster recovery/business continuity plan
	Promote International Eco-Summit in October 2012
	Develop improved procurement process: new policy, practices and technology
	Document current system level performance measures to track operational goals

	Participate in the Columbus Bicentennial
	Urge publishers to provide their content to public libraries for access by all
	Determine Enterprise Content Management system(automate paper & records retention processes) (Phase I)
	Develop capital campaign (Phase I)
Grow Team	Complete Job Analysis, Evaluation & Compensation Study
	Revise Employee Life Cycle process
	Centralize management of CML's physical spaces to provide a consistent customer experience
	Centralize marketing functions and brand management to provide a consistent customer experience
	Determine HR technology solution/modules

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	787,073	1,195,537
2020*	Not Available	1,238,250
2030*	Not Available	1,326,180

* - projected

Source: Sales & Marketing Management; U.S. Department of Commerce, Bureau of Census; Ohio Department of Development, Office of Strategic Research ; <http://www.census.gov/>

The usually diverse and strong economy of the Columbus Metropolitan Area continued to show signs of economic stability through 2012. Annual unemployment in Franklin County was 6.1%, which is lower than both the State of Ohio rate of 7.2% and the United States rate of 8.1%.

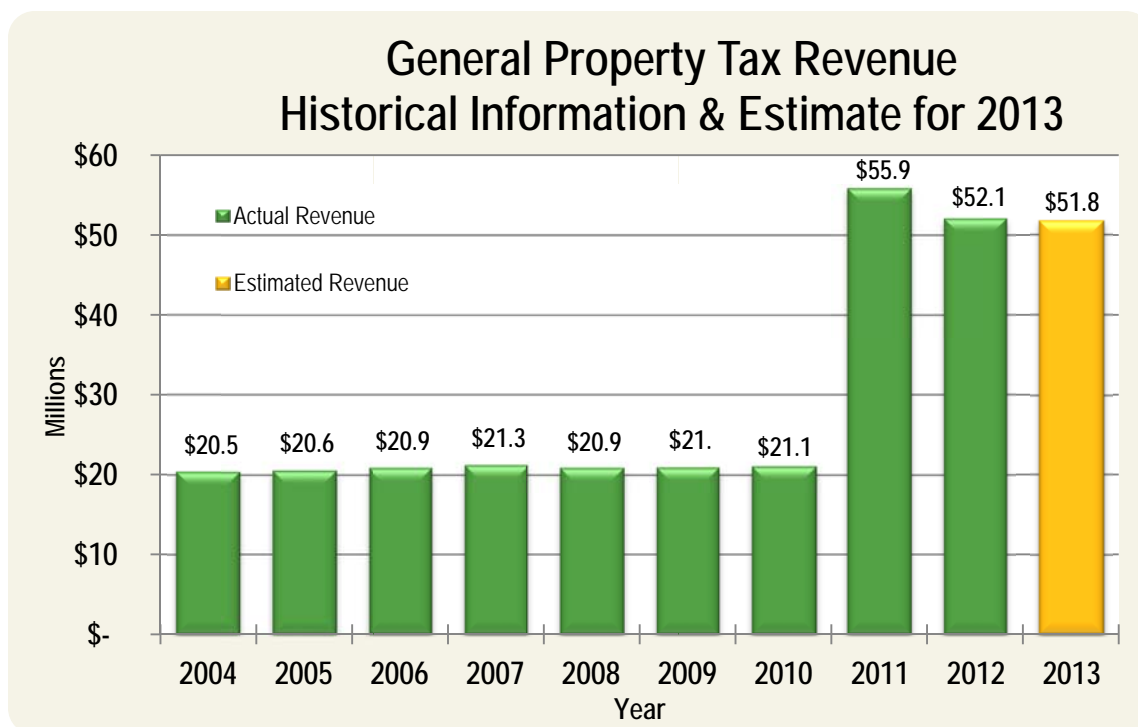
Unemployment data indicates the US economy is beginning to show signs of improvement. As of March, 2013, the most recent data available, the United States unemployment rate has decreased to 7.6% and the State of Ohio unemployment rate has decreased to 7.1%. Meanwhile, the Franklin County unemployment rate for March 2013 (the most recent county data available) is below both the state and national rates remaining at 6.1%.

Source: Ohio Department of Job and Family Services (<http://ohiolmi.com/>)

LONG-TERM FINANCIAL PLANNING

A major source of operating revenue for the Library in 2012 was the revenue generated by the 2.8 mill property tax levy. In November 2010, the voters of Franklin County passed a 2.2 mill continuing property levy with an additional 0.6 mill levy to continue to support the library's operations in light of uncertainty with state funding. As the following chart shows,

property taxes continue to be the most dependable and stable source of revenues for the Library.



The Library's second major source of operating revenue comes from the State of Ohio. Prior to 2008, this revenue was comprised of a percentage of state income taxes collected in Ohio and dispersed to Library and Local Government Support Fund (LLGSF). This revenue had been increasing at a significant pace until 2001 when, due to economic downturn, the State froze the funding. With the passage of the 2008-2009 state biennium budget, library funding changed to 2.22% of the state's total general tax revenues. In addition to changing the way in which libraries are funded, the source of state revenue was changed to the Public Library Fund (PLF) to more accurately reflect the intended purpose of the funds.

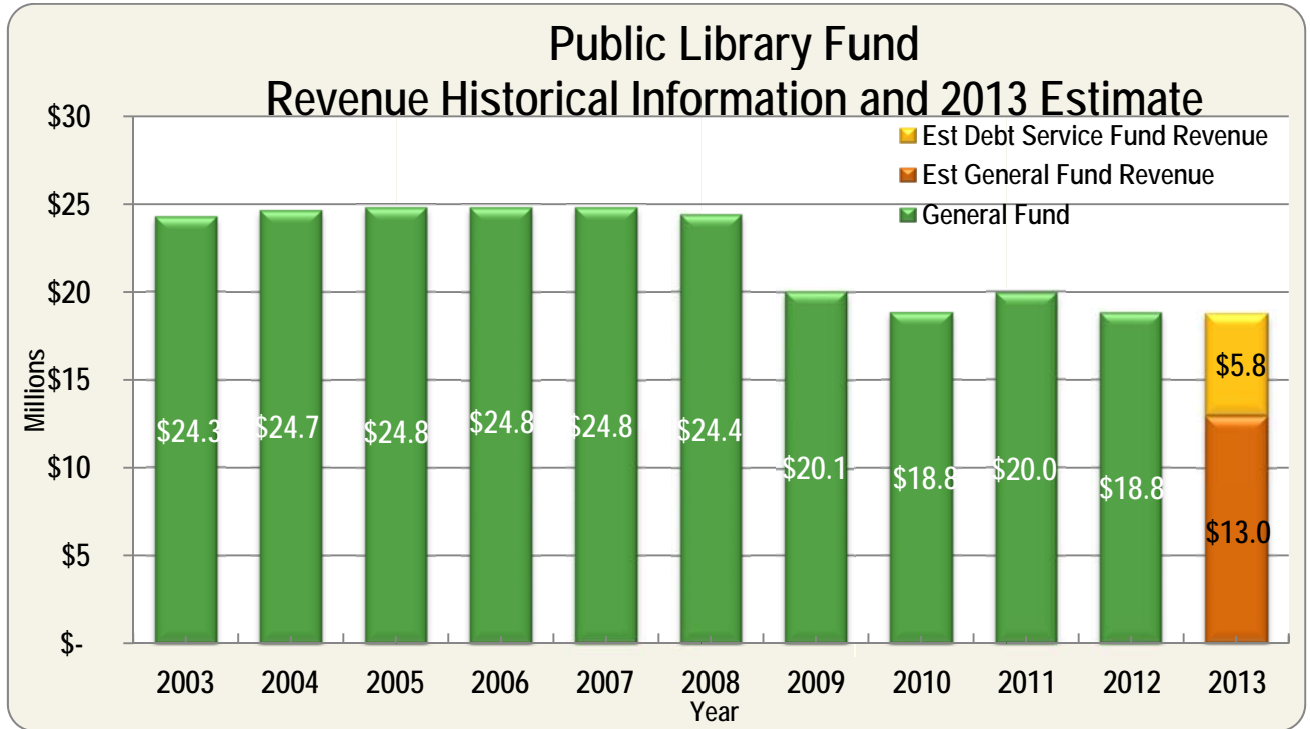
The diversity of revenue types was intended to provide future growth to this fund as libraries were no longer reliant solely on income tax revenues. Due to additional economic decline, it provided only modest growth through 2008. In June 2009, the State Legislature proposed a 30% cut to library funding during efforts to balance the 2010-2011 biennium budget. Statewide library supporters reached out to state legislators in record numbers. The overwhelming support of library patrons helped to minimize the proposed cuts, and the PLF was reduced from 2.22% of general state revenues to 1.97%.

In response to this reduction in funding, the Library's Board met in an emergency meeting in late July, 2009 to determine where to most effectively reduce costs in light of the reduced funding. The Board resolved to reduce salaries, the Library's largest expenditure category. Salary reductions were realized through decreases in daily hours at each location and the elimination of Sunday hours at all branches except for Main Library. The library's financials for 2010 reflect an entire year of reduced expenditures due to decreased state funding.

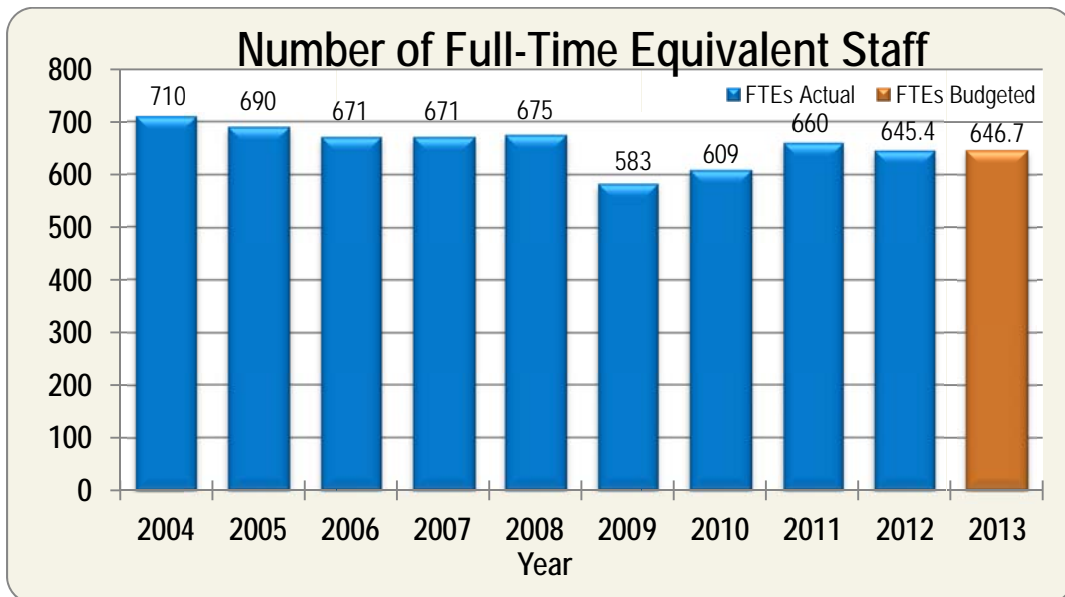
The state is currently in the 2012-2013 biennium budget cycle, and there is uncertainty about what effect this budget will have on funding for Ohio's libraries. Based on the consistency of the PLF revenue stream, the Library issued 25 year bonds in late 2012 to

support ten major renovation projects. Based on the current known budget language, the Ohio Library Council (OLC) is forecasting a 4.1% increase in 2014 and a 3% increase in 2015.

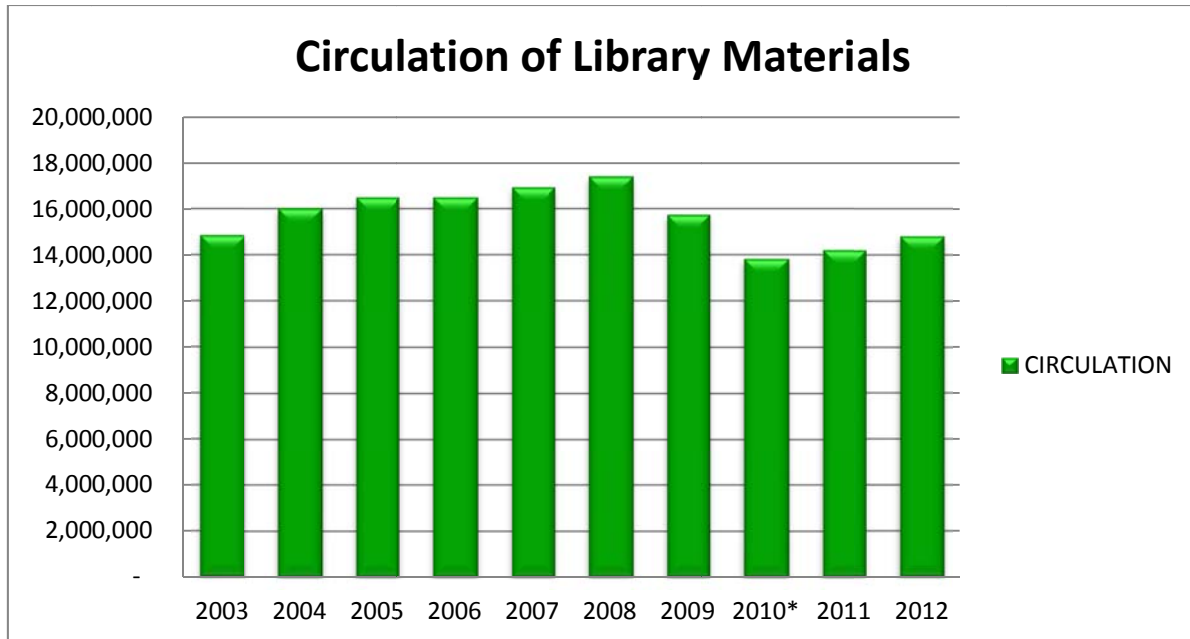
The following chart shows the effect of changes in State of Ohio funding over the past several years.



There is continued concern surrounding the 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 remains committed to reducing staff expenditures only through attrition and not layoffs.



Changes in 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.



*2010 reflects a full year of reduced hours.

MAJOR INITIATIVES

The Library kicked off a major capital plan, the 2020 Vision Plan, in 2012 which will rebuild and renovate ten Library facilities. The Library purchased land for our branches that serve the Whitehall and Driving Park communities with moneys appropriated in 2011. The 2020 Vision Plan will continue to be a major cash outlay over the next several years. On December 4, 2012 the Library issued \$92,285,000 in debt to support the 2020 Vision Plan. The debt will be re-paid through December 2037. Principal and interest payments for the debt will be funded using a portion of the PLF revenue through 2037.

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 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.

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. The Board approves appropriations for the General Fund between Salaries & Benefits and All Other Expenditures (Supplies, Library Materials, Purchased Services, etc.). All other funds are approved on the total Revenues and Expenditures level.

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 locations to further control expenditures and encumbrances.

After the Board has adopted the budget, any amendments which will re-appropriate money in the General Fund 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 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 on a budgetary (cash plus encumbrances) basis of accounting 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, defined as land and building purchases and the purchase of major assets.
- 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.

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, 2011. This is the twenty-sixth (26th) 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 Wendy Mohr, Accounting Services Manager, Todd Daughenbaugh, CGFM,

CGMA, CPA, Director of Financial Services, and the entire staff of the Financial Services Department.

I also wish to express my appreciation to the Library's Executives 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, flowing style.

DEWITT D. HARRELL
Chief Financial Officer/Fiscal Officer

FINANCIAL

SECTION

INDEPENDENT AUDITOR'S REPORT

Columbus Metropolitan Library
Franklin County
96 South Grant Avenue
Columbus, Ohio 43215

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Metropolitan Library, Franklin County, Ohio (the Library), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Metropolitan Library, Franklin County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the Library's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements and individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2013, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Kennedy Cottrell Richards LLC
May 10, 2013

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2012 (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, 2012. 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 2012 are as follows:

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by \$121,793,449. Of this amount, \$29,745,728 was unrestricted and may be used to meet the Library's ongoing obligations.
- The Library's net position increased by \$15,345,945 or 14.4%.
- Of the \$74,437,854 in total revenues, general revenues accounted for \$71,229,463 or 95.7%. Program specific revenues in the form of charges for services, grants and contributions accounted for \$3,208,391 or 4.3%.
- The Library had \$59,091,909 in expenses related to governmental activities; 5.4% of these expenditures were offset with program specific revenues. The remaining 94.6% was provided by general revenues of the Library, including Property Taxes, State of Ohio shared revenues and investment earnings.
- The Library has three major funds: the general fund, the capital projects fund, and the debt service fund. Under the modified basis of accounting, the general fund had \$73,435,025 in revenues and \$55,210,676 in expenditures, resulting in an increase in fund balance of \$18,224,349; of this \$484,771 was transferred to the debt service fund to start a debt trust for the repayment of debt issued in 2012 to be repaid through 2037.
- The capital projects fund had \$83,117 in revenues and \$2,368,130 in expenditures, resulting in a decrease in fund balance of \$2,285,013. This decrease was offset by \$99,435,518 in proceeds from the sale of debt and premiums associated with debt intended for the Library's capital construction projects.
- At the end of the fiscal year, the unassigned fund balance in the general fund was \$23,664,390. This represents 81.5% of total fund balance in the general fund and 42.9% percent of 2012 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, 2012 (unaudited)

The Statement of Net Position presents information on all of the Library's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position 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 position changed during the most recent fiscal year. All changes to net position 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 three categories: governmental funds, proprietary funds, and fiduciary 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 six 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, the capital projects fund, and the debt service fund, all 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.

Fiduciary Funds

The Library's only fiduciary fund is the digital downloads fund. The digital downloads fund is an agency fund. An agency fund is an accounting device used to report assets held in a custodial manner by one government on behalf of other member governments. The Library does not derive

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2012 (unaudited)

any benefits from the assets held in the agency fund, and reports only the assets and the corresponding liabilities associated with the fund.

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.

Government-wide Financial Analysis

The Statement of Net Position provides the perspective of the Library as a whole. Table 1 provides a summary of the Library's net position for 2012 compared to 2011.

		Table 1 Net Position	
		Governmental Activities	
		2012	2011
Assets			
Current and Other Assets	\$ 213,529,487	\$ 101,190,694	
Capital Assets	<u>65,519,104</u>	<u>65,687,200</u>	
Total Assets	<u>279,048,591</u>	<u>166,877,894</u>	
Liabilities			
Long-Term Liabilities	101,789,657	2,180,138	
Other Liabilities	<u>3,634,003</u>	<u>3,828,002</u>	
Total Liabilities	<u>105,423,660</u>	<u>6,008,140</u>	
Deferred Inflows of Resources	<u>51,831,482</u>	<u>54,422,250</u>	
Net Position			
Net Investment in Capital Assets	65,519,104	65,687,200	
Restricted	26,528,617	26,580,938	
Unrestricted	<u>29,745,728</u>	<u>14,179,366</u>	
Total Net Position	<u>\$ 121,793,449</u>	<u>\$ 106,447,504</u>	

Total assets increased \$112,170,697. Cash increased \$115,153,144, or 297.7%, primarily due to a sale of debt for which the library will acquire and construct capital facilities over the next several years. Deferred Inflows decreased \$2,590,768, or 4.8% due to higher property tax delinquencies and lower taxable valuations.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2012 (unaudited)

Table 2 shows a comparison of the changes in net position for the fiscal year ended December 31, 2012 compared to December 31, 2011.

Table 2
Changes in Net Position

	Governmental Activities	
	2012	2011
Revenues		
Program Revenues		
Charges for Services	\$ 2,797,485	\$ 3,407,250
Operating Grants, Contributions and Interest	410,906	876,869
General Revenues		
Property Taxes	44,081,501	50,680,324
Intergovernmental	26,188,636	28,109,034
Investment Earnings	255,983	222,622
Miscellaneous	703,343	
Total Revenues	<u>74,437,854</u>	<u>83,296,099</u>
Program Expenses		
Public Service	36,923,350	37,143,023
Administrative and Support	21,904,360	21,144,501
Interest Expense	<u>264,199</u>	-
Total Expenses	59,091,909	58,287,524
Increase (decrease) in Net Position	15,345,945	25,008,575
Net Position Beginning Balance	<u>106,447,504</u>	<u>81,438,929</u>
Total Net Position	<u>\$ 121,793,449</u>	<u>\$ 106,447,504</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 60.04% in 2012.

Another major source of revenue for the Library in 2012 is the revenue generated by the 2.8 mill property tax levy. In November 2010, a 2.2 mill levy was renewed with an additional 0.6 mill levy by the voters in the Library's taxing district for another ten-year period.

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions 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.

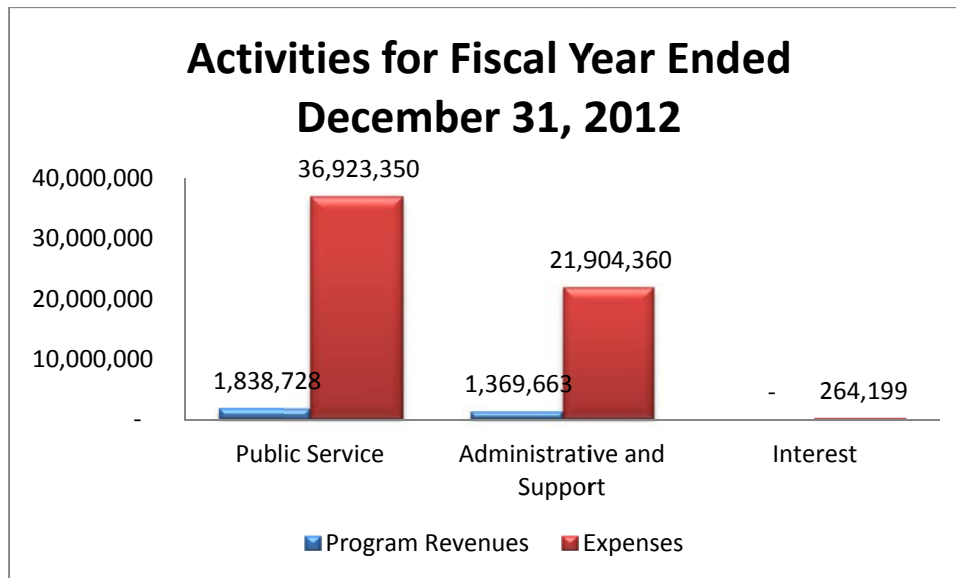
COLUMBUS METROPOLITAN LIBRARY

**Management’s Discussion and Analysis for the Year Ended December 31, 2012
(unaudited)**

Table 3
Governmental Activities

	<u>Total Cost of Services – 2012</u>	<u>Total Cost of Services – 2011</u>	<u>Net Cost of Services - 2012</u>	<u>Net Cost of Services – 2011</u>
Program Expenses				
Public Service	\$ 36,923,350	\$ 37,143,023	\$ 35,084,622	\$ 34,290,158
Administrative and Support	21,904,360	21,144,501	20,534,697	19,713,247
Interest Expense	<u>264,199</u>	-	<u>264,199</u>	-
Total	<u>\$ 59,091,909</u>	<u>\$ 58,287,524</u>	<u>\$ 55,883,518</u>	<u>\$ 54,003,405</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 5.4% of the expenses related to the activities performed by the Library. The remaining 94.6% of expenses is provided through taxes, intergovernmental revenues, and investment earnings.



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, 2012, \$23,664,390 of the Library’s ending fund balance represents the unassigned portion of the general fund, which is available for spending at the Library’s discretion. This unassigned fund balance represents 42.9 percent of 2012 general fund expenditures.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2012 (unaudited)

On the Balance Sheet, equity in pooled cash and cash equivalents increased \$18,041,699, or 176.3%, primarily due debt proceeds used for furniture and equipment. Accounts payable decreased \$211,716 or 10.1% and accrued liabilities decreased \$12,670, or 1.4%, due to increased available resources in 2012.

On the Statement of Revenues, Expenditures and Changes in Fund Balances, property tax revenue decreased \$3,553,221, or 7.4%. The decrease is primarily due to higher property tax delinquencies and lower assessed property values.

Intergovernmental revenues decreased \$2,405,169, or 8.6%, primarily due to lower PLF revenue from state collections.

At December 31, 2012, the capital projects fund had an ending fund balance of \$122,926,772 available to support the Library's rebuilding and renovation projects. The main source for this balance was proceeds from the sale of debt.

On the Balance Sheet, equity in pooled cash and cash equivalents increased \$96,999,159, or 374.7%, primarily due to the sale of debt to support rebuilding and renovation of the Library's aging facilities.

As of December 31, 2012, the Library's governmental funds reported combined ending fund balances of \$153,691,956, an increase of \$115,827,981 in comparison to the prior year. All governmental funds had total revenues of \$75,103,458 and expenditures of \$58,718,521.

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 for 2012 is the general fund.

For the general fund, budget basis revenue was \$74,067,551, which was over the final estimate of \$73,534,789 by \$532,762.

For the general fund, budget basis expenditures were \$55,012,109, which was below the final estimate of \$58,752,041. Of this difference, \$1,987,016, or 53.1% was due to lower than anticipated purchased service costs and \$914,203, or 24.4%, was due to salaries and benefits savings.

The Library's ending budget basis Fund Balance is \$25,854,563.

COLUMBUS METROPOLITAN LIBRARY

**Management’s Discussion and Analysis for the Year Ended December 31, 2012
(unaudited)**

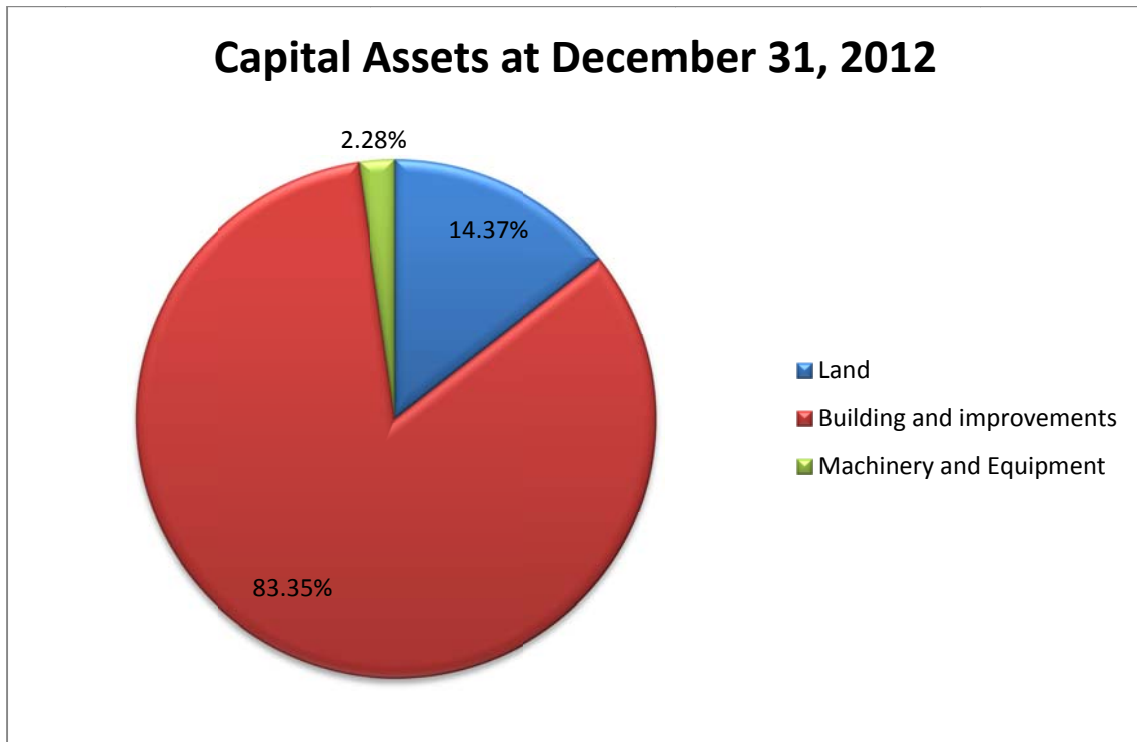
Capital Assets

At the end of fiscal year 2012, the Library had \$65,519,104 invested in capital assets. Table 4 shows fiscal year ended December 31, 2012 compared to December 31, 2011.

Table 4
Capital Assets at December 31, 2012
(Net of Depreciation)
Governmental
Activities

	2012	2011
Land	\$ 9,416,336	\$ 8,388,923
Buildings and Improvements	54,606,970	55,701,550
Machinery and Equipment	<u>1,495,798</u>	<u>1,596,727</u>
Totals	<u>65,519,104</u>	<u>65,687,200</u>

During 2012, the Library invested \$1,373,730 in additional Capital Assets, of which \$1,027,413 was invested in new land for the library branches serving the Whitehall and Driving Park communities. See Note 6 for additional capital asset information.



COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2012 (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 committed to make the Library whole through the previous property tax levy, the current levy 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 2012, the Library collected only 86.7% of levied taxes, representing slightly more than a \$7.3 million shortfall in collections for the year.

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 Ms. Wendy J. Mohr, Accounting Manager at Columbus Metropolitan Library, 96 South Grant Ave., Columbus, Ohio 43215 or by e-mail at wmohr@columbuslibrary.org.

COLUMBUS METROPOLITAN LIBRARY
Statement of Net Position
December 31, 2012

	Primary Government Governmental Activities
ASSETS	
Equity in Pooled Cash and Investments	\$ 153,834,558
Equity in Pooled Cash and Cash Equivalents - Restricted	67,742
Cash with Trustee	484,771
Receivables	58,282,507
Prepays	859,909
Capital Assets, Nondepreciable	9,416,336
Capital Assets, Net of Depreciation	56,102,768
Total Assets	279,048,591
LIABILITIES	
Accounts Payable	2,405,020
Interest Payable	264,199
Accrued Liabilities, current	964,784
Long Term Liabilities	
Compensated Absences, due within twelve months	180,887
Bonds Payable, due within twelve months	2,620,000
Compensated Absences, due beyond twelve months	2,197,087
Bonds Payable, due beyond twelve months	96,791,683
Total Liabilities	105,423,660
DEFERRED INFLOWS ON RESOURCES	51,831,482
NET POSITION	
Net Investment in Capital Assets	65,519,104
Expendable Restricted for:	
Land Development	197,603
Restricted Donations	501,889
Capital Project	24,791,269
Permanent Fund	572
Debt Service	969,542
Non-Expendable Restricted for:	
Permanent Fund	67,742
Unrestricted	29,745,728
Total Net Position	\$ 121,793,449

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, 2012

Functions/Programs	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Primary Government:				
Governmental Activities				
General Government:				
Public Service	\$ 36,923,350	\$ 1,427,822	\$ 410,906	\$ (35,084,622)
Administrative and Support	21,904,360	1,369,663	-	(20,534,697)
Interest on Long Term Debt	264,199	-	-	(264,199)
Total Governmental Activities	59,091,909	2,797,485	410,906	(55,883,518)

General Revenues:	
Property Taxes	44,081,501
Intergovernmental, Unrestricted	26,188,636
Unrestricted Investment Earnings	255,983
Miscellaneous	703,343
Total General Revenues	71,229,463
Change in Net Position	15,345,945
Net Position - Beginning	106,447,504
Net Position - Ending	\$ 121,793,449

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

COLUMBUS METROPOLITAN LIBRARY
Balance Sheet
Governmental Funds
December 31, 2012

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Equity in Pooled Cash and Investments	\$ 28,272,752	\$ 122,886,020	\$ 484,771	\$ 884,436	\$ 152,527,979
Receivables	57,750,104	40,752	484,771	193	58,275,820
Prepays	843,327	-	-	16,582	859,909
Total Assets	<u>86,866,183</u>	<u>122,926,772</u>	<u>969,542</u>	<u>901,211</u>	<u>211,663,708</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,891,477	-	-	77,973	1,969,450
Accrued Liabilities	909,352	-	-	55,432	964,784
Total Liabilities	<u>2,800,829</u>	<u>-</u>	<u>-</u>	<u>133,405</u>	<u>2,934,234</u>
DEFERRED INFLOWS OF RESOURCES	<u>55,035,213</u>	<u>-</u>	<u>-</u>	<u>2,305</u>	<u>55,037,518</u>
Fund Balances:					
Non-Spendable	840,400	-	-	84,324	924,724
Restricted	-	76,162,686	969,542	572	77,132,800
Committed	1,812,084	1,009,686	-	92,707	2,914,477
Assigned	2,713,267	45,754,400	-	587,898	49,055,565
Unassigned	23,664,390	-	-	-	23,664,390
Total Fund Balances	<u>29,030,141</u>	<u>122,926,772</u>	<u>969,542</u>	<u>765,501</u>	<u>153,691,956</u>
Total Liabilities and Fund Balances	<u>\$ 86,866,183</u>	<u>\$ 122,926,772</u>	<u>\$ 969,542</u>	<u>\$ 901,211</u>	<u>\$ 211,663,708</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 Position of Governmental Activities
December 31, 2012

Total Fund Balances for Governmental Funds	\$	153,691,956
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		65,519,104
Long-term liabilities, such as the long-term portion of compensated absences and long-term payables associated with debt are not due and payable in the current period therefore not reported in the governmental funds.		(101,789,657)
Payables related to long-term debt		(264,199)
Assets of the internal service fund that primarily serve governmental funds		1,865,779
Liabilities of the internal service fund that primarily serve governmental funds		(435,570)
Liabilities for revenue earned, but uncollected		3,206,036
Net Postion of Governmental Activities	\$	121,793,449

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

COLUMBUS METROPOLITAN LIBRARY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	General	Capital Projects	Debt Service Funds	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 44,765,211	\$ -	\$ -	\$ -	\$ 44,765,211
Intergovernmental	25,703,865	-	484,771	-	26,188,636
Fines and Fees	1,427,822	-	-	-	1,427,822
Investment Earnings	175,979	67,973	-	1,451	245,403
Charges for Services	683,926	-	-	685,737	1,369,663
Contributions and Donations	-	15,144	-	395,762	410,906
Miscellaneous	678,222	-	-	17,595	695,817
Total Revenues	<u>73,435,025</u>	<u>83,117</u>	<u>484,771</u>	<u>1,100,545</u>	<u>75,103,458</u>
EXPENDITURES					
Current:					
Public Service	33,562,043	-	-	460,041	34,022,084
Administrative and Support	21,405,977	747,544	-	679,594	22,833,115
Capital Outlay	242,656	1,620,586	-	80	1,863,322
Total Expenditures	<u>55,210,676</u>	<u>2,368,130</u>	<u>-</u>	<u>1,139,715</u>	<u>58,718,521</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,224,349</u>	<u>(2,285,013)</u>	<u>484,771</u>	<u>(39,170)</u>	<u>16,384,937</u>
OTHER FINANCING SOURCES(USES)					
Transfers In	-	-	484,771	-	484,771
Debt Issuance	-	92,285,000	-	-	92,285,000
Debt Premium	-	7,150,518	-	-	7,150,518
Transfers Out	(484,771)	-	-	-	(484,771)
Proceeds from the Sale of Assets	7,526	-	-	-	7,526
Total Other Financing Sources (Uses)	<u>(477,245)</u>	<u>99,435,518</u>	<u>484,771</u>	<u>-</u>	<u>99,443,044</u>
Net Changes in Fund Balances	17,747,104	97,150,505	969,542	(39,170)	115,827,981
Fund Balances at Beginning of Year	11,283,037	25,776,267	-	804,671	37,863,975
Funds Balance End of Year	<u>\$ 29,030,141</u>	<u>\$ 122,926,772</u>	<u>\$ 969,542</u>	<u>\$ 765,501</u>	<u>\$ 153,691,956</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, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ 115,827,981
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in compensated absences	(42,892)
Eliminate capitalizable expenditures incurred for the acquisition or construction of capital assets.	1,373,730
Reverse prior year revenue earned during the prior period.	(3,889,746)
Depreciation expense.	(1,541,826)
Amortization of long-term debt premium	23,835
Net revenue of internal service fund activities.	77,964
Record internal service fund revenues and expenses not subject to consolidation.	10,580
Revenue earned, but uncollected	3,206,036
Financing sources eliminated to recognize long-term debt obligations	(99,435,518)
Record payable related to current portion of long-term debt	(264,199)
Change in Net Position of Governmental Activities	\$ 15,345,945

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 46,789,134	\$ 44,259,134	\$ 44,768,782	\$ 509,648
Intergovernmental	26,403,655	26,403,655	26,184,950	(218,705)
Fines and Fees	1,500,000	1,500,000	1,432,550	(67,450)
Charges for Services	700,000	700,000	729,854	29,854
Investment Earnings	300,000	300,000	201,198	(98,802)
Contributions and donations	5,000	5,000	-	(5,000)
Miscellaneous	367,000	367,000	750,217	383,217
Total Revenues	<u>76,064,789</u>	<u>73,534,789</u>	<u>74,067,551</u>	<u>532,762</u>
EXPENDITURES				
Current:				
Public Service	36,579,368	35,053,871	32,597,072	2,456,799
Administrative and Support	22,454,819	23,444,347	22,201,198	1,243,149
Capital Outlay	235,700	253,823	213,839	39,984
Total Expenditures	<u>59,269,887</u>	<u>58,752,041</u>	<u>55,012,109</u>	<u>3,739,932</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>16,794,902</u>	<u>14,782,748</u>	<u>19,055,442</u>	<u>4,272,694</u>
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	2,650,875	2,405,000	2,405,000	-
Intra-Fund Transfers Out	(2,650,875)	(2,405,000)	(2,405,000)	-
Transfers Out	(17,200,000)	(99,312,630)	(99,312,628)	(2)
Proceeds from the Sale of Debt	-	99,435,520	99,435,518	2
Total Other Financing Sources (Uses)	<u>(17,200,000)</u>	<u>122,890</u>	<u>122,890</u>	<u>-</u>
Net Changes in Fund Balances	<u>(405,098)</u>	<u>14,905,638</u>	<u>19,178,332</u>	<u>4,272,694</u>
Fund Balances at Beginning of Year	6,676,231	6,676,231	6,676,231	-
Funds Balance End of Year	<u>\$ 6,271,133</u>	<u>\$ 21,581,869</u>	<u>\$ 25,854,563</u>	<u>\$ 4,272,694</u>

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

COLUMBUS METROPOLITAN LIBRARY
Statement of Net Position
Proprietary Fund
December 31, 2012

	<u>Governmental Activities Internal Service Fund</u>
ASSETS	
Current Assets:	
Equity in Pooled Cash and Invesments	\$ 1,859,092
Receivables	\$ 6,687
Total Assets	<u>1,865,779</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	122,570
Claims Payable	313,000
Total Liabilities	<u>435,570</u>
NET POSITION	
Reserves:	
Unrestricted	1,430,209
Total Net Position	<u>\$ 1,430,209</u>

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

COLUMBUS METROPOLITAN LIBRARY
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2012

	Governmental Activities Internal Service Fund
Operating Revenues	
Charges for Services	\$ 4,528,866
Miscellaneous	67,656
Total Operating Revenues	4,596,522
Operating Expenses	
Contractual Services	732,263
Claims Paid	3,786,295
Total Operating Expenses	4,518,558
Operating Income (Loss)	77,964
Non Operating Revenues	
Interest	10,580
Total Non Operating Revenues	10,580
Change in Net Position	88,544
Net Position Beginning of Year	1,341,665
Net Position End of Year	\$ 1,430,209

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, 2012

	<u>Governmental Activities Internal Service Fund</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Cash Received for Claims	\$ 4,528,866
Cash Received from Reimbursements	67,656
Cash Payments for Administrative Fees	(728,550)
Cash Payments for Claims	(3,751,366)
Net Cash Provided by Operating Activities	<u>116,606</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest Income	<u>5,847</u>
Net Cash Provided from Investing Activities	<u>5,847</u>
Net Decrease in Cash and Cash Equivalents	122,453
Cash and Cash Equivalents Beginning of Year	<u>1,736,639</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 1,859,092</u></u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating Income	<u>\$ 77,964</u>
Adjustments:	
Change in Receivables	27,957
Change in Claims Payable	<u>10,685</u>
Total Adjustments	<u>38,642</u>
Net Cash Provided by Operating Activities	<u><u>\$ 116,606</u></u>

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

COLUMBUS METROPOLITAN LIBRARY
Statement of Fiduciary Net Position
December 31, 2012

	Digital Downloads Collaboration Agency
ASSETS	
Current Assets:	
Equity in Pooled Cash and Invesments	\$ 225,724
Total Assets	<u>225,724</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable and Other Liabilities	225,724
Total Liabilities	<u>\$ 225,724</u>

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

COLUMBUS METROPOLITAN LIBRARY
Statement of Changes in Fiduciary Net Position
Agency Fund - Digital Downloads Collaboration
December 31, 2012

	<u>Balance</u> <u>January 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2012</u>
ASSETS				
Equity in Pooled Cash and Investments	\$ 24,231	\$ 1,614,400	\$ 1,412,907	\$ 225,724
Receivables	55,000	-	55,000	-
Prepays	861	-	861	-
Total assets	<u>\$ 80,092</u>	<u>\$ 1,614,400</u>	<u>\$ 1,468,768</u>	<u>\$ 225,724</u>
 LIABILITIES				
Accounts Payable and Other Liabilities	\$ 80,092	\$ 1,632,626	\$ 1,486,994	\$ 225,724
Total Liabilities	<u>\$ 80,092</u>	<u>\$ 1,632,626</u>	<u>\$ 1,486,994</u>	<u>\$ 225,724</u>

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements
December 31, 2012

(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, audiovisual materials, and access to technology 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 – an 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 2011, GASB issued Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement distinguishes amounts deferred for benefit and use in future periods from assets and liabilities. The library implemented this effective reporting period ending December 31, 2012.

In March 2012, GASB issued Statement No. 65 Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify certain items that were previously reported as assets and liabilities. This statement is effective for periods beginning after December 15, 2012. The library implemented this effective reporting period ending December 31, 2012 for financial reporting consistency.

In March 2012, GASB issued Statement No. 66 Technical Corrections – 2012. This statement clarifies conflicting guidance about in which fund to account for certain financial resources and uses. This statement is effective for periods beginning after December 15, 2012. The Library implemented this effective reporting period ending December 31, 2012.

In June 2012, GASB issued Statement No. 67 Financial Reporting for Pension Plans. This statement establishes guidelines to improve financial reporting of state and local pension plans. This statement is effective for periods beginning after June 15, 2013. Management anticipates working with Ohio Public Employees Retirement System (OPERS) to determine the financial impact and accompanying disclosures of this statement, and is currently unable to disclose what impact this statement will have.

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenditures related to costs of pension plans. This statement is effective for periods beginning after June 15, 2014. Management anticipates working with Ohio Public Employees Retirement System (OPERS) to determine the financial impact and accompanying disclosures of this statement, and is currently unable to disclose what impact this statement will have.

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:

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

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

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, the Capital Projects Fund, and the Debt Service 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 or the construction of major capital facilities and equipment. The revenues for this fund are derived from transfers from the General Fund, proceeds from the sale of debt, the sale of real property, donations, and other miscellaneous receipts.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

The Debt Service Fund is used to account for the accumulation of resources for and payment of debt; principal, interest and related expenditures. Revenue consists of a portion of the Library's PLF 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:

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) or capital equipment. The Capital Projects Fund is comprised of multiple individual projects that are reported in one fund.

Debt Service Fund (Major Fund) – Debt Service Funds are used to account for the accumulation of resources for and payment of long-term debt principal, interest, and related costs.

Other Governmental Funds

Other governmental funds of the Library are used to account for land development operations, restricted donations, grants, 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 position, 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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

basis. The Library's internal service fund reports on the self-insurance health care program.

FIDUCIARY FUNDS

Fiduciary Funds are those which report assets held in a trustee or agency capacity for other governments and therefore cannot be used to support the Library's programs or operations. The following is the Library's fiduciary fund:

Agency Fund – The Agency Fund is used to account for assets held on behalf of other libraries and the liabilities associated with the use of assets. The Library's agency fund is used to report the assets held in a custodial manner to administer a collaboration of fifteen (15) library systems to acquire and share digital content with their customers.

(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.

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

constitute expenditures or liabilities, but are reported as commitments or assignments 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.

(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 reports all investments at fair value except for non-negotiable certificates of deposit, which are reported at cost. The Library does not engage in any form of derivatives or reverse repurchase agreements in the management of its investment portfolio.

(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 a unit 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.

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 1,900,000 volumes.

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, 2012, 2011, and 2010, 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.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements
December 31, 2012

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 \$110,000 per covered individual in one year and aggregate stop loss coverage at 125% of annual estimated claims.

	2010	2011	2012
Unpaid Claims Jan 1,	\$ 421,000	\$ 277,000	\$ 299,000
Incurred Claims	2,630,912	3,630,839	3,765,366
Payment of Claims	(2,774,912)	(3,608,839)	(3,751,366)
Unpaid Claims Dec 31,	<u>\$ 277,000</u>	<u>\$ 299,000</u>	<u>\$ 313,000</u>

The \$313,000 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.

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, 2012. 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) Debt Issuance Costs, Premiums, Discounts, and Deferred Amounts on Refundings

Bond premiums and discounts are capitalized and amortized over the life of the bonds. Issuance cost is expensed in the year in which debt was issued in accordance with GASB 65, *Items Previously Reported as Assets and Liabilities*.

(k) 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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

reported as other financing sources/uses in governmental funds and after non 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.

(l) Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items. Prepaid items consist primarily of insurance premiums, conferences and training, memberships and library material subscriptions. Prepaid items are accounted for using the consumption approach of accrual accounting, that is items are recorded as an asset deferring the recognition of an expenditure until the month in which it should occur.

(m) 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 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.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

The Library budgets annual expenses for two nongovernmental fund types, the Internal Service Fund and the Digital Downloads 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:

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

(n) Net Position

Net position represent the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation. Net position is 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.

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

(o) 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.

(p) Fund Balance Reserves

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Library is "bound to honor constraints on the specific purposes for which amounts of the fund can be spent" in accordance with GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

The Library considers fund balance non-spendable when it is in a non-spendable form (inventories or prepaids) or when the balance is legally or contractually required to be maintained intact. Restricted fund balance are reported when constraints have been placed on the use of resources externally (grant agreements, legal requirements). Committed fund balance represents amounts committed for a specific use through formal Board resolution. Assigned fund balance are those amounts intended to be used for a specific purpose that do not meet the definition of restricted or committed. In governmental funds other than the general fund net assets that are not committed or restricted are assigned. Residual fund balance in the general fund is unassigned. In other governmental funds, only a deficit is reported as unassigned.

The Library considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Library considers committed amounts used first, followed by assigned amounts; unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

(2) Commitments and Contingencies

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.

(3) Cash and Investments

The Library pools all individual fund cash balances for investment purposes, except for cash with fiscal agents, restricted investments and debt proceeds. 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.

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, 2012, the carrying amount of all the Library's deposits was \$2,354,010 and the bank balance was \$2,743,717. Of the bank balance, \$250,000 was covered by Federal Deposit Insurance and \$2,493,717 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:

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements
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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 programs (STAR Ohio & STAR Plus), pursuant to Ohio Revised Code Section 135.45.

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

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.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

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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:

	Fair Value	Credit Rating	Maturity in Years		
			<1	1-3	3-5
STAR Ohio (State Treasurer's Asset Reserve Program)	\$11,604,024	AAAm ¹	\$11,604,024	\$ -	\$ -
STAR Plus (State Treasurer's Cash Management Program)	10,001,847	N/A	10,001,847		
US Treasury Securities	1,000,234	AA+ ¹	-	1,000,234	-
Federal Agency Securities (Non-callable)	48,172,454	AA+ ¹	3,412,342	43,253,219	1,506,893
Federal Agency Securities (Callable)	44,033,713	AA+ ¹	-	29,291,503 ²	14,742,210 ³
Federal Agency – Step-up Commercial Paper	1,775,895	AA+ ¹	-	500,075 ⁴	1,275,820 ⁵
Money Market Fund	14,985,796	AA+ ¹	14,985,796	-	-
Carrying Amount of Deposits	20,501,384	AAAm ¹	20,501,384	-	-
Change Funds and Imprest Balance	2,354,010		2,354,010	-	-
	<u>183,438</u>		<u>183,438</u>	-	-
Total	<u>\$154,612,795</u>		<u>\$63,042,841</u>	<u>\$74,045,031</u>	<u>\$17,524,923</u>
Less: Cash and investments – Agency Fund	<u>(225,724)</u>				
Total Governmental Funds Cash	<u>154,387,071</u>				
Per Statement of Net Position:					
Cash and investments	\$153,834,558				
Cash and investments – Restricted	67,742				
Cash with Trustee	<u>484,771</u>				
Total	<u>\$154,387,071</u>				

1 - Standard & Poors.

2 - as of 04/30/12, \$7,292,496 has been called, \$21,220,571 is callable within 1 year and the remaining \$778,436 is callable within 2 years.

3 - as of 04/30/12, \$250,015 has been called, \$13,490,905 is callable within 1 year and the remaining \$1,001,290 is callable within 2 years.

4 - as of 04/30/12, \$500,075 has been called.

5 - \$1,275,820 is callable within 1 year.

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, 2012.

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STAR Plus is a cash management program that provides Ohio political subdivisions with access to hundreds of FDIC insured banks via one convenient account. STAR Plus accounts have no exposure to credit or market risk. All deposits have full FDIC insurance and are backed by the full faith and credit of the U.S. Government.

(4) Donor Restricted Endowments

The Library's Permanent Fund includes donor-restricted endowments. Non-Spendable Fund Balance includes the \$67,742 non-spendable portion of the endowment, the \$572 that is available for expenditure is restricted to comply with donors' original intent. 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.

(5) Receivables

Receivables at December 31, 2012 for the Library's individual funds consists of the following:

	Taxes & Shared Revenue	Interest	Other	Total
General	\$ 57,694,752	\$ 18,334	\$ 37,018	\$ 57,750,104
Debt Service	484,771	-	-	484,771
Capital Projects	-	40,752	-	40,752
Other Governmental	-	1	192	193
Internal Service	-	<u>1,176</u>	<u>5,511</u>	<u>6,687</u>
Total	<u>\$ 58,179,523</u>	<u>\$ 60,263</u>	<u>\$ 42,721</u>	<u>\$ 58,282,507</u>

(6) Capital Assets

A summary of changes in capital assets for the year ended December 31, 2012, follows:

	Balance Jan 1, 2012	Additions	Deletions	Balance Dec 31, 2012
Nondepreciable Assets:				
Land	\$ 8,388,923	\$ 1,027,413	-	\$ 9,416,336
Depreciable Assets:				
Bulidings & Improvements	82,218,120	248,766	-	82,466,886
Machinery & Equipment	<u>6,250,552</u>	<u>97,551</u>	<u>(45,519)</u>	<u>6,302,584</u>
Total Capital Assets	<u>96,857,595</u>	<u>1,373,730</u>	<u>(45,519)</u>	<u>98,185,806</u>
Accumulated Depreciation:				
Bulidings & Improvements	(26,516,570)	(1,343,346)	-	(27,859,916)
Machinery & Equipment	<u>(4,653,825)</u>	<u>(198,480)</u>	<u>45,519</u>	<u>(4,806,786)</u>
Total Accumulated Depreciation	<u>(31,170,395)</u>	<u>(1,541,826)</u>	<u>45,519</u>	<u>(32,666,702)</u>
Total Capital Assets, net	<u>\$ 65,687,200</u>	<u>\$ (168,096)</u>	-	<u>\$ 65,519,104</u>

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

Of the \$1,541,826 depreciation expense, \$967,804 was related to Public Service and \$574,022 was related to Administrative and Support.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

(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 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 2012, member and employer contribution rates were consistent across all three plans. For 2012, member contribution rates were 10.0% of their annual covered salary. The 2012 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, 2012, 2011 and 2010, were \$3,759,573, \$3,666,415, and \$3,197,722 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.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, 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 all of 2012 the Library's contribution allocated to the health care plan was 4.0% 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 \$1,074,110 in 2012, \$1,041,005 in 2011, and \$1,155,697 in 2010.

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 and public utility property located in the Library district.

Real property taxes and public utility taxes collected during 2012 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 2010. 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. The assessed values upon which the 2012 taxes were collected were approximately \$18.7 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. In November of 2010, the voters in Franklin County approved to replace the existing 2.2 mill levy with an new 2.2 mill levy and an increase of 0.6 mills, the collection year for the replacement levy began January 2011.

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

receivables. However, property taxes including delinquent property taxes that were measurable at December 31, 2012, 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 2012, the Library contributed \$1,017,623 to the operational costs of Worthington.

(11) Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Library classifies governmental fund balances as follows:

1. Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints
2. Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as donors and grantors or amounts constrained due to constitutional provisions or enabling legislation
3. Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the Board of Trustees authority and does not lapse at year-end
4. Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Fiscal Officer
5. Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

The Library had the following balances at December 31, 2012:

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
Non-Spendable					
Permanent Principle	-	-	-	\$ 67,742	\$ 67,742
Prepays	840,400	-	-	16,582	856,982
Total Non-Spendable	<u>840,400</u>	-	-	<u>84,324</u>	<u>924,724</u>
Restricted					
Interest Earned on Donations	-	-	-	572	572
Debt Service	-	-	969,542	-	969,542
Capital Construction	-	76,162,686	-	-	76,162,686
Total Restricted	-	<u>76,162,686</u>	<u>969,542</u>	<u>572</u>	<u>77,132,800</u>
Committed					
Capital Improvements	-	1,009,686	-	-	1,009,686
Technology Projects	59,238	-	-	-	59,238
Facility Projects	302,117	-	-	-	302,117
Library Materials	329,252	-	-	-	329,252
Operations/Programming	1,121,477	-	-	92,707	1,214,184
Total Committed	<u>1,812,084</u>	<u>1,009,686</u>	-	<u>92,707</u>	<u>2,914,477</u>
Assigned					
Land Development	-	-	-	178,716	178,716
Restricted Use	-	-	-	409,182	409,182
Capital Improvements	-	45,754,400	-	-	45,754,400
Facility Projects	1,925,414	-	-	-	1,925,414
Technology Projects	377,528	-	-	-	377,528
27th Pay Period	410,325	-	-	-	410,325
Total Assigned	<u>2,713,267</u>	<u>45,754,400</u>	-	<u>587,898</u>	<u>49,055,565</u>
Unassigned	<u>23,664,390</u>	-	-	-	<u>23,664,390</u>
Total Fund Balances	<u>\$ 29,030,141</u>	<u>\$ 122,926,772</u>	<u>\$ 969,542</u>	<u>\$ 765,501</u>	<u>\$ 153,691,956</u>

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements
December 31, 2012

(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 Fund Balance	Fund Balance, December 31, 2012
GAAP basis	\$ 17,747,104	\$ 29,030,141
Increase (decrease):		
Due to revenues:		
Received in cash during 2012, but accrued at December 31, 2011	61,643,760	
Accrued at December 31, 2012, not yet received in cash	(57,750,104)	(57,750,104)
Deferred at December 31, 2011, but not recognized in budget	(58,311,996)	
Deferred at December 31, 2012, but recognized in budget	55,035,213	55,035,213
Due to expenditures:		
Paid in cash during 2012, accrued at December 31, 2011	(3,025,215)	
Accrued at December 31, 2012, not yet paid in cash	1,611,332	1,611,332
Due to encumbrances:		
Expenditures of amounts encumbered during the year ended December 31, 2012	2,865,754	
Recognized as expenditures in budget	(1,450,729)	(1,450,729)
Others, net	813,213	(621,290)
Budgetary Basis	\$ 19,178,332	\$ 25,854,563

(13) Long Term Liabilities

Bonds payable are reported in the Statement of Net Position with the current portion, due within one year, and the long-term portion, payable over the life of the bond. The long-term, portion includes the unamortized balance of the bond premium \$7,126,683. The following table shows the activity in bonds payable during 2012.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2012

Type of obligation	Balance Jan 1, 2012	Additions	Deductions	Balance Dec 31, 2012	Amounts Due Within One Year
Governmental activities:					
General Obligation:					
2012 PLF Notes – Taxable Serials – 1.456%	-	\$20,360,000	-	20,360,000	\$2,620,000
2012 PLF Notes – Tax-Exempt Serial Bond – 4.084%	-	50,805,000	-	50,805,000	-
PLF Notes – Taxable-Exempt Term Bond – 4.000%	-	21,120,000	-	21,120,000	-
Total Governmental Activities	-	<u>\$92,285,000</u>	-	<u>92,285,000</u>	<u>\$2,620,000</u>

Of the \$92,285,000 total debt payments, \$2,620,000 is due within one year and \$286,021 of the premium will be amortized.

(a) Long Term Debt

On December 4, 2012 the Library sold \$92,285,000 of special obligation bonds to provide funds for the acquisition and construction of major capital facilities. The sale included tax-exempt bonds totaling \$71,925,000 and taxable bonds of \$20,360,000. The bonds were issued in anticipation of revenue from the state of Ohio's Public Library Fund (PLF). Debt payments will be accounted for and paid from the Library's debt service fund. The first payment will occur in June 2013, and the final payment will occur in December 2037.

(b) Future Debt Service

The following table summarizes the Library's future debt obligations on its outstanding bonds.

Year Ending December 31,	Governmental Activities		
	Bond Principal	Interest	Debt Service
2013	\$ 2,620,000	\$ 3,197,256	\$ 5,817,256
2014	2,620,000	3,197,924	5,817,924
2015	2,635,000	3,183,776	5,818,776
2016	2,650,000	3,165,858	5,815,858
2017	2,680,000	3,140,418	5,820,418
2018-2022	14,155,000	14,936,250	29,091,250
2023-2027	17,480,000	11,613,450	29,093,450
2028-2032	21,495,000	7,595,500	29,090,500
2033-2037	<u>25,950,000</u>	<u>3,143,100</u>	<u>29,093,100</u>
	<u>\$ 92,285,000</u>	<u>\$ 53,173,532</u>	<u>\$ 145,458,532</u>

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements
December 31, 2012

(c) Compensated Absences

A summary of changes in long-term obligations for the year ended December 31, 2012, follows:

	Balance Jan 1, 2012	Additions	Deletions	Balance Dec 31, 2012
Governmental Activities	\$ 2,335,082	\$ 2,797,714	(\$ 2,754,822)	\$ 2,377,974

Accrued liabilities are composed of accrued compensatory time earned. Of which, \$23,485 was due as of December 31, 2012, and \$ 180,887 is estimated due within one year. 100% of the compensated absences liability will be liquidated with General Fund resources.

(14) Deferred Outflows of Resources

In addition to liabilities, the statement of net position reports a separate section for the deferred inflows of resources. This separate element in the financial statement, deferred inflows of resources represents an acquisition of net position that applies to future period(s) and will not be recognized as revenue until that period. The Library has non-exchange transactions where a receivable is recognized in the current period because taxes were levied, but the resources are intended to be used in a future period. This is reported as a deferred inflow of resources on the statement of net position.

	Governmental Type Funds		Total
	General Fund	Special Revenue Fund	
Property Taxes	\$ 55,019,801	-	\$ 55,019,801
Charges for Services	<u>15,412</u>	<u>2,305</u>	<u>17,717</u>
Total	<u>\$ 55,035,213</u>	<u>\$ 2,305</u>	<u>\$ 55,037,518</u>

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 the acquisition and/or construction of major capital facilities and equipment other than those financed by Proprietary Funds. Active capital projects for 2012 are:

- CML Branding Project (completed 2012)
- Main Library Roof Project (completed 2012)
- Reynoldsburg & South High Roof Project (completed 2012)
- Driving Park Branch Project
- Whitehall Branch Project
- Book Hauler
- Main Library Renovation
- Hilliard Branch Project
- Northern Lights Branch Project
- Martin Luther King Branch Project
- Parsons Branch Project
- Northside Branch Project
- Shepard Branch Project
- Dublin Branch Project

Debt Service Fund

The Debt Service Fund is used to account for and report resources restricted, committed, or assigned to expenditure for principal and interest on debt. In 2012 the Library's Board of Trustees established a debt service fund and authorized the Library to issue debt in anticipation of its PLF revenue for the purpose of purchasing, leasing, constructing, renovating and improving library facilities.

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

Permanent Fund

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

COLUMBUS METROPOLITAN LIBRARY FUND DESCRIPTIONS

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 Library has an internal service fund to account for its Self-Insurance program.

Agency Fund

The Agency fund is used to account for funds held and administered by the Library on behalf of other government agencies. The Library's only agency fund is the Digital Downloads Collaboration which is used to administer a consortium of multiple libraries for the acquisition and distribution of digital content.

COLUMBUS METROPOLITAN LIBRARY
Schedule of Assets, Liabilities and Balances of Accounts
within the General Fund
As of December 31, 2012

	General Operating Account	General Projects Account	General Liability Account	27th Pay Period Account	Total General Fund
ASSETS					
Equity in Pooled Cash and Investments	\$ 24,365,293	\$ 2,950,375	\$ 546,759	\$ 410,325	\$ 28,272,752
Accounts Receivable	57,750,104	-	-	-	57,750,104
Prepays	840,400	2,927	-	-	843,327
Total Assets	82,955,797	2,953,302	546,759	410,325	86,866,183
LIABILITIES					
Accounts Payable	1,584,381	289,005	18,091	-	1,891,477
Accrued Liabilities	380,684	-	528,668	-	909,352
Total Liabilities	1,965,065	289,005	546,759	-	2,800,829
DEFERRED INFLOWS OF RESOURCES	55,035,213	-	-	-	55,035,213
FUNDS BALANCE					
Non-Spendable	840,400	-	-	-	840,400
Committed	1,450,729	361,355	-	-	1,812,084
Assigned	-	2,302,942	-	410,325	2,713,267
Unassigned	23,664,390	-	-	-	23,664,390
Total Fund Balance	25,955,519	2,664,297	-	410,325	29,030,141
Total Liabilities and Fund Balance	\$ 82,955,797	\$ 2,953,302	\$ 546,759	\$ 410,325	\$ 86,866,183

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Account Balance
General Fund
For the Year Ended December 31, 2012

	General Operating Account	General Projects Account	General Liability Account	27th Pay Period Account	Total General Fund
REVENUES					
Property Taxes	\$ 44,765,211	\$ -	\$ -	\$ -	\$ 44,765,211
Intergovernmental	25,703,865	-	-	-	25,703,865
Fines and Fees	1,427,822	-	-	-	1,427,822
Charges for Services	683,926	-	-	-	683,926
Investment Earnings	175,979	-	-	-	175,979
Miscellaneous	678,222	-	-	-	678,222
Total Revenues	<u>73,435,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,435,025</u>
EXPENDITURES					
Public Services:					
Salaries and Benefits	24,325,504	-	-	-	24,325,504
Supplies	337,263	34,151	-	-	371,414
Purchased/Contracted Services	1,034,132	457,743	-	-	1,491,875
Library Materials	7,373,250	-	-	-	7,373,250
Total Public Service	<u>33,070,149</u>	<u>491,894</u>	<u>-</u>	<u>-</u>	<u>33,562,043</u>
Administrative and Support:					
Salaries and Benefits	10,836,406	-	-	-	10,836,406
Supplies	1,331,430	5,556	-	-	1,336,986
Purchased/Contracted Services	7,347,698	860,085	-	-	8,207,783
Library Materials	5,004	-	-	-	5,004
Other	1,019,798	-	-	-	1,019,798
Total Administrative and Support	<u>20,540,336</u>	<u>865,641</u>	<u>-</u>	<u>-</u>	<u>21,405,977</u>
Capital Outlay	146,173	96,483	-	-	242,656
Total Expenditures	<u>53,756,658</u>	<u>1,454,018</u>	<u>-</u>	<u>-</u>	<u>55,210,676</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>19,678,367</u>	<u>(1,454,018)</u>	<u>-</u>	<u>-</u>	<u>18,224,349</u>
OTHER FINANCING SOURCES (USES)					
Intra-Fund Transfers In	-	2,200,000	-	205,000	2,405,000
Proceeds from the Sale of Assets	7,526	-	-	-	7,526
Inter-Fund Transfers Out	(484,771)	-	-	-	(484,771)
Intra-Fund Transfers Out	(2,405,000)	-	-	-	(2,405,000)
Total Other Financing Sources (Use)	<u>(2,882,245)</u>	<u>2,200,000</u>	<u>-</u>	<u>205,000</u>	<u>(477,245)</u>
Net Change in Fund Balances	16,796,122	745,982	-	205,000	17,747,104
Fund Balances Beginning of Year	9,159,397	1,918,315	-	205,325	11,283,037
Fund Balances at End of Year	<u>\$ 25,955,519</u>	<u>\$ 2,664,297</u>	<u>\$ -</u>	<u>\$ 410,325</u>	<u>\$ 29,030,141</u>

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COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Assets, Liabilities and Project Balances
Capital Projects
For the Year Ended December 31, 2012

	Capital Project Non-Project Related	CML Branding Project	Main Library Roof Repair Project	Reynoldsburg & South High Roof Project	Driving Park Branch Project
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 98,886,308	\$ -	\$ -	\$ -	\$ 5,416,081
Receivables	40,752	-	-	-	-
Total Assets	<u>98,927,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,416,081</u>
LIABILITIES					
Total Liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
	-	-	-	-	-
FUNDS BALANCE					
Restricted Fund Balance	76,162,686	-	-	-	-
Committed Fund Balance	-	-	-	-	386,493
Assigned Fund Balance	22,764,374	-	-	-	5,029,588
Total Fund Balance	<u>98,927,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,416,081</u>
Total Liabilities and Fund Balance	<u>\$ 98,927,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,416,081</u>

Whitehall Branch Project	Book Hauler Project	Main Library Renovation Project	Hilliard Branch Project	Northern Lights Branch Project
\$ 6,986,237	\$ 105,094	\$ 3,492,300	\$ 1,000,000	\$ 1,000,000
-	-	-	-	-
<u>6,986,237</u>	<u>105,094</u>	<u>\$ 3,492,300</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
535,148	88,045	-	-	-
6,451,089	17,049	3,492,300	1,000,000	1,000,000
<u>6,986,237</u>	<u>105,094</u>	<u>3,492,300</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>\$ 6,986,237</u>	<u>\$ 105,094</u>	<u>\$ 3,492,300</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

(Continued)

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Assets, Liabilities and Project Balances
Capital Projects
For the Year Ended December 31, 2012

	Martin Luther King Branch Project	Parsons Branch Project	Northside Branch Project	Shepard Branch Project	Dublin Branch Project	Total Capital Projects Fund
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 122,886,020
Receivables	-	-	-	-	-	40,752
Total Assets	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	122,926,772
LIABILITIES						
Total Liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
	-	-	-	-	-	-
FUNDS BALANCE						
Restricted Fund Balance	-	-	-	-	-	76,162,686
Committed Fund Balance						1,009,686
Assigned Fund Balance	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	45,754,400
Total Fund Balance	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	122,926,772
Total Liabilities and Fund Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 122,926,772

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COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Project Balance
Capital Projects
For the Year Ended December 31, 2012

	Capital Project Non-Project Related	CML Branding Project	Main Library Roof Repair Project	Reynoldsburg & South High Roof Project	Driving Park Branch Project
REVENUES					
Investment Earnings	\$ 67,973	\$ -	\$ -	\$ -	\$ -
Contributions and Donations	-	-	-	-	-
Total Revenues	<u>67,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Administrative and Support:					
Purchased/Contracted Services	599,276	7,800	5,475	3,900	115,420
Total Administrative and Support	<u>599,276</u>	<u>7,800</u>	<u>5,475</u>	<u>3,900</u>	<u>115,420</u>
Capital Outlay		18,498	150,591	317,208	468,499
Total Expenditures	<u>599,276</u>	<u>26,298</u>	<u>156,066</u>	<u>321,108</u>	<u>583,919</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(531,303)</u>	<u>(26,298)</u>	<u>(156,066)</u>	<u>(321,108)</u>	<u>(583,919)</u>
OTHER FINANCING SOURCES (USES)					
Inter-Fund Transfer-In	275,891	-	-	-	-
Inter-Fund Transfer-Out	(11,589,950)	(7,692)	(219,017)	(49,182)	-
Debt Issuance	92,285,000	-	-	-	-
Premium	7,150,518	-	-	-	-
Total Other Financing Sources (Uses)	<u>88,121,459</u>	<u>(7,692)</u>	<u>(219,017)</u>	<u>(49,182)</u>	<u>-</u>
Net Change in Fund Balances	87,590,156	(33,990)	(375,083)	(370,290)	(583,919)
Fund Balances Beginning of Year	11,336,904	33,990	375,083	370,290	6,000,000
Fund Balances at End of Year	<u>\$ 98,927,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,416,081</u>

Whitehall Branch Project	Book Hauler Project	Main Library Renovation Project	Hilliard Branch Project	Northern Lights Branch Project
\$ -	\$ -	\$ -	\$ -	\$ -
-	15,144	-	-	-
-	15,144	-	-	-
7,973	-	7,700	-	-
7,973	-	7,700	-	-
665,790	-	-	-	-
673,763	-	7,700	-	-
(673,763)	15,144	(7,700)	-	-
-	89,950	3,500,000	1,000,000	1,000,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	89,950	3,500,000	1,000,000	1,000,000
(673,763)	105,094	3,492,300	1,000,000	1,000,000
7,660,000	-	-	-	-
\$ 6,986,237	\$ 105,094	\$ 3,492,300	\$ 1,000,000	\$ 1,000,000

(Continued)

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Project Balance
Capital Projects
For the Year Ended December 31, 2012

	Martin Luther King Branch Project	Parsons Branch Project	Northside Branch Project	Shepard Branch Project	Dublin Branch Project	Total Capital Projects Fund
REVENUES						
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,973
Contributions and Donations	-	-	-	-	-	15,144
Total Revenues	-	-	-	-	-	83,117
EXPENDITURES						
Administrative and Support:						
Purchased/Contracted Services	-	-	-	-	-	747,544
Total Administrative and Support	-	-	-	-	-	747,544
Capital Outlay	-	-	-	-	-	1,620,586
Total Expenditures	-	-	-	-	-	2,368,130
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-	-	(2,285,013)
OTHER FINANCING SOURCES (USES)						
Inter-Fund Transfer-In	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	11,865,841
Inter-Fund Transfer-Out	-	-	-	-	-	(11,865,841)
Transfers In	-	-	-	-	-	92,285,000
Transfers Out	-	-	-	-	-	7,150,518
Total Other Financing Sources (Uses)	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	99,435,518
Net Change in Fund Balances	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	97,150,505
Fund Balances Beginning of Year	-	-	-	-	-	25,776,267
Fund Balances at End of Year	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	122,926,772

COLUMBUS METROPOLITAN LIBRARY
Combining Balance Sheet
Major Governmental Funds - Debt Service Fund
December 31, 2012

	Debt Service Funds
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 484,771
Receivables	484,771
Total Assets	969,542
LIABILITIES	
Total Liabilities	-
DEFERRED INFLOWS OF RESOURCES	
	-
FUNDS BALANCE	
Non-Spendable Fund Balance	
Restricted Fund Balance	969,542
Committed Fund Balance	-
Assigned Fund Balance - Land Development	-
Assigned Fund Balance - Special Revenue	-
Unassigned Fund Balance	-
Total Fund Balance	969,542
Total Liabilities and Fund Balance	\$ 969,542

COLUMBUS METROPOLITAN LIBRARY
Combining Statement of Revenues, Expenditures and
Changes in Funds Balance
Major Governmental Funds - Debt Service
For the Year Ended December 31, 2012

	Debt Service Funds
REVENUES	
Intergovernmental	\$ 484,771
Total Revenues	484,771
EXPENDITURES	
Total Expenditures	-
Excess (deficiency) of Revenue over (under) Expenditures	484,771
OTHER FINANCING SOURCES (USES)	
Transfers In	484,771
Total Other Financing Sources (Uses)	484,771
Net Change in Fund Balances	969,542
Fund Balances at Beginning of Year	-
Fund Balances at End of Year	\$ 969,542

COLUMBUS METROPOLITAN LIBRARY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	<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	\$ 816,123	\$ 68,313	\$ 884,436
Receivables	192	1	193
Prepays	16,582	-	16,582
Total Assets	<u>832,897</u>	<u>68,314</u>	<u>901,211</u>
LIABILITIES			
Account Payable	77,973	-	77,973
Accrued Liabilities	55,432	-	55,432
Total Liabilities	<u>133,405</u>	<u>-</u>	<u>133,405</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,305</u>	<u>-</u>	<u>2,305</u>
FUNDS BALANCE			
Non-Spendable Fund Balance	16,582	67,742	84,324
Restricted Fund Balance	-	572	572
Committed Fund Balance	92,707	-	92,707
Assigned Fund Balance - Land Development	178,716	-	178,716
Assigned Fund Balance - Special Revenue	409,182	-	409,182
Total Fund Balance	<u>697,187</u>	<u>68,314</u>	<u>765,501</u>
Total Liabilities and Fund Balance	<u>\$ 832,897</u>	<u>\$ 68,314</u>	<u>\$ 901,211</u>

COLUMBUS METROPOLITAN LIBRARY
Combining Statement of Revenues, Expenditures and
Changes in Funds Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment Earnings	\$ 1,400	\$ 51	\$ 1,451
Charges for Services	685,737	-	685,737
Contributions and Donations	395,762	-	395,762
Miscellaneous	17,595	-	17,595
Total Revenues	1,100,494	51	1,100,545
EXPENDITURES			
Public Services:			
Salaries and Benefits	201,511	-	201,511
Supplies	184,658	-	184,658
Purchased and Contracted Services	49,274	-	49,274
Library Materials	24,598	-	24,598
Total Public Service	460,041	-	460,041
Administrative and Support:			
Supplies	59,139	-	59,139
Purchased and Contracted Services	620,455	-	620,455
Total Administrative and Support	679,594	-	679,594
Capital Outlay	80	-	80
Total Expenditures	1,139,715	-	1,139,715
Excess (deficiency) of Revenue over (under) Expenditures	(39,221)	51	(39,170)
OTHER FINANCING SOURCES (USES)			
Net Change in Fund Balances	(39,221)	51	(39,170)
Fund Balances at Beginning of Year	736,408	68,263	804,671
Fund Balances at End of Year	\$ 697,187	\$ 68,314	\$ 765,501

COLUMBUS METROPOLITAN LIBRARY
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Restricted Fund	Land Development Fund	Total Nonmajor Special Revenue Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 512,862	\$ 303,261	\$ 816,123
Receivables	-	192	192
Prepays	-	16,582	16,582
Total Assets	512,862	320,035	832,897
LIABILITIES			
Accounts Payable	9,819	68,154	77,973
Accrued Liabilities	1,154	54,278	55,432
Total Liabilities	10,973	122,432	133,405
DEFERRED INFLOWS OF RESOURCES			
	-	2,305	2,305
FUNDS BALANCE			
Non-Spendable Fund Balance	-	16,582	16,582
Committed Fund Balance	92,707	-	92,707
Assigned Fund Balance	409,182	178,716	587,898
Total Fund Balance	501,889	195,298	697,187
Total Liabilities and Fund Balance	\$ 512,862	\$ 320,035	\$ 832,897

COLUMBUS METROPOLITAN LIBRARY
Combining Statement of Revenues, Expenditures and
Changes in Funds Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2012

	Restricted Fund	Land Development Fund	Total Nonmajor Special Revenue Funds
REVENUES			
Investment Earnings	\$ -	\$ 1,400	\$ 1,400
Charges for Services	-	685,737	685,737
Contributions and Donations	395,762	-	395,762
Miscellaneous	-	17,595	17,595
Total Revenues	395,762	704,732	1,100,494
EXPENDITURES			
Public Services:			
Salaries and Benefits	201,511	-	201,511
Supplies	184,658	-	184,658
Purchased/Contracted Services	49,274	-	49,274
Library Materials	24,598	-	24,598
Total Public Service	460,041	-	460,041
Administrative and Support:			
Supplies	-	59,139	59,139
Purchased/Contracted Services	-	620,455	620,455
Total Administrative and Support	-	679,594	679,594
Capital Outlay	80	-	80
Total Expenditures	460,121	679,594	1,139,715
Excess (deficiency) of Revenue over (under) Expenditures	(64,359)	25,138	(39,221)
Net Change in Fund Balances	(64,359)	25,138	(39,221)
Fund Balances Beginning of Year	566,248	170,160	736,408
Fund Balances at End of Year	\$ 501,889	\$ 195,298	\$ 697,187

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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, 2012

	<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	\$ 46,789,134	\$ 44,259,134	\$ 44,768,782	\$ 509,648
Intergovernmental	26,403,655	26,403,655	26,184,950	(218,705)
Fines and Fees	1,500,000	1,500,000	1,432,550	(67,450)
Charges for Services	700,000	700,000	729,854	29,854
Investment Earnings	300,000	300,000	201,198	(98,802)
Contributions and Donations	5,000	5,000	-	(5,000)
Miscellaneous	367,000	367,000	750,217	383,217
Total Revenues	<u>76,064,789</u>	<u>73,534,789</u>	<u>74,067,551</u>	<u>532,762</u>
EXPENDITURES				
Current:				
Public Service:				
Salaries and Benefits	26,240,742	25,960,537	23,973,176	1,987,361
Supplies	346,101	434,515	309,842	124,673
Purchased and Contracted Services	1,940,375	1,250,438	1,105,897	144,541
Library Materials	7,999,000	7,270,231	7,208,157	62,074
Administrative and Support:				
Salaries and Benefits	9,771,876	9,922,081	10,995,239	(1,073,158)
Supplies	1,344,656	1,471,025	1,265,834	205,191
Purchased and Contracted Services	7,745,453	8,528,091	7,719,427	808,664
Library Materials	2,000	5,092	5,079	13
Other	1,335,609	1,037,104	1,019,798	17,306
Equipment	98,200	167,388	161,864	5,524
Total Expenditures	<u>56,824,012</u>	<u>56,046,502</u>	<u>53,764,313</u>	<u>2,282,189</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>19,240,777</u>	<u>17,488,287</u>	<u>20,303,238</u>	<u>2,814,951</u>
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	-	-	-	-
Intra-Fund Transfers Out	(2,650,875)	(2,405,000)	(2,405,000)	-
Transfers Out	(17,200,000)	(99,312,630)	(99,312,628)	(2)
Proceeds from the Sale of Debt	-	99,435,520	99,435,518	2
Total Other Financing Sources (Uses)	<u>(19,850,875)</u>	<u>(2,282,110)</u>	<u>(2,282,110)</u>	<u>-</u>
Net Changes in Fund Balances	(610,098)	15,206,177	18,021,128	2,814,951
Fund Balances at Beginning of Year	4,834,090	4,834,090	4,834,090	-
Funds Balance End of Year	<u>\$ 4,223,992</u>	<u>\$ 20,040,267</u>	<u>\$ 22,855,218</u>	<u>\$ 2,814,951</u>

General Projects Account

<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)	
<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
53,150	138,150	-	138,150
-	-	-	-
-	-	-	-
-	-	-	-
237,125	269,248	17,926	251,322
2,018,100	2,211,706	1,177,895	1,033,811
-	-	-	-
-	-	-	-
137,500	86,435	51,975	34,460
<u>2,445,875</u>	<u>2,705,539</u>	<u>1,247,796</u>	<u>1,457,743</u>
<u>(2,445,875)</u>	<u>(2,705,539)</u>	<u>(1,247,796)</u>	<u>1,457,743</u>
2,445,875	2,200,000	2,200,000	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>2,445,875</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>-</u>
-	(505,539)	952,204	1,457,743
1,636,816	1,636,816	1,636,816	-
<u>\$ 1,636,816</u>	<u>\$ 1,131,277</u>	<u>\$ 2,589,020</u>	<u>\$ 1,457,743</u>

(Continued)

27th Pay Period Account				Variance with Final Budget Positive (Negative)
Budgeted Amounts				
Original	Final	Actual		
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	205,000	205,000	205,000	-
Intra-Fund Transfers Out	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from the Sale of Debt	-	-	-	-
Total Other Financing Sources (Uses)	205,000	205,000	205,000	-
Net Changes in Fund Balances	205,000	205,000	205,000	-
Fund Balances at Beginning of Year	205,325	205,325	205,325	-
Funds Balance End of Year	\$ 410,325	\$ 410,325	\$ 410,325	\$ -

Combining General Fund Totals			
Budgeted Amounts			Variance with Final Budget Positive (Negative)
Original	Final	Actual	
\$ 46,789,134	\$ 44,259,134	\$ 44,768,782	\$ 509,648
26,403,655	26,403,655	26,184,950	(218,705)
1,500,000	1,500,000	1,432,550	(67,450)
700,000	700,000	729,854	29,854
300,000	300,000	201,198	(98,802)
5,000	5,000	-	(5,000)
367,000	367,000	750,217	383,217
76,064,789	73,534,789	74,067,551	532,762
26,240,742	25,960,537	23,973,176	1,987,361
399,251	572,665	309,842	262,823
1,940,375	1,250,438	1,105,897	144,541
7,999,000	7,270,231	7,208,157	62,074
9,771,876	9,922,081	10,995,239	(1,073,158)
1,581,781	1,740,273	1,283,760	456,513
9,763,553	10,739,797	8,897,322	1,842,475
2,000	5,092	5,079	13
1,335,609	1,037,104	1,019,798	17,306
235,700	253,823	213,839	39,984
59,269,887	58,752,041	55,012,109	3,739,932
16,794,902	14,782,748	19,055,442	4,272,694
2,650,875	2,405,000	2,405,000	-
(2,650,875)	(2,405,000)	(2,405,000)	-
(17,200,000)	(99,312,630)	(99,312,628)	(2)
-	99,435,520	99,435,518	2
(17,200,000)	122,890	122,890	-
(405,098)	14,905,638	19,178,332	4,272,694
6,676,231	6,676,231	6,676,231	-
\$ 6,271,133	\$ 21,581,869	\$ 25,854,563	\$ 4,272,694

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Contributions and Donations	\$ 800,000	\$ 844,399	\$ 395,762	\$ (448,637)
Total Revenues	<u>800,000</u>	<u>844,399</u>	<u>395,762</u>	<u>(448,637)</u>
EXPENDITURES				
Current:				
Public Service:				
Salaries & Benefits	-	233,012	205,230	27,782
Supplies	-	474,073	263,542	210,531
Purchased and Contracted Services	-	104,856	47,582	57,274
Library Materials	-	45,334	20,508	24,826
Other	800,000	547,458	-	547,458
Equipment	-	1,000	80	920
Total Expenditures	<u>800,000</u>	<u>1,405,733</u>	<u>536,942</u>	<u>868,791</u>
Excess (deficiency) of Revenues over (under) Expenditures	-	(561,334)	(141,180)	420,154
Net Changes in Fund Balances	-	(561,334)	(141,180)	420,154
Fund Balance at Beginning of Year	561,335	561,335	561,335	-
Fund Balance End of Year	<u>\$ 561,335</u>	<u>\$ 1</u>	<u>\$ 420,155</u>	<u>\$ 420,154</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for Services	\$ 659,520	\$ 659,520	\$ 688,042	\$ 28,522
Investment Earnings	1,000	1,000	1,274	274
Miscellaneous	21,000	21,000	17,595	(3,405)
Total Revenues	<u>681,520</u>	<u>681,520</u>	<u>706,911</u>	<u>25,391</u>
EXPENDITURES				
Current:				
Administrative and Support:				
Supplies	60,000	70,000	59,366	10,634
Purchased and Contracted Services	621,520	611,520	568,069	43,451
Total Expenditures	<u>681,520</u>	<u>681,520</u>	<u>627,435</u>	<u>54,085</u>
Excess of Revenues Over Expenditures	-	-	79,476	79,476
Net Changes in Fund Balances	-	-	79,476	79,476
Fund Balance at Beginning of Year	<u>169,049</u>	<u>169,049</u>	<u>169,049</u>	-
Fund Balance End of Year	<u>\$ 169,049</u>	<u>\$ 169,049</u>	<u>\$ 248,525</u>	<u>\$ 79,476</u>

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment Earnings	\$ 50	\$ 50	\$ 51	\$ 1
Total Revenues	<u>50</u>	<u>50</u>	<u>51</u>	<u>1</u>
EXPENDITURES				
Current:				
Public Service:				
Library Materials	520	520	-	520
Administrative and Support:				
Other	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
Total Expenditures	<u>570</u>	<u>570</u>	<u>-</u>	<u>570</u>
Deficiency of Revenues under Expenditures	(520)	(520)	51	571
Fund Balance at Beginning of Year	520	520	520	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571</u>	<u>\$ 571</u>

COLUMBUS METROPOLITAN LIBRARY
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP) and Actual
Debt Service Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	484,772	484,772	484,771	(1)
Total Other Financing Sources (Uses)	<u>484,772</u>	<u>484,772</u>	<u>484,771</u>	<u>(1)</u>
Net Changes in Fund Balances	484,772	484,772	484,771	(1)
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance End of Year	<u>\$ 484,772</u>	<u>\$ 484,772</u>	<u>\$ 484,771</u>	<u>\$ (1)</u>

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	67-70
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	71-77
These schedules contain information to assist the reader in evaluating factors affecting the Library’s ability to generate property tax revenue.	
Debt Capacity	78-80
These schedules contain information to help the reader in evaluating the Library’s ability to pay off long term debt.	
Economic and Demographic Information	81-82
These schedules offer economic and demographic indicators to assist the reader in understanding environmental factors that influence the Library’s financial activities.	
Operating Information	83-86
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. In fiscal year 2011, the Library implemented GASB No. 54, schedules reporting fund balance classifications commenced that year.

Columbus Metropolitan Library
Net Position by Component,
Last Ten 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>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities										
Net Investment in Capital Assets	\$ 76,488,699	\$ 77,538,653	\$ 76,346,337	\$ 71,928,282	\$ 70,477,531	\$ 69,437,656	\$ 68,643,901	\$ 67,167,277	\$ 65,687,200	\$ 65,519,104
Restricted	9,520,315	10,863,760	13,595,440	13,297,427	10,943,907	9,113,095	7,661,520	6,534,500	26,513,196	26,460,875
Non-Expendable	67,742	67,742	67,742	67,742	67,742	67,742	67,742	67,742	67,742	67,742
Unrestricted	9,410,729	9,057,840	21,822,333	23,030,705	12,714,129	11,259,145	7,265,132	7,669,410	14,179,366	29,745,728
Total primary government net position	<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>	<u>\$ 83,638,295</u>	<u>\$ 81,438,929</u>	<u>\$ 106,447,504</u>	<u>\$ 121,793,449</u>

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

Columbus Metropolitan Library
Changes in Net Position,
Last Ten 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>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses										
Governmental activities:										
Public Service	\$ 31,863,473	\$ 32,481,244	\$ 32,512,093	\$ 33,456,423	\$ 34,198,334	\$ 34,999,765	\$ 33,105,824	\$ 29,768,963	\$ 37,143,023	\$ 36,923,350
Administrative and Support	17,016,864	16,200,886	16,768,918	17,956,008	19,428,007	20,324,972	18,339,648	17,014,855	21,144,501	21,904,360
Interest Expense	-	-	-	-	-	-	-	-	-	264,199
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>	<u>\$ 51,445,472</u>	<u>\$ 46,783,818</u>	<u>\$ 58,287,524</u>	<u>\$ 59,091,909</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	\$ 2,201,915	\$ 1,901,782	\$ 1,975,996	\$ 1,427,822
Administrative and Support	702,286	991,232	1,247,755	1,468,269	1,618,728	1,418,800	1,355,577	1,354,700	1,431,254	1,369,663
Operating grants and contributions	858,135	504,607	105,987	209,120	130,556	294,952	583,625	1,389,960	876,869	410,906
Capital grants and contributions	130,594	63,000	-	-	-	-	64,059	-	-	-
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>	<u>\$ 4,205,176</u>	<u>\$ 4,646,442</u>	<u>\$ 4,284,119</u>	<u>\$ 3,208,391</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>	<u>\$ (47,240,296)</u>	<u>\$ (42,137,376)</u>	<u>\$ (54,003,405)</u>	<u>\$ (55,883,518)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 18,463,751	\$ 18,502,301	\$ 20,243,252	\$ 18,096,282	\$ 18,233,344	\$ 17,530,349	\$ 15,808,287	\$ 15,669,459	\$ 50,680,324	\$ 44,081,501
Intergovernmental, unrestricted	26,478,734	26,528,795	38,571,919	27,358,159	16,019,512	28,487,444	24,799,451	24,101,422	28,109,034	26,188,636
Unrestricted Investment Earnings	293,723	289,987	766,584	1,404,862	1,495,748	1,089,794	260,402	167,129	222,622	255,983
Miscellaneous	-	-	-	-	-	-	-	-	-	703,343
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>	<u>\$ 40,868,140</u>	<u>\$ 39,938,010</u>	<u>\$ 79,011,980</u>	<u>\$ 71,229,463</u>
Changes in Net Position										
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>	<u>\$ (6,372,156)</u>	<u>\$ (2,199,366)</u>	<u>\$ 25,008,575</u>	<u>\$ 15,345,945</u>

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

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

	Fiscal Year										
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	
General Fund											
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 745,435	\$ 840,400
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	437,366	1,812,084
Assigned	2,378,884	2,481,749	2,700,933	2,043,617	2,373,149	2,224,307	1,029,204	1,292,831	4,104,753	2,713,267	2,713,267
Unassigned	8,011,240	7,799,574	8,192,614	14,221,722	8,881,711	6,089,229	6,475,532	5,633,109	5,995,483	23,664,390	23,664,390
Total general fund	<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>	<u>7,504,736</u>	<u>6,925,940</u>	<u>11,283,037</u>	<u>29,030,141</u>	<u>29,030,141</u>
All Other Governmental Funds											
Non-Spendable	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 84,414	\$ 84,324
Restricted	-	-	-	-	-	-	-	-	-	566,769	77,132,800
Committed	-	-	-	-	-	-	-	-	-	579,795	1,102,393
Assigned	10,441,446	10,844,819	11,470,351	11,927,987	10,363,015	8,727,016	6,719,882	6,339,926	25,349,960	46,342,298	46,342,298
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total all governmental Funds	<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>	<u>14,292,360</u>	<u>13,333,608</u>	<u>37,863,975</u>	<u>153,691,956</u>	<u>153,691,956</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. The Library implemented GASB 54 in 2011; fund balance classifications are reported prospectively, with the exception of the Principal Balance required to be maintained intact, and therefore is Non-Spendable

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

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues										
Property Taxes	\$ 18,463,751	\$ 18,502,301	\$ 18,378,399	\$ 18,566,700	\$ 18,307,983	\$ 16,515,427	\$ 15,976,544	\$ 16,308,066	\$ 48,318,432	\$ 44,765,211
Intergovernmental	26,486,233	26,573,796	26,987,656	32,557,054	22,536,974	28,487,444	24,856,280	24,101,422	28,109,034	26,188,636
Fines and Fees	1,875,357	1,857,329	1,918,291	1,866,936	1,945,475	2,041,208	1,864,263	1,572,665	1,532,581	1,427,822
Investment Earnings	285,907	274,599	716,174	1,292,009	1,350,592	806,956	733,130	694,174	223,955	245,403
Charges for Services	1,305,124	1,357,039	1,328,725	1,425,250	1,486,019	1,549,539	873,260	807,801	1,431,254	1,369,663
Contributions and Donations	955,636	271,667	105,987	209,120	130,556	296,196	590,855	1,389,960	876,869	410,906
Miscellaneous	591,984	504,528	534,148	322,795	601,492	221,996	282,552	329,117	443,415	695,817
Total revenues	49,963,992	49,341,259	49,969,380	56,239,864	46,359,091	49,918,766	45,176,884	45,203,205	80,935,540	75,103,458
Expenditures										
Public Service	30,457,034	30,703,177	31,941,341	32,335,004	33,012,423	33,385,801	31,053,545	29,400,950	35,569,558	34,022,084
Administrative	15,477,281	15,321,179	14,587,253	15,825,673	17,405,684	18,882,474	15,703,784	16,273,101	19,908,901	22,833,115
Capital Outlay	6,843,228	3,022,331	2,203,030	2,249,759	2,516,435	2,141,093	1,368,302	487,906	926,714	1,863,322
Total expenditures	52,777,543	49,046,687	48,731,624	50,410,436	52,934,542	54,409,368	48,125,631	46,161,957	56,405,173	58,718,521
Excess of revenues over (under) expenditures	(2,813,551)	294,572	1,237,756	5,829,428	(6,575,451)	(4,490,602)	(2,948,747)	(958,752)	24,530,367	16,384,937
Other Financing Sources (Uses)										
Transfers In	6,192,490	3,450,000	2,501,520	1,500,000	22,768	5,419,996	-	-	25,986,258	484,771
Transfers Out	(6,192,490)	(3,450,000)	(2,501,520)	(1,500,000)	(22,768)	(5,419,996)	-	-	(25,986,258)	(484,771)
Proceeds from sale of property	-	-	-	-	-	-	-	-	-	7,526
Debt Issuance & Premium	-	-	-	-	-	-	-	-	-	99,435,518
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	99,443,044
Net change in fund balances	\$ (2,813,551)	\$ 294,572	\$ 1,237,756	\$ 5,829,428	\$ (6,575,451)	\$ (4,490,602)	\$ (2,948,747)	\$ (958,752)	\$ 24,530,367	\$ 115,827,981
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	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
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
2009	19,279,860	55,085,314	29,468	294,680
2010	19,631,342	56,089,549	0	0
2011	17,840,838	50,973,823	0	0
2012	18,154,830	51,870,944	0	0

Source: Franklin County Auditor

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

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		
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
436,874	1,248,211	19,746,202	56,628,205	18.02	34.870
470,486	1,344,246	20,101,828	57,433,795	18.07	35.000
472,145	1,348,986	18,312,983	52,322,809	18.07	35.000
499,509	1,427,169	18,654,339	53,298,113	18.47	35.000

l the following year (e.g. taxes collected in 2012 are applied in 2013)

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

	Years										
	2002 for <u>2003</u>	2003 for <u>2004</u>	2004 for <u>2005</u>	2005 for <u>2006</u>	2006 for <u>2007</u>	2007 for <u>2008</u>	2008 for <u>2009</u>	2009 for <u>2010</u>	2010 for <u>2011</u>	2011 for <u>2012</u>	2012 for <u>2013</u>
	COUNTY -										
Franklin County	\$16.99	\$16.99	\$17.79	\$17.79	\$17.79	\$17.84	\$18.02	\$18.07	\$18.07	\$18.07	\$18.47
SCHOOL DISTRICT:											
Canal Winchester	\$61.20	\$61.05	\$61.00	\$61.25	\$61.25	\$61.25	\$62.93	\$77.75	\$78.16	\$79.13	\$79.45
Columbus	58.80	59.18	67.65	66.47	67.65	67.65	75.50	75.50	75.50	75.85	76.15
Dublin	64.60	64.60	64.60	72.50	72.50	72.50	72.50	80.40	80.40	80.40	89.45
Gahanna-Jefferson	60.90	61.19	60.14	59.24	66.95	65.80	66.78	66.73	66.73	72.10	72.10
Groveport-Madison	53.78	53.88	53.36	52.60	52.75	52.81	52.81	56.71	56.66	57.42	57.65
Hamilton	53.75	53.65	53.43	55.57	55.15	55.60	55.60	55.90	56.00	56.60	56.30
Hilliard	64.44	64.44	74.40	73.14	75.89	75.89	82.79	82.85	82.95	89.35	89.45
Licking Heights	47.53	47.52	47.52	48.50	48.52	47.07	47.00	46.24	46.22	50.89	50.87
Reynoldsburg	58.20	58.21	59.63	59.30	59.30	59.10	65.70	64.90	71.55	71.80	73.10
Upper Arlington	89.15	89.11	96.24	95.88	95.88	95.88	102.08	102.08	102.08	102.08	102.08
Whitehall	65.40	65.40	65.40	65.33	65.45	65.45	72.42	72.65	72.65	74.25	73.25

(Continued)

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

	Years										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	for 2003	for 2004	for 2005	for 2006	for 2007	for 2008	for 2009	for 2010	for 2011	for 2012	for 2013
JOINT VOCATIONAL SCHOOL DISTRICT:											
Central Ohio	\$0.50	\$0.50	\$0.50	\$0.50	\$1.30	\$1.30	\$1.30	\$ 1.30	\$ 1.30	\$ 1.60	\$ 1.60
Eastland	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Licking County	3.00	2.80	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.54	2.54
MUNICIPAL CORPORATIONS:											
Brice	\$3.20	\$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	2.65
Columbus	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14
Dublin	2.97	2.96	2.96	2.95	2.95	2.95	2.95	2.95	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	2.40
Groveport	1.40	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	1.60
Lockbourne	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
New Albany	1.73	1.94	1.94	1.94	1.94	1.94	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	1.70
Reynoldsburg	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Valleyview	24.53	24.53	24.53	24.53	22.53	22.53	22.53	22.53	22.53	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	1.50
Lithopolis	5.90	5.90	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										
	2002 for 2003	2003 for 2004	2004 for 2005	2005 for 2006	2006 for 2007	2007 for 2008	2008 for 2009	2009 for 2010	2010 for 2011	2011 for 2012	2012 for 2013
	TOWNSHIPS:										
Blendon	\$25.40	\$25.07	\$25.05	\$25.02	\$26.55	\$26.51	\$26.56	\$ 26.56	\$ 29.10	\$ 29.10	\$ 30.65
Brown	9.60	9.60	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80
Clinton	25.64	25.64	25.64	31.14	31.14	31.14	29.74	29.74	29.74	29.74	29.74
Franklin	13.05	13.05	18.05	18.05	21.31	21.31	25.20	25.20	25.20	25.20	25.20
Hamilton	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80	16.05	16.05	20.20
Jefferson	10.37	10.37	10.28	10.21	10.09	9.12	9.17	9.17	9.17	9.17	9.20
Madison	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80
Mifflin	21.80	21.80	22.80	22.80	22.80	22.80	26.80	24.80	24.80	37.40	37.40
Norwich	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60
Perry	23.80	20.40	18.40	18.40	21.20	21.20	17.67	18.10	18.10	18.10	21.60
Plain	13.43	13.12	13.37	13.27	13.15	12.85	15.35	15.35	15.35	15.35	15.35
Prairie	14.20	14.20	14.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20
Sharon	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50
Truro	16.65	16.65	16.65	16.65	16.65	16.65	16.65	16.65	16.65	16.60	20.50
Washington	20.00	20.00	19.99	19.99	19.95	14.47	14.48	14.48	15.45	15.45	15.45
OTHER ENTITIES:											
Columbus Metropolitan Library	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$ 2.20	\$ 2.80	\$ 2.80	\$ 2.80
Metropolitan Park District	0.65	0.65	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 2012³</u>			<u>Fiscal Year 2002⁴</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>
Ohio Power Company	\$ 395,574,380	1	2.18 %	\$ 284,620,350	1	1.66 %
Columbia Gas	66,456,570	2	0.37	43,070,210	7	0.25
American Electric Power	18,318,670	3	0.10			
Nationwide Mutual	74,848,880	4	0.41	101,732,770	4	0.59
Distribution Land Corp	56,923,670	5	0.31	42,892,790	8	0.25
Ohio Health	56,292,350	6	0.31			
Huntington Center	39,830,000	7	0.22	58,450,000	5	0.34
BRE/COH OH LLC	28,006,540	8	0.15			
New Albany Co LLC	22,180,330	9	0.12			
Leslie Wexner	18,151,300	10	0.10			
Ashland Oil Inc	17,807,140	11	0.10			
Trilogy Real Estate	17,152,100	12	0.09			
Huntington National Bank	15,353,100	13	0.08			
Total	<u>\$ 826,895,030</u>		4.55 %	<u>\$ 530,766,120</u>		<u>3.09 %</u>

¹The total assessed valuation for 2012 equals: \$18,154,830,270

²The total assessed valuation for 2002 equals: \$17,150,111,054

Source of Principal Property Taxpayer Listing:

³Franklin County Auditor

⁴Columbus Metropolitan Library's 2002 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
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
2009	19,066,250	17,650,285	92.57	885,022	18,535,307	97.22
2010	19,068,759	17,367,128	91.08	854,819	18,221,947	95.56
2011	52,494,125	49,954,346	95.16	1,322,005	51,276,351	97.68
2012	54,898,885	47,572,258	86.65	1,936,696	49,508,954	90.18

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Source: Franklin County Auditor

**Columbus Metropolitan Library
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Capital Leases</u>	<u>Special Assessment Bonds</u>	<u>General Obligation Bonds</u>	<u>Total Outstanding Debt</u>	<u>Percentage of Personal Income (2)</u>	<u>Population (3)</u>	<u>Debt per Capital</u>
	<u>Governmental Activities:</u>			<u>Business-Type Activities</u>				
2012	\$ 92,285,000	\$ -	\$ -	\$ -	\$ 92,285,000	0.22%	1,180,046	78
2011	-	-	-	-	-	0.00%	1,171,653	0
2010	-	-	-	-	-	0.00%	1,163,414	0
2009	-	-	-	-	-	0.00%	1,130,782	0
2008	-	-	-	-	-	0.00%	1,126,742	0
2007	-	-	-	-	-	0.00%	1,130,253	0
2006	-	-	-	-	-	0.00%	1,150,722	0
2005	-	-	-	-	-	0.00%	1,110,830	0
2004	-	-	-	-	-	0.00%	1,109,630	0
2003	-	-	-	-	-	0.00%	1,096,230	0

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed in the table of Demographics and Economic Statistics on page 69

(3) Personal income is disclosed in the table of Demographics and Economic Statistics on page 6

**Columbus Metropolitan Library
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2012	\$ 92,285,000	\$ 969,542	\$ 91,315,458	171.33%	\$ 77
2011	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2003	-	-	-	0.00%	-

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- (1) General bonded debt for both governmental and business-type activities, net of original discounts and premiums
- (2) Amount Restricted for debt service principal payments
- (3) Schedule of Assessed and Estimated Actual Value of Taxable Property, page 61

Columbus Metropolitan Library
Direct and Overlapping Governmental Activities Debt
As of December 31, 2012

Government Unit:	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Direct Debt:			
Columbus Metropolitan Library	\$ 92,505,000 *	100.00%	\$ 92,505,000
Overlapping Debt:			
Franklin County	240,320,000	69.49%	166,998,368
Canal Winchester City	2,332,824	87.74%	2,046,820
Columbus City	886,828,283	80.45%	713,453,354
Dublin City	12,340,000	84.85%	10,470,490
Gahanna City	20,370,000	100.00%	20,370,000
Grandview Heights City	2,800,000	0.03%	840
Groveport City	1,900,000	100.00%	1,900,000
Hilliard City	13,630,000	100.00%	13,630,000
New Albany City	8,630,000	95.08%	8,205,404
Reynoldsburg City	1,826,000	70.42%	1,285,869
Whitehall City	1,060,000	100.00%	1,060,000
Brice Village	-	100.00%	-
Lithopolis Village	-	4.05%	-
Lockbourne Village	-	99.15%	-
Obetz Village	-	100.00%	-
Valleyview Village	-	100.00%	-
Blendon Township	-	1.15%	-
Brown Township	-	100.00%	-
Clinton Township	-	100.00%	-
Franklin Township	-	7.72%	-
Hamilton Township	-	100.00%	-
Jackson Township	-	0.50%	-
Jefferson Township	1,129,500	100.00%	1,129,500
Madison Township	482,607	99.49%	480,146
Mifflin Township	1,385,000	100.00%	1,385,000
Norwich Township	-	100.00%	-
Perry Township	-	22.45%	-
Plain Township	1,498,661	98.93%	1,482,625
Pleasant Township	-	0.05%	-
Prairie Township	-	26.39%	-
Sharon Township	-	4.20%	-
Truro Township	-	100.00%	-
Washington Township	1,629,999	85.12%	1,387,455
Columbus City School District	470,804,552	99.97%	470,663,311
Dublin City School District	156,150,450	79.91%	124,779,825
Gahanna-Jefferson City School District	24,922,518	100.00%	24,922,518
Hilliard City School District	135,250,926	99.99%	135,237,401
Reynoldsburg City School District	103,664,988	74.06%	76,774,290
Upper Arlington City School District	26,122,988	1.46%	381,396
Whitehall City School District	28,590,498	100.00%	28,590,498
Canal Winchester L School District	59,188,346	73.54%	43,527,110
Groveport Madison L School District	5,431,049	100.00%	5,431,049
Hamilton L School District	14,312,694	100.00%	14,312,694
Licking Heights L School District	51,461,229	51.85%	26,682,647
New Albany-Plain L School District	45,896,893	99.99%	45,892,303
Career & Tech Ed Ctr Licking Co (C-Tec) Jt. Voc. Sch	24,084,991	6.62%	1,594,426
Eastland-Fairfield Career & Technical Jt. Voc. School	3,150,000	58.93%	1,856,295
Tolles Career & Technical Center Jt. Voc. School Distr	3,485,000	71.97%	2,508,155
Central Ohio Transit Authority Miscellaneous	-	66.77%	-
Metro Columbus-Franklin Co. Park Dist. Miscellaneous	-	69.49%	-
New Albany Community Authority Miscellaneous	-	99.22%	-
New Albany Plain Local Park District Miscellaneous	9,365,000	99.22%	9,291,953
Rickenbacker Port Authority Miscellaneous	-	69.50%	-
Solid Waste Authority Of Central Ohio Miscellaneous	-	66.45%	-
Westerville-Minerva Park Hospital Dist. Miscellaneous	-	0.12%	-

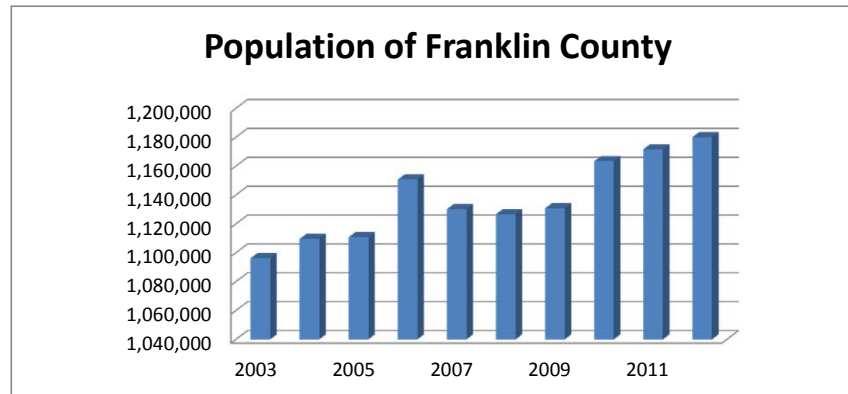
Source: Ohio Municipal Advisory Council (OMAC)

*Balance reflects amounts reported in the OMAC's system, which includes a \$220,000 debt liability which the Library has paid. The library is in the process of updating OMAC's records

**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	Unemployment Rates		
						Franklin County	State of Ohio	United States
2003	1,096,230 (1)	33,205,000	34,456 (1)	33.3 (1)	204,586 (2)	4.0 (5)	6.0 (5)	5.7
2004	1,109,630 (1)	34,043,000	35,199 (1)	33.4 (1)	203,149 (2)	4.3 (5)	5.9 (5)	5.4
2005	1,110,830 (1)	34,754,000	36,714 (1)	34.0 (1)	204,878 (2)	4.8 (5)	5.5 (5)	4.6
2006	1,150,722 (4)	35,526,000	39,395 (1)	38.8 (4)	207,204 (2)	4.5 (6)	5.4 (6)	4.3
2007	1,130,253 (4)	39,485,000	38,773 (1)	34.0 (4)	203,394 (2)	4.7 (5)	5.6 (5)	4.6
2008	1,126,742 (4)	40,331,000	40,009 (1)	34.0 (4)	200,001 (2)	6.1 (5)	7.7 (5)	7.1
2009	1,130,782 (4)	40,785,460	41,077 (1)	34.0 (4)	207,675 (2)	8.2 (5)	10.2 (5)	9.3
2010	1,163,414 (4)	41,304,170	39,473 (1)	34.0 (4)	209,841 (2)	8.5 (5)	10.1 (5)	9.6
2011	1,171,653 (8)	42,615,880	44,666 (1)	33.6 (8)	208,597 (7)	7.6 (6)	8.6 (6)	8.9
2012	1,180,046 (8)	41,153,440**	39,726**	33.6 (8)	195,928 (7)	6.1 (6)	7.2 (6)	8.1

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- Source:
- (1) State Profile. Ohio Woods & Poole Economics, Inc., Washington, D.C.
*Woods & Poole estimate from 2010; most recent information available
 - (2) Quality Education Data, Inc., School Guide
 - (3) State of Ohio Labor Market Information
 - (4) Community Sourcebook of County Demographics
ESRI Business Informations
 - (5) Ohio Dept. of Job and Family Services, LMI; <http://lmi.state.oh.us>
ESRI Business Informations
 - (6) <http://ohiolmi.com/laus/CLFE/AnnualAverages/2012CLFE.pdf>
 - (7) MDR's school directory. Ohio. (formerly QED, source (2)) at left
 - (8) [Business Decision](#)
- ** Woods & Poole estimate for 2011

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

<u>Employer</u>	<u>Fiscal Year 2012¹</u>			<u>Fiscal Year 2003¹</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>
The Ohio State University	27,404	1	4.67 %	17,361	2	2.96 %
State of Ohio	24,748	2	4.21 %	25,787	1	4.39 %
JPMorgan Chase Bank (formerly Bank One)	19,200	3	3.27 %	8,873	6	1.51 %
OhioHealth	14,025	4	2.39 %	8,304	7	1.41 %
Nationwide Mutual Insurance Co.	11,316	5	1.93 %	10,815	5	1.84 %
Columbus City Schools	9,753	6	1.66 %	12,092	4	2.06 %
Kroger Co.	10,031	6	1.71 %	4,632	13	0.79 %
City of Columbus	8,455	8	1.44 %	8,067	8	1.37 %
Nationwide Children's Hospital	7,472	9	1.27 %	2,505	21	0.43 %
McDonald's Corp.	7,622	10	1.30 %	1,199	47	0.20 %
Mount Carmel Health System	7,961	11	1.36 %	4,983	12	
Limited Brands Inc.	7,800	12	1.33 %	7,200	9	1.23 %
Average County Employment for the Year ²	<u>587,300</u>			<u>111,818</u>		<u>18.19 %</u>

Source:

¹Business First of Columbus, Book of Lists 2012 and 2003

²Office of Workforce Development, Bureau of Labor Market Information (<http://ohiolmi.com/LAUS/CLFE/AnnualAverages/2010CLFE.pdf>)

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

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

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Driving Park (1973)									
Number of Registered Borrowers	4,858	4,858	4,858	5,139	4,655	5,257	7,037	7,703	7,909
Volume Size (Collection)	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	19,749
Circulation	134,186	131,800	119,347	106,594	93,618	76,985	71,019	71,081	72,689
Dublin (1981)									
Number of Registered Borrowers	30,067	30,067	30,067	33,365	33,483	37,667	44,431	48,584	50,100
Volume Size (Collection)	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	119,851
Circulation	1,352,672	1,464,079	1,529,032	1,630,425	1,739,138	1,713,453	1,534,438	1,558,342	1,575,547
Franklinton (1995)									
Number of Registered Borrowers	5,849	5,849	5,849	5,583	5,401	6,091	8,426	9,424	9,728
Volume Size (Collection)	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	25,764
Circulation	163,499	172,133	156,707	135,920	138,550	124,564	107,336	124,123	134,789
Gahanna (1991)									
Number of Registered Borrowers	32,261	31,581	31,987	32,833	32,481	36,400	43,462	47,185	48,213
Volume Size (Collection)	143,000	143,000	143,000	143,000	143,000	143,000	143,000	143,000	124,097
Circulation	1,181,822	1,153,960	1,182,590	1,263,524	1,353,457	1,338,952	1,199,784	1,174,913	1,166,464
Hilliard (1996)									
Number of Registered Borrowers	37,161	37,954	38,901	40,606	41,020	46,109	54,732	59,329	60,972
Volume Size (Collection)	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	147,897
Circulation	1,484,093	1,589,055	1,637,625	1,749,510	1,863,562	1,799,007	1,599,039	1,591,721	1,615,010
Hilltop (1996)									
Number of Registered Borrowers	23,613	23,171	23,741	24,490	23,426	25,821	32,924	36,023	37,136
Volume Size (Collection)	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	108,462
Circulation	755,969	734,511	676,625	659,391	660,015	594,335	485,221	519,700	575,773
Karl Road (1988)									
Number of Registered Borrowers	32,581	32,252	32,252	32,282	31,009	34,478	42,691	46,272	47,197
Volume Size (Collection)	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	102,018
Circulation	1,108,873	1,141,037	1,051,858	985,798	946,994	859,353	727,638	720,080	694,097
Linden (2004)									
Number of Registered Borrowers	7,485	10,446	10,446	10,438	9,714	10,973	14,881	16,107	16,482
Volume Size (Collection)	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	34,465
Circulation	221,530	195,609	175,826	175,469	178,532	152,642	134,859	135,494	138,088
Livingston (1992)									
Number of Registered Borrowers	13,293	13,235	14,399	15,192	13,976	15,597	19,834	21,162	21,213
Volume Size (Collection)	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	43,517
Circulation	320,773	321,463	287,361	281,320	300,800	274,717	230,806	234,540	218,659
Main Library (1901)									
Number of Registered Borrowers	75,778	71,070	70,791	78,846	79,331	90,348	113,592	129,906	135,451
Volume Size (Collection)	928,000	928,000	928,000	928,000	928,000	928,000	928,000	928,000	807,607
*Circulation	3,002,018	3,075,642	3,041,414	3,041,972	2,898,452	1,971,498	1,778,524	2,093,716	2,678,357
Martin Luther King (1969)									
Number of Registered Borrowers	5,798	5,335	5,484	5,402	5,203	5,932	7,770	8,445	8,589
Volume Size (Collection)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	23,830
Circulation	153,269	161,761	147,531	143,224	162,779	144,400	125,551	127,794	137,600

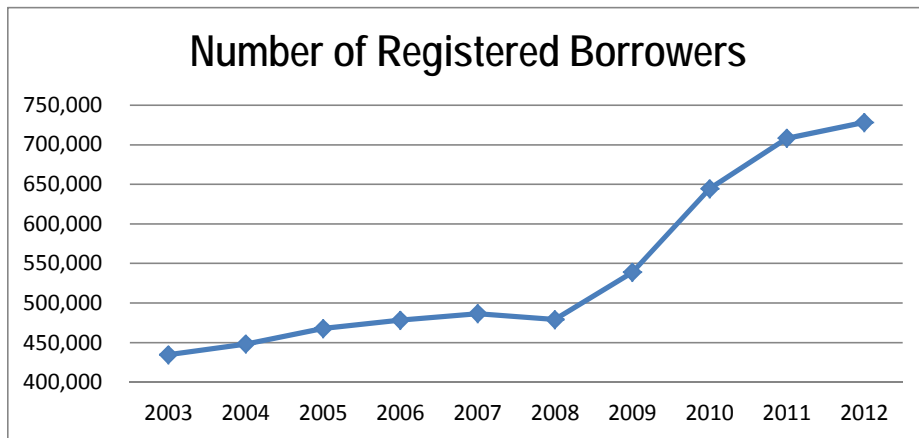
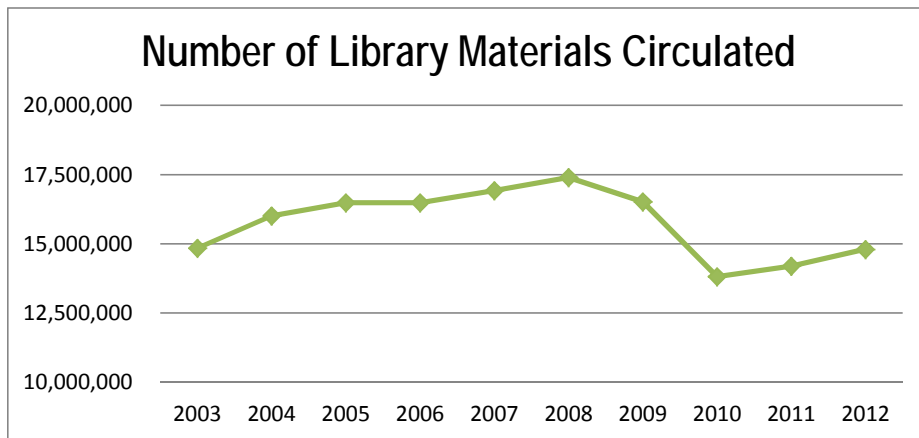
**Columbus Metropolitan Library
Capital Asset Statistics by Branch
Last Nine Fiscal Years**

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
New Albany (2004)									
Number of Registered Borrowers	5,496	10,120	15,353	18,827	19,526	22,082	26,113	28,719	29,737
Volume Size (Collection)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	89,336
Circulation	706,147	784,162	868,032	935,378	979,920	969,944	872,277	880,868	891,082
Northern Lights (1993)									
Number of Registered Borrowers	16,439	15,995	16,843	16,671	15,550	17,410	22,814	25,448	26,545
Volume Size (Collection)	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	51,524
Circulation	379,914	367,434	363,203	353,919	385,163	347,390	313,827	326,299	319,733
Northside (1991)									
Number of Registered Borrowers	10,790	11,200	11,810	13,521	13,081	15,149	19,565	21,490	21,781
Volume Size (Collection)	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	39,474
Circulation	436,643	468,681	477,942	506,680	501,656	460,684	393,705	357,420	330,750
Parsons (1956)									
Number of Registered Borrowers	7,924	7,582	8,012	8,074	7,552	8,393	11,294	12,377	12,819
Volume Size (Collection)	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	31,946
Circulation	194,794	200,023	184,034	178,203	197,213	172,957	163,638	164,471	175,205
Reynoldsburg (1981)									
Number of Registered Borrowers	38,374	38,052	38,798	39,573	38,766	42,774	52,323	56,726	57,744
Volume Size (Collection)	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	112,247
Circulation	1,374,100	1,428,857	1,397,845	1,393,610	1,466,922	1,360,013	1,172,337	1,157,804	1,139,286
Shepard (1986)									
Number of Registered Borrowers	4,215	4,136	4,346	4,594	4,448	5,083	6,653	7,169	7,368
Volume Size (Collection)	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	20,188
Circulation	146,882	154,409	163,632	155,974	134,556	125,325	113,112	112,501	108,825
Southeast (2001)									
Number of Registered Borrowers	23,922	24,910	26,969	29,334	29,202	33,043	40,444	44,133	45,308
Volume Size (Collection)	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	94,509
Circulation	857,012	862,107	901,580	977,527	996,428	977,868	865,402	853,097	841,934
South High (1992)									
Number of Registered Borrowers	13,134	13,004	13,523	13,968	13,536	15,234	19,190	20,882	21,311
Volume Size (Collection)	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	44,963
Circulation	352,501	334,314	336,883	329,242	346,657	326,269	263,865	274,358	272,865
Whetstone (1986)									
Number of Registered Borrowers	26,162	26,152	26,829	27,701	27,663	30,645	36,355	39,585	40,431
Volume Size (Collection)	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	125,697
Circulation	1,285,310	1,341,553	1,386,441	1,518,429	1,655,248	1,563,128	1,372,560	1,408,640	1,396,049
Whitehall (1959)									
Number of Registered Borrowers	13,655	26,152	26,829	14,523	14,196	16,162	20,140	21,802	22,339
Volume Size (Collection)	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	42,768
Circulation	406,587	407,748	404,391	409,467	405,180	385,790	298,061	317,757	326,155

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

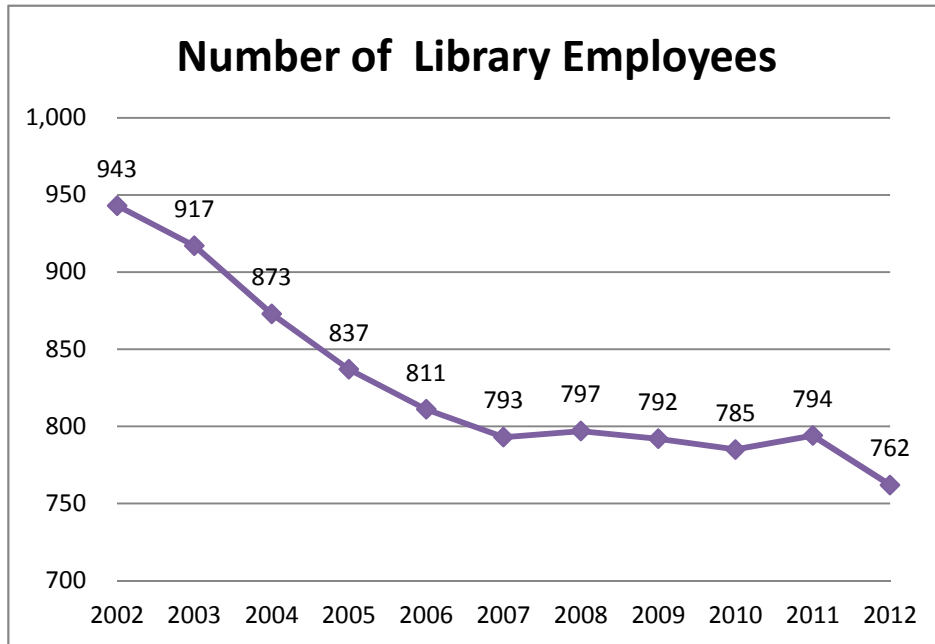
**Columbus Metropolitan Library
 Operation Indicators,
 Last Ten Fiscal Years**

<u>Year</u>	<u>Number of Library Materials Circulated</u>	<u>Number of Registered Borrowers</u>
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
2009	16,526,936	539,005
2010	13,822,999	644,671
2011	14,204,719	708,451
2012	14,808,957	728,373



**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>
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%
2009	792	-0.63%
2010	785	-0.88%
2011	794	1.15%
2012	762	-4.03%



(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
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Columbus Metropolitan Library
Franklin County
96 South Grant Street
Columbus, Ohio 43215

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Metropolitan Library, Franklin County, (the Library) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated May 10, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings, that we consider a significant deficiency in internal control. We consider finding 2012-1 to be a significant deficiency.

Compliance and Other Matters

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

Entity's Response to Findings

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.

Purpose of this Report

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

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

Kennedy Cottrell Richards LLC
May 10, 2013

COLUMBUS METROPOLITAN LIBRARY

**SCHEDULE OF FINDINGS
DECEMBER 31, 2012**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

2012-1 SIGNIFICANT DEFICIENCY: FINANCIAL STATEMENT PREPARATION

The compilation and presentation of materially correct financial statements and the related notes to the financial statements and supplementary information is the responsibility of management. It is important that management develop control procedures related to drafting this information that enable management to prevent, detect, and correct potential misstatements prior to audit.

In our audit, we noted certain misstatements in the Library's financial statements, notes to the financial statements and individual fund schedules, which are summarized below:

- The Library did not implement the new requirements of GASB Statement No. 63 in regard to the financial reporting of deferred inflows and outflows of resources and net position, which was required for calendar year 2012.
- In regard to the Library's new bond issuance in 2012, certain note disclosures were missing, and the amount the Library classified as due within one year was misstated.
- We noted numerous mathematical errors in the notes to the financial statements, and in the budgetary comparison statement and individual fund budgetary comparison schedules.

We provided adjusting entries to the Library, who subsequently corrected the misstatements identified above. The misstatements are a strong indicator that the Library did not have sufficient internal control procedures in place related to financial reporting. Independent auditors are not part of an entity's internal control structure and should not be relied upon by management to detect misstatements.

We recommend the Library implement control procedures related to financial reporting that enable management to prevent, detect, and correct potential misstatements in the financial statements and the related notes to the financial statements and supplementary information 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 and providing appropriate levels of training to those responsible for financial reporting.

Official's Response

Management concurs with Audit Finding 2012-1. The Library will utilize external resources with knowledge and experience in GAAP to review significant new financial policies (i.e. Debt) and new GASB pronouncements and determine the impact on the Library's financial statements. The Library will seek out training and subscribe to GASB publications to ensure compliance. The Library plans to implement additional automation around compiling the Comprehensive Annual Financial Report to eliminate some of the manual data entry which resulted in mathematical errors. Additional review procedures and adequate time to review will be implemented during subsequent periods.

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Dave Yost • 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
JULY 9, 2013**