

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

COLUMBUS METROPOLITAN LIBRARY COLUMBUS, OHIO





STATE OF OHIO
OFFICE OF THE AUDITOR

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Board of Trustees
Columbus Metropolitan Library
Columbus, OH 43215-4781

We have reviewed the Independent Auditor's Report of the Columbus Metropolitan Library, Franklin County, prepared by KPMG, for the audit period January 1, 2001 through December 31, 2001. 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, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 15, 2002

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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, 2000

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.



Thomas A. Erwin
President

Jeffrey L. Esser
Executive Director

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Columbus Metropolitan Library

Columbus, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended December 31, 2001



Issued by:

ROBERT JOHNSON

Clerk-Treasurer/Director of Finance

Columbus Metropolitan Library

LIBRARY OFFICIALS AS OF DECEMBER 31, 2001

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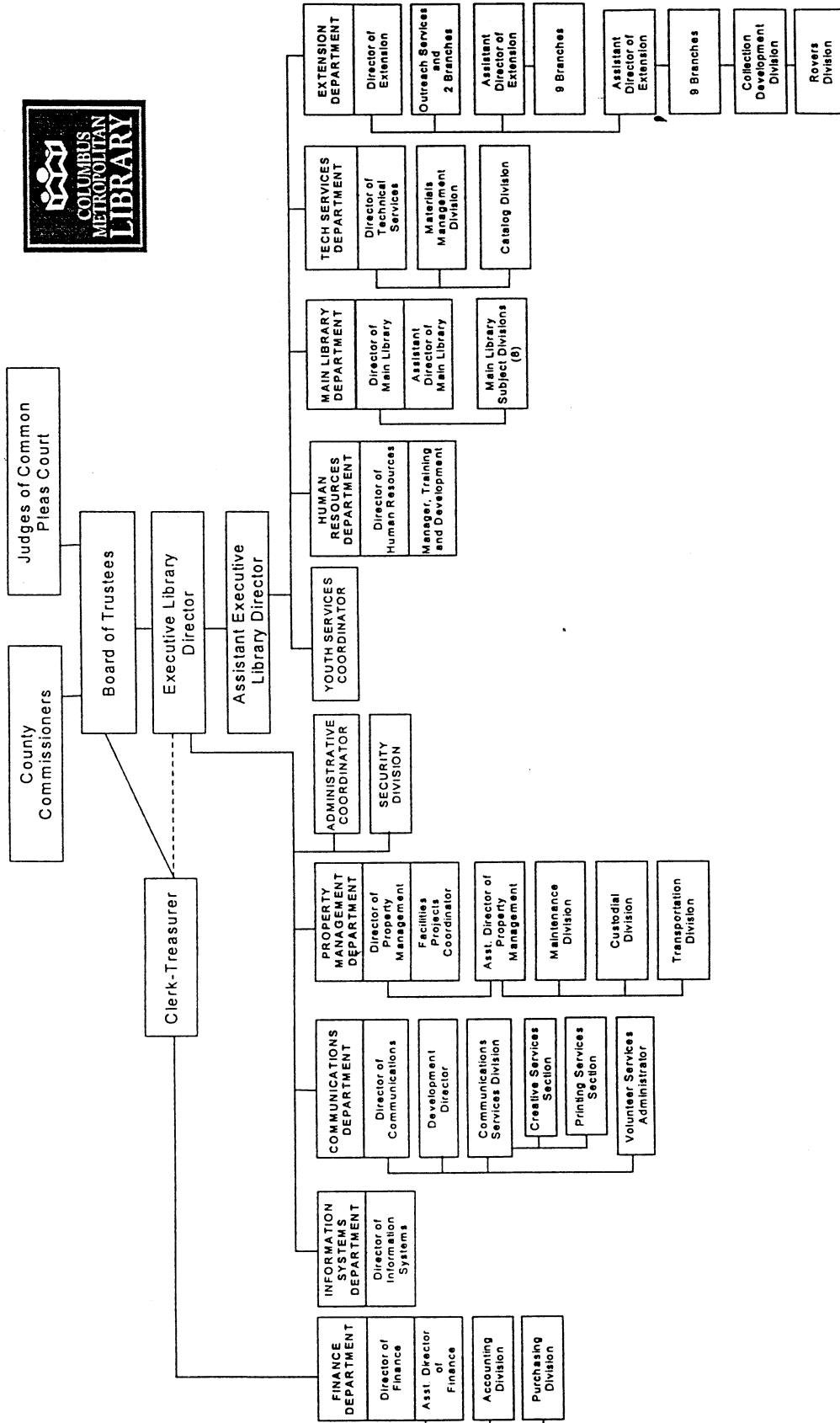
EXECUTIVE STAFF

Mr. Larry D. Black,	Executive Director
Ms. Rubye R. Kyles,	Assistant Executive Director
Mr. Robert Johnson,	Clerk-Treasurer/Director of Finance

ADMINISTRATIVE STAFF

Mr. Larry S. Allen,	Director of Communications
Mr. Scott L. Fothergill,	Director of Information Systems
Ms. Joanne R. Gilmore,	Director of Technical Services
Ms. Andrea L. Hoy,	Director of Human Resources
Ms. Deb A. McWilliam,	Director of Main Library
Mr. Stephen K. Prater,	Director of Property Management
Ms. Susan N. Studebaker,	Director of Extension Services

Columbus Metropolitan Library



Columbus Metropolitan Library

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2001

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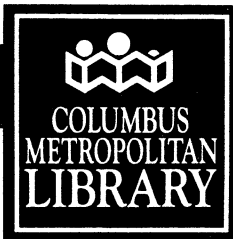
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June 14, 2002

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

As Clerk-Treasurer of the Columbus Metropolitan Library (Library), it is with great pleasure that I submit to you the Comprehensive Annual Financial Report (CAFR) of the Library. This CAFR for the fiscal year ended December 31, 2001, conforms to generally accepted accounting principles (GAAP) as applicable to governmental entities.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Library. This report will provide the citizens of the District with comprehensive financial data in a format that enables them to obtain a better understanding of the Library's financial affairs.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the Library's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements, the related notes to the general purpose financial statements, required supplementary information, and the combining and individual fund and account group financial statements and schedules, as well as the independent auditors' report on the financial statements and schedules. The statistical section provides pertinent financial, economic and demographic information indicating ten year historical trends.

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.

Columbus Metropolitan Library

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

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

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

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

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

The Board also adopted a new logo for the Library, designed to increase customers' awareness of the system's libraries and services.

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

Today the Library consists of a Main Library and 21 branches located throughout Franklin County, Ohio. One of the branches is leased from the New Albany/Plain Local Schools. The contract stipulates that the Library can use the New Albany High School Library facilities during non-school hours. 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.

LIBRARY MATERIALS AND SERVICES

Mission

At the Columbus Metropolitan Library, our mission is to promote lifelong learning among residents of Central Ohio by ensuring access to information, providing a diverse collection, and advancing literacy by encouraging children and families to read.

We are committed to providing exceptional service to all.

Columbus Metropolitan Library

Materials and Services

The Library's collection contains approximately three million items, including books, magazines, newspapers, audio and video tapes, compact discs, interactive multimedia, books-on-tape, pamphlets, maps, annual reports, sheet music and circulating visuals. The Library also maintains an extensive microfilm collection of the past issues of many magazines.

The Library also provides a number of high-technology services. Librarians can access hundreds of databases for current information. Customers with modem-equipped computers can dial into *Discovery Place*, the Library's on-line service. *Discovery Place* accesses the Library's collection of materials, and provides thousands of magazine articles and indexes to hundreds of publications. Library cardholders can also use their computer to place reserves on a wide range of items. A CD-ROM network provides customers at all 21 Library locations with immediate access to directories, indexes, abstracts and information on careers and researching a business.

Customers can also access the Internet at all Library locations. The Library's website also gives customers access to the Library's collection, electronic resources, and the system's Internet site. Customers can reach the Library Internet site at <www.columbuslibrary.org>.

The Library offers workshops, book discussions and author visits for adults, and story hours and an annual summer reading program for children and young adults.

The Outreach Services Division provides library service to customers who are not able to visit a library facility. These services include a talking books program, special service to the homebound, jail services, lobby stops at adult extended care facilities, and the MetroMouse Mobiles, which will serve children at risk of growing up illiterate.

Service Priorities

The Columbus Metropolitan Library currently has three service priorities:

- Circulation
- Reference/Reader's Advisory Service
- Children's Programming

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.

Columbus Metropolitan Library

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 general purpose 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," 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. The accompanying financial statements include all organizations for which the Library is financially accountable.

Based on the preceding criteria, the financial activities of the Friends of the Columbus Metropolitan Library Inc. (Friends), a nonprofit Ohio corporation, and the Carnegie Society (Society) are being reported as blended component units of the Library. Although the Friends is a separate legal entity, the sole purpose of the Friends is to provide financial support for the Library. This component unit is independently audited, and the 2001 audited figures are included in the Special Revenue Funds section of the Library's financial report. A copy of the audited financial statements can be obtained at the Library's Finance Department located at 96 South Grant Avenue, Columbus, Ohio 43215.

The operation of the Society, a non-profit Ohio Corporation, is accounted for in the Special Revenue fund. The purpose of the Society is to receive, hold, invest funds, and make expenditures for the exclusive benefit of the Library. For these reasons, the Library has included the Society as a blended component unit in the accompanying financial statements. Separate, audited statements are not available for the Society.

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	871,900
1990	638,500	970,000
2000	711,470	1,068,978

Sales & Marketing Management (1981, 1991); U.S. Department of Commerce, Bureau of Census (2000)

Columbus Metropolitan Library

The usually diverse and strong economy of central Ohio showed signs of weakness during 2001. Unemployment in Franklin County, which ended 2000 at 2.1%, increased to 3.1% by December 2001. Difficulty at the State level further compounded the depressed local economy as unemployment rates increased from 3.7% to 4.8% by December 2001 (source: Ohio Job & Family Services).

MAJOR INITIATIVES AND SIGNIFICANT EVENTS OF 2001

Public Service Accomplishments:

- Library circulation ranks third highest if all public libraries in the United States. A total of 14,370,089 items borrowed by Library patrons was a 17.4% increase over 2000.
- The Summer Reading Program "Adventure Reader" was the most successful in Library history. A total of 61,487 children participated in this program, a 20% increase over 2000. This figure represents approximately 53% of all school age children (K-6) in area schools and is ten to fifteen times the national average of participants.

Public Service Enhancements:

- Provided Library services at the Main Library and regional branches during the summer on Sundays.
- Replaced "Library Channel" with an enhanced access to the Internet via the CML Home Page.
- Enhanced the Library's home page and web-based catalog and continued development of the Library's "Broadcast Search Engine" which will search all the Library's electronic resources via one request.

Staff Development:

- Designed and presented general "People Respecting Individual Diversity Everyday" (PRIDE) training to staff.
- Designed and introduced "Service Techniques Yielding Library Excellence" (STYLE), a system-wide orientation training program for customer services associates working in Extension and Main Library.
- Introduced Cabinet and managers to managerial competencies and integrated into the Library's culture.

Improvements to Facilities:

- Finished the Southeast Branch construction project.
- Purchased land and hired Architect for new Operations Center. When completed, this facility will house the Information Systems and Technical Services Departments as well as the Outreach Division of the Extension Department.
- Hired an architect to develop plan for transition rewiring and recabling at the Main Library before and after the departments/divisions move to the new Operations Center.
- Recarpeted the entire Northern Lights branch and replaced the circulation desk.

Columbus Metropolitan Library

Plans for 2002 and Beyond:

Public Service Enhancements:

- Purchase and install a new Tandem computer system, data communications system and phone system.
- Begin customer communication and notification via e-mail.
- Continue development of the Library's website and search engine to provide enhanced electronic resources, such as communicating and answering reference questions via the web.

Staff Development:

- Complete transition of leadership as the current Executive Director retires and a new Executive Director is hired.
- Expand the managerial competencies to all staff who supervise others.

Improvements to Facilities:

- Complete construction of the new Operations Center.
- Complete design of and break ground on a new branch located within New Albany.
- Complete design of a new branch at Linden to replace the current structure. Groundbreaking scheduled for early 2003.
- Review current financial software and determine if system needs upgraded or replaced. Upgraded/new system will also be used to implement Government Accounting Standards Board (GASB) Statement No. 34, which will require the Library to change its current way of reporting financial data beginning in 2003.

FINANCIAL INFORMATION

The Library's accounting system is organized on a "fund" basis. Each fund is a separate self-balancing accounting entity. Records for all Library funds, except the Proprietary Fund and Nonexpendable Trust Funds, are maintained on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary Fund and Nonexpendable Trust Funds are accounted for on the full accrual basis of accounting. These bases of accounting are in accordance with generally accepted accounting principles (GAAP).

The governmental fund types for which the Library budgets annual revenues and expenditures are the General Fund and selected non-project type Special Revenue Funds. The Library prepares an annual budget for the Internal Service Fund, the Library's only proprietary fund. The Library's revenue estimates are based upon: (1) estimates (tax revenue sources) provided to the Library by the Franklin County Budget Commission and (2) estimates (all other revenue sources) prepared by the Library's Clerk-Treasurer. The budget specifies expenditure/expense amounts by function within these funds at the major expenditure/expense level. All other Special Revenue Fund and Capital Project Fund revenues and expenditures are not budgeted on an annual basis since budgetary control over these fund types is established on a project basis.

Columbus Metropolitan Library

For daily accounting record keeping, the Library utilizes a fully automated fund accounting system as well as automated systems for fixed assets, central stores inventory, human resources, and acquisition of library materials. The accounting/human resources systems operate on a Compaq Server, using a UNIX operating system and an Informix relational database. These systems, coupled with a manual review of each accounting transaction and payment voucher by the accounting division, ensure that the financial information generated is both accurate and reliable.

Internal Control Structure

In developing and revising the Library's accounting and reporting control system, consideration is given to the adequacy of the internal control structure to provide reasonable but not absolute assurance regarding:

1. the safeguarding of assets against loss from unauthorized use or disposition, and
2. the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. the cost of a control should not exceed the benefits likely to be derived, and
2. the evaluation of costs and benefits requires estimates and judgments by management.

Management believes that the Library's current internal control structure adequately meets these objectives.

Budgetary Controls

The Board reviews and approves the budget by fund at the beginning of each year. In addition, the Board establishes the appropriations for each fund based on the following expenditure categories:

- o Salaries and Benefits
- o Supplies
- o Purchased and Contracted Services
- o Library Materials and Information
- o Capital Outlay
- o Debt Service:
 - Payment of obligations under capital leases
 - Interest and fiscal charges
- o Other Objects
- o Contingency
- o Interfund Transfers

For financial presentation purposes, the Library has provided an additional breakdown of the legal reporting level by function. Any appropriation change, which will increase or decrease any of the above major appropriation classifications, requires approval of the Board. The Board has delegated purchase and expenditure/expense approval to the Library Administration for the daily operational needs of the Library. Generally, all major expenditures must be approved by the Board.

Columbus Metropolitan Library

General Governmental Functions:

Revenue Narrative:

The Library receives virtually all of its revenue from the State of Ohio and Franklin County by way of the Franklin County Budget Commission (Budget Commission). The Budget Commission certifies the budget (tax revenue estimates) to the Library by September 1st prior to the start of the budget year (January 1 - December 31). As part of this certification, the Library receives the Official Certificate of Estimated Resources, which states the projected revenue of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. The total estimated revenues, including any prior year carry-over of unencumbered cash, become the basis for the annual appropriation. The combination of expenditures and encumbrances from any fund during the ensuing fiscal year must not exceed the amount stated in the Amended Certificate of Estimated Resources.

The major sources of these taxes and other revenues are described below:

General Property Tax Levies:

A major source of revenue for the Library is the revenue generated by the 2.2 mill property tax levy. In November 2000, this levy was renewed by the voters in the Library's taxing district for another ten-year period, by a margin of 67% to 33%.

Library and Local Government Support Fund (State Income Taxes):

Another major source of funding for the Library is money received from the State of Ohio's Library and Local Government Support Fund (LLGSF). The source of money for this fund is derived from a percentage of the state income taxes collected in Ohio. Based on a formula, as established in state law, a percentage of this fund is annually distributed to each county for use by the public library district(s) within that county. Within Franklin County, the revenue is distributed among eight (8) public library districts. The Budget Commission uses a formula to determine the amount distributed to each library. The use of a formula to calculate the distribution is not mandatory under Ohio law. This formula was negotiated and agreed to by each of the library districts within the County and will expire in the year 2003. Based on the formula, the Library received 59.82% of this fund in 2001, compared to 59.39% in 2000. In 2001, the level of support from the Library and Local Government Support Fund was reduced by the State of Ohio for the next two state fiscal years beginning July 1, 2001. Since this revenue source makes up more than 50% of the Library's General Fund, this reduction will have an impact on the level of funding available in the future for Library programs.

Other Revenues:

Other revenue is received from investment earnings, fines and fees, charges for services, contractual services, and individual gifts.

Columbus Metropolitan Library

Revenues for the General, Special Revenue, Debt Service and Capital Projects Funds totaled \$52,127,035 in 2001, as compared to \$51,349,238 in 2000 which represents an increase of 1.5%. The following table summarizes the composition of the 2001 and 2000 revenues by source:

<u>Revenues by Source:</u>	<u>2001</u>		<u>2000</u>		<u>Increase (Decrease)</u>
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
Intergovernmental	\$ 26,909,882	52%	\$ 26,612,381	52%	\$ 297,501
Property taxes	19,665,370	38	19,401,783	38	263,587
Fines and fees	2,085,581	4	1,924,045	4	161,536
Investment earnings	1,342,387	3	1,635,419	3	(293,032)
Charges for services	1,559,283	3	1,501,421	3	57,862
Miscellaneous	486,496	-	161,675	-	324,821
Contributions and donations	<u>78,036</u>	<u>-</u>	<u>112,514</u>	<u>-</u>	<u>(34,478)</u>
Total Revenues by Source	<u>\$ 52,127,035</u>	<u>100%</u>	<u>\$ 51,349,238</u>	<u>100%</u>	<u>\$ 777,797</u>

Intergovernmental revenues increased by 1.1% over the previous year. This increase was attributed to an increase in the amount allocated by the State of Ohio to Franklin County for the LLGSF. The Library's other major revenue source, property taxes, experienced an increase of 1.4% over the previous year.

Fines and fees include payments for overdue or lost books and money received from debit cards. The fines and fees account showed an increase over the previous year. The increase is due to increased usage of Library services.

Charges for services include fees for providing online catalog, one-time fees for equipment purchased, rents collected from the Grant-Oak apartments, and circulation services to other library systems within Franklin County. The increase in revenues was attributed to an increase in the amount of rents collected from the Grant-Oak apartments and equipment fees collected from other libraries.

The decrease in investment earnings is due to unprecedented lowering of interest rates in 2001 and current economic conditions. The Library's average yield on investments during the year was 4.71% in 2001 compared to 6.32% in 2000.

Miscellaneous revenue's increase was due to the amount of E-Rate communication refunds and insurance proceeds received in the current year compared to the previous year.

Expenditure Narrative:

Expenditures for the General, Special Revenue, Debt Service and Capital Projects Funds totaled \$47,920,308 in 2001, as compared to \$47,468,632 in 2000, which represents an increase of \$451,676. Due to the nature of the Library's operations, the only current expenditure functions are Public Service and Administration and Support Services.

Columbus Metropolitan Library

The following table summarizes the composition of the 2001 and 2000 expenditures by major function:

<u>Expenditures by Function</u>	<u>2001</u>		<u>2000</u>		<u>Increase (Decrease)</u>
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
Current:					
Public service	\$27,035,365	56%	\$24,728,346	52%	\$ 2,307,019
Administration and support services	17,287,713	36	16,371,241	35	916,472
Capital outlay	3,597,230	8	3,360,156	7	237,074
Debt service:					
Payment of obligations under capital leases	-	-	2,885,000	6	(2,885,000)
Interest and fiscal charges	-	-	123,889	-	(123,889)
TOTAL	\$47,920,308	100%	\$47,468,632	100%	\$ 451,676

The comparative schedule indicates that the total "Current" expenditures increased by 7.8% (\$3,223,491) over the previous year. Current expenditures include salaries, leave benefits, supplies, purchased and contracted services, and library materials.

- A majority of the increase to the current expenditures was attributed to the salaries and leave benefits expenditure category. The salaries and leave account increased by approximately \$1,729,000. The increase was attributed to the 35.2 full-time equivalent positions added during 2001, additional Sunday hours, increasing the Sunday shift differential rate, and merit increases. PERS expenditures increased due to PERS returning the employer's rate to 13.55%. Health and dental insurance contributions increased by \$284,000 over the previous year. The Library experienced a 14% increase in their health insurance coverage.
- The library materials category experienced an increase (\$209,000) over the prior year. Audio-visual purchases increased by \$304,000 and periodical purchases increased by \$220,000. Book purchases decreased by approximately \$308,000.

A significant portion of the increase to capital outlay expenditures was due to the increase in activity within the capital projects in the current year (\$384,000). Furniture and equipment purchases decreased in the General Fund (\$139,000) and Special Revenue Funds (\$8,000).

Proprietary Operations

The Library's proprietary operation consists of a central stores operation and the Library's Self-Insurance Fund. The central stores internal service fund was established to improve the accountability of the goods and services provided to the departments of the Library. The Self-Insurance Fund was established to account for all health insurance premiums or fees credited to the fund and pay all expenditures associated with the Library's medical plan.

Columbus Metropolitan Library

Fiduciary Operations

The Library has two types of trust funds, expendable and nonexpendable. The primary use of both of these funds is to account for donations and/or bequests to the Library, where the use of the funds is restricted for the purchase of library materials.

Cash Management

The Library pools its cash, except for that held by bond trustees, fiscal agents and funds held in perpetuity, to obtain the maximum investing efficiency. Each fund type's portion of the pool is reported on the combined balance sheet as "Cash and investments." During the year, the Library invested in demand deposits, certificates of deposits, and StarOhio, an investment pool managed by the Treasurer of the State of Ohio. The average yield on investments held at year end was 4.71%. The Library's investment performance ranks favorably when compared to average yield rates of 3.45% for 6 month U.S. Treasury bills and 3.49% for 1-year U.S. Treasury bills in 2001 (Source: Federal Reserve). The Library's total investment earnings equaled \$1,388,427 for the year ended December 31, 2001.

The Library's Clerk-Treasurer, as custodian of all Library monies, is responsible for investing idle funds and directing the investment policies of the Library.

The Library's depository and investment policy is governed by the Ohio Uniform Depository laws and limits the types of investment available to the Library. Investments purchased by the Library are limited to maturities of less than two years from date of settlement. Generally, it is the Library's intent to hold all investments until maturity. The Library's policy also minimizes credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized in accordance with State requirements. Substantially all collateral on deposits was held either by the Library's agent or a financial institution's trust department, not in the Library's name.

As of December 31, 2001, the Library's cash deposits and investments, except for investments with StarOhio, were held by several financial institutions' trust departments in the Library's name or in the name of the respective depository bank. The Library has not invested derivatives in 2001 and has no plans to utilize derivatives in 2002.

Risk Management

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

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

Columbus Metropolitan Library

INDEPENDENT AUDITORS

The general purpose financial statements of the Library for the year ended December 31, 2001, were audited under contract with the Auditor of State of Ohio by KPMG LLP, independent Certified Public Accountants, whose opinion thereon is included at the beginning of the Financial Section of this report.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

The notes to the general purpose financial statements which follow the general purpose financial statements contain additional information and are an integral part of such statements.

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, 2000. This is the fifteenth (15th) 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 Larry D. Black, Executive Director; Todd Daughenbaugh, Assistant Director of Finance; Brad Vogelmeier, Jan Smith and Anna Clendenen, Accountants; and Jean Bowling, Finance Department Secretary. I also wish to express our appreciation to 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,



ROBERT L. JOHNSON
Clerk-Treasurer/Director of Finance

FINANCIAL SECTION



191 West Nationwide Boulevard
Suite 500
Columbus, OH 43215-2568

Telephone 614 249 2300
Fax 614 249 2348

Independent Auditors' Report

The Board of Trustees
Columbus Metropolitan Library

We have audited the accompanying general purpose financial statements of the Columbus Metropolitan Library (the Library) as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Library as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund type and similar trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2002 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Library, taken as a whole. The accompanying financial information listed as supplemental data in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Library. The supplemental data has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The introductory and statistical sections listed in the table of contents are also presented for the purposes of additional analysis and are not a required part of the general purpose financial statements of the Library. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

KPMG LLP

June 14, 2002



COLUMBUS METROPOLITAN LIBRARY

Combined Balance Sheet - All Fund Types and Account Groups

**December 31, 2001
(with comparative totals for 2000)**

	Governmental Fund Types			Proprietary Fund Type
	General	Special Revenue	Capital Projects	Internal Service
<u>Assets and other debits</u>				
Cash and investments (note 3)	\$ 8,172,896	\$ 1,642,862	\$ 18,159,950	\$ 960,478
Cash and investments - Nonexpendable trust fund (note 3)	-	-	-	-
Cash with fiscal agents (note 3)	-	-	104,827	-
Receivables (note 4)	20,880,570	6,864	91,924	3,337
Due from other governments	54,043	-	14,411	-
Inventory	-	32,402	-	118,618
Prepaid items	818,042	14,286	-	-
Advances to other funds	350,000	-	-	-
Net property, plant and equipment (note 5)	-	-	-	7,103
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets	<u>\$ 30,275,551</u>	<u>\$ 1,696,414</u>	<u>\$ 18,371,112</u>	<u>\$ 1,089,536</u>

Exhibit 1 (cont.)

Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Obligations	2001	2000
\$ 1,030,583	\$ -	\$ -	\$ 29,966,769	\$ 24,579,160
87,573	-	-	87,573	84,408
-	-	-	104,827	61,257
2,143	-	-	20,984,838	20,736,438
-	-	-	68,454	24,610
-	-	-	151,020	388,061
-	-	-	832,328	650,641
-	-	-	350,000	-
-	91,037,934	-	91,045,037	88,181,765
-	-	1,976,449	1,976,449	1,851,368
<u>\$ 1,120,299</u>	<u>\$ 91,037,934</u>	<u>\$ 1,976,449</u>	<u>\$ 145,567,295</u>	<u>\$ 136,557,708</u>

(Continued)

(Continued)

COLUMBUS METROPOLITAN LIBRARY
Combined Balance Sheet - All Fund Types and Account Groups

	Governmental Fund Types			Proprietary Fund Type
	General	Special Revenue	Capital Projects	Internal Service
<u>Liabilities</u>				
Accounts payable	\$ 799,972	\$ 66,646	\$ 273,308	\$ 144,368
Accrued liabilities (note 6)	671,470	1,620	-	-
Due to others	-	40,488	104,827	-
Deferred revenue	20,018,628	13,087	-	-
Advance from other funds	-	-	-	350,000
Total liabilities	<u>21,490,070</u>	<u>121,841</u>	<u>378,135</u>	<u>494,368</u>
<u>Fund equity and other credits</u>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	145,081
Retained earnings				
Reserved for Insurance Claims	-	-	-	137,596
Unreserved	-	-	-	312,491
Fund balances:				
Reserved for encumbrances	1,796,797	38	6,074,980	-
Reserved for advance	350,000	-	-	-
Reserved for prepaid items	818,042	14,286	-	-
Reserved for endowments	-	-	-	-
Reserved for inventory	-	32,402	-	-
Unreserved:				
Designated for capital	-	-	11,917,997	-
Undesignated	5,820,642	1,527,847	-	-
Total fund balances/ retained earnings	<u>8,785,481</u>	<u>1,574,573</u>	<u>17,992,977</u>	<u>450,087</u>
Total fund equity and other credits	<u>8,785,481</u>	<u>1,574,573</u>	<u>17,992,977</u>	<u>595,168</u>
Total liabilities, fund equity and other credits	<u>\$ 30,275,551</u>	<u>\$ 1,696,414</u>	<u>\$ 18,371,112</u>	<u>\$ 1,089,536</u>

The accompanying notes are an integral part of these general purpose financial statements.

Exhibit 1

Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Obligations	2001	2000
\$ 941	\$ -	\$ -	\$ 1,285,235	\$ 1,234,575
763,034	-	1,976,449	3,412,573	2,991,146
-	-	-	145,315	99,134
-	-	-	20,031,715	19,536,136
-	-	-	350,000	-
<u>763,975</u>	<u>-</u>	<u>1,976,449</u>	<u>25,224,838</u>	<u>23,860,991</u>
-	91,037,934	-	91,037,934	88,174,063
-	-	-	145,081	145,081
-	-	-	137,596	-
-	-	-	312,491	309,031
5,662	-	-	7,877,477	2,406,330
-	-	-	350,000	-
-	-	-	832,328	650,641
67,742	-	-	67,742	67,742
-	-	-	32,402	33,397
-	-	-	11,917,997	16,332,243
<u>282,920</u>	<u>-</u>	<u>-</u>	<u>7,631,409</u>	<u>4,578,189</u>
<u>356,324</u>	<u>-</u>	<u>-</u>	<u>29,159,442</u>	<u>24,377,573</u>
<u>356,324</u>	<u>91,037,934</u>	<u>-</u>	<u>120,342,457</u>	<u>112,696,717</u>
<u>\$ 1,120,299</u>	<u>\$ 91,037,934</u>	<u>\$ 1,976,449</u>	<u>\$ 145,567,295</u>	<u>\$ 136,557,708</u>

COLUMBUS METROPOLITAN LIBRARY
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Fund
Year ended December 31, 2001
(with comparative totals for 2000)

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Revenues:			
Intergovernmental	\$ 26,894,882	\$ 15,000	\$ -
Property taxes (note 10)	19,665,370	-	-
Fines and fees	2,085,581	-	-
Charges for services	340,177	1,061,409	157,697
Investment earnings	212,539	75,741	1,054,107
Contributions and donations	23,825	9,211	45,000
Miscellaneous	453,004	33,492	-
Total revenues	<u>49,675,378</u>	<u>1,194,853</u>	<u>1,256,804</u>
Expenditures:			
Current:			
Public service	27,014,665	20,700	-
Administration and support	16,466,327	821,386	-
Capital outlay	836,825	13,997	2,746,408
Debt service:			
Payment of obligations under capital leases	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>44,317,817</u>	<u>856,083</u>	<u>2,746,408</u>
Excess (deficiency) of revenues over expenditures	<u>5,357,561</u>	<u>338,770</u>	<u>(1,489,604)</u>
Other financing sources (uses):			
Operating transfers in	-	5,700	12,669,000
Operating transfers out	(2,805,700)	-	(9,869,000)
Proceeds from sale of property	-	-	212,199
Total other financing sources (uses)	<u>(2,805,700)</u>	<u>5,700</u>	<u>3,012,199</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,551,861	344,470	1,522,595
Fund balances at beginning of year	6,233,620	1,230,103	16,470,382
Fund balances at end of year	<u>\$ 8,785,481</u>	<u>\$ 1,574,573</u>	<u>\$ 17,992,977</u>

The accompanying notes are an integral part of these general purpose financial statements.

Exhibit 2

Fiduciary Fund Types Expendable Trust	Totals (Memorandum Only)	
	2001	2000
\$ -	\$ 26,909,882	\$ 26,612,381
-	19,665,370	19,401,783
-	2,085,581	1,924,045
-	1,559,283	1,501,421
8,997	1,351,384	1,635,419
213,121	291,157	120,400
-	486,496	161,675
<u>222,118</u>	<u>52,349,153</u>	<u>51,357,124</u>
2,673	27,038,038	24,734,509
-	17,287,713	16,371,241
-	3,597,230	3,360,156
-	-	2,885,000
-	-	123,889
<u>2,673</u>	<u>47,922,981</u>	<u>47,474,795</u>
<u>219,445</u>	<u>4,426,172</u>	<u>3,882,329</u>
-	12,674,700	4,468,552
-	(12,674,700)	(4,468,552)
-	212,199	721,345
<u>-</u>	<u>212,199</u>	<u>721,345</u>
219,445	4,638,371	4,603,674
49,700	23,983,805	19,380,131
<u>\$ 269,145</u>	<u>\$ 28,622,176</u>	<u>\$ 23,983,805</u>

COLUMBUS METROPOLITAN LIBRARY

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General and Budgeted Special Revenue
Non GAAP Budgetary Basis (note 13)**

	General Fund		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 19,903,013	\$ 19,902,690	\$ (323)
Intergovernmental	26,894,901	26,894,882	(19)
Fines and fees	2,000,000	2,077,623	77,623
Investment earnings	575,000	648,522	73,522
Charges for services	373,869	307,463	(66,406)
Contributions and donations	35,000	13,825	(21,175)
Miscellaneous	175,000	281,920	106,920
Total revenues	49,956,783	50,126,925	170,142
Expenditures:			
Current:			
Public service	27,179,248	26,784,423	394,825
Administration and support	19,076,127	16,639,901	2,436,226
Capital outlay	1,039,924	658,253	381,671
Total expenditures	47,295,299	44,082,577	3,212,722
Excess (deficiency) of revenues over expenditures	2,661,484	6,044,348	3,382,864
Other financing sources (uses):			
Operating transfers out	(4,755,700)	(3,155,700)	1,600,000
Total other financing sources (uses)	(4,755,700)	(3,155,700)	1,600,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,094,216)	2,888,648	4,982,864
Fund balances at beginning of year	2,094,216	2,094,216	-
Fund balances at end of year	\$ -	\$ 4,982,864	\$ 4,982,864

Budgeted Special Revenue Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 19,903,013	\$ 19,902,690	\$ (323)
-	-	-	26,894,901	26,894,882	(19)
168,061	175,643	7,582	2,168,061	2,253,266	85,205
40,000	54,861	14,861	615,000	703,383	88,383
-	-	-	373,869	307,463	(66,406)
-	5,000	5,000	35,000	18,825	(16,175)
517,000	537,138	20,138	692,000	819,058	127,058
<u>725,061</u>	<u>772,642</u>	<u>47,581</u>	<u>50,681,844</u>	<u>50,899,567</u>	<u>217,723</u>
-	-	-	27,179,248	26,784,423	394,825
1,479,192	590,721	888,471	20,555,319	17,230,622	3,324,697
70,000	10,940	59,060	1,109,924	669,193	440,731
<u>1,549,192</u>	<u>601,661</u>	<u>947,531</u>	<u>48,844,491</u>	<u>44,684,238</u>	<u>4,160,253</u>
<u>(824,131)</u>	<u>170,981</u>	<u>995,112</u>	<u>1,837,353</u>	<u>6,215,329</u>	<u>4,377,976</u>
-	-	-	(4,755,700)	(3,155,700)	1,600,000
-	-	-	(4,755,700)	(3,155,700)	1,600,000
(824,131)	170,981	995,112	(2,918,347)	3,059,629	5,977,976
824,131	824,131	-	2,918,347	2,918,347	-
<u>\$ -</u>	<u>\$ 995,112</u>	<u>\$ 995,112</u>	<u>\$ -</u>	<u>\$ 5,977,976</u>	<u>\$ 5,977,976</u>

COLUMBUS METROPOLITAN LIBRARY

**Combined Statement of Revenues, Expenses and Changes in Retained
Earnings/Fund Balances -
Proprietary Fund and Similar Trust Fund**

**Year ended December 31, 2001
(with comparative totals for 2000)**

	Proprietary Fund Type	Fiduciary Fund Type	Totals	
	Internal Service	Nonexpendable Trust	(Memorandum Only) 2001	2000
Operating revenues:				
Charges for services	\$ 2,701,742	\$ -	\$ 2,701,742	\$ 736,495
Interest	-	5,137	5,137	4,872
Total operating revenues	<u>2,701,742</u>	<u>5,137</u>	<u>2,706,879</u>	<u>741,367</u>
Operating expenses:				
Materials and supplies	559,161	2,696	561,857	675,304
Personnel services	62,701	-	62,701	52,972
Contractual services	396,476	-	396,476	2,775
Depreciation	599	-	599	599
Claims Paid	1,573,655	-	1,573,655	-
Total operating expenses	<u>2,592,592</u>	<u>2,696</u>	<u>2,595,288</u>	<u>731,650</u>
Operating income	<u>109,150</u>	<u>2,441</u>	<u>111,591</u>	<u>9,717</u>
Nonoperating revenues				
Interest	<u>31,906</u>	-	<u>31,906</u>	-
Total nonoperating revenues	<u>31,906</u>	-	<u>31,906</u>	-
Net Income	141,056	2,441	143,497	9,717
Retained earnings/fund balances at beginning of year	<u>309,031</u>	<u>84,737</u>	<u>393,768</u>	<u>384,051</u>
Retained earnings/fund balances at end of year	<u>\$ 450,087</u>	<u>\$ 87,178</u>	<u>\$ 537,265</u>	<u>\$ 393,768</u>

The accompanying notes are an integral part of these general purpose financial statements.

COLUMBUS METROPOLITAN LIBRARY

**Combined Statement of Cash Flows
Increase in Cash and Cash Equivalents
Proprietary Fund and Similar Trust Fund**

**Year ended December 31, 2001
(with comparative totals for 2000)**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>	
	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	<u>(Memorandum Only)</u>	
			<u>2001</u>	<u>2000</u>
Cash flows from operating activities:				
Operating income	\$ 109,150	\$ 2,441	\$ 111,591	\$ 9,717
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	599	-	599	599
Interest income	-	(5,137)	(5,137)	(4,872)
Increase (decrease) in receivables	(3,337)	231	(3,106)	(117)
(Increase) decrease in inventory	236,046	-	236,046	(37,466)
Increase (decrease) in accounts payable	115,580	493	116,073	956
(Increase) decrease in accrued liabilities	(1,061)	-	(1,061)	137
Total adjustments	<u>347,827</u>	<u>(4,413)</u>	<u>343,414</u>	<u>(40,763)</u>
Net cash flows provided (used) by operating activities	<u>456,977</u>	<u>(1,972)</u>	<u>455,005</u>	<u>(31,046)</u>
Cash flows from noncapital financing activities - Advance from General Fund	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>-</u>
Cash flows from investing activities - Interest income	<u>31,906</u>	<u>5,137</u>	<u>37,043</u>	<u>4,872</u>
Net increase (decrease) in cash and cash equivalents	838,883	3,165	842,048	(26,174)
Cash and cash equivalents at beginning of year	<u>121,595</u>	<u>84,408</u>	<u>206,003</u>	<u>232,177</u>
Cash and cash equivalents at end of year	<u>\$ 960,478</u>	<u>\$ 87,573</u>	<u>\$ 1,048,051</u>	<u>\$ 206,003</u>

The accompanying notes are an integral part of these general purpose financial statements.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

December 31, 2001

(1) **Description of Reporting Entity**

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

The general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all the organizations, activities and functions for which the Library (the reporting entity) is financially accountable. Determination of financial accountability includes appointment of a voting majority of the component's governing body and (1) its 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.

Based on the preceding criteria, the financial activities of the Friends of the Columbus Metropolitan Library (Friends) and the Carnegie Society (Society) are included as blended component units in the accompanying financial statements. The operation of the Friends, a non-profit Ohio Corporation, is accounted for as a separate Special Revenue fund. Although the Friends is a separate legal entity, the Library is including the Friends based on the fact that its sole purpose is providing financial support for the Library. Copies of the Friends' audited financial statements can be obtained from the Library's Finance Department located at 96 South Grant Avenue, Columbus, Ohio 43215.

The operation of the Society, a non-profit Ohio Corporation, is accounted for in the Special Revenue fund. The purpose of the Society is to receive, hold, invest funds, and make expenditures for the exclusive benefit of the Library. For these reasons, the Library has included the Society as a blended component unit in the accompanying financial statements. Separate, audited statements are not available for the Society.

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

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) **Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following fund types and account groups are used by the Library:

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(2) Summary of Significant Accounting Policies (Continued)

(a) Basis of Presentation - Fund Accounting (Continued)

GOVERNMENTAL FUNDS

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

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. 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.

Special Revenue Funds - Special Revenue Funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by Library Board policies, federal and state statutes or other external donors.

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition of major fixed assets or the construction of major capital facilities (other than those financed by the internal service fund and the nonexpendable trust fund).

PROPRIETARY FUND

Internal Service Fund - The Internal Service Fund is used to account for the financing of services provided by one department to another department on a cost reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Expendable trust funds are accounted for and reported as governmental funds. Nonexpendable trust funds are accounted for on the full accrual basis of accounting, i.e., revenues are recorded when earned and expenses are recorded when incurred. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

ACCOUNT GROUPS

General Fixed Assets Account Group - This account group is established to account for fixed assets of the Library other than those accounted for in the proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all unmatured long-term indebtedness of the Library that is not a specific liability of any proprietary fund or nonexpendable trust fund.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(2) Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All governmental fund types, expendable trust funds and agency funds utilize the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term obligations which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The proprietary fund and nonexpendable trust funds are reported on the accrual basis of accounting using an economic resources measurement focus. Under this method of accounting, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. Fund equity, net assets, is segregated into contributed capital and retained earnings.

Pursuant to GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Library follows GASB guidance as applicable to its proprietary funds, and Financial Accounting Standards Boards Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB Pronouncements.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include state-levied locally shared taxes, property taxes and donations. On an accrual basis, revenue from state-levied locally shared taxes is recognized in the period in which the amounts are appropriated by the state. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 10). Revenue from donations is recognized in the year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(2) Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

Governmental funds record the provision for pension cost when the obligation is incurred and will be liquidated with available and measurable resources; otherwise, those amounts are provided for in the general long-term obligations account group. Pension cost for proprietary fund types is recorded when incurred.

(c) Budgetary Data

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 the Special Revenue (project related funds) and Capital Projects Funds which have continuing appropriations. Any budget change that increases or decreases expenditures at the major expenditure (object) level requires Board authorization. Several supplementary appropriations amounting to \$7,004,747 were made during the year. A breakdown of the appropriation adjustments is as follows:

General Fund	\$ (175,386)
Special Revenue Fund:	
Ask Mother Goose Fund	20,700
Capital Project Funds:	
Building and Repair Fund	5,564,325
Computer Replacement Fund	1,595,108
Total	<u>\$7,004,747</u>

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(2) Summary of Significant Accounting Policies (Continued)

(c) Budgetary Data (Continued)

The governmental fund types for which the Library budgets annual expenditures are the General, certain Special Revenue (Carnegie Society, Land Development and Parking Garage Funds) and Debt Service Funds. The budget specifies expenditure amounts by function within these funds. Expenditures cannot exceed appropriations at the major expenditure (object) level. In the supplemental reports, the Library has provided a further breakdown of the legal reporting level by function. All other Special Revenue Funds and Capital Projects Funds revenues and expenditures are not budgeted on an annual basis; budgetary control over these fund types is established on a project basis. Blended component units are not budgeted.

The Library budgets annual expenses for one nongovernmental fund type, the Internal Service Fund. The budget specifies expense amounts by function within the fund. Expenses can not exceed appropriations at the major expense (object) level. The Expendable and Nonexpendable Trust Funds are not budgeted on an annual basis. Cumulative expenses for the Nonexpendable Trust Funds can not exceed cumulative interest earned on invested donations.

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 Clerk-Treasurer 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. Generally, all expenditures over \$25,000 must be approved by the Board. 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Budgeted Special Revenue and Debt Service Funds in accordance with the budget basis of accounting.

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

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(2) Summary of Significant Accounting Policies (Continued)

(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 by the Library. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

(e) Investments

Investments are stated at fair value.

(f) Inventory

Inventory in the Proprietary and Special Revenue funds consists primarily of materials and supplies and is stated at cost. Inventory in the Proprietary fund is recorded as an expense/expenditure on a weighted average basis when the individual inventory items are sold or charged to another fund. Inventory in the Special Revenue fund is recorded on a first in-first out basis.

(g) Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001, are recorded as prepaid items. Prepaid items consist of insurance premiums and library material subscriptions.

(h) Fixed Assets

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and capitalized at cost (or estimated historical cost) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the time received. Fixed assets acquired within the Proprietary fund are recorded at cost or estimated historical cost.

(i) Depreciation

Depreciation on fixed assets (machinery and equipment) in the Proprietary fund is calculated on a straight line basis over the estimated useful lives for machinery and equipment, which range from five to fifteen years.

No depreciation has been provided on general fixed assets, nor has interest on construction in progress been capitalized.

(j) Interfund Transactions

During the course of normal operations, the Library has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers.

All interfund transactions, except reimbursements and internal service fund charges for services, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

In 2001, \$350,000 was advanced from the General fund to the Self-Insurance Fund to cover the initial costs of operation. No repayment schedule has been determined.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(2) Summary of Significant Accounting Policies (Continued)

(k) Endowments

Endowments are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity and that only the income be utilized. The reserve for endowments indicates that portion of the fund balance which is not available for future expenditures.

(l) Fund Balance - Designated for Capital

Fund balance designated for subsequent years' expenditures has been established to indicate the Library's tentative plans for future capital improvement purchases.

(m) Library Books

Library books and materials purchased by the Library are reflected as expenditures when purchased and are not capitalized as assets of the Library. The Library currently has a library materials collection of approximately 2,940,503 volumes.

(n) 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, 2001, 2000, 1999, there were no outstanding judgments or claims in excess of policy limits. There were no significant changes in insurance coverage from the previous year and no insurance settlement has exceeded insurance coverage during the last three years.

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

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

	<u>2001</u>
Unpaid Claims January 1,	\$ 0
Incurred Claims	1,573,655
Payment of Claims	<u>(1,429,287)</u>
Unpaid Claims December 31,	<u>\$ 144,368</u>

The \$144,368 of unpaid claims are areflected in the internal service fund's accounts payable line item.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(2) **Summary of Significant Accounting Policies (Continued)**

(o) **Compensated Absences**

Prior to December 2001, Library employees are permitted to accumulate earned but unused vacation, sick leave, and other leave benefits at varying amounts. Beginning in December 2001, Library employees now 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 payment of compensated absences will not have a materially adverse impact on the availability of the Library's fund balances. Payment of leave benefits is accrued when incurred in proprietary funds and reported as a fund liability. Leave benefits that are expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the government fund that will pay it. The Library's calculation of compensated absences for estimated sick leave used was based on the vesting method. Amounts not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Obligations Account Group. No expenditure is reported for these amounts.

(p) **Statement of Cash Flows**

For purposes of the statement of cash flows, the Proprietary Fund and Similar Trust Funds consider all highly liquid investments, with purchased maturities of three months or less, to be cash equivalents. In addition, all pooled cash and investments with the Clerk-Treasurer are considered to be cash equivalents since they are available to the Proprietary Fund and Similar Trust Funds on demand.

(q) **Total Columns on General Purpose Financial Statements**

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in cash flows in conformity with GAAP, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(r) **Estimates**

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 and disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results may differ from those estimates.

(s) **Changes in Accounting Principles**

For 2001, the Library has implemented Governmental Accounting Standards Board (GASB) Statements Nos. 33 and 36, *Accounting and Financial Reporting for Nonexchange Transactions and Recipient Reporting for Certain Shared Nonexchange Revenues – an amendment of GASB Statement No. 33*, respectfully. These Statements establish accounting and financial reporting standards for nonexchange transactions involving financial resources (for example, most taxes, grants, and private donations). Implementation of these Statements had no material impact on the Library's financial statements.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(2) Summary of Significant Accounting Policies (Continued)

(t) New Accounting Pronouncements

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement represents a significant change in the way state and local governments present basic financial information. This statement is effective for period beginning after June 15, 2002, and the Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

In June 2001, the GASB issued Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34*. The provisions of this statement should be simultaneously implemented with Statement No. 34. The Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

In June 2001, the GASB issued Statement No. 38, *Certain Financial Statement Note Disclosures*. This statement modifies, establishes and rescinds certain financial statement disclosure requirements and is generally required to be implemented with Statement No. 34. The Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

(3) Cash and Investments

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

Deposits:

At December 31, 2001, the carrying amount of all the Library's deposits (includes non-negotiable certificate of deposits) was \$20,533,966 and the bank balance was \$21,705,758. Of the bank balance, \$800,000 was covered by Federal Depository Insurance and \$20,905,758 was collateralized with securities held by the financial institution or by its trust department or agent but not in the Library's name.

Investments:

The Library adopted a formal investment policy. The objectives of the policy shall be the preservation of capital and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. This policy covers all funds under the direct control of the Clerk-Treasurer. Funds are invested in accordance with Section 135 "Uniform Depository Act" of the Ohio Revised Code as revised by Senate Bill 81. This investment policy does not apply to funds held by the Friends or the Society.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(3) Cash and Investments (Continued)

The types of obligations eligible for investment and deposits are:

1. Bonds, notes or other obligations of or guaranteed by the United States or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality;
3. Repurchase agreements in the securities enumerated above;
4. Interim deposits in the eligible institutions applying for interim monies;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio); and
7. No-load money market mutual funds consisting exclusively of obligations described in number (1) and (2) above.

The Library's portfolio shall be deposited among several financial institutions, not more than 50% shall be deposited in any one financial institution, except that 100% of the portfolio may be invested in the State Treasurer's Investment Pool (StarOhio). No investment will be purchased which matures beyond two (2) years of the settlement date unless the investment is matched to a specific obligation.

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the Library's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the Library or its agent in the Library's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Library's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Library's name. STAR Ohio, an investment fund operated by the Ohio State Treasurer, is unclassified since it is not evidenced by securities that exist in physical or book entry form. At December 31, 2001, the Library had no investments that were required to be categorized as above.

Cash and investment balances at year-end were as follows:

	<u>Carrying/Fair Value</u>
STAROhio (State Treasurer's Asset Reserve)	\$ 9,619,573
Carrying amount of deposits	20,533,966
Petty cash and change fund	<u>5,630</u>
Total	<u>\$ 30,159,169</u>
Per combined balance sheet:	
Cash and investments	\$ 29,966,769
Cash and investments - Nonexpendable trust	87,573
Cash with fiscal agent	<u>104,827</u>
Total	<u>\$ 30,159,169</u>

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(3) Cash and Investments (Continued)

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the 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 STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2001.

In addition, approximately \$584,224 of cash and investments are at the Columbus Foundation, an Ohio not-for profit corporation, for the purpose of furthering the Library's mission. Since the Library does not have legal rights to these assets, it is not included in the financial statements. The Library does have the right to suggest to the Columbus Foundation how the monies are to be expended.

(4) Receivables

Receivables at December 31, 2001, consist of the following:

	<u>Property Taxes</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
General	\$ 20,611,931	\$ 70,258	\$ 198,381	\$ 20,880,570
Special Revenue	-	5,950	914	6,864
Capital Projects	-	91,924	-	91,924
Internal Service	-	3,337	-	3,337
Trust and Agency	-	1,568	575	2,143
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>20,611,931</u>	\$ <u>173,037</u>	\$ <u>199,870</u>	\$ <u>20,984,838</u>

(5) Property, Plant and Equipment

A summary of proprietary fund type fixed assets is as follows:

	Balance January 1, <u>2001</u>	<u>Additions</u>	<u>Depreciation</u>	Balance December 31, <u>2001</u>
Machinery and equipment	\$ 12,953	\$ -	-	\$ 12,953
Less accumulated depreciation	<u>(5,251)</u>	<u>-</u>	\$ <u>(599)</u>	<u>(5,850)</u>
	\$ <u>7,702</u>	\$ <u>-</u>	\$ <u>(599)</u>	\$ <u>7,103</u>

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(5) Property, Plant and Equipment (Continued)

A summary of changes in general fixed assets for the year ended December 31, 2001, follows:

	Balance January 1, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance December 31, <u>2001</u>
Land	\$ 6,344,068	\$ 2,005,294	\$ 409,490	\$ -	\$ 7,939,872
Buildings and improvements	67,048,408	457	-	(104,751)	66,944,114
Machinery and equipment	14,693,313	608,524	674,082	-	14,627,755
Construction in progress	<u>88,274</u>	<u>1,333,168</u>	<u>-</u>	<u>104,751</u>	<u>1,526,193</u>
Total general fixed assets	<u>\$ 88,174,063</u>	<u>\$ 3,947,443</u>	<u>\$ 1,083,572</u>	<u>\$ -</u>	<u>\$ 91,037,934</u>

Construction in progress at December 31, 2001, consists of:

<u>Project</u>	Balance January 1, <u>2001</u>	<u>Additions</u>	<u>Transfers</u>	Balance December 31, <u>2001</u>	<u>Project</u>	
					<u>Commit-</u> <u>ments</u>	<u>Remaining</u> <u>Balance</u>
Southeast Br Expan.	\$ -	\$ 60,867	\$ 104,751	\$ 165,618	\$ 36,356	\$ 69,153
Operations Center	88,274	1,242,985	-	1,331,259	5,815,978	1,105,304
Linden Br Repl.	<u>-</u>	<u>29,316</u>	<u>-</u>	<u>29,316</u>	<u>883</u>	<u>2,576,652</u>
	<u>\$ 88,274</u>	<u>\$ 1,333,168</u>	<u>\$ 104,751</u>	<u>\$ 1,526,193</u>	<u>\$ 5,853,217</u>	<u>\$ 3,751,109</u>

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

(6) Long-Term Obligations

A summary of changes in long-term obligations for the year ended December 31, 2001, follows:

<u>General Long-Term</u> <u>Obligations Account Group</u>	Balance January 1, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2001</u>
Accrued liabilities (compensated absences)	\$ 1,851,368	\$ 125,081	-	\$ 1,976,449

Accrued liabilities are composed of accrued vacation, sick leave and compensatory time earned. Additions and deletions for these accrued liabilities are shown net since it is impracticable for the Library to determine these amounts separately.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(7) **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 2001, the Library contributed \$656,056 to the operational costs of Worthington. The funds were appropriated and paid from the General Fund. In 2002, the Library has appropriated \$697,000 in the General Fund to be paid to Worthington.

In 1997, the Library entered into the lease agreement with the New Albany/Plain Local Schools. The contract stipulates that the Library can use the New Albany High School library facilities during non-school hours at no cost to the Library.

(8) **Defined Benefit Pension Plan**

All employees of the Library are required to participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS has the authority to establish and amend benefits as provided by Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report that includes the financial statements and required supplementary information. Any parties interested in obtaining a copy must submit a written request to PERS at 277 East Town Street, Columbus, Ohio 43215-4642 or call (614) 466-2085 or 1800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees are required to contribute 8.5% of their annual covered salary. The Library's required contributions to PERS are equal to 100% of the dollar amount billed (13.55% of the covered payroll). The Library's contributions to PERS for the years ending December 31, 2001, 2000, and 1999, were approximately \$2,994,000, \$2,227,000, and \$2,563,000, respectively, which were equal to the required contributions for each year.

(9) **Postemployment Benefits**

In addition to the pension benefits described in note 8, PERS also provides postemployment health care benefits (OPEB) to all age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. At December 31, 2001, the number of active contributing participants was 411,076.

As required by state statute, a portion of each employer's contribution to PERS is used for the funding of the postemployment health care. Based on the employer's contribution of 13.55% of covered payroll; 4.30% was used to fund health care for the year. The amount of actuarially determined Library contributions actually made to fund postemployment benefits was approximately \$950,000 in 2001 and \$883,000 in 2000. Employer contributions are advance-funded on an actuarially determined basis and are determined by state statute.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(9) **Postemployment Benefits (Continued)**

PERS (assuming the number of active employees remains constant) assumes an annual increase of 4.75% compounded annually for the base portion of an individual's pay increase. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%.

OPEB are financed through employer contributions and investment earnings thereon. The investment assumption rate for 2000 was 7.75%. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

As of December 31, 1999, an entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

As of December 31, 2000, the actuarial value of the net assets available for future OPEB payments was \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

(10) **Real and Personal Property Taxes**

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

Real property taxes and public utility taxes collected during 2001 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 2000. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value, which is a certain percentage of cost. Percentages vary according to the type of utility involved. Tangible personal property assessments were 25% of true value for personal property. The assessed values upon which the 2001 taxes were collected were approximately \$15,007 million.

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 is to be collected for a period of 15 years and expired after the collection year 2001. In November 2000, the voters in Franklin County approved replacing the existing 2.2 levy with a new ten year 2.2 levy. The collection year for the new levy will begin in the calendar 2002.

The Franklin County Treasurer collects property taxes on behalf of taxing districts in the county. The Franklin County Auditor periodically remits to the Library its portion of the taxes collected.

Property taxes with both a lien and levy date prior to fiscal year end are recorded as deferred revenue and receivables. However, property taxes including delinquent property taxes that were measurable at December 31, 2001, and available to the Library within the first 60 days of 2002, are recorded as revenues and receivables.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(11) Subsequent Event

On March 27, 2002, the Library closed the Central Store operations and contracted with a third-party vendor for the purchase and delivery of Library supplies. Any remaining residual equity will be transferred to the General Fund.

(12) Commitments and Contingencies

The Library is currently the defendant in several 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

(13) Budgetary Basis of Accounting

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

	<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</u>		<u>Fund balances at end of year</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>General</u>	<u>Special Revenue</u>
	GAAP basis	\$ 2,551,861	\$ 344,470	\$8,785,481
Increase (decrease):				
Due to revenues:				
Received in cash during 2001, but accrued at December 31, 2000	20,756,322	821		
Accrued at December 31, 2001, not yet received in cash	(20,934,613)	(2,673)	(20,934,613)	(2,673)
Deferred at December 31, 2000, but not recognized in budget	(19,522,854)	(13,282)		
Deferred at December 31, 2001, but recognized in budget	20,018,628	13,087	20,018,628	13,087
Due to expenditures:				
Paid in cash during 2001, accrued at December 31, 2000	(1,428,367)	(60,569)	-	-
Accrued at December 31, 2001, not yet paid in cash	1,477,888	60,848	1,477,888	60,848
Due to encumbrances:				
Expenditures of amounts encumbered during the year ended December 31, 2001	3,624,714	8,320	-	-
Recognized as expenditures in budget	(3,156,860)	(10,721)	(3,156,860)	(10,721)
Others, net	(498,071)	(7,839)	(1,207,660)	(64,800)
Funds not budgeted	-	(161,481)	-	(575,202)
Budgetary Basis	<u>\$ 2,888,648</u>	<u>\$ 170,981</u>	<u>\$ 4,982,864</u>	<u>\$ 995,112</u>

S U P P L E M E N T A L D A T A

Columbus Metropolitan Library

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.

Columbus Metropolitan Library

Exhibit A-1

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund - Non GAAP Budgetary Basis Year Ended December 31, 2001

	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 19,903,013	\$ 19,902,690	\$ (323)
Intergovernmental	26,894,901	26,894,882	(19)
Fines and fees	2,000,000	2,077,623	77,623
Investment earnings	575,000	648,522	73,522
Charges for services	373,869	307,463	(66,406)
Contributions and donations	35,000	13,825	(21,175)
Miscellaneous	175,000	281,920	106,920
Total revenues	<u>49,956,783</u>	<u>50,126,925</u>	<u>170,142</u>
Expenditures:			
Public service:			
Salaries and benefits	18,749,717	18,451,904	297,813
Supplies	529,169	508,113	21,056
Purchased and contract service	129,806	99,739	30,067
Library materials	7,767,809	7,722,547	45,262
Capital outlay	346,368	317,910	28,458
Other	2,747	2,120	627
Total public service	<u>27,525,616</u>	<u>27,102,333</u>	<u>423,283</u>
Administration and support:			
Salaries and benefits	9,271,283	9,028,393	242,890
Supplies	1,063,331	997,926	65,405
Purchased and contract service	6,629,184	5,833,447	795,737
Library materials	153,691	110,516	43,175
Capital outlay	693,556	340,343	353,213
Other	707,253	669,619	37,634
Contingency	1,251,385	-	1,251,385
Total administration and support	<u>19,769,683</u>	<u>16,980,244</u>	<u>2,789,439</u>
Total expenditures	<u>47,295,299</u>	<u>44,082,577</u>	<u>3,212,722</u>
Excess of revenues over expenditures	<u>2,661,484</u>	<u>6,044,348</u>	<u>3,382,864</u>
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	(4,755,700)	(3,155,700)	1,600,000
Total other financing sources (uses)	<u>(4,755,700)</u>	<u>(3,155,700)</u>	<u>1,600,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,094,216)	2,888,648	4,982,864
Fund balances at beginning of year	2,094,216	2,094,216	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 4,982,864</u>	<u>\$ 4,982,864</u>

Columbus Metropolitan Library

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:

- Carnegie Society Fundraising Event Fund
- Mother Goose Ask Why
- Friends of the Library Fund
- Land Development Fund
- Parking Garage Fund
- Carnegie Society Fund

Columbus Metropolitan Library

Combining Balance Sheet

All Special Revenue Funds

December 31, 2001

(with comparative totals for 2000)

	Carnegie Society Fundraising Event Fund	Mother Goose Ask Why Fund	Friends of the Library Fund
<u>Assets</u>			
Cash and investments	\$ 13,684	\$ -	\$ 420,151
Receivables	584	-	232
Inventory	-	-	32,402
Prepaid items	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 14,268</u>	<u>\$ -</u>	<u>\$ 452,785</u>
<u>Liabilities</u>			
Accounts payable	\$ 236	\$ -	\$ 5,798
Accrued liabilities	-	-	1,620
Due to others	-	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>236</u>	<u>-</u>	<u>7,418</u>
<u>Fund equity</u>			
Fund balances:			
Reserved for encumbrances	38	-	-
Reserved for inventory	-	-	32,402
Reserved for prepaid items	-	-	-
Unreserved:			
Undesignated	13,994	-	412,965
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>14,032</u>	<u>-</u>	<u>445,367</u>
Total fund equity	<u>14,032</u>	<u>-</u>	<u>445,367</u>
Total liabilities and fund equity	<u>\$ 14,268</u>	<u>\$ -</u>	<u>\$ 452,785</u>

Land Development Fund	Parking Garage Fund	Carnegie Society Fund	Totals	
			2001	2000
\$ 692,942	\$ 386,250	\$ 129,835	\$ 1,642,862	\$ 1,299,901
3,959	2,089	-	6,864	3,131
-	-	-	32,402	33,397
14,286	-	-	14,286	12,409
<u>\$ 711,187</u>	<u>\$ 388,339</u>	<u>\$ 129,835</u>	<u>\$ 1,696,414</u>	<u>\$ 1,348,838</u>
\$ 50,061	\$ 10,551	\$ -	66,646	\$ 63,732
-	-	-	1,620	3,844
40,488	-	-	40,488	37,877
5,242	7,845	-	13,087	13,282
<u>95,791</u>	<u>18,396</u>	<u>-</u>	<u>121,841</u>	<u>118,735</u>
-	-	-	38	-
-	-	-	32,402	33,397
14,286	-	-	14,286	12,409
<u>601,110</u>	<u>369,943</u>	<u>129,835</u>	<u>1,527,847</u>	<u>1,184,297</u>
<u>615,396</u>	<u>369,943</u>	<u>129,835</u>	<u>1,574,573</u>	<u>1,230,103</u>
<u>615,396</u>	<u>369,943</u>	<u>129,835</u>	<u>1,574,573</u>	<u>1,230,103</u>
<u>\$ 711,187</u>	<u>\$ 388,339</u>	<u>\$ 129,835</u>	<u>\$ 1,696,414</u>	<u>\$ 1,348,838</u>

Columbus Metropolitan Library

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Special Revenue Funds

Year Ended December 31, 2001

(with comparative totals for year ended 2000)

	Carnegie Society Fundraising Event Fund	Mother Goose Ask Why Fund	Friends of the Library Fund
Revenues:			
Intergovernmental	\$ -	\$ 15,000	\$ -
Charges for services	-	-	300,997
Investment earnings	2,873	-	12,144
Contributions and donations	5,500	-	1,641
Miscellaneous	-	-	13,688
Total revenues	8,373	15,000	328,470
Expenditures:			
Current:			
Public service			
Supplies		20,700	-
Library materials	-	-	-
Administration and support			
Salaries and benefits	-	-	54,982
Supplies	2,031	-	126,636
Purchased and contract service	31,149	-	36,077
Library materials	2,432	-	-
Capital outlay	-	-	3,057
Other	-	-	16,292
Total expenditures	35,612	20,700	237,044
Excess (deficiency) of revenue over expenditures	(27,239)	(5,700)	91,426
Other financing sources (uses):			
Operating transfers in	-	5,700	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	5,700	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(27,239)	-	91,426
Fund balances at beginning of year	41,271	-	353,941
Fund balances at end of year	\$ 14,032	\$ -	\$ 445,367

Land Development Fund	Parking Garage Fund	Carnegie Society Fund	Totals	
			2001	2000
\$ -	\$ -	\$ -	\$ 15,000	\$ 30,000
520,861	173,731	65,820	1,061,409	943,578
36,285	21,988	2,451	75,741	21,785
-	-	2,070	9,211	68,014
19,804	-	-	33,492	33,091
<u>576,950</u>	<u>195,719</u>	<u>70,341</u>	<u>1,194,853</u>	<u>1,096,468</u>
-	-	-	20,700	1,750
-	-	-	-	2,498
-	-	-	54,982	53,567
21,281	1,622	-	151,570	136,175
365,771	122,682	286	555,965	512,106
-	-	-	2,432	2,497
10,940	-	-	13,997	22,556
40,145	-	-	56,437	243,051
<u>438,137</u>	<u>124,304</u>	<u>286</u>	<u>856,083</u>	<u>974,200</u>
<u>138,813</u>	<u>71,415</u>	<u>70,055</u>	<u>338,770</u>	<u>122,268</u>
-	-	-	5,700	550
-	-	-	-	(2)
-	-	-	5,700	548
138,813	71,415	70,055	344,470	92,816
476,583	298,528	59,780	1,230,103	1,137,287
<u>\$ 615,396</u>	<u>\$ 369,943</u>	<u>\$ 129,835</u>	<u>\$ 1,574,573</u>	<u>\$ 1,230,103</u>

Columbus Metropolitan Library

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Budgeted Special Revenue Funds - Non GAAP Budgetary Basis Year Ended December 31, 2001

	Carnegie Society Fundraising Event Fund		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Fines and fees	\$ -	\$ -	\$ -
Investment Earnings	1,000	2,781	1,781
Contributions and donations	-	5,000	5,000
Miscellaneous	-	-	-
Total revenues	<u>1,000</u>	<u>7,781</u>	<u>6,781</u>
Expenditures:			
Current:			
Administration and support			
Supplies	2,770	2,031	739
Purchased and contract service	37,000	31,149	5,851
Library Materials	2,501	2,500	1
Capital outlay	-	-	-
Other	-	-	-
Contingency	-	-	-
Total expenditures	<u>42,271</u>	<u>35,680</u>	<u>6,591</u>
Excess (deficiency) of revenues over expenditures	(41,271)	(27,899)	13,372
Fund balances at beginning of year	<u>41,271</u>	<u>41,271</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 13,372</u>	<u>\$ 13,372</u>

Land Development Fund			Parking Garage Fund		
Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 168,061	\$ 175,643	\$ 7,582
24,000	32,387	8,387	15,000	19,693	4,693
-	-	-	-	-	-
517,000	537,138	20,138	-	-	-
541,000	569,525	28,525	183,061	195,336	12,275
31,421	21,012	10,409	2,500	1,622	878
399,950	369,390	30,560	162,500	122,548	39,952
-	-	-	-	-	-
43,000	10,940	32,060	27,000	-	27,000
45,550	40,469	5,081	-	-	-
500,000	-	500,000	295,000	-	295,000
1,019,921	441,811	578,110	487,000	124,170	362,830
(478,921)	127,714	606,635	(303,939)	71,166	375,105
478,921	478,921	-	303,939	303,939	-
\$ -	\$ 606,635	\$ 606,635	\$ -	\$ 375,105	\$ 375,105

Columbus Metropolitan Library

Exhibit B-3

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - All Budgeted Special Revenue Funds - Non GAAP Budgetary Basis
Year Ended December 31, 2001**

	Totals		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Fines and fees	\$ 168,061	\$ 175,643	\$ 7,582
Investment Earnings	40,000	54,861	14,861
Contributions and donations	-	5,000	5,000
Miscellaneous	517,000	537,138	20,138
Total revenues	<u>725,061</u>	<u>772,642</u>	<u>47,581</u>
Expenditures:			
Current:			
Administration and support			
Supplies	36,691	24,665	12,026
Purchased and contract service	599,450	523,087	76,363
Library Materials	2,501	2,500	1
Capital outlay	70,000	10,940	59,060
Other	45,550	40,469	5,081
Contingency	795,000	-	795,000
Total expenditures	<u>1,549,192</u>	<u>601,661</u>	<u>947,531</u>
Excess (deficiency) of revenues over expenditures	(824,131)	170,981	995,112
Fund balances at beginning of year	<u>824,131</u>	<u>824,131</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 995,112</u>	<u>\$ 995,112</u>

Columbus Metropolitan Library

CAPITAL PROJECTS FUNDS

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

The Capital Projects Funds and their related projects classified by the primary source of funding are:

Building and Repair Fund:

- Non Project Related
- Southeast Branch Expansion/Remodeling Project
- Operations Center Construction Project
- New Albany Construction Project
- Linden Branch Replacement Project
- PC Furniture Millwork Project
- Main Library Remodeling Project

Computer System Replacement Fund:

- Non Project Related
- Electronic Notification System Project
- Discovery Place Web Access Project
- Communication Equipment 2001 Project
- Tandem Computer Equipment 2001 Project
- Replace PAC with PC Year 2000 Project
- Year 2000 PC Replacement Project

Columbus Metropolitan Library

Combining Balance Sheet

All Capital Projects Funds

December 31, 2001

(with comparative totals for 2000)

	Building and Repair Fund			
	Non Project Related	Southeast Branch Expansion Remodeling Project	Operations Center Construction Project	New Albany Construction Project
<u>Assets</u>				
Cash and investments	\$ 592,233	\$ 107,219	\$ 7,165,742	\$ 4,000,000
Cash with fiscal agents	-	70,166	34,661	-
Receivables	82,318	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 674,551</u>	<u>\$ 177,385</u>	<u>\$ 7,200,403</u>	<u>\$ 4,000,000</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 1,710	\$ 244,460	\$ -
Due to others	-	70,166	34,661	-
Total liabilities	<u>-</u>	<u>71,876</u>	<u>279,121</u>	<u>-</u>
<u>Fund equity</u>				
Fund balances:				
Reserved for encumbrances	-	36,356	5,815,978	-
Unreserved:				
Designated for subsequent years' expenditures	<u>674,551</u>	<u>69,153</u>	<u>1,105,304</u>	<u>4,000,000</u>
Total fund balances	<u>674,551</u>	<u>105,509</u>	<u>6,921,282</u>	<u>4,000,000</u>
Total fund equity	<u>674,551</u>	<u>105,509</u>	<u>6,921,282</u>	<u>4,000,000</u>
Total liabilities and fund equity	<u>\$ 674,551</u>	<u>\$ 177,385</u>	<u>\$ 7,200,403</u>	<u>\$ 4,000,000</u>

Exhibit C-1 (cont.)

Building and Repair Fund

<u>Linden Branch Replacement Project</u>	<u>PC Furniture Millwork Project</u>	<u>Main Library Remodeling Project</u>
\$ 2,577,535	\$ -	\$ 1,122,823
-	-	-
-	-	-
<u>\$ 2,577,535</u>	<u>\$ -</u>	<u>\$ 1,122,823</u>
\$ -	\$ -	\$ 27,138
-	-	-
-	-	<u>27,138</u>
883	-	221,763
<u>2,576,652</u>	<u>-</u>	<u>873,922</u>
<u>2,577,535</u>	<u>-</u>	<u>1,095,685</u>
<u>2,577,535</u>	<u>-</u>	<u>1,095,685</u>
<u>\$ 2,577,535</u>	<u>\$ -</u>	<u>\$ 1,122,823</u>

(Continued)

Columbus Metropolitan Library

Combining Balance Sheet

All Capital Projects Funds

December 31, 2001

(with comparative totals for 2000)

	Computer System Replacement Fund			
	Non Project Related	Electronic Notification System Project Related	Discovery Place Web Access Project	Communication Equipment 2001 Project
<u>Assets</u>				
Cash and investments	\$ 944,398	\$ -	\$ -	\$ 650,000
Cash with fiscal agents	-	-	-	-
Receivables	9,606	-	-	-
Due from other governments	14,411	-	-	-
Total assets	<u>\$ 968,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,000</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to others	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund equity</u>				
Fund balances:				
Reserved for encumbrances	-	-	-	-
Unreserved:				
Designated for subsequent years' expenditures	968,415	-	-	650,000
Total fund balances	<u>968,415</u>	<u>-</u>	<u>-</u>	<u>650,000</u>
Total fund equity	<u>968,415</u>	<u>-</u>	<u>-</u>	<u>650,000</u>
Total liabilities and fund equity	<u>\$ 968,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,000</u>

Computer System Replacement Fund				
Tandem Computer Equipment 2001 Project	Replace PAC With PC Year 2000 Project	Year 2000 PC Replacement Project	Totals	
			2001	2000
\$ 1,000,000	\$ -	\$ -	\$ 18,159,950	\$ 16,659,845
-	-	-	104,827	61,257
-	-	-	91,924	-
-	-	-	14,411	979
<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,371,112</u>	<u>\$ 16,722,081</u>
\$ -	\$ -	\$ -	\$ 273,308	\$ 190,442
-	-	-	104,827	61,257
-	-	-	378,135	251,699
-	-	-	6,074,980	138,139
<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>11,917,997</u>	<u>16,332,243</u>
<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>17,992,977</u>	<u>16,470,382</u>
<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>17,992,977</u>	<u>16,470,382</u>
<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,371,112</u>	<u>\$ 16,722,081</u>

Columbus Metropolitan Library

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

All Capital Projects Funds

Year Ended December 31, 2001

(with comparative totals for 2000)

	Building and Repair Fund			
	Non Project Related	Southeast Branch Expansion Remodeling Project	Operations Center Construction Project	New Albany Construction Project
Revenues:				
Interest income	\$ 942,644	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Donations	-	-	-	-
Total revenues	942,644	-	-	-
Expenditures:				
Capital outlay	-	113,241	2,406,996	-
Total expenditures	-	113,241	2,406,996	-
Excess (deficiency) of revenues over expenditures	942,644	(113,241)	(2,406,996)	-
Other financing sources (uses):				
Operating transfers in	2,475,000	-	-	4,000,000
Operating transfers out	(7,644,000)	-	(575,000)	-
Proceeds from sale of property	212,199	-	-	-
Total other financing sources (uses)	(4,956,801)	-	(575,000)	4,000,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(4,014,157)	(113,241)	(2,981,996)	4,000,000
Fund balances at beginning of year	4,684,033	218,750	9,903,278	-
Residual equity transfers from (to) other projects	4,675	-	-	-
Fund balances at end of year	\$ 674,551	\$ 105,509	\$ 6,921,282	\$ 4,000,000

<u>Building and Repair Fund</u>		
<u>Linden Branch Replacement Project</u>	<u>PC Furniture Millwork Project</u>	<u>Main Library Remodeling Project</u>
\$ -	\$ -	\$ -
-	-	-
45,000	-	-
<u>45,000</u>	<u>-</u>	<u>-</u>
156,282	16,424	29,315
<u>156,282</u>	<u>16,424</u>	<u>29,315</u>
<u>(111,282)</u>	<u>(16,424)</u>	<u>(29,315)</u>
2,519,000	-	1,125,000
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>2,519,000</u>	<u>-</u>	<u>1,125,000</u>
2,407,718	(16,424)	1,095,685
169,817	21,099	
-	(4,675)	-
<u>\$ 2,577,535</u>	<u>\$ -</u>	<u>\$ 1,095,685</u>

Columbus Metropolitan Library

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

All Capital Projects Funds

Year Ended December 31, 2001

(with comparative totals for 2000)

	Computer System Replacement Fund			
	Non Project Related	Electronic Notification System Project Related	Discovery Place Web Access Project	Communication Equipment 2001 Project
Revenues:				
Interest income	\$ 111,463	\$ -	\$ -	\$ -
Charges for services	157,697	-	-	-
Donations	-	-	-	-
Total revenues	<u>269,160</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay	-	4,650	19,500	-
Total expenditures	<u>-</u>	<u>4,650</u>	<u>19,500</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>269,160</u>	<u>(4,650)</u>	<u>(19,500)</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers in	900,000	-	-	650,000
Operating transfers out	(1,650,000)	-	-	-
Proceeds from sale of property	-	-	-	-
Total other financing sources (uses)	<u>(750,000)</u>	<u>-</u>	<u>-</u>	<u>650,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(480,840)</u>	<u>(4,650)</u>	<u>(19,500)</u>	<u>650,000</u>
Fund balances at beginning of year	1,394,363	4,650	19,732	-
Residual equity transfers from (to) other projects	<u>54,892</u>	<u>-</u>	<u>(232)</u>	<u>-</u>
Fund balances at end of year	<u>\$ 968,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,000</u>

Computer System Replacement Fund				
Tandem Computer Equipment 2001 Project	Replace PAC With PC Year 2000 Project	Year 2000 PC Replacement Project	Totals	
			2001	2000
\$ -	\$ -	\$ -	\$ 1,054,107	\$ -
-	-	-	157,697	-
-	-	-	45,000	179,497
-	-	-	1,256,804	179,497
-	(610)	610	2,746,408	2,361,757
-	(610)	610	2,746,408	2,361,757
-	610	(610)	(1,489,604)	(2,182,260)
1,000,000	-	-	12,669,000	4,468,000
-	-	-	(9,869,000)	(1,168,000)
-	-	-	212,199	721,345
1,000,000	-	-	3,012,199	4,021,345
1,000,000	610	(610)	1,522,595	1,839,085
-	53,098	1,562	16,470,382	14,631,297
-	(53,708)	(952)	-	-
\$ 1,000,000	\$ -	\$ -	\$ 17,992,977	\$ 16,470,382

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Columbus Metropolitan Library

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 title of the fund is descriptive of the activities accounted for therein. The Internal Service Funds are:

Central Stores
Self Insurance

Columbus Metropolitan Library

Exhibit D-1

Combining Balance Sheet

Internal Service Funds

December 31, 2001

(with comparative totals for 2000)

	Central Stores Fund	Self Insurance Fund	Totals	
			2001	2000
<u>Assets</u>				
Cash and investments	\$ 331,851	\$ 628,627	\$ 960,478	\$ 121,595
Receivables	-	3,337	3,337	-
Inventory	118,618	-	118,618	354,664
Net property, plant and equipment	7,103	-	7,103	7,702
Total assets	<u>\$ 457,572</u>	<u>\$ 631,964</u>	<u>\$ 1,089,536</u>	<u>\$ 483,961</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 144,368	\$ 144,368	\$ 28,788
Accrued liabilities	-	-	-	1,061
Advance from other funds	-	350,000	350,000	-
Total liabilities	<u>-</u>	<u>494,368</u>	<u>494,368</u>	<u>29,849</u>
<u>Fund equity</u>				
Contributed Capital	145,081	-	145,081	145,081
Retained Earnings				
Reserved for Insurance Claims	-	137,596	137,596	-
Unreserved	312,491	-	312,491	309,031
Total fund balances/ retained earnings	<u>312,491</u>	<u>137,596</u>	<u>450,087</u>	<u>309,031</u>
Total fund equity	<u>457,572</u>	<u>137,596</u>	<u>595,168</u>	<u>454,112</u>
Total liabilities and fund equity	<u>\$ 457,572</u>	<u>\$ 631,964</u>	<u>\$ 1,089,536</u>	<u>\$ 483,961</u>

Columbus Metropolitan Library

Exhibit D-2

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Internal Service Funds

Year Ended December 31, 2001

(with comparative totals for year ended 2000)

	Central Stores Fund	Self Insurance Fund	Totals	
			2001	2000
Operating revenues:				
Charges for services	\$ 616,657	\$ 2,085,085	\$ 2,701,742	\$ 736,495
Total revenues	<u>616,657</u>	<u>2,085,085</u>	<u>2,701,742</u>	<u>736,495</u>
Operating expenses:				
Materials and supplies	559,161	-	559,161	672,311
Personnel services	62,701	-	62,701	52,972
Contractual services	-	396,476	396,476	2,775
Depreciation	599	-	599	599
Claims paid	-	1,573,655	1,573,655	-
Total operating expenses	<u>622,461</u>	<u>1,970,131</u>	<u>2,592,592</u>	<u>728,657</u>
Operating income (loss)	<u>(5,804)</u>	<u>114,954</u>	<u>109,150</u>	<u>7,838</u>
Non-operating revenues				
Interest	9,264	22,642	31,906	-
Total nonoperating revenues	<u>9,264</u>	<u>22,642</u>	<u>31,906</u>	<u>-</u>
Net income	3,460	137,596	141,056	7,838
Retained earnings/fund balances at beginning of year	<u>309,031</u>	<u>-</u>	<u>309,031</u>	<u>301,193</u>
Retained earnings/fund balance at end of year	<u>\$ 312,491</u>	<u>\$ 137,596</u>	<u>\$ 450,087</u>	<u>\$ 309,031</u>

Columbus Metropolitan Library

Internal Service Funds

Combining Schedule of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual - Non GAAP Budgetary Basis

Year Ended December 31, 2001

	Central Stores Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues -			
Charges for services	\$ 792,000	\$ 616,656	\$ (175,344)
Total operating revenues	<u>792,000</u>	<u>616,656</u>	<u>(175,344)</u>
Operating expenses:			
Materials and supplies	726,000	560,877	165,123
Personnel services	66,495	62,727	3,768
Contractual services	4,000	-	4,000
Capital outlay	5,000	-	5,000
Claims paid	-	-	-
Contingency	80,000	-	80,000
Total operating expenses	<u>881,495</u>	<u>623,604</u>	<u>257,891</u>
Operating income (loss)	<u>(89,495)</u>	<u>(6,948)</u>	<u>82,547</u>
Nonoperating revenues:			
Interest	8,000	9,264	1,264
Advance from General Fund	-	-	-
Total nonoperating revenues	<u>8,000</u>	<u>9,264</u>	<u>1,264</u>
Net income (loss)	(81,495)	2,316	83,811
Retained earnings at beginning of year	<u>81,495</u>	<u>81,495</u>	<u>-</u>
Retained earnings at end of year	<u>\$ -</u>	<u>\$ 83,811</u>	<u>\$ 83,811</u>

Self Insurance Fund			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,880,000	\$ 2,085,085	\$ 205,085	\$ 2,672,000	\$ 2,701,741	\$ 29,741
1,880,000	2,085,085	205,085	\$ 2,672,000	\$ 2,701,741	\$ 29,741
-	-	-	726,000	560,877	165,123
-	-	-	66,495	62,727	3,768
400,000	396,476	3,524	404,000	396,476	7,524
-	-	-	5,000	-	5,000
1,850,000	1,429,287	420,713	1,850,000	1,429,287	420,713
-	-	-	80,000	-	80,000
2,250,000	1,825,763	424,237	3,131,495	2,449,367	682,128
(370,000)	259,322	629,322	(459,495)	252,374	711,869
20,000	18,982	(1,018)	28,000	28,246	(246)
350,000	350,000	-	350,000	350,000	-
370,000	368,982	(1,018)	378,000	378,246	(246)
-	628,304	628,304	(81,495)	630,620	712,115
-	-	-	81,495	81,495	-
\$ -	\$ 628,304	\$ 628,304	\$ -	\$ 712,115	\$ 712,115

Columbus Metropolitan Library

Exhibit D-4

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2001

(with comparative totals for year ended 2000)

	Central Stores Fund	Self Insurance Fund	Totals (Memorandum Only)	
			2001	2000
Cash flows from operating activities:				
Operating net income	\$ (5,804)	\$ 114,954	\$ 109,150	\$ 7,838
Adjustments to reconcile operating net income to net cash provided (used) by operating activities:				
Depreciation	599	-	599	599
Interest income	-	-	-	-
Increase in receivables	-	(3,337)	(3,337)	-
(Increase) decrease in inventory	236,046	-	236,046	(37,466)
Increase (decrease) in accounts payable	(28,788)	144,368	115,580	1,417
Decrease in accrued liabilities	(1,061)	-	(1,061)	137
Total adjustments	206,796	141,031	347,827	(35,313)
Net cash flows provided (used) by operating activities	200,992	255,985	456,977	(27,475)
Cash flows from noncapital financing activities - Advance from General Fund	-	350,000	350,000	-
Cash flows from capital and related financing activities - Purchase of equipment	-	-	-	-
Cash flows from investing activities - Interest income	9,264	22,642	31,906	-
Net increase (decrease) in cash and cash equivalents	210,256	628,627	838,883	(27,475)
Cash and cash equivalents at beginning of year	121,595	-	121,595	149,070
Cash and cash equivalents at end of year	\$ 331,851	\$ 628,627	\$ 960,478	\$ 121,595

The accompanying notes are an integral part of these general purpose financial statements.

Columbus Metropolitan Library

Exhibit D-5

Reconciliation Between GAAP and Budgetary Basis of Accounting

Internal Service Fund

Year Ended December 31, 2001

	<u>Net Income</u>	<u>Retained Earnings at end of year</u>
GAAP Basis	\$ 141,056	\$ 450,087
Increase (decrease):		
Due to revenues:		
Received in cash during 2002, accrued at December 31, 2001	(3,337)	(3,337)
Due to expenses:		
Paid in cash during 2001 accrued at December 31, 2000	(29,849)	-
Accrued at December 31, 2001 not yet paid in cash	144,368	144,368
Due to encumbrances:		
Expenditures of amounts encumbered during the year ended December 31, 2000	1,035	-
Recognized as expenses in budget during the year ended December 31, 2001	-	-
Due to advance:		
Accrued at December 31, 2001 not yet paid in cash	350,000	350,000
Other	27,347	(229,003)
Budgetary basis	<u>\$ 630,620</u>	<u>\$ 712,115</u>

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Columbus Metropolitan Library

FIDUCIARY FUND TYPE

EXPENDABLE TRUST, NONEXPENDABLE TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the government in a trustee capacity. The expendable and nonexpendable trust funds account primarily for donations or bequests to the Library for a specific purpose. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

In 2001 the Library received the following cash gifts of \$500 or more from donors who restricted the use of the gifts to purchase library materials, but did not specify that the monies be held in perpetuity. These were gifts deposited into the Library's Expendable Trust Fund.

Columbus Foundation	
– Robert Stephenson Fund	\$600.00
Fraternal Order of Eagles (Reynoldsburg)	\$500.00
Fraternal Order of Eagles (Karl Road)	\$500.00
Joseph J. Rossi	\$2,000.00

The following donors have given at least \$1,000 to the Library in honor of a particular person and have requested that these monies be held in perpetuity with only the interest being spent on library materials. These gifts were deposited into the Library's Nonexpendable Trust Fund. In many cases the person being honored is listed rather than the actual individual(s) who donated the money.

Walter Braun	John W. Mooney
William D. Brickell	Edgar H. Moore
David W. Deshler	John Noble
William Hubbard	Marjorie H. Peterson
Edward A. Kemmler	Francis C. Sessions
James R. Kilbourne	Mary S. Stevens
John M. Lewis	Charles F. Weiler
Adeline H. Meckstroth	Women's Music Club
Edward C. Mills	

Agency Fund:
 Payroll Liability

Columbus Metropolitan Library

Exhibit E-1

Combining Balance Sheet

Expendable Trust, Nonexpendable Trust and Agency Funds

December 31, 2001

(with comparative totals for 2000)

	Expendable Trust Fund	Nonexpendable Trust Fund	Agency Fund	Totals	
	Library Materials Expendable Trust Fund	Library Materials Collection Development Fund	Payroll Liability Fund	2001	2000
Assets					
Cash and investments	\$ 267,549	\$ 87,573	\$ 763,034	\$ 1,118,156	\$ 791,940
Receivables	2,018	125	-	2,143	616
Total assets	<u>\$ 269,567</u>	<u>\$ 87,698</u>	<u>\$ 763,034</u>	<u>\$ 1,120,299</u>	<u>\$ 792,556</u>
Liabilities					
Accounts payable	\$ 422	\$ 519	\$ -	\$ 941	\$ 557
Accrued liabilities	-	-	763,034	763,034	657,562
Total liabilities	<u>422</u>	<u>519</u>	<u>763,034</u>	<u>763,975</u>	<u>658,119</u>
Fund equity					
Fund balances:					
Reserved for encumbrances	5,428	234	-	5,662	1,963
Reserved for endowments	-	67,742	-	67,742	67,742
Unreserved:					
Undesignated	263,717	19,203	-	282,920	64,732
Total fund balances	<u>269,145</u>	<u>87,179</u>	<u>-</u>	<u>356,324</u>	<u>134,437</u>
Total fund equity	<u>269,145</u>	<u>87,179</u>	<u>-</u>	<u>356,324</u>	<u>134,437</u>
Total liabilities and fund equity	<u>\$ 269,567</u>	<u>\$ 87,698</u>	<u>\$ 763,034</u>	<u>\$ 1,120,299</u>	<u>\$ 792,556</u>

Note: No statement of revenues, expenditures and changes in fund balances - Expendable and Nonexpendable Trust funds and statement of cash flows - Nonexpendable Trust fund are presented since there are only one Expendable and Nonexpendable Trust Fund. Those statements are included in the general purpose financial statements.

Columbus Metropolitan Library

Exhibit E-2

Combining Statement of Changes in Assets and Liabilities - Agency Fund

For the Fiscal Year Ended December 31, 2001

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
<u>Payroll Liability Fund</u>				
<u>Assets</u>				
Cash and investments	\$ 657,562	\$ 12,507,404	\$ 12,401,932	\$ 763,034
<u>Liabilities</u>				
Accrued liabilities	\$ 657,562	\$ 12,507,404	\$ 12,401,932	\$ 763,034

Columbus Metropolitan Library

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for all general fixed assets of the Library, other than those fixed assets accounted for in the Proprietary Fund Type.

Columbus Metropolitan Library

Exhibit F-1

Schedule of General Fixed Assets

By Source

December 31, 2001

(with comparative totals for 2000)

	<u>2001</u>	<u>2000</u>
General Fixed Assets:		
Land	\$ 7,939,871	\$ 6,344,068
Buildings	64,221,922	64,326,216
Improvements other than buildings	2,722,192	2,722,192
Machinery and equipment	14,627,757	14,693,313
Construction in progress	<u>1,526,192</u>	<u>88,274</u>
Total general fixed assets	<u>\$ 91,037,934</u>	<u>\$ 88,174,063</u>
Investment in general fixed assets from:		
General revenues	\$ 56,193,777	\$ 53,306,578
Grants	474,537	492,923
Proceeds from capital leases	33,897,136	33,902,078
Gifts and other revenues	<u>472,484</u>	<u>472,484</u>
Total investment in general fixed assets	<u>\$ 91,037,934</u>	<u>\$ 88,174,063</u>

Columbus Metropolitan Library

Schedule of General Fixed Assets

By Function and Activity

December 31, 2001

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>
Public services:		
Main Library	\$ 41,760,616	\$ 1,549,706
Extension (branches and outreach)	<u>37,472,514</u>	<u>5,225,555</u>
Total public services	<u>79,233,130</u>	<u>6,775,261</u>
Administration and support:		
Administration	1,445,825	1,164,610
Finance	142,219	-
Human Resources	40,428	-
Information Systems	7,105,250	-
Communications	322,222	-
Property Management	1,072,919	-
Technical Services	<u>149,749</u>	<u>-</u>
Total administration and support	<u>10,278,612</u>	<u>1,164,610</u>
Construction in progress	<u>1,526,192</u>	<u>-</u>
Total general fixed assets	<u>\$ 91,037,934</u>	<u>\$ 7,939,871</u>

<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>
\$ 36,860,314	\$ 1,326,110	\$ 2,024,486	\$ -
<u>27,361,608</u>	<u>1,396,082</u>	<u>3,489,269</u>	<u>-</u>
<u>64,221,922</u>	<u>2,722,192</u>	<u>5,513,755</u>	<u>-</u>
-	-	281,215	-
-	-	142,219	-
-	-	40,428	-
-	-	7,105,250	-
-	-	322,222	-
-	-	1,072,919	-
<u>-</u>	<u>-</u>	<u>149,749</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>9,114,002</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,526,192</u>
<u>\$ 64,221,922</u>	<u>\$ 2,722,192</u>	<u>\$ 14,627,757</u>	<u>\$ 1,526,192</u>

Columbus Metropolitan Library

Exhibit F-3

Schedule of Changes in General Fixed Assets

By Function and Activity

Year Ended December 31, 2001

Function and Activity	General Fixed Assets January 1, 2001	Additions	Deletions	Transfers	General Fixed Assets December 31, 2001
Public services:					
Main library	\$ 41,719,110	\$ 57,840	\$ (16,334)	\$ -	\$ 41,760,616
Extension (branches and outreach)	37,079,491	952,196	(454,422)	(104,751)	37,472,514
Total public services	78,798,601	1,010,036	(470,756)	(104,751)	79,233,130
Administration and support:					
Administration	269,441	1,176,384	-	-	1,445,825
Finance	138,860	3,359	-	-	142,219
Human Resources	44,116	1,157	(4,845)	-	40,428
Information systems	7,444,330	138,684	(477,764)	-	7,105,250
Communications	324,227	24,675	(26,680)	-	322,222
Property management	921,883	254,563	(103,527)	-	1,072,919
Technical services	144,331	5,418	-	-	149,749
Total administration and support	9,287,188	1,604,240	(612,816)	-	10,278,612
Construction in progress	88,274	1,333,167	-	104,751	1,526,192
	<u>\$ 88,174,063</u>	<u>\$ 3,947,443</u>	<u>\$ (1,083,572)</u>	<u>\$ -</u>	<u>\$ 91,037,934</u>

STATISTICAL SECTION

The statistical section provides pertinent financial, economic and demographic information indicating 10-year historical trends. The following tables have been excluded since they do not provide relevant information regarding the library's operations:

- Special Assessments Billings and Collections-Last Ten Years
- Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita-Last Ten Fiscal Years;
- Computation of Legal Debt Margin
- Computation of Overlapping Debt:
- Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures-Last Ten Fiscal Years; and
- Revenue Bond Coverage-Last Ten Fiscal Years.

Table 1

Columbus Metropolitan Library
General Government Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	Public Service/ Administration and Support	Capital Outlay	Debt Service	Total
1992	25,319,151	3,325,156	7,143,932	35,788,239
1993	26,387,548	3,784,321	4,011,077	34,182,946
1994	28,221,150	5,387,418	3,913,769	37,522,337
1995	29,854,285	5,611,575	3,706,680	39,172,540
1996	32,149,237	3,357,442	3,604,413	39,111,092
1997	33,298,764	6,687,859	3,506,195	43,492,818
1998	36,251,082	2,672,423	3,403,744	42,327,249
1999	38,399,609	3,031,634	3,297,858	44,729,101
2000	41,099,587	3,360,156	3,008,889	47,468,632
2001	(3,220,001)	(237,074)	3,008,889	(448,186)

Note: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Columbus Metropolitan Library
 General Revenues and Other Financing Sources by Source
 Last Ten Fiscal Years

Fiscal Year	Property Taxes	Inter- governmental	Fines and Fees	Charges for Services	Investment Earnings
1992	15,592,202	13,973,534	1,177,851	749,873	1,000,347
1993	15,890,763	14,794,846	1,452,009	1,240,917	743,564
1994	16,389,496	15,415,836	1,483,228	1,130,863	831,068
1995	16,685,996	16,679,864	1,574,104	1,430,327	1,103,415
1996	17,369,084	18,009,456	1,737,408	1,487,945	947,572
1997	17,386,512	19,937,688	1,836,243	1,490,319	1,055,711
1998	18,120,467	22,733,284	1,848,922	1,419,861	994,467
1999	18,596,196	24,477,146	1,874,421	1,473,797	1,129,029
2000	18,596,196	24,477,146	1,874,421	1,473,797	1,129,029
2001	(263,587)	(297,501)	(161,536)	(57,862)	284,035

Note: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Table 2

<u>Contributions and Donations</u>	<u>Miscellaneous</u>	<u>Operating Transfers</u>	<u>Proceeds of Refunding Bonds</u>	<u>Sale of Property</u>	<u>Proceeds from Insurance Company</u>	<u>Total</u>
\$ 42,053	50,747	10,164,626	\$ 22,225,000	496,423	\$ 361,210	\$ 65,833,866
105,685	72,567	5,177,971	-	-	-	39,478,322
78,529	75,550	4,863,500	-	-	-	40,268,070
104,092	105,478	6,179,451	-	-	-	43,862,727
129,345	104,822	9,100,310	-	666,470	-	49,552,412
160,168	127,096	4,214,312	-	-	-	46,208,049
161,924	233,553	6,198,100	-	-	-	51,710,578
118,657	180,357	15,468,551	-	21,950	-	63,340,104
118,657	180,357	15,468,551	-	21,950	-	63,340,104
(170,757)	(324,821)	4,468,552	-	-	-	3,476,523

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections
1992	15,492,665	14,920,186	96.3%	571,046
1993	15,791,558	15,189,531	96.2	599,141
1994	16,123,518	15,676,531	97.2	811,126
1995	16,538,713	16,100,779	97.4	627,378
1996	17,094,502	16,494,573	96.5	568,558
1997	17,117,709	16,687,134	97.5	580,894
1998	18,171,335	17,618,062	97.0	711,454
1999	18,613,893	18,116,382	97.3	652,402
2000	19,359,943	18,422,396	95.2	681,859
2001	20,405,600	19,166,841	93.9	735,808

Note: This table is prepared on a cash basis directly from information provided by the Franklin County Auditor.

Table 3

<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes To Tax Levy</u>
\$ 15,491,232	100.0%	1,270,524	8.2%
15,788,672	100.0	1,321,282	8.4
16,487,657	102.3	1,216,339	7.5
16,728,157	101.1	1,267,953	7.7
17,063,131	99.8	2,110,005	12.3
17,268,028	100.9	1,195,695	7.0
18,329,516	100.9	1,253,104	6.9
18,768,784	100.8	1,409,322	7.6
19,104,255	98.7	1,730,799	8.9
19,902,649	97.5	2,158,900	10.6

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

Tax Year	For	Real Property		Personal Property	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1992	1993	7,327,466	\$ 20,935,617	1,400,282	\$ 4,828,559
1993	1994	7,508,041	21,451,546	1,382,552	4,937,686
1994	1995	8,341,840	23,833,829	1,388,777	5,143,619
1995	1996	8,513,470	24,324,200	1,449,585	5,575,327
1996	1997	8,817,064	25,191,611	1,559,442	6,237,768
1997	1998	9,535,298	27,243,709	1,637,427	6,549,708
1998	1999	9,881,847	28,233,849	1,690,361	6,761,444
1999	2000	10,415,332	29,758,091	1,760,418	7,041,672
2000	2001	12,038,975	34,397,071	1,881,401	7,525,604
2001	2002	12,439,564	35,541,611	1,908,473	7,633,892

Source: Franklin County Auditor

Table 4

Public Utilities		Total	
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
595,764	\$ 1,702,183	\$ 9,323,512	\$ 27,466,359
628,051	1,794,431	9,518,644	28,183,663
654,314	1,869,469	10,384,931	30,846,917
687,896	1,965,417	10,650,951	31,864,944
655,107	1,871,734	11,031,613	33,301,113
663,944	1,896,983	11,836,669	35,690,400
682,557	1,950,163	12,254,765	36,945,456
695,294	1,986,554	12,871,044	38,786,317
712,261	2,035,031	14,632,637	43,957,706
696,282	1,989,377	15,044,319	45,164,880

Table 5

Columbus Metropolitan Library
Property Tax Rates - All Direct and Overlapping Governments
 Last Ten Fiscal Years
 (Per \$1,000 of Assessed Value)

	1991 for 1992	1992 for 1993	1993 for 1994	1994 for 1995	1995 for 1996	1996 for 1997	1997 for 1998	1998 for 1999	1999 for 2000	2000 for 2001
COUNTY -										
Franklin County	11.87	14.32	14.02	14.02	14.27	14.57	14.67	16.99	16.99	16.99
SCHOOL DISTRICT:										
Canal Winchester	48.42	48.15	46.99	45.86	44.99	51.10	56.46	55.86	55.91	55.91
Columbus	52.80	53.28	53.10	53.01	52.98	58.11	58.04	57.95	57.57	57.37
Dublin	49.24	51.42	50.51	58.41	58.41	57.90	57.90	65.50	65.22	65.22
Gahanna-Jefferson	48.89	49.01	48.23	49.44	55.43	54.85	54.69	62.09	61.35	61.21
Groveport-Madison	54.51	48.58	48.58	48.26	48.14	48.05	56.85	56.33	55.40	55.05
Hamilton	39.39	39.19	47.57	47.40	47.32	47.26	47.20	47.13	47.09	54.1
Hilliard	47.08	51.58	50.37	52.15	60.65	60.28	59.96	59.71	59.71	65.61
Licking Heights	41.20	41.10	41.00	41.00	40.70	40.70	40.70	40.10	39.60	48.5
Reynoldsburg	50.36	52.18	51.57	51.34	51.13	50.45	55.30	55.12	55.49	55.39
Upper Arlington	68.15	68.15	74.66	74.65	78.12	77.82	77.86	84.03	83.95	83.32
Whitehall	53.15	61.20	52.72	52.72	65.72	65.62	65.61	65.61	65.49	65.52

(Continued)

Table 5 (Continued)

	1991 for 1992	1992 for 1993	1993 for 1994	1994 for 1995	1995 for 1996	1996 for 1997	1997 for 1998	1998 for 1999	1999 for 2000	2000 for 2001
JOINT VOCATIONAL SCHOOL DISTRICT:										
Central Ohio	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.10
Eastland	1.24	1.24	1.23	1.20	1.20	1.20	1.20	2.00	2.00	2.00
Licking County	2.80	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
MUNICIPAL CORPORATIONS:										
Brice	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Canal Winchester	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Columbus	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14
Dublin	2.99	2.99	2.98	2.98	2.98	2.98	2.97	2.97	2.97	2.97
Gahanna	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Groveport	2.90	2.90	2.90	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Hilliard	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Lockbourne	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
New Albany	1.20	1.20	1.20	1.95	1.95	1.95	1.71	1.70	1.57	1.23
Obetz	1.70	1.70	2.65	2.05	1.70	1.70	1.70	1.70	1.70	1.70
Reynoldsburg	2.94	2.94	2.93	2.91	2.90	0.79	0.78	0.77	0.76	0.76
Valleyview	35.34	27.34	27.34	27.34	24.53	24.53	24.53	24.53	24.53	24.53
Whitehall	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Lithopolis	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.90	5.90

(Continued)

Table 5 (Continued)

Columbus Metropolitan Library
 Property Tax Rates - All Direct and Overlapping Governments
 Last Ten Fiscal Years
 (Per \$1,000 of Assessed Value)

	1991 for 1992	1992 for 1993	1993 for 1994	1994 for 1995	1995 for 1996	1996 for 1997	1997 for 1998	1998 for 1999	1999 for 2000	2000 for 2001
TOWNSHIPS:										
Blendon	16.50	16.50	16.50	19.00	19.00	21.45	22.60	22.43	22.41	22.16
Brown	7.60	7.60	1.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60
Clinton	22.64	22.64	22.64	25.64	25.64	25.64	25.64	25.64	25.64	25.64
Franklin	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05
Hamilton	11.80	11.80	11.80	11.80	12.30	14.55	14.55	14.55	15.05	15.55
Jefferson	9.20	20.20	9.20	9.20	9.20	9.20	9.85	10.82	10.59	10.53
Madison	18.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80
Mifflin	18.80	20.80	20.80	20.80	20.80	22.80	20.80	20.80	20.80	21.80
Norwich	12.80	12.80	12.80	12.80	12.80	12.80	12.80	18.80	18.80	18.80
Perry	23.63	23.80	23.80	23.80	23.80	23.80	23.80	23.80	23.80	20.50
Plain	8.20	8.20	8.20	8.20	9.16	9.21	9.42	9.34	10.72	13.58
Prairie	11.80	11.80	14.00	14.00	14.00	14.00	14.20	14.20	14.20	16.20
Sharon	6.60	11.10	8.10	8.10	13.10	13.10	13.10	13.10	19.10	19.08
Truro	10.40	10.40	10.40	10.40	12.65	12.65	12.65	12.65	12.65	12.65
Washington	17.09	17.07	15.80	17.05	18.54	18.53	18.52	18.51	20.01	20.00
OTHER ENTITIES:										
Columbus Metropolitan Library	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Metropolitan Park District	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.65	0.65

Source: Franklin County Auditor

Columbus Metropolitan Library
Demographic Statistics
and Average Unemployment Rates
Last Ten Fiscal Years
(Franklin County)

Fiscal Year	Population (3)	Per Capita Income (1)	Median Age (1)	K-12 School Enrollment (2)
1992	1,000,100	20,417	31.4	181,523
1993	N/A	20,932	31.7	180,018
1994	1,013,100	21,875	32.0	180,479
1995	1,009,800	23,242	32.2	185,071
1996	1,016,700	24,197	32.4	185,795
1997	1,016,300	25,247	32.7	185,719
1998	1,017,400 (4)	N/A	N/A	191,141
1999	1,025,742 (8)	N/A	32.9 (8)	194,036
2000	1,033,293 (8)	31,527	33.7 (8)	193,618
2001	1,081,784 (8)	32,664	32.9 (8)	200,462

- Sources: (1) Woods & Poole Economics, Inc., Washington, D.C.
(2) Quality Education Data, Inc., School Guide
(3) Sales & Marketing Management, Survey of Buying Power
(4) Market Statistics
(8) ESRI Business Information Solutions (formerly CACI Marketing Systems)

Average Unemployment Rates

Fiscal Year	Franklin County (5)	State of Ohio (5)	United States (6)
1992	5.0	7.2	7.4
1993	4.4 (7)	6.1 (7)	6.8
1994	2.9 (7)	4.2 (7)	6.1
1995	3.6	5.3	5.6
1996	2.6	4.8	5.4
1997	2.4	4.3	4.9
1998	2.1	3.9	4.3 (5)
1999	2.1 (7)	3.8 (7)	3.7 (7)
2000	2.1 (7)	3.7 (7)	3.7 (7)
2001	3.1 (9)	4.8 (9)	5.8 (9)

- Source: (5) Ohio Bureau of Employment Services, Division of Research and Statistics
(6) U.S. Bureau Labor Statistics, Employment and Earnings
(7) LMI Ohio Labor Market Information, Ohio Bureau of Employment Services
(9) Ohio Department of Job and Family Services

Table 7

Columbus Metropolitan Library
Construction, Bank Deposits and Property Value
Last Ten Fiscal Years

Fiscal Year	Construction (1)	Bank Deposits (2)	Total Property Value (3)
1992	498,520,630	17,698,307,000	9,323,512,000
1993	540,425,036	18,074,035,000	9,518,644,000
1994	679,086,644	19,065,256,000	10,384,931,000
1995	749,610,571	21,808,752,000	10,650,951,000
1996	863,499,378	20,550,916,000	11,031,613,000
1997	1,423,716,982	40,755,867,000	11,836,669,000
1998	N/A	40,572,415,000	12,254,765,000
1999	N/A	39,568,044,000	12,871,044,000
2000	N/A	36,996,496,000 (4)	14,632,637,000
2001	N/A	39,419,916,000 (4)	15,044,319,000

Source: (1) City of Columbus, Ohio

(2) Total deposits of all banks headquartered in Franklin County (includes national and state chartered banks), State of Ohio, Department of Commerce, Banks Division.

(3) Franklin County Auditor

(4) FDIC Website

Note: This table includes information for all of Franklin County, even though the Library's service district does not comprise all of the land within Franklin County. Therefore a portion of the deposits and property values do not relate to the Library's service district. A breakdown of the above information by individual library service districts within Franklin County is not available.

Columbus Metropolitan Library
Principal Property Taxpayers
December 31, 2001

Name of Taxpayer	Real Property	Personal Property	Total Assessed Valuation	% of Total Assessed Valuation (1)
1. Columbus Southern Power	\$ -	\$ 293,125,970	\$ 293,125,970	1.91%
2. Ohio Bell Telephone Company	-	130,998,170	130,998,170	0.85
3. Nationwide Mutual Insurance Co.	99,874,030		99,874,030	0.65
4. Lucent Technologies Inc (AT&T)		69,043,250	69,043,250	0.45
5. Huntington Center Associates	48,685,000		48,685,000	0.32
6. Capitol South Community	48,173,100		48,173,100	0.31
7. Columbia Gas of Ohio, Inc.		42,970,120	42,970,120	0.28
8. Distribution Land Corp	42,892,790		42,892,790	0.28
9. Technegas Inc.		42,845,960	42,845,960	0.28
10. Abbott Laboratories		38,049,630	38,049,630	0.25
TOTAL	\$ 239,624,920	\$ 617,033,100	\$ 856,658,020	5.58%

Source: Franklin County Auditor

(1) The total assessed valuation for 2001 equals \$15,360,580,478

**Columbus Metropolitan Library
Miscellaneous Statistics
December 31, 2001**

Date of Formation March 4, 1872

Population of County 1,081,784

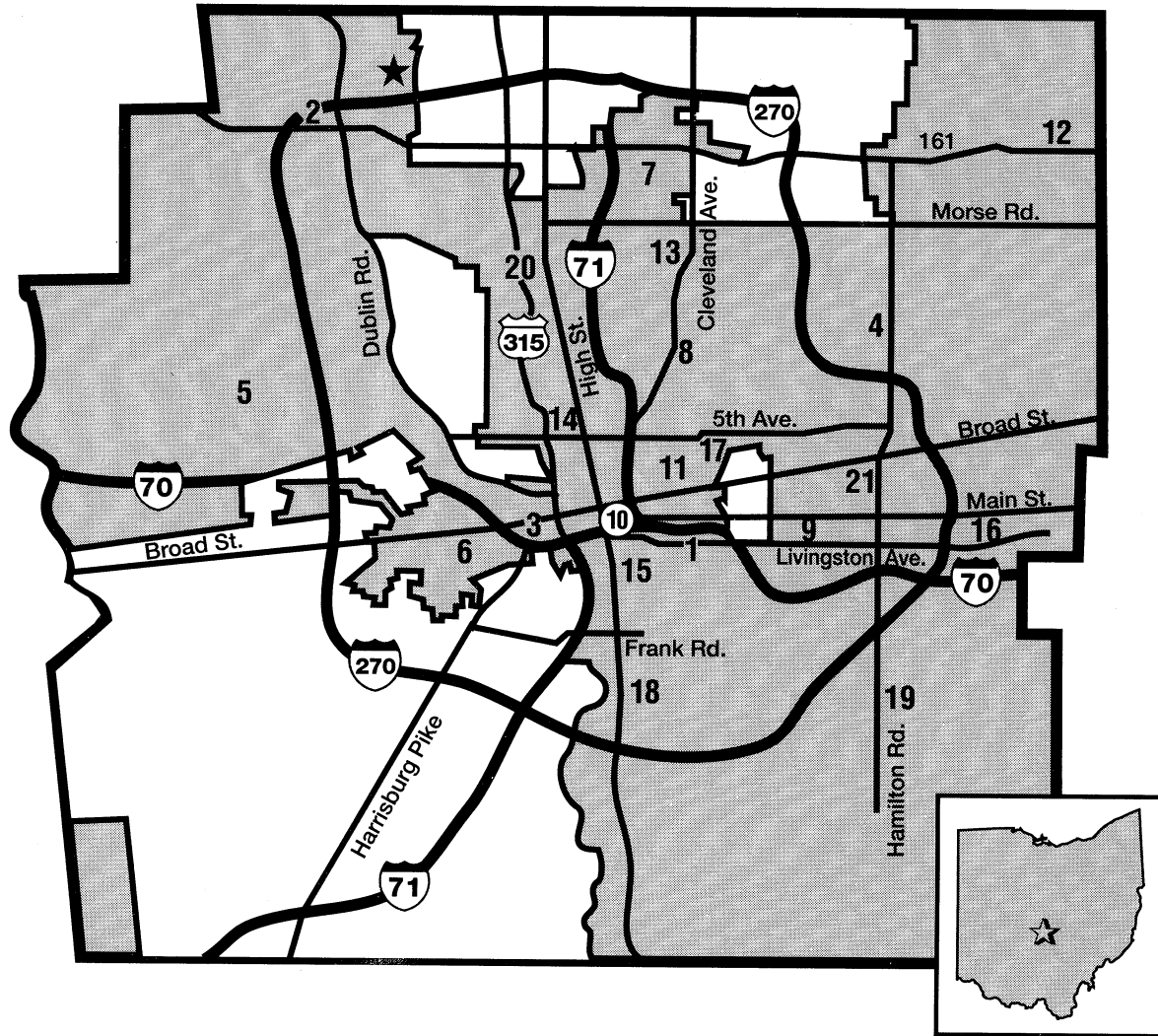
<u>Year</u>	<u>Number of Employees</u>	<u>Number of Volumes Owned</u>
1992	664	2,045,063
1993	688	2,169,823
1994	717	2,212,476
1995	743	2,310,808
1996	770	2,669,243
1997	808	2,746,846
1998	853	2,860,804
1999	845	2,907,305
2000	898	2,931,689
2001	938	2,940,037

<u>Year</u>	<u>Number of Library Materials Circulated</u>	<u>Number of Registered Borrowers</u>
1992	9,642,350	390,034
1993	10,684,651	402,627
1994	10,918,703	390,970
1995	11,158,107	386,066
1996	11,862,449	399,187
1997	11,811,189	408,553
1998	11,171,752	409,234
1999	11,411,499	401,192
2000	12,364,216	404,018
2001	14,372,353	423,167

Source: Columbus Metropolitan Library

Source for County Population: ESRI Business Information Solutions

Columbus Metropolitan Library Service District and Locations



- | | |
|-----------------------|---------------------|
| 1 Driving Park | 13 Northern Lights |
| 2 Dublin | 14 Northside |
| 3 Franklinton | 15 Parsons |
| 4 Gahanna | 16 Reynoldsburg |
| 5 Hilliard | 17 Shepard |
| 6 Hilltop | 18 South High |
| 7 Karl Road | 19 Southeast |
| 8 Linden | 20 Whetstone |
| 9 Livingston | 21 Whitehall |
| 10 Main Library | ★ Northwest Library |
| 11 Martin Luther King | |
| 12 New Albany ** | |

The Columbus Metropolitan Library consists of the downtown Main Library, 20 branches located throughout Columbus and Franklin County, and an Outreach Services Division. The system is responsible for serving 72.2% of the population of Franklin County, and 63.4% of the county's geographical area. The above Franklin County map indicates the land and location of the Columbus Metropolitan Library facilities

★ Site of the Northwest Library, a joint project of the Columbus Metropolitan Library and the Worthington Public Library.

** A joint operation of the Columbus Metropolitan Library and the New Albany/Plain Local Schools.

Map of Franklin County: shaded area indicates Columbus Metropolitan Library service district.



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**Independent Auditors' Report on Compliance and Internal Control Over
Financial Reporting Based on an Audit of General Purpose Financial Statements
Performed in Accordance With Government Auditing Standards**

The Board of Trustees
Columbus Metropolitan Library
Columbus, Ohio

and

The Honorable Jim Petro
Auditor of State

We have audited the financial statements of the Columbus Metropolitan Library (the Library) as of and for the year ended December 31, 2001, and have issued our report thereon dated June 14, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Library's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting, which we have reported to management of the Library in a separate letter date June 14, 2002.

This report is intended for the information of the Library's management and the Ohio Auditor of State and is not intended to be and should not be used by anyone other than those specified parties.

KPMG LLP

June 14, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Telephone 614-466-4514
800-282-0370
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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
AUGUST 6, 2002**