

2006  
COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT

FOR THE FISCAL YEAR  
ENDED DECEMBER 31, 2006



COLUMBUS METROPOLITAN LIBRARY





# Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Columbus Metropolitan Library, Franklin County, prepared by Kennedy Cottrell Richards, for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 2, 2007

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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, 2005

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



President

Executive Director

# Columbus Metropolitan Library

Columbus, Ohio

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended December 31, 2006



Issued by:

**DEWITT HARRELL**

Chief Financial Officer/Clerk-Treasurer

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2006

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**LIBRARY OFFICIALS  
AS OF DECEMBER 31, 2006**

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**BOARD OF TRUSTEES**

Ms. Cynthia A. Hilsheimer,	President of the Board
Mr. Samuel H. Porter,	Vice President of the Board
Ms. Erika Clark Jones,	Secretary of the Board
Dr. Terry A. Boyd,	Member
Mr. Philip C. Johnston,	Member
Ms. Amy Milbourne,	Member
Mr. Stephen Rasmussen,	Member

**EXECUTIVE STAFF**

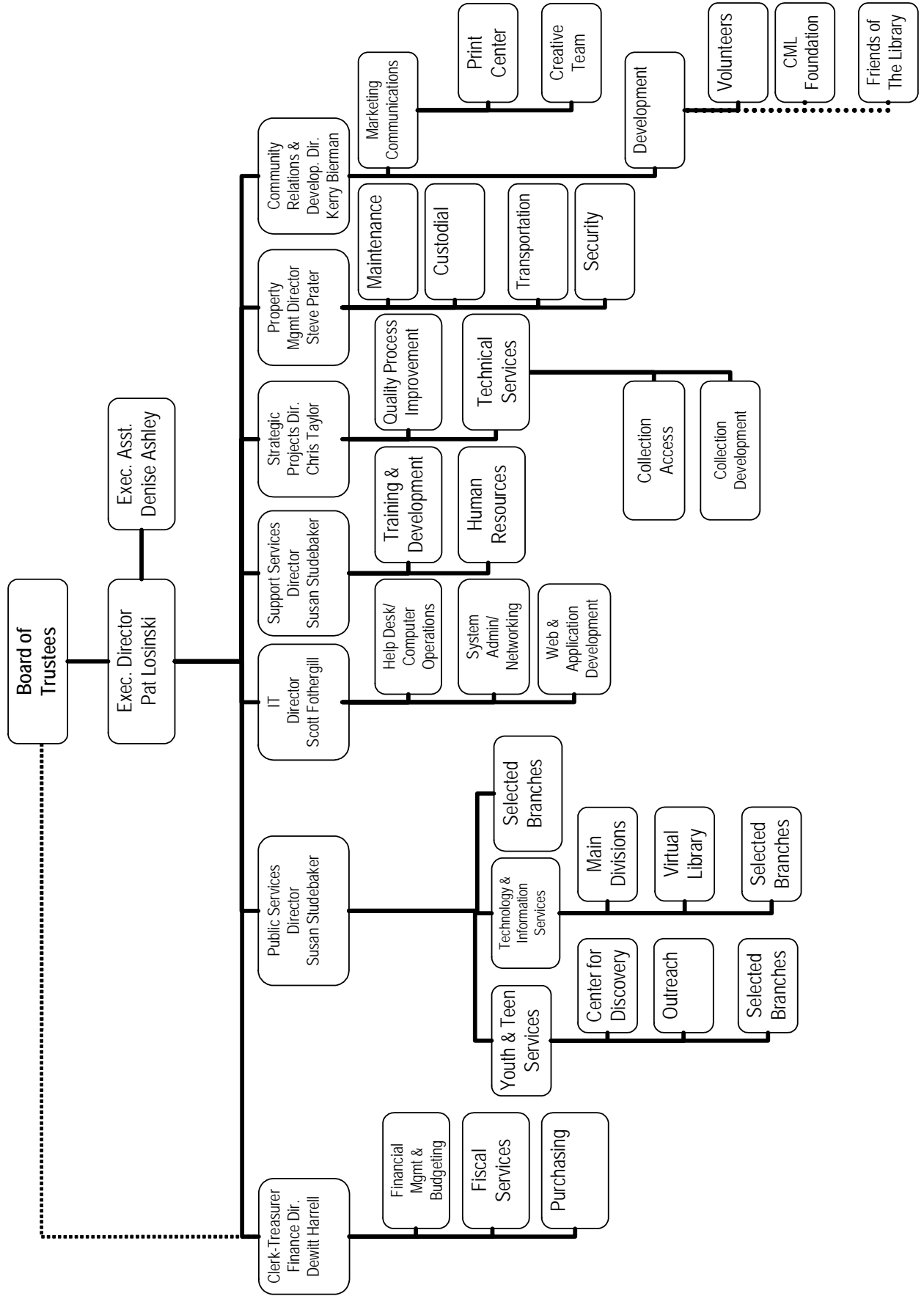
Mr. Patrick Losinski,	Executive Director
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**ADMINISTRATIVE STAFF**

Ms. Susan N. Studebaker,	Associate Director of Public Services
Vacant	Associate Director of Support Services
Mr. Dewitt D. Harrell,	Director of Finance
Mr. Scott L. Fothergill,	Director of Information Systems
Mr. Stephen K. Prater,	Director of Property Management
Mr. Kerry M. Bierman,	Director of Community Relations & Development

# Columbus Metropolitan Library

## CML Organizational Chart





**COLUMBUS  
METROPOLITAN  
LIBRARY**

645-2ASK • columbuslibrary.org  
96 S. Grant Ave.  
Columbus, OH 43215

June 15, 2007

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

The Ohio Revised Code requires that all general-purpose governments publish a complete set of financial statements, presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, I hereby issue the comprehensive annual financial report (CAFR) of the Columbus Metropolitan Library, Franklin County, Ohio, (the Library) for the fiscal year ended December 31, 2006.

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

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

The Library's financial statements have been audited under contract with the Auditor of State of Ohio by Kennedy Cottrell Richards, a firm of licensed certified public accountants. The independent auditor concluded that the Library's financial statements for the fiscal year ended December 31, 2006, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

# Columbus Metropolitan Library

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## THE HISTORY OF THE LIBRARY

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

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

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

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

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

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

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

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

# **Columbus Metropolitan Library**

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Today the Library consists of a Main Library and 21 branches located throughout Franklin County, Ohio. Additionally, the Library entered into a contract in 1993 with Worthington Public Library, a separate legal entity, to contribute to the operation of a library facility that services the citizens of both library districts.

## **REPORTING ENTITY**

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

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

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

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

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

## Materials and Services

The Library's collection contains almost 2.5 million items including books, audio and video tapes, compact discs, DVD's, multimedia CD-ROM's, e-book and audio e-book services, magazines, books-on-tape, books-on-CD's, pamphlets, maps, annual reports, sheet music and circulating visuals. The Library also has a microfilm collection of past issues of many periodicals including magazines and newspapers that serve as a resource for historians and genealogists.

# Columbus Metropolitan Library

Public access computers at all Library locations provide access to the Internet and a wealth of electronic databases. Customers can utilize many resources through the Library's Virtual Branch, at [columbuslibrary.org](http://columbuslibrary.org). This site provides access to directories, indexes, abstracts and full-text information on careers and researching businesses.

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

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

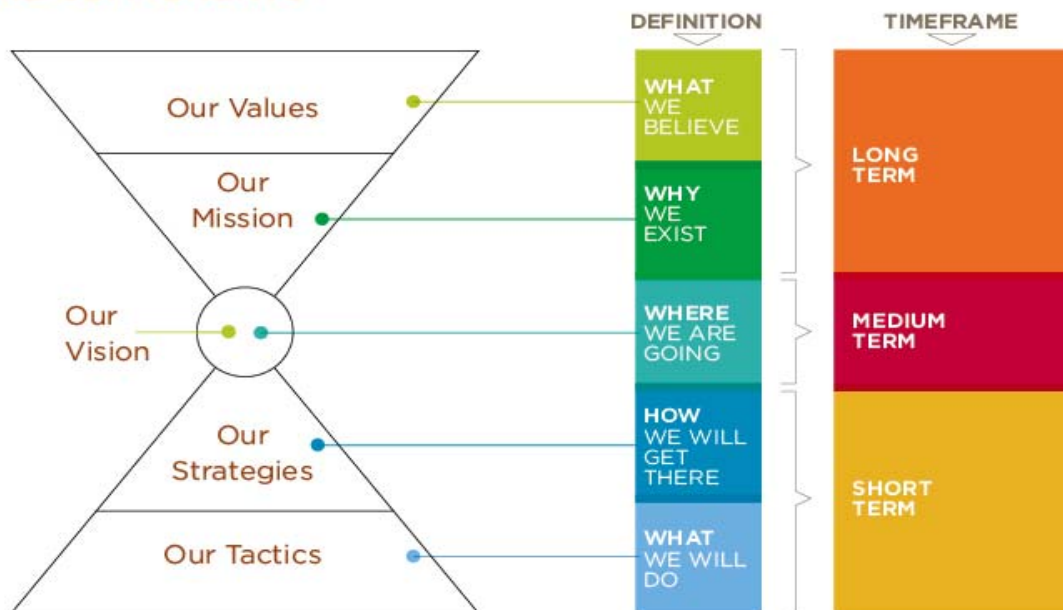
## STRATEGIC PLANNING

At the Columbus Metropolitan Library, our strategic plan is a living document with measurable objectives, clear initiatives, and a purposeful mission that strives to help customers convert information and knowledge into wisdom with a vision focused on enriching our quality of life. Our vision is already becoming a reality thanks to the dedication of the Library's staff and the support of the community.

As a result of the outcomes from research completed by a marketing committee some of the components of the strategic plan were revised in 2006 to enhance the focus and continuity of the plan.

## LONG-TERM PLANNING FRAMEWORK

### CORE COMPONENTS



# Columbus Metropolitan Library

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OUR VALUES



WHAT WE BELIEVE IN

RESPECT

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

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

TRUST

EXCELLENCE

We strive for the ideal outcome in everything we do.

We are dedicated and passionate about changing lives.

PASSION

OUR MISSION



WHY WE EXIST

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

OUR VISION



WHERE WE ARE GOING

“A THRIVING COMMUNITY WHERE WISDOM PREVAILS.”



# Columbus Metropolitan Library



Our **external customer** strategies must be focused. While we are open to all, we cannot be all things to all people. We will **focus** on three outcomes and customer segments:

	SEGMENT	STRATEGY	OUTCOME
1.	YOUNG MINDS	Support children and their parents through the teen years	Enhanced opportunities to read and grow
2.	VIRTUAL USERS	Make technology "Open to All"	Connected individuals and communities
3.	POWER USERS	Deliver tomorrow's library today	Wildly enthusiastic customers!



Our **internal staff** strategies support our mission and vision.

STRATEGY	OUTCOME
• Expand our capacity	Maximum impact
• Engage our team	Committed associates who live the brand



We develop and execute an annual tactical plan.

# Columbus Metropolitan Library

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

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

## 2006 STRATEGIC ACCOMPLISHMENTS

### Top Priorities for 2006

- Staffing for the future
- Improving core technologies
- Public Service program review
- Implement the marketing plan
- Develop long-range facilities plan

### We provide excellent service to all

- Planning for a technology center in SBN is complete with construction to complete in 2007
- PSD Program Review underway and will result in an annual review process
- RFID analysis
- Additional parking added at Linden Branch
- Installation of wireless technology
- Website improvements

### We understand and respond to the hopes, aspirations and needs of our diverse, multicultural community

- Regional cooperation continues with area libraries on digital media circulation
- Statewide cooperation continues with urban smaller libraries on purchasing of electronic databases
- ESOL cooperation
- Entrepreneurship Steering Committee joint project

# Columbus Metropolitan Library

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## We market, promote and merchandise the library's values to the community

- Planning for 100-year Carnegie building anniversary (April 2007)
- Initial phases of the Marketing Plan are complete
- Rollout of new identity launched November 10, 2006
- Utilized number one HAPLR status in communications this year.

## We engage our team in the achievement of the mission and vision of the organization

- Competencies and training tracks created for all job titles
- IFAS improvements
- Finance Department process improvements
- Wellness program in response to Organizational Climate Survey
- Quality and process improvement implementation
- Property Management Department review
- New staff and public copiers

## We collect materials and design programs and services that enrich, inform, educate and entertain

- Collection Development scope statements revised
- Added Homework Help Centers at Hilltop and Northside

## We ensure the vitality of our current funding resource and explore ways to build capacity

- Participating on OLC Government Relations Committee
- Revised Fines and Fees recommendation
- Completed additional energy conservation projects

## ECONOMIC CONDITIONS AND OUTLOOK

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

<u>Population Growth</u>	<u>City of Columbus</u>	<u>Franklin County, Ohio</u>
1980	566,800	869,132
1990	632,910	961,437
2000	711,470	1,068,978
2010*	Not Available	1,155,911
2020*	Not Available	1,238,245
2030*	Not Available	1,326,184

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

\* - projected

# Columbus Metropolitan Library

The usually diverse and strong economy of the Columbus Metropolitan Area continues to show signs of economic strength. Annual unemployment in Franklin County was 4.7%, which is lower than the State of Ohio rate of 5.5% and is comparable to the United States rate of 4.6%.

The outlook remains consistent when compared the April, 2007 estimate of 4.6%, the most recent data available.

Source: Ohio Department of Job and Family Services

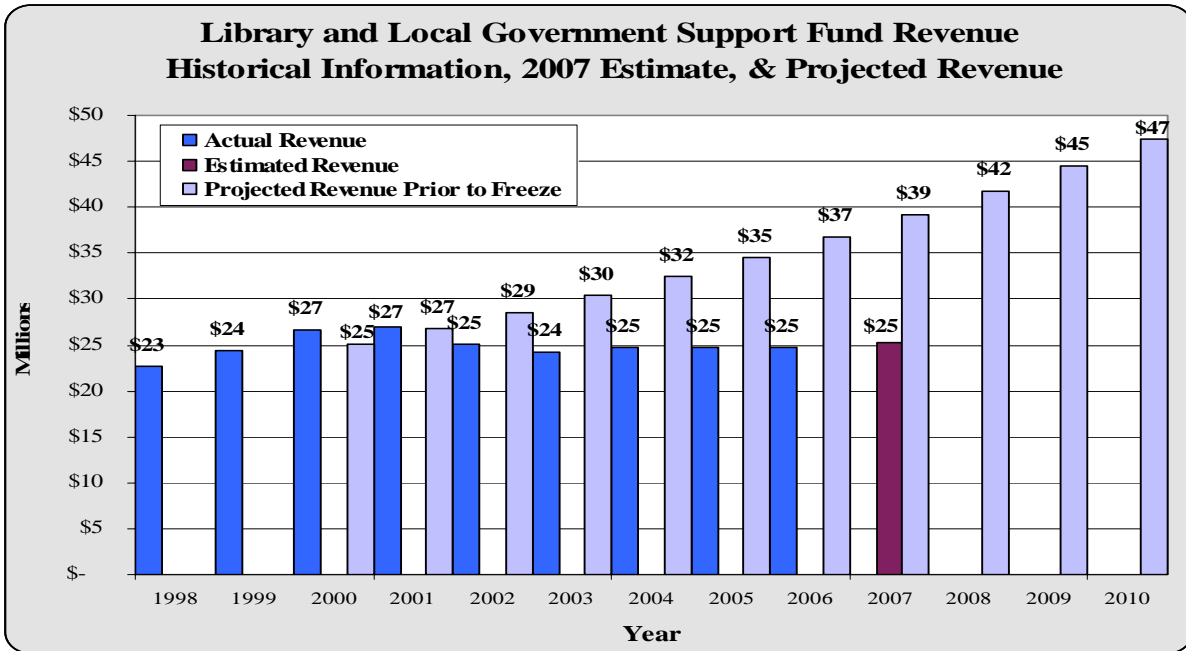
## LONG-TERM FINANCIAL PLANNING

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

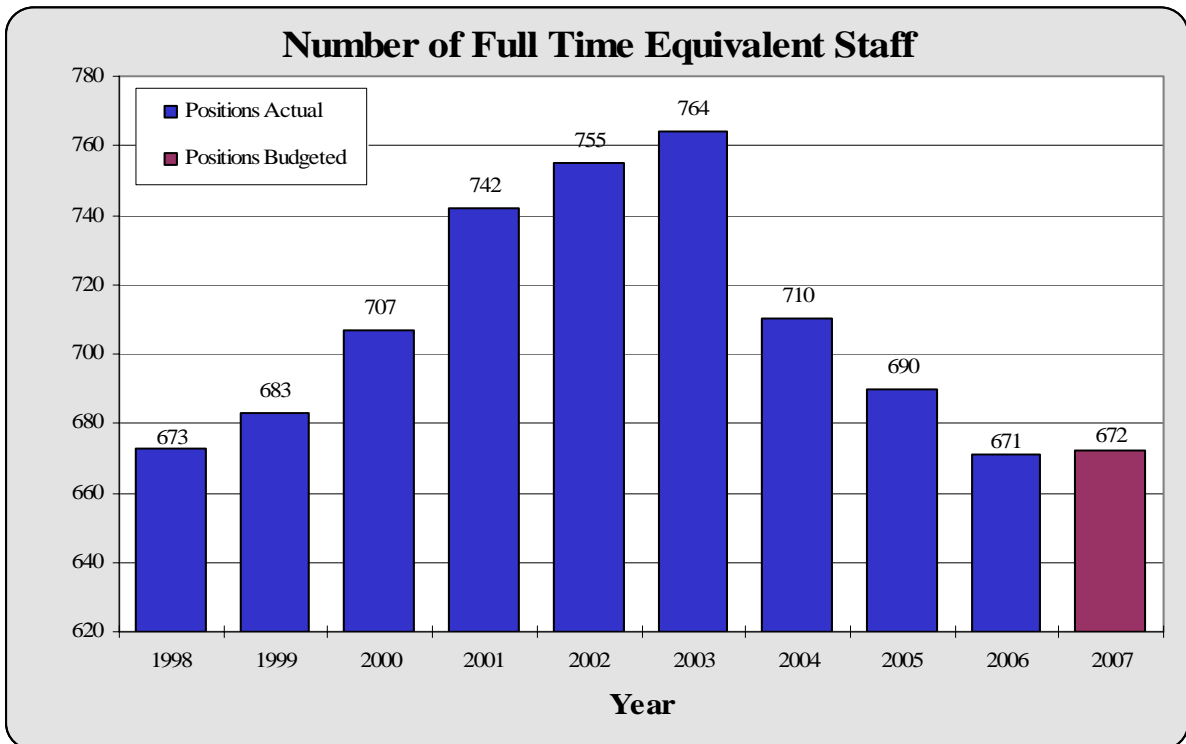


The following chart shows the effect of changes in State of Ohio funding over the past several years. This source of revenue had been increasing at a significant pace until 2001. Due to the past several years of economic downturn, the State has frozen their funding. Even with the recent improvement in the local economy, State statute has the freeze in effect through June 2007.

# Columbus Metropolitan Library

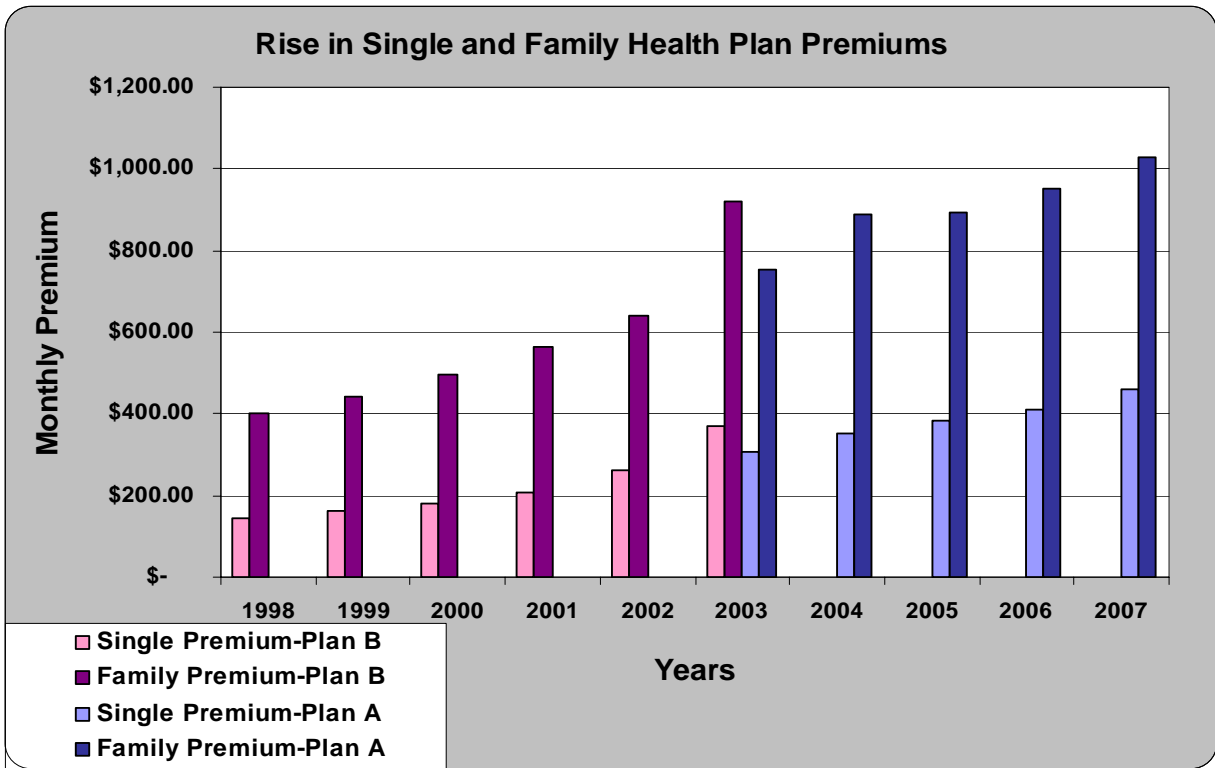


One area of concern is the continued rise in the cost of staffing and employee benefits, especially health insurance coverage. The following chart shows the Library's effort to reduce vacant positions through the use of process efficiencies and automation. The Library has committed to reducing staff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

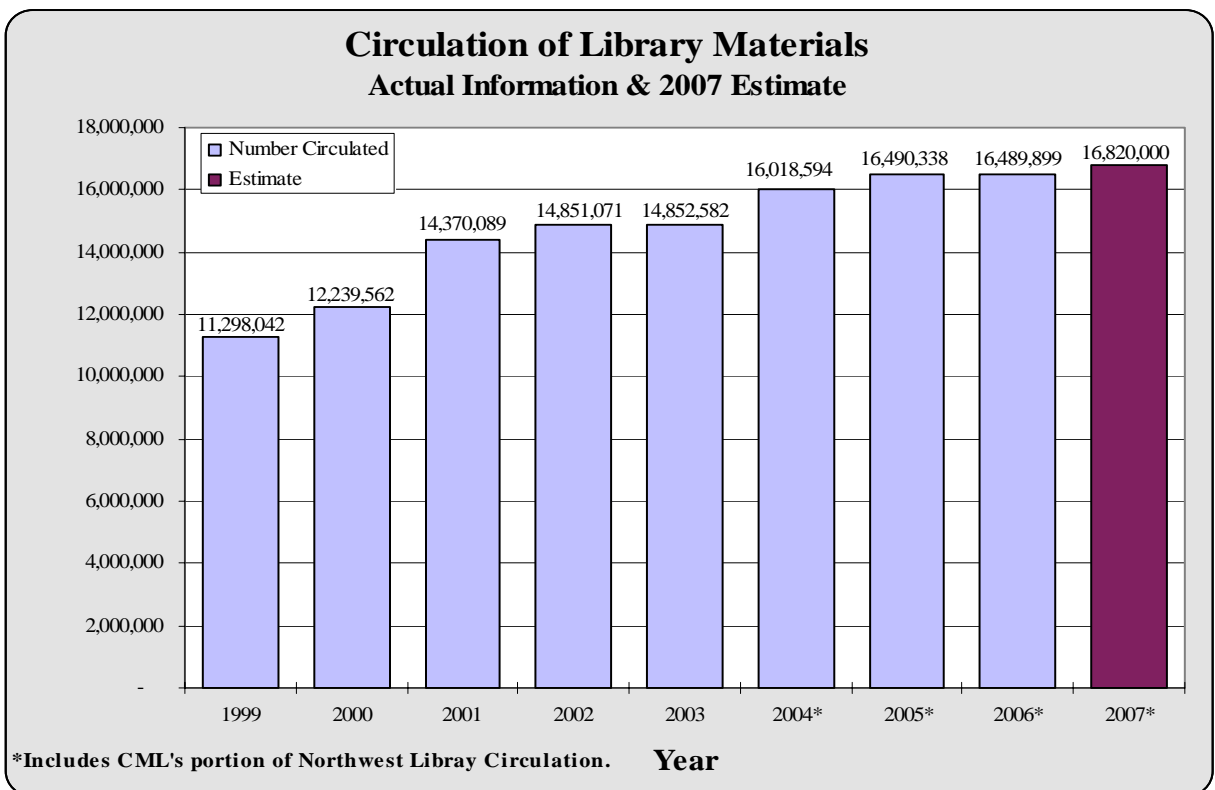


Even with decrease in staffing levels, the cost of health insurance still continues to increase. The following chart shows the rapid increase to both the Library and to the employee.

# Columbus Metropolitan Library



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



# Columbus Metropolitan Library

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## FINANCIAL INFORMATION

### Financial Reporting Model

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

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

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

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

### Accounting System and Budgetary Control

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

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

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

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

### Budgetary and Financial Policies

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

# Columbus Metropolitan Library

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## Applies to All Funds:

- A temporary budget may be adopted prior to January 1 each year for all funds. The final budget for the year must be filed with the Franklin County Budget Commission by April 1, in accordance with Ohio law.
- Appropriations, when established for multiple-year projects, are for the life of the project and lapse only when the project is closed. For annual budgeting purposes, the remaining appropriation balance in each of these projects is reappropriated at the beginning of each budget year.
- The level at which the Board approves each budget becomes the "legal level of control." This is the level at which transfers of appropriation requires Board action. For the General Fund, the Board approves the budget at the character level, as follows: Salaries and Benefits, Supplies, Purchased and Contracted Services, Library Materials, Capital Outlay, and Other Expenditures. All other funds are budgeted at the total expenditure level.
- The permanent budget may be amended or supplemented after being adopted, as new information becomes available later in the year. The Board must authorize all amendments or supplements to the budget. Cash transfers between funds also require the Board's approval.
- The County Budget Commission provides, on an annual basis, a Certificate of Estimated Resources. This document controls the maximum amount that can be appropriated for each fund. It lists the beginning balance in each fund, provides the tax collection estimate for each fund, and shows other revenues estimated by the Library. The Library's maximum annual appropriations are controlled by this document. The Library may request that this document be amended during the year if revenues are lower or higher than first anticipated.
- All rates for patron fines, fees, and charges are established by the Board.
- Purchase orders and contracts outstanding and unpaid at the end of each year are automatically re-encumbered and reappropriated at the beginning of the succeeding budget year.
- Library cash is pooled for investment purposes. All investments and interest earned on investments are credited to each fund in accordance with Library Board policy.
- Library revenues and expenditures are monitored and reported to the Board monthly by the Library's Clerk-Treasurer to determine if they are on target with estimates.

## Applies to only the General Fund:

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

## Applies to only the Capital Projects Fund:

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



# Columbus Metropolitan Library

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## RISK MANAGEMENT

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

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

## PENSION BENEFITS

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

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

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

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

See Note 6 for additional pension information.

# Columbus Metropolitan Library

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## 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, 2005. This is the twentieth (20th) consecutive year that the Library has achieved this prestigious award.

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

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

## ACKNOWLEDGMENTS

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

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

Sincerely,

A handwritten signature in black ink that reads "Dewitt D. Harrell". The signature is written in a cursive, flowing style.

DEWITT HARRELL  
Chief Financial Officer/Clerk-Treasurer

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FINANCIAL SECTION

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Columbus Metropolitan Library, Franklin County, Ohio (the Library) as of and for the year ended December 31, 2006, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Metropolitan Library, Franklin County, Ohio, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2007 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



Kennedy Cottrell Richards LLC  
June 15, 2007

## COLUMBUS METROPOLITAN LIBRARY

### Management's Discussion and Analysis for the Year Ended December 31, 2006

As management of the Columbus Metropolitan Library (the Library), we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Columbus Metropolitan Library for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the financial statements, and the notes to the financial statements.

#### Financial Highlights

Key financial highlights for the fiscal year 2006 are as follows:

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by \$108,324,156. Of this amount, \$23,030,705 was unrestricted and may be used to meet the Library's ongoing obligations.
- The Library's net assets decreased by \$725,031 or 0.01%.
- Of the \$50,687,400 in total revenues, general revenues accounted for \$46,859,303 or 92.45 percent. Program specific revenues in the form of charges for services, grants and contributions accounted for \$3,828,097 or 7.55 percent.
- The Library had \$51,412,431 in expenses related to governmental activities; 7.45 percent of these expenditures were offset with program specific revenues. The remaining 92.55 percent was provided by general revenues of the Library, including Property Taxes, State of Ohio shared revenues and investment earnings.
- The Library has two major funds: the general fund and the capital projects fund. Under the modified basis of accounting, the general fund had \$54,774,642 in revenues and \$47,902,850 in expenditures. An additional \$1,500,000 in other uses resulted in an increase in fund balance of \$5,371,792. The capital projects fund had \$470,244 in revenues and \$1,723,706 in expenditures. An additional \$1,500,000 in other sources resulted in an increase in fund balance of \$246,538.
- At the end of the fiscal year, the unreserved fund balance in the general fund was \$14,221,722. This represents 87.44 percent of total fund balance and 29.69 percent of 2006 general fund expenditures.

#### Overview of the Financial Statements

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

## COLUMBUS METROPOLITAN LIBRARY

### Management's Discussion and Analysis for the Year Ended December 31, 2006

#### **Government-wide Financial Statements**

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

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

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

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The funds of the Library are divided into two categories: governmental funds and proprietary funds.

#### Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, a reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

#### Proprietary Funds

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



COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2006

Notes to the Financial Statements

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

Government-wide Financial Analysis

The Statement of Net Assets provides the perspective of the Library as a whole. Table 1 provides a summary of the Library's net assets for 2006 compared to 2005. See note 11 for restatement details.

Table 1  
Net Assets

	Governmental Activities	
	2006	2005, restated
<b>Assets</b>		
Current and Other Assets	\$ 63,927,765	\$ 61,822,183
Capital Assets	<u>71,928,282</u>	<u>73,563,672</u>
Total Assets	<u>\$135,856,047</u>	<u>\$135,385,855</u>
<b>Liabilities</b>		
Long-Term Liabilities	1,992,081	2,231,744
Other Liabilities	<u>25,539,810</u>	<u>24,104,924</u>
Total Liabilities	<u>27,531,891</u>	<u>26,336,668</u>
<b>Net Assets</b>		
Invested in Capital Assets	71,928,282	73,563,672
Restricted	13,365,169	13,663,182
Unrestricted	<u>23,030,705</u>	<u>21,822,333</u>
Total Net Assets	<u>\$108,324,156</u>	<u>\$109,049,187</u>

Total assets increased \$470,192 and total liabilities increased \$1,195,223.

Equity in Pooled Cash and Cash Equivalents increased \$1,402,056, or 5.84% and Net Capital Assets decreased \$1,635,390, or 2.22%, primarily due to depreciation expenses. There were no other significant changes to assets.

On the liability side, Accounts Payable increased \$1,328,360, or 117.47%; Accrued Liabilities, current decreased \$642,427, or 35.49%; and Unearned Revenues increased 799,473, or 3.84%. There were no other significant changes to liabilities.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2006

Table 2 shows a comparison of the changes in net assets for the fiscal year ended December 31, 2006 compared to December 31, 2005.

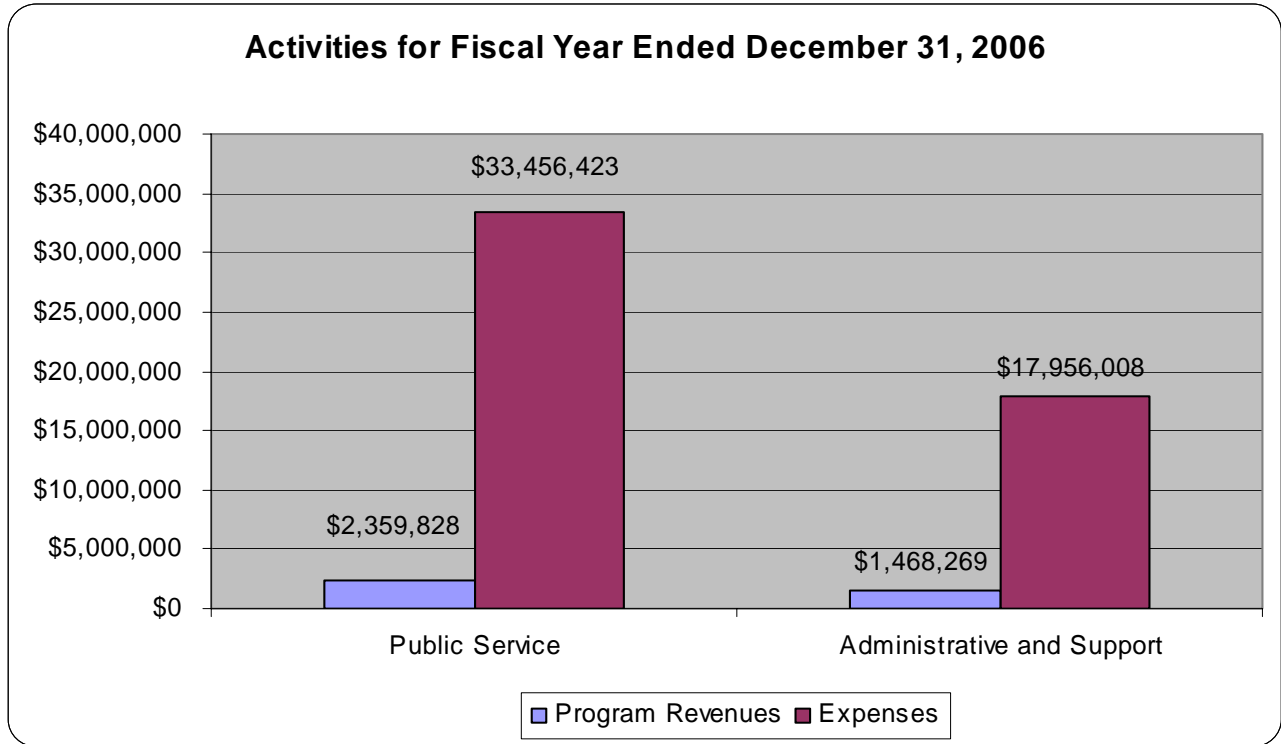
	Governmental Activities	
	2006	2005
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 3,618,977	\$ 3,765,032
Operating Grants, Contributions and Interest	209,120	105,987
Capital Grants and Contributions	-	-
General Revenue		
Property Taxes	18,096,282	20,243,252
Intergovernmental	27,358,159	38,571,919
Investment Earnings	<u>1,404,862</u>	<u>766,584</u>
Total Revenues	<u>\$50,687,400</u>	<u>\$63,452,774</u>
<b>Program Expenses</b>		
Public Service	33,456,423	32,512,093
Administrative and Support	<u>17,956,008</u>	<u>16,768,918</u>
Total Expenses	<u>51,412,431</u>	<u>49,281,011</u>
Increase (decrease) in Net Assets	<u>\$ (725,031)</u>	<u>\$ 14,171,763</u>

A 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 comes 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 districts within that county. Within Franklin County there are seven (7) public library districts that share this revenue. Each library's share of the fund is established by the Budget Commission. The Budget Commission uses a formula to determine each Library's share of the money; however, the use of a formula is not mandatory under Ohio law. This formula was negotiated and agreed to by each of the library districts within the county. Based on the formula, the Library received 59.82% in 2006.

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

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2006



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

Table 3  
Governmental Activities

	<u>Total Cost of Services - 2006</u>	<u>Total Cost of Services - 2005</u>	<u>Net Cost of Services - 2006</u>	<u>Net Cost of Services - 2005</u>
Program Expenses				
Public Service	\$ 33,456,423	\$ 32,512,093	\$ 31,096,595	\$ 29,888,829
Administrative and Support	<u>17,956,008</u>	<u>16,768,918</u>	<u>16,487,739</u>	<u>15,521,163</u>
Total	\$ <u>51,412,431</u>	\$ <u>49,281,011</u>	\$ <u>47,584,334</u>	\$ <u>45,409,992</u>

The above schedule clearly shows the dependence upon tax revenues and state subsidies for governmental activities. Only 7.45 percent of the activities performed by the Library are supported through program revenues such as charges for services, grants and contributions. The remaining 92.55 percent is provided through taxes, intergovernmental revenues, and investment earnings.

## COLUMBUS METROPOLITAN LIBRARY

### Management's Discussion and Analysis for the Year Ended December 31, 2006

#### Fund Financial Analysis

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

The general fund is the chief operating fund of the Library. At December 31, 2005, \$14,221,722 of the Library's ending fund balance represents the unreserved portion of the general fund, which is available for spending at the Library's discretion. This unreserved fund balance represents 29.69 percent of 2006 general fund expenditures.

At December 31, 2006, the capital projects fund had an ending fund balance of \$9,282,602 available to complete current projects and provide funding for future projects.

As of December 31, 2006, the Library's governmental funds reported combined ending fund balances of \$28,261,068, an increase of \$5,829,428 in comparison to the prior year. All governmental funds had total revenues of \$56,239,864 and expenditures of \$50,410,436.

#### General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal 2006, the Library amended its general fund budget, but not significantly. The Library closely monitors its resources and uses and if necessary, modifies the budgetary documents on a timely basis. The only amendment was a \$1,500,000 increase in transfers-out. This amount was transferred to the capital projects fund for future projects.

For the general fund, budget basis revenue was \$49,407,318, which was short of the estimate of \$49,829,806 by \$422,488.

For the general fund, budget basis expenditures were \$47,517,248, which was below original the estimate of \$50,029,806. Of this \$2,512,558 difference, \$1,218,430 was due to salaries and benefits savings and \$857,722 was due to lower than anticipated purchased service costs.

The Library's ending unobligated cash balance was \$8,754,969.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2006

Capital Assets

At the end of fiscal year 2006, the Library had \$71,928,282 invested in capital assets. Table 4 shows fiscal ended December 31, 2006 compared to December 31, 2005. See note 11 for restatement details.

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

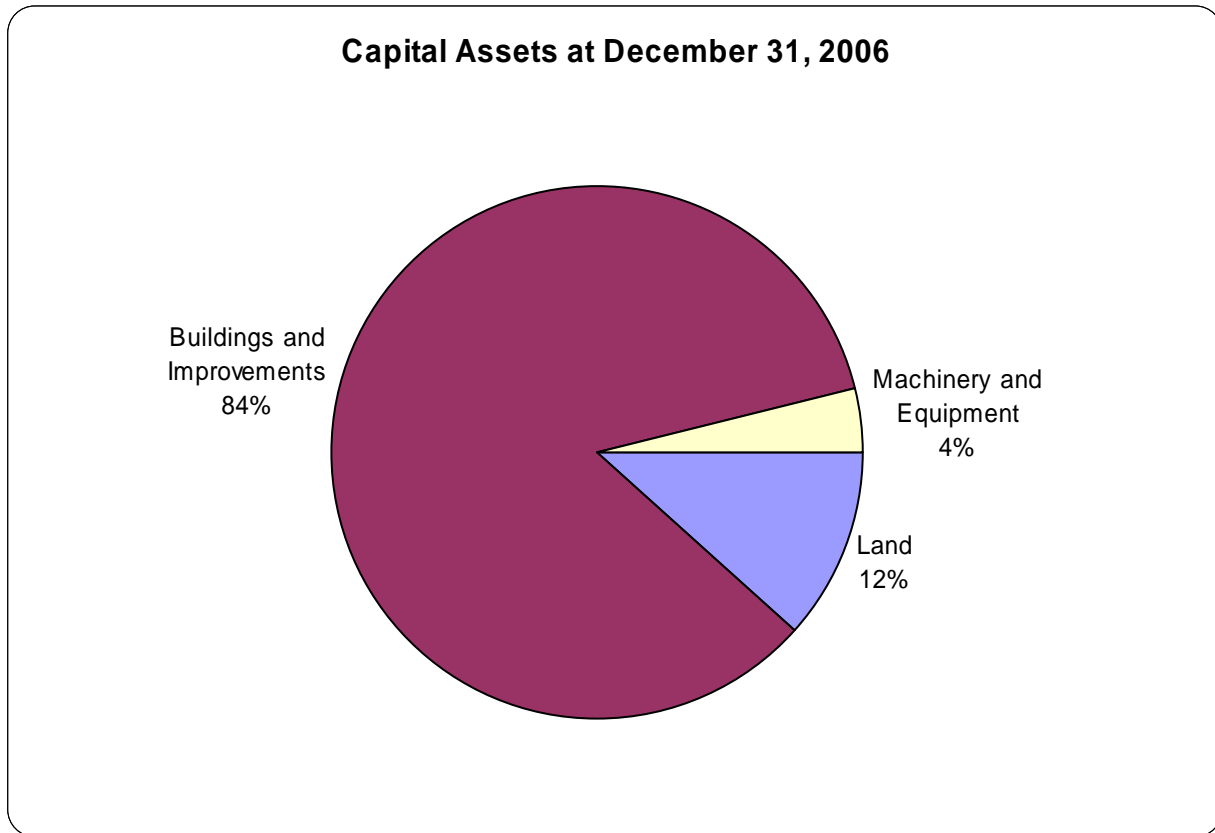
	Governmental Activities	
	<u>2006</u>	<u>2005, restated</u>
Land	\$ 8,325,279	\$ 8,103,892
Buildings and Improvements	60,772,801	61,950,490
Machinery and Equipment	<u>2,830,202</u>	<u>3,509,290</u>
Totals	<u>\$ 71,928,282</u>	<u>\$ 73,563,672</u>

During 2006, the Library invested \$1,395,066 in additional Capital Assets, including additional land, purchased to expand the Linden Branch parking lot.

See Note 5 for additional capital asset information.

## COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2006



### Economic Factors

The Columbus Metropolitan Library is currently financially stable. However, the stability of future state funding is unknown. In order to address the decrease in state tax revenues, the LLGSF distributions have been "frozen" at 2003 levels until the end of the current state biennium (June 30, 2007).

### Contacting the Library's Financial Management

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Statement of Net Assets**  
**December 31, 2006**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 25,414,269
Receivables	37,951,598
Prepays	561,898
Capital Assets, Nondepreciable	8,325,279
Capital Assets, Net of Depreciation	63,603,003
Total Assets	<u>135,856,047</u>
<b>LIABILITIES</b>	
Accounts Payable	2,459,157
Compensated Absences, Short-term	306,058
Accrued Liabilities, current	1,167,857
Unearned Revenues	21,606,737
Compensated Absences, Long-term	1,992,081
Total Liabilities	<u>27,531,890</u>
<b>NET ASSETS</b>	
Invested in Capital Assets	71,928,282
Restricted for:	
Land Development	1,228,698
Parking Garage	191,196
Restricted Donations	156,477
Capital Projects	11,706,362
Permanent Fund	82,436
Unrestricted	23,030,706
Total Net Assets	<u>\$ 108,324,157</u>

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Statement of Activities**  
**For the Year Ended December 31, 2006**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<b>Net (Expense) Revenue and Changes in Net Assets</b>
<b>Primary Government:</b>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General Government:				
Public Service	\$ 33,456,423	\$ 2,150,708	\$ 209,120	\$ (31,096,595)
Administrative and Support	17,956,008	1,468,269	-	(16,487,739)
<b>Total Governmental Activities</b>	<u>\$ 51,412,431</u>	<u>\$ 3,618,977</u>	<u>\$ 209,120</u>	<u>(47,584,334)</u>
General Revenues:				
Property Taxes				18,096,282
Intergovernmental, Unrestricted				27,358,159
Unrestricted Investment Earnings				1,404,862
Total General Revenues				<u>46,859,303</u>
Change in Net Assets				(725,031)
Net Assets - Beginning				111,831,852
Restatement - See Note #9				(2,782,665)
Net Assets - Ending				<u>\$ 108,324,156</u>

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



**COLUMBUS METROPOLITAN LIBRARY**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2006**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 10,862,041	\$ 10,354,335	\$ 1,718,023	\$ 22,934,399
Receivables	37,741,882	47,712	9,418	37,799,012
Prepays	559,914	-	1,984	561,898
Total Assets	<u>\$ 49,163,837</u>	<u>\$ 10,402,047</u>	<u>\$ 1,729,425</u>	<u>\$ 61,295,309</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 2,153,592	\$ 65,125	\$ 22,440	\$ 2,241,157
Accrued Liabilities	1,122,042	-	45,815	1,167,857
Deferred Revenue	29,622,864	-	2,363	29,625,227
Total Liabilities	<u>32,898,498</u>	<u>65,125</u>	<u>70,618</u>	<u>33,034,241</u>
Fund Balances:				
Reserved for:				
Encumbrances	1,483,703	1,054,320	4,597	2,542,620
Prepays	559,914	-	1,984	561,898
Endowments	-	-	67,742	67,742
Unreserved, Special Revenue	-	-	1,569,790	1,569,790
Unreserved, Capital Projects	-	9,282,602	-	9,282,602
Unreserved, Permanent	-	-	14,694	14,694
Unreserved	14,221,722	-	-	14,221,722
Total Fund Balances	<u>16,265,339</u>	<u>10,336,922</u>	<u>1,658,807</u>	<u>28,261,068</u>
Total Liabilities and Fund Balances	<u>\$ 49,163,837</u>	<u>\$ 10,402,047</u>	<u>\$ 1,729,425</u>	<u>\$ 61,295,309</u>

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Assets of Governmental Activities**  
**December 31, 2006**

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Total Fund Balances for Governmental Funds	\$	28,261,068
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		71,928,282
Long-term liabilities, such as the long-term portion of compensated absences, are not due and payable in the current period therefore not reported in the governmental funds.		(2,298,139)
Assets of the internal service fund that primarily serve governmental funds		2,632,456
Liabilities of the internal service fund that primarily serve governmental funds		(218,000)
Liabilities for revenue earned, but uncollected		8,018,490
Net Assets of Governmental Activities	<u>\$</u>	<u>108,324,157</u>

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2006**

	<b>General</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property Taxes	\$ 18,566,700	\$ -	\$ -	\$ 18,566,700
Intergovernmental	32,557,054	-	-	32,557,054
Fines and Fees	1,866,936	-	-	1,866,936
Investment Earnings	748,870	470,244	72,895	1,292,009
Charges for Services	677,641	-	747,609	1,425,250
Contributions and Donations	56,164	-	152,956	209,120
Miscellaneous	301,277	-	21,518	322,795
Total Revenues	<u>54,774,642</u>	<u>470,244</u>	<u>994,978</u>	<u>56,239,864</u>
<b>EXPENDITURES</b>				
Current:				
Public Service	32,230,163	-	104,841	32,335,004
Administrative and Support	15,067,225	79,409	679,039	15,825,673
Capital Outlay	605,462	1,644,297	-	2,249,759
Total Expenditures	<u>47,902,850</u>	<u>1,723,706</u>	<u>783,880</u>	<u>50,410,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,871,792</u>	<u>(1,253,462)</u>	<u>211,098</u>	<u>5,829,428</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In		1,500,000	-	1,500,000
Transfers Out	(1,500,000)	-	-	(1,500,000)
Total Other Financing Sources (Uses)	<u>(1,500,000)</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	5,371,792	246,538	211,098	5,829,428
Fund Balances at Beginning of Year	<u>10,893,547</u>	<u>10,090,384</u>	<u>1,447,709</u>	<u>22,431,640</u>
Funds Balance End of Year	<u>\$ 16,265,339</u>	<u>\$ 10,336,922</u>	<u>\$ 1,658,807</u>	<u>\$ 28,261,068</u>

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**to the Statement of Activities**  
**Governmental Funds**  
**For the Year Ended December 31, 2006**

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Net Change in Fund Balances - Total Governmental Funds	\$ 5,829,428
Amounts reported for governmental activities in the statement of activities are different because:	
Eliminate capitalizable expenditures incurred for the acquisition or construction of capital assets.	1,395,066
Reverse prior year revenue earned during the prior period.	(13,581,210)
Depreciation expense.	(2,990,261)
Net revenue of internal service fund activities.	593,200
Record internal service fund revenues and expenses not subject to consolidation.	116,849
Revenue earned, but uncollected	7,911,897
Change in Net Assets of Governmental Activities	\$ (725,031)

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget (Non-GAAP) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Intergovernmental	\$ 24,848,773	\$ 24,848,773	\$ 24,808,052	\$ (40,721)
Property Taxes	21,509,533	21,274,533	20,950,497	(324,036)
Fines and Fees	1,833,200	1,918,200	1,870,412	(47,788)
Charges for Services	707,800	707,800	687,171	(20,629)
Investment Earnings	575,000	725,000	733,803	8,803
Contributions and donations	50,000	50,000	56,314	6,314
Miscellaneous	305,500	305,500	301,069	(4,431)
Total Revenues	<u>49,829,806</u>	<u>49,829,806</u>	<u>49,407,318</u>	<u>(422,488)</u>
<b>EXPENDITURES</b>				
Current:				
Public Service	33,848,154	33,848,154	31,884,656	1,963,498
Administrative and Support	15,336,412	15,336,412	14,835,152	501,260
Capital Outlay	845,240	845,240	797,440	47,800
Total Expenditures	<u>50,029,806</u>	<u>50,029,806</u>	<u>47,517,248</u>	<u>2,512,558</u>
Excess (deficiency) of Revenue over (under) Expenditures	(200,000)	(200,000)	1,890,070	2,090,070
<b>OTHER FINANCING SOURCES (USES)</b>				
Advances In	350,000	350,000	350,000	-
Transfers Out	-	(1,500,000)	(1,500,000)	-
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>(1,150,000)</u>	<u>(1,150,000)</u>	<u>-</u>
Net Changes in Fund Balances	150,000	(1,350,000)	740,070	2,090,070
Fund Balances at Beginning of Year	8,014,899	8,014,899	8,014,899	-
Funds Balance End of Year	<u>\$ 8,164,899</u>	<u>\$ 6,664,899</u>	<u>\$ 8,754,969</u>	<u>\$ 2,090,070</u>

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Statement of Net Assets**  
**Proprietary Fund**  
**December 31, 2006**

	<b>Governmental Activities Internal Service Fund</b>
<b>ASSETS</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 2,479,870
Receivables	152,586
Total Assets	\$ 2,632,456
<b>LIABILITIES</b>	
Current Liabilities:	
Claims Payable	\$ 218,000
Total Liabilities	218,000
<b>NET ASSETS</b>	
Unrestricted	2,414,456
Total Net Assets	\$ 2,414,456

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Fund**  
**For the Year Ended December 31, 2006**

	<b>Governmental Activities Internal Service Fund</b>
Operating Revenues	
Charges for Services	\$ 3,016,979
Miscellaneous	24,017
Total Operating Revenues	3,040,996
Operating Expenses	
Contractual Services	409,359
Claims Paid	2,038,437
Total Operating Expenses	2,447,796
Operating Income	593,200
Non Operating Revenues	
Interest	116,849
Total Non Operating Revenues	116,849
Change in Net Assets	710,049
Net Assets Beginning of Year	1,704,407
Net Assets End of Year	\$ 2,414,456

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended December 31, 2006**

	<u>Governmental Activities Internal Service Fund</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Cash Received for Claims	\$ 2,911,756
Cash Received from Reimbursements	29,695
Cash Payments for Administrative Fees	(409,359)
Cash Payments for Claims	(1,967,437)
Net Cash Provided by Operating Activities	<u>564,655</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Repayment of Advance	(350,000)
Net Cash Provided from Noncapital Financing Activities	<u>(350,000)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Interest Income	116,849
Net Cash Provided from Investing Activities	<u>116,849</u>
Net Increase in Cash and Cash Equivalents	331,504
Cash and Cash Equivalents Beginning of Year	<u>2,148,366</u>
Cash and Cash Equivalents End of Year	<u>\$ 2,479,870</u>
 <b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>	
Operating Income	<u>\$ 593,200</u>
Adjustments:	
Increase in Receivables	(123,687)
Increase in Claims Payable	95,142
Total Adjustments	<u>(28,545)</u>
Net Cash Provided by Operating Activities	<u>\$ 564,655</u>

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



# COLUMBUS METROPOLITAN LIBRARY

## Notes to the Basic Financial Statements

December 31, 2006

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

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

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

For the fiscal year ended December 31, 2006, the Library implemented GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section – an amendment of NCGA Statement 1* and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

In September 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenue*. This Statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability. This statement is effective for periods beginning after December 15, 2006 and the Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

In November 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations. This statement is effective for periods beginning after December 15, 2007 and the Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

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

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

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

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

# COLUMBUS METROPOLITAN LIBRARY

## Notes to the Basic Financial Statements

December 31, 2006

(1) Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

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

# COLUMBUS METROPOLITAN LIBRARY

## Notes to the Basic Financial Statements

December 31, 2006

(1) Summary of Significant Accounting Policies (continued)

(b) **Financial reporting presentation**

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

### GOVERNMENTAL FUNDS

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

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

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

### **Other Governmental Funds**

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

### PROPRIETARY FUNDS

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

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

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

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

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2006

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

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

transactions, in which the Library gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, shared revenues and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the Library. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

(d) **Encumbrances**

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

(e) **Cash Equivalents**

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

(f) **Investments**

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Library records all of its investments at fair value as defined in the Statement. The Library does not engage in any form of derivatives or reverse repurchase agreements in the management of its investment portfolio. During 2006, investments were limited to non-negotiable certificates of deposit, federal agency securities, money market accounts and STAR Ohio. All investments are reported at fair value except for non-negotiable certificates of deposit, which are reported at cost. The Library's cash and investments are further explained in Note 3.

(g) **Capital Assets**

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

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

December 31, 2006

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

**(g) Capital Assets (continued)**

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

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

Library books and materials purchased by the Library are reflected as expenditures when purchased and are not capitalized as assets of the Library. The Library currently has a library materials collection of approximately 2,474,000 volumes. The Library does not own any fine art, rare book collections or artifacts.

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

<u>Description</u>	<u>Estimated Life (years)</u>
Buildings	60
Machinery/General Equipment/Furniture	20
Land Development	15
Business Machines/Printers/AudioVisual Equipment/ HVAC Equipment/Parking Equipment	10
Security Equipment/Phone Equipment	7
Vehicles/Computers/Artwork/Photocopiers/Computer Software	5

**(h) Insurance**

The Library is insured by private carriers for property damage, personal injury and public official liability. Judgments and claims in excess of policy limits are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. At December 31, 2006, 2005 and 2004, there were no outstanding judgments or claims in excess of policy limits. There were no significant changes in insurance coverage from the previous year and no insurance settlement has exceeded insurance coverage during the last three years.

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

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Unpaid Claims Jan 1,	\$ 154,387	\$ 191,991	\$ 147,000
Incurred Claims	1,802,625	1,946,347	2,038,437
Payment of Claims	<u>(1,765,021)</u>	<u>(1,991,338)</u>	<u>(1,967,437)</u>
Unpaid Claims Dec 31,	<u>\$ 191,991</u>	<u>\$ 122,858</u>	<u>\$ 218,000</u>

The \$218,000 of unpaid claims are reflected in the internal service fund's accounts payable line item.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2006

(1) Summary of Significant Accounting Policies (continued)

(i) Compensated Absences

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

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. All liabilities are paid from the general fund and are recorded in the "accrued liabilities" account. The noncurrent portion of the liability is not reported.

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

(j) Interfund Transactions

During the course of normal operations, the Library has numerous transactions between funds. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement of repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after no operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the basic financial statements.

Interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements.

	Transfer-In		Transfer-Out
General	\$ -		\$ 1,500,000
Capital Projects	1,500,000		-
Total Transfers	<u>\$ 1,500,000</u>		<u>\$ 1,500,000</u>

(k) Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items. Prepaid items consist primarily of insurance premiums, conferences and training, memberships and library material subscriptions.

(l) Budgetary Basis of Accounting

Budget

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

Estimated Resources

The County Budget Commission certifies the budget to the Library by September 1. As part of this certification, the Library receives the official Certificate of Estimated Resources which states the projected receipts of each

# COLUMBUS METROPOLITAN LIBRARY

## Notes to the Basic Financial Statements

December 31, 2006

(1) Summary of Significant Accounting Policies (continued)

(l) Budgetary Basis of Accounting (continued)

fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. The total estimated receipts together with prior year carry over of unencumbered cash then serves as the basis for the annual appropriation. Expenditures and encumbrances from any fund during the ensuing fiscal year must not exceed the amount stated in the Amended Certificate of Estimated Resources.

Appropriations

The Library is required by state statute to adopt an annual appropriation cash basis budget. A temporary appropriation measure to control cash disbursements is passed by the Library's Board of Trustees in December of each year to be effective as of January 1. The permanent appropriation measure then must be passed by April 1 of each year for the period January 1 to December 31. The permanent appropriation measure then may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. Unencumbered appropriations lapse at year-end except in Capital Projects Fund which has continuing appropriations. Any budget change that increases or decreases expenditures at the major expenditure (object) level requires Board authorization. Supplementary appropriations to the General Fund resulted in an increase of \$1,500,000 during the year.

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

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

In addition to the annual expenditures/expenses budgeting described in the preceding paragraphs, all revenues, except for tax revenues, for the General Fund are estimated by the 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. Any appropriation change which will increase or decrease any of the major appropriation classifications requires approval of the Board. Expenditures did not exceed appropriations in any fund type.

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

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

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2006

(1) Summary of Significant Accounting Policies (continued)

(m) Net Assets

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

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

(n) Operating Revenues and Expenses

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

(o) Fund Balance Reserves

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

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

(2) Commitments and Contingencies

(a) Litigation

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

(b) Compensated Absences

A summary of changes in long-term obligations for the year ended December 31, 2006, follows:

	<u>Balance</u> <u>Jan 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec 31, 2006</u>
Governmental Activities	\$ 2,588,322	\$ 2,135,303	(\$ 2,425,486)	\$ 2,298,139

Accrued liabilities are composed of accrued compensatory time earned. Of which, \$306,058 is due within one year. 100% of the compensated absences liability will be liquidated with General Fund resources.

(3) Cash and Investments

The Library pools all individual fund cash balances for investment purposes, except for cash with fiscal agents and restricted investments. According to state statutes, 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 Permanent Fund.



# COLUMBUS METROPOLITAN LIBRARY

## Notes to the Basic Financial Statements

December 31, 2006

### (3) Cash and Investments (continued)

Credit risk is the risk of loss due to the failure of a security issuer to pay principal or interest, or the failure of the issuer to make timely payments of principal or interest. Eligible investments, pursuant to Ohio Revised Code Section 135.14, affected by credit risk include certificates of deposit, commercial paper and bankers acceptances. Credit risk will be minimized by (1) diversifying assets by issuer; (2) ensuring that required, minimum credit quality ratings exist prior to the purchase of commercial paper and bankers acceptances; and (3) maintaining adequate collateralization of certificates of deposits, pursuant to the method as determined by the Clerk-Treasurer.

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

#### Deposits:

At December 31, 2006, the carrying amount of all the Library's deposits (including \$67,742 in non-negotiable certificate of deposits) was \$447,766 and the bank balance was \$933,290. Of the bank balance, \$167,742 was covered by Federal Deposit Insurance and \$765,548 was uninsured and collateralized with securities held by the financial institution or by its trust department or agent but not in the Library's name. Restricted assets of \$67,742 is the endowment principal of the restricted fund.

#### Investments:

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

The types of obligations eligible for investment and deposits are:

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2006

(3) Cash and Investments (continued)

value of the repurchase agreement by at least two percent as defined under the Ohio Revised Code. The Clerk-Treasurer reserves the right to require an additional percentage of collateral securing such repurchase agreements.

7. The state treasurer's investment pool (STAR Ohio), pursuant to Ohio Revised Code Section 135.45.

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

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

Cash and investments at year-end were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Maturity in Years</u>	
			<u>&lt;1</u>	<u>1-2</u>
STAR Ohio (State Treasurer's Asset Reserve)	\$14,522,354	AAAm <sup>1</sup>	\$14,522,354	\$ -
Federal Agency Securities (Non-callable)	4,770,577	N/A <sup>2</sup>	1,742,202	3,028,375
Federal Agency Securities (Callable)	2,045,531	N/A <sup>2</sup>	248,672 <sup>3</sup>	1,796,859 <sup>4</sup>
Federal Agency – Discount	2,051,340	N/A <sup>2</sup>	2,051,340	-
Money Market Fund	1,570,136	AAAm <sup>1</sup>	1,570,136	-
Carrying amount of deposits	447,766		447,766	-
Petty cash and change fund	<u>6,565</u>		<u>6,565</u>	<u>-</u>
Total	<u>\$ 25,414,269</u>		<u>\$20,589,035</u>	<u>\$4,825,234</u>

Per Statement of Net Assets:

Cash and investments	\$ 25,346,527
Cash and investments – Restricted	<u>67,742</u>
Total	<u>\$ 25,414,269</u>

<sup>1</sup> - Standard & Poors. <sup>2</sup> - Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. <sup>3</sup> - all \$248,672 is currently callable. <sup>4</sup> - \$0 is currently callable.

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2006**

**(3) Cash and Investments (continued)**

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2006.

**(4) Donor Restricted Endowments**

The Library's Permanent Fund includes donor-restricted endowments. Net Assets – Permanent Fund represents both the \$67,742 principal portion of the endowment and the \$14,695 that is available for expenditure. The Library Board of Trustees is permitted to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms state otherwise.

**(5) Receivables**

Receivables at December 31, 2006 for the Library's individual funds consists of the following:

	<u>Taxes &amp; Shared Revenue</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
General	\$ 37,611,196	\$ 50,628	\$ 80,058	\$ 37,741,882
Capital Project	-	47,712	-	47,712
Other Governmental	-	6,898	2,520	9,418
Internal Service	-	<u>11,427</u>	<u>141,159</u>	<u>152,586</u>
Total	<u>\$ 37,611,196</u>	<u>\$ 116,665</u>	<u>\$ 223,737</u>	<u>\$ 37,951,598</u>

**(6) Capital Assets**

A summary of changes in capital assets for the year ended December 31, 2006, follows:

	<u>Balance January 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2006</u>
Nondepreciable Assets:				
Land	\$ 8,103,892	\$ 221,387	\$ 0	\$ 8,325,279
Depreciable Assets:				
Buildings and improvements	77,861,785	118,487	0	77,980,272
Machinery and equipment	9,295,499	1,055,192	(301,161)	10,049,530
Total Depreciable Assets	<u>87,157,284</u>	<u>1,173,679</u>	<u>(301,161)</u>	<u>88,029,802</u>
Total Capital Assets	<u>\$ 95,261,176</u>	<u>\$ 1,395,066</u>	<u>\$ (301,161)</u>	<u>\$ 96,355,081</u>
Accumulated Depreciation:				
Buildings and improvements	(15,911,295)	(1,296,176)	0	(17,207,471)
Machinery and equipment	<u>(5,786,209)</u>	<u>(1,694,085)</u>	<u>260,966</u>	<u>(7,219,328)</u>
Total Accumulated Depreciation	<u>(21,697,504)</u>	<u>(2,990,261)</u>	<u>260,966</u>	<u>(24,426,799)</u>
Total Capital Assets, net	<u>\$ 73,563,672</u>	<u>\$ (1,595,195)</u>	<u>\$ (40,195)</u>	<u>\$ 71,928,282</u>

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

Of the \$2,990,261 depreciation expense, \$1,285,812 was related to Public Service and \$1,704,449 was related to Administrative and Support.

## COLUMBUS METROPOLITAN LIBRARY

### Notes to the Basic Financial Statements

December 31, 2006

(7) **Pension Plans**

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

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2006, member and employer contribution rates were consistent across all three plans. For 2006, member contribution rates were 9.0% of their annual covered salary. The 2006 employer contribution rate was 13.7% of covered payroll. Total required employer contributions for all three plans are equal to 100% of employer charges and should be extracted from the employer's records.

The Library's contributions to OPERS for the years ending December 31, 2006, 2005 and 2004, were \$3,291,241, 3,290,861 and \$3,193,066, respectively, which were equal to the required contributions for each year.

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2006, the Library contributed 13.7% of covered payroll. The Ohio Revised Code currently limits the Library's contribution to a rate not to exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

# COLUMBUS METROPOLITAN LIBRARY

## Notes to the Basic Financial Statements

December 31, 2006

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

OPERS' Post Employment Health Care plan was established in accordance with Internal Revenue Code §401(h). Each year, the OPERS Retirement Board determines the portion of the employer rate that will be set aside for funding of post employment health care benefits. For 2006, the Library's contribution allocated to the health care plan was 4.5% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The rates stated above are actuarially determined contribution requirements for OPERS. The amount of actuarially determined Library contributions actually made to fund post-employment benefits was approximately \$1,081,173 in 2006, \$971,462 in 2005 and \$942,596 in 2004.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

(9) **Property Taxes**

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

Real property taxes and public utility taxes collected during 2006 were levied after October 1 on the assessed value listed as of the prior January 1, the lien date. These taxes are payable annually or semi-annually. If paid annually, payment is due by January 20; if paid semi-annually, the first payment is due by January 20 with remainder payable by June 20. Under certain circumstances, state statutes permit earlier or later payment dates to be established.

Assessed values are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years. The last revaluation was completed in 2005. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value, which is a certain percentage of cost. Percentages vary according to the type of utility involved. Tangible personal property assessments were 25% of true value for personal property. The assessed values upon which the 2006 taxes were collected were approximately \$19.8 billion.

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

The Franklin County Treasurer collects property taxes on behalf of taxing districts in the county. The Franklin County Auditor periodically remits to the Library its portion of the taxes collected. Property taxes with both a lien and levy date prior to fiscal year end are recorded as deferred revenue and receivables. However, property taxes including delinquent property taxes that were measurable at December 31, 2006, and available to the Library are recorded as revenues and receivables.

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2006**

**(10) Joint Ventures**

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

According to the terms of the agreement, the Library will not assume any responsibility for the daily management, operation and maintenance of the building. In addition, the agreement states that the Library will contribute, based on a formula, to the operational needs of the facility. In 2006, the Library contributed \$723,578 to the operational costs of Worthington.

In 2007, the Library has appropriated \$750,000 in the General Fund to be paid to Worthington. The activity of this operation is contained in the financial statements of the Worthington Public Library, which can be obtained from the Worthington Library's Finance Department located at 820 High Street, Worthington, Ohio 43085.

**(11) Prior Period Adjustments**

The Library overstated Capital Assets and understated Accumulated Depreciation in the 2005 financial statements. The effect is as follows:

	Net Assets December 31, 2005	Restatement	Net Assets December 31, 2005 (Restated)
Assets:			
Land	\$10,810,986	(\$2,707,094)	\$ 8,103,892
Construction in Progress	1,574,491	( 1,574,491)	0
Buildings and Improvements	77,904,023	( 42,238)	77,861,785
Machinery and Equipment	6,184,619	3,110,880	9,295,499
Total Assets	96,474,119	( 1,212,943)	95,261,176
Accumulated Depreciation:			
Buildings and Improvements	(14,878,301)	( 1,032,994)	(15,911,295)
Machinery and Equipment	( 5,249,481)	( 536,728)	( 5,786,209)
Total Accumulated Depreciation:	(20,127,782)	( 1,569,722)	(21,697,504)
Net Assets:	\$76,346,337	(\$2,782,665)	\$73,563,672

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2006

(12) Budgetary Basis of Accounting

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

	<u>Net Change in Fund Balance</u>	<u>Fund Balance, December 31, 2006</u>
GAAP basis	\$ 5,371,792	\$16,265,339
<u>Due to revenues:</u>		
Received in cash during 2006, but accrued at December 31, 2005	37,110,079	
Accrued at December 31, 2006, not yet received in cash	(37,741,882)	(37,741,882)
Deferred at December 31, 2005, but not recognized in budget	(34,375,010)	
Deferred at December 31, 2006, but recognized in budget	29,622,864	29,622,864
<u>Due to expenditures:</u>		
Paid in cash during 2006, accrued at December 31, 2005	(2,795,996)	
Accrued at December 31, 2006, not paid in cash	3,275,634	3,275,634
<u>Due to encumbrances:</u>		
Expenditures of amounts encumbered during the year ended December 31, 2005	2,302,743	
Recognized as expenditures in 2006 budget	(2,460,725)	(2,460,725)
Others, net	<u>430,571</u>	<u>(206,261)</u>
Budgetary Basis	<u>\$ 740,070</u>	<u>\$ 8,754,969</u>

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# COLUMBUS METROPOLITAN LIBRARY FUND DESCRIPTIONS

## Major Funds

### General Fund

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

### Capital Projects Fund

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

- Main Library Chiller Replacement Project
- Proactive Reference Project, Phase II
- Air Quality Improvement Project
- Linden Branch Construction Project
- Main Library Remodeling Project
- New Financial System Project
- Energy Conservation Projects
- Carpet Replacement Project
- Integrated Library System Project
- Regional Branch & Main Self Check-Out System Project
- Copier Replacement Project
- Receipts System Project
- Security Equipment Upgrade Project
- Driving Park Branch Remodel Project
- Human Resource Automation Upgrade Project
- Telecommunication Project
- Print Management Project
- Merchandising Collection Project
- Proactive Reference Project
- Information System's Equipment 2005 Project
- Hilliard Parking Lot Replacement Project
- HVAC Improvement Project
- Dublin Roof Replacement Project
- Hilltop Homework Help Center Project
- SBN Tech Center Project
- Security Equipment Upgrade Project, Phase II
- Northern Lights Remodel Project
- Reynoldsburg Branch Children's Area Remodel Project

## Non-Major Funds

### Special Revenue Funds

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

- Restricted Fund
- Parking Garage Fund
- Land Development Fund

### Internal Service Fund

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

### Permanent Fund

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**General Fund**  
**As of December 31, 2006**

	<b>General Operating Account</b>	<b>Building Repair &amp; Equipment Account</b>	<b>Payroll Liability Account</b>	<b>27th Pay Period Account</b>	<b>Total General Fund</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 8,287,054	\$ 816,780	\$ 505,882	\$ 1,252,325	\$ 10,862,041
Accounts Receivable	37,741,882	-	-	-	37,741,882
Prepays	559,914	-	-	-	559,914
Total Assets	<u>\$ 46,588,850</u>	<u>\$ 816,780</u>	<u>\$ 505,882</u>	<u>\$ 1,252,325</u>	<u>\$ 49,163,837</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,946,556	\$ 207,036	\$ -	\$ -	\$ 2,153,592
Accrued Liabilities	616,160	-	505,882	-	1,122,042
Deferred Revenue	29,622,864	-	-	-	29,622,864
Total Liabilities	<u>32,185,580</u>	<u>207,036</u>	<u>505,882</u>	<u>-</u>	<u>32,898,498</u>
<b>FUNDS BALANCE</b>					
Reserved for Encumbrances	1,256,225	227,478	-	-	1,483,703
Reserved for Prepays	559,914	-	-	-	559,914
Unreserved:					
Undesignated	12,587,131	382,266	-	1,252,325	14,221,722
Total Fund Balance	<u>14,403,270</u>	<u>609,744</u>	<u>-</u>	<u>1,252,325</u>	<u>16,265,339</u>
Total Liabilities and Fund Balance	<u>\$ 46,588,850</u>	<u>\$ 816,780</u>	<u>\$ 505,882</u>	<u>\$ 1,252,325</u>	<u>\$ 49,163,837</u>

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Supplemental Schedule of Revenues,**  
**Expenditures and Changes in Account Balance**  
**General Fund**  
**For the Year Ended December 31, 2006**

	<b>General Operating Account</b>	<b>Building Repair &amp; Equipment Account</b>	<b>Payroll Liability Account</b>	<b>27th Pay Period Account</b>	<b>Total General Fund</b>
<b>REVENUES</b>					
Property Taxes	\$ 18,566,700	\$ -	\$ -	\$ -	\$ 18,566,700
Intergovernmental	32,557,054	-	-	-	32,557,054
Fines and Fees	1,866,936	-	-	-	1,866,936
Investment Earnings	748,870	-	-	-	748,870
Charges for Services	677,641	-	-	-	677,641
Contributions and Donations	56,164	-	-	-	56,164
Miscellaneous	301,277	-	-	-	301,277
<b>Total Revenues</b>	<b>54,774,642</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,774,642</b>
<b>EXPENDITURES</b>					
Public Services:					
Salaries and Benefits	21,922,300	-	-	-	21,922,300
Supplies	468,897	-	-	-	468,897
Purchased/Contracted Services	2,978,827	-	-	-	2,978,827
Library Materials	6,860,139	-	-	-	6,860,139
<b>Total Public Service</b>	<b>32,230,163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,230,163</b>
Administrative and Support:					
Salaries and Benefits	8,544,441	-	-	-	8,544,441
Supplies	729,954	-	-	-	729,954
Purchased/Contracted Services	4,914,852	-	-	-	4,914,852
Library Materials	118,423	-	-	-	118,423
Other	759,555	-	-	-	759,555
<b>Total Administrative and Support</b>	<b>15,067,225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,067,225</b>
Capital Outlay	-	605,462	-	-	605,462
<b>Total Expenditures</b>	<b>47,297,388</b>	<b>605,462</b>	<b>-</b>	<b>-</b>	<b>47,902,850</b>
Excess (deficiency) of Revenue over (under) Expenditures	7,477,254	(605,462)	-	-	6,871,792
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	845,240	-	150,000	995,240
Transfers Out	(2,495,240)	-	-	-	(2,495,240)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,495,240)</b>	<b>845,240</b>	<b>-</b>	<b>150,000</b>	<b>(1,500,000)</b>
<b>Net Change in Fund Balances</b>	<b>4,982,014</b>	<b>239,778</b>	<b>-</b>	<b>150,000</b>	<b>5,371,792</b>
Fund Balances Beginning of Year	9,421,256	369,966	-	1,102,325	10,893,547
<b>Fund Balances at End of Year</b>	<b>\$ 14,403,270</b>	<b>\$ 609,744</b>	<b>\$ -</b>	<b>\$ 1,252,325</b>	<b>\$ 16,265,339</b>

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**Capital Projects**  
**December 31, 2006**

	<b>Capital Project Non-Project Related</b>	<b>Main Library Chiller Replacement Project</b>	<b>Proactive Reference Project Phase II</b>	<b>Air Quality Improvement Project</b>	<b>Linden Branch Construction Project</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 6,566,447	\$ -	\$ 338,500	\$ 345,495	\$ -
Receivables	47,712	-	-	-	-
<b>Total Assets</b>	<b>\$ 6,614,159</b>	<b>\$ -</b>	<b>\$ 338,500</b>	<b>\$ 345,495</b>	<b>\$ -</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 2,445	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,445</b>	<b>-</b>	<b>-</b>
<b>FUNDS BALANCE</b>					
Reserved for Encumbrances	-	-	3,008	110,480	-
Unreserved:					
Undesignated	6,614,159	-	333,047	235,015	-
<b>Total Fund Balance</b>	<b>6,614,159</b>	<b>-</b>	<b>336,055</b>	<b>345,495</b>	<b>-</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 6,614,159</b>	<b>\$ -</b>	<b>\$ 338,500</b>	<b>\$ 345,495</b>	<b>\$ -</b>

<b>Main Library Remodeling Project</b>	<b>New Financial System Project</b>	<b>Energy Conservation Projects</b>	<b>Carpet Replacement Project</b>	<b>Integrated Library System Project</b>	<b>Regional Branch &amp; Main Self Check-Out System Project</b>
\$ 660,480	\$ -	\$ 41,627	\$ 206,470	\$ 693,986	\$ -
-	-	-	-	-	-
<u>\$ 660,480</u>	<u>\$ -</u>	<u>\$ 41,627</u>	<u>\$ 206,470</u>	<u>\$ 693,986</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
13,700	-	1,472	30,016	554,233	-
646,780	-	40,155	176,454	139,753	-
<u>660,480</u>	<u>-</u>	<u>41,627</u>	<u>206,470</u>	<u>693,986</u>	<u>-</u>
<u>\$ 660,480</u>	<u>\$ -</u>	<u>\$ 41,627</u>	<u>\$ 206,470</u>	<u>\$ 693,986</u>	<u>\$ -</u>

(Continued)

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**Capital Projects**  
**December 31, 2006**

	<b>Copier Replacement Project</b>	<b>Receipts System Project</b>	<b>Security Equipment Upgrade Project</b>	<b>Driving Park Branch Remodel Project</b>	<b>Human Resource Automation Upgrade Project</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 160,900	\$ -	\$ 200,000	\$ 46,609
Receivables	-	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 160,900</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 46,609</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUNDS BALANCE</b>					
Reserved for Encumbrances	-	-	-	-	-
Unreserved:					
Undesignated	-	160,900	-	200,000	46,609
<b>Total Fund Balance</b>	<b>-</b>	<b>160,900</b>	<b>-</b>	<b>200,000</b>	<b>46,609</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ -</b>	<b>\$ 160,900</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 46,609</b>

<b>Tele- Communication Project</b>	<b>Print Management Project</b>	<b>Merchandising Collection Project</b>	<b>Proactive Reference Project</b>	<b>I.S. Equipment 2005 Project</b>	<b>Hilliard Parking Lot Replacement Project</b>
\$ -	\$ -	\$ 100,000	\$ -	\$ 29,074	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 29,074</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 28,821	\$ -
-	-	-	-	28,821	-
-	-	-	-	-	-
-	-	100,000	-	253	-
-	-	100,000	-	253	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 29,074</u>	<u>\$ -</u>

(Continued)

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**Capital Projects**  
**December 31, 2006**

	<b>HVAC Improvement Project</b>	<b>Dublin Roof Replacement Project</b>	<b>Hilltop Homework Help Center Project</b>	<b>SBN Tech Center Project</b>	<b>Security Equipment Project Phase II</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 131,062	\$ 3,508	\$ -	\$ 742,177	\$ -
Receivables	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 131,062</b>	<b>\$ 3,508</b>	<b>\$ -</b>	<b>\$ 742,177</b>	<b>\$ -</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 30,881	\$ 2,978	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>30,881</b>	<b>2,978</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUNDS BALANCE</b>					
Reserved for Encumbrances	83,587	-	-	257,824	-
Unreserved:					
Undesignated	16,594	530	-	484,353	-
<b>Total Fund Balance</b>	<b>100,181</b>	<b>530</b>	<b>-</b>	<b>742,177</b>	<b>-</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 131,062</b>	<b>\$ 3,508</b>	<b>\$ -</b>	<b>\$ 742,177</b>	<b>\$ -</b>



<b>Nothern Lights Branch Remodel Project</b>	<b>Reynoldsburg Branch Children's Area Remodel Project</b>	<b>Total Capital Projects Fund</b>
\$ 68,000	\$ 20,000	\$ 10,354,335
-		47,712
<u>\$ 68,000</u>	<u>\$ 20,000</u>	<u>\$ 10,402,047</u>
\$ -		\$ 65,125
-	-	65,125
-		1,054,320
68,000	20,000	9,282,602
<u>68,000</u>	<u>20,000</u>	<u>10,336,922</u>
<u>\$ 68,000</u>	<u>\$ 20,000</u>	<u>\$ 10,402,047</u>

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Supplemental Schedule of Revenues,**  
**Expenditures and Changes in Project Balance**  
**Capital Projects**  
**For the Year Ended December 31, 2006**

	<b>Capital Project Non-Project Related</b>	<b>Main Library Chiller Replacement Project</b>	<b>Proactive Reference Project Phase II</b>	<b>Air Quality Improvement Project</b>	<b>Linden Branch Construction Project</b>
<b>REVENUES</b>					
Investment Earnings	\$ 470,244	\$ -	\$ -	\$ -	\$ -
Total Revenues	470,244	-	-	-	-
<b>EXPENDITURES</b>					
Purchased Services	-	-	-	-	1,296
Capital Outlay	-	232,780	2,445	1,005	248,620
Total Expenditures	-	232,780	2,445	1,005	249,916
Excess (deficiency) of revenue over (under) expenditures	470,244	(232,780)	(2,445)	(1,005)	(249,916)
<b>OTHER FINANCING SOURCES (USES)</b>					
Inter-Fund Transfer-In	1,866,861	270,000	-	-	-
Inter-Fund Transfer-Out	(558,000)	(37,220)	-	-	(23,689)
Transfers In	1,500,000	-	-	-	-
Total Other Financing Sources (Uses)	2,808,861	232,780	-	-	(23,689)
Net Change in Fund Balances	3,279,105	-	(2,445)	(1,005)	(273,605)
Fund Balances Beginning of Year	3,335,054	-	338,500	346,500	273,605
Fund Balances at End of Year	\$ 6,614,159	\$ -	\$ 336,055	\$ 345,495	\$ -

<b>Main Library Remodeling Project</b>	<b>New Financial System Project</b>	<b>Energy Conservation Projects</b>	<b>Carpet Replacement Project</b>	<b>Integrated library System Project</b>	<b>Regional Branch &amp; Main Self Check-Out System Project</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	50,373	8,530	-	-
920	5,415	-	-	-	1,487
920	5,415	50,373	8,530	-	1,487
(920)	(5,415)	(50,373)	(8,530)	-	(1,487)
-	-	-	-	-	-
(300,000)	(44,136)	-	-	-	(1,390,524)
-	-	-	-	-	-
(300,000)	(44,136)	-	-	-	(1,390,524)
(300,920)	(49,551)	(50,373)	(8,530)	-	(1,392,011)
961,400	49,551	92,000	215,000	693,986	1,392,011
\$ 660,480	\$ -	\$ 41,627	\$ 206,470	\$ 693,986	\$ -

(Continued)

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Supplemental Schedule of Revenues,**  
**Expenditures and Changes in Project Balance**  
**Capital Projects**  
**For the Year Ended December 31, 2006**

	<b>Copier Replacement Project</b>	<b>Receipts System Project</b>	<b>Security Equipment Upgrade Project</b>	<b>Driving Park Branch Remodel Project</b>	<b>Human Resource Automation Upgrade Project</b>
<b>REVENUES</b>					
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
<b>EXPENDITURES</b>					
Purchased Services	-	-	-	-	-
Capital Outlay	633,477	-	-	-	3,391
Total Expenditures	633,477	-	-	-	3,391
Excess (deficiency) of revenue over (under) expenditures	(633,477)	-	-	-	(3,391)
<b>OTHER FINANCING SOURCES (USES)</b>					
Inter-Fund Transfer-In	-	-	-	200,000	-
Inter-Fund Transfer-Out	(44,528)	-	(585)	-	-
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	(44,528)	-	(585)	200,000	-
Net Change in Fund Balances	(678,005)	-	(585)	200,000	(3,391)
Fund Balances Beginning of Year	678,005	160,900	585	-	50,000
Fund Balances at End of Year	\$ -	\$ 160,900	\$ -	\$ 200,000	\$ 46,609

<b>Tele- Communication Project</b>	<b>Print Management Project</b>	<b>Merchandising Collection Project</b>	<b>Proactive Reference Project</b>	<b>I.S. Equipment 2005 Project</b>	<b>Hilliard Parking Lot Replacement Project</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	9,531	-	-
43,985	7,944	-	31,720	97,371	20,829
43,985	7,944	-	41,251	97,371	20,829
(43,985)	(7,944)	-	(41,251)	(97,371)	(20,829)
-	-	-	-	-	-
(196,720)	(34,538)	-	(7,102)	-	(59,671)
-	-	-	-	-	-
(196,720)	(34,538)	-	(7,102)	-	(59,671)
(240,705)	(42,482)	-	(48,353)	(97,371)	(80,500)
240,705	42,482	100,000	48,353	97,624	80,500
\$ -	\$ -	\$ 100,000	\$ -	\$ 253	\$ -

(Continued)

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Supplemental Schedule of Revenues,**  
**Expenditures and Changes in Project Balance**  
**Capital Projects**  
**For the Year Ended December 31, 2006**

	<b>HVAC Improvement Project</b>	<b>Dublin Roof Replacement Project</b>	<b>Hilltop Homework Help Center Project</b>	<b>SBN Tech Center Project</b>	<b>Security Equipment Project Phase II</b>
<b>REVENUES</b>					
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
<b>EXPENDITURES</b>					
Purchased Services	9,679	-	-	-	-
Capital Outlay	147,840	74,470	11,864	28,803	49,931
Total Expenditures	157,519	74,470	11,864	28,803	49,931
Excess (deficiency) of revenue over (under) expenditures	(157,519)	(74,470)	(11,864)	(28,803)	(49,931)
<b>OTHER FINANCING SOURCES (USES)</b>					
Inter-Fund Transfer-In	-	-	-	300,000	-
Inter-Fund Transfer-Out	-	-	(28,136)	-	(12)
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(28,136)	300,000	(12)
Net Change in Fund Balances	(157,519)	(74,470)	(40,000)	271,197	(49,943)
Fund Balances Beginning of Year	257,700	75,000	40,000	470,980	49,943
Fund Balances at End of Year	\$ 100,181	\$ 530	\$ -	\$ 742,177	\$ -

<b>Nothern Lights Branch Remodel Project</b>	<b>Reynoldsburg Branch Children's Area Remodel Project</b>	<b>Total Capital Projects Fund</b>
\$ -	\$ -	\$ 470,244
-	-	470,244
-	-	79,409
-	-	1,644,297
-	-	1,723,706
-	-	(1,253,462)
68,000	20,000	2,724,861
-	-	(2,724,861)
-	-	1,500,000
68,000	20,000	1,500,000
68,000	20,000	246,538
-	-	10,090,384
\$ 68,000	\$ 20,000	\$ 10,336,922

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2006**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,635,900	\$ 82,123	\$ 1,718,023
Receivables	9,105	313	9,418
Prepays	1,984	-	1,984
<b>Total Assets</b>	<b>\$ 1,646,989</b>	<b>\$ 82,436</b>	<b>\$ 1,729,425</b>
<b>LIABILITIES</b>			
Account Payable	\$ 22,440	\$ -	\$ 22,440
Accrued Liabilities	45,815	-	45,815
Deferred Revenue	2,363	-	2,363
<b>Total Liabilities</b>	<b>70,618</b>	<b>-</b>	<b>70,618</b>
<b>FUNDS BALANCE</b>			
Reserved for Encumbrances	4,597	-	4,597
Reserved for Prepays	1,984	-	1,984
Reserved for Endowments	-	67,742	67,742
Unreserved:			
Special Revenue	1,569,790	-	1,569,790
Permanent	-	14,694	14,694
<b>Total Fund Balance</b>	<b>1,576,371</b>	<b>82,436</b>	<b>1,658,807</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,646,989</b>	<b>\$ 82,436</b>	<b>\$ 1,729,425</b>



**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Funds Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2006**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Permanent Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Investment Earnings	68,899	3,996	72,895
Charges for Services	747,609	-	747,609
Contributions and Donations	152,956	-	152,956
Miscellaneous	21,518	-	21,518
<b>Total Revenues</b>	<b>990,982</b>	<b>3,996</b>	<b>994,978</b>
<b>EXPENDITURES</b>			
Public Services:			
Supplies	89,804	-	89,804
Purchased and Contracted Services	920	-	920
Library Materials	14,090	27	14,117
<b>Total Public Service</b>	<b>104,814</b>	<b>27</b>	<b>104,841</b>
Administrative and Support:			
Supplies	30,337	-	30,337
Purchased and Contracted Services	640,267	-	640,267
Capital Outlay	8,435	-	8,435
<b>Total Administrative and Support</b>	<b>679,039</b>	<b>-</b>	<b>679,039</b>
<b>Total Expenditures</b>	<b>783,853</b>	<b>27</b>	<b>783,880</b>
Excess (deficiency) of Revenue over (under) Expenditures	207,129	3,969	211,098
Fund Balances at Beginning of Year	1,369,242	78,467	1,447,709
Fund Balances at End of Year	\$ 1,576,371	\$ 82,436	\$ 1,658,807

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2006**

	<b>Restricted Fund</b>	<b>Parking Garage Fund</b>	<b>Land Development Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 154,811	\$ 202,879	\$ 1,278,210	\$ 1,635,900
Receivables	2,520	930	5,655	9,105
Prepays	-	-	1,984	1,984
<b>Total Assets</b>	<b>157,331</b>	<b>203,809</b>	<b>1,285,849</b>	<b>1,646,989</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 854	\$ 10,250	\$ 11,336	\$ 22,440
Accrued Liabilities	-	-	45,815	45,815
Deferred Revenue	-	2,363	-	2,363
<b>Total Liabilities</b>	<b>854</b>	<b>12,613</b>	<b>57,151</b>	<b>70,618</b>
<b>FUNDS BALANCE</b>				
Reserved for Encumbrances	4,597	-	-	4,597
Reserved for Prepays	-	-	1,984	1,984
Unreserved:				
Special Revenue	151,880	191,196	1,226,714	1,569,790
<b>Total Fund Balance</b>	<b>156,477</b>	<b>191,196</b>	<b>1,228,698</b>	<b>1,576,371</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 157,331</b>	<b>\$ 203,809</b>	<b>\$ 1,285,849</b>	<b>\$ 1,646,989</b>

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Funds Balance**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2006**

	<b>Restricted Fund</b>	<b>Parking Garage Fund</b>	<b>Land Development Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	11,245	57,654	68,899
Charges for Services	-	133,172	614,437	747,609
Contributions and Donations	152,956	-	-	152,956
Miscellaneous	-	-	21,518	21,518
<b>Total Revenues</b>	<b>152,956</b>	<b>144,417</b>	<b>693,609</b>	<b>990,982</b>
<b>EXPENDITURES</b>				
Public Services:				
Supplies	89,804	-	-	89,804
Purchased/Contracted Services	920	-	-	920
Library Materials	14,090	-	-	14,090
<b>Total Public Service</b>	<b>104,814</b>	<b>-</b>	<b>-</b>	<b>104,814</b>
Administrative and Support:				
Supplies	-	3,634	26,703	30,337
Purchased/Contracted Services	-	180,511	459,756	640,267
Capital Outlay	-	510	7,925	8,435
<b>Total Administrative and Support</b>	<b>-</b>	<b>184,655</b>	<b>494,384</b>	<b>679,039</b>
<b>Total Expenditures</b>	<b>104,814</b>	<b>184,655</b>	<b>494,384</b>	<b>783,853</b>
Excess (deficiency) of Revenue over (under) Expenditures	48,142	(40,238)	199,225	207,129
Fund Balances Beginning of Year	108,335	231,434	1,029,473	1,369,242
Fund Balances at End of Year	\$ 156,477	\$ 191,196	\$ 1,228,698	\$ 1,576,371

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget (Non-GAAP) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2006**

	<u>General Operating Account</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 24,848,773	\$ 24,848,773	\$ 24,808,052	\$ (40,721)
Property Taxes	21,509,533	21,274,533	20,950,497	(324,036)
Fines and Fees	1,833,200	1,918,200	1,870,412	(47,788)
Charges for Services	707,800	707,800	687,171	(20,629)
Investment Earnings	575,000	725,000	733,803	8,803
Contributions and donations	50,000	50,000	56,314	6,314
Miscellaneous	305,500	305,500	301,069	(4,431)
Total Revenues	<u>49,829,806</u>	<u>49,829,806</u>	<u>49,407,318</u>	<u>(422,488)</u>
<b>EXPENDITURES</b>				
Current:				
Public Service:				
Salaries and Benefits	23,400,500	23,400,500	21,887,152	1,513,348
Supplies	636,775	636,775	535,067	101,708
Purchased and Contracted Services	3,130,262	3,130,262	2,917,157	213,105
Library Materials	6,680,617	6,680,617	6,545,280	135,337
Administrative and Support:				
Salaries and Benefits	8,349,261	8,349,261	8,644,179	(294,918)
Supplies	869,734	869,734	743,255	126,479
Purchased and Contracted Services	5,254,174	5,254,174	4,609,557	644,617
Library Materials	136,743	136,743	111,661	25,082
Other	726,500	726,500	726,500	-
Equipment	-	-	-	-
Total Expenditures	<u>49,184,566</u>	<u>49,184,566</u>	<u>46,719,808</u>	<u>2,464,758</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>645,240</u>	<u>645,240</u>	<u>2,687,510</u>	<u>2,042,270</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Intra-Fund Transfers In	-	-	-	-
Advances In	350,000	350,000	350,000	-
Intra-Fund Transfers Out	(995,240)	(995,240)	(995,240)	-
Transfers Out	-	(1,500,000)	(1,500,000)	-
Total Other Financing Sources (Uses)	<u>(645,240)</u>	<u>(2,145,240)</u>	<u>(2,145,240)</u>	<u>-</u>
Net Changes in Fund Balances	-	(1,500,000)	542,270	2,042,270
Fund Balances at Beginning of Year	6,215,600	6,215,600	6,215,600	-
Funds Balance End of Year	<u>\$ 6,215,600</u>	<u>\$ 4,715,600</u>	<u>\$ 6,757,870</u>	<u>\$ 2,042,270</u>



**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget (Non-GAAP) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2005**

	<u>27th Pay Period Account</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Property Taxes	-	-	-	-
Fines and Fees	-	-	-	-
Charges for Services	-	-	-	-
Investment earnings	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Public Service:				
Salaries and Benefits	-	-	-	-
Supplies	-	-	-	-
Purchased and Contracted Services	-	-	-	-
Library Materials	-	-	-	-
Administrative and Support:				
Salaries and Benefits	-	-	-	-
Supplies	-	-	-	-
Purchased and Contracted Services	-	-	-	-
Library Materials	-	-	-	-
Other	-	-	-	-
Capital Outlay:	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of Revenue over (under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Intra-Fund Transfers In	150,000	150,000	150,000	-
Advances In	-	-	-	-
Intra-Fund Transfers Out	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	150,000	150,000	150,000	-
Net Changes in Fund Balances	150,000	150,000	150,000	-
Fund Balances at Beginning of Year	1,102,325	1,102,325	1,102,325	-
Funds Balance End of Year	\$ 1,252,325	\$ 1,252,325	\$ 1,252,325	\$ -

**Combining General Fund Totals**

<b><u>Budgeted Amounts</u></b>				<b>Variance with Final Budget Positive (Negative)</b>	
<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>			
\$ 24,848,773	\$ 24,848,773	\$ 24,808,052	\$		(40,721)
21,509,533	21,274,533	20,950,497			(324,036)
1,833,200	1,918,200	1,870,412			(47,788)
707,800	707,800	687,171			(20,629)
575,000	725,000	733,803			8,803
50,000	50,000	56,314			6,314
305,500	305,500	301,069			(4,431)
<b>49,829,806</b>	<b>49,829,806</b>	<b>49,407,318</b>			<b>(422,488)</b>
23,400,500	23,400,500	21,887,152			1,513,348
636,775	636,775	535,067			101,708
3,130,262	3,130,262	2,917,157			213,105
6,680,617	6,680,617	6,545,280			135,337
8,349,261	8,349,261	8,644,179			(294,918)
869,734	869,734	743,255			126,479
5,254,174	5,254,174	4,609,557			644,617
136,743	136,743	111,661			25,082
726,500	726,500	726,500			-
845,240	845,240	797,440			47,800
<b>50,029,806</b>	<b>50,029,806</b>	<b>47,517,248</b>			<b>2,512,558</b>
<b>(200,000)</b>	<b>(200,000)</b>	<b>1,890,070</b>			<b>2,090,070</b>
995,240	995,240	995,240			-
350,000	350,000	350,000			-
(995,240)	(995,240)	(995,240)			-
-	(1,500,000)	(1,500,000)			-
<b>350,000</b>	<b>(1,150,000)</b>	<b>(1,150,000)</b>			<b>-</b>
150,000	(1,350,000)	740,070			2,090,070
8,014,899	8,014,899	8,014,899			-
<b>\$ 8,164,899</b>	<b>\$ 6,664,899</b>	<b>\$ 8,754,969</b>	<b>\$</b>	<b>\$</b>	<b>2,090,070</b>

**COLUMBUS METROPOLITAN LIBRARY**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget (Non-GAAP) and Actual**  
**Restricted - Special Revenue Fund**  
**For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>REVENUES</b>				
Contributions and Donations	\$ 127,500	\$ 200,000	\$ 149,856	\$ (50,144)
Total Revenues	<u>127,500</u>	<u>200,000</u>	<u>149,856</u>	<u>(50,144)</u>
<b>EXPENDITURES</b>				
Current:				
Public Service:				
Supplies	93,932	93,932	89,804	4,128
Purchased and Contracted Services	2,100	2,100	100	2,000
Library Materials	35,208	35,208	17,137	18,071
Administrative and Support:				
Library Materials				
Other	175,560	175,560	-	175,560
Equipment	<u>2,000</u>	<u>2,000</u>	<u>1,896</u>	<u>104</u>
Total Expenditures	<u>308,800</u>	<u>308,800</u>	<u>108,937</u>	<u>199,863</u>
Excess (deficiency) of Revenues				
Excess of Revenues over Expenditures	<u>(181,300)</u>	<u>(108,800)</u>	<u>40,919</u>	<u>149,719</u>
Fund Balance at Beginning of Year	<u>108,800</u>	<u>108,800</u>	<u>108,800</u>	<u>-</u>
Fund Balance End of Year	<u>\$ (72,500)</u>	<u>\$ -</u>	<u>\$ 149,719</u>	<u>\$ 149,719</u>



**COLUMBUS METROPOLITAN LIBRARY**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget (Non-GAAP) and Actual**  
**Parking Garage - Special Revenue Fund**  
**For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Fines and Fees	\$ 125,000	\$ 125,000	\$ 130,874	\$ 5,874
Investment Earnings	8,000	8,000	11,361	3,361
Total Revenues	<u>133,000</u>	<u>133,000</u>	<u>142,235</u>	<u>9,235</u>
<b>EXPENDITURES</b>				
Current:				
Administrative and Support:				
Supplies	3,400	3,400	3,384	16
Purchased and Contracted Services	195,900	195,900	180,813	15,087
Equipment	<u>37,000</u>	<u>37,000</u>	<u>510</u>	<u>36,490</u>
Total Expenditures	<u>236,300</u>	<u>236,300</u>	<u>184,707</u>	<u>51,593</u>
Deficiency of Revenues under Expenditures	(103,300)	(103,300)	(42,472)	60,828
Fund Balance at Beginning of Year	<u>234,035</u>	<u>234,035</u>	<u>234,035</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 130,735</u>	<u>\$ 130,735</u>	<u>\$ 191,563</u>	<u>\$ 60,828</u>

**COLUMBUS METROPOLITAN LIBRARY**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget (Non-GAAP) and Actual**  
**Land Development - Special Revenue Fund**  
**For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Charges for Services	\$ 588,050	\$ 588,050	\$ 604,012	\$ 15,962
Investment Earnings	35,000	35,000	55,807	20,807
Miscellaneous	19,550	19,550	23,629	4,079
Total Revenues	<u>642,600</u>	<u>642,600</u>	<u>683,448</u>	<u>40,848</u>
<b>EXPENDITURES</b>				
Current:				
Administrative and Support:				
Supplies	29,163	29,163	26,685	2,478
Purchased and Contracted Services	547,408	547,408	506,480	40,928
Capital Outlay	9,100	9,100	7,850	1,250
Total Expenditures	<u>585,671</u>	<u>585,671</u>	<u>541,015</u>	<u>44,656</u>
Excess of Revenues Over Expenditures	56,929	56,929	142,433	85,504
Fund Balance at Beginning of Year	<u>1,039,347</u>	<u>1,039,347</u>	<u>1,039,347</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 1,096,276</u>	<u>\$ 1,096,276</u>	<u>\$1,181,780</u>	<u>\$ 85,504</u>

**COLUMBUS METROPOLITAN LIBRARY**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget (Non-GAAP) and Actual**  
**Permanent Fund**  
**For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Investment Earnings	\$ 2,200	\$ 2,200	\$ 3,847	\$ 1,647
Total Revenues	<u>2,200</u>	<u>2,200</u>	<u>3,847</u>	<u>1,647</u>
<b>EXPENDITURES</b>				
Current:				
Public Service:				
Library Materials	6,736	6,736	7	6,729
Administrative and Support:				
Other	<u>6,006</u>	<u>6,006</u>	<u>-</u>	<u>6,006</u>
Total Expenditures	<u>12,742</u>	<u>12,742</u>	<u>7</u>	<u>12,735</u>
Deficiency of Revenues under Expenditures	<u>(10,542)</u>	<u>(10,542)</u>	<u>3,840</u>	<u>14,382</u>
Fund Balance at Beginning of Year	<u>12,172</u>	<u>12,172</u>	<u>12,172</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 1,630</u>	<u>\$ 1,630</u>	<u>\$ 16,012</u>	<u>\$ 14,382</u>

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STATISTICAL SECTION

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**STATISTICAL SECTION**

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

	<u>Pages</u>
<b>Financial Trends</b> .....	66-69
These schedules summarize financial information to assist the reader in analyzing and understanding how the Library’s financial performance and condition changed over time.	
<b>Revenue Capacity</b> .....	70-76
These schedules contain information to assist the reader in evaluating factors affecting the Library’s ability to generate property tax revenue.	
<b>Debt Capacity</b> .....	N/A
Currently, the Library has no debt. Therefore, these schedules are not required.	
<b>Economic and Demographic Information</b> .....	77-78
These schedules offer economic and demographic indicators to assist the reader in understanding environmental factors that influence the Library’s financial activities.	
<b>Operating Information</b> .....	79-82
These schedules assist the reader in measuring the Library’s financial performance as it relates to various operational statistics.	

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

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

	<b>Fiscal Year</b>			
	<u><b>2003</b></u>	<u><b>2004</b></u>	<u><b>2005</b></u>	<u><b>2006</b></u>
<b>Governmental activities</b>				
Invested in Capital Assets, net of related debt	\$ 76,488,699	\$ 77,538,653	\$ 76,346,337	\$ 71,928,282
Restricted	9,588,057	10,931,502	13,663,182	13,365,169
Unrestricted	9,410,729	9,057,840	21,822,333	23,030,705
Total primary government net assets	<u>\$ 95,487,485</u>	<u>\$ 97,527,995</u>	<u>\$ 111,831,852</u>	<u>\$ 108,324,156</u>

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

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

	<b>Fiscal Year</b>			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>				
Governmental activities:				
Public Service	\$ 31,863,473	\$ 32,481,244	\$ 32,512,093	\$ 33,456,423
Administrative and Support	17,016,864	16,200,886	16,768,918	17,956,008
Total primary government expenses	<u>\$ 48,880,337</u>	<u>\$ 48,682,130</u>	<u>\$ 49,281,011</u>	<u>\$ 51,412,431</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services				
Public Service	\$ 3,013,381	\$ 2,490,354	\$ 2,517,277	\$ 2,150,708
Administrative and Support	702,286	991,232	1,247,755	1,468,269
Operating grants and contributions	858,135	504,607	105,987	209,120
Capital grants and contributions	130,594	63,000	-	-
Total primary government program revenues	<u>\$ 4,704,396</u>	<u>\$ 4,049,193</u>	<u>\$ 3,871,019</u>	<u>\$ 3,828,097</u>
<b>Net (Expense) Revenue</b>				
Total primary government net expense	<u>\$ (44,175,941)</u>	<u>\$ (44,632,937)</u>	<u>\$ (45,409,992)</u>	<u>\$ (47,584,334)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Property taxes	\$ 18,463,751	\$ 18,502,301	\$ 20,243,252	\$ 18,096,282
Intergovernmental, unrestricted	26,478,734	26,528,795	38,571,919	27,358,159
Unrestricted Investment Earnings	293,723	289,987	766,584	1,404,862
Total primary government	<u>\$ 45,236,208</u>	<u>\$ 45,321,083</u>	<u>\$ 59,581,755</u>	<u>\$ 46,859,303</u>
<b>Changes in Net Assets</b>				
Total primary government	<u>\$ 1,060,267</u>	<u>\$ 688,146</u>	<u>\$ 14,171,763</u>	<u>\$ (725,031)</u>

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



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

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund										
Reserved	\$ 2,375,741	\$ 1,960,887	\$ 2,385,396	\$ 2,904,460	\$ 2,964,839	\$ 2,407,513	\$ 2,378,884	\$ 2,481,749	\$ 2,700,933	\$ 2,043,617
Unreserved	1,870,351	1,608,207	1,005,671	3,329,160	5,820,642	10,476,615	8,011,240	7,799,574	8,192,614	14,221,722
Total general fund	<u>\$ 4,246,092</u>	<u>\$ 3,569,094</u>	<u>\$ 3,391,067</u>	<u>\$ 6,233,620</u>	<u>\$ 8,785,481</u>	<u>\$ 12,884,128</u>	<u>\$ 10,390,124</u>	<u>\$ 10,281,323</u>	<u>\$ 10,893,547</u>	<u>\$ 16,265,339</u>
All Other Governmental Funds										
Reserved	\$ 562,386	\$ 140,384	\$ 1,366,520	\$ 183,945	\$ 6,121,706	\$ 2,920,075	\$ 1,244,097	\$ 1,306,002	\$ 1,566,655	\$ 1,128,643
Unreserved reported in:										
Special revenue fund	621,770	924,408	1,088,140	1,184,297	1,527,847	1,600,938	1,808,492	1,793,711	1,347,298	1,569,790
Capital projects fund	7,173,777	11,208,887	13,313,924	16,332,243	11,917,997	6,515,306	7,448,295	7,804,484	8,613,615	9,282,602
Permanent fund	-	-	-	-	-	-	8,304	8,364	10,525	14,694
Total all other governmental Funds	<u>\$ 12,604,025</u>	<u>\$ 15,842,773</u>	<u>\$ 19,159,651</u>	<u>\$ 23,934,105</u>	<u>\$ 28,353,031</u>	<u>\$ 23,920,447</u>	<u>\$ 20,899,312</u>	<u>\$ 21,193,884</u>	<u>\$ 22,431,640</u>	<u>\$ 28,261,068</u>

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

**Columbus Metropolitan Library  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

(modified accrual basis of accounting)

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Revenues</b>										
Property Taxes	\$ 17,386,512	\$ 18,120,467	\$ 18,596,196	\$ 19,401,783	\$ 19,665,370	\$ 20,427,733	\$ 18,463,751	\$ 18,502,301	\$ 18,378,399	\$ 18,566,700
Intergovernmental	19,937,688	22,733,284	24,477,146	26,612,381	26,909,882	24,845,572	26,486,233	26,573,796	26,987,656	32,557,054
Fines and Fees	1,836,243	1,848,922	1,874,421	1,924,045	2,085,581	2,201,380	1,875,357	1,857,329	1,918,291	1,866,936
Investment Earnings	1,055,711	994,467	1,129,029	1,635,419	1,351,384	611,715	285,907	274,599	716,174	1,292,009
Charges for Services	1,490,319	1,419,861	1,473,797	1,501,421	1,559,283	1,575,048	1,305,124	1,357,039	1,328,725	1,425,250
Contributions and Donations	193,509	167,261	127,044	120,400	291,157	202,646	955,636	271,667	105,987	209,120
Miscellaneous	127,119	233,553	180,357	161,675	486,496	152,081	591,984	504,528	534,148	322,795
<b>Total revenues</b>	<b>42,027,101</b>	<b>45,517,815</b>	<b>47,857,990</b>	<b>51,357,124</b>	<b>52,349,153</b>	<b>50,016,175</b>	<b>49,963,992</b>	<b>49,341,259</b>	<b>49,969,380</b>	<b>56,239,864</b>
<b>Expenditures</b>										
Public Service	20,823,050	22,495,786	23,245,384	24,734,509	27,038,038	27,578,545	30,457,034	30,703,177	31,941,341	32,335,004
Administrative	12,487,092	13,764,574	15,158,009	16,371,241	17,287,713	18,594,176	15,477,281	15,321,179	14,587,253	15,825,673
Capital Outlay	6,687,859	2,672,423	3,031,634	3,360,156	3,597,230	10,128,668	6,843,228	3,022,331	2,203,030	2,249,759
Debt Service										
Principal	2,916,279	2,965,381	3,020,324	2,885,000	-	-	-	-	-	-
Interest	589,916	438,363	277,534	123,889	-	-	-	-	-	-
<b>Total expenditures</b>	<b>43,504,196</b>	<b>42,336,527</b>	<b>44,732,885</b>	<b>47,474,795</b>	<b>47,922,981</b>	<b>56,301,389</b>	<b>52,777,543</b>	<b>49,046,687</b>	<b>48,731,624</b>	<b>50,410,436</b>
Excess of revenues over (under) expenditures	(1,477,095)	3,181,288	3,125,105	3,882,329	4,426,172	(6,285,214)	(2,813,551)	294,572	1,237,756	5,829,428
<b>Other Financing Sources (Uses)</b>										
Transfers In	4,214,312	6,198,100	15,468,551	4,468,552	12,674,700	1,670,000	6,192,490	3,450,000	2,501,520	1,500,000
Transfers Out	(4,214,312)	(6,198,100)	(15,468,551)	(4,468,552)	(12,674,700)	(1,670,000)	(6,192,490)	(3,450,000)	(2,501,520)	(1,500,000)
Proceeds from sale of property	-	-	21,950	721,345	212,199	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>21,950</b>	<b>721,345</b>	<b>212,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (1,477,095)</b>	<b>\$ 3,181,288</b>	<b>\$ 3,147,055</b>	<b>\$ 4,603,674</b>	<b>\$ 4,638,371</b>	<b>\$ (6,285,214)</b>	<b>\$ (2,813,551)</b>	<b>\$ 294,572</b>	<b>\$ 1,237,756</b>	<b>\$ 5,829,428</b>
Debt service as a percentage of noncapital expenditures	9.52%	8.58%	7.91%	6.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

<b>*Fiscal Year Ended December 31,</b>	<b>Real Property</b>		<b>Personal Property</b>	
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>
1997	9,535,298	27,243,709	1,637,427	6,297,796
1998	9,881,847	28,233,849	1,690,361	6,761,444
1999	10,415,332	29,758,091	1,760,418	7,041,672
2000	12,038,975	34,397,071	1,881,401	7,525,604
2001	12,439,564	35,541,611	1,908,473	7,633,892
2002	12,877,239	36,792,111	1,970,966	7,883,864
2003	15,015,039	42,900,111	1,642,488	6,569,952
2004	15,432,104	44,091,726	1,575,753	6,303,012
2005	17,927,605	51,221,729	1,154,863	4,619,452
2006	18,455,997	52,731,420	814,754	3,259,016

\*Fiscal year ended December 31, yyyy represents the year taxes are collected and applied the following year (e.g. taxes collected in 1997 are for 1998).

Source: Franklin County Auditor

<b>Public Utilities</b>		<b>Total</b>		<b>Assessed Value as a Percentage of Actual Value</b>
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	
663,944	1,896,983	11,836,669	35,438,488	33.401%
682,557	1,950,163	12,254,765	36,945,456	33.170%
695,294	1,986,554	12,871,044	38,786,317	33.184%
712,261	2,035,031	14,632,637	43,957,706	33.288%
696,282	1,989,377	15,044,319	45,164,880	33.310%
581,963	1,662,751	15,430,168	46,338,726	33.299%
579,702	1,656,291	17,237,229	51,126,354	33.715%
608,039	1,737,254	17,615,896	52,131,992	33.791%
579,631	1,656,089	19,662,099	57,497,270	34.197%
549,787	1,570,820	19,820,538	57,561,256	34.434%

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

	Years									
	<b>1996 for 1997</b>	<b>1997 for 1998</b>	<b>1998 for 1999</b>	<b>1999 for 2000</b>	<b>2000 for 2001</b>	<b>2001 for 2002</b>	<b>2002 for 2003</b>	<b>2003 for 2004</b>	<b>2004 for 2005</b>	<b>2005 for 2006</b>
COUNTY - Franklin County	14.57	14.67	16.99	16.99	16.99	16.99	16.99	16.99	17.79	17.79
SCHOOL DISTRICT:										
Canal Winchester	51.10	56.46	55.86	55.91	55.91	62.80	61.20	61.05	61.00	61.25
Columbus	58.11	58.04	57.95	57.57	57.37	57.37	58.80	59.18	67.65	66.47
Dublin	57.90	57.90	65.50	65.22	65.22	65.22	64.60	64.60	64.60	72.50
Gahanna-Jefferson	54.85	54.69	62.09	61.35	61.21	61.24	60.90	61.19	60.14	59.24
Groveport-Madison	48.05	56.85	56.33	55.40	55.05	54.50	53.78	53.88	53.36	52.60
Hamilton	47.26	47.20	47.13	47.09	54.10	54.11	53.75	53.65	53.43	55.57
Hilliard	60.28	59.96	59.71	59.71	65.61	65.61	64.44	64.44	74.40	73.14
Licking Heights	40.70	40.70	40.10	39.60	48.50	48.10	47.53	47.52	47.52	48.50
Reynoldsburg	50.45	55.30	55.12	55.49	55.39	55.28	58.20	58.21	59.63	59.30
Upper Arlington	77.82	77.86	84.03	83.95	83.32	89.52	89.15	89.11	96.24	95.88
Whitehall	65.62	65.61	65.61	65.49	65.52	65.49	65.40	65.40	65.40	65.33

(Continued)

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

	<b>Years</b>									
	<b>1996 for 1997</b>	<b>1997 for 1998</b>	<b>1998 for 1999</b>	<b>1999 for 2000</b>	<b>2000 for 2001</b>	<b>2001 for 2002</b>	<b>2002 for 2003</b>	<b>2003 for 2004</b>	<b>2004 for 2005</b>	<b>2005 for 2006</b>
<b>JOINT VOCATIONAL SCHOOL DISTRICT:</b>										
Central Ohio	1.60	1.60	1.60	1.60	1.10	1.10	0.50	0.50	0.50	0.50
Eastland	1.20	1.20	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Licking County	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.80	3.00	3.00
<b>MUNICIPAL CORPORATIONS:</b>										
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	2.98	2.97	2.97	2.97	2.97	2.97	2.97	2.96	2.96	2.95
Gahanna	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Groveport	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Hilliard	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Lockbourne	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
New Albany	1.95	1.71	1.70	1.57	1.23	1.72	1.73	1.94	1.94	1.94
Obetz	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Reynoldsburg	0.79	0.78	0.77	0.76	0.76	0.70	0.70	0.70	0.70	0.70
Valleyview	24.53	24.53	24.53	24.53	24.53	24.53	24.53	24.53	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	5.90	5.90	5.90	5.90	5.90	5.90	5.90

(Continued)

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

	<b>Years</b>									
	<b>1996 for 1997</b>	<b>1997 for 1998</b>	<b>1998 for 1999</b>	<b>1999 for 2000</b>	<b>2000 for 2001</b>	<b>2001 for 2002</b>	<b>2002 for 2003</b>	<b>2003 for 2004</b>	<b>2004 for 2005</b>	<b>2005 for 2006</b>
<b>TOWNSHIPS:</b>										
Blendon	21.45	22.60	22.43	22.41	22.16	22.00	25.40	25.07	25.05	25.02
Brown	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	12.80	12.80
Clinton	25.64	25.64	25.64	25.64	25.64	25.64	25.64	25.64	25.64	31.14
Franklin	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	18.05	18.05
Hamilton	14.55	14.55	14.55	15.05	15.55	15.80	15.80	15.80	15.80	15.80
Jefferson	9.20	9.85	10.82	10.59	10.53	10.50	10.37	10.37	10.28	10.21
Madison	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80
Mifflin	22.80	20.80	20.80	20.80	21.80	21.80	21.80	21.80	22.80	22.80
Norwich	12.80	12.80	18.80	18.80	18.80	18.80	21.60	21.60	21.60	21.60
Perry	23.80	23.80	23.80	23.80	20.50	23.80	23.80	20.40	18.40	18.40
Plain	9.21	9.42	9.34	10.72	13.58	13.52	13.43	13.12	13.37	13.27
Prairie	14.00	14.20	14.20	14.20	16.20	14.20	14.20	14.20	14.20	18.20
Sharon	13.10	13.10	13.10	19.10	19.08	19.00	23.50	23.50	23.50	23.50
Truro	12.65	12.65	12.65	12.65	12.65	12.65	16.65	16.65	16.65	16.65
Washington	18.53	18.52	18.51	20.01	20.00	20.00	20.00	20.00	19.99	19.99
<b>OTHER ENTITIES:</b>										
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	0.65	0.65	0.65	0.65	0.65	0.65	0.65

Source: Franklin County Auditor

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

<u><b>Taxpayer</b></u>	<u><b>Fiscal Year 2006</b></u>			<u><b>Fiscal Year 1997</b></u>		
	<u><b>Assessed Value</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total City Taxable Assessed Value (1)</b></u>	<u><b>Assessed Value</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total City Taxable Assessed Value (2)</b></u>
Columbus Southern Power	\$ 301,694,890	1	1.52 %	\$ 300,270,840	1	2.46 %
Ohio Bell Telephone Company	89,594,510	2	0.45 %	198,034,510	2	1.62 %
Nationwide Mutual Insurance Co.	88,630,690	3	0.45 %	93,463,150	5	0.77 %
Distribution Land Corp.	70,122,890	4	0.35 %	-		-
Duke Realty Ohio	58,108,560	5	0.29 %	-		-
Huntington Center	58,100,000	6	0.29 %	50,241,500	6	0.41 %
New Par	47,202,830	7	0.24 %	-		-
New Albany Co	46,224,460	8	0.23 %	32,613,030	9	0.27 %
Columbia Gas of Ohio, Inc.	45,729,100	9	0.23 %	122,753,440	3	1.01 %
OhioHealth Corp.	39,057,350	10	0.20 %	-		-
Lucent Technologies Inc.	-		-	98,214,470	4	0.81 %
American Electric Power Service Corp.	-		-	36,323,030	7	0.30 %
JC Penney Company Inc.	-		-	34,504,500	8	0.28 %
Techglas Inc.	-		-	30,920,420	10	0.25 %
<b>Total</b>	<u><u>\$ 844,465,280</u></u>		<u><u>4.26 %</u></u>	<u><u>\$ 997,338,890</u></u>		<u><u>8.18 %</u></u>

(1) The total assessed valuation for 2006 equals: \$ 19,820,538,301

(2) The total assessed valuation for 1997 equals: \$ 12,193,453,920

Source: Franklin County Auditor



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

<b>Fiscal Year Ended December 31,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
1997	\$17,288,421	\$16,845,543	97.44%	\$580,894	\$17,426,437	100.80%
1998	17,816,991	17,423,569	97.79	711,454	18,135,023	101.78
1999	18,612,899	18,194,005	97.75	652,402	18,846,407	101.25
2000	19,358,825	18,552,034	95.83	681,859	19,233,893	99.35
2001	20,051,448	19,080,748	95.16	735,808	19,816,556	98.83
2002	20,342,296	19,440,388	95.57	949,406	20,389,794	100.23
2003	20,295,199	19,004,793	93.64	1,002,198	20,006,991	98.58
2004	20,446,512	18,976,377	92.81	1,144,646	20,121,023	98.41
2005	20,895,559	20,256,245	96.94	834,776	21,091,021	100.94
2006	20,533,480	18,711,078	91.12	943,001	19,654,079	95.72

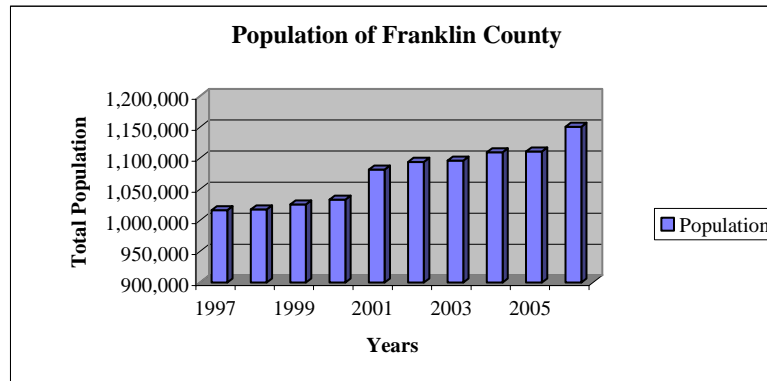
-76-

Source: Franklin County Auditor

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

Year	Population	Personal Income (1)	Per Capita Personal Income (1)	Median Age	K-12 School Enrollment (2)	Unemployment Rates		
						Franklin County	State of Ohio	United States
1997	1,016,300 (3)	\$27,021,000	\$25,247	32.7 (1)	185,719	2.4 (5)	4.3 (5)	4.9 (6)
1998	1,017,400 (4)	28,685,000	N/A	N/A	191,141	2.1 (5)	3.9 (5)	4.3 (5)
1999	1,025,742 (8)	29,983,000	N/A	32.9 (8)	194,036	2.1 (7)	3.8 (7)	3.7 (7)
2000	1,033,293 (8)	31,616,000	31,527	33.7 (8)	193,618	2.1 (7)	3.7 (7)	3.7 (7)
2001	1,081,784 (8)	31,913,000	32,664	32.9 (8)	200,462	3.1 (9)	4.8 (9)	5.8 (9)
2002	1,094,050 (1)	32,955,000	33,144	32.9 (1)	203,724	3.9 (9)	5.3 (9)	6.0 (9)
2003	1,096,230 (1)	33,205,000	34,456	33.3 (1)	204,586	4.0 (9)	6.0 (9)	5.7 (9)
2004	1,109,630 (1)	34,043,000	35,199	33.4 (1)	203,149	4.3 (9)	5.9 (9)	5.4 (9)
2005	1,110,830 (1)	34,754,000	36,714	34.0 (1)	204,878	4.8 (9)	5.5 (9)	4.6 (9)
2006	1,150,722 (8)	35,526,000	39,395	38.8 (8)	207,204	4.5 (10)	5.4 (10)	4.3 (10)

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- Source:
- (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
  - (5) Ohio Bureau of Employment Services (BES), Div. of Research and Statistics
  - (6) U.S. Bureau Labor Statistics, Employment Earnings
  - (7) LMI Ohio Labor Market Information, Ohio BES
  - (8) ERSI Business Information Solutions (formerly CACI Marketing Systems)
  - (9) Ohio Department of Job and Family Services
  - (10) Franklin County Auditor

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

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<u>Employer</u>	<u>Fiscal Year 2006</u>			<u>Fiscal Year 1997</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
State of Ohio	26,613	1	4.51 %	28,132	1	4.77 %
The Ohio State University	19,919	2	3.38 %	15,347	2	2.60 %
JP Morgan Chase & Co. (formerly Bank One)	14,276	3	2.42 %	9,317	5	1.58 %
Nationwide	11,834	4	2.01 %	8,260	6	1.40 %
United States Postal Service	10,477	5	1.78 %	14,500	3	2.46 %
Ohio Health (formerly Grant/Riverside)	9,413	6	1.60 %	6,328	9	1.07 %
City of Columbus	7,432	7	1.26 %	7,346	8	1.24 %
Columbus Public Schools	8,106	8	1.37 %	7,458	7	1.26 %
Limited Brands	7,200	9	1.22 %	9,500	4	1.61 %
Honda of America Manufacturing, Inc.	6,900	10	1.17 %	-	-	-
AT & T	-		-	6,200	10	1.05 %
<b>Total</b>	<b>122,170</b>		<b>20.70 %</b>	<b>112,388</b>		<b>19.05 %</b>
<b>Total County Employment</b>	<b>590,100</b>			<b>552,400</b>		

Source: Business First, Book of Lists

**Columbus Metropolitan Library  
Branch Information,  
Last Three Fiscal Years**

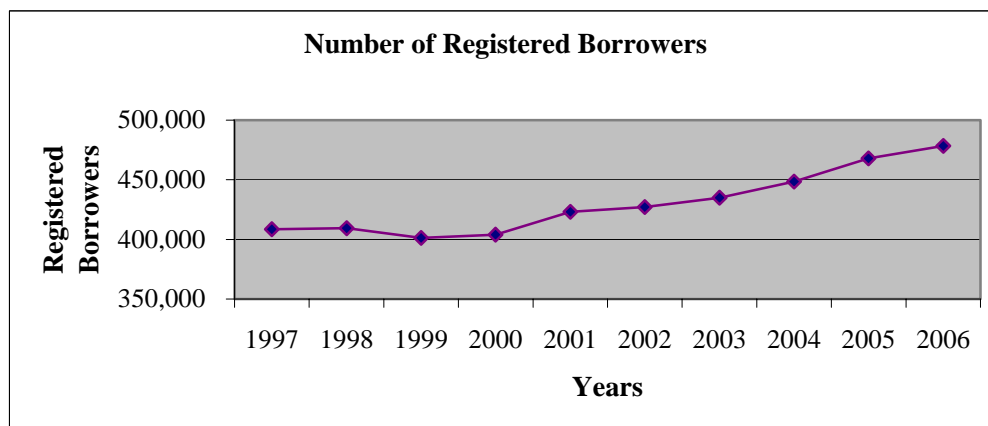
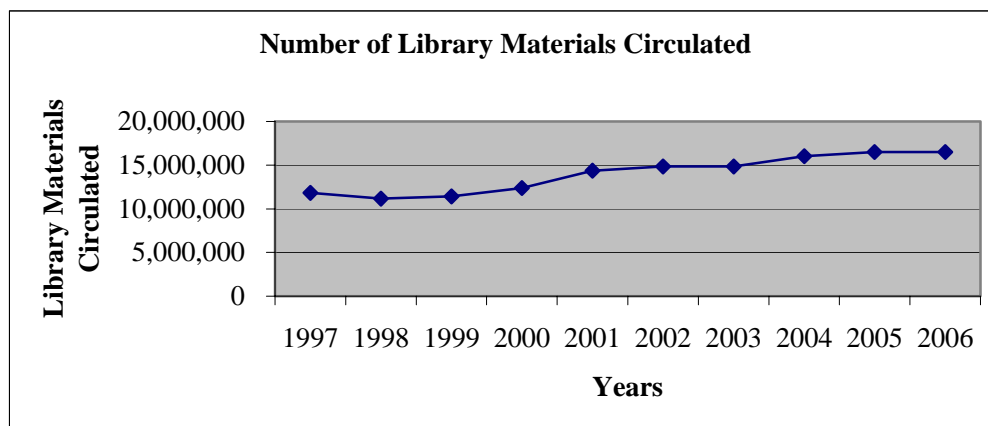
	<b>Fiscal Year</b>		
	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Driving Park (1973)</b>			
Number of Registered Borrowers	4,858	4,858	4,858
Volume Size	29,000	29,000	29,000
<b>Dublin (1981)</b>			
Number of Registered Borrowers	30,067	30,067	30,067
Volume Size	160,000	160,000	160,000
<b>Franklinton (1995)</b>			
Number of Registered Borrowers	5,849	5,849	5,849
Volume Size	33,000	33,000	33,000
<b>Gahanna (1991)</b>			
Number of Registered Borrowers	32,261	31,581	31,987
Volume Size	143,000	143,000	143,000
<b>Hilliard (1996)</b>			
Number of Registered Borrowers	37,161	37,954	38,901
Volume Size	170,000	170,000	170,000
<b>Hilltop (1996)</b>			
Number of Registered Borrowers	23,613	23,171	23,741
Volume Size	145,000	145,000	145,000
<b>Karl Road (1988)</b>			
Number of Registered Borrowers	32,581	32,252	32,252
Volume Size	170,000	170,000	170,000
<b>Linden (2004)</b>			
Number of Registered Borrowers	7,485	10,446	10,446
Volume Size	32,000	32,000	32,000
<b>Livingston (1992)</b>			
Number of Registered Borrowers	13,293	13,235	14,399
Volume Size	90,000	90,000	90,000
<b>Main Library (1901)</b>			
Number of Registered Borrowers	75,778	71,070	70,791
Volume Size	928,000	928,000	928,000
<b>Martin Luther King (1969)</b>			
Number of Registered Borrowers	5,798	5,335	5,484
Volume Size	30,000	30,000	30,000
<b>New Albany (2004)</b>			
Number of Registered Borrowers	5,496	10,120	15,353
Volume Size	120,000	120,000	120,000

(Continued)

<b>Northern Lights (1993)</b>			
Number of Registered Borrowers	16,439	15,995	16,843
Volume Size	72,000	72,000	72,000
<b>Northside (1991)</b>			
Number of Registered Borrowers	10,790	11,200	11,810
Volume Size	48,000	48,000	48,000
<b>Parsons (1956)</b>			
Number of Registered Borrowers	7,924	7,582	8,012
Volume Size	37,000	37,000	37,000
<b>Reynoldsburg (1981)</b>			
Number of Registered Borrowers	38,374	38,052	38,798
Volume Size	170,000	170,000	170,000
<b>Shepard (1986)</b>			
Number of Registered Borrowers	4,215	4,136	4,346
Volume Size	33,000	33,000	33,000
<b>Southeast (2001)</b>			
Number of Registered Borrowers	23,922	24,910	26,969
Volume Size	112,000	112,000	112,000
<b>South High (1992)</b>			
Number of Registered Borrowers	13,134	13,004	13,523
Volume Size	84,000	84,000	84,000
<b>Whetstone (1986)</b>			
Number of Registered Borrowers	26,162	26,152	26,829
Volume Size	170,000	170,000	170,000
<b>Whitehall (1959)</b>			
Number of Registered Borrowers	13,655	26,152	26,829
Volume Size	63,000	63,000	63,000

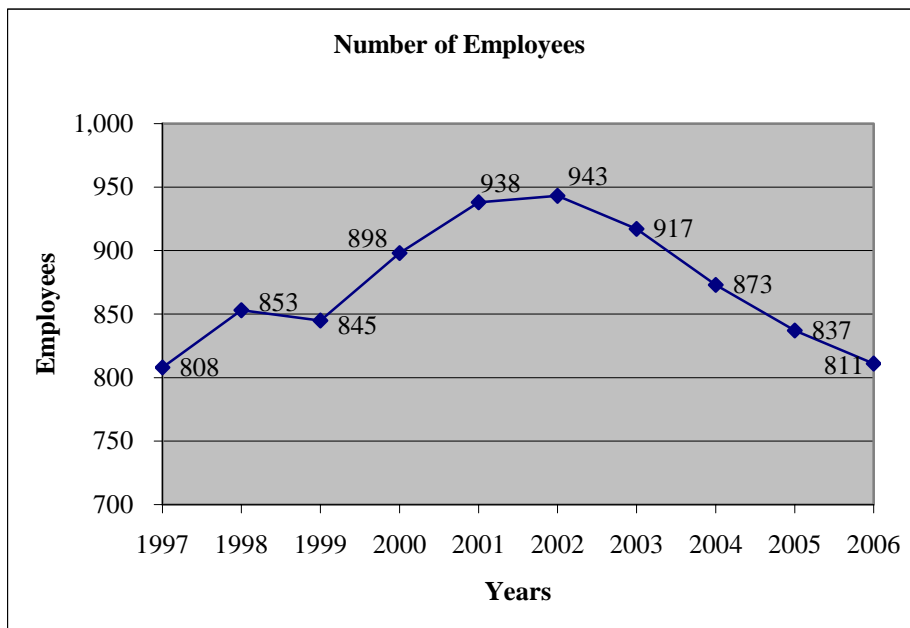
**Columbus Metropolitan Library  
Operation Indicators,  
Last Ten Fiscal Years**

<u>Year</u>	<u>Number of Library Materials Circulated</u>	<u>Number of Registered Borrowers</u>
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
2002	14,851,071	427,137
2003	14,852,582	434,884
2004	16,018,594	448,422
2005	16,490,338	467,986
2006	16,489,899	478,465



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

<u>Year</u>	<u>Number of Employees (1)</u>	<u>Percentage of Change Over Prior Year</u>
1997	808	-
1998	853	5.57%
1999	845	-0.94%
2000	898	6.27%
2001	938	4.45%
2002	943	0.53%
2003	917	-2.76%
2004	873	-4.80%
2005	837	-4.12%
2006	811	-3.11%



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

COMPLIANCE SECTION



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Columbus Metropolitan Library, Franklin County, Ohio (the Library) as of and for the year ended December 31, 2006, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated June 15, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings as item 2006-1 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

### **Compliance and Other Matters**

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

We noted certain other matters that we reported to management of the Library in a separate letter dated June 15, 2007.

The Library's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Library's response and, accordingly, we express no opinion on it.

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



Kennedy Cottrell Richards LLC  
June 15, 2007

Columbus Metropolitan Library

Schedule of Findings

December 31, 2006

**2006-1 Significant Deficiency – Financial Reporting**

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

As a result of our audit, we identified a misstatement pertaining to the recognition of intergovernmental revenues in the Library's General Fund. We provided an adjustment to management who subsequently corrected the misstatement. The misstatement is an indicator that the Library does not have sufficient internal control procedures in place related to financial reporting.

We recommend the Library implement sufficient control procedures over the financial reporting process in order to enable management to prevent and detect potential misstatements in the financial statements and footnotes. Control procedures could include a separate review and analysis of the compiled financial statements and related journal entries by someone knowledgeable of generally accepted accounting principles.

Official's Response

The effect of a change in State of Ohio legislation was not properly recorded in the initial draft of the Library's Comprehensive Annual Financial Statements. This misstatement has been corrected in the released statements. The Library will update its procedures to reflect this change in revenue recognition requirements.





**Mary Taylor, CPA**  
Auditor of State

**COLUMBUS METROPOLITAN LIBRARY**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 14, 2007**