

C O M P R E H E N S I V E  
**ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005  
COLUMBUS METROPOLITAN LIBRARY COLUMBUS, OHIO







**Auditor of State  
Betty Montgomery**

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

We have reviewed the *Independent Auditors' Report* of the Columbus Metropolitan Library, Franklin County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2005, through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

July 26, 2006

**This Page is Intentionally Left Blank.**

# 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, 2004

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.



*Carla E. Perry*

President

*Jeffrey R. Emmer*

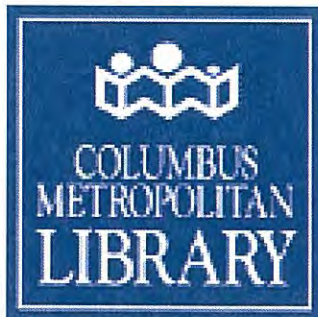
Executive Director

# **Columbus Metropolitan Library**

Columbus, Ohio

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For Fiscal Year Ended December 31, 2005



Issued by:

**PATRICK A. LOSINSKI**

Executive Director/ Interim Clerk-Treasurer

# Columbus Metropolitan Library

---

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2005

### TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Certificate of Achievement for Excellence in Financial Reporting	Cover Page
Title Page .....	i
Table of Contents .....	ii
Library Officials and Staff .....	v
Organizational Chart .....	vi
Letter of Transmittal .....	vii
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis .....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets .....	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	13
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities .....	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds .....	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - General Fund .....	17
Statement of Net Assets - Proprietary Fund.....	18

# Columbus Metropolitan Library

---

FINANCIAL SECTION (continued)	<u>Page</u>
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund .....	19
Statement of Cash Flows - Proprietary Fund .....	20
Notes to the Basic Financial Statements.....	21
Fund Descriptions .....	37
Supplemental Schedules - General Fund:	
Combining Balance Sheet – General Fund .....	38
Combining Supplemental Schedule of Revenues, Expenditures and Changes in Account Balance – General Fund .....	39
Supplemental Schedules – Capital Projects Fund:	
Combining Balance Sheet – Capital Projects Fund .....	40
Combining Supplemental Schedule of Revenues, Expenditures and Changes in Project Balance – Capital Projects Fund.....	46
Combining Statements – Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds .....	53
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Funds .....	55
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - General Fund .....	56
Individual Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual – Nonmajor Funds:	
Restricted Fund .....	60



# Columbus Metropolitan Library

---

<b>FINANCIAL SECTION (continued)</b>	<u>Page</u>
Parking Garage Fund .....	61
Land Development Fund .....	62
LSTA Grant Fund .....	63
Permanent Fund .....	64

## **STATISTICAL SECTION**

General Governmental Expenditures by Function - Last Ten Fiscal Years .....	65
General Revenues and Other Financing Sources by Source - Last Ten Fiscal Years .....	66
Property Tax Levies and Collections - Last Ten Fiscal Years .....	68
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years .....	70
Property Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Years (per \$1,000 of Assessed Value) .....	72
Demographic Statistics and Average Unemployment Rates - Last Ten Fiscal Years (Franklin County) .....	75
Construction, Bank Deposits and Property Value - Last Ten Fiscal Years .....	76
Principal Property Taxpayers .....	77
Miscellaneous Statistics .....	78

## **COMPLIANCE SECTION**

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	79
---	----

# Columbus Metropolitan Library

---

## LIBRARY OFFICIALS AS OF DECEMBER 31, 2005

---

### BOARD OF TRUSTEES

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

### EXECUTIVE STAFF

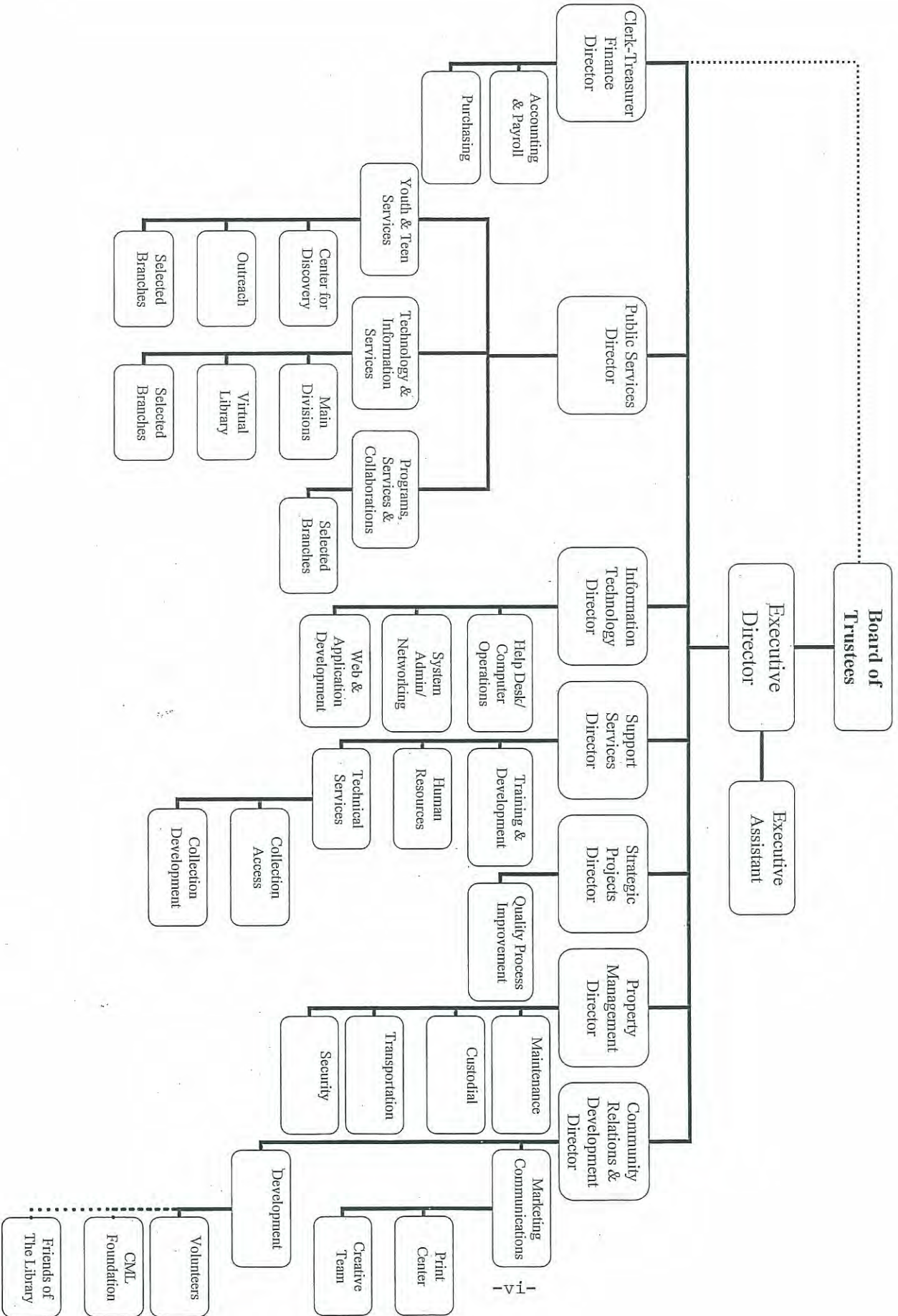
Mr. Patrick Losinski,	Executive Director
-----------------------	--------------------

### ADMINISTRATIVE STAFF

Ms. Susan N. Studebaker,	Associate Director of Public Services
Ms. Deb A. McWilliam,	Associate Director of Support Services
Mr. Robert L. Johnson,	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

96 S. Grant Ave. Columbus, OH 43215-4781 • 614/849-1265 • Fax: 614/849-1365 • [www.columbuslibrary.org](http://www.columbuslibrary.org)

June 16, 2006

**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, 2005.

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 Wilson, Shannon & Snow, Inc., a firm of licensed certified public accountants. The independent auditor concluded that the Library's financial statements for the fiscal year ended December 31, 2005, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

# Columbus Metropolitan Library

---

## THE HISTORY OF THE LIBRARY

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

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

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

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

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

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

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

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

# Columbus Metropolitan Library

---

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

## REPORTING ENTITY

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

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

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

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

The basic financial statements included in the financial section of this report, comply with provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," and GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – 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 more than 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

# Columbus Metropolitan Library

---

Library also has a microfilm collection of past issues of many periodicals including magazines and newspapers that serve as a resource for historians and genealogists.

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

In 2003, the Library completed and adopted the *CML strategic Plan 2005-2010*. This new analysis of the organization, in conjunction with the effect of the loss of anticipated State funding, has led the Library to begin to focus more on building internal efficiencies and the implementation of new technology.

### Our Plan

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.

### Our Mission

*We promote reading and guide learning in the pursuit of information, knowledge and wisdom.*

### Our Vision

*Our diverse community will be fully engaged in the adventures of reading, learning and leisure while recognizing the vital role the library plays in enriching our quality of life.*

The vision focuses on three major areas:

*Promoting Literate Behaviors:* Collections, programs, technology, facilities and staffing are aligned and supportive of the "literate behavior" concepts embodied in our mission.

- "Literate behaviors" are defined and applied to collection development, programming and the allocation of resources.
- Homework help centers and "reading specialists" are introduced in branches that serve neighborhoods and communities most needing support and promotion of literate behaviors.
- More than 100,000 new library cards are issued by the end of the decade – providing the admission "ticket" to the physical and virtual resources of the library.

## Columbus Metropolitan Library

---

- Inspiring branches and a “refreshed” Main Library are designed, funded and built/refurbished to provide revitalized public services. Our facilities are the “hub” of each community they serve.
- Strong, strategic, and outcomes-based collaborations are in place with schools, literacy providers, county libraries and the business community.

*Telling Our Story:* Communication strategies and tactics are established for delivering clear, concise and key messages to internal and external stakeholders.

- Core brand profiles are evaluated, revised, eliminated and invented. Brands are organized, promoted and aligned with a professional marketing strategy to support our strategic and tactical plans.
- CML is reinvented with a modern theme (logo) for the present and future.
- Library staff is strategically engaged in the communities they serve.
- Our website is the preferred “favorite” or “homepage” for the majority of district residents.
- Friends of the Library and the Carnegie Society are aligned and integrated to seamlessly support the mission and vision of the Library.
- Legislature maintains and increases the Library and Local Government Support Fund. Local levy is replaced or renewed.

*Becoming the Profession Leader:* Quality and the constant pursuit of excellence allow staff to work “smarter” to achieve operational excellence and “best in class.”

- Customers determine how, when, where and what services they will receive from CML through individualized preferences, portals, or with the help of highly skilled staff.
- A senior-level quality improvement initiative is established.
- Meaningful performance measures are established to guide the design of action plans and drive objectives and activities.
- All current technology initiatives are successfully implemented – they spawn new technology breakthroughs.
- Library-wide commitment to continuous quality improvement and process review has become standard operating procedure.
- CML has the best-trained, most effective, efficient, committed and highly compensated staff among peer urban libraries. We attract and retain the best talent in the profession – in central Ohio and beyond.

### System wide Strategic Initiatives and Goals

Initiative: We provide excellent service to all.

Goal: Citizens of the Columbus Community will have access to services from the library that both meet and exceed their expectations through attention to their need for customization, speed, accuracy and value.

Initiative: We understand and respond to the hopes, aspirations and needs of our diverse, multicultural community.

Goal: The library will develop strategic collaborations with the targeted community organizations and institutions to maximize the linkage between the library and the community's quality of life.

Initiative: We market, promote and merchandise the library's value to the community.



# **Columbus Metropolitan Library**

---

Goal: To increase the use of library services by all.

Goal: The library will utilize nationally established programs and measurements to its advantage in promoting its value to the local community and to the library profession.

Initiative: We engage our team in the achievement of the mission of the organization.

Goal: The individuals who comprise the staff of the library serve as the critical success factor for all that the library accomplishes. Their value to the organization will be supported and enhanced through responsive development of human resources programs, procedures, training and development.

Goal: The library will continue to be adaptive in its operations and services in order to achieve maximum efficiencies and effectiveness.

Initiative: We collect materials and design programs and services that enrich, inform, educate and entertain.

Goal: Collections will be developed on a coordinated, system wide basis, meeting and anticipating community needs.

Goal: The library will develop the love of reading in children by designing programs, collections and services that cater to the needs of the child and his or her integration into school and society.

Goal: Library services will be developed and managed to support learning in an ethnically diverse public.

Initiative: We ensure the vitality of our current funding resources and explore ways to build capacity.

Goal: The ability of the library to perform and maintain its excellent level of services is dependent upon the stability and vitality of its current funding resources. The library will continually work to ensure that these resources are maintained.

Goal: The library will seek appropriate new revenue sources, cost containment opportunities and other ways to build its capacity to deliver services.

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.

## **2005 STRATEGIC ACCOMPLISHMENTS**

### **1. We provide excellent service to all.**

- Received #1 ranking in the Hennen American Public Library Ranking for 2005!

# Columbus Metropolitan Library

---

- Redesigned and enhanced the public web site.
- Reviewed/revised/updated all remaining policies.
- Acquired land and zoning for additional parking at Linden.
- Installed new check out stations at community and neighborhood branches.

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

- Formed new partnerships with Franklin County libraries:
- MOLDI: Overdrive e-book and e-audio book service.
- Joint legislative strategy regarding LLGSF funding.
- Participated in collaborative efforts:
- COSI Titanic exhibit.
- Pre-K backpacks with grant from Franklin County commissioners.
- Revised transportation delivery strategy with partner libraries.

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

- Participated in IMLS National Survey of Library users regarding internet and library use.
- Produced marketing and external communications plan.

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

- Copier/printer program improvement.
- Finance Department completed process review.
- Completed upgrade to newer version (7.4) of IFAS, CML's financial management system.
- Human Resources and Technical Services reorganized and implemented process improvements.
- Completed salary study/job descriptions revision.
- Implemented Computer Network improvements.
- Performance measures implemented.
- Implemented a system wide Quality and Process Improvement methodology.
- Proactive reference piloted at branches.
- Staff Development Day 2005.
- New Staff Handbook.
- Organizational Climate Survey.
- Completed print management/session timing installation.

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

- Summer Reading Club registration targets were established and system goal was exceeded for 2005.
- Implemented 2:1 hold to copy ratio.

# Columbus Metropolitan Library

---

- Expanded Homework Help Center at Linden and created a Center at MLK Branch.

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

- Held library funding awareness program for local government officials.
- Assessed health benefits plans.
- Revised development and endowment goals.
- Enhanced strategic alignment with Friends of the Library.
- Completed parking garage assessment.
- Improved energy conservation systems and continued automation of buildings.

## 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

The usually diverse and strong economy of the Columbus Metropolitan Area showed signs of recover in 2005. Annual unemployment in Franklin County, which averaged 5.4% in 2004, decreased to 4.8% by December 2005.

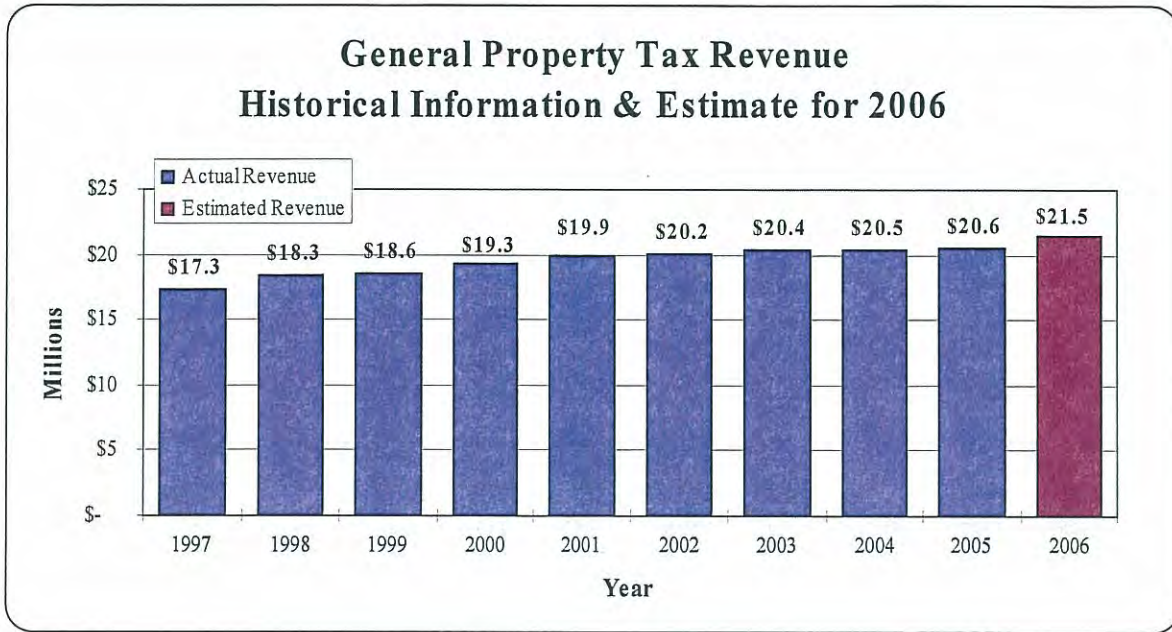
This is lower than the State of Ohio rate of 5.6% and is comparable to the United States rate of 4.6%. The outlook remains consistent when compared the May, 2006 estimate of 4.9%, the most recent data available.

Source: Ohio Department of Job and Family Services

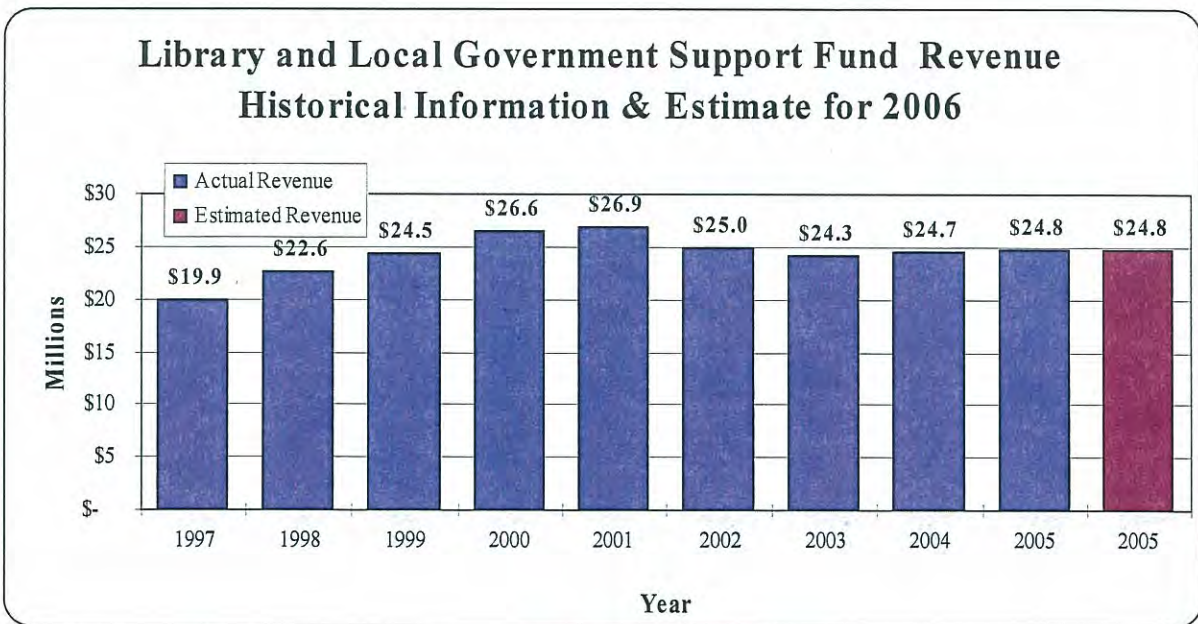
## LONG-TERM FINANCIAL PLANNING

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.

# Columbus Metropolitan Library

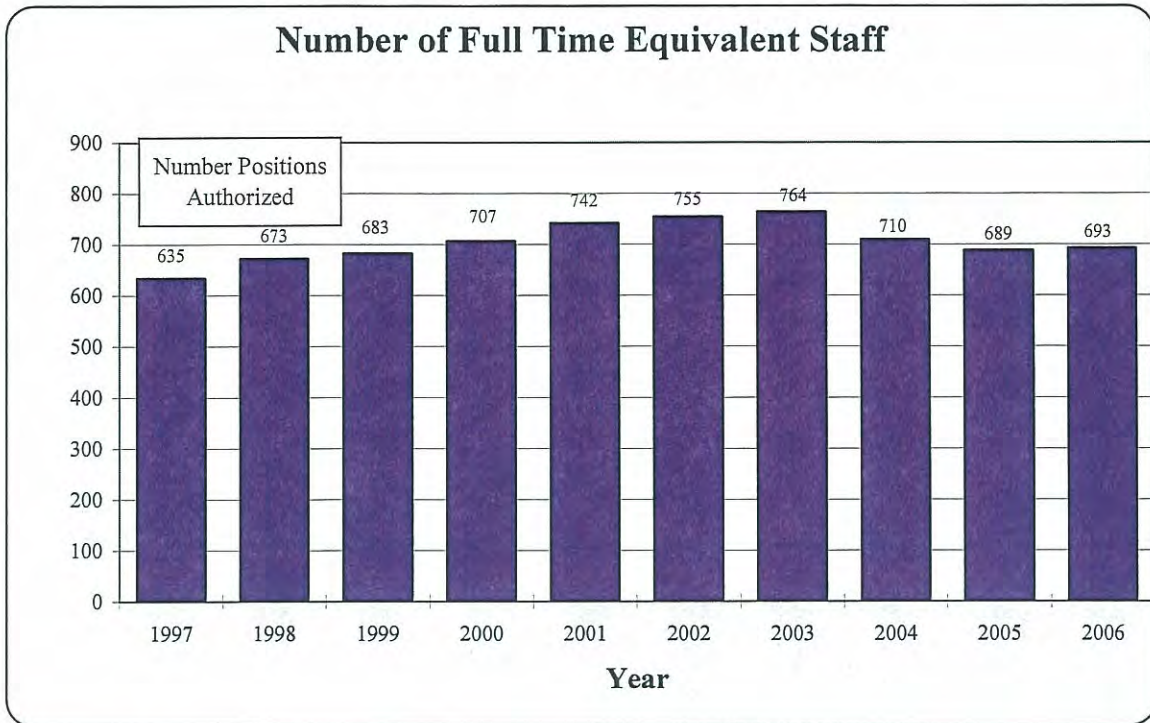


The following chart shows the effect of changes in State of Ohio funding over the past several years. This source of revenue had been increasing at a significant pace until 2001. Due to the past several years of economic downturn, the State has frozen their funding. Even with the recent improvement in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

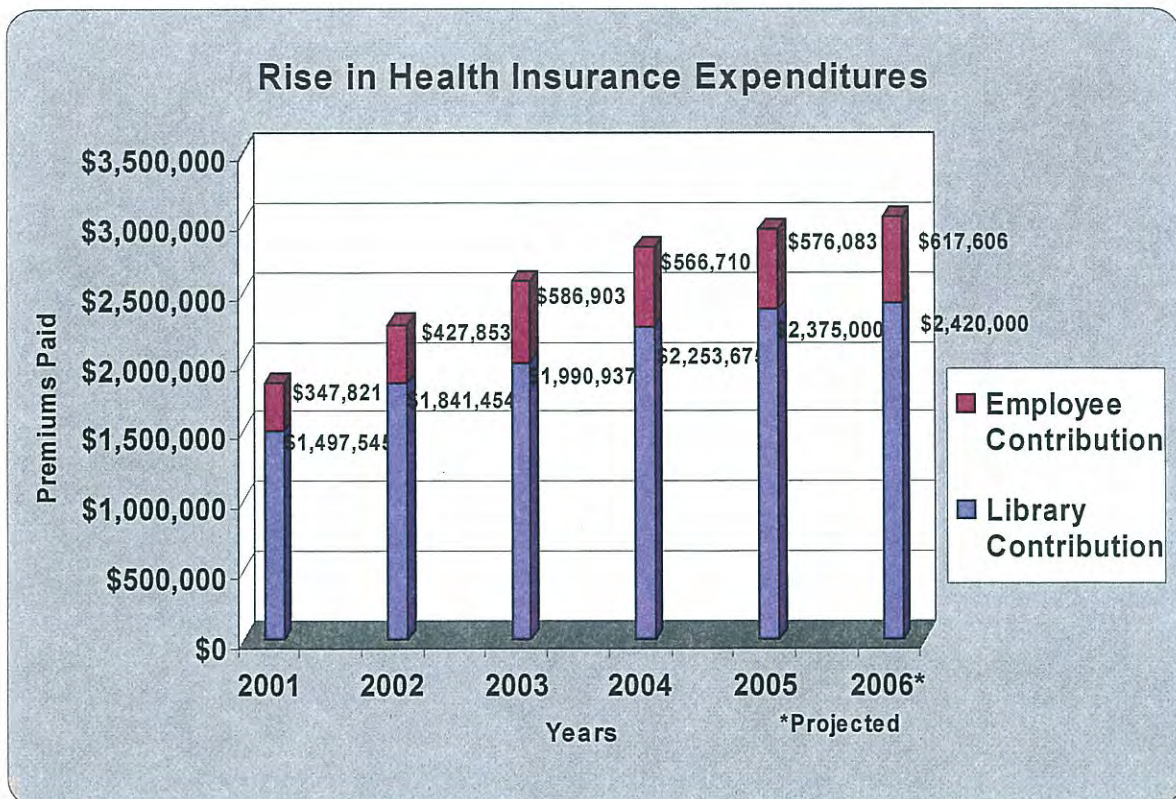


One area of concern is the continued rise in the cost of staffing and employee benefits, especially health insurance coverage. The following chart shows the Library's effort to hold staffing levels steady in 2005. With the future implementation of new service efficiencies and technology, the Library intends to continue to maintain current staffing levels. The Library has committed to reducing staff only through attrition and not layoffs.

# Columbus Metropolitan Library

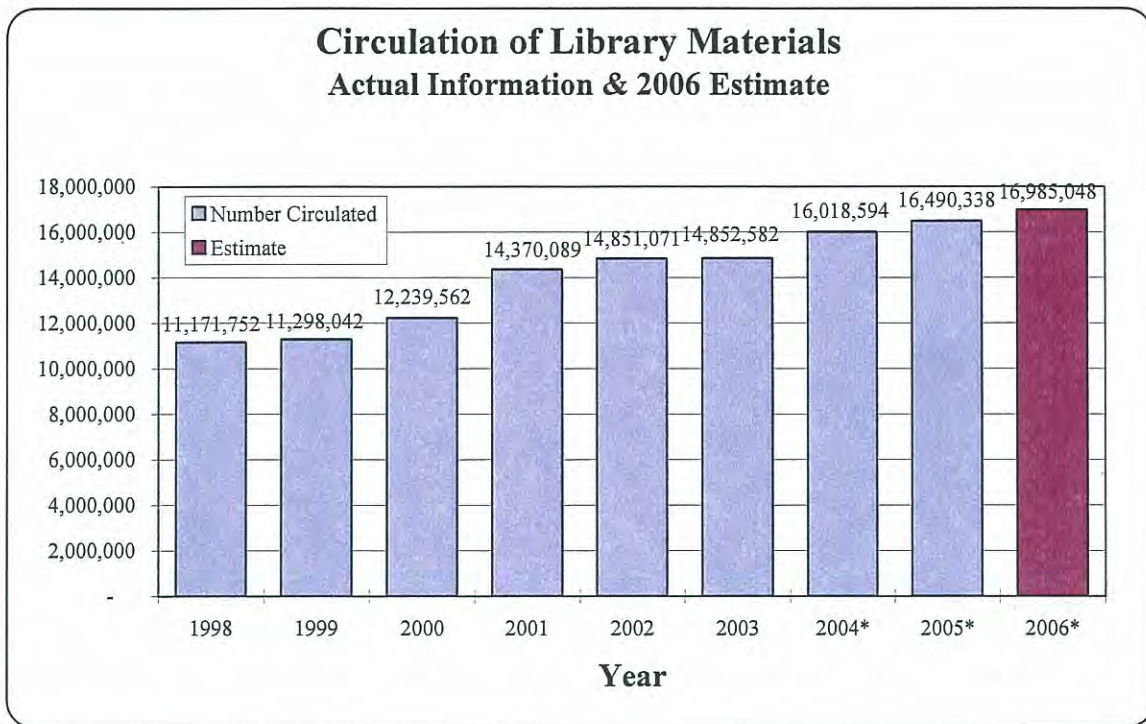


Even with stabilized staffing levels, the cost of health insurance still continues to increase. The following chart shows the rapid increase to both the Library and to the employee.



# Columbus Metropolitan Library

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



## FINANCIAL INFORMATION

### Financial Reporting Model

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

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

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

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

### 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

## **Columbus Metropolitan Library**

---

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.

### Financial Policies

All budgetary 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:

#### 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.

## **Columbus Metropolitan Library**

---

- 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.

### **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



## Columbus Metropolitan Library

---

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.

### **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, 2004. This is the nineteenth (19th) 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, Manager of Fiscal Services; Kimberly Hampton, Chief Accountant, Jan Smith, Finance Specialist and Melina Jeter, Accounting Assistant.

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,



PATRICK LOSINSKI  
Interim Clerk-Treasurer

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, 2005, 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 as of December 31, 2005, 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.

As disclosed in Note 9, the Library restated net assets and fund balances based on prior year errors and omissions. In addition, the Library reclassified funds for proper reporting purposes.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

Board of Trustees  
Independent Auditors' Report

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2006 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, supplementary 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 supplementary 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, supplementary schedules, 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.

Wilson, Shannon & Snow, Inc.

Newark, Ohio  
June 16, 2006

## COLUMBUS METROPOLITAN LIBRARY

### Management's Discussion and Analysis for the Year Ended December 31, 2005

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, 2005. 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 2005 are as follows:

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by \$111,831,852. Of this amount, \$21,822,333 was unrestricted and may be used to meet the Library's ongoing obligations.
- The Library's net assets increased by \$14,171,763 or 14.51%.
- Of the \$63,452,774 in total revenues, general revenues accounted for \$59,581,755 or 93.90 percent. Program specific revenues in the form of charges for services, grants and contributions accounted for \$3,871,019 or 6.10 percent.
- The Library had \$49,281,011 in expenses related to governmental activities; 7.86 percent of these expenditures were offset with program specific revenues. The remaining 92.14 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 \$48,675,798 in revenues and \$46,084,349 in expenditures. An additional \$2,501,520 in other uses resulted in an increase in fund balance of \$89,929. The capital projects fund had \$497,927 in revenues and \$1,931,858 in expenditures. An additional \$2,500,000 in other sources resulted in an increase in fund balance of \$1,066,069.
- At the end of the fiscal year, the unreserved fund balance in the general fund was \$8,192,614. This represents 75.21 percent of total fund balance and 17.78 percent of 2005 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, 2005

#### **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 five 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, 2005

#### 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 2005 compared to 2004. See note 9 for restatement details.

Table 1  
Net Assets

	Governmental Activities	
	2005	2004, restated
<b>Assets</b>		
Current and Other Assets	\$ 61,822,183	\$ 45,852,614
Capital Assets	<u>76,346,337</u>	<u>77,538,653</u>
Total Assets	<u>\$138,168,520</u>	<u>\$123,391,267</u>
<b>Liabilities</b>		
Long-Term Liabilities	2,231,744	2,324,538
Other Liabilities	<u>24,104,924</u>	<u>23,406,640</u>
Total Liabilities	<u>26,336,668</u>	<u>25,731,178</u>
<b>Net Assets</b>		
Invested in Capital Assets	76,346,337	77,538,653
Restricted	13,663,182	10,931,502
Unrestricted	<u>21,822,333</u>	<u>9,189,934</u>
Total Net Assets	<u>\$111,831,852</u>	<u>\$ 97,660,089</u>

Total assets increased \$14,777,253 and total liabilities increased \$605,490. The most significant change from 2004 to 2005 was the 10.32 percent increase \$2,321,195 in Cash and Cash Equivalents and recognition of receivables from the State of Ohio Library and Local Government Fund.

The increase in current assets is offset by a reduction in net Capital Assets of \$1,192,316, almost entirely related to depreciation. There were no other significant changes to assets.

On the liability side, Accounts Payable decreased \$275,579 (19.59%) and Unearned Revenue increased \$530,119. There were no other significant changes to liabilities.

**COLUMBUS METROPOLITAN LIBRARY**

**Management's Discussion and Analysis for the Year Ended December 31, 2005**

Table 2 shows a comparison of the changes in net assets for the fiscal year ended December 31, 2005 compared to December 31, 2004. See note 9 for restatement details.

Table 2  
Changes in Net Assets

	Governmental Activities	
	2005	2004, restated
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 3,765,032	\$ 3,481,586
Operating Grants, Contributions and Interest	105,987	504,607
Capital Grants and Contributions	-	63,000
General Revenue		
Property Taxes	20,243,252	18,502,301
Intergovernmental	38,571,919	26,660,889
Investment Earnings	<u>766,584</u>	<u>289,987</u>
Total Revenues	<u>\$63,452,774</u>	<u>\$49,502,370</u>
 <b>Program Expenses</b>		
Public Service	32,512,093	32,481,244
Administrative and Support	<u>16,768,918</u>	<u>16,200,886</u>
Total Expenses	<u>49,281,011</u>	<u>48,682,130</u>
Increase in Net Assets	<u>\$14,171,763</u>	<u>\$ 820,240</u>

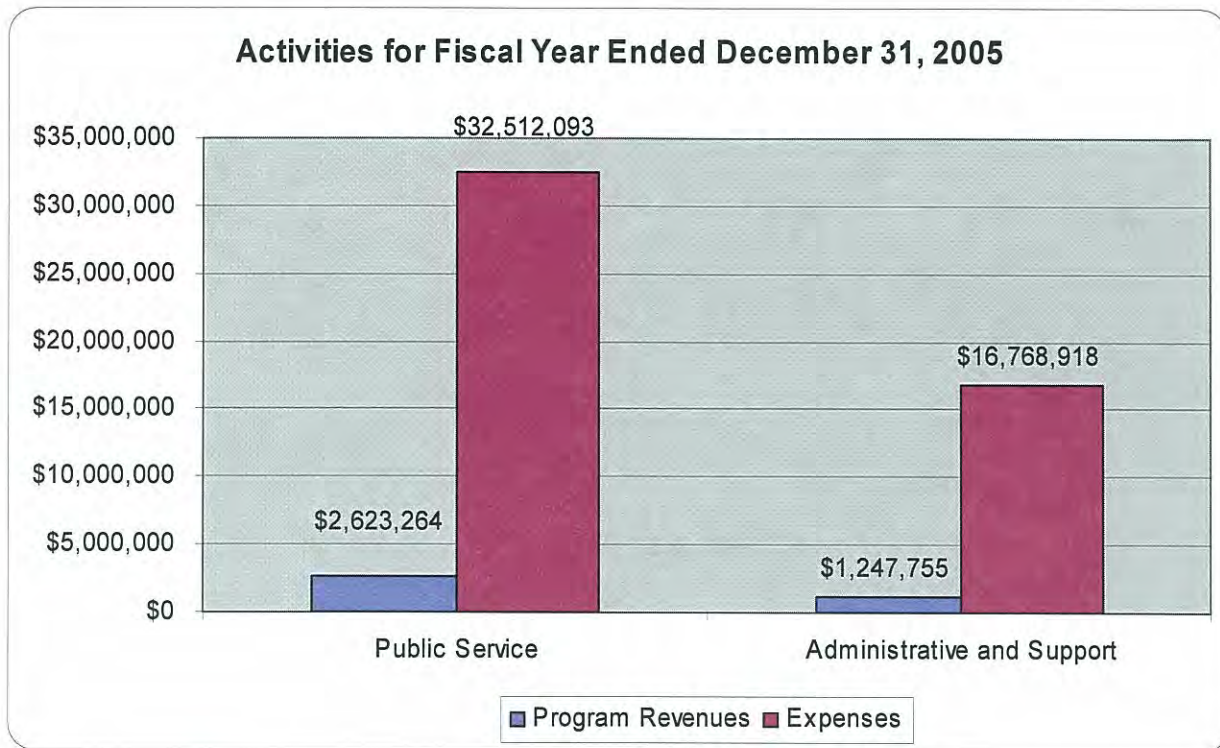
A major source of funding for the Library is money received from the State of Ohio's Library and Local Government Support Fund (LLGSF). The source of money for this fund comes from a percentage of the state income taxes collected in Ohio. Based on a formula, as established in state law, a percentage 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 59.92% in 2005.

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, 2005



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 - 2005</u>	<u>Total Cost of Services - 2004</u>	<u>Net Cost of Services - 2005</u>	<u>Net Cost of Services - 2004</u>
Program Expenses				
Public Service	\$ 32,512,093	\$ 32,481,244	\$ 29,888,829	\$ 29,674,222
Administrative and Support	<u>16,768,918</u>	<u>16,200,886</u>	<u>15,521,163</u>	<u>14,958,715</u>
Total	\$ <u>49,281,011</u>	\$ <u>48,682,130</u>	\$ <u>45,409,992</u>	\$ <u>44,632,937</u>

The above schedule clearly shows the dependence upon tax revenues and state subsidies for governmental activities. Only 7.86 percent of the activities performed by the Library are supported through program revenues such as charges for services, grants and contributions. The remaining 92.14 percent is provided through taxes and intergovernmental revenues.

## COLUMBUS METROPOLITAN LIBRARY

### Management's Discussion and Analysis for the Year Ended December 31, 2005

#### 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, \$8,192,614 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 17.78 percent of 2005 general fund expenditures.

At December 31, 2005, the capital projects fund had an ending fund balance of \$10,090,384 available to complete current projects and provide funding for future projects.

As of December 31, 2005, the Library's governmental funds reported combined ending fund balances of \$22,431,640, an increase of \$1,237,756 in comparison to the prior year. All governmental funds had total revenues of \$49,969,380 and expenditures of \$48,731,624.

#### 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 2005, 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 most significant amendment was a \$2,501,520 increase in transfers-out. \$2,500,000 was transferred to the capital projects fund for future projects and \$1,520 was the Library's portion of the LSTA Grant.

For the general fund, budget basis revenue was \$48,900,842, which exceeded the estimate of \$48,750,436 by \$150,406.

For the general fund, budget basis expenditures were \$48,777,321, which was below original the estimate of \$51,227,648. Of this \$2,450,327 difference, \$753,391 was due to salaries and benefits savings and \$938,517 was due to lower than anticipated purchased service costs.

The Library's ending unobligated cash balance was \$7,864,899.

**COLUMBUS METROPOLITAN LIBRARY**

**Management's Discussion and Analysis for the Year Ended December 31, 2005**

**Capital Assets**

At the end of fiscal year 2005, the Library had \$76,346,337 invested in capital assets. Table 4 shows fiscal ended December 31, 2005 compared to December 31, 2004.

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

	Governmental Activities	
	2005	2004
Land	\$ 10,810,986	\$ 10,664,229
Buildings and Improvements	63,025,722	64,112,061
Machinery and Equipment	935,138	1,394,621
Construction in Progress	<u>1,574,491</u>	<u>1,367,742</u>
Totals	<u>\$ 76,346,337</u>	<u>\$ 77,538,653</u>

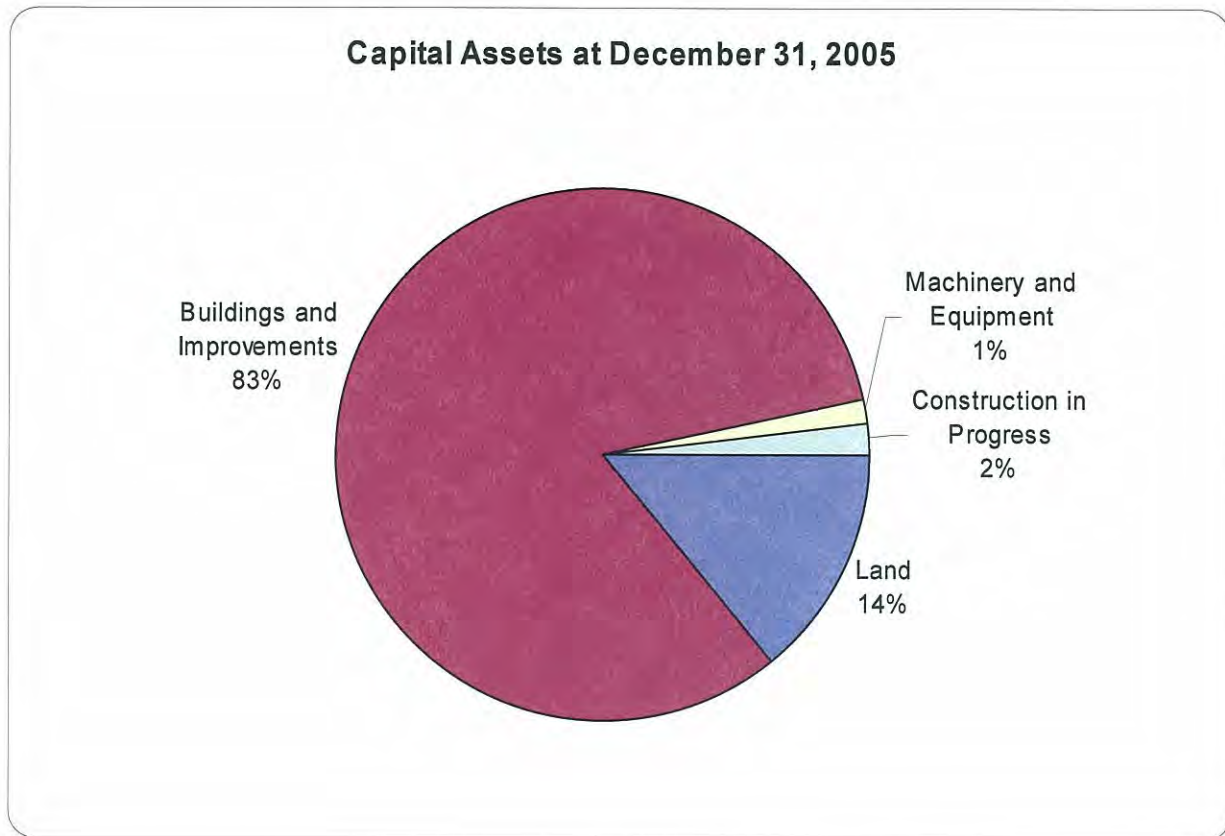
During 2005, the Library did not invest in much capital construction. Additional land was purchased to expand the Linden Branch parking lot.

See Note 5 for additional capital asset information.

This space intentionally left blank.

## COLUMBUS METROPOLITAN LIBRARY

### Management's Discussion and Analysis for the Year Ended December 31, 2005



#### **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, Interim Deputy Clerk-Treasurer/Manager of Fiscal Services at Columbus Metropolitan Library, 96 South Grant Ave., Columbus, Ohio 43215 or by e-mail at [tdaughenbaugh@columbuslibrary.org](mailto:tdaughenbaugh@columbuslibrary.org).

**COLUMBUS METROPOLITAN LIBRARY**  
**Statement of Net Assets**  
**December 31, 2005**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 24,012,213
Receivables	37,165,047
Prepays	644,923
Capital Assets, Nondepreciable	12,385,477
Capital Assets, Net of Depreciation	63,960,860
Total Assets	<u>138,168,520</u>
<b>LIABILITIES</b>	
Accounts Payable	1,130,797
Compensated Absences, Short-term	356,578
Accrued Liabilities, current	1,810,284
Unearned Revenues	20,807,265
Compensated Absences, Long-term	2,231,744
Total Liabilities	<u>26,336,668</u>
<b>NET ASSETS</b>	
Invested in Capital Assets	76,346,337
Restricted for:	
Land Development	1,029,473
Parking Garage	231,434
Restricted Donations	108,335
Capital Projects	12,215,473
Permanent Fund	78,467
Unrestricted	21,822,333
Total Net Assets	<u>\$ 111,831,852</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, 2005**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Assets</u>
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
<b>Primary Government:</b>				
Governmental Activities				
General Government:				
Public Service	\$ 32,512,093	\$ 2,517,277	\$ 105,987	\$ (29,888,829)
Administrative and Support	16,768,918	1,247,755	-	(15,521,163)
<b>Total Governmental Activities</b>	<u>\$ 49,281,011</u>	<u>\$ 3,765,032</u>	<u>\$ 105,987</u>	<u>(45,409,992)</u>

General Revenues:	
Property Taxes	20,243,252
Intergovernmental, Unrestricted	38,571,919
Unrestricted Investment Earnings	766,584
Total General Revenues	<u>59,581,755</u>
Change in Net Assets	14,171,763
Net Assets - Beginning	97,527,995
Restatement - See Note #9	132,094
Net Assets - Ending	<u>\$ 111,831,852</u>

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

**COLUMBUS METROPOLITAN LIBRARY**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2005**

	<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	\$ 9,980,968	\$ 10,277,194	\$ 1,605,684	\$ 21,863,846
Receivables	37,110,079	21,236	4,833	37,136,148
Prepays	623,506	-	21,416	644,922
Advances to Other Funds	350,000	-	-	350,000
Total Assets	<u>\$ 48,064,553</u>	<u>\$ 10,298,430</u>	<u>\$ 1,631,933</u>	<u>\$ 59,994,916</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 673,816	\$ 208,046	\$ 126,077	\$ 1,007,939
Accrued Liabilities	2,122,180	-	44,682	2,166,862
Deferred Revenue	34,375,010	-	13,465	34,388,475
Total Liabilities	<u>37,171,006</u>	<u>208,046</u>	<u>184,224</u>	<u>37,563,276</u>
Fund Balances:				
Reserved for:				
Encumbrances	1,727,427	1,476,769	728	3,204,924
Advances	350,000	-	-	350,000
Prepays	623,506	-	21,416	644,922
Endowments	-	-	67,742	67,742
Unreserved, Special Revenue	-	-	1,347,298	1,347,298
Unreserved, Capital Projects	-	8,613,615	-	8,613,615
Unreserved, Permanent	-	-	10,525	10,525
Unreserved	8,192,614	-	-	8,192,614
Total Fund Balances	<u>10,893,547</u>	<u>10,090,384</u>	<u>1,447,709</u>	<u>22,431,640</u>
Total Liabilities and Fund Balances	<u>\$ 48,064,553</u>	<u>\$ 10,298,430</u>	<u>\$ 1,631,933</u>	<u>\$ 59,994,916</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, 2005**

---

---

Total Fund Balances for Governmental Funds	\$	22,431,640
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		76,346,337
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.		(2,231,744)
Assets of the internal service fund that primarily serve governmental funds		2,177,265
Liabilities of the internal service fund that primarily serve governmental funds		(472,858)
Liabilities for revenue earned, but uncollected		13,581,212
Net Assets of Governmental Activities	<u>\$</u>	<u>111,831,852</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, 2005**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property Taxes	\$ 18,378,399	\$ -	\$ -	\$ 18,378,399
Intergovernmental	26,984,147	-	3,509	26,987,656
Fines and Fees	1,918,291	-	-	1,918,291
Investment Earnings	433,736	243,528	38,910	716,174
Charges for Services	565,719	49,398	713,608	1,328,725
Contributions and Donations	88,746	-	17,241	105,987
Miscellaneous	306,760	205,001	22,387	534,148
Total Revenues	<u>48,675,798</u>	<u>497,927</u>	<u>795,655</u>	<u>49,969,380</u>
<b>EXPENDITURES</b>				
Current:				
Public Service	31,930,226	-	11,115	31,941,341
Administrative and Support	13,875,451	7,500	704,302	14,587,253
Capital Outlay	278,672	1,924,358	-	2,203,030
Total Expenditures	<u>46,084,349</u>	<u>1,931,858</u>	<u>715,417</u>	<u>48,731,624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,591,449</u>	<u>(1,433,931)</u>	<u>80,238</u>	<u>1,237,756</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	-	2,500,000	1,520	2,501,520
Transfers Out	(2,501,520)	-	-	(2,501,520)
Total Other Financing Sources (Uses)	<u>(2,501,520)</u>	<u>2,500,000</u>	<u>1,520</u>	<u>-</u>
Net Changes in Fund Balances	89,929	1,066,069	81,758	1,237,756
Fund Balances at Beginning of Year	10,281,323	9,024,315	1,888,246	21,193,884
Restatement (See Note 9)	522,295	-	(522,295)	-
Funds Balance End of Year	<u>\$ 10,893,547</u>	<u>\$ 10,090,384</u>	<u>\$ 1,447,709</u>	<u>\$ 22,431,640</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, 2005**

---

Net Change in Fund Balances - Total Governmental Funds	\$ 1,237,756
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.	687,442
Reverse prior year revenue earned during the prior period.	(20,523)
Reverse prior year compensated absences expense incurred during the period related to the liability that is still outstanding and not yet due at year-end.	(50,144)
Depreciation expense.	(1,742,955)
Net revenue of internal service fund activities.	558,291
Record internal service fund revenues and expenses not subject to consolidation.	52,780
Revenue earned, but uncollected	13,581,210
Restatement of Prior Year Net Assets	(132,094)
Change in Net Assets of Governmental Activities	\$ 14,171,763

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, 2005**

	<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	\$ 24,866,000	\$ 24,808,043	\$ 24,808,036	\$ (7)
Property Taxes	21,025,099	21,025,099	20,612,071	(413,028)
Fines and Fees	1,742,225	1,742,225	1,911,061	168,836
Charges for Services	411,886	425,069	611,521	186,452
Investment Earnings	250,000	250,000	400,604	150,604
Contributions and donations	200,000	200,000	201,221	1,221
Miscellaneous	300,000	300,000	356,328	56,328
Total Revenues	<u>48,795,210</u>	<u>48,750,436</u>	<u>48,900,842</u>	<u>150,406</u>
<b>EXPENDITURES</b>				
Current:				
Public Service	32,429,727	32,684,199	31,119,151	1,565,048
Administrative and Support	15,898,477	15,724,923	14,892,093	832,830
Capital Outlay	317,006	317,006	264,557	52,449
Total Expenditures	<u>48,645,210</u>	<u>48,726,128</u>	<u>46,275,801</u>	<u>2,450,327</u>
Excess (deficiency) of Revenue over (under) Expenditures	150,000	24,308	2,625,041	2,600,733
<b>OTHER FINANCING SOURCES (USES)</b>				
Intra-Fund Transfers In	467,006	467,006	467,006	-
Intra-Fund Transfers Out	(467,006)	(467,006)	(467,006)	-
Transfers Out	-	(2,501,520)	(2,501,520)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,501,520)</u>	<u>(2,501,520)</u>	<u>-</u>
Net Changes in Fund Balances	150,000	(2,477,212)	123,521	2,600,733
Fund Balances at Beginning of Year	7,364,088	7,364,088	7,364,088	-
Restatement (see Note 9)	527,290	527,290	527,290	-
Funds Balance End of Year	<u>\$ 8,041,378</u>	<u>\$ 5,414,166</u>	<u>\$ 8,014,899</u>	<u>\$ 2,600,733</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, 2005**

	<b>Governmental            Activities            Internal Service Fund</b>
<b>ASSETS</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 2,148,366
Receivables	28,899
Total Assets	\$ 2,177,265
<b>LIABILITIES</b>	
Current Liabilities:	
Claims Payable	\$ 122,858
Advance from Other Funds	350,000
Total Liabilities	472,858
<b>NET ASSETS</b>	
Unrestricted	1,704,407
Total Net Assets	\$ 1,704,407

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, 2005**

	<b>Governmental Activities Internal Service Fund</b>
Operating Revenues	
Charges for Services	\$ 2,853,131
Miscellaneous	27,129
Total Operating Revenues	2,880,260
Operating Expenses	
Contractual Services	424,227
Claims Paid	1,897,742
Total Operating Expenses	2,321,969
Operating Income	558,291
Non Operating Revenues	
Interest	52,780
Total Non Operating Revenues	52,780
Change in Net Assets	611,071
Net Assets Beginning of Year	1,093,336
Net Assets End of Year	\$ 1,704,407

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, 2005**

	<u>Governmental Activities Internal Service Fund</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Cash Received for Claims	\$ 2,853,131
Cash Received from Reimbursements	27,129
Cash Payments for Administrative Fees	(424,227)
Cash Payments for Claims	(1,990,747)
Net Cash Provided by Operating Activities	<u>465,286</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Interest Income	<u>52,780</u>
Net Cash Provided from Investing Activities	<u>52,780</u>
Net Increase in Cash and Cash Equivalents	518,066
Cash and Cash Equivalents Beginning of Year	<u>1,630,300</u>
Cash and Cash Equivalents End of Year	<u>\$ 2,148,366</u>
 <b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>	
Operating Income	<u>\$ 558,291</u>
Adjustments:	
Increase in Receivables	(23,872)
Decrease in Claims Payable	(69,133)
Total Adjustments	<u>(93,005)</u>
Net Cash Provided by Operating Activities	<u>\$ 465,286</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, 2005

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

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

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

In May 2004, the GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section – an amendment of NCGA Statement 1*. This statement amends the portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, that guide the preparation of the statistical section. This statement is effective for periods beginning after June 15, 2005 and the Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This statement is effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999. The Library is required to implement this Statement in financial statements 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.

In December 2004, GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation—an amendment of GASB Statement No. 34*. This Statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government—such as citizens, public interest groups, or the judiciary—can compel a government to honor. This statement is effective for periods beginning after June 15, 2005 and the Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

In June 2005, GASB issued Statement No. 47, *Accounting for Termination Benefits*. This Statement establishes accounting standards for termination benefits. The requirements of this Statement are effective in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this Statement should be implemented simultaneously with the requirements of Statement No. 45. For all other termination benefits, this Statement is effective for financial statements for periods beginning after June 15, 2005. 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.

## COLUMBUS METROPOLITAN LIBRARY

### Notes to the Basic Financial Statements

December 31, 2005

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

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.

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.



## COLUMBUS METROPOLITAN LIBRARY

### Notes to the Basic Financial Statements

December 31, 2005

(1) **Summary of Significant Accounting Policies (continued)**  
**(a) Government-wide and fund financial statements (continued)**

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

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

**(b) Financial reporting presentation**

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

#### 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, grants, 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.

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2005**

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

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

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Library considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the fiscal year end. 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.

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2005**

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

**(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 2005, investments were limited to non-negotiable certificates of deposit, federal agency securities, money market accounts and STAR Ohio. All investments are reported at fair value except for non-negotiable certificates of deposit, which are reported at cost. The Library's cash and investments are further explained in Note 3.

**(g) Capital Assets**

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

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

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

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 2,709,175 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
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, 2005, 2004 and 2003, there were no outstanding judgments or claims in excess of policy limits. There were no significant changes in insurance coverage from the previous year and no insurance settlement has exceeded insurance coverage during the last three years.

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

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2005**

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

**(h) Insurance (continued)**

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>2003</u>	<u>2004</u>	<u>2005</u>
Unpaid Claims Jan 1,	\$ 236,415	\$ 154,387	\$ 191,991
Incurred Claims	1,512,340	1,802,625	1,897,742
Payment of Claims	<u>(1,594,368)</u>	<u>(1,765,021)</u>	<u>(1,966,875)</u>
Unpaid Claims Dec 31,	<u>\$ 154,387</u>	<u>\$ 191,991</u>	<u>\$ 122,858</u>

The \$122,858 of unpaid claims are reflected in the internal service fund's accounts payable line item.

**(i) Compensated Absences**

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

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. 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 nonoperating 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.

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2005**

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

**(j) Interfund Transactions (continued)**

In 2001, \$350,000 was advanced from the General fund to the Self-Insurance Fund to cover the initial costs of operation. Repayment is schedule to occur in 2006.

	<u>Transfer-In</u>	<u>Transfer-Out</u>
General	\$ -	\$ 2,501,520
Capital Projects	2,500,000	-
Special Revenue	1,520	-
Total Transfers	<u>\$ 2,501,520</u>	<u>\$ 2,501,520</u>

**(k) Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items. Prepaid items consist primarily of insurance premiums, conferences and training, memberships and library material subscriptions.

**(l) Budgetary Basis of Accounting**

Budget

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

Estimated Resources

The County Budget Commission certifies the budget to the Library by September 1. As part of this certification, the Library receives the official Certificate of Estimated Resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. The total estimated receipts together with prior year carry over of unencumbered cash then serves as the basis for the annual appropriation. Expenditures and encumbrances from any fund during the ensuing fiscal year must not exceed the amount stated in the Amended Certificate of Estimated Resources. The amounts reported as the final budgeted amounts on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2005.

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. The amounts reported as final budget amounts in the statement of budgetary comparison represent the final appropriations amount including all amendments and modifications.

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.

## COLUMBUS METROPOLITAN LIBRARY

### Notes to the Basic Financial Statements

December 31, 2005

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

**(l) Budgetary Basis of Accounting (continued)**

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).

**(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.

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2005**

**(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, 2005, follows:

	<u>Balance</u> <u>Jan 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec 31, 2005</u>
Governmental Activities	\$ 2,324,538	\$ 2,513,976	(\$ 2,250,192)	\$ 2,588,322

Accrued liabilities are composed of accrued compensatory time earned. Of which, \$356,578 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.

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.

Deposits:

At December 31, 2005, the carrying amount of all the Library's deposits (including \$67,742 in non-negotiable certificate of deposits) was \$427,183 and the bank balance was \$841,407. Of the bank balance, \$167,742 was covered by Federal Deposit Insurance and \$673,665 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.

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.

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2005**

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

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 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:

- a. The use of derivative securities, as defined by Ohio revised Code Section 135.14, is expressly prohibited.
- b. 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.
- c. 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.
- d. The investment into a fund established by another subdivision if the fund was established for the purpose of investing monies of other subdivisions.
- e. The use of leveraging, in which the investing authority uses its current investment assets as collateral for the purpose of purchasing other assets.
- f. The issuance of taxable notes for the purpose of arbitrage.
- g. 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.



**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2005**

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

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)	\$ 15,500,393	AAAm <sup>1</sup>	\$15,500,393	\$ -
Federal Agency Securities (Non-callable)	2,471,750	N/A <sup>2</sup>	2,471,750	-
Federal Agency Securities (Callable)	2,227,141	N/A <sup>2</sup>	1,234,739 <sup>3</sup>	992,402 <sup>4</sup>
Federal Agency – Discount	3,262,650	N/A <sup>2</sup>	3,262,650	-
Money Market Fund	<u>123,096</u>	AAAm <sup>1</sup>	<u>123,096</u>	<u>-</u>
<b>Total</b>	<b>\$ <u>23,585,030</u></b>		<b>\$ <u>22,592,628</u></b>	<b>\$ <u>992,402</u></b>

Per Statement of Net Assets:

Investments (summarized above)	\$ 23,585,030
Carrying amount of deposits	420,968
Petty cash and change fund	<u>6,215</u>
<b>Total</b>	<b>\$ <u>24,012,213</u></b>

<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 \$1,234,739 is currently callable. <sup>4</sup> - \$247,578 is currently callable.

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, 2005.

**(4) Receivables**

Receivables at December 31, 2005 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	\$ 37,063,866	\$ 20,803	\$ 25,410	\$ 37,110,079
Capital Project	-	21,236	-	21,236
Other Governmental	-	2,984	1,849	4,833
Internal Service	-	<u>4,437</u>	<u>24,462</u>	<u>28,899</u>
<b>Total</b>	<b>\$ <u>37,063,866</u></b>	<b>\$ <u>49,460</u></b>	<b>\$ <u>51,721</u></b>	<b>\$ <u>37,165,047</u></b>

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2005**

**(5) Capital Assets**

A summary of changes in capital assets for the year ended December 31, 2005, follows:

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
Nondepreciable Assets:				
Land	\$ 10,664,229	\$ 191,007	\$ (44,250)	\$ 10,810,986
Construction in progress	<u>1,367,742</u>	<u>320,128</u>	<u>(113,379)</u>	<u>1,574,491</u>
Total Nondepreciable Assets	<u>12,031,971</u>	<u>511,135</u>	<u>(157,629)</u>	<u>12,385,477</u>
Depreciable Assets:				
Buildings and improvements				
	77,902,516	340,184	(338,677)	77,904,023
Machinery and equipment	<u>6,132,174</u>	<u>56,484</u>	<u>(4,039)</u>	<u>6,184,619</u>
Total Depreciable Assets	<u>84,034,690</u>	<u>396,668</u>	<u>(342,716)</u>	<u>84,088,642</u>
Total Capital Assets	\$ <u>96,066,661</u>	\$ <u>907,803</u>	\$ <u>(500,345)</u>	\$ <u>96,474,119</u>
Accumulated Depreciation:				
Buildings and improvements				
	(13,790,455)	(1,226,988)	139,142	(14,878,301)
Machinery and equipment	<u>(4,737,553)</u>	<u>(515,967)</u>	<u>4,039</u>	<u>(5,249,481)</u>
Total Accumulated Depreciation	<u>(18,528,008)</u>	<u>(1,742,955)</u>	<u>143,181</u>	<u>(20,127,782)</u>
Total Capital Assets, net	\$ <u>77,538,653</u>	\$ <u>(835,152)</u>	\$ <u>(357,164)</u>	\$ <u>76,346,337</u>

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

Of the \$1,742,955 depreciation expense, \$749,471 was related to Public Service and \$993,484 was related to Administrative and Support.

Construction in progress at December 31, 2005, consists of:

Project	Balance January 1, 2005	Net Additions/ (Deletions)	Balance December 31, 2005	Project	
				Commit- ments	Remaining Balance
Security Equip Upgrade	\$ -	\$ 2,899	\$ 2,899	\$ -	\$ 585
Print Management	-	13,589	13,589	7,900	34,582
Linden Branch	-	5,361	5,361	14,579	259,075
Proactive Reference	-	11,200	11,200	65,217	11,854
Financial System	232,142	(105,432)	126,710	49,551	-
Telecommunications	740,196	75,894	816,090	187,546	53,159
Regional Self-Check	-	17,544	17,544	1,430	1,390,581
ILS System	78,427	165,330	243,757	554,233	139,753
Main Library Remodel	<u>316,977</u>	<u>20,364</u>	<u>337,341</u>	<u>2,020</u>	<u>960,604</u>
	\$ <u>1,367,742</u>	\$ <u>206,749</u>	\$ <u>1,574,491</u>	\$ <u>882,476</u>	\$ <u>2,850,193</u>

## COLUMBUS METROPOLITAN LIBRARY

### Notes to the Basic Financial Statements

December 31, 2005

(6) **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) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2005, member and employer contribution rates were consistent across all three plans. For 2005, member contribution rates were 8.5% of their annual covered salary. The 2005 employer contribution rate was 13.55% of covered payroll. Total required employer contributions for all three plans are equal to 100% of employer charges and must be extracted from the employer's records.

The Library's contributions to OPERS for the years ending December 31, 2005, 2004 and 2003, were \$3,290,861, \$3,193,066 and \$3,144,989, respectively, which were equal to the required contributions for each year.

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

In addition to the pension benefits described in note 6, 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. The health care coverage provided by OPERS is considered an Other Post-Employment Benefit (OPEB), as described in GASB Statement No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of the post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2005 contribution rate for the employer was 13.55% of covered payroll; 4.00% was used to fund health care for the year.

Employer contributions are advanced-funded on an actuarially determined basis and are determined by state statute. The amount of actuarially determined Library contributions actually made to fund post-employment benefits was approximately \$410,582 in 2005 and \$942,596 in 2004.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. At December 31, 2005, the number of active contributing participants in the TP Plan and the CO Plan was 376,109.

## COLUMBUS METROPOLITAN LIBRARY

### Notes to the Basic Financial Statements

December 31, 2005

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

The assumptions and calculations below are based on OPERS' latest Actuarial Review, performed as of December 31, 2004.

OPERS (assuming the number of active employees remains constant) assumes an annual increase of 4.00% compounded annually is the base portion of the individual pay increase assumption. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

OPEB are financed through employer contributions and investment earnings thereon. The investment assumption rate for 2004 was 8.00%. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

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

Health care costs are assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years, 9 and beyond, health care costs are assumed to increase at the projected wage inflation rate of 4.00%.

As of December 31, 2004, the actuarial value of the net assets available for future OPEB payments was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) with the effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefits recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs.

If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses. Another component of the HCPP increased member and employer contribution rates beginning January 1, 2006, which will allow additional funds to be allocated to the health care plan. In addition to the HCPP, OPERS has taken further action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets.

(8) **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 2005 were levied after October 1 on the assessed value listed as of the prior January 1, the lien date. These taxes are payable annually or semi-annually. If paid annually, payment is due by January 20; if paid semi-annually, the first payment is due by January 20 with remainder payable by June 20. Under certain circumstances, state statutes permit earlier or later payment dates to be established.

Assessed values are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years. The last revaluation was completed in 2000. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value, which is a certain percentage of cost. Percentages vary according to the type of utility involved.

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2005**

**(8) Property Taxes (continued)**

Tangible personal property assessments were 25% of true value for personal property. The assessed values upon which the 2005 taxes were collected were approximately \$19.7 billion.

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

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, 2005, and available to the Library are recorded as revenues and receivables.

**(9) Prior Period Adjustments**

The State of Ohio removed the Library's intergovernmental funding from being a formula derived from state income tax to a fixed amount appropriated in the State budget. This was not properly reflected in the 2004 financial statements. The net effect is as follows:

<u>Net Assets</u> December 31, 2004	<u>Restatement</u>	Net assets December 31, 2004 (Restated)
\$ 97,527,995	\$ 132,094	\$ 97,660,089

In 2005, the Library combined the operations of the Integrated Library Partner, Special Revenue Fund, with the General Fund. The effect on the Governmental Funds statement is as follows:

	<u>Fund Balance</u> December 31, 2004	<u>Restatement</u>	Fund Balance December 31, 2004 (Restated)
General Fund	\$ 10,281,323	\$ 522,295	\$ 10,803,618
Other Governmental Funds	\$ 1,888,246	\$ (522,295)	\$ 1,365,951

The beginning balances for the general fund presented within the Statement/Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) has also been restated based on reclassification of the Integrated Library Partner Special Revenue Fund.

	<u>Fund Balance</u> December 31, 2004	<u>Restatement</u>	Fund Balance December 31, 2004 (Restated)
General Fund	\$ 7,364,088	\$ 527,290	\$ 7,891,378

**COLUMBUS METROPOLITAN LIBRARY**

**Notes to the Basic Financial Statements**

**December 31, 2005**

**(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 2005, the Library contributed \$727,790 to the operational costs of Worthington.

In 2006, the Library has appropriated \$725,000 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 805 Hartford Street, Worthington, Ohio 43085.

**(11) 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, 2005</u>
GAAP basis	\$ 89,929	\$10,893,547
<u>Due to revenues:</u>		
Received in cash during 2005, but accrued at December 31, 2004	23,300,355	
Accrued at December 31, 2005, not yet received in cash	(37,110,079)	(37,110,079)
Deferred at December 31, 2004, but not recognized in budget	(20,292,017)	
Deferred at December 31, 2005, but recognized in budget	34,375,010	34,375,010
<u>Due to expenditures:</u>		
Paid in cash during 2005, accrued at December 31, 2004	(2,545,569)	
Accrued at December 31, 2005, not paid in cash	2,795,996	2,795,996
<u>Due to encumbrances:</u>		
Expenditures of amounts encumbered during the year ended December 31, 2004	1,545,803	
Recognized as expenditures in 2005 budget	(2,299,475)	(2,299,475)
Others, net	263,568	(640,100)
Budgetary Basis	<u>\$ 123,521</u>	<u>\$ 8,014,899</u>

# COLUMBUS METROPOLITAN LIBRARY FUND DESCRIPTIONS

## Major Funds

### General Fund

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

### Capital Projects Fund

The Capital Projects Fund is used to account for 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:

- Southeast Branch Expansion/Remodeling Project
- Proactive Reference Project, Phase II
- Air Quality Improvement Project
- Linden Branch Replacement 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
- Information System's Equipment 2004 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

## 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
- Library Sciences and Technology Act (LSTA) Grant 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, 2005**

	<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	\$ 7,999,635	\$ 372,520	\$ 506,488	\$ 1,102,325	\$ 9,980,968
Accounts Receivable	37,110,079	-	-	-	37,110,079
Prepays	623,506	-	-	-	623,506
Advances to Other Funds	350,000	-	-	-	350,000
<b>Total Assets</b>	<b>\$ 46,083,220</b>	<b>\$ 372,520</b>	<b>\$ 506,488</b>	<b>\$ 1,102,325</b>	<b>\$ 48,064,553</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 671,262	\$ 2,554	\$ -	\$ -	\$ 673,816
Accrued Liabilities	1,615,692	-	506,488	-	2,122,180
Deferred Revenue	34,375,010	-	-	-	34,375,010
<b>Total Liabilities</b>	<b>36,661,964</b>	<b>2,554</b>	<b>506,488</b>	<b>-</b>	<b>37,171,006</b>
<b>FUNDS BALANCE</b>					
Reserved for Encumbrances	1,695,384	32,043	-	-	1,727,427
Reserved for Advances	350,000	-	-	-	350,000
Reserved for Prepays	623,506	-	-	-	623,506
Unreserved:					
Undesignated	6,752,366	337,923	-	1,102,325	8,192,614
<b>Total Fund Balance</b>	<b>9,421,256</b>	<b>369,966</b>	<b>-</b>	<b>1,102,325</b>	<b>10,893,547</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 46,083,220</b>	<b>\$ 372,520</b>	<b>\$ 506,488</b>	<b>\$ 1,102,325</b>	<b>\$ 48,064,553</b>



**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Supplemental Schedule of Revenues,**  
**Expenditures and Changes in Account Balance**  
**General Fund**  
**As of December 31, 2005**

	General Operating Account	Building Repair & Equipment Account	Payroll Liability Account	27th Pay Period Account	Total General Fund
<b>REVENUES</b>					
Property Taxes	\$ 18,378,399	\$ -	\$ -	\$ -	\$ 18,378,399
Intergovernmental	26,984,147	-	-	-	26,984,147
Fines and Fees	1,918,291	-	-	-	1,918,291
Investment Earnings	433,736	-	-	-	433,736
Charges for Services	565,719	-	-	-	565,719
Contributions and Donations	88,746	-	-	-	88,746
Miscellaneous	306,760	-	-	-	306,760
Total Revenues	<u>48,675,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,675,798</u>
<b>EXPENDITURES</b>					
Public Services:					
Salaries and Benefits	21,260,791	-	-	-	
Supplies	529,495	-	-	-	529,495
Purchased/Contracted Services	2,838,800	-	-	-	2,838,800
Library Materials	6,694,648	-	-	-	6,694,648
Other	606,492	-	-	-	606,492
Total Public Service	<u>31,930,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,930,226</u>
Administrative and Support:					
Salaries and Benefits	8,691,918	-	-	-	8,691,918
Supplies	619,499	-	-	-	619,499
Purchased/Contracted Services	4,389,802	-	-	-	4,389,802
Library Materials	52,100	-	-	-	52,100
Other	122,132	-	-	-	122,132
Total Administrative and Support	<u>13,875,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,875,451</u>
Capital Outlay	-	278,672	-	-	278,672
Total Expenditures	<u>45,805,677</u>	<u>278,672</u>	<u>-</u>	<u>-</u>	<u>46,084,349</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>2,870,121</u>	<u>(278,672)</u>	<u>-</u>	<u>-</u>	<u>2,591,449</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	317,006	-	150,000	467,006
Transfers Out	(2,968,526)	-	-	-	(2,968,526)
Total Other Financing Sources (Uses)	<u>(2,968,526)</u>	<u>317,006</u>	<u>-</u>	<u>150,000</u>	<u>(2,501,520)</u>
Net Change in Fund Balances	(98,405)	38,334	-	150,000	89,929
Fund Balances Beginning of Year	8,997,366	331,632	-	952,325	10,281,323
Restatement (see Note 9)	522,295	-	-	-	522,295
Fund Balances at End of Year	<u>\$ 9,421,256</u>	<u>\$ 369,966</u>	<u>\$ -</u>	<u>\$ 1,102,325</u>	<u>\$ 10,893,547</u>

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**Capital Projects**  
**December 31, 2005**

	<b>Capital Project Non-Project Related</b>	<b>Southeast Branch Construction 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	\$ 3,313,818	\$ -	\$ 338,500	\$ 346,500	\$ 273,654
Receivables	21,236	-	-	-	-
Total Assets	<u>\$ 3,335,054</u>	<u>\$ -</u>	<u>\$ 338,500</u>	<u>\$ 346,500</u>	<u>\$ 273,654</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 49
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49</u>
<b>FUNDS BALANCE</b>					
Reserved for Encumbrances	-	-	-	-	14,530
Unreserved:					
Undesignated	3,335,054	-	338,500	346,500	259,075
Total Fund Balance	<u>3,335,054</u>	<u>-</u>	<u>338,500</u>	<u>346,500</u>	<u>273,605</u>
Total Liabilities and Fund Balance	<u>\$ 3,335,054</u>	<u>\$ -</u>	<u>\$ 338,500</u>	<u>\$ 346,500</u>	<u>\$ 273,654</u>

<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>
\$ 962,624	\$ 49,551	\$ 92,000	\$ 215,000	\$ 693,986	\$ 1,392,011
-	-	-	-	-	-
\$ 962,624	\$ 49,551	\$ 92,000	\$ 215,000	\$ 693,986	\$ 1,392,011
\$ 1,224	\$ -	\$ -	\$ -	\$ -	\$ -
1,224	-	-	-	-	-
935	49,551	-	-	554,233	1,334
960,465	-	92,000	215,000	139,753	1,390,677
961,400	49,551	92,000	215,000	693,986	1,392,011
\$ 962,624	\$ 49,551	\$ 92,000	\$ 215,000	\$ 693,986	\$ 1,392,011

(Continued)

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**Capital Projects**  
**December 31, 2005**

	<b>Copier Replacement Project</b>	<b>Receipts System Project</b>	<b>Security Equipment Upgrade Project</b>	<b>I.S. Equipment 2004 Project</b>	<b>Human Resource Automation Upgrade Project</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 678,005	\$ 160,900	\$ 585	\$ -	\$ 50,000
Receivables	-	-	-	-	-
Total Assets	<u>\$ 678,005</u>	<u>\$ 160,900</u>	<u>\$ 585</u>	<u>\$ -</u>	<u>\$ 50,000</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUNDS BALANCE</b>					
Reserved for Encumbrances	574,254	-	-	-	-
Unreserved:					
Undesignated	103,751	160,900	585	-	50,000
Total Fund Balance	<u>678,005</u>	<u>160,900</u>	<u>585</u>	<u>-</u>	<u>50,000</u>
Total Liabilities and Fund Balance	<u>\$ 678,005</u>	<u>\$ 160,900</u>	<u>\$ 585</u>	<u>\$ -</u>	<u>\$ 50,000</u>

<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>
\$ 240,705	\$ 42,482	\$ 100,000	\$ 77,071	\$ 147,822	\$ 80,500
-	-	-	-	-	-
<u>\$ 240,705</u>	<u>\$ 42,482</u>	<u>\$ 100,000</u>	<u>\$ 77,071</u>	<u>\$ 147,822</u>	<u>\$ 80,500</u>
\$ -	\$ -	\$ -	\$ 28,718	\$ 50,198	\$ -
-	-	-	28,718	50,198	-
187,546	7,900	-	36,817	8,132	-
53,159	34,582	100,000	11,536	89,492	80,500
<u>240,705</u>	<u>42,482</u>	<u>100,000</u>	<u>48,353</u>	<u>97,624</u>	<u>80,500</u>
<u>\$ 240,705</u>	<u>\$ 42,482</u>	<u>\$ 100,000</u>	<u>\$ 77,071</u>	<u>\$ 147,822</u>	<u>\$ 80,500</u>

(Continued)

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**Capital Projects**  
**December 31, 2005**

	<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	\$ 257,700	\$ 75,000	\$ 40,000	\$ 470,980	\$ 177,800
Receivables	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 257,700</b>	<b>\$ 75,000</b>	<b>\$ 40,000</b>	<b>\$ 470,980</b>	<b>\$ 177,800</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 127,857
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,857</b>
<b>FUNDS BALANCE</b>					
Reserved for Encumbrances	-	-	-	-	41,537
Unreserved:					
Undesignated	257,700	75,000	40,000	470,980	8,406
<b>Total Fund Balance</b>	<b>257,700</b>	<b>75,000</b>	<b>40,000</b>	<b>470,980</b>	<b>49,943</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 257,700</b>	<b>\$ 75,000</b>	<b>\$ 40,000</b>	<b>\$ 470,980</b>	<b>\$ 177,800</b>

---

---

**Total  
Capital  
Projects Fund**

\$ 10,277,194  
21,236  
\$ 10,298,430

\$ 208,046  
208,046

1,476,769  
8,613,615  
10,090,384

\$ 10,298,430

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Supplemental Schedule of Revenues,**  
**Expenditures and Changes in Project Balance**  
**Capital Projects**  
**For the Year Ended December 31, 2005**

	<b>Capital Project Non-Project Related</b>	<b>Southeast Branch Construction 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	\$ 243,528	\$ -	\$ -	\$ -	\$ -
Charges for Services	49,398	-	-	-	-
Miscellaneous	205,001	-	-	-	-
Total Revenues	<u>497,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Purchased Services	-	-	-	-	1,500
Capital Outlay	-	1,820	-	-	235,206
Total Expenditures	<u>-</u>	<u>1,820</u>	<u>-</u>	<u>-</u>	<u>236,706</u>
Excess (deficiency) of revenue over (under) expenditures	<u>497,927</u>	<u>(1,820)</u>	<u>-</u>	<u>-</u>	<u>(236,706)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Inter-Fund Transfer-In	52,240	-	338,500	346,500	262,999
Inter-Fund Transfer-Out	(2,356,979)	(51,093)	-	-	-
Transfers In	2,500,000	-	-	-	-
Total Other Financing Sources (Uses)	<u>195,261</u>	<u>(51,093)</u>	<u>338,500</u>	<u>346,500</u>	<u>262,999</u>
Net Change in Fund Balances	693,188	(52,913)	338,500	346,500	26,293
Fund Balances Beginning of Year	2,641,866	52,913	-	-	247,312
Fund Balances at End of Year	<u>\$ 3,335,054</u>	<u>\$ -</u>	<u>\$ 338,500</u>	<u>\$ 346,500</u>	<u>\$ 273,605</u>



<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	6,000	-
315,611	(105,432)	-	-	218,967	47,029
315,611	(105,432)	-	-	224,967	47,029
(315,611)	105,432	-	-	(224,967)	(47,029)
-	-	92,000	215,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	92,000	215,000	-	-
(315,611)	105,432	92,000	215,000	(224,967)	(47,029)
1,277,011	(55,881)	-	-	918,953	1,439,040
\$ 961,400	\$ 49,551	\$ 92,000	\$ 215,000	\$ 693,986	\$ 1,392,011

(Continued)

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Supplemental Schedule of Revenues,**  
**Expenditures and Changes in Project Balance**  
**Capital Projects**  
**For the Year Ended December 31, 2005**

	<b>Copier Replacement Project</b>	<b>Receipts System Project</b>	<b>Security Equipment Upgrade Project</b>	<b>I.S. Equipment 2004 Project</b>	<b>Human Resource Automation Upgrade Project</b>
<b>REVENUES</b>					
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	-	-	-	-	-
<b>EXPENDITURES</b>					
Purchased Services	-	-	-	-	-
Capital Outlay	-	24,100	26,824	108,002	-
Total Expenditures	-	24,100	26,824	108,002	-
Excess (deficiency) of revenue over (under) expenditures	-	(24,100)	(26,824)	(108,002)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Inter-Fund Transfer-In	-	-	-	-	-
Inter-Fund Transfer-Out	-	-	-	(1,147)	-
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(1,147)	-
Net Change in Fund Balances	-	(24,100)	(26,824)	(109,149)	-
Fund Balances Beginning of Year	678,005	185,000	27,409	109,149	50,000
Fund Balances at End of Year	\$ 678,005	\$ 160,900	\$ 585	\$ -	\$ 50,000

<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
76,099	29,252	-	41,647	777,376	-
76,099	29,252	-	41,647	777,376	-
(76,099)	(29,252)	-	(41,647)	(777,376)	-
-	-	-	-	-	80,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	80,500
(76,099)	(29,252)	-	(41,647)	(777,376)	80,500
316,804	71,734	100,000	90,000	875,000	-
\$ 240,705	\$ 42,482	\$ 100,000	\$ 48,353	\$ 97,624	\$ 80,500

(Continued)

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Supplemental Schedule of Revenues,**  
**Expenditures and Changes in Project Balance**  
**Capital Projects**  
**For the Year Ended December 31, 2005**

	<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	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	-	-	-	-	-
<b>EXPENDITURES</b>					
Purchased Services	-	-	-	-	-
Capital Outlay	-	-	-	-	127,857
Total Expenditures	-	-	-	-	127,857
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-	(127,857)
<b>OTHER FINANCING SOURCES (USES)</b>					
Inter-Fund Transfer-In	257,700	75,000	40,000	470,980	177,800
Inter-Fund Transfer-Out	-	-	-	-	-
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	257,700	75,000	40,000	470,980	177,800
Net Change in Fund Balances	257,700	75,000	40,000	470,980	49,943
Fund Balances Beginning of Year	-	-	-	-	-
Fund Balances at End of Year	\$ 257,700	\$ 75,000	\$ 40,000	\$ 470,980	\$ 49,943

---

---

**Total  
Capital  
Projects Fund**

---

\$ 243,528  
49,398  

---

205,001  

---

497,927

7,500  

---

1,924,358  

---

1,931,858

---

(1,433,931)

2,409,219  
(2,409,219)  
2,500,000

---

2,500,000

1,066,069  
9,024,315

---

\$ 10,090,384  

---

---

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2005**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,527,201	\$ 78,483	\$ 1,605,684
Receivables	4,669	164	4,833
Prepays	21,416	-	21,416
<b>Total Assets</b>	<b>\$ 1,553,286</b>	<b>\$ 78,647</b>	<b>\$ 1,631,933</b>
<b>LIABILITIES</b>			
Account Payable	\$ 125,897	\$ 180	\$ 126,077
Accrued Liabilities	44,682	-	44,682
Deferred Revenue	13,465	-	13,465
<b>Total Liabilities</b>	<b>184,044</b>	<b>180</b>	<b>184,224</b>
<b>FUNDS BALANCE</b>			
Reserved for Encumbrances	528	200	728
Reserved for Prepays	21,416		21,416
Reserved for Endowments	-	67,742	67,742
Unreserved:			
Special Revenue	1,347,298	-	1,347,298
Permanent	-	10,525	10,525
<b>Total Fund Balance</b>	<b>1,369,242</b>	<b>78,467</b>	<b>1,447,709</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,553,286</b>	<b>\$ 78,647</b>	<b>\$ 1,631,933</b>

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Funds Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental	\$ 3,509	\$ -	\$ 3,509
Investment Earnings	36,540	2,370	38,910
Charges for Services	713,608	-	713,608
Contributions and Donations	17,241	-	17,241
Miscellaneous	22,387	-	22,387
Total Revenues	<u>793,285</u>	<u>2,370</u>	<u>795,655</u>
<b>EXPENDITURES</b>			
Public Services:			
Supplies	5,029	-	5,029
Library Materials	5,339	747	6,086
Total Public Service	<u>10,368</u>	<u>747</u>	<u>11,115</u>
Administrative and Support:			
Supplies	26,486	-	26,486
Purchased and Contracted Services	666,511	-	666,511
Capital Outlay	11,305	-	11,305
Total Administrative and Support	<u>704,302</u>	<u>-</u>	<u>704,302</u>
Total Expenditures	<u>714,670</u>	<u>747</u>	<u>715,417</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>78,615</u>	<u>1,623</u>	<u>80,238</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,520	-	1,520
Total Other Financing Sources (Uses)	<u>1,520</u>	<u>-</u>	<u>1,520</u>
Net Change in Fund Balances	80,135	1,623	81,758
Fund Balances at Beginning of Year	1,289,107	76,844	1,365,951
Fund Balances at End of Year	<u>\$ 1,369,242</u>	<u>\$ 78,467</u>	<u>\$ 1,447,709</u>

**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2005**

	<b>Restricted Fund</b>	<b>Parking Garage Fund</b>	<b>Land Development Fund</b>	<b>LSTA Grant Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 112,013	\$ 280,880	\$ 1,134,308	\$ -	\$ 1,527,201
Receivables	900	714	3,055	-	4,669
Prepays	-	-	21,416	-	21,416
<b>Total Assets</b>	<b>112,913</b>	<b>281,594</b>	<b>1,158,779</b>	<b>-</b>	<b>1,553,286</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,828	\$ 45,360	\$ 77,709	\$ -	\$ 125,897
Accrued Liabilities	-	-	44,682	-	44,682
Deferred Revenue	1,750	4,800	6,915	-	13,465
<b>Total Liabilities</b>	<b>4,578</b>	<b>50,160</b>	<b>129,306</b>	<b>-</b>	<b>184,044</b>
<b>FUNDS BALANCE</b>					
Reserved for Encumbrances	278	250	-	-	528
Reserved for Prepays	-	-	21,416	-	21,416
Unreserved:					
Special Revenue	108,057	231,184	1,008,057	-	1,347,298
<b>Total Fund Balance</b>	<b>108,335</b>	<b>231,434</b>	<b>1,029,473</b>	<b>-</b>	<b>1,369,242</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 112,913</b>	<b>\$ 281,594</b>	<b>\$ 1,158,779</b>	<b>\$ -</b>	<b>\$ 1,553,286</b>



**COLUMBUS METROPOLITAN LIBRARY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Funds Balance**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2005**

	Restricted Fund	Parking Garage Fund	Land Development Fund	LSTA Grant Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,509	\$ 3,509
Investment Earnings	-	7,604	28,936	-	36,540
Charges for Services	-	124,690	588,918	-	713,608
Contributions and Donations	17,241	-	-	-	17,241
Miscellaneous	-	-	22,387	-	22,387
<b>Total Revenues</b>	<b>17,241</b>	<b>132,294</b>	<b>640,241</b>	<b>3,509</b>	<b>793,285</b>
<b>EXPENDITURES</b>					
Public Services:					
Supplies	-	-	-	5,029	5,029
Library Materials	5,339	-	-	-	5,339
<b>Total Public Service</b>	<b>5,339</b>	<b>-</b>	<b>-</b>	<b>5,029</b>	<b>10,368</b>
Administrative and Support:					
Supplies	-	177	26,309	-	26,486
Purchased/Contracted Services	-	172,010	494,501	-	666,511
Capital Outlay	-	3,546	7,759	-	11,305
<b>Total Administrative and Support</b>	<b>-</b>	<b>175,733</b>	<b>528,569</b>	<b>-</b>	<b>704,302</b>
<b>Total Expenditures</b>	<b>5,339</b>	<b>175,733</b>	<b>528,569</b>	<b>5,029</b>	<b>714,670</b>
Excess (deficiency) of Revenue over (under) Expenditures	11,902	(43,439)	111,672	(1,520)	78,615
<b>OTHER FINANCING SOURCES</b>					
Transfers In	-	-	-	1,520	1,520
<b>Total Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,520</b>	<b>1,520</b>
<b>Net Change in Fund Balances</b>	<b>11,902</b>	<b>(43,439)</b>	<b>111,672</b>	<b>-</b>	<b>80,135</b>
Fund Balances Beginning of Year	96,433	274,873	917,801	-	1,289,107
<b>Fund Balances at End of Year</b>	<b>\$ 108,335</b>	<b>\$ 231,434</b>	<b>\$ 1,029,473</b>	<b>\$ -</b>	<b>\$ 1,369,242</b>

**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>General Operating Account</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		Actual	
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 24,866,000	\$ 24,808,043	\$ 24,808,036	\$ (7)
Property Taxes	21,025,099	21,025,099	20,612,071	(413,028)
Fines and Fees	1,742,225	1,742,225	1,911,061	168,836
Charges for Services	411,886	425,069	611,521	186,452
Investment Earnings	250,000	250,000	400,604	150,604
Contributions and donations	200,000	200,000	201,221	1,221
Miscellaneous	300,000	300,000	356,328	56,328
Total Revenues	<u>48,795,210</u>	<u>48,750,436</u>	<u>48,900,842</u>	<u>150,406</u>
<b>EXPENDITURES</b>				
Current:				
Public Service:				
Salaries and Benefits	22,043,922	22,128,518	21,093,782	1,034,736
Supplies	600,309	606,399	533,238	73,161
Purchased and Contracted Services	2,834,133	2,997,233	2,804,932	192,301
Library Materials	6,951,363	6,952,049	6,687,199	264,850
Administrative and Support:				
Salaries and Benefits	8,563,767	8,479,171	8,760,516	(281,345)
Supplies	862,774	855,164	576,183	278,981
Purchased and Contracted Services	5,559,074	5,395,971	4,649,755	746,216
Library Materials	205,362	204,677	177,015	27,662
Other	707,500	789,940	728,624	61,316
Capital Outlay:	-	-	-	-
Total Expenditures	<u>48,328,204</u>	<u>48,409,122</u>	<u>46,011,244</u>	<u>2,397,878</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>467,006</u>	<u>341,314</u>	<u>2,889,598</u>	<u>2,548,284</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Intra-Fund Transfers In	-	-	-	-
Transfers In	-	-	-	-
Intra-Fund Transfers Out	(467,006)	(467,006)	(467,006)	-
Transfers Out	-	(2,501,520)	(2,501,520)	-
Advances In	-	-	-	-
Total Other Financing Sources (Uses)	<u>(467,006)</u>	<u>(2,968,526)</u>	<u>(2,968,526)</u>	<u>-</u>
Net Changes in Fund Balances	-	(2,627,212)	(78,928)	2,548,284
Fund Balances at Beginning of Year	5,767,238	5,767,238	5,767,238	-
Restatement (see Note 9)	527,290	527,290	527,290	-
Funds Balance End of Year	<u>\$ 6,294,528</u>	<u>\$ 3,667,316</u>	<u>\$ 6,215,600</u>	<u>\$ 2,548,284</u>

**Buildng Repair & Equipment Replacement Account**

<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
<u>Original</u>	<u>Final</u>	<u>Actual</u>	
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
317,006	317,006	264,557	52,449
317,006	317,006	264,557	52,449
(317,006)	(317,006)	(264,557)	52,449
317,006	317,006	317,006	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
317,006	317,006	317,006	-
-	-	52,449	52,449
644,525	644,525	644,525	-
-	-	-	-
\$ 644,525	\$ 644,525	\$ 696,974	\$ 52,449

(Continued)

**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>			Variance with Final Budget Positive (Negative)
	<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	-
Transfers In	-	-	-	-
Intra-Fund Transfers Out	-	-	-	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
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	952,325	952,325	952,325	-
Restatement (see Note 9)	-	-	-	-
Funds Balance End of Year	\$ 1,102,325	\$ 1,102,325	\$ 1,102,325	\$ -

**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>		<b><u>(Negative)</u></b>	
\$ 24,866,000	\$ 24,808,043	\$ 24,808,036	\$	(7)	
21,025,099	21,025,099	20,612,071		(413,028)	
1,742,225	1,742,225	1,911,061		168,836	
411,886	425,069	611,521		186,452	
250,000	250,000	400,604		150,604	
200,000	200,000	201,221		1,221	
300,000	300,000	356,328		56,328	
<u>48,795,210</u>	<u>48,750,436</u>	<u>48,900,842</u>		<u>150,406</u>	
22,043,922	22,128,518	21,093,782		1,034,736	
600,309	606,399	533,238		73,161	
2,834,133	2,997,233	2,804,932		192,301	
6,951,363	6,952,049	6,687,199		264,850	
8,563,767	8,479,171	8,760,516		(281,345)	
862,774	855,164	576,183		278,981	
5,559,074	5,395,971	4,649,755		746,216	
205,362	204,677	177,015		27,662	
707,500	789,940	728,624		61,316	
317,006	317,006	264,557		52,449	
<u>48,645,210</u>	<u>48,726,128</u>	<u>46,275,801</u>		<u>2,450,327</u>	
<u>150,000</u>	<u>24,308</u>	<u>2,625,041</u>		<u>2,600,733</u>	
467,006	467,006	467,006		-	
-	-	-		-	
(467,006)	(467,006)	(467,006)		-	
-	(2,501,520)	(2,501,520)		-	
-	-	-		-	
<u>-</u>	<u>(2,501,520)</u>	<u>(2,501,520)</u>		<u>-</u>	
150,000	(2,477,212)	123,521		2,600,733	
7,364,088	7,364,088	7,364,088		-	
527,290	527,290	527,290		-	
<u>\$ 8,041,378</u>	<u>\$ 5,414,166</u>	<u>\$ 8,014,899</u>	<u>\$</u>	<u>2,600,733</u>	

**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, 2005**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Contributions and Donations	\$ 5,500	\$ 5,500	\$ 18,091	\$ 12,591
Total Revenues	<u>5,500</u>	<u>5,500</u>	<u>18,091</u>	<u>12,591</u>
<b>EXPENDITURES</b>				
Current:				
Public Service:				
Library Materials	49,308	25,821	4,866	20,955
Other	51,875	75,362	-	75,362
Total Expenditures	<u>101,183</u>	<u>101,183</u>	<u>4,866</u>	<u>96,317</u>
Excess (deficiency) of Revenues				
Excess of Revenues over Expenditures	<u>(95,683)</u>	<u>(95,683)</u>	<u>13,225</u>	<u>108,908</u>
Fund Balance at Beginning of Year	<u>(174,954)</u>	<u>(174,954)</u>	<u>(174,954)</u>	<u>-</u>
Fund Balance End of Year	<u>\$ (270,637)</u>	<u>\$ (270,637)</u>	<u>\$ (161,729)</u>	<u>\$ 108,908</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, 2005**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Fines and Fees	\$ 125,000	\$ 125,000	\$ 124,202	\$ (798)
Investment Earnings	4,000	4,000	6,700	2,700
Total Revenues	<u>129,000</u>	<u>129,000</u>	<u>130,902</u>	<u>1,902</u>
<b>EXPENDITURES</b>				
Current:				
Administrative and Support:				
Supplies	3,400	3,400	427	2,973
Purchased and Contracted Services	202,800	202,800	170,907	31,893
Equipment	37,000	37,000	3,546	33,454
Total Expenditures	<u>243,200</u>	<u>243,200</u>	<u>174,880</u>	<u>68,320</u>
Deficiency of Revenues under Expenditures	(114,200)	(114,200)	(43,978)	70,222
Fund Balance at Beginning of Year	<u>278,013</u>	<u>278,013</u>	<u>278,013</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 163,813</u>	<u>\$ 163,813</u>	<u>\$ 234,035</u>	<u>\$ 70,222</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, 2005**

	<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	\$ 578,749	\$ 578,749	\$ 588,706	\$ 9,957
Investment Earnings	12,000	12,000	25,301	13,301
Miscellaneous	19,475	19,475	24,427	4,952
Total Revenues	<u>610,224</u>	<u>610,224</u>	<u>638,434</u>	<u>28,210</u>
<b>EXPENDITURES</b>				
Current:				
Administrative and Support:				
Supplies	28,500	28,500	27,656	844
Purchased and Contracted Services	517,906	517,906	473,729	44,177
Capital Outlay	10,000	10,000	7,760	2,240
Total Expenditures	<u>556,406</u>	<u>556,406</u>	<u>509,145</u>	<u>47,261</u>
Excess of Revenues Over Expenditures	53,818	53,818	129,289	75,471
Fund Balance at Beginning of Year	910,058	910,058	910,058	-
Fund Balance End of Year	<u>\$ 963,876</u>	<u>\$ 963,876</u>	<u>\$1,039,347</u>	<u>\$ 75,471</u>



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

	<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	\$ 3,510	\$ 3,510	\$ 3,509	\$ (1)
Total Revenues	<u>3,510</u>	<u>3,510</u>	<u>3,509</u>	<u>(1)</u>
<b>EXPENDITURES</b>				
Current:				
Administrative and Support:				
Supplies	<u>5,030</u>	<u>5,030</u>	<u>5,029</u>	<u>1</u>
Total Expenditures	<u>5,030</u>	<u>5,030</u>	<u>5,029</u>	<u>1</u>
Excess (deficiency) of Revenues over (under) Expenditures	(1,520)	(1,520)	(1,520)	-
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>1,520</u>	<u>1,520</u>	<u>1,520</u>	<u>-</u>
Total Other Financing Sources	<u>1,520</u>	<u>1,520</u>	<u>1,520</u>	<u>-</u>
Net Changes in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2005**

	<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	\$ 2,000	\$ 2,000	\$ 2,294	\$ 294
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,294</u>	<u>294</u>
<b>EXPENDITURES</b>				
Current:				
Public Service:				
Library Materials	6,735	6,735	155	6,580
Administrative and Support:				
Other	<u>3,668</u>	<u>3,668</u>	<u>-</u>	<u>3,668</u>
Total Expenditures	<u>10,403</u>	<u>10,403</u>	<u>155</u>	<u>10,248</u>
Deficiency of Revenues under Expenditures	<u>(8,403)</u>	<u>(8,403)</u>	<u>2,139</u>	<u>10,542</u>
Fund Balance at Beginning of Year	<u>10,033</u>	<u>10,033</u>	<u>10,033</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 1,630</u>	<u>\$ 1,630</u>	<u>\$ 12,172</u>	<u>\$ 10,542</u>

## STATISTICAL SECTION

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

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

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

<b>Fiscal Year</b>	<b>Public Service/ Administration and Support</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Total</b>
1996	32,149,237	3,357,442	3,604,413	39,111,092
1997	33,298,764	6,687,859	3,506,195	43,492,818
1998	36,251,082	2,672,423	3,403,744	42,327,249
1999	38,399,609	3,031,634	3,297,858	44,729,101
2000	41,099,587	3,360,156	3,008,889	47,468,632
2001	44,323,078	3,597,230	-	47,920,308
2002	46,163,780	10,128,668	-	56,292,448
2003	45,934,315	6,843,228	-	52,777,543
2004	46,024,356	3,022,331	-	49,046,687
2005	46,528,594	2,203,030	-	48,731,624

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

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

---



---

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Inter-governmental</b>	<b>Fines and Fees</b>	<b>Charges for Services</b>	<b>Investment Earnings</b>
1996	17,369,084	18,009,456	1,737,408	1,487,945	947,572
1997	17,386,512	19,937,688	1,836,243	1,490,319	1,055,711
1998	18,120,467	22,733,284	1,848,922	1,419,861	994,467
1999	18,596,196	24,477,146	1,874,421	1,473,797	1,129,029
2000	19,401,783	26,612,381	1,924,045	1,501,421	1,635,419
2001	19,665,370	26,909,882	2,085,581	1,559,283	1,342,387
2002	20,427,733	24,845,572	2,201,380	1,575,048	606,177
2003	18,463,751	26,486,233	1,875,357	1,305,124	285,907
2004	18,502,301	26,573,796	1,857,329	1,357,039	274,599
2005	18,378,399	26,987,656	1,918,291	1,328,725	716,174

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

---



---

<b>Contributions and Donations</b>	<b>Miscellaneous</b>	<b>Operating Transfers</b>	<b>Sale of Property</b>	<b>Total</b>
129,345	104,822	9,100,310	666,470	49,552,412
160,168	127,096	4,214,312	-	46,208,049
161,924	233,553	6,198,100	-	51,710,578
118,657	180,357	15,468,551	21,950	63,340,104
112,514	161,675	4,468,552	721,345	56,539,135
78,036	486,496	12,674,700	212,199	65,013,934
189,991	152,081	1,670,000	-	51,667,982
955,636	591,984	6,192,490	-	56,156,482
271,667	504,528	-	-	49,341,259
105,987	532,126	-	-	49,967,358

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

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>
1996	17,094,502	16,494,573	96.5	568,558
1997	17,117,709	16,687,134	97.5	580,894
1998	18,171,335	17,618,062	97.0	711,454
1999	18,613,893	18,116,382	97.3	652,402
2000	19,359,943	18,422,396	95.2	681,859
2001	20,405,600	19,166,841	93.9	735,808
2002	20,696,448	19,205,525	92.8	949,406
2003	20,621,595	19,351,478	93.8	1,002,198
2004	20,772,907	19,311,153	93.0	1,144,646
2005	20,772,907	19,777,295	95.2	834,776

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

<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections To Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Percent of Delinquent Taxes To Tax Levy</b>
17,063,131	99.8	2,110,005	12.3
17,268,028	100.9	1,195,695	7.0
18,329,516	100.9	1,253,104	6.9
18,768,784	100.8	1,409,322	7.6
19,104,255	98.7	1,730,799	8.9
19,902,649	97.5	2,158,900	10.6
20,154,931	97.4	2,249,210	10.9
20,353,676	98.7	2,190,843	10.6
20,455,799	98.5	1,780,500	8.6
20,612,071	99.2	1,864,852	9.0



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

<b>Tax Year</b>	<b>For</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>
1996	1997	8,817,064	25,191,611	1,559,442	5,775,711
1997	1998	9,535,298	27,243,709	1,637,427	6,297,796
1998	1999	9,881,847	28,233,849	1,690,361	6,761,444
1999	2000	10,415,332	29,758,091	1,760,418	7,041,672
2000	2001	12,038,975	34,397,071	1,881,401	7,525,604
2001	2002	12,439,564	35,541,611	1,908,473	7,633,892
2002	2003	12,877,239	36,792,111	1,970,966	7,883,864
2003	2004	15,015,039	42,900,111	1,642,488	6,569,952
2004	2005	15,432,104	44,091,726	1,575,753	6,303,012
2005	2006	17,927,605	51,221,729	1,154,863	4,619,452

Source: Franklin County Auditor

<b>Public Utilities</b>		<b>Total</b>	
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>
655,107	1,871,734	11,031,613	32,839,056
663,944	1,896,983	11,836,669	35,438,488
682,557	1,950,163	12,254,765	36,945,456
695,294	1,986,554	12,871,044	38,786,317
712,261	2,035,031	14,632,637	43,957,706
696,282	1,989,377	15,044,319	45,164,880
581,963	1,662,751	15,430,168	46,338,726
579,702	1,656,291	17,237,229	51,126,354
608,039	1,737,254	17,615,896	52,131,992
579,631	1,656,089	19,662,099	57,497,270

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

	1995 for 1996	1996 for 1997	1997 for 1998	1998 for 1999	1999 for 2000	2000 for 2001	2001 for 2002	2002 for 2003	2003 for 2004	2004 for 2005
COUNTY - Franklin County	14.27	14.57	14.67	16.99	16.99	16.99	16.99	16.99	16.99	17.79
SCHOOL DISTRICT:										
Canal Winchester	44.99	51.10	56.46	55.86	55.91	55.91	62.80	61.20	61.05	61.00
Columbus	52.98	58.11	58.04	57.95	57.57	57.37	57.37	58.80	59.18	67.65
Dublin	58.41	57.90	57.90	65.50	65.22	65.22	65.22	64.60	64.60	64.60
Gahanna-Jefferson	55.43	54.85	54.69	62.09	61.35	61.21	61.24	60.90	61.19	60.14
Groveport-Madison	48.14	48.05	56.85	56.33	55.40	55.05	54.50	53.78	53.88	53.36
Hamilton	47.32	47.26	47.20	47.13	47.09	54.10	54.11	53.75	53.65	53.43
Hilliard	60.65	60.28	59.96	59.71	59.71	65.61	65.61	64.44	64.44	74.40
Licking Heights	40.70	40.70	40.70	40.10	39.60	48.50	48.10	47.53	47.52	47.52
Reynoldsburg	51.13	50.45	55.30	55.12	55.49	55.39	55.28	58.20	58.21	59.63
Upper Arlington	78.12	77.82	77.86	84.03	83.95	83.32	89.52	89.15	89.11	96.24
Whitehall	65.72	65.62	65.61	65.61	65.49	65.52	65.49	65.40	65.40	65.40

(Continued)

	1995 for 1996	1996 for 1997	1997 for 1998	1998 for 1999	1999 for 2000	2000 for 2001	2001 for 2002	2002 for 2003	2003 for 2004	2004 for 2005
JOINT VOCATIONAL SCHOOL DISTRICT:										
Central Ohio	1.60	1.60	1.60	1.60	1.60	1.10	1.10	0.50	0.50	0.50
Eastland	1.20	1.20	1.20	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	2.00	3.00	2.80	3.00
MUNICIPAL CORPORATIONS:										
Brice	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Canal Winchester	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Columbus	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14
Dublin	2.98	2.98	2.97	2.97	2.97	2.97	2.97	2.97	2.96	2.96
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	1.95	1.71	1.70	1.57	1.23	1.72	1.73	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	2.90	0.79	0.78	0.77	0.76	0.76	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	N/A	5.90	5.90	5.90	5.90	5.90	5.90

(Continued)

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

	1995 for 1996	1996 for 1997	1997 for 1998	1998 for 1999	1999 for 2000	2000 for 2001	2001 for 2002	2002 for 2003	2003 for 2004	2004 for 2005
<b>TOWNSHIPS:</b>										
Blendon	19.00	21.45	22.60	22.43	22.41	22.16	22.00	25.40	25.07	25.05
Brown	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	12.80
Clinton	25.64	25.64	25.64	25.64	25.64	25.64	25.64	25.64	25.64	25.64
Franklin	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	18.05
Hamilton	12.30	14.55	14.55	14.55	15.05	15.55	15.80	15.80	15.80	15.80
Jefferson	9.20	9.20	9.85	10.82	10.59	10.53	10.50	10.37	10.37	10.28
Madison	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80
Mifflin	20.80	22.80	20.80	20.80	20.80	21.80	21.80	21.80	21.80	22.80
Norwich	12.80	12.80	12.80	18.80	18.80	18.80	18.80	21.60	21.60	21.60
Perry	23.80	23.80	23.80	23.80	23.80	20.50	23.80	23.80	20.40	18.40
Plain	9.16	9.21	9.42	9.34	10.72	13.58	13.52	13.43	13.12	13.37
Prairie	14.00	14.00	14.20	14.20	14.20	16.20	14.20	14.20	14.20	14.20
Sharon	13.10	13.10	13.10	13.10	19.10	19.08	19.00	23.50	23.50	23.50
Truro	12.65	12.65	12.65	12.65	12.65	12.65	12.65	16.65	16.65	16.65
Washington	18.54	18.53	18.52	18.51	20.01	20.00	20.00	20.00	20.00	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	0.55	0.65	0.65	0.65	0.65	0.65	0.65

Source: Franklin County Auditor

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

<b>Fiscal Year</b>	<b>Population (3)</b>	<b>Per Capita Income (1)</b>	<b>Median Age (1)</b>	<b>K-12 School Enrollment (2)</b>
1996	1,016,700	24,197	32.4	185,795
1997	1,016,300	25,247	32.7	185,719
1998	1,017,400 (4)	N/A	N/A	191,141
1999	1,025,742 (8)	N/A	32.9 (8)	194,036
2000	1,033,293 (8)	31,527	33.7 (8)	193,618
2001	1,081,784 (8)	32,664	32.9 (8)	200,462
2002	1,094,050 (1)	33,144	32.9	203,724
2003	1,096,230 (1)	34,456	33.3	204,586
2004	1,109,630 (1)	35,199	33.4	203,149
2005	1,110,830 (1)	36,714	34.0	204,878

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

**Average Unemployment Rates**

<b>Fiscal Year</b>	<b>Franklin County (5)</b>	<b>State of Ohio (5)</b>	<b>United States (6)</b>
1996	2.6	4.8	5.4
1997	2.4	4.3	4.9
1998	2.1	3.9	4.3 (5)
1999	2.1 (7)	3.8 (7)	3.7 (7)
2000	2.1 (7)	3.7 (7)	3.7 (7)
2001	3.1 (9)	4.8 (9)	5.8 (9)
2002	3.9 (9)	5.3 (9)	6.0 (9)
2003	4.0 (9)	6.0 (9)	5.7 (9)
2004	4.3 (9)	5.9 (9)	5.4 (9)
2005	4.8 (9)	5.5 (9)	4.6 (9)

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

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

<b>Fiscal Year</b>	<b>Construction (1)</b>	<b>Bank Deposits (2)</b>	<b>Total Property Value (3)</b>
1996	749,610,571	21,808,752,000	\$ 11,031,613,000
1997	863,499,378	20,550,916,000	11,836,669,000
1998	1,423,716,982	40,755,867,000	12,254,765,000
1999	N/A	40,572,415,000	12,871,044,000
2000	N/A	39,568,044,000	14,632,637,000
2001	N/A	36,996,496,000	15,044,319,000
2002	N/A	39,419,916,000	15,430,168,000
2003	N/A	39,061,080,000 (4)	17,237,229,000
2004	N/A	540,897,759,000 (4)	17,615,896,000
2005	N/A	577,195,200,000 (4)	19,662,099,000

Source: (1) City of Columbus, Ohio

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

(3) Franklin County Auditor

(4) FDIC Website

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

**Columbus Metropolitan Library  
Principal Property Taxpayers  
December 31, 2005**

Name of Taxpayer	Real Property	Personal Property	Total Assessed Valuation	% of Total Assessed Valuation (1)
1. Columbus Southern Power Co.	\$ -	\$ 313,724,710	\$ 313,724,710	1.60%
2. Ohio Bell Telephone Company	-	108,007,190	108,007,190	0.55
3. Nationwide Mutual Insurance Co.	93,154,860	-	93,154,860	0.47
4. Huntington Center	58,100,000	-	58,100,000	0.30
5. Distribution Land Corporation	54,769,090	-	54,769,090	0.28
6. Duke Realty L P	52,021,440	-	52,021,440	0.26
7. New Albany Company	47,365,470	-	47,365,470	0.24
8. Columbia Gas of Ohio, Inc.	-	44,933,800	44,933,800	0.23
9. New Par	-	37,537,280	37,537,280	0.19
10. Ohio Health Corporation	-	28,730,750	28,730,750	0.15
11. Capital South Community	27,352,320	-	27,352,320	0.14
12. American Electric Power	26,350,660	-	26,350,660	0.13
13. Abbott Laboratories	-	24,462,555	24,462,555	0.12
14. M/I Homes of Central Ohio	23,423,060	-	23,423,060	0.12
15. Amerisourcebergen Drug Corp	-	22,009,230	22,009,230	0.11
TOTAL	<u>\$ 382,536,900</u>	<u>\$ 579,405,515</u>	<u>\$ 961,942,415</u>	<u>4.89%</u>

Source: Franklin County Auditor

(1) The total assessed valuation  
for 2005 equals: \$19,654,945,621



**Columbus Metropolitan Library  
Miscellaneous Statistics  
December 31, 2005**

---



---

Date of Formation	March 4, 1872
Population of County	1,110,830

<u>Year</u>	<u>Number of Employees</u>	<u>Number of Volumes Owned</u>
1996	770	2,669,243
1997	808	2,746,846
1998	853	2,860,804
1999	845	2,907,305
2000	898	2,931,689
2001	938	2,940,037
2002	943	2,818,195
2003	917	2,864,863
2004	873	2,834,799
2005	837	2,709,175

<u>Year</u>	<u>Number of Library Materials Circulated</u>	<u>Number of Registered Borrowers</u>
1996	11,862,449	399,187
1997	11,811,189	408,553
1998	11,171,752	409,234
1999	11,411,499	401,192
2000	12,364,216	404,018
2001	14,372,353	423,167
2002	14,851,071	427,137
2003	14,852,582	434,884
2004	16,018,594	448,422
2005	16,490,338	467,986

Source: Columbus Metropolitan Library

Source for County Population: Woods & Poole Economics, Inc., Washington, D.C.

COMPLIANCE SECTION



**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 Columbus Metropolitan Library, Franklin County, Ohio (the Library) as of and for the year ended December 31, 2005 and have issued our report thereon dated June 16, 2006, wherein as noted in Note 9, the Library restated net assets and fund balances based on prior year errors and omissions. In addition, the Library reclassified funds for proper reporting purposes. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**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*.

*Wilson, Shannon & Snow, Inc.*

CERTIFIED PUBLIC ACCOUNTANTS  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

Columbus Metropolitan Library  
Franklin County  
Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Required  
by *Government Auditing Standards*  
Page 2

This report is intended solely 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.

*Wilson, Sherman & Snow, Inc.*

Newark, Ohio  
June 16, 2006



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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 8, 2006**