

2007
COMPREHENSIVE
ANNUAL FINANCIAL
REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2007





Mary Taylor, CPA

Auditor of State

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 Kennedy Cottrell Richards LLC, for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 26, 2008

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Columbus Metropolitan
Library, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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.



Charles S. Cox

President

Jeffrey R. Emmer

Executive Director

Columbus Metropolitan Library

Columbus, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended December 31, 2007



Issued by:

DEWITT HARRELL

Chief Financial Officer/Clerk-Treasurer

Columbus Metropolitan Library

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2007

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
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
FINANCIAL SECTION	
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:	
Schedule of Assets, liabilities and Balances of Accounts – General Fund	38
Combining Supplemental Schedule of Revenues, Expenditures and Changes in Account Balance – General Fund	39
Supplemental Schedules – Capital Projects Fund:	
Schedule of Assets, liabilities and Balances of Accounts – Capital Projects Fund	40
Combining Supplemental Schedule of Revenues, Expenditures and Changes in Project Balance – Capital Projects Fund	44
Combining Statements – Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	49
Combining Balance Sheet – Nonmajor Special Revenue Funds	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Funds	51
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - General Fund	52
Individual Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual – Nonmajor Funds:	
Restricted Fund	57

Columbus Metropolitan Library

FINANCIAL SECTION (continued) Page

Land Development Fund.....	58
Permanent Fund.....	59

STATISTICAL SECTION

Section Overview.....	61
Net Assets by Component - Last Four Fiscal Years.....	62
Changes in Fund Balance - Last Four Fiscal Years.....	63
Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	64
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	65
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.....	66
Direct and Overlapping Property Tax Rates, - Last Ten Fiscal Years.....	68
Principal Property Taxpayers – Current Year and Nine Years Ago.....	71
Property Tax Levies and Collections – Last Ten Fiscal Years.....	72
Demographic and Economic Statistics – Last Ten Calendar Years.....	73
Principal Employers – Current Year and Nine Years Ago.....	74
Branch Information – Last Three Fiscal Years.....	75
Operation Indicators – Last Ten Fiscal Years.....	77
Employment Trend – Last Ten Fiscal Years.....	78

COMPLIANCE SECTION

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

LIBRARY OFFICIALS AS OF DECEMBER 31, 2007

BOARD OF TRUSTEES

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

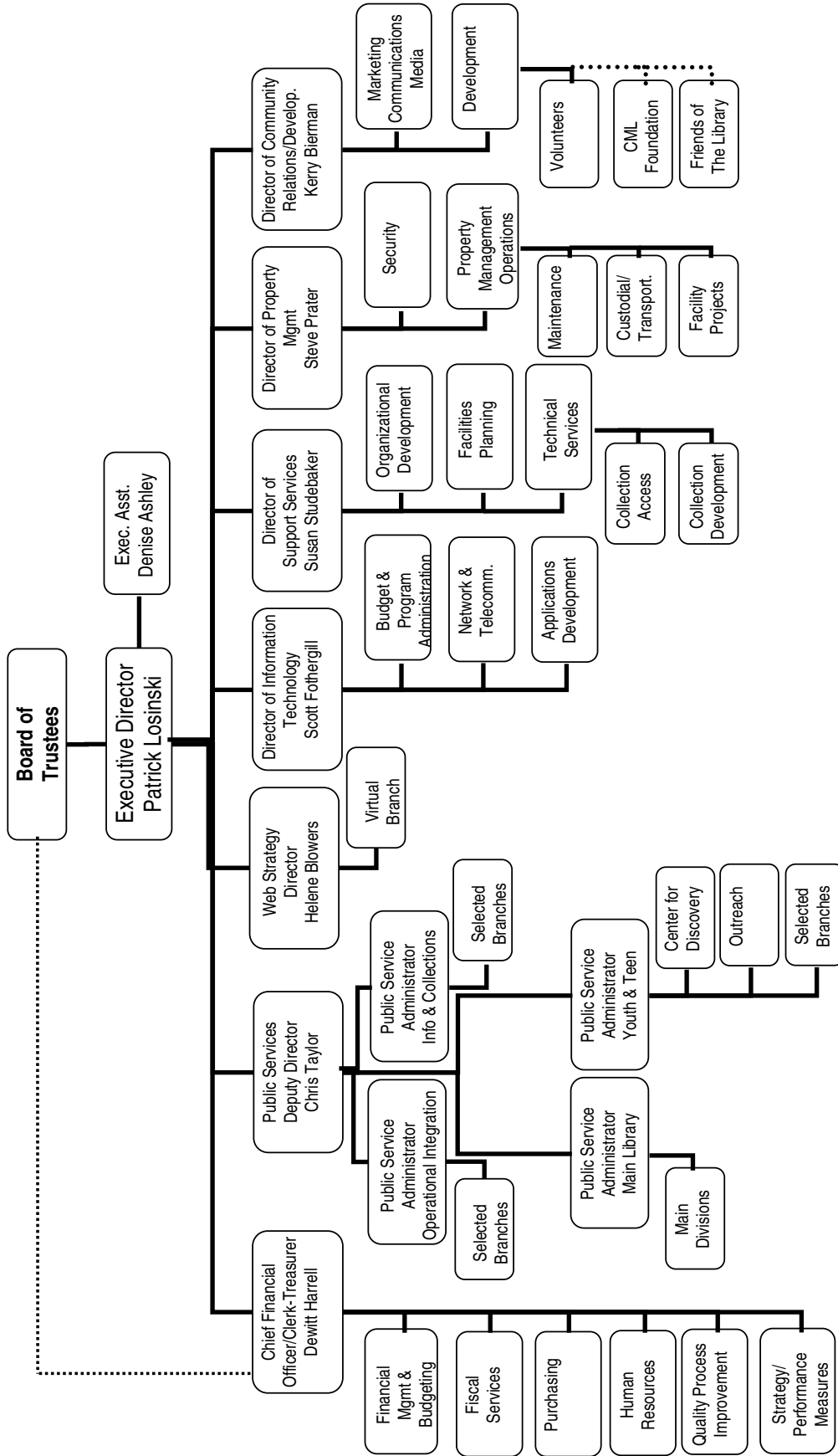
EXECUTIVE STAFF

Mr. Patrick Losinski,	Executive Director
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ADMINISTRATIVE STAFF

Ms. Chris Taylor,	Deputy Director of Public Services
Ms. Susan N. Studebaker,	Director of Support Services
Mr. Dewitt D. Harrell,	Chief Financial Officer/Clerk-Treasurer
Mr. Scott L. Fothergill,	Director of Information Systems
Mr. Stephen K. Prater,	Director of Property Management
Ms. Helene Blowers,	Director of Web Strategy
Mr. Kerry M. Bierman,	Director of Community Relations & Development

Columbus Metropolitan Library





**COLUMBUS
METROPOLITAN
LIBRARY**

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

May 15, 2008

**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, 2007.

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

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

The Library's financial statements have been audited under contract with the Auditor of State of Ohio by Kennedy Cottrell Richards, a firm of licensed certified public accountants. The independent auditor concluded that the Library's financial statements for the fiscal year ended December 31, 2007, 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 over 2 million items including books, audio and video tapes, compact discs, DVD's, multimedia CD-ROM's, e-book and audio e-book services, magazines, books-on-tape, books-on-CD's, pamphlets, maps, annual reports, sheet music and circulating visuals. The Library

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

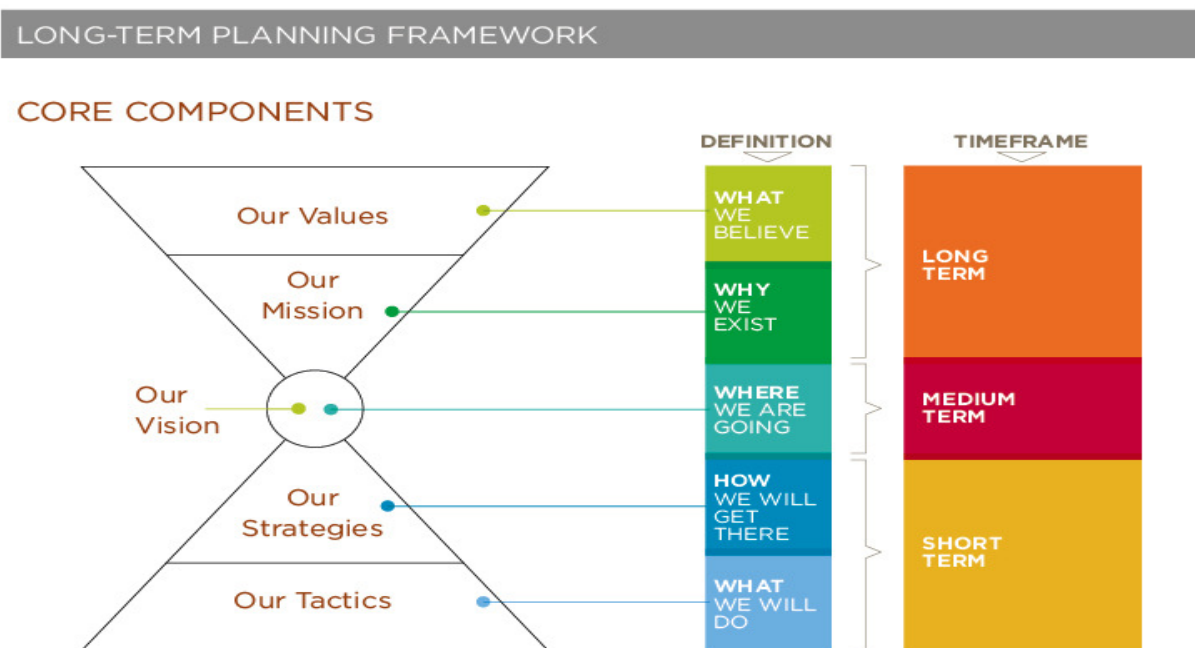
The Library offers programs for adults and children to showcase our collections and resources. Story hours and an annual summer reading program for children, teens and adults are designed to engage people in the art of reading.

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

STRATEGIC PLANNING

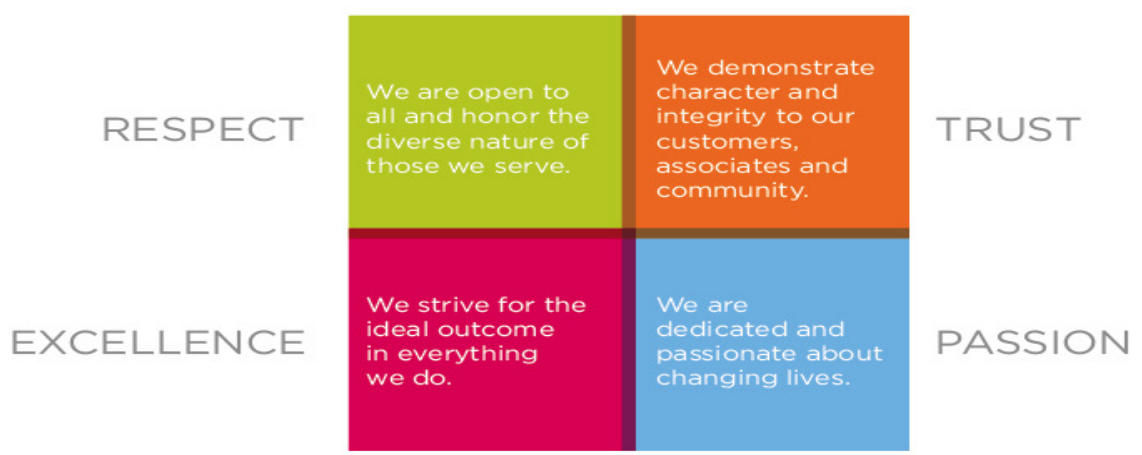
At the Columbus Metropolitan Library, our strategic plan is a living document with measurable objectives, clear initiatives, and a purposeful mission that strives to help customers convert information and knowledge into wisdom with a vision focused on enriching our quality of life. Our vision is already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

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



Columbus Metropolitan Library

OUR VALUES  WHAT WE BELIEVE IN



OUR MISSION  WHY WE EXIST

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

OUR VISION  WHERE WE ARE GOING

“A THRIVING COMMUNITY WHERE WISDOM PREVAILS.”

Columbus Metropolitan Library

OUR STRATEGIES | HOW WE WILL GET THERE

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

OUR TACTICS | 2008 STRATEGIC PLANNING

1. YOUNG MINDS

FIVE TO TEN YEARS
Conceptual
Ideas, wishes, hopes & dreams

- ▷ Kindergarten readiness is 90% or higher.
- ▷ Parents in our community have the knowledge and skills to help their children be ready to read and learn.
- ▷ Students in our service district increase their reading grade levels over the summer.
- ▷ Students in our service district know us as the place of choice for out-of-school learning.
- ▷ Teens consider CML an exciting and relevant place.

2. VIRTUAL USERS

FIVE TO TEN YEARS
Conceptual
Ideas, wishes, hopes & dreams

- ▷ CML.org hosts the DNA of Columbus (connect, spotlight and celebrate the community).
- ▷ CML is the digital place (service) of choice for library district residents.
- ▷ More tech-savvy community.

3. POWER USERS

FIVE TO TEN YEARS
Conceptual
Ideas, wishes, hopes & dreams

- ▷ Library users always get more than they came for.
- ▷ Customer's experience is global, but feels local.
- ▷ Customer is fully served in their language of choice.
- ▷ CML uses efficiencies and automation to improve customer service and saves customer time.
- ▷ 2020 Vision Plan for Services and Facilities is 100% implemented.
- ▷ Self-service applications for customers are fully incorporated at CML.
- ▷ Facilities and equipment are considered world class by the customer.

4. EXPAND OUR CAPACITY

THREE YEARS

More Specific Goals

- ▷ Replacement levy is approved to address operating and capital needs.
- ▷ Recruit, develop and retain a strong core staff that will enable the organization to grow.
- ▷ Identified activities have been eliminated.
- ▷ Continue to automate labor intensive processes and tasks.
- ▷ Standardize library furniture, equipment and technology.
- ▷ Maximize revenue streams from Friends of the Library, Columbus Metropolitan Library Foundation, and corporate funding.
- ▷ 3-year Quality Process Improvement plan has been implemented to acclaim in the library profession and local business community.
- ▷ CML emphasizes the importance of identifying and managing risk across the entire enterprise.

5. ENGAGE OUR TEAM

THREE YEARS

More Specific Goals

- ▷ CML's culture is diverse, team-oriented and empowered. Staff understands and exemplifies the mission, strategies and objectives.
- ▷ CML staff are tech-savvy and willingly share this expertise with others and with customers.
- ▷ CML staff are experts at project management.
- ▷ Customers increasingly view our staff as the choice for accurate, efficient information and knowledge.
- ▷ Fully implemented succession plan has yielded the next generation of leaders.
- ▷ CML is widely known as an employer of choice.
- ▷ Our staff understands the long-term goals of the organization and is fully engaged in accomplishing the tactical steps which will make them a reality.

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 1st of the current fiscal year. The level at which the Board approves each budget becomes the "legal level of control". This is the level at which transfers of appropriation requires Board action. For the General Fund, the Board approves the budget at the character level, as follows: Salaries and Benefits, 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.

2007 STRATEGIC ACCOMPLISHMENTS

Top Priorities for 2007

- Support our customers with programs that meet community needs (As determined by the program review)
- Support our customers with technology improvements (Dynix/MaterialsHandling/Web/IFAS)
- Assess our facilities relative to community need (Complete long-range facilities plan)

Columbus Metropolitan Library

- Implement CML re-branding campaign for increased advocacy and increased library use (via the marketing plan)
- Invest in Staff as our key value to customers
- Celebrate 100 – the “Library of the Century”

1. Support children and their parents though the teen years

- Develop a plan and program to enhance services to children and teens
- Expand the Ready to Read parent workshops
- Created Homework/Literacy Help Centers in Northern Lights, South High, Karl Rd, Livingston, Parsons, Reynoldsburg, and Whitehall branch libraries
- Upgraded kids PC's to align with the new vision for children's technology
- Revised Kids, Teens and Summer Reading Club websites

2. Make technology “Open to All”

- Completed construction of the SBN Tech Center at Main Library
- Implement Virtual Branch vision
- Technology to support mobile computing and reference services
- Intranet (CMLsi) and CML website Development
- Improve library materials searching capabilities

3. Deliver tomorrow's library today

- Begin planning and profiling to migrate to Horizon 8.x in 2008
- Incorporate the new Genealogy collection into the Biography, History and Travel division at Main Library
- Implement the ability to scan library cards to activate program registration
- Develop comprehensive Facilities Plan
- Implement Public Services Program Review

4. Expand our capacity

- Implement and integrate Re-branding Campaign via the Marketing Plan
- Participate in Regional Library Planning with other library systems
- Develop long-range Financial Plan
- Library card registration campaign
- Finance Department process improvements
- Continue to review business process automation
- Review and develop key performance indicators

Columbus Metropolitan Library

5. Engage our team

- Continue Wellness Plan to promote healthy lifestyles
- Develop and implement strategic plan for succession planning
- Training enhancements, including the development of the virtual classroom
- Continue implementation of SAFETY training

ECONOMIC CONDITIONS AND OUTLOOK

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

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

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

* - projected

The usually diverse and strong economy of the Columbus Metropolitan Area continued to show signs of economic strength through 2007. Annual unemployment in Franklin County was 4.7%, which is lower than the State of Ohio rate of 5.6% and is comparable to the United States rate of 4.6%.

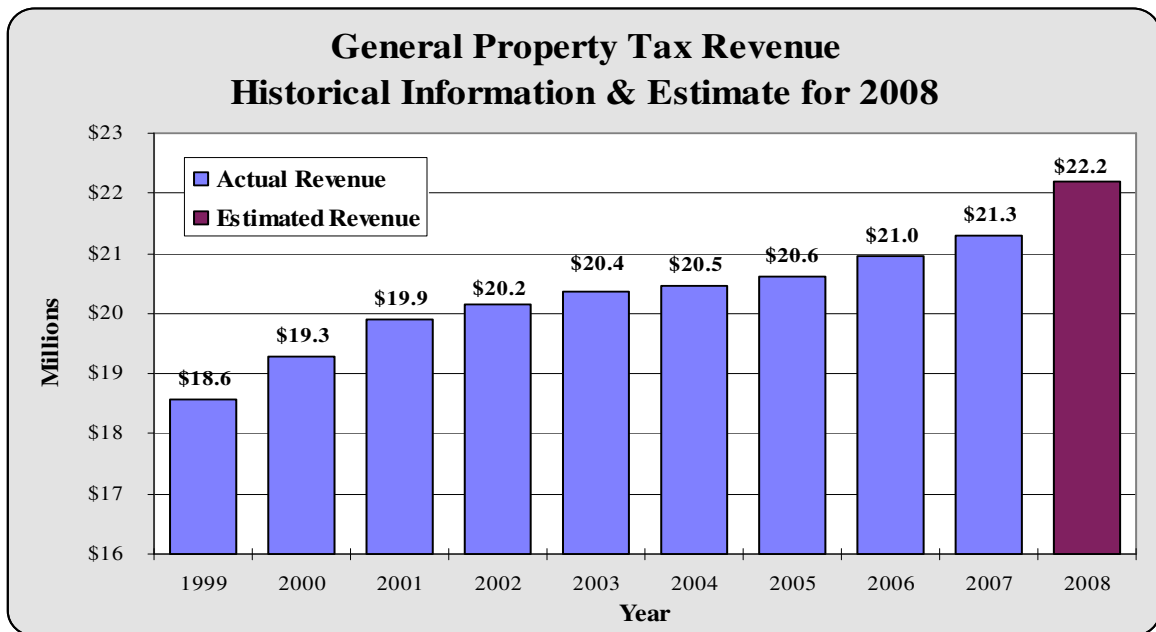
However, there is concern of future strength as the US economy shows signs of recession and deals with the impact of the recent housing and credit crisis. As of March, 2008, the most recent data available, the United states unemployment rate has increased to 5.1% and the State of Ohio unemployment rate has increased to 5.7%. Meanwile, the Frankilin County unemployment rate remains at 4.7%.

Source: Ohio Department of Job and Family Services

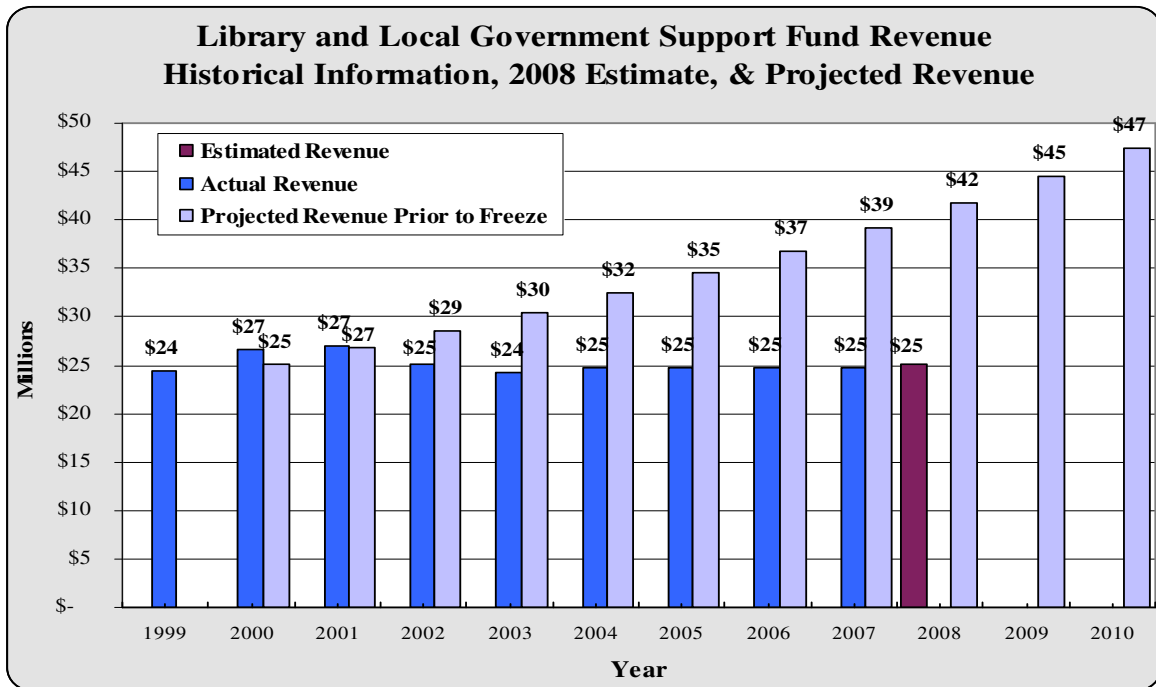
LONG-TERM FINANCIAL PLANNING

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

Columbus Metropolitan Library

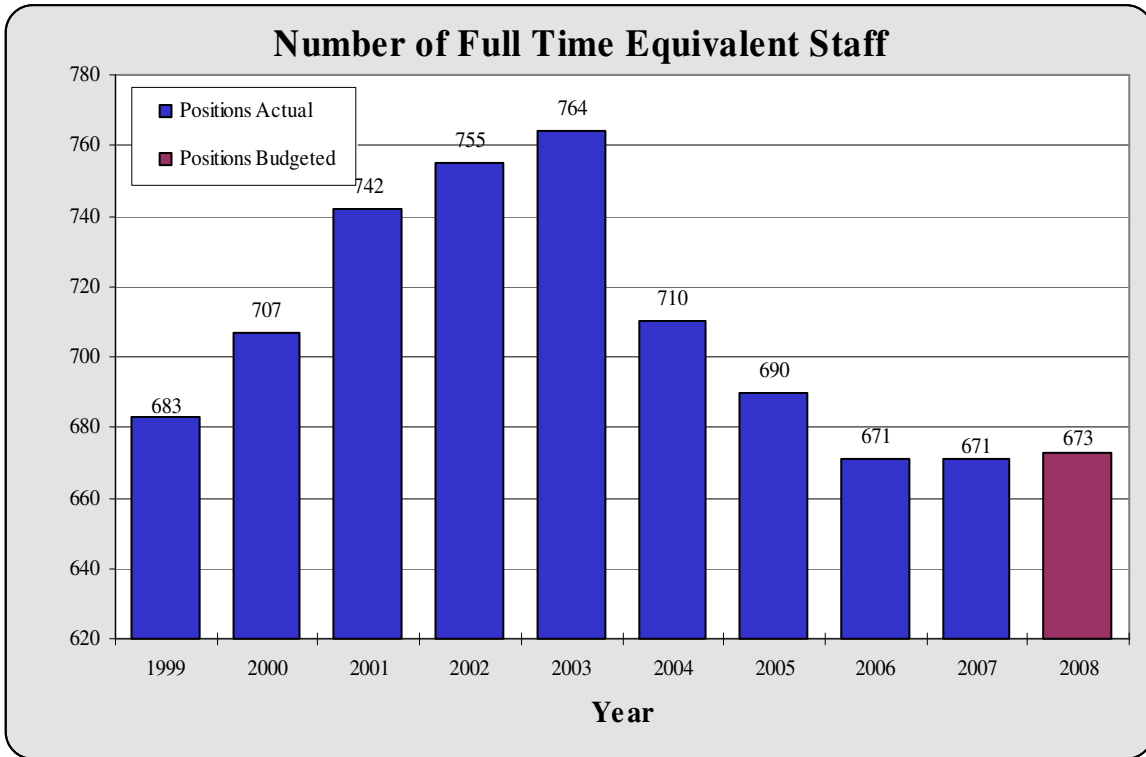


The following chart shows the effect of changes in State of Ohio funding over the past several years. This source of revenue had been increasing at a significant pace until 2001 and had been projected to continue going forward. However, due to the several years of economic downturn, the State froze their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

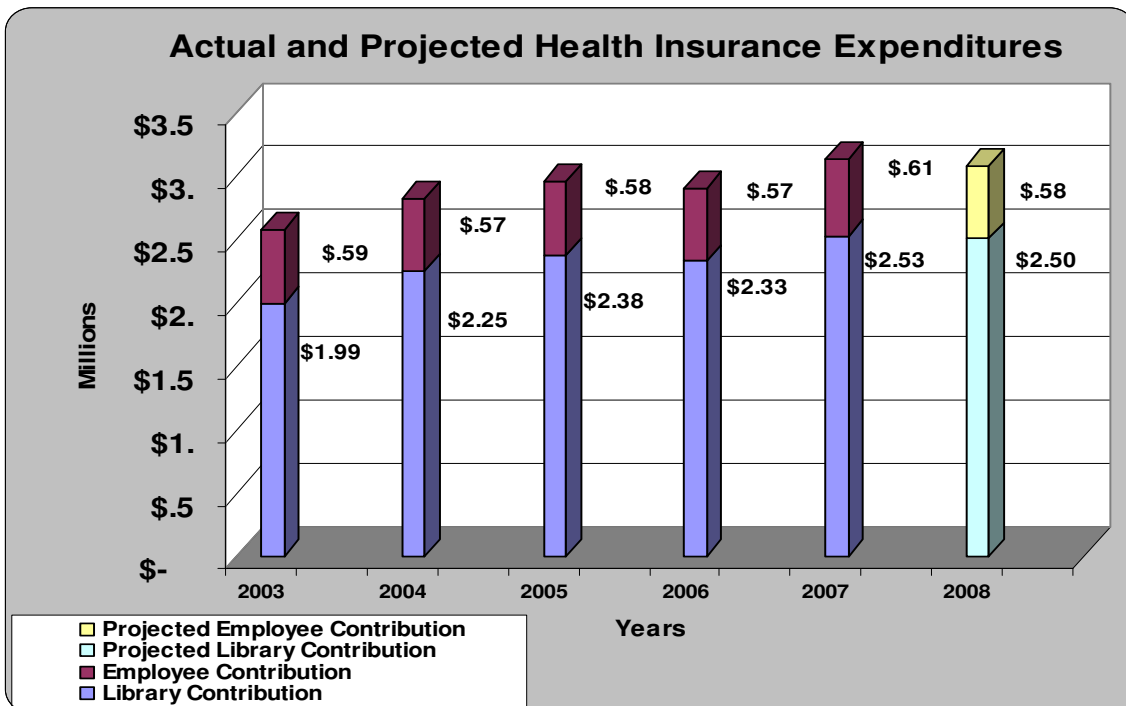


Columbus Metropolitan Library

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

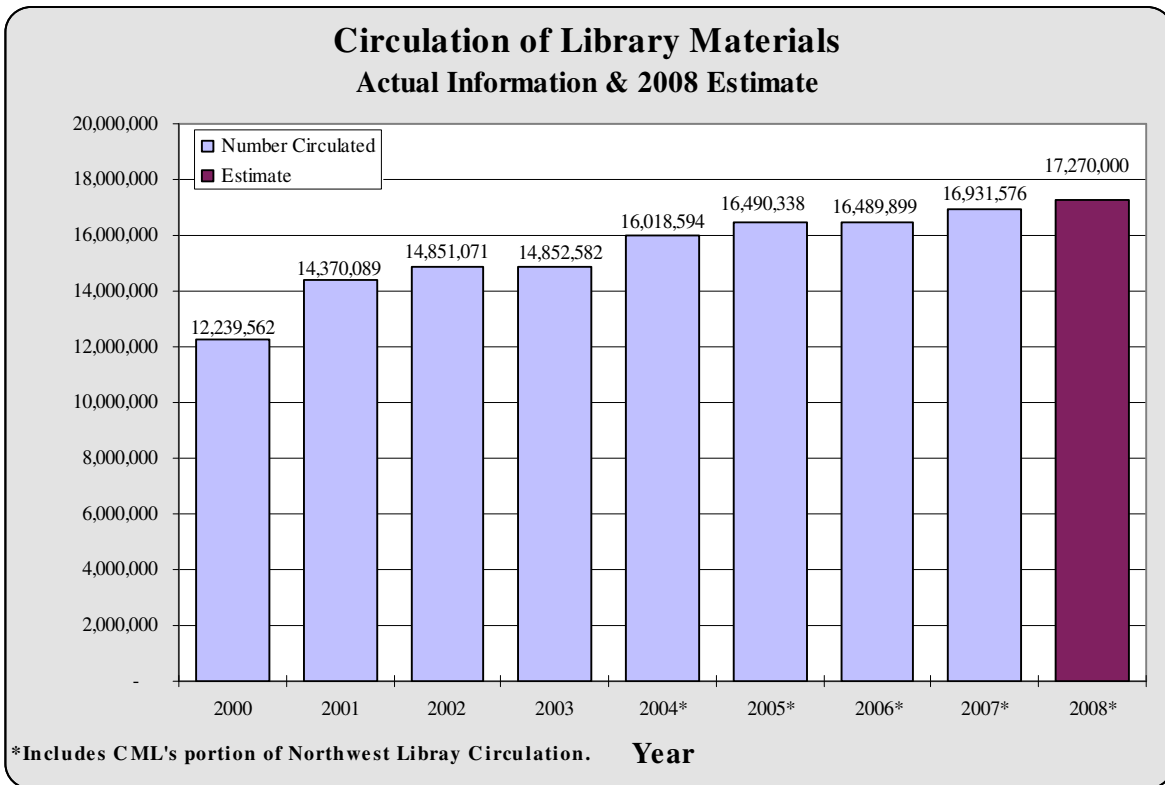


Even with decrease in staffing levels, the cost of health insurance still continues to increase. The following chart shows the rapid increase to both the Library and to the employee.



Columbus Metropolitan Library

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



FINANCIAL INFORMATION

Financial Reporting Model

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

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

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

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

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

Columbus Metropolitan Library

Generally Accepted Accounting Principal (GAAP) basis. For budgetary purposes, the financial records are maintained in a budgetary (cash plus encumbrances) basis of accounting. This means revenues are recorded when received in cash, expenditures are recorded when paid in cash and encumbrances are recorded as a reservation of an appropriation balance.

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

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

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

Budgetary and Financial Policies

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

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 and Purchased/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

Columbus Metropolitan Library

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

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

Columbus Metropolitan Library

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

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

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

See Note 7 for additional pension information.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Columbus Metropolitan Library for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006. This is the twenty-first (21st) consecutive year that the Library has achieved this prestigious award.

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

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

ACKNOWLEDGMENTS

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

Columbus Metropolitan Library

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

Sincerely,

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

DEWITT HARRELL
Chief Financial Officer/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, 2007, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Metropolitan Library, Franklin County, Ohio, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2008 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

Kennedy Cottrell Richards LLC
May 15, 2008

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2007 (unaudited)

As management of the Columbus Metropolitan Library (the Library), we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Columbus Metropolitan Library for the fiscal year ended December 31, 2007. 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 2007 are as follows:

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by \$94,203,309. Of this amount, \$12,714,129 was unrestricted and may be used to meet the Library's ongoing obligations.
- The Library's net assets decreased by \$13,710,105 or 12.7%.
- Of the \$39,916,236 in total revenues, general revenues accounted for \$35,748,604 or 89.6%. Program specific revenues in the form of charges for services, grants and contributions accounted for \$4,167,632 or 10.4%.
- The Library had \$53,626,341 in expenses related to governmental activities; 7.8% of these expenditures were offset with program specific revenues. The remaining 92.2% 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 \$44,814,594 in revenues and \$50,039,037 in expenditures. An additional \$22,768 in other sources resulted in a decrease in fund balance of \$5,201,675. The capital projects fund had \$749,465 in revenues and \$2,248,147, resulting in a decrease in fund balance of \$1,498,682.
- At the end of the fiscal year, the unreserved fund balance in the general fund was \$8,881,711. This represents 78.9% of total fund balance and 17.7% percent of 2007 general fund expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2007 (unaudited)

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

Proprietary Funds

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

Notes to the Financial Statements

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

COLUMBUS METROPOLITAN LIBRARY

**Management's Discussion and Analysis for the Year Ended December 31, 2007
(unaudited)**

Government-wide Financial Analysis

The Statement of Net Assets provides the perspective of the Library as a whole. Table 1 provides a summary of the Library's net assets for 2007 compared to 2006. See note 11 for restatement details.

Table 1
Net Assets

	Governmental Activities	
	2007	2006, restated
Assets		
Current and Other Assets	\$ 51,740,356	\$ 63,927,765
Capital Assets	<u>70,477,531</u>	<u>71,928,282</u>
Total Assets	<u>\$122,217,887</u>	<u>\$135,856,047</u>
Liabilities		
Long-Term Liabilities	2,350,446	2,402,823
Other Liabilities	<u>25,664,132</u>	<u>25,539,810</u>
Total Liabilities	<u>28,014,578</u>	<u>27,942,633</u>
Net Assets		
Invested in Capital Assets	70,477,531	71,928,282
Restricted	11,011,649	13,365,169
Unrestricted	<u>12,714,129</u>	<u>22,619,963</u>
Total Net Assets	<u>\$ 94,203,309</u>	<u>\$107,913,414</u>

Total assets decreased \$13,638,160 and total liabilities increased \$71,945. Equity in Pooled Cash and Cash Equivalents decreased \$486,723, or 1.9% and Net Capital Assets decreased \$1,450,751, or 2.0%, primarily due to depreciation expenses.

The most significant change to assets was the \$11,756,712, or 31.0%, decrease in Receivables. This is due to the statutory change in how the State of Ohio funds Libraries through shared revenue.

Previously, the State of Ohio appropriated a fixed amount through its budget process. Since the State fiscal year is from 07/01 to 06/30, the remaining 6 months of appropriations remaining at 12/31 was recorded as a receivable.

During 2007, the State enacted legislation to fund libraries through a % of revenues collected. This is distributed one month in arrears, based on previous month's actual collections. Therefore, at 12/31/2007, only 1 month of State revenue is considered receivable.

This change also had a related effect on Intergovernmental Revenues, as see in the Table below.

COLUMBUS METROPOLITAN LIBRARY

**Management's Discussion and Analysis for the Year Ended December 31, 2007
(unaudited)**

On the liability side, there were no significant changes to liabilities.

Table 2 shows a comparison of the changes in net assets for the fiscal year ended December 31, 2007 compared to December 31, 2006.

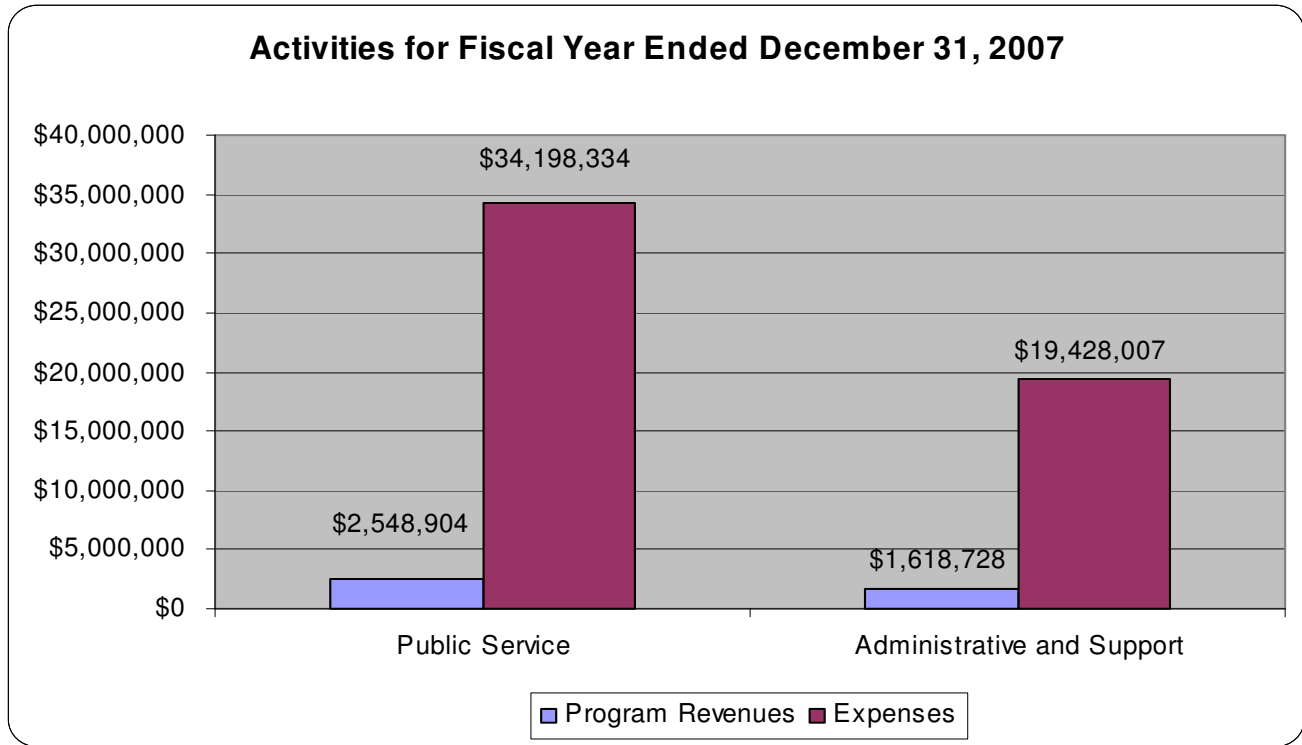
	Governmental Activities	
	2007	2006
Revenues		
Program Revenues		
Charges for Services	\$ 4,037,076	\$ 3,618,977
Operating Grants, Contributions and Interest	130,556	209,120
Capital Grants and Contributions	-	-
General Revenue		
Property Taxes	18,233,344	18,096,282
Intergovernmental	16,019,512	27,358,159
Investment Earnings	<u>1,495,748</u>	<u>1,404,862</u>
Total Revenues	\$ <u>39,916,236</u>	\$ <u>50,687,400</u>
Program Expenses		
Public Service	34,198,334	33,456,423
Administrative and Support	<u>19,428,007</u>	<u>17,956,008</u>
Total Expenses	<u>53,626,341</u>	<u>51,412,431</u>
Increase (decrease) in Net Assets	\$ <u>(13,710,105)</u>	\$ <u>(725,031)</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 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 59.80% in 2007.

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, 2007
(unaudited)**



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

Table 3
Governmental Activities

	<u>Total Cost of Services - 2007</u>	<u>Total Cost of Services - 2006</u>	<u>Net Cost of Services - 2007</u>	<u>Net Cost of Services - 2006</u>
Program Expenses				
Public Service	\$ 34,198,334	\$ 33,456,423	\$ 31,649,430	\$ 31,096,595
Administrative and Support	<u>19,428,007</u>	<u>17,956,008</u>	<u>17,809,279</u>	<u>16,487,739</u>
Total	\$ <u>53,626,341</u>	\$ <u>51,412,431</u>	\$ <u>49,458,709</u>	\$ <u>47,584,334</u>

The above schedule clearly shows the dependence upon tax revenues and state subsidies for governmental activities. Program revenues, such as charges for services, grants and contributions, cover only 7.8% of the expenses related to the activities performed by the Library. The remaining 92.2% of expenses is provided through taxes, intergovernmental revenues, and investment earnings.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2007 (unaudited)

Fund Financial Analysis

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

The general fund is the chief operating fund of the Library. At December 31, 2007, \$8,881,711 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 17.75 percent of 2007 general fund expenditures.

The most significant change related to the General Fund Balance Sheet was the \$11,780,091, or 31.2%, decrease in Receivables and related \$6,592,101, or 22.25%, reduction in Deferred Revenue. This was a significant contribution to the \$5,340,011, or 37.55% reduction in Unreserved Fund Balance.

On the Statement of Revenues, Expenditures and Changes in Fund Balances, a \$10,020,080, or 30.78%, reduction in Intergovernmental Revenue was a significant change.

All of these significant variances are primarily attributable to the statutory change in how the State of Ohio funds Libraries through shared revenue. Previously, the State of Ohio appropriated a fixed amount through its budget process. Since the State fiscal year is from 07/01 to 06/30, the remaining 6 months of appropriations remaining at 12/31 was recorded as a receivable. Revenue was recorded for estimated collections through February and those collections anticipated to be received after the 60 day availability period were deferred.

During 2007, and effective January 1, 2008, the State enacted legislation to fund libraries through a percentage of tax revenues collected. The result of this percentage calculation is then distributed one month in arrears, based on previous month's actual tax collections. Therefore, at 12/31/2007, only 1 month of State revenue, December collections to be distributed in January 2008, is considered revenue and a receivable.

The result is an elimination of five additional months receivable, one of which is no longer recorded as revenue and the remaining four months no longer recorded as deferred revenue.

At December 31, 2007, the capital projects fund had an ending fund balance of \$8,645,802 available to complete current projects and provide funding for future projects.

The most significant event related to the Capital Projects Fund is that there was no internal transfer of cash from the General Fund during 2007. With no other significant revenue source, project expenditures of \$2,248,147 attributed to the majority of the \$1,446,116, or 13.97%, decrease in Cash and Cash Equivalents and a \$1,498,682, or 14.50% decrease in Fund Balance

As of December 31, 2007, the Library's governmental funds reported combined ending fund balances of \$21,685,617, a decrease of \$6,575,451 in comparison to the prior year. All governmental funds had total revenues of \$46,359,091 and expenditures of \$52,934,542.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2007 (unaudited)

General Fund Budgeting Highlights

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

During the course of fiscal 2007, 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 the transfer-in of more than \$200K related to the close of the Parking Garage Fund.

For the general fund, budget basis revenue was \$49,863,792, which was short of the estimate of \$51,285,765 by \$1,421,973. \$816,591, or 57.43%, of this short-fall is contributed to an increase of property tax delinquencies. The \$647,044 related to fines and fees was a result of changes made to the Library's borrowing limits and fine amounts.

For the general fund, budget basis expenditures were \$50,282,245, which was below the estimate of \$53,010,800. Of this \$2,728,555 difference, \$1,021,798, or 37.45%, is due to salaries and benefits savings and \$982,751 was due to lower than anticipated purchased service costs.

The Library's ending Fund Balance is \$7,679,691.

Capital Assets

At the end of fiscal year 2007, the Library had \$70,477,531 invested in capital assets. Table 4 shows fiscal ended December 31, 2007 compared to December 31, 2006. See note 11 for restatement details.

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

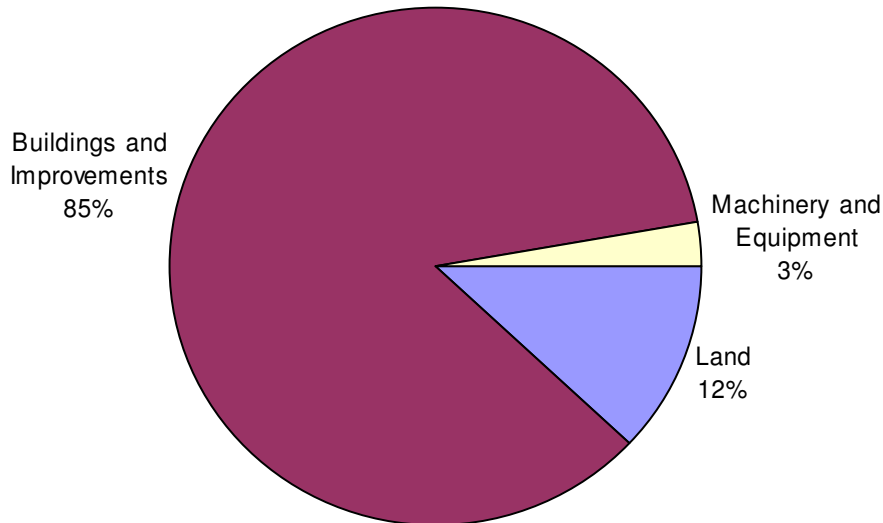
	Governmental Activities	
	<u>2007</u>	<u>2006, restated</u>
Land	\$ 8,325,279	\$ 8,325,279
Buildings and Improvements	60,248,954	61,028,825
Machinery and Equipment	<u>1,903,298</u>	<u>2,574,178</u>
Totals	\$ <u>70,477,531</u>	\$ <u>71,928,282</u>

During 2007, the Library invested \$795,528 in additional Capital Assets. See Note 6 for additional capital asset information.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2007 (unaudited)

Capital Assets at December 31, 2007



Economic Factors

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

In addition, the recent difficulties of the housing market have led to higher delinquencies. For 2007, the Library collected only 89.5% of levied taxes, representing slightly more than a \$2 million shortfall in collections for the year.

Furthermore, since July 2001, the LLGSF distributions have been subject to a "freeze" in funding. Effective January, 2008 state legislation changed the source to 2.22% of all types of the state's General Revenue Fund tax revenues. While the diversity of revenue types is intended to provide future growth to this fund, current fiscal conditions are expected to only provide a modest growth rate in 2008.

Contacting the Library's Financial Management

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

COLUMBUS METROPOLITAN LIBRARY
Statement of Net Assets
December 31, 2007

	Primary Government Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 24,927,546
Receivables	26,194,886
Prepays	617,924
Capital Assets, Nondepreciable	8,325,279
Capital Assets, Net of Depreciation	62,152,252
Total Assets	122,217,887
LIABILITIES	
Accounts Payable	2,567,683
Compensated Absences, Short-term	360,670
Accrued Liabilities, current	1,024,812
Unearned Revenues	21,710,967
Compensated Absences, Long-term	2,350,446
Total Liabilities	28,014,578
NET ASSETS	
Invested in Capital Assets	70,477,531
Expendable - Restricted for:	
Land Development	1,321,808
Restricted Donations	190,733
Capital Projects	9,419,132
Permanent Fund	12,234
Non-Expendable - Restricted for:	
Permanent Fund	67,742
Unrestricted	12,714,129
Total Net Assets	\$ 94,203,309

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, 2007

<u>Functions/Programs</u>	<u>Program Revenues</u>			Net (Expense)
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	Revenue and Changes in Net Assets
Primary Government:				
Governmental Activities				
General Government:				
Public Service	\$ 34,198,334	\$ 2,418,348	\$ 130,556	\$ (31,649,430)
Administrative and Support	19,428,007	1,618,728	-	(17,809,279)
Total Governmental Activities	<u><u>\$ 53,626,341</u></u>	<u><u>\$ 4,037,076</u></u>	<u><u>\$ 130,556</u></u>	<u><u>(49,458,709)</u></u>
General Revenues:				
Property Taxes				18,233,344
Intergovernmental, Unrestricted				16,019,512
Unrestricted Investment Earnings				1,495,748
Total General Revenues				<u>35,748,604</u>
Change in Net Assets				(13,710,105)
Net Assets - Beginning				108,324,156
Restatement - See Note 11				(410,742)
Net Assets - Ending				<u><u>\$ 94,203,309</u></u>

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

COLUMBUS METROPOLITAN LIBRARY
Balance Sheet
Governmental Funds
December 31, 2007

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 11,263,823	\$ 8,908,219	\$ 1,623,826	\$ 21,795,868
Receivables	25,961,791	46,479	25,483	26,033,753
Prepays	600,089	-	17,835	617,924
Total Assets	<u>\$ 37,825,703</u>	<u>\$ 8,954,698</u>	<u>\$ 1,667,144</u>	<u>\$ 48,447,545</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 2,209,208	\$ 116,458	\$ 20,017	\$ 2,345,683
Accrued Liabilities	1,330,872	-	54,610	1,385,482
Deferred Revenue	23,030,763	-	-	23,030,763
Total Liabilities	<u>26,570,843</u>	<u>116,458</u>	<u>74,627</u>	<u>26,761,928</u>
Fund Balances:				
Reserved for:				
Encumbrances	1,773,060	192,438	7,239	1,972,737
Prepays	600,089	-	17,835	617,924
Endowments	-	-	67,742	67,742
Unreserved, Special Revenue	-	-	1,487,467	1,487,467
Unreserved, Capital Projects	-	8,645,802	-	8,645,802
Unreserved, Permanent	-	-	12,234	12,234
Unreserved	8,881,711	-	-	8,881,711
Total Fund Balances	<u>11,254,860</u>	<u>8,838,240</u>	<u>1,592,517</u>	<u>21,685,617</u>
Total Liabilities and Fund Balances	<u>\$ 37,825,703</u>	<u>\$ 8,954,698</u>	<u>\$ 1,667,144</u>	<u>\$ 48,447,545</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, 2007

Total Fund Balances for Governmental Funds	\$	21,685,617
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		70,477,531
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.		(2,350,446)
Assets of the internal service fund that primarily serve governmental funds		3,292,811
Liabilities of the internal service fund that primarily serve governmental funds		(222,000)
Liabilities for revenue earned, but uncollected		1,319,796
Net Assets of Governmental Activities	\$	<u>94,203,309</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, 2007

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 18,307,983	\$ -	\$ -	\$ 18,307,983
Intergovernmental	22,536,974	-	-	22,536,974
Fines and Fees	1,945,475	-	-	1,945,475
Investment Earnings	763,289	514,185	73,118	1,350,592
Charges for Services	909,943	-	576,076	1,486,019
Contributions and Donations	-	-	130,556	130,556
Miscellaneous	350,930	235,280	15,282	601,492
Total Revenues	<u>44,814,594</u>	<u>749,465</u>	<u>795,032</u>	<u>46,359,091</u>
EXPENDITURES				
Current:				
Public Service	32,579,437	330,136	102,850	33,012,423
Administrative and Support	16,157,245	713,018	535,421	17,405,684
Capital Outlay	1,302,355	1,204,993	9,087	2,516,435
Total Expenditures	<u>50,039,037</u>	<u>2,248,147</u>	<u>647,358</u>	<u>52,934,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,224,443)</u>	<u>(1,498,682)</u>	<u>147,674</u>	<u>(6,575,451)</u>
OTHER FINANCING SOURCES(USES)				
Transfers In	22,768	-	-	22,768
Transfers Out	-	-	(22,768)	(22,768)
Total Other Financing Sources (Uses)	<u>22,768</u>	<u>-</u>	<u>(22,768)</u>	<u>-</u>
Net Changes in Fund Balances	(5,201,675)	(1,498,682)	124,906	(6,575,451)
Fund Balances at Beginning of Year	16,265,339	10,336,922	1,658,807	28,261,068
Restatement (See Note 11)	191,196	-	(191,196)	-
Funds Balance End of Year	<u>\$ 11,254,860</u>	<u>\$ 8,838,240</u>	<u>\$ 1,592,517</u>	<u>\$ 21,685,617</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, 2007

Net Change in Fund Balances - Total Governmental Funds	\$ (6,575,451)
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.	795,528
Reverse prior year revenue earned during the prior period.	(7,911,898)
Depreciation expense.	(1,994,435)
Net revenue of internal service fund activities.	507,109
Record internal service fund revenues and expenses not subject to consolidation.	149,246
Revenue earned, but uncollected	1,319,796
Change in Net Assets of Governmental Activities	<u>\$ (13,710,105)</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 - Budget (Non-GAAP) and Actual
General Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 25,198,773	\$ 24,808,052	\$ 24,799,507	\$ (8,545)
Property Taxes	21,710,967	22,106,077	21,289,486	(816,591)
Fines and Fees	2,563,210	2,563,210	1,916,166	(647,044)
Charges for Services	596,550	766,999	798,690	31,691
Investment Earnings	698,000	706,816	707,376	560
Contributions and donations	55,611	55,611	534	(55,077)
Miscellaneous	283,389	279,000	352,033	73,033
Total Revenues	<u>51,106,500</u>	<u>51,285,765</u>	<u>49,863,792</u>	<u>(1,421,973)</u>
EXPENDITURES				
Current:				
Public Service	34,438,288	34,438,288	32,600,267	1,838,021
Administrative and Support	17,094,712	17,262,012	16,432,704	829,308
Capital Outlay	1,273,500	1,310,500	1,249,274	61,226
Total Expenditures	<u>52,806,500</u>	<u>53,010,800</u>	<u>50,282,245</u>	<u>2,728,555</u>
Excess (deficiency) of Revenue over (under) Expenditures	(1,700,000)	(1,725,035)	(418,453)	1,306,582
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	1,273,500	2,240,975	2,240,975	-
Transfers In	-	216,599	239,367	22,768
Intra-Fund Transfers Out	(1,273,500)	(2,240,975)	(2,240,975)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>216,599</u>	<u>239,367</u>	<u>22,768</u>
Net Changes in Fund Balances	(1,700,000)	(1,508,436)	(179,086)	1,329,350
Fund Balances at Beginning of Year	8,754,969	8,754,969	8,754,969	-
Restatement (see Note 11)	(896,192)	(896,192)	(896,192)	-
Funds Balance End of Year	<u>\$ 6,158,777</u>	<u>\$ 6,350,341</u>	<u>\$ 7,679,691</u>	<u>\$ 1,329,350</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, 2007

	Governmental Activities Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 3,131,678
Receivables	161,133
Total Assets	\$ 3,292,811
LIABILITIES	
Current Liabilities:	
Claims Payable	\$ 222,000
Total Liabilities	222,000
NET ASSETS	
Unrestricted	3,070,811
Total Net Assets	\$ 3,070,811

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, 2007

	Governmental Activities Internal Service Fund
Operating Revenues	
Charges for Services	\$ 3,134,691
Miscellaneous	36,411
Total Operating Revenues	3,171,102
Operating Expenses	
Contractual Services	451,450
Claims Paid	2,212,543
Total Operating Expenses	2,663,993
Operating Income	507,109
Non Operating Revenues	
Interest	149,246
Total Non Operating Revenues	149,246
Change in Net Assets	656,355
Net Assets Beginning of Year	2,414,456
Net Assets End of Year	\$ 3,070,811

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, 2007

	Governmental Activities Internal Service Fund
CASH FLOW FROM OPERATING ACTIVITIES	
Cash Received for Claims	\$ 3,131,151
Cash Received from Reimbursements	31,404
Cash Payments for Administrative Fees	(451,450)
Cash Payments for Claims	(2,208,543)
Net Cash Provided by Operating Activities	502,562
CASH FLOW FROM INVESTING ACTIVITIES	
Interest Income	149,246
Net Cash Provided from Investing Activities	149,246
Net Increase in Cash and Cash Equivalents	651,808
Cash and Cash Equivalents Beginning of Year	2,479,870
Cash and Cash Equivalents End of Year	\$ 3,131,678
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating Income	\$ 507,109
Adjustments:	
Increase in Receivables	(8,547)
Increase in Claims Payable	4,000
Total Adjustments	(4,547)
Net Cash Provided by Operating Activities	\$ 502,562

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

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

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

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

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

In May 2007, GASB issued Statement No. 50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This statement is effective for periods beginning after June 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 June 2007, GASB issued Statement No. 51 *Accounting and Financial Reporting for Intangible Assets*. This Statement is to establish accounting and financial reporting requirements for intangible assets. This statement is effective for periods beginning after June 15, 2009 and the Library has not adopted the provisions of this statement in the accompanying financial statements. Management has not completed the process of evaluating the impact that will result from adopting this statement, and therefore is unable to disclose the impact that adopting the statement will have on its financial position and results of operations when the statement is adopted.

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

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:

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

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

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.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(2) Summary of Significant Accounting Policies (continued)

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

- 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, restricted donations and any other resources which are restricted for a particular purpose.

PROPRIETARY FUNDS

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

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

(c) Measurement focus and basis of accounting

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(1) Summary of Significant Accounting Policies (continued)

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

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

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

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

(d) Encumbrances

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

(e) Cash Equivalents

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

(f) Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Library records all of its investments at fair value as defined in the Statement. The Library does not engage in any form of derivatives or reverse repurchase agreements in the management of its investment portfolio. During 2007, 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.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(1) Summary of Significant Accounting Policies (continued)

(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 2,100,000 volumes. The Library does not own any fine art, rare book collections or artifacts.

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

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

(h) Insurance

The Library is insured by private carriers for property damage, personal injury and public official liability. Judgments and claims in excess of policy limits are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. At December 31, 2007, 2006 and 2005, there were no outstanding judgments or claims in excess of policy limits. There were no significant changes in insurance coverage from the previous year and no insurance settlement has exceeded insurance coverage during the last three years.

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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Unpaid Claims Jan 1,	\$ 191,991	\$ 147,000	\$ 218,000
Incurred Claims	1,946,347	2,038,437	2,212,543
Payment of Claims	<u>(1,991,338)</u>	<u>(1,967,437)</u>	<u>(2,208,543)</u>
Unpaid Claims Dec 31,	<u>\$ 147,000</u>	<u>\$ 218,000</u>	<u>\$ 222,000</u>

The \$222,000 of unpaid claims are reflected in the internal service fund's accounts payable line item.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(1) Summary of Significant Accounting Policies (continued)

(i) Compensated Absences

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

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

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

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

(j) Interfund Transactions

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

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

	<u>Transfer-In</u>	<u>Transfer-Out</u>
General	\$ 22,768	\$ -
Special Revenue		
Land Development	-	22,768
Total Transfers	<u>\$ 22,768</u>	<u>\$ 22,768</u>

(k) Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items. Prepaid items consist primarily of insurance premiums, conferences and training, memberships and library material subscriptions.

(l) Budgetary Basis of Accounting

Budget

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

Estimated Resources

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

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

(l) Budgetary Basis of Accounting (continued)

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

Appropriations

The Library is required by state statute to adopt an annual appropriation cash basis budget. A temporary appropriation measure to control cash disbursements is passed by the Library's Board of Trustees in December of each year to be effective as of January 1. The permanent appropriation measure then must be passed by April 1 of each year for the period January 1 to December 31. The permanent appropriation measure then may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. Unencumbered appropriations lapse at year-end except in Capital Projects Fund which has continuing appropriations. Any budget change that increases or decreases expenditures at the major expenditure (object) level requires Board authorization. Supplementary appropriations to the General Fund resulted in an increase of \$1,171,775 during the year.

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

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

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

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

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

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

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(1) Summary of Significant Accounting Policies (continued)

(m) Net Assets

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

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

(n) Operating Revenues and Expenses

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

(o) Fund Balance Reserves

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

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

(2) Commitments and Contingencies

(a) Litigation

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

(b) Compensated Absences

A summary of changes in long-term obligations for the year ended December 31, 2007, follows:

	<u>Balance</u> <u>Jan 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec 31, 2007</u>
Governmental Activities	\$ 2,298,139	\$ 2,802,735	(\$ 2,389,758)	\$ 2,711,116

Accrued liabilities are composed of accrued compensatory time earned. Of which, \$360,670 is due within one year. 100% of the compensated absences liability will be liquidated with General Fund resources.

(3) Cash and Investments

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

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

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

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

Deposits:

At December 31, 2007, the carrying amount of all the Library's deposits (including \$67,742 in non-negotiable certificate of deposits) was \$1,662,692 and the bank balance was \$1,918,091. Of the bank balance, \$167,742 was covered by Federal Deposit Insurance and \$1,750,334 was uninsured and collateralized with securities held by the financial institution or by its trust department or agent but not in the Library's name. Restricted assets of \$67,742 is the endowment principal of the restricted fund.

Investments:

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

The types of obligations eligible for investment and deposits are:

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(3) Cash and Investments (continued)

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:

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

Cash and investments at year-end were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Maturity in Years</u>		
			<u><1</u>	<u>1-3</u>	<u>3-5</u>
STAR Ohio (State Treasurer's Asset Reserve)	\$ 12,249,310	AAAm ¹	\$ 12,249,310	\$ -	\$ -
Federal Agency Securities (Non-callable)	5,135,402	AAA ¹	4,369,195	256,094	510,113
Federal Agency Securities (Callable)	5,268,948	AAA ¹	499,219 ²	3,760,275 ³⁴	1,009,454 ⁵⁶
Money Market Fund	604,929	AAAm ¹	604,929	-	-
Carrying amount of deposits	1,662,692		1,662,692	-	-
Petty cash and change fund	6,265		6,265	-	-
Total	\$ 24,927,546		\$ 19,391,610	\$ 4,016,369	\$ 1,519,567
Per Statement of Net Assets:					
Cash and investments	\$ 24,859,804				
Cash and investments – Restricted	67,742				
Total	\$ 24,927,546				

¹ - Standard & Poors. ² - as of 04/01/08, \$499,219 has been called. ³ - as of 04/01/08, \$1,001,406 has been called. ⁴ - \$2,758,869 is callable within 1 year. ⁵ - \$754,766 is callable within 1 year. ⁶ - \$254,688 is callable within 2 years.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(3) Cash and Investments (continued)

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

(4) Donor Restricted Endowments

The Library's Permanent Fund includes donor-restricted endowments. Net Assets – Permanent Fund represents both the \$67,742 principal portion of the endowment and the \$15,834 that is available for expenditure. The Library Board of Trustees is permitted to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms state otherwise.

(5) Receivables

Receivables at December 31, 2007 for the Library's individual funds consists of the following:

	<u>Taxes & Shared Revenue</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
General	\$ 25,840,788	\$ 59,417	\$ 61,586	\$ 25,961,791
Capital Project	-	46,479	-	46,479
Other Governmental	-	7,186	18,297	25,483
Internal Service	-	16,339	144,794	161,133
Total	<u>\$ 25,840,788</u>	<u>\$ 129,421</u>	<u>\$ 224,677</u>	<u>\$ 26,194,886</u>

(6) Capital Assets

A summary of changes in capital assets for the year ended December 31, 2007, follows:

	Balance January 1, 2007 <u>(restated, see Note 11)</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2007</u>
Nondepreciable Assets:				
Land	\$ 8,325,279	\$ -	\$ -	\$ 8,325,279
Depreciable Assets:				
Buildings and improvements	80,721,721	611,252	-	81,332,973
Machinery and equipment	<u>7,308,081</u>	<u>184,276</u>	<u>(591,787)</u>	<u>6,900,570</u>
Total Depreciable Assets	<u>88,029,802</u>	<u>795,528</u>	<u>(591,787)</u>	<u>88,233,543</u>
Total Capital Assets	<u>\$ 96,355,081</u>	<u>\$ 795,528</u>	<u>\$ (591,787)</u>	<u>\$ 96,558,822</u>
Accumulated Depreciation:				
Buildings and improvements	(19,692,896)	(1,391,123)	-	(21,084,019)
Machinery and equipment	<u>(4,733,903)</u>	<u>(603,312)</u>	<u>339,943</u>	<u>(4,997,272)</u>
Total Accumulated Depreciation	<u>(24,426,799)</u>	<u>(1,994,435)</u>	<u>339,943</u>	<u>(26,081,291)</u>
Total Capital Assets, net	<u>\$ 71,928,282</u>	<u>\$ (1,198,907)</u>	<u>\$ (251,844)</u>	<u>\$ 70,477,531</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 \$1,994,435 depreciation expense, \$877,551 was related to Public Service and \$1,116,884 was related to Administrative and Support.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(7) Pension Plans

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

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2007, member and employer contribution rates were consistent across all three plans. For 2007, member contribution rates were 9.5% of their annual covered salary. The 2007 employer contribution rate was 13.85% of covered payroll. Total required employer contributions for all three plans are equal to 100% of employer charges and should be extracted from the employer's records.

The Library's contributions to OPERS for the years ending December 31, 2007, 2006 and 2005, were \$3,419,547, \$3,291,241 and \$3,290,861, respectively, which were equal to the required contributions for each year.

(8) Other Post-Employment Benefits

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2007, the Library contributed 13.85% of covered payroll. The Ohio Revised Code currently limits the Library's contribution to a rate not to exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(8) Other Post-Employment Benefits (continued)

OPERS' Post Employment Health Care plan was established in accordance with Internal Revenue Code §401(h). Each year, the OPERS Retirement Board determines the portion of the employer rate that will be set aside for funding of post employment health care benefits. For 2007, the Library's contribution allocated to the health care plan from January 1, 2007 through June 30, 2007 and July 1, 2007 through December 31, 2007 was 5.0% and 6.0% of covered payroll, respectively. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The rates stated above are actuarially determined contribution requirements for OPERS. The amount of actuarially determined Library contributions actually made to fund post-employment benefits was approximately \$1,357,586 in 2007, \$1,081,173 in 2006 and \$971,462 in 2005.

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

(9) Property Taxes

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

Real property taxes and public utility taxes collected during 2007 were levied after October 1 on the assessed value listed as of the prior January 1, the lien date. These taxes are payable annually or semi-annually. If paid annually, payment is due by January 20; if paid semi-annually, the first payment is due by January 20 with remainder payable by June 20. Under certain circumstances, state statutes permit earlier or later payment dates to be established.

Assessed values are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years. The last revaluation was completed in 2005. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value, which is a certain percentage of cost. Percentages vary according to the type of utility involved. Tangible personal property assessments were 25% of true value for personal property. The assessed values upon which the 2007 taxes were collected were approximately \$19.8 billion.

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

The Franklin County Treasurer collects property taxes on behalf of taxing districts in the county. The Franklin County Auditor periodically remits to the Library its portion of the taxes collected. Property taxes with both a lien and levy date prior to fiscal year end are recorded as deferred revenue and receivables. However, property taxes including delinquent property taxes that were measurable at December 31, 2007, and available to the Library are recorded as revenues and receivables.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(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 2007, the Library contributed \$811,664 to the operational costs of Worthington.

In 2008, the Library has appropriated \$760,000 in the General Fund to be paid to Worthington. The activity of this operation is contained in the financial statements of the Worthington Public Library, which can be obtained from the Worthington Library's Finance Department located at 820 High Street, Worthington, Ohio 43085.

(11) Prior Period Adjustments

(a) The Library misclassified Capital Assets in the 2006 financial statements. The effect is as follows:

	<u>December 31, 2006</u>	<u>Reclassification</u>	<u>December 31, 2006 (Restated)</u>
Assets:			
Land	\$ 8,325,279	\$ -	\$ 8,325,279
Buildings and Improvements	77,980,272	2,741,449	80,721,721
Machinery and Equipment	<u>10,049,530</u>	<u>(2,741,449)</u>	<u>7,308,081</u>
Total Assets	\$ 96,355,081	\$ -	\$ 96,355,081
Accumulated Depreciation:			
Buildings and Improvements	\$ (17,207,471)	(2,485,425)	(19,692,896)
Machinery and Equipment	<u>(7,219,328)</u>	<u>2,485,425</u>	<u>(4,733,903)</u>
Total Accumulated Depreciation	<u>\$ (24,426,799)</u>	<u>\$ -</u>	<u>\$ (24,426,799)</u>
Total Capital Assets, Net	<u>\$ 71,928,282</u>	<u>\$ -</u>	<u>\$ 71,928,282</u>

(b) The Library understated Compensated Liabilities in the 2006 financial statements. The effect is as follows:

	<u>Net Assets</u>		<u>Net Assets</u>
	<u>December 31, 2006</u>	<u>Restatement</u>	<u>December 31, 2006 (Restated)</u>
	108,324,156	(410,742)	107,913,414

(c) In 2007, the Library combined the operations of the Parking Garage, Special Revenue Fund, with the General Fund. The effect on the Governmental Funds statement is as follows:

	<u>Fund Balance</u>		<u>Fund Balance</u>
	<u>December 31, 2006</u>	<u>Restatement</u>	<u>December 31, 2006</u>
			<u>(Restated)</u>
General Fund	\$ 16,265,339	\$ 191,196	\$ 16,456,535
Other Governmental Funds	\$ 1,658,807	\$ (191,196)	\$ 1,467,611

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2007

(11) Prior Period Adjustments (continued)

(d) 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 because of the reclassification of the Parking Garage, Special Revenue Fund. In addition, the Library failed to properly record encumbrances as of December 31, 2006. The net effect on the Statement/Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) is as follows:

	<u>Fund Balance December 31, 2006</u>	<u>Restatement</u>	<u>Fund Balance December 31, 2006 (Restated)</u>
General Fund	\$ 8,754,969	\$ (896,192)	\$ 7,858,777
Restricted, Special Revenue Fund	149,719	(271)	149,448
Permanent Fund	16,012	(1,630)	14,382

(12) Budgetary Basis of Accounting

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

	<u>Net Change in Fund Balance</u>	<u>Fund Balance, December 31, 2007</u>
GAAP basis	\$ (5,201,675)	\$11,254,860
<u>Due to revenues:</u>		
Received in cash during 2007, but accrued at December 31, 2006	37,741,882	
Accrued at December 31, 2007, not yet received in cash	(25,961,791)	(25,961,791)
Deferred at December 31, 2006, but not recognized in budget	(29,622,864)	
Deferred at December 31, 2007, but recognized in budget	23,030,763	23,030,763
<u>Due to expenditures:</u>		
Paid in cash during 2007, accrued at December 31, 2006	(3,275,634)	
Accrued at December 31, 2007, not paid in cash	3,540,080	3,540,080
<u>Due to encumbrances:</u>		
Expenditures of amounts encumbered during the year ended December 31, 2006	2,460,725	
Recognized as expenditures in 2007 budget	(2,892,481)	(2,892,481)
Restatement, See Note 11		(896,192)
Others, net	<u>1,909</u>	<u>(395,548)</u>
Budgetary Basis	<u>\$ (179,086)</u>	<u>\$ 7,679,691</u>

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COLUMBUS METROPOLITAN LIBRARY FUND DESCRIPTIONS

Major Funds

General Fund

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

Capital Projects Fund

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

- Homework Help Centers '07 Project
- Proactive Reference Project, Phase II
- Air Quality Improvement Project
- Library Materials Security Project
- Main Library Remodeling Project
- CML Branding & Signage Project
- Energy Conservation Projects
- Carpet Replacement Project
- Receipts System Project
- Driving Park Branch Remodel Project
- Human Resource Automation Upgrade Project
- Merchandising Collection Project
- HVAC Improvement Project
- SBN Tech Center Project
- Northern Lights Remodel Project
- Reynoldsburg Branch Children's Area Remodel Project

Non-Major Funds

Special Revenue Funds

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

- Restricted Fund
- Land Development Fund

Internal Service Fund

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

Permanent Fund

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

COLUMBUS METROPOLITAN LIBRARY
Schedule of Assets, Liabilities and Balances of Accounts
within the General Fund
As of December 31, 2007

	General Operating Account	Building Repair & Equipment Account	Payroll Liability Account	27th Pay Period Account	Northwest Library Remodel Account	Total General Fund
ASSETS						
Equity in Pooled Cash and Investments	\$ 7,542,090	\$ 916,425	\$ 585,508	\$ 1,252,325	\$ 967,475	\$ 11,263,823
Accounts Receivable	25,961,791	-	-	-	-	25,961,791
Prepays	600,089	-	-	-	-	600,089
Total Assets	<u>\$ 34,103,970</u>	<u>\$ 916,425</u>	<u>\$ 585,508</u>	<u>\$ 1,252,325</u>	<u>\$ 967,475</u>	<u>\$ 37,825,703</u>
LIABILITIES						
Accounts Payable	\$ 1,873,672	\$ 335,536	\$ -	\$ -	\$ -	\$ 2,209,208
Accrued Liabilities	745,364	-	585,508	-	-	1,330,872
Deferred Revenue	23,030,763	-	-	-	-	23,030,763
Total Liabilities	<u>25,649,799</u>	<u>335,536</u>	<u>585,508</u>	<u>-</u>	<u>-</u>	<u>26,570,843</u>
FUNDS BALANCE						
Reserved for Encumbrances	1,596,163	176,897	-	-	-	1,773,060
Reserved for Prepays	600,089	-	-	-	-	600,089
Unreserved:						
Undesignated	6,257,919	403,992	-	1,252,325	967,475	8,881,711
Total Fund Balance	<u>8,454,171</u>	<u>580,889</u>	<u>-</u>	<u>1,252,325</u>	<u>967,475</u>	<u>11,254,860</u>
Total Liabilities and Fund Balance	<u>\$ 34,103,970</u>	<u>\$ 916,425</u>	<u>\$ 585,508</u>	<u>\$ 1,252,325</u>	<u>\$ 967,475</u>	<u>\$ 37,825,703</u>

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Account Balance
General Fund
For the Year Ended December 31, 2007

	General Operating Account	Building Repair & Equipment Account	Payroll Liability Account	27th Pay Period Account	Northwest Library Remodel Account	Total General Fund
REVENUES						
Property Taxes	\$ 18,307,983	\$ -	\$ -	\$ -	\$ -	\$ 18,307,983
Intergovernmental	22,536,974	-	-	-	-	22,536,974
Fines and Fees	1,945,475	-	-	-	-	1,945,475
Investment Earnings	763,289	-	-	-	-	763,289
Charges for Services	909,943	-	-	-	-	909,943
Miscellaneous	350,930	-	-	-	-	350,930
Total Revenues	44,814,594	-	-	-	-	44,814,594
EXPENDITURES						
Public Services:						
Salaries and Benefits	22,654,646	-	-	-	-	22,654,646
Supplies	541,868	-	-	-	-	541,868
Purchased/Contracted Services	3,029,838	-	-	-	-	3,029,838
Library Materials	6,353,085	-	-	-	-	6,353,085
Total Public Service	32,579,437	-	-	-	-	32,579,437
Administrative and Support:						
Salaries and Benefits	8,926,171	-	-	-	-	8,926,171
Supplies	692,711	-	-	-	-	692,711
Purchased/Contracted Services	5,677,176	-	-	-	-	5,677,176
Library Materials	132,732	-	-	-	-	132,732
Other	728,455	-	-	-	-	728,455
Total Administrative and Support	16,157,245	-	-	-	-	16,157,245
Capital Outlay	-	1,302,355	-	-	-	1,302,355
Total Expenditures	48,736,682	1,302,355	-	-	-	50,039,037
Excess (deficiency) of Revenue over (under) Expenditures	(3,922,088)	(1,302,355)	-	-	-	(5,224,443)
OTHER FINANCING SOURCES (USES)						
Transfers In	239,367	1,273,500	-	-	967,475	2,480,342
Transfers Out	(2,457,574)	-	-	-	-	(2,457,574)
Total Other Financing Sources (Uses)	(2,218,207)	1,273,500	-	-	967,475	22,768
Net Change in Fund Balances	(6,140,295)	(28,855)	-	-	967,475	(5,201,675)
Fund Balances Beginning of Year	14,403,270	609,744	-	1,252,325	-	16,265,339
Restatement (see Note 11)	191,196	-	-	-	-	191,196
Fund Balances at End of Year	\$ 8,454,171	\$ 580,889	\$ -	\$ 1,252,325	\$ 967,475	\$ 11,254,860

COLUMBUS METROPOLITAN LIBRARY
Schedule of Assets, Liabilities and Balances of Project Cost Centers
within the Capital Projects Fund
December 31, 2007

	Capital Project Non-Project Related	Homework Help Centers '07 Project	Proactive Reference Project Phase II	Air Quality Improvement Project	Audio Visual Material Security Project
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 6,592,894	\$ 12,826	\$ 268,632	\$ 232,736	\$ 7,031
Receivables	46,479	-	-	-	-
Total Assets	\$ 6,639,373	\$ 12,826	\$ 268,632	\$ 232,736	\$ 7,031
LIABILITIES					
Accounts Payable	\$ -	\$ 3,036	\$ 15,200	\$ 7,050	\$ 4,925
Total Liabilities	-	3,036	15,200	7,050	4,925
FUNDS BALANCE					
Reserved for Encumbrances	-	843	3,516	16,450	2,085
Unreserved:					
Undesignated	6,639,373	8,947	249,916	209,236	21
Total Fund Balance	6,639,373	9,790	253,432	225,686	2,106
Total Liabilities and Fund Balance	\$ 6,639,373	\$ 12,826	\$ 268,632	\$ 232,736	\$ 7,031

Main Library Remodeling Project	Vehicle Signage Project	Energy Conservation Projects	Carpet Replacement Project	Integrated Library System Project	Reynoldsburg Branch Children's Area Remodel Project
\$ 468,963	\$ 408,866	\$ 37,219	\$ 60,414	\$ -	\$ 20,000
-	-	-	-	-	-
<u>\$ 468,963</u>	<u>\$ 408,866</u>	<u>\$ 37,219</u>	<u>\$ 60,414</u>	<u>\$ -</u>	<u>\$ 20,000</u>
\$ 6,861	\$ 44,654	\$ -	\$ 10,361	\$ -	\$ 7,508
6,861	44,654	-	10,361	-	7,508
32,530	523	-	36,569	-	11,174
429,572	363,689	37,219	13,484	-	1,318
<u>462,102</u>	<u>364,212</u>	<u>37,219</u>	<u>50,053</u>	<u>-</u>	<u>12,492</u>
\$ 468,963	\$ 408,866	\$ 37,219	\$ 60,414	\$ -	\$ 20,000

(Continued)

COLUMBUS METROPOLITAN LIBRARY
Schedule of Assets, Liabilities and Balances of Project Cost Centers
within the Capital Projects Fund
December 31, 2007

	Nothern Lights Branch Remodel Project	Receipts System Project	SBN Tech Center Project	Driving Park Branch Remodel Project	Human Resource Automation Upgrade Project
ASSETS					
Equity in Pooled Cash and Cash Equivalents Receivables	\$ 68,000	\$ 159,275	\$ 201,952	\$ 199,727	\$ 46,609
	-	-	-	-	-
Total Assets	<u>\$ 68,000</u>	<u>\$ 159,275</u>	<u>\$ 201,952</u>	<u>\$ 199,727</u>	<u>\$ 46,609</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 13,848	\$ 3,015	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>13,848</u>	<u>3,015</u>	<u>-</u>
FUNDS BALANCE					
Reserved for Encumbrances	-	-	81,017	-	-
Unreserved:					
Undesignated	68,000	159,275	107,087	196,712	46,609
Total Fund Balance	<u>68,000</u>	<u>159,275</u>	<u>188,104</u>	<u>196,712</u>	<u>46,609</u>
Total Liabilities and Fund Balance	<u>\$ 68,000</u>	<u>\$ 159,275</u>	<u>\$ 201,952</u>	<u>\$ 199,727</u>	<u>\$ 46,609</u>

Dublin Roof Replacement Project	I.S. Equipment 2005 Project	Merchandising Collection Project	HVAC Improvement Project	Total Capital Projects Fund
\$ -	\$ -	\$ 100,000	\$ 23,075	\$ 8,908,219
-	-	-	-	46,479
\$ -	\$ -	\$ 100,000	\$ 23,075	\$ 8,954,698
\$ -	\$ -	\$ -	\$ -	\$ 116,458
-	-	-	-	116,458
-	-	-	7,731	192,438
-	-	100,000	15,344	8,645,802
-	-	100,000	23,075	8,838,240
\$ -	\$ -	\$ 100,000	\$ 23,075	\$ 8,954,698

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Project Balance
Capital Projects
For the Year Ended December 31, 2007

	Capital Project Non-Project Related	Homework Help Centers '07 Project	Proactive Reference Project Phase II	Air Quality Improvement Project	Audio Visual Material Security Project
REVENUES					
Investment Earnings	\$ 514,185	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-
Total Revenues	514,185	-	-	-	-
EXPENDITURES					
Public Services:					
Supplies	-	315	425	-	-
Purchased/Contracted Services	-	25,923	-	-	-
Total Public Service	-	26,238	425	-	-
Administrative and Support:					
Supplies	-	-	-	-	331,059
Purchased/Contracted Services	-	-	-	102,661	-
Total Administrative and Support	-	-	-	102,661	331,059
Capital Outlay	-	223,972	82,198	17,148	91,835
Total Expenditures	-	250,210	82,623	119,809	422,894
Excess (deficiency) of revenue over (under) expenditures	514,185	(250,210)	(82,623)	(119,809)	(422,894)
OTHER FINANCING SOURCES (USES)					
Inter-Fund Transfer-In	930,049	260,000	-	-	425,000
Inter-Fund Transfer-Out	(1,419,020)	-	-	-	-
Total Other Financing Sources (Uses)	(488,971)	260,000	-	-	425,000
Net Change in Fund Balances	25,214	9,790	(82,623)	(119,809)	2,106
Fund Balances Beginning of Year	6,614,159	-	336,055	345,495	-
Fund Balances at End of Year	\$ 6,639,373	\$ 9,790	\$ 253,432	\$ 225,686	\$ 2,106

Main Library Remodeling Project	Vehicle Signage Project	Energy Conservation Projects	Carpet Replacement Project	Integrated library System Project	Reynoldsburg Branch Children's Area Remodel Project
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	235,280	-
-	-	-	-	235,280	-
658	-	-	-	-	-
55,503	-	-	-	-	-
56,161	-	-	-	-	-
-	-	-	-	-	-
-	96,134	4,408	146,056	-	-
-	96,134	4,408	146,056	-	-
142,217	44,654	-	10,361	-	7,508
198,378	140,788	4,408	156,417	-	7,508
(198,378)	(140,788)	(4,408)	(156,417)	235,280	(7,508)
-	505,000	-	-	-	-
-	-	-	-	(929,266)	-
-	505,000	-	-	(929,266)	-
(198,378)	364,212	(4,408)	(156,417)	(693,986)	(7,508)
660,480		41,627	206,470	693,986	20,000
\$ 462,102	\$ 364,212	\$ 37,219	\$ 50,053	\$ -	\$ 12,492

(Continued)

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Project Balance
Capital Projects
For the Year Ended December 31, 2007

	Nothern Lights Branch Remodel Project	Receipts System Project	SBN Tech Center Project	Driving Park Branch Remodel Project	Human Resource Automation Upgrade Project
REVENUES					
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES					
Public Services:					
Supplies	-	-	198	273	-
Purchased/Contracted Services	-	-	246,841	-	-
Total Public Service	-	-	247,039	273	-
Administrative and Support:					
Supplies	-	-	-	-	-
Purchased/Contracted Services	-	-	-	-	-
Total Administrative and Support	-	-	-	-	-
Capital Outlay	-	1,625	536,054	3,015	-
Total Expenditures	-	1,625	783,093	3,288	-
Excess (deficiency) of revenue over (under) expenditures	-	(1,625)	(783,093)	(3,288)	-
OTHER FINANCING SOURCES (USES)					
Inter-Fund Transfer-In	-	-	229,020	-	-
Inter-Fund Transfer-Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	229,020	-	-
Net Change in Fund Balances	-	(1,625)	(554,073)	(3,288)	-
Fund Balances Beginning of Year	68,000	160,900	742,177	200,000	46,609
Fund Balances at End of Year	\$ 68,000	\$ 159,275	\$ 188,104	\$ 196,712	\$ 46,609

Dublin Roof Replacement Project	I.S. Equipment 2005 Project	Merchandising Collection Project	HVAC Improvement Project	Total Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ 514,185
-	-	-	-	235,280
-	-	-	-	749,465
-	-	-	-	1,869
-	-	-	-	328,267
-	-	-	-	330,136
-	-	-	-	331,059
-	-	-	32,700	381,959
-	-	-	32,700	713,018
-	-	-	44,406	1,204,993
-	-	-	77,106	2,248,147
-	-	-	(77,106)	(1,498,682)
-	-	-	-	2,349,069
(530)	(253)	-	-	(2,349,069)
(530)	(253)	-	-	-
(530)	(253)	-	(77,106)	(1,498,682)
530	253	100,000	100,181	10,336,922
\$ -	\$ -	\$ 100,000	\$ 23,075	\$ 8,838,240

COLUMBUS METROPOLITAN LIBRARY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 1,540,250	\$ 83,576	\$ 1,623,826
Receivables	25,400	83	25,483
Prepays	17,835	-	17,835
Total Assets	<u>\$ 1,583,485</u>	<u>\$ 83,659</u>	<u>\$ 1,667,144</u>
LIABILITIES			
Account Payable	\$ 16,334	\$ 3,683	\$ 20,017
Accrued Liabilities	54,610	-	54,610
Total Liabilities	<u>70,944</u>	<u>3,683</u>	<u>74,627</u>
FUNDS BALANCE			
Reserved for Encumbrances	7,239	-	7,239
Reserved for Prepays	17,835	-	17,835
Reserved for Endowments	-	67,742	67,742
Unreserved:			
Special Revenue	1,487,467	-	1,487,467
Permanent	-	12,234	12,234
Total Fund Balance	<u>1,512,541</u>	<u>79,976</u>	<u>1,592,517</u>
Total Liabilities and Fund Balance	<u>\$ 1,583,485</u>	<u>\$ 83,659</u>	<u>\$ 1,667,144</u>

COLUMBUS METROPOLITAN LIBRARY
Combining Statement of Revenues, Expenditures and
Changes in Funds Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment Earnings	\$ 69,028	\$ 4,090	\$ 73,118
Charges for Services	576,076	-	576,076
Contributions and Donations	130,556	-	130,556
Miscellaneous	15,282	-	15,282
Total Revenues	790,942	4,090	795,032
EXPENDITURES			
Public Services:			
Supplies	62,314	-	62,314
Purchased and Contracted Services	20,793	-	20,793
Library Materials	11,717	6,550	18,267
Capital Outlay	1,476	-	1,476
Total Public Service	96,300	6,550	102,850
Administrative and Support:			
Supplies	28,732	-	28,732
Purchased and Contracted Services	502,339	-	502,339
Capital Outlay	9,087	-	9,087
Other	4,350	-	4,350
Total Administrative and Support	544,508	-	544,508
Total Expenditures	640,808	6,550	647,358
Excess (deficiency) of Revenue over (under) Expenditures	150,134	(2,460)	147,674
OTHER FINANCING SOURCES (USES)			
Transfers Out	(22,768)	-	(22,768)
Net Change in Fund Balances	127,366	(2,460)	124,906
Fund Balances at Beginning of Year	1,385,175	82,436	1,467,611
Fund Balances at End of Year	\$ 1,512,541	\$ 79,976	\$ 1,592,517

COLUMBUS METROPOLITAN LIBRARY
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Restricted Fund	Land Development Fund	Total Nonmajor Special Revenue Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 178,897	\$ 1,361,353	\$ 1,540,250
Receivables	17,500	7,900	25,400
Prepays	-	17,835	17,835
Total Assets	196,397	1,387,088	1,583,485
LIABILITIES			
Accounts Payable	\$ 5,664	\$ 10,670	\$ 16,334
Accrued Liabilities	-	54,610	54,610
Deferred Revenue	-	-	-
Total Liabilities	5,664	65,280	70,944
FUNDS BALANCE			
Reserved for Encumbrances	7,239	-	7,239
Reserved for Prepays	-	17,835	17,835
Unreserved:			
Special Revenue	183,494	1,303,973	1,487,467
Total Fund Balance	190,733	1,321,808	1,512,541
Total Liabilities and Fund Balance	\$ 196,397	\$ 1,387,088	\$ 1,583,485

COLUMBUS METROPOLITAN LIBRARY
Combining Statement of Revenues, Expenditures and
Changes in Funds Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Restricted Fund	Land Development Fund	Total Nonmajor Special Revenue Funds
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Investment Earnings	-	69,028	69,028
Charges for Services	-	576,076	576,076
Contributions and Donations	130,556	-	130,556
Miscellaneous	-	15,282	15,282
Total Revenues	130,556	660,386	790,942
EXPENDITURES			
Public Services:			
Supplies	62,314	-	62,314
Purchased/Contracted Services	20,793	-	20,793
Library Materials	11,717	-	11,717
Capital Outlay	1,476	-	1,476
Total Public Service	96,300	-	96,300
Administrative and Support:			
Supplies	-	28,732	28,732
Purchased/Contracted Services	-	502,339	502,339
Capital Outlay	-	9,087	9,087
Other	-	4,350	4,350
Total Administrative and Support	-	544,508	544,508
Total Expenditures	96,300	544,508	640,808
Excess (deficiency) of Revenue over (under) Expenditures	34,256	115,878	150,134
OTHER FINANCING SOURCES			
Transfers Out	-	(22,768)	(22,768)
Total Financing Sources	-	(22,768)	(22,768)
Net Change in Fund Balances	34,256	93,110	127,366
Fund Balances Beginning of Year	156,477	1,228,698	1,385,175
Fund Balances at End of Year	\$ 190,733	\$ 1,321,808	\$ 1,512,541

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, 2007

	<u>General Operating Account</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 25,198,773	\$ 24,808,052	\$ 24,799,507	\$ (8,545)
Property Taxes	21,710,967	22,106,077	21,289,486	(816,591)
Fines and Fees	2,563,210	2,563,210	1,916,166	(647,044)
Charges for Services	596,550	766,999	798,690	31,691
Investment Earnings	698,000	706,816	707,376	560
Contributions and donations	55,611	55,611	534	(55,077)
Miscellaneous	283,389	279,000	352,033	73,033
Total Revenues	<u>51,106,500</u>	<u>51,285,765</u>	<u>49,863,792</u>	<u>(1,421,973)</u>
EXPENDITURES				
Current:				
Public Service:				
Salaries and Benefits	24,227,958	24,227,958	22,595,255	1,632,703
Supplies	579,667	579,667	457,412	122,255
Purchased and Contracted Services	3,091,965	3,091,965	3,000,897	91,068
Library Materials	6,538,698	6,538,698	6,546,703	(8,005)
Administrative and Support:				
Salaries and Benefits	8,242,642	8,242,642	8,853,547	(610,905)
Supplies	862,118	871,518	692,514	179,004
Purchased and Contracted Services	6,750,750	6,908,650	6,016,967	891,683
Library Materials	137,702	137,702	108,166	29,536
Other	1,101,500	1,101,500	761,510	339,990
Equipment	-	-	-	-
Total Expenditures	<u>51,533,000</u>	<u>51,700,300</u>	<u>49,032,971</u>	<u>2,667,329</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>(426,500)</u>	<u>(414,535)</u>	<u>830,821</u>	<u>1,245,356</u>
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	-	-	-	-
Transfers In	-	216,599	239,367	22,768
Intra-Fund Transfers Out	(1,273,500)	(2,240,975)	(2,240,975)	-
Total Other Financing Sources (Uses)	<u>(1,273,500)</u>	<u>(2,024,376)</u>	<u>(2,001,608)</u>	<u>22,768</u>
Net Changes in Fund Balances	(1,700,000)	(2,438,911)	(1,170,787)	1,268,124
Fund Balances at Beginning of Year	6,757,870	6,757,870	6,757,870	-
Restatement (see Note 11)	(531,184)	(531,184)	(531,184)	-
Funds Balance End of Year	<u>\$ 4,526,686</u>	<u>\$ 3,787,775</u>	<u>\$ 5,055,899</u>	<u>\$ 1,268,124</u>

Buildng Repair & Equipment Replacement Account

<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)	
Original	Final	Actual	
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,273,500	1,310,500	1,249,274	61,226
<u>1,273,500</u>	<u>1,310,500</u>	<u>1,249,274</u>	<u>61,226</u>
(1,273,500)	(1,310,500)	(1,249,274)	61,226
1,273,500	1,273,500	1,273,500	-
-	-	-	-
-	-	-	-
<u>1,273,500</u>	<u>1,273,500</u>	<u>1,273,500</u>	<u>-</u>
-	(37,000)	24,226	61,226
744,774	744,774	744,774	-
(365,008)	(365,008)	(365,008)	-
<u>\$ 379,766</u>	<u>\$ 342,766</u>	<u>\$ 403,992</u>	<u>\$ 61,226</u>

(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, 2007

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

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, 2007

	<u>Combining General Fund Totals</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 25,198,773	\$ 24,808,052	\$ 24,799,507	\$ (8,545)
Property Taxes	21,710,967	22,106,077	21,289,486	(816,591)
Fines and Fees	2,563,210	2,563,210	1,916,166	(647,044)
Charges for Services	596,550	766,999	798,690	31,691
Investment earnings	698,000	706,816	707,376	560
Contributions and donations	55,611	55,611	534	(55,077)
Miscellaneous	283,389	279,000	352,033	73,033
Total Revenues	51,106,500	51,285,765	49,863,792	(1,421,973)
EXPENDITURES				
Current:				
Public Service:				
Salaries and Benefits	24,227,958	24,227,958	22,595,255	1,632,703
Supplies	579,667	579,667	457,412	122,255
Purchased and Contracted Services	3,091,965	3,091,965	3,000,897	91,068
Library Materials	6,538,698	6,538,698	6,546,703	(8,005)
Administrative and Support:				
Salaries and Benefits	8,242,642	8,242,642	8,853,547	(610,905)
Supplies	862,118	871,518	692,514	179,004
Purchased and Contracted Services	6,750,750	6,908,650	6,016,967	891,683
Library Materials	137,702	137,702	108,166	29,536
Other	1,101,500	1,101,500	761,510	339,990
Capital Outlay:	1,273,500	1,310,500	1,249,274	61,226
Total Expenditures	52,806,500	53,010,800	50,282,245	2,728,555
Excess (deficiency) of Revenue over (under) Expenditures	(1,700,000)	(1,725,035)	(418,453)	1,306,582
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	1,273,500	2,240,975	2,240,975	-
Transfers In	-	216,599	239,367	22,768
Intra-Fund Transfers Out	(1,273,500)	(2,240,975)	(2,240,975)	-
Total Other Financing Sources (Uses)	-	216,599	239,367	22,768
Net Changes in Fund Balances	(1,700,000)	(1,508,436)	(179,086)	1,329,350
Fund Balances at Beginning of Year	8,754,969	8,754,969	8,754,969	-
Restatement (see Note 11)	(896,192)	(896,192)	(896,192)	-
Funds Balance End of Year	\$ 6,158,777	\$ 6,350,341	\$ 7,679,691	\$ 1,329,350

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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Contributions and Donations	\$ 200,000	\$ 200,000	\$ 115,576	\$ (84,424)
Total Revenues	200,000	200,000	115,576	(84,424)
EXPENDITURES				
Current:				
Public Service:				
Supplies	63,016	63,016	58,260	4,756
Purchased and Contracted Services	25,079	25,079	24,900	179
Library Materials	32,250	32,250	13,532	18,718
Administrative and Support:				
Library Materials				
Other	226,549	226,549	-	226,549
Equipment	2,554	2,554	2,338	216
Total Expenditures	349,448	349,448	99,030	250,418
Excess (deficiency) of Revenues over (under) Expenditures	(149,448)	(149,448)	16,546	165,994
Fund Balance at Beginning of Year	149,719	149,719	149,719	-
Restatement (see Note 11)	(271)	(271)	(271)	-
Fund Balance End of Year	\$ -	\$ -	\$ 165,994	\$ 165,994

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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for Services	\$ 609,265	\$ 609,265	\$ 626,117	\$ 16,852
Investment Earnings	44,000	44,000	62,152	18,152
Miscellaneous	19,600	19,600	14,336	(5,264)
Total Revenues	672,865	672,865	702,605	29,740
EXPENDITURES				
Current:				
Administrative and Support:				
Supplies	29,180	29,180	28,853	327
Purchased and Contracted Services	555,310	555,310	523,085	32,225
Capital Outlay	7,600	7,600	9,087	(1,487)
Total Expenditures	592,090	592,090	561,025	31,065
Excess of Revenues Over Expenditures	80,775	80,775	141,580	60,805
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	23,000	23,000	22,768	232
Total Other Financing Sources (Uses)	(23,000)	(23,000)	(22,768)	(232)
Net Changes in Fund Balances	57,775	57,775	118,812	60,573
Fund Balance at Beginning of Year	1,181,780	1,181,780	1,181,780	-
Fund Balance End of Year	\$ 1,239,555	\$ 1,239,555	\$1,300,592	\$ 60,573

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, 2007

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget
				Positive
				(Negative)
REVENUES				
Investment Earnings	\$ 3,200	\$ 3,200	\$ 4,247	\$ 1,047
Total Revenues	3,200	3,200	4,247	1,047
EXPENDITURES				
Current:				
Public Service:				
Library Materials	14,382	14,382	2,867	11,515
Administrative and Support:				
Other	3,200	3,200	-	3,200
Total Expenditures	17,582	17,582	2,867	14,715
Deficiency of Revenues under Expenditures over (under) Expenditures	(14,382)	(14,382)	1,380	15,762
Fund Balance at Beginning of Year	16,012	16,012	16,012	-
Restatement (see Note 11)	(1,630)	(1,630)	(1,630)	-
Fund Balance End of Year	\$ -	\$ -	\$ 15,762	\$ 15,762

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STATISTICAL SECTION

STATISTICAL SECTION

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

	<u>Pages</u>
Financial Trends	62-65
<p>These schedules summarize financial information to assist the reader in analyzing and understanding how the Library’s financial performance and condition changed over time.</p>	
Revenue Capacity	66-72
<p>These schedules contain information to assist the reader in evaluating factors affecting the Library’s ability to generate property tax revenue.</p>	
Debt Capacity	N/A
<p>Currently, the Library has no debt. Therefore, these schedules are not required.</p>	
Economic and Demographic Information	73-74
<p>These schedules offer economic and demographic indicators to assist the reader in understanding environmental factors that influence the Library’s financial activities.</p>	
Operating Information	75-78
<p>These schedules assist the reader in measuring the Library’s financial performance as it relates to various operational statistics.</p>	

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

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

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

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

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

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

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

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 1,960,887	\$ 2,385,396	\$ 2,904,460	\$ 2,964,839	\$ 2,407,513	\$ 2,378,884	\$ 2,481,749	\$ 2,700,933	\$ 2,043,617	\$ 2,373,149
Unreserved	1,608,207	1,005,671	3,329,160	5,820,642	10,476,615	8,011,240	7,799,574	8,192,614	14,221,722	8,881,711
Total general fund	\$ 3,569,094	\$ 3,391,067	\$ 6,233,620	\$ 8,785,481	\$ 12,884,128	\$ 10,390,124	\$ 10,281,323	\$ 10,893,547	\$ 16,265,339	\$ 11,254,860
All Other Governmental Funds										
Reserved	\$ 140,384	\$ 1,366,520	\$ 183,945	\$ 6,121,706	\$ 2,920,075	\$ 1,244,097	\$ 1,306,002	\$ 1,566,655	\$ 1,128,643	\$ 285,254
Unreserved reported in:										
Special revenue fund	924,408	1,088,140	1,184,297	1,527,847	1,600,938	1,808,492	1,793,711	1,347,298	1,569,790	1,487,467
Capital projects fund	11,208,887	13,313,924	16,332,243	11,917,997	6,515,306	7,448,295	7,804,484	8,613,615	9,282,602	8,645,802
Permanent fund	-	-	-	-	-	8,304	8,364	10,525	14,694	12,234
Total all other governmental funds	\$ 15,842,773	\$ 19,159,651	\$ 23,934,105	\$ 28,353,031	\$ 23,920,447	\$ 20,899,312	\$ 21,193,884	\$ 22,431,640	\$ 28,261,068	\$ 21,685,617

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

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Property Taxes	\$ 18,120,467	\$ 18,596,196	\$ 19,401,783	\$ 19,665,370	\$ 20,427,733	\$ 18,463,751	\$ 18,502,301	\$ 18,378,399	\$ 18,566,700	\$ 18,307,983
Intergovernmental	22,733,284	24,477,146	26,612,381	26,909,882	24,845,572	26,486,233	26,573,796	26,987,656	32,557,054	22,536,974
Fines and Fees	1,848,922	1,874,421	1,924,045	2,085,581	2,201,380	1,875,357	1,857,329	1,918,291	1,866,936	1,945,475
Investment Earnings	994,467	1,129,029	1,635,419	1,351,384	611,715	285,907	274,599	716,174	1,292,009	1,350,592
Charges for Services	1,419,861	1,473,797	1,501,421	1,559,283	1,575,048	1,305,124	1,357,039	1,328,725	1,425,250	1,486,019
Contributions and Donations	167,261	127,044	120,400	291,157	202,646	955,636	271,667	105,987	209,120	130,556
Miscellaneous	233,553	180,357	161,675	486,496	152,081	591,984	504,528	534,148	322,795	601,492
Total revenues	45,517,815	47,857,990	51,357,124	52,349,153	50,016,175	49,963,992	49,341,259	49,969,380	56,239,864	46,359,091
Expenditures										
Public Service	22,495,786	23,245,384	24,734,509	27,038,038	27,578,545	30,457,034	30,703,177	31,941,341	32,335,004	33,012,423
Administrative	13,764,574	15,158,009	16,371,241	17,287,713	18,594,176	15,477,281	15,321,179	14,587,253	15,825,673	17,405,684
Capital Outlay	2,672,423	3,031,634	3,360,156	3,597,230	10,128,668	6,843,228	3,022,331	2,203,030	2,249,759	2,516,435
Debt Service										
Principal	2,965,381	3,020,324	2,885,000	-	-	-	-	-	-	-
Interest	438,363	277,534	123,889	-	-	-	-	-	-	-
Total expenditures	42,336,527	44,732,885	47,474,795	47,922,981	56,301,389	52,777,543	49,046,687	48,731,624	50,410,436	52,934,542
Excess of revenues over (under) expenditures	3,181,288	3,125,105	3,882,329	4,426,172	(6,285,214)	(2,813,551)	294,572	1,237,756	5,829,428	(6,575,451)
Other Financing Sources (Uses)										
Transfers In	6,198,100	15,468,551	4,468,552	12,674,700	1,670,000	6,192,490	3,450,000	2,501,520	1,500,000	22,768
Transfers Out	(6,198,100)	(15,468,551)	(4,468,552)	(12,674,700)	(1,670,000)	(6,192,490)	(3,450,000)	(2,501,520)	(1,500,000)	(22,768)
Proceeds from sale of property	-	21,950	721,345	212,199	-	-	-	-	-	-
Total other financing sources (uses)	-	21,950	721,345	212,199	-	-	-	-	-	-
Net change in fund balances	\$ 3,181,288	\$ 3,147,055	\$ 4,603,674	\$ 4,638,371	\$ (6,285,214)	\$ (2,813,551)	\$ 294,572	\$ 1,237,756	\$ 5,829,428	\$ (6,575,451)
Debt service as a percentage of noncapital expenditures	8.58%	7.91%	6.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Tax Year¹	Real Property		Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1998	9,881,847	28,233,849	1,690,361	6,761,444
1999	10,415,332	29,758,091	1,760,418	7,041,672
2000	12,038,975	34,397,071	1,881,401	7,525,604
2001	12,439,564	35,541,611	1,908,473	7,633,892
2002	12,877,239	36,792,111	1,970,966	7,883,864
2003	15,015,039	42,900,111	1,642,488	6,569,952
2004	15,432,104	44,091,726	1,575,753	6,303,012
2005	17,927,605	51,221,729	1,154,863	4,619,452
2006	18,455,997	52,731,420	814,754	3,259,016
2007	18,820,172	53,771,920	466,184	1,864,736

Source: Franklin County Auditor

¹Tax year ended December 31, yyyy represents the year taxes are collected. However, they are
² Rate per \$1,000 of assessed value

Public Utilities		Total		Total Direct Tax Rate^c	Assessed Value as a Percentage of Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
682,557	1,950,163	12,254,765	36,945,456	14.67	33.170%
695,294	1,986,554	12,871,044	38,786,317	16.99	33.184%
712,261	2,035,031	14,632,637	43,957,706	16.99	33.288%
696,282	1,989,377	15,044,319	45,164,880	16.99	33.310%
581,963	1,662,751	15,430,168	46,338,726	16.99	33.299%
579,702	1,656,291	17,237,229	51,126,354	16.99	33.715%
608,039	1,737,254	17,615,896	52,131,992	16.99	33.791%
579,631	1,656,089	19,662,099	57,497,270	17.79	34.197%
549,787	1,570,820	19,820,538	57,561,256	17.79	34.434%
408,559	1,167,311	19,694,915	56,803,967	17.79	34.672%

applied the following year (e.g. taxes collected in 2006 are applied in 2007).

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

	Years									
	1997 for 1998	1998 for 1999	1999 for 2000	2000 for 2001	2001 for 2002	2002 for 2003	2003 for 2004	2004 for 2005	2005 for 2006	2006 for 2007
COUNTY - Franklin County	14.67	16.99	16.99	16.99	16.99	16.99	16.99	17.79	17.79	17.79
SCHOOL DISTRICT:										
Canal Winchester	56.46	55.86	55.91	55.91	62.80	61.20	61.05	61.00	61.25	61.25
Columbus	58.04	57.95	57.57	57.37	57.37	58.80	59.18	67.65	66.47	67.65
Dublin	57.90	65.50	65.22	65.22	65.22	64.60	64.60	64.60	72.50	72.50
Gahanna-Jefferson	54.69	62.09	61.35	61.21	61.24	60.90	61.19	60.14	59.24	66.95
Groveport-Madison	56.85	56.33	55.40	55.05	54.50	53.78	53.88	53.36	52.60	52.75
Hamilton	47.20	47.13	47.09	54.10	54.11	53.75	53.65	53.43	55.57	55.15
Hilliard	59.96	59.71	59.71	65.61	65.61	64.44	64.44	74.40	73.14	75.89
Licking Heights	40.70	40.10	39.60	48.50	48.10	47.53	47.52	47.52	48.50	48.52
Reynoldsburg	55.30	55.12	55.49	55.39	55.28	58.20	58.21	59.63	59.30	59.30
Upper Arlington	77.86	84.03	83.95	83.32	89.52	89.15	89.11	96.24	95.88	95.88
Whitehall	65.61	65.61	65.49	65.52	65.49	65.40	65.40	65.40	65.33	65.45

(Continued)

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

	Years									
	1997 for 1998	1998 for 1999	1999 for 2000	2000 for 2001	2001 for 2002	2002 for 2003	2003 for 2004	2004 for 2005	2005 for 2006	2006 for 2007
JOINT VOCATIONAL SCHOOL DISTRICT:										
Central Ohio	1.60	1.60	1.60	1.10	1.10	0.50	0.50	0.50	0.50	1.30
Eastland	1.20	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Licking County	2.00	2.00	2.00	2.00	2.00	3.00	2.80	3.00	3.00	3.00
MUNICIPAL CORPORATIONS:										
Brice	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Canal Winchester	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Columbus	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14
Dublin	2.97	2.97	2.97	2.97	2.97	2.97	2.96	2.96	2.95	2.95
Gahanna	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Groveport	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Hilliard	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Lockbourne	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
New Albany	1.71	1.70	1.57	1.23	1.72	1.73	1.94	1.94	1.94	1.94
Obetz	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Reynoldsburg	0.78	0.77	0.76	0.76	0.70	0.70	0.70	0.70	0.70	0.70
Valleyview	24.53	24.53	24.53	24.53	24.53	24.53	24.53	24.53	24.53	22.53
Whitehall	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Lithopolis	N/A	N/A	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90

(Continued)

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

	Years									
	1997 for 1998	1998 for 1999	1999 for 2000	2000 for 2001	2001 for 2002	2002 for 2003	2003 for 2004	2004 for 2005	2005 for 2006	2006 for 2007
TOWNSHIPS:										
Blendon	22.60	22.43	22.41	22.16	22.00	25.40	25.07	25.05	25.02	26.55
Brown	9.60	9.60	9.60	9.60	9.60	9.60	9.60	12.80	12.80	12.80
Clinton	25.64	25.64	25.64	25.64	25.64	25.64	25.64	25.64	31.14	31.14
Franklin	13.05	13.05	13.05	13.05	13.05	13.05	13.05	18.05	18.05	21.31
Hamilton	14.55	14.55	15.05	15.55	15.80	15.80	15.80	15.80	15.80	15.80
Jefferson	9.85	10.82	10.59	10.53	10.50	10.37	10.37	10.28	10.21	10.09
Madison	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80
Mifflin	20.80	20.80	20.80	21.80	21.80	21.80	21.80	22.80	22.80	22.80
Norwich	12.80	18.80	18.80	18.80	18.80	21.60	21.60	21.60	21.60	21.60
Perry	23.80	23.80	23.80	20.50	23.80	23.80	20.40	18.40	18.40	21.20
Plain	9.42	9.34	10.72	13.58	13.52	13.43	13.12	13.37	13.27	13.15
Prairie	14.20	14.20	14.20	16.20	14.20	14.20	14.20	14.20	18.20	18.20
Sharon	13.10	13.10	19.10	19.08	19.00	23.50	23.50	23.50	23.50	23.50
Truro	12.65	12.65	12.65	12.65	12.65	16.65	16.65	16.65	16.65	16.65
Washington	18.52	18.51	20.01	20.00	20.00	20.00	20.00	19.99	19.99	19.95
OTHER ENTITIES:										
Columbus Metropolitan Library	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Metropolitan Park District	0.55	0.55	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65

Source: Franklin County Auditor

Schedule 7
 Columbus Metropolitan Library
 Principal Property Taxpayers,
 Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2007 ³				Fiscal Year 1998 ⁴			
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value ¹		Assessed Value	Rank	Percentage of Total City Taxable Assessed Value ²	
Columbus Southern Power	\$ 334,593,420	1	1.70 %		\$ 313,220,530	1	2.45 %	
Nationwide Mutual Insurance Co.	88,001,460	2	0.45 %		96,933,300	4	0.76 %	
Distribution Land Corp.	70,122,890	3	0.36 %		42,362,380	7	0.33 %	
OhioHealth Corp.	62,107,000	4	0.32 %		-		-	
Huntington Center	58,100,000	5	0.29 %		50,241,500	6	0.39 %	
Duke Realty	57,362,940	6	0.29 %		-		-	
Columbia Gas of Ohio, Inc.	47,425,510	7	0.24 %		123,758,720	3	0.97 %	
American Electric Power Service Corp.	25,851,770	8	0.13 %		37,931,920	9	0.30 %	
New Albany Company	23,485,230	9	0.12 %		-		-	
Ohio Bell Telephone Co	21,617,420	10	0.11 %		191,353,430	2	1.50 %	
Lucent Technologies Inc.	-		-		82,686,600	5	0.65 %	
Abbott Laboratories	-		-		39,074,190	8	0.31 %	
JC Penney Company Inc.	-		-		37,869,200	10	0.30 %	
Total	\$ 788,667,640		4.00 %		\$ 1,015,431,770		7.94 %	

(1) The total assessed valuation for 2007 equals: \$ 19,694,915,375

(2) The total assessed valuation for 1998 equals: \$ 12,792,370,124

Source of Principal Property Taxpayer Listing:

³Franklin County Auditor

⁴Columbus Metropolitan Library's 1998 CAFR

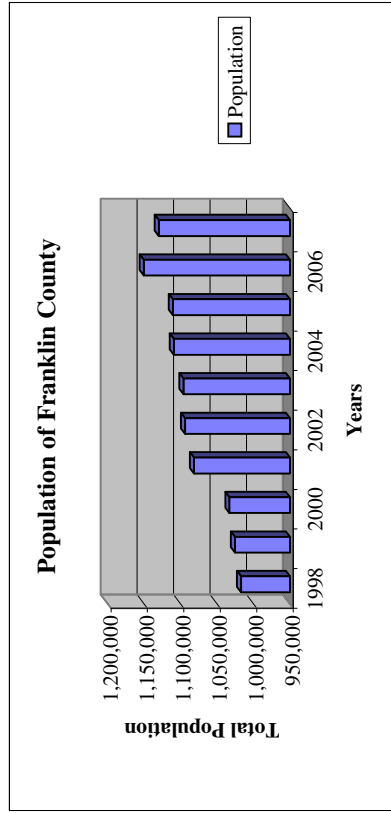
**Schedule 8
Columbus Metropolitan Library
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
1998	17,816,991	17,423,569	97.79	711,454	18,135,023	101.78
1999	18,612,899	18,194,005	97.75	652,402	18,846,407	101.25
2000	19,358,825	18,552,034	95.83	681,859	19,233,893	99.35
2001	20,051,448	19,080,748	95.16	735,808	19,816,556	98.83
2002	20,342,296	19,440,388	95.57	949,406	20,389,794	100.23
2003	20,295,199	19,004,793	93.64	1,002,198	20,006,991	98.58
2004	20,446,512	18,976,377	92.81	1,144,646	20,121,023	98.41
2005	20,895,559	20,256,245	96.94	834,776	21,091,021	100.94
2006	20,533,480	18,711,078	91.12	943,001	19,654,079	95.72
2007	20,423,141	18,272,720	89.47	939,357	19,212,077	94.07

Source: Franklin County Auditor

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

Year	Population	Personal Income (1)	Per Capita Personal Income (1)	Median Age	K-12 School Enrollment (2)	Unemployment Rates		
						Franklin County	State of Ohio	United States
1998	1,017,400 (3)	28,685,000	N/A	N/A	191,141	2.1 (4)	3.9 (4)	4.3 (4)
1999	1,025,742 (6)	29,983,000	N/A	32.9 (6)	194,036	2.1 (5)	3.8 (5)	3.7 (5)
2000	1,033,293 (6)	31,616,000	31,527	33.7 (6)	193,618	2.1 (5)	3.7 (5)	3.7 (5)
2001	1,081,784 (6)	31,913,000	32,664	32.9 (6)	200,462	3.1 (7)	4.8 (7)	5.8 (7)
2002	1,094,050 (1)	32,955,000	33,144	32.9 (1)	203,724	3.9 (7)	5.3 (7)	6.0 (7)
2003	1,096,230 (1)	33,205,000	34,456	33.3 (1)	204,586	4.0 (7)	6.0 (7)	5.7 (7)
2004	1,109,630 (1)	34,043,000	35,199	33.4 (1)	203,149	4.3 (7)	5.9 (7)	5.4 (7)
2005	1,110,830 (1)	34,754,000	36,714	34.0 (1)	204,878	4.8 (7)	5.5 (7)	4.6 (7)
2006	1,150,722 (6)	35,526,000	39,395	38.8 (6)	207,204	4.5 (8)	5.4 (8)	4.3 (8)
2007	1,130,253 (6)	39,485,000	38,773	34.0 (6)	213,394	4.7 (7)	5.6 (7)	4.6 (7)



- Source: (1) State Profile, Ohio 2007
Woods & Poole Economics, Inc., Washington, D.C.
(2) Quality Education Data, Inc., School Guide
(3) Market Statistics
(4) Ohio Bureau of Employment Services (BES), Div. of Research and Statistics
(5) State of Ohio Labor Market Information; <http://lmi.state.oh.us>
(6) Community Sourcebook of County Demographics
ERSI Business Informations
(7) Ohio Department of Job and Family Services
(8) Franklin County Auditor

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

<u>Employer</u>	<u>Fiscal Year 2007¹</u>			<u>Fiscal Year 1998¹</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
State of Ohio	26,239	1	4.45 %	28,015	1	4.75 %
The Ohio State University	20,345	2	3.45 %	15,707	3	2.66 %
JP Morgan Chase & Co. (formerly Bank One)	14,469	3	2.45 %	9,317	7	1.58 %
Nationwide	11,768	4	1.99 %	8,640	2	1.46 %
United States Federal Government	10,726	5	1.82 %	16,500	8	2.80 %
Ohio Health (formerly Grant/Riverside)	9,336	6	1.58 %	6,328	4	1.07 %
City of Columbus	8,227	7	1.39 %	7,570	9	1.28 %
Honda of America Manufacturing, Inc.	8,000	8	1.36 %	12,500	5	2.12 %
Columbus Public Schools	7,181	9	1.22 %	7,557	6	1.28 %
Franklin County	6,055	10	1.03 %	-	10	-
Banc One Corp.	-	-	-	10,992	5	1.86 %
Limited Inc.	-	-	-	10,000	6	1.70 %
Kroger Co.	-	-	-	7,500	10	1.27 %
Total	122,346		20.74 %	140,626		23.84 %
Total County Employment²	589,900			567,300		

Source:

¹Business First of Columbus, Book of Lists 2007 and 1998

²Ohio Workforce Informer

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

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

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

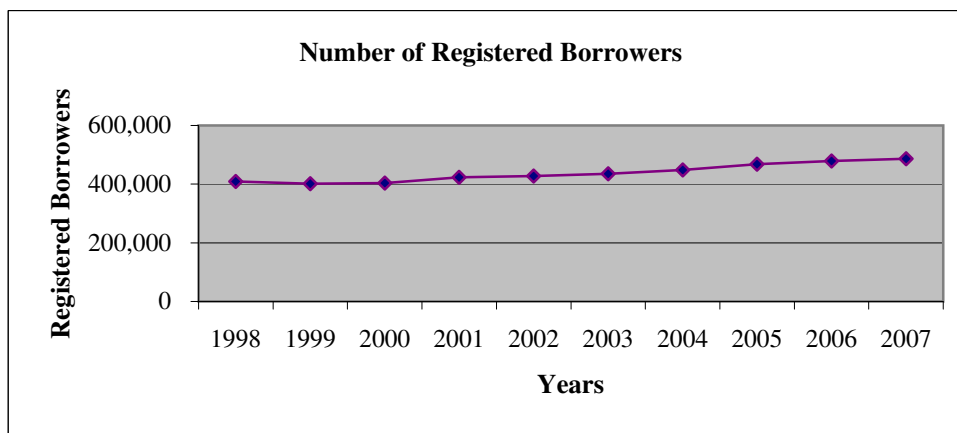
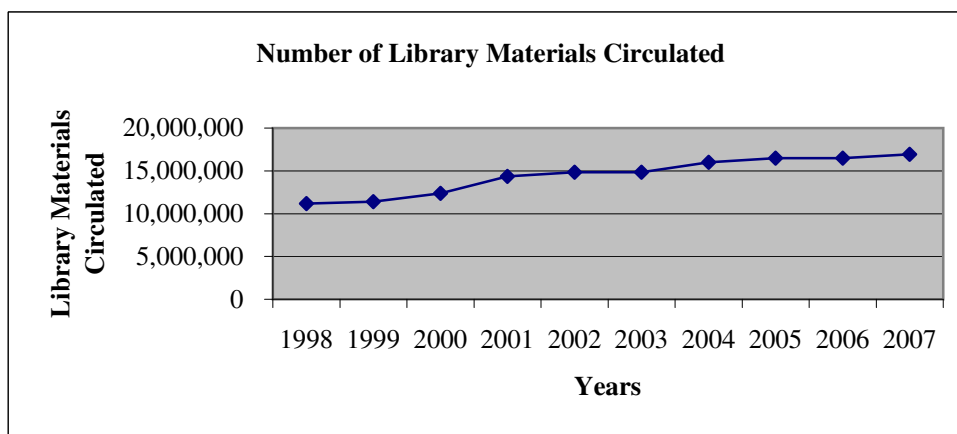
**Columbus Metropolitan Library
Capital Asset Statistics by Branch
Last Four Fiscal Years**

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

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

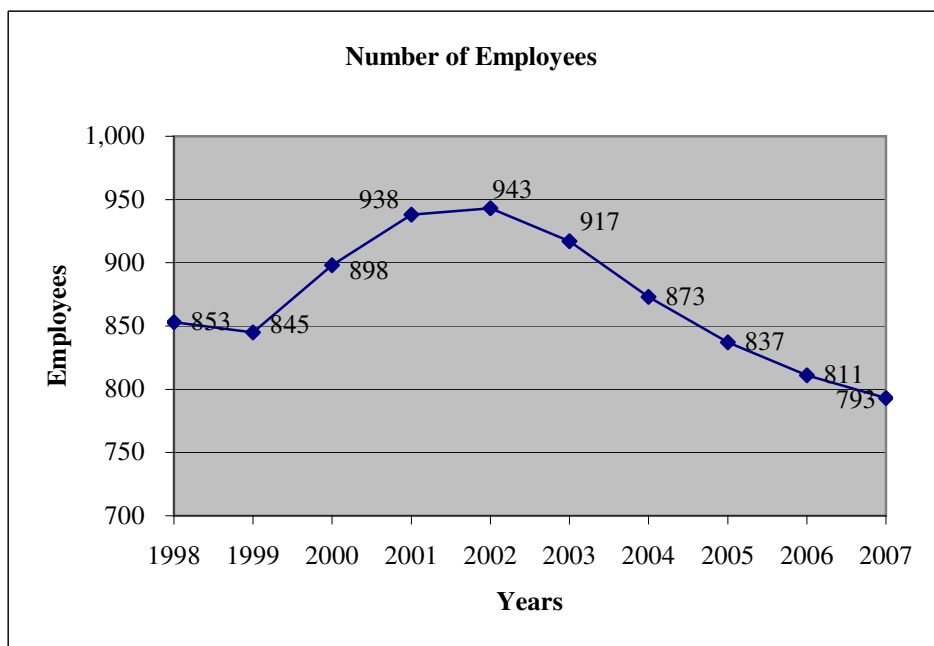
**Columbus Metropolitan Library
Operation Indicators,
Last Ten Fiscal Years**

<u>Year</u>	<u>Number of Library Materials Circulated</u>	<u>Number of Registered Borrowers</u>
1998	11,171,752	409,234
1999	11,411,499	401,192
2000	12,364,216	404,018
2001	14,372,353	423,167
2002	14,851,071	427,137
2003	14,852,582	434,884
2004	16,018,594	448,422
2005	16,490,338	467,986
2006	16,489,899	478,465
2007	16,931,576	486,674



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

<u>Year</u>	<u>Number of Employees (1)</u>	<u>Percentage of Change Over Prior Year</u>
1998	853	-
1999	845	-0.94%
2000	898	6.27%
2001	938	4.45%
2002	943	0.53%
2003	917	-2.76%
2004	873	-4.80%
2005	837	-4.12%
2006	811	-3.11%
2007	793	-2.22%



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

COMPLIANCE SECTION

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Columbus Metropolitan Library, Franklin County, Ohio (the Library) as of and for the year ended December 31, 2007, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated May 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Columbus Metropolitan Library
Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*
Page 2

We noted certain other matters that we reported to management of the Library in a separate letter dated May 15, 2008.

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

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

Kennedy Cottrell Richards LLC
May 15, 2008



Mary Taylor, CPA
Auditor of State

COLUMBUS METROPOLITAN LIBRARY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 8, 2008**