

2011
COMPREHENSIVE
ANNUAL FINANCIAL
REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2011



COLUMBUS METROPOLITAN LIBRARY



Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Columbus Metropolitan Library, Franklin County, prepared by Kennedy Cottrell Richards LLC, for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

July 5, 2012

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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, 2010

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.



Linda C. Sandison

President

Jeffrey R. Emmer

Executive Director

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Columbus Metropolitan Library

Columbus, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended December 31, 2011



Issued by:

DEWITT D. HARRELL

Chief Financial Officer/Fiscal Officer

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2011

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LIBRARY OFFICIALS
AS OF DECEMBER 31, 2011

BOARD OF TRUSTEES

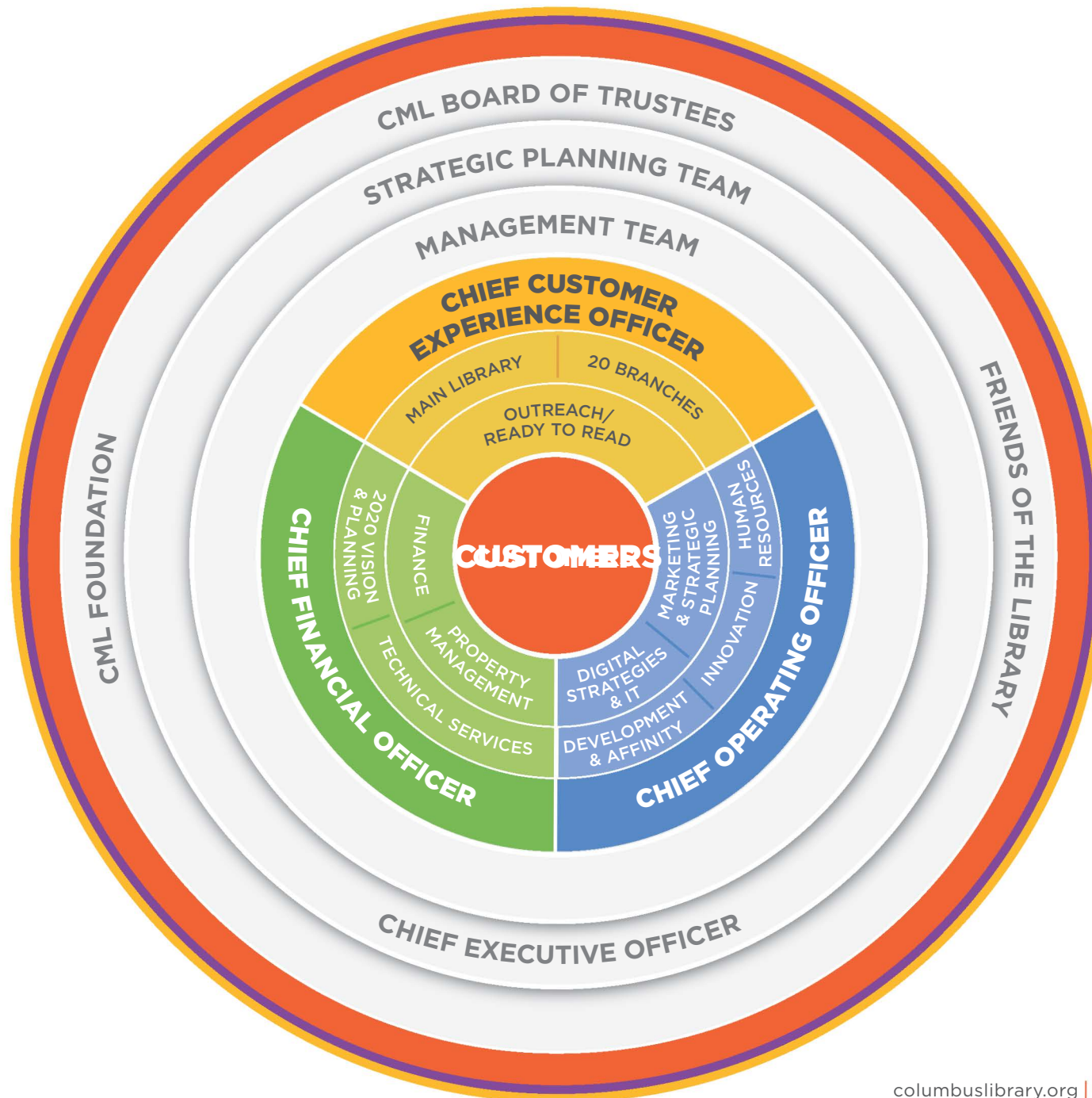
Mr. Stephen Rasmussen,	President of the Board
Mr. Roger Sugarman,	Vice President of the Board
Mr. Randy Fortener,	Secretary of the Board
Ms. Cynthia A. Hilsheimer,	Member
Ms. Erika Clark Jones,	Member
Mr. Michael Lawson,	Member
Ms. Amy Milbourne,	Member

EXECUTIVE STAFF

Mr. Patrick Losinski,	Chief Executive Officer
Ms. Chris Taylor,	Chief Operating Officer
Mr. Dewitt D. Harrell,	Chief Financial Officer/Fiscal Officer

CML Circular Organization

PROMOTES AN ORGANIZATION-WIDE FOCUS ON EXECUTION





May 4, 2012

**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, 2011.

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, 2011, 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.

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

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

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

A milestone in the Library's history occurred in 1986, when the Library Board of Trustees (the Board) voted to seek funds and implement a comprehensive services and capital improvements package. Thanks to the support of library customers and thousands of volunteers throughout Franklin County, a combination renewal and new fifteen-year General Property tax levy totaling 2.2 mills was approved by library district voters in November 1986. In November 2000, the voters of Franklin County renewed the 2.2 mills for an additional ten years. In November 2010, the voters of Franklin County continued to support the library passing a 2.8 mill continuing levy.

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

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

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

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

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

REPORTING ENTITY

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

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

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

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

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

Materials and Services

The Library's collection contains over 2.2 million items including books, audio books, music CDs, DVD's, digital downloads, magazines, newspapers, maps and sheet music. The Library also has a microfilm collection of past issues of many periodicals including magazines and newspapers that serve as a resource for historians and genealogists.

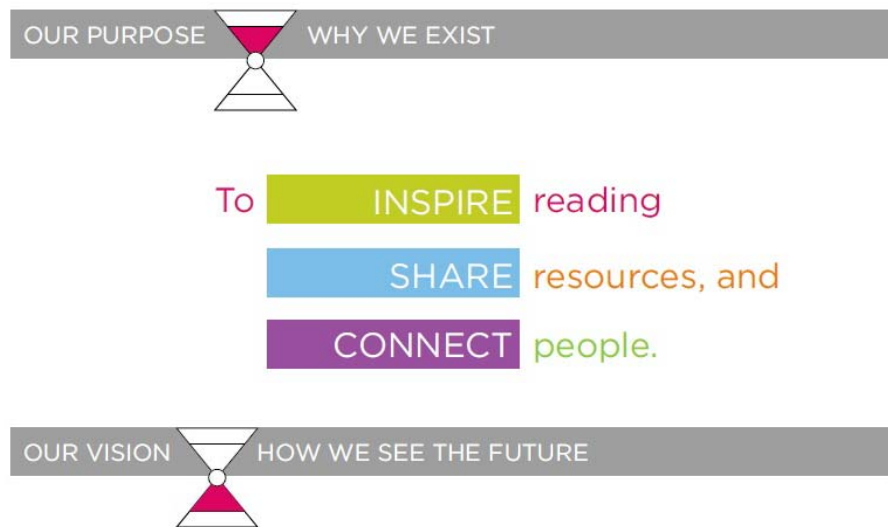
Public access computers at all Library locations provide access to the Internet and a wealth of electronic databases. Customers can utilize many resources through the Library's website, at <http://www.columbuslibrary.org>. This site provides access to directories, indexes, abstracts and full-text information 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 BookMobiles, which serve children at risk of starting school unprepared to read. Beginning in 2009 and continuing through 2011, the Library was granted funds from the United Way of Central Ohio, Chase, Nationwide Foundation and Columbus Metropolitan Library Foundation to operate the Ready to Read program which goes into the community to train parents and caregivers on the importance of young literacy as well as techniques to engage young children with a love of literacy. The Library has incorporated these programs and services as part of its normal operations as grant funds have expired.

OUR PLAN

At Columbus Metropolitan Library, our focus is on our customers and the future of our community. Our mission and vision is realized through aligning our annual work with a focused Strategic Plan. In 2011, a complete review of the Strategic Plan was completed. As a result, we have refreshed and updated CML goals in order to continue meeting the needs of our community. A team comprised of CML's Executive Leadership Team and Management Team completed an in-depth analysis of the current plan along with new ideas of community and business needs. Our new plan was approved by the Board of Trustees on August 24, 2011.



“A THRIVING COMMUNITY WHERE
WISDOM PREVAILS.”

OUR VALUES  WHAT WE BELIEVE IN



OUR STRATEGIES AND OUTCOMES  WHERE WE FOCUS AND HOW PEOPLE BENEFIT

TO EXTERNAL AUDIENCES:





TO **INTERNAL** AUDIENCES:



The annual budget serves 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 and All 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.

2011 STRATEGIC ACCOMPLISHMENTS

Key Accomplishments by Segment for 2011

Strategy	Grouping	2011 Completed Objectives
YOUNG MINDS	Summer Reading Club	Realign SRC activities to focus on maintaining reading levels over the summer (Phase 1 of 3)
	Homework Help Centers	Open Dublin Homework Help Center
	Ready to Read Corps	Implement Hilltop Ready to Read Corp.
		Implement Groveport Ready to Read Corp
Implement Whitehall Ready to Read Corp		
Teen	Determine Teen Services strategic direction.	
VIRTU L USERS	Job Help Centers	Increase electronic offerings in continuing education/job skills/study prep.

POWER USERS	2020	Revisit 2020 VP and determine implementation timeline.
	eCommerce	Revisit eCommerce strategic direction and recommend revised timeline.
	DP/ILS	Implement re-designed My Account.
	eBooks/ eReaders	Identify potential eBooks/eReaders services for customers and implement approved recommendations.
	Special Collections	Make a recommendation regarding CML's place in rare book or special collections
	Community Partnership	Create library presence at Columbus Commons
EXPAND OUR CAPACITY	Technology Infrastructure	Envisionware Upgrade
		Implement MS Outlook system wide by end of 2Q11.
		Implement Storage Solution
		Replace Network Equipment
		Implement Virtualization Technology (Server)
	Server Hardware Replacement	
	Strategic Plan	Review and revise CML strategic plan.
	Environmental Scan	A comprehensive fleet management analysis. Will address use of personal vehicles, fleet vehicles, acquisition and type of future vehicles. (Phase 1 of 3)
	Community & Govt Advocacy	Continue to focus on community advocacy activities.
	Business Intelligence (BI)	Implement Collection HQ.
	IFAS/ERP	Create an IFAS/ERP strategy and timeline for Finance and Human Resource systems.
	Process Improvement	Conduct a Reserve Process Review and implement identified improvements.
Examine and improve the process whereby furniture & equipment is moved from a CML location to the warehouse for storage, sale and/or destruction.		
Move the PCs from the Main's 3rd floor to Main's 1st floor and move the Fiction collection to the 2nd floor.		
Green	Maintain current activity levels and develop ongoing strategy for remainder of 2011	
ENGAGE OUR TEAM	Talent Mgmt & Succession Mgmt	Complete ELT succession assessment.

ECONOMIC CONDITIONS AND OUTLOOK

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

<u>Population Growth</u>	<u>City of Columbus</u>	<u>Franklin County, Ohio</u>
1980	566,800	869,132
1990	632,910	961,437
2000	711,470	1,068,978
2010	787,033	1,155,910
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

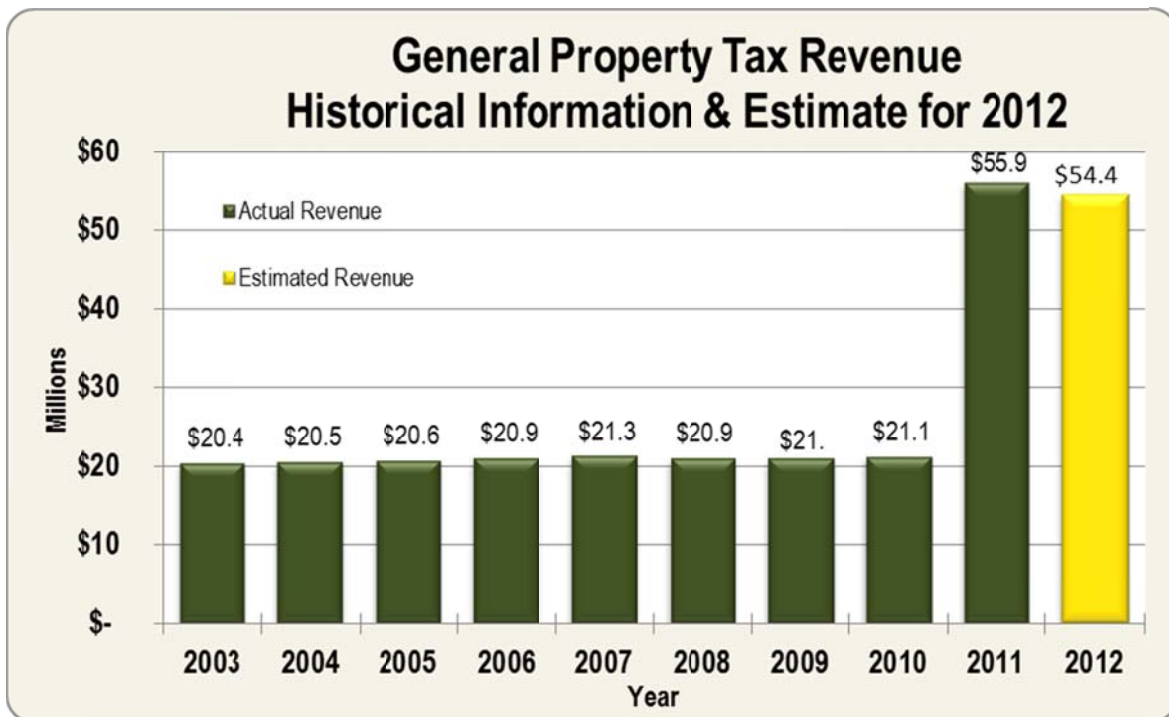
The usually diverse and strong economy of the Columbus Metropolitan Area continued to show signs of economic stability through 2011. Annual unemployment in Franklin County was 7.6%, which is lower than both the State of Ohio rate of 8.6% and the United States rate of 8.9%.

Unemployment data indicates the US economy is beginning to show signs of improvement. As of March, 2012, the most recent data available, the United States unemployment rate has decreased to 8.2% and the State of Ohio unemployment rate has decreased to 7.5%. Meanwhile, the Franklin County unemployment rate for February 2012 (the most recent county data available) is below both the state and national rates at 7.1%.

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

LONG-TERM FINANCIAL PLANNING

A major source of revenue for the Library in 2011 was the revenue generated by the 2.8 mill property tax levy. In November 2010, the voters of Franklin County passed a 2.2 mill continuing property levy with an additional 0.6 mill levy to continue to support the library's operations in light of uncertainty with state funding. As the following chart shows, property taxes continue to be the most dependable and stable source of revenues for the Library.



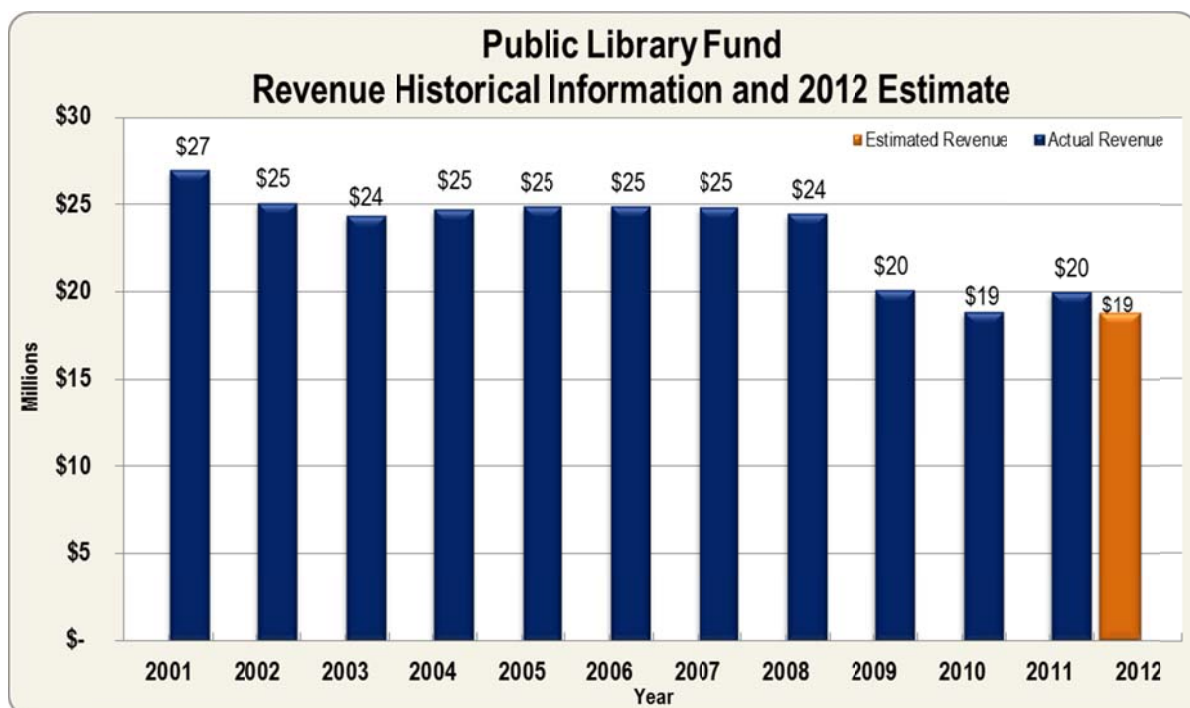
The Library's second major source of revenue comes from the State of Ohio. Prior to 2008, this revenue was comprised of a percentage of state income taxes collected in Ohio and dispersed to Library and Local Government Support Fund (LLGSF). This revenue had been increasing at a significant pace until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

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

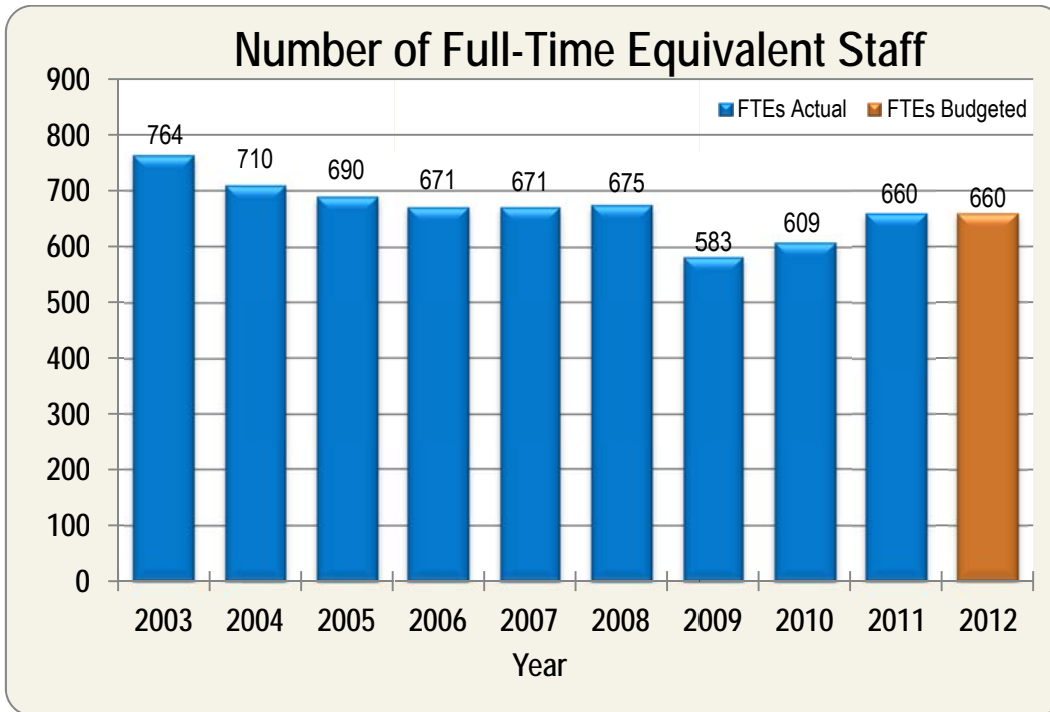
In response to this reduction in funding, the Library's Board met in an emergency meeting in late July, 2009 to determine where to most effectively reduce costs in light of the reduced funding. The Board resolved to reduce salaries, the Library's largest expenditure category. Salary reductions were realized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

The state is currently in the 2012-2013 biennium budget cycle, and there is uncertainty about what effect this budget will have on funding for Ohio's libraries. This has shifted the Library's reliance on state funding, and created more dependence on local funding.

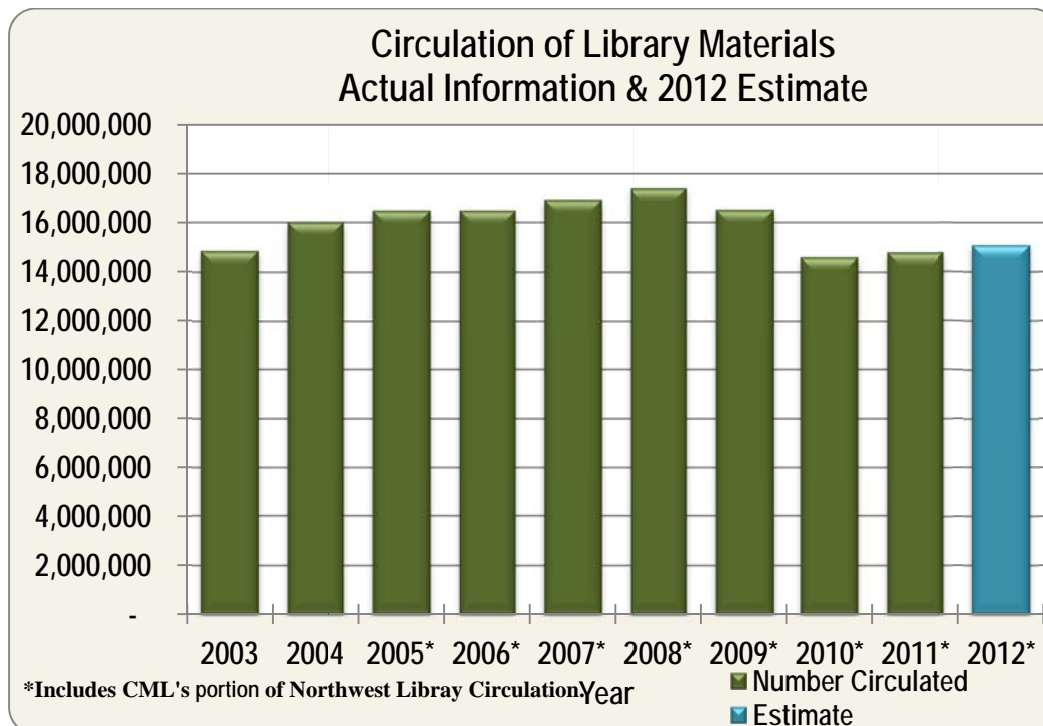
The following chart shows the effect of changes in State of Ohio funding over the past several years.



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



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.



*2010 reflects a full year of reduced hours.

FINANCIAL INFORMATION

Financial Reporting Model

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

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

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

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

Accounting System and Budgetary Control

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

The Board of Trustees of the Library (the Board) reviews and approves the budget prior to the beginning of each year and establishes the appropriations for each fund. The Board approves appropriations for the General Fund between Salaries & Benefits and All Other Expenditures (Supplies, Library Materials, Purchased Services, etc.). All other funds are approved on the total Revenues and Expenditures level.

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

After the Board has adopted the budget, any amendments which will re-appropriate money in the General Fund between Salary & Benefits and All Other Expenditure types (Supplies, Library Materials, Purchased Services, etc.) requires Board approval.

Budgetary and Financial Policies

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

Applies to All Funds:

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

Applies to only the General Fund:

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

Applies to only the Capital Projects Fund:

- This fund is used to account for major capital projects only, defined as land and building purchases and the purchase of major assets.
- It is the Board's policy that for each Library branch construction project, one percent of the construction costs shall be appropriated for the purchase of "artwork."
- Whenever real property is sold, the proceeds are credited to the Capital Projects Fund.

RISK MANAGEMENT

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

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

PENSION BENEFITS

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

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

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

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

See Note 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, 2010. This is the twenty-fifth (25th) consecutive year that the Library has achieved this prestigious award.

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

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

ACKNOWLEDGMENTS

While many individuals have contributed to the preparation of this report, special thanks are extended to Wendy Mohr, Accounting Services Manager, Todd Daughenbaugh, CGFM, CPA, Director of Financial Services, and the entire staff of the Financial Services Department.

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

Sincerely,

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

DEWITT D. HARRELL
Chief Financial Officer/Fiscal Officer

FINANCIAL SECTION

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Metropolitan Library, Franklin County, Ohio (the Library), as of and for the year ended December 31, 2011, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, during the year ended December 31, 2011, the Library adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2012, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the Library's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements and individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Kennedy Cottrell Richards LLC
May 4, 2012

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2011 (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, 2011. 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 2011 are as follows:

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by \$106,447,504. Of this amount, \$14,179,366 was unrestricted and may be used to meet the Library's ongoing obligations.
- The Library's net assets increased by \$25,008,575 or 30.7%.
- Of the \$83,296,099 in total revenues, general revenues accounted for \$79,011,980 or 94.9%. Program specific revenues in the form of charges for services, grants and contributions accounted for \$4,284,119 or 5.1%.
- The Library had \$58,287,524 in expenses related to governmental activities; 7.3% of these expenditures were offset with program specific revenues. The remaining 92.7% 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 \$79,515,598 in revenues and \$54,191,026 in expenditures, resulting in an increase in fund balance of \$25,324,572; of this \$20,000,000 was transferred to the capital projects fund to support updating the Library's aging infrastructure.
- The capital projects fund had \$7,344 in revenues and \$745,633 in expenditures, resulting in a decrease in fund balance of \$738,319.
- At the end of the fiscal year, the unassigned fund balance in the general fund was \$5,995,483. This represents 53.1% of total fund balance and 11.1% percent of 2011 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, 2011 (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 five 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 three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds

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

Fiduciary Funds

The Library's only fiduciary fund is the digital downloads fund. The digital downloads fund is an agency fund. An agency fund is an accounting device used to report assets held in a custodial manner by one government

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2011
(unaudited)

on behalf of other member governments. The Library does not derive any benefits from the assets held in the agency fund, and reports only the assets and the corresponding liabilities associated with the fund.

Notes to the Financial Statements

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

Government-wide Financial Analysis

The Statement of Net Assets provides the perspective of the Library as a whole. Table 1 provides a summary of the Library's net assets for 2011 compared to 2010.

		Table 1 Net Assets	
		Governmental Activities	
		2011	2010
Assets			
Current and Other Assets		\$101,190,694	\$ 76,529,796
Capital Assets		<u>65,687,200</u>	<u>67,167,277</u>
Total Assets		<u>\$166,877,894</u>	<u>\$143,697,073</u>
Liabilities			
Long-Term Liabilities		2,180,138	2,029,570
Other Liabilities		<u>58,250,252</u>	<u>60,228,574</u>
Total Liabilities		<u>60,430,390</u>	<u>62,258,144</u>
Net Assets			
Invested in Capital Assets		65,687,200	67,167,277
Restricted		26,580,938	6,602,242
Unrestricted		<u>14,179,366</u>	<u>7,669,410</u>
Total Net Assets		<u>\$ 106,447,504</u>	<u>\$ 81,438,929</u>

Total assets increased \$23,180,821. Cash increased \$24,909,342, or 180.0%, due to a Property Tax levy passed by the voters of Franklin County in November 2010, with collections beginning in FY2011. Net Capital Assets decreased \$1,480,077, or 2.2%, primarily due to depreciation expenses. Unearned Revenue decreased \$2,917,186, or 5.1% due to higher property tax delinquencies and lower taxable valuations.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2011
(unaudited)

Table 2 shows a comparison of the changes in net assets for the fiscal year ended December 31, 2011 compared to December 31, 2010.

Table 2
Changes in Net Assets

	Governmental Activities	
	2011	2010
Revenues		
Program Revenues		
Charges for Services	\$ 3,407,250	\$ 3,256,482
Operating Grants, Contributions and Interest	876,869	1,389,960
General Revenue		
Property Taxes	50,680,324	15,669,459
Intergovernmental	28,109,034	24,101,422
Investment Earnings	<u>222,622</u>	<u>167,129</u>
Total Revenues	<u>\$ 83,296,099</u>	<u>\$ 44,584,452</u>
Program Expenses		
Public Service	37,143,023	29,768,963
Administrative and Support	<u>21,144,501</u>	<u>17,014,855</u>
Total Expenses	58,287,524	46,783,818
Increase (decrease) in Net Assets	25,008,575	(2,199,366)
Net Assets Beginning Balance	<u>81,438,929</u>	<u>83,638,295</u>
Net Assets Ending Balance	<u>\$ 106,447,504</u>	<u>\$ 81,438,929</u>

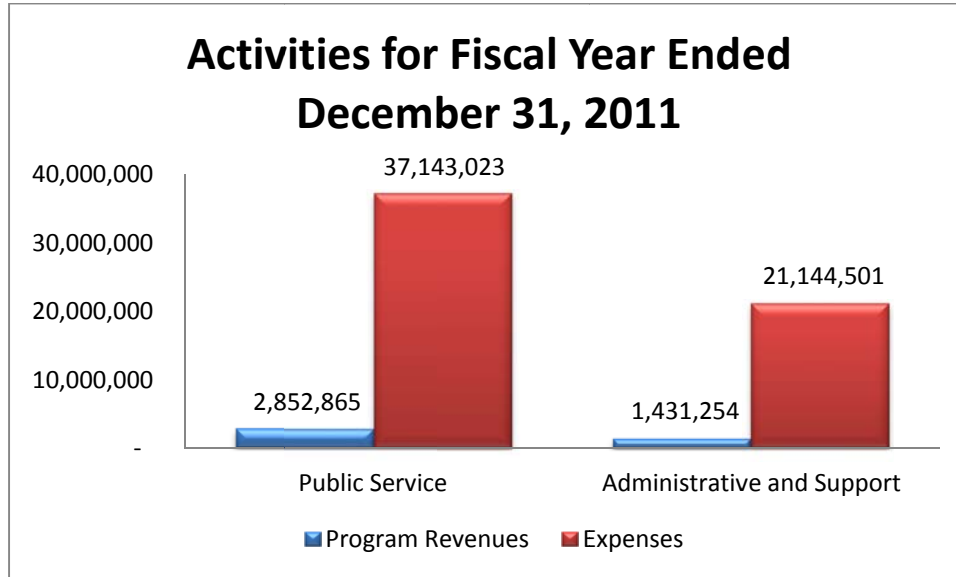
A major source of funding for the Library is money received from the State of Ohio's Public Library Fund (PLF). The source of money for this fund comes from a percentage of the state taxes collected in Ohio including, state income tax and sales tax.

Based on this formula a percentage of this fund is distributed to each county for use by the public library districts within that county. Within Franklin County there are seven (7) public library districts that share this revenue. Each library's share of the fund is established by the Budget Commission. The Budget Commission uses a formula to determine each Library's share of the money; however, the use of a formula is not mandatory under Ohio law. This formula was negotiated and agreed to by each of the library districts within the county. Based on the formula, the Library received 59.82% in 2010.

Another major source of revenue for the Library in 2011 is the revenue generated by the 2.8 mill property tax levy. In November 2010, a 2.2 mill levy was renewed with an additional 0.6 mill levy by the voters in the Library's taxing district for another ten-year period.

COLUMBUS METROPOLITAN LIBRARY

Management's Discussion and Analysis for the Year Ended December 31, 2011
(unaudited)



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

Table 3
Governmental Activities

	<u>Total Cost of Services – 2011</u>	<u>Total Cost of Services – 2010</u>	<u>Net Cost of Services – 2011</u>	<u>Net Cost of Services – 2010</u>
Program Expenses				
Public Service	\$ 37,143,023	\$ 29,768,963	\$ 34,290,158	\$ 26,477,221
Administrative and Support	<u>21,144,501</u>	<u>17,014,855</u>	<u>19,713,247</u>	<u>15,660,155</u>
Total	\$ <u>58,287,524</u>	\$ <u>46,783,818</u>	\$ <u>54,003,405</u>	\$ <u>42,137,376</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 7.4% of the expenses related to the activities performed by the Library. The remaining 92.6% 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, 2011 (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, 2011, \$5,995,483 of the Library's ending fund balance represents the unassigned portion of the general fund, which is available for spending at the Library's discretion. This unassigned fund balance represents 11.1 percent of 2011 general fund expenditures.

On the Balance Sheet, equity in pooled cash and cash equivalents increased \$4,929,428, or 93.0%, primarily due to the 2010 levy passage with collection effective FY2011. Accounts payable increased \$816,690 or 63.5% and accrued liabilities increased \$101,897, or 12.4%, due to increased available resources in 2011.

On the Statement of Revenues, Expenditures and Changes in Fund Balances, property tax revenue increased \$32,010,366, or 196.3%. The increase is due to the first collection year of the levy passed in November 2010 in which taxes were assessed at current property values at 2.8 mills.

Intergovernmental revenues increased \$4,024,112, or 16.7%, primarily due to levy collections reflecting the 2.8 mill collections rather than the diluted amount reflected prior to re-assessment.

At December 31, 2011, the capital projects fund had an ending fund balance of \$25,776,267 available to complete current projects and provide funding for future projects. The main source for this balance was a transfer from the general fund to fund the development of the Library's aging facilities.

On the Balance Sheet, equity in pooled cash and cash equivalents increased \$21,778,193, or 530.1%, primarily due to a transfer from the general fund to fund the development of the Library's aging facilities.

As of December 31, 2011, the Library's governmental funds reported combined ending fund balances of \$37,863,975, an increase of \$24,530,367 in comparison to the prior year. All governmental funds had total revenues of \$80,935,540 and expenditures of \$56,405,173.

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.

For the general fund, budget basis revenue was \$79,078,084, which was under the final estimate of \$82,629,849 by \$3,551,765. The shortage is attributed to declining property values across the county resulting in lower than estimated collections.

COLUMBUS METROPOLITAN LIBRARY

Management’s Discussion and Analysis for the Year Ended December 31, 2011
(unaudited)

For the general fund, budget basis expenditures were \$55,508,804, which was below the final estimate of \$59,220,992. Of this difference, \$1,540,007, or 41.5% was due to lower than anticipated purchased service costs and \$737,942, or 19.9%, was due to salaries and benefits savings.

The Library’s ending budget basis Fund Balance is \$6,676,231.

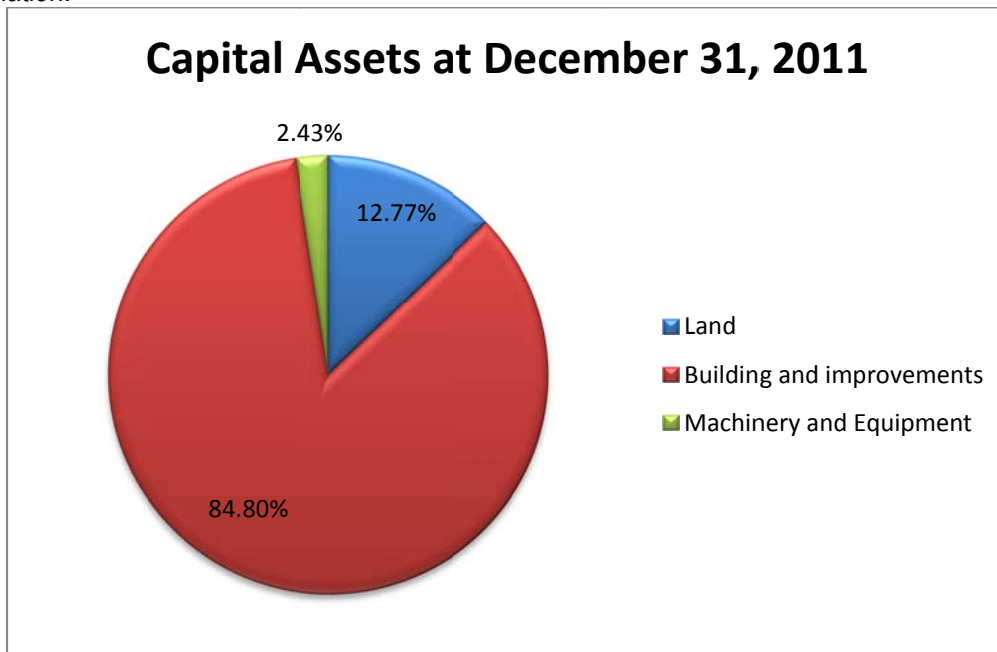
Capital Assets

At the end of fiscal year 2011, the Library had \$65,687,200 invested in capital assets. Table 4 shows fiscal year ended December 31, 2011 compared to December 31, 2010.

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

	2011	2010
Land	\$ 8,388,923	\$ 8,388,923
Buildings and Improvements	55,701,550	57,064,045
Machinery and Equipment	<u>1,596,727</u>	<u>1,714,309</u>
Totals	<u>65,687,200</u>	\$ <u>67,167,277</u>

During 2010, the Library invested \$127,652 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, 2011 (unaudited)

Economic Factors

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

In addition, the recent difficulties of the housing market have led to higher delinquencies. For 2011, the Library collected only 91.1% of levied taxes, representing slightly more than a \$5.1 million shortfall in collections for the year.

Contacting the Library's Financial Management

This financial report is designed to provide our citizen's and taxpayers with a general overview of the Library's finances and to show the Library's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Ms. Wendy J. Mohr, Manager of Accounting Services at Columbus Metropolitan Library, 96 South Grant Ave., Columbus, Ohio 43215 or by e-mail at wmohr@columbuslibrary.org.

COLUMBUS METROPOLITAN LIBRARY
Statement of Net Assets
December 31, 2011

	Primary Government Governmental Activities
ASSETS	
Equity in Pooled Cash and Investments	\$ 38,681,414
Equity in Pooled Cash and Cash Equivalents - Restricted	67,742
Receivables	61,679,431
Prepays	762,107
Capital Assets, Nondepreciable	8,388,923
Capital Assets, Net of Depreciation	57,298,277
Total Assets	<u>166,877,894</u>
LIABILITIES	
Accounts Payable	2,696,132
Unearned Revenues	54,422,250
Accrued Liabilities, current	976,926
Compensated Absences, due within twelve months	154,944
Compensated Absences, due beyond twelve months	2,180,138
Total Liabilities	<u>60,430,390</u>
NET ASSETS	
Invested in Capital Assets	65,687,200
Expendable Restricted for:	
Land Development	170,160
Restricted Donations	566,248
Capital Project	25,776,267
Permanent Fund	521
Non-Expendable Restricted for:	
Permanent Fund	67,742
Unrestricted	14,179,366
Total Net Assets	<u>\$ 106,447,504</u>

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

COLUMBUS METROPOLITAN LIBRARY
Statement of Activities
For the Year Ended December 31, 2011

Functions/Programs	Program Revenues			Net (Expense)
	Expenses	Charges for	Operating	Revenue and
Primary Government:		Services	Grants and	Changes in
Governmental Activities			Contributions	Net Assets
General Government:				
Public Service	\$ 37,143,023	\$ 1,975,996	\$ 876,869	\$ (34,290,158)
Administrative and Support	\$ 21,144,501	1,431,254	-	(19,713,247)
Total Governmental Activities	<u>58,287,524</u>	<u>3,407,250</u>	<u>876,869</u>	<u>(54,003,405)</u>
General Revenues:				
Property Taxes				50,680,324
Intergovernmental, Unrestricted				28,109,034
Unrestricted Investment Earnings				222,622
Total General Revenues				<u>79,011,980</u>
Change in Net Assets				25,008,575
Net Assets - Beginning				81,438,929
Net Assets - Ending				<u>\$ 106,447,504</u>

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

COLUMBUS METROPOLITAN LIBRARY
Balance Sheet
Governmental Funds
December 31, 2011

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in Pooled Cash and Investments	\$ 10,231,053	\$ 25,886,861	\$ 894,603	\$ 37,012,517
Receivables	61,643,760	-	249	61,644,009
Prepaids	745,435	-	16,672	762,107
Total Assets	<u>72,620,248</u>	<u>25,886,861</u>	<u>911,524</u>	<u>99,418,633</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	2,103,193	110,594	51,949	2,265,736
Accrued Liabilities	922,022	-	54,904	976,926
Deferred Revenue	58,311,996	-	-	58,311,996
Total Liabilities	<u>61,337,211</u>	<u>110,594</u>	<u>106,853</u>	<u>61,554,658</u>
Fund Balances:				
Non-Spendable	745,435	-	84,414	829,849
Restricted	-	-	566,769	566,769
Committed	437,366	579,795	-	1,017,161
Assigned	4,104,753	25,196,472	153,488	29,454,713
Unassigned	5,995,483	-	-	5,995,483
Total Fund Balances	<u>11,283,037</u>	<u>25,776,267</u>	<u>804,671</u>	<u>37,863,975</u>
Total Liabilities and Fund Balances	<u>\$ 72,620,248</u>	<u>\$ 25,886,861</u>	<u>\$ 911,524</u>	<u>\$ 99,418,633</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, 2011

Total Fund Balances for Governmental Funds	\$	37,863,975
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		65,687,200
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.		(2,335,082)
Assets of the internal service fund that primarily serve governmental funds		1,772,061
Liabilities of the internal service fund that primarily serve governmental funds		(430,396)
Liabilities for revenue earned, but uncollected		3,889,746
Net Assets of Governmental Activities	\$	106,447,504

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, 2011

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 48,318,432	\$ -	\$ -	\$ 48,318,432
Intergovernmental	28,109,034	-	-	28,109,034
Fines and Fees	1,532,581	-	-	1,532,581
Investment Earnings	227,519	-	(3,564)	223,955
Charges for Services	770,872	-	660,382	1,431,254
Contributions and Donations	138,033	7,344	731,492	876,869
Miscellaneous	419,127	-	24,288	443,415
Total Revenues	<u>79,515,598</u>	<u>7,344</u>	<u>1,412,598</u>	<u>80,935,540</u>
EXPENDITURES				
Current:				
Public Service	34,714,124	-	855,434	35,569,558
Administrative and Support	19,269,592	49,035	590,274	19,908,901
Capital Outlay	207,310	696,628	22,776	926,714
Total Expenditures	<u>54,191,026</u>	<u>745,663</u>	<u>1,468,484</u>	<u>56,405,173</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,324,572</u>	<u>(738,319)</u>	<u>(55,886)</u>	<u>24,530,367</u>
OTHER FINANCING SOURCES(USES)				
Transfers In	3,518,783	22,467,475	-	25,986,258
Transfers Out	(24,486,258)	-	(1,500,000)	(25,986,258)
Total Other Financing Sources (Uses)	<u>(20,967,475)</u>	<u>22,467,475</u>	<u>(1,500,000)</u>	<u>-</u>
Net Changes in Fund Balances	4,357,097	21,729,156	(1,555,886)	24,530,367
Fund Balances at Beginning of Year	6,925,940	4,047,111	2,360,557	13,333,608
Funds Balance End of Year	<u>\$ 11,283,037</u>	<u>\$ 25,776,267</u>	<u>\$ 804,671</u>	<u>\$ 37,863,975</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, 2011

Net Change in Fund Balances - Total Governmental Funds	\$ 24,530,367
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in compensated absences	(141,527)
Eliminate capitalizable expenditures incurred for the acquisition or construction of capital assets.	127,653
Reverse prior year revenue earned during the prior period.	(1,527,854)
Depreciation expense.	(1,607,730)
Net revenue of internal service fund activities.	(260,747)
Record internal service fund revenues and expenses not subject to consolidation.	(1,333)
Revenue earned, but uncollected	3,889,746
Change in Net Assets of Governmental Activities	\$ 25,008,575

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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property Taxes	\$ 46,573,808	\$ 49,042,492	\$ 47,625,955	\$ (1,416,537)
Intergovernmental	22,956,397	30,706,557	28,239,638	(2,466,919)
Fines and Fees	1,400,000	1,400,000	1,534,992	134,992
Charges for Services	725,000	725,000	757,925	32,925
Investment Earnings	400,000	355,800	238,893	(116,907)
Contributions and donations	10,000	10,000	163,228	153,228
Miscellaneous	290,000	390,000	517,453	127,453
Total Revenues	<u>72,355,205</u>	<u>82,629,849</u>	<u>79,078,084</u>	<u>(3,551,765)</u>
EXPENDITURES				
Current:				
Public Service	36,482,333	35,797,451	34,776,399	1,021,052
Administrative and Support	22,513,254	22,719,986	20,420,148	2,299,838
Capital Outlay	475,245	703,555	312,257	391,298
Total Expenditures	<u>59,470,832</u>	<u>59,220,992</u>	<u>55,508,804</u>	<u>3,712,188</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>12,884,373</u>	<u>23,408,857</u>	<u>23,569,280</u>	<u>160,423</u>
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	3,493,588	3,493,588	3,493,588	-
Intra-Fund Transfers Out	(4,461,063)	(4,461,063)	(4,461,063)	-
Transfers Out	(11,000,000)	(20,000,000)	(20,000,000)	-
Advances In	-	44,200	44,200	-
Total Other Financing Sources (Uses)	<u>(11,967,475)</u>	<u>(20,923,275)</u>	<u>(20,923,275)</u>	<u>-</u>
Net Changes in Fund Balances	916,898	2,485,582	2,646,005	160,423
Fund Balances at Beginning of Year	4,030,226	4,030,226	4,030,226	-
Funds Balance End of Year	<u>\$ 4,947,124</u>	<u>\$ 6,515,808</u>	<u>\$ 6,676,231</u>	<u>\$ 160,423</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, 2011

	Governmental Activities Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Invesments	\$ 1,736,639
Receivables	35,422
Total Assets	1,772,061
LIABILITIES	
Current Liabilities:	
Accounts Payable	118,857
Claims Payable	311,539
Total Liabilities	430,396
NET ASSETS	
Unrestricted	1,341,665
Total Net Assets	\$ 1,341,665

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, 2011

	Governmental Activities Internal Service Fund
Operating Revenues	
Charges for Services	\$ 3,813,938
Miscellaneous	52,683
Total Operating Revenues	3,866,621
Operating Expenses	
Contractual Services	517,458
Claims Paid	3,609,910
Total Operating Expenses	4,127,368
Operating Income (Loss)	(260,747)
Non Operating Revenues	
Interest	(1,333)
Total Non Operating Revenues	(1,333)
Change in Net Assets	(262,080)
Net Assets Beginning of Year	1,603,745
Net Assets End of Year	\$ 1,341,665

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, 2011

	Governmental Activities Internal Service Fund
CASH FLOW FROM OPERATING ACTIVITIES	
Cash Received for Claims	\$ 3,813,938
Cash Received from Reimbursements	52,683
Cash Payments for Administrative Fees	(461,850)
Cash Payments for Claims	(3,608,839)
Net Cash Used by Operating Activities	(204,068)
CASH FLOW FROM INVESTING ACTIVITIES	
Interest Income	3,550
Net Cash Provided from Investing Activities	3,550
Net Decrease in Cash and Cash Equivalents	(200,518)
Cash and Cash Equivalents Beginning of Year	1,937,157
Cash and Cash Equivalents End of Year	\$ 1,736,639
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating Loss	\$ (260,747)
Adjustments:	
Increase in Receivables	(33,468)
Decrease in Prepaids	23,484
Increase in Claims Payable	66,663
Total Adjustments	56,679
Net Cash Provided by Operating Activities	\$ (204,068)

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

COLUMBUS METROPOLITAN LIBRARY
Statement of Fiduciary Assets and Liabilities
December 31, 2011

	Digital Downloads Collaboration Agency
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 24,231
Receivables	55,000
Prepays	861
Total Assets	<u>80,092</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable and Other Liabilities	<u>80,092</u>
Total Liabilities	<u>\$ 80,092</u>

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(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 – an amendment to GASB Statement No. 14* in that the financial statements include all the organizations, activities, functions and component units for which the Library (the reporting entity) is financially accountable. Financial accountability is defined as the appointment authority of a voting majority of the component's unit board, and either (1) the Library's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Library.

In November 2010, GASB issued Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. This Statement modifies requirements for including component units in the reporting entity. This statement is effective for periods beginning after June 15, 2012 the library has not adopted the provisions of this statement in the accompanying financials. Management is reviewing what, if any effect this will have on our financials, and is therefore unable to disclose what impact this will have.

In December 2010, GASB issued Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidelines. This statement is effective for periods beginning after December 15, 2011 and will not impact the Library's Financial Reporting.

In June 2011, GASB issued Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides guidance on financial reporting of deferred outflows and inflows of resources. This statement is effective for periods beginning after December 15, 2011 and will not impact the Library's financials.

In June 2011, GASB issued Statement No. 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*. This statement is to clarify the language used in Statement No. 53. This statement is effective for periods beginning after June 15, 2011 and will not impact the Library's financials.

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

(a) Government-wide and fund financial statements

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

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

These statements report all of the assets, liabilities, revenues, expenses and gains and losses of the Library. Governmental activities are reported separately from business type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business type activities are normally supported by fees and charges for services and are usually intended by

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(1) Summary of Significant Accounting Policies (continued)

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

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

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

(b) Financial reporting presentation

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

GOVERNMENTAL FUNDS

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(1) Summary of Significant Accounting Policies (continued)

(b) Financial reporting presentation (continued)

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 land development operations, restricted donations, grants, and any other resources which are restricted for a particular purpose.

PROPRIETARY FUNDS

Proprietary Funds are those which focus on the determination of operating income, changes in net 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.

FIDUCIARY FUNDS

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

Agency Fund - The Agency Fund is used to account for assets held on behalf of other libraries and the liabilities associated with the use of assets. The Library's agency fund is used to report the assets held in a custodial manner to administer a collaboration of fourteen (14) library systems to acquire and share digital content with their customers.

(c) Measurement focus and basis of accounting

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

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(1) Summary of Significant Accounting Policies (continued)

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

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. No exchange 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 commitments or assignments of fund balances in governmental funds.

(e) Cash Equivalents

For purposes of the statement of cash flows, the Proprietary Fund considers all highly liquid investments, with purchased maturities of three months or less, to be cash equivalents.

(f) Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Library records all of its investments at fair value as defined in the Statement. The Library reports all investments at fair value except for non-negotiable certificates of deposit, which are reported at cost. The Library does not engage in any form of derivatives or reverse repurchase agreements in the management of its investment portfolio. During 2011, investments were limited to federal agency securities, money market accounts and STAR Ohio. The Library's cash and investments are further explained in Note 3.

(g) Capital Assets

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

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

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

Library books and materials purchased by the Library are reflected as expenditures when purchased and are not capitalized as assets of the Library. The Library currently has a library materials collection of approximately 2,200,000 volumes. The Library does not own any fine art, rare book collections or artifacts.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(1) Summary of Significant Accounting Policies (continued)

(g) Capital Assets (continued)

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, 2011, 2010, and 2009, 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>2009</u>	<u>2010</u>	<u>2011</u>
Unpaid Claims Jan 1,	\$ 289,632	\$ 421,000	\$ 277,000
Incurred Claims	3,292,650	2,630,912	3,630,839
Payment of Claims	<u>(3,161,282)</u>	<u>(2,774,912)</u>	<u>(3,608,839)</u>
Unpaid Claims Dec 31,	<u>\$ 421,000</u>	<u>\$ 277,000</u>	<u>\$ 299,000</u>

The \$299,000 of unpaid claims are reflected in the internal service fund's claims payable line item.

(i) Compensated Absences

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

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

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(1) Summary of Significant Accounting Policies (continued)

(i) Compensated Absences (continued)

Any governmental fund liability reported is for the unpaid balance of reimbursable unused leave for employees that terminated on or before December 31, 2011. All liabilities are paid from the general fund. The noncurrent portion of the liability is not reported.

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

(j) 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 non operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the basic financial statements.

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

(k) Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid items. Prepaid items consist primarily of insurance premiums, conferences and training, memberships and library material subscriptions. Prepaid items are accounted for using the consumption approach of accrual accounting, that is items are recorded as an asset deferring the recognition of an expenditure until the month in which it should occur.

(l) Budgetary Basis of Accounting

Budget

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

Estimated Resources

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

Appropriations

The Library is required by state statute to adopt an annual appropriation cash basis budget. A temporary appropriation measure to control cash disbursements is passed by the Library's Board of Trustees in December of each year to be effective as of January 1. The permanent appropriation measure then must be passed by April 1 of each year for the period January 1 to December 31. The permanent appropriation measure then may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. Unencumbered appropriations lapse at year-end except in Capital Projects Fund which has continuing appropriations. For the General Fund, any budget change that increases or decreases expenditures at the Salaries & Benefits or Other Expenditures (Supplies, Purchased/Contracted Services, Library Materials, etc.) level requires Board authorization. For all other funds, increases or decreases in expenditures requires Board authorization at the total appropriation level.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(1) Summary of Significant Accounting Policies (continued)

(l) Budgetary Basis of Accounting (continued)

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

The Library budgets annual expenses for two nongovernmental fund types, the Internal Service Fund and the Digital Downloads Fund. The budget specifies expense amounts by function within the fund. Expenses can not exceed total appropriations.

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

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

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

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

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

(m) Net Assets

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

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

(n) Operating Revenues and Expenses

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(1) Summary of Significant Accounting Policies (continued)

(o) Fund Balance Reserves

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

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

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

(2) Commitments and Contingencies

(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, 2011, follows:

	<u>Balance</u> <u>Jan 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec 31, 2011</u>
Governmental Activities	\$ 2,193,555	\$2,805,078	(\$2,663,551)	\$2,335,082

Accrued liabilities are composed of accrued compensatory time earned. Of which, \$16,526.84 was due as of December 31, 2011, and \$154,944 is estimated 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 and Library's Investment policy, all earnings received from pooled investments must be credited to the Library's General Fund, unless specified by the Library's Fiscal Officer. Interest income earned on investments held in perpetuity is credited to the Library's Permanent Fund.

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(3) Cash and Investments (continued)

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, 2011, the carrying amount of all the Library's deposits was \$1,222,812 and the bank balance was \$1,284,209. Of the bank balance, \$250,000 was covered by Federal Deposit Insurance and \$1,034,209 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 Fiscal Officer. Funds are invested in accordance with Section 135 "Uniform Depository Act" of the Ohio Revised Code as revised by Senate Bill 81.

The types of obligations eligible for investment and deposits are:

1. U.S. Treasury Bills, Notes and Bonds; various federal agency securities, including issues of Federal National Mortgage Assn. (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student Loan Marketing Assn. (SLMA), Government National Mortgage Association (GNMA), and other agencies or instrumentalities of the United States. Eligible investments include securities that may be "called" (by the issuer) prior to final maturity date. All eligible investments may be purchased at a premium or a discount. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
2. Commercial paper notes issued by companies incorporated under the laws of the United States; specific limitations apply as defined under Ohio Revised Code Section 135.14(B)(7).
3. Bankers acceptances issued by any domestic bank rated in the highest category by a nationally recognized rating agency; specific limitations apply as defined under Ohio Revised Code Section 135.14(B)(7).
4. Certificates of deposit from any eligible institution mentioned in Ohio Revised Code Section 135.32.
5. No-load money market mutual funds rated in the highest category by at least one nationally recognized rating agency, investing exclusively in the same types of eligible securities as defined in Ohio Revised Code Sections 135.14(B)(1) and 135.14 (B)(2) and repurchase agreements secured by such obligations. Eligible money market funds shall comply with Ohio Revised Code Section 135.01, regarding limitations and restrictions.
6. Repurchase agreements with any eligible institutions mentioned in Ohio Revised Code Section 135.32, or any eligible securities dealer pursuant to Ohio Revised Code Section 135.32(J), except that such eligible securities dealers shall be restricted to primary government securities dealers. Repurchase agreements will settle on a delivery vs. payment basis with collateral held in safekeeping by a third party custodian as agreed to by the Fiscal Officer. The market value of securities subject to a repurchase agreement must exceed the principal value of the repurchase agreement by at least two percent as defined under the Ohio Revised Code. The Fiscal Officer reserves the right to require an additional percentage of collateral securing such repurchase agreements.
7. The state treasurer's investment pool (STAR Ohio), pursuant to Ohio Revised Code Section 135.45.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements
December 31, 2011

(3) Cash and Investments (continued)

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)	\$ 4,089,668	AAAm ¹	\$ 4,089,668	\$ -	\$ -
Federal Agency Securities (Non-callable)	7,166,777	AAA ¹	750,798	6,415,979	-
Federal Agency Securities (Callable)	15,000,202	AAA ¹	-	8,248,249 ²	6,751,953 ³
Federal Agency – Discount	9,991,092		9,991,092	-	-
Federal Agency – Step-up	1,000,761		1,000,761 ⁴		
Money Market Fund	189,368	AAAm ¹	189,368		
Carrying Amount of Deposits	1,244,442		1,244,442		
Change Funds and Imprest Balance	<u>91,077</u>		<u>91,077</u>		
Total	<u>\$38,773,387</u>		<u>\$17,357,206</u>	<u>\$14,664,228</u>	<u>\$ 6,751,953</u>
Less: Cash and investments – Agency Fund	<u>(24,231)</u>				
Total Governmental Funds Cash	<u>38,749,156</u>				
Per Statement of Net Assets:					
Cash and investments	\$ 38,681,414				
Cash and investments – Restricted	<u>67,742</u>				
Total	<u>\$ 38,749,156</u>				

¹ - Standard & Poors.

² - as of 04/27/12, \$5,248,287 has been called. The remaining \$2,999,962 is callable within 1 year.

³ - as of 04/27/12, \$1,500,797 has been called, \$4,751,136 is callable within 1 year and the remaining \$500,020 is callable within 2 years.

⁴ - \$1,000,761 is callable within 1 year.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2011.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(4) Donor Restricted Endowments

The Library's Permanent Fund includes donor-restricted endowments. No n-Spendable Fund Balance includes the \$67,742 non-spendable portion of the endowment, the \$521 that is available for expenditure is restricted to comply with donors' original intent. The Library Board of Trustees is permitted to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms state otherwise.

(5) Receivables

Receivables at December 31, 2011 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	\$61,457,142	\$ 41,407	\$ 145,211	\$ 61,643,760
Other Governmental	-	1	248	249
Internal Service	-	1,954	33,468	35,422
Total	<u>\$ 61,457,142</u>	<u>\$43,362</u>	<u>\$ 178,927</u>	<u>\$ 61,679,431</u>

(6) Capital Assets

A summary of changes in capital assets for the year ended December 31, 2011, follows:

	Balance <u>January 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2011</u>
Nondepreciable Assets:				
Land	\$ 8,388,923	\$ -	\$ -	\$ 8,388,923
Depreciable Assets:				
Buildings and improvements	82,218,120	-	-	82,218,120
Machinery and equipment	6,122,899	127,653	-	6,250,552
Total Depreciable Assets	<u>88,341,019</u>	<u>127,653</u>	<u>-</u>	<u>88,468,672</u>
Total Capital Assets	<u>\$ 96,729,942</u>	<u>\$ 127,653</u>	<u>\$ -</u>	<u>\$ 96,857,595</u>
Accumulated Depreciation:				
Buildings and improvements	(25,154,075)	(1,362,495)	-	(26,516,570)
Machinery and equipment	(4,408,590)	(245,235)	-	(4,653,825)
Total Accumulated Depreciation	<u>(29,562,665)</u>	<u>(1,607,730)</u>	<u>-</u>	<u>(31,170,395)</u>
Total Capital Assets, net	<u>\$ 67,167,277</u>	<u>\$ (1,480,077)</u>	<u>\$ -</u>	<u>\$ 65,687,200</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 \$ 1,607,730 depreciation expense, \$1,024,507 was related to Public Service and \$583,223 was related to Administrative and Support.

(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.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(7) Pension Plans (continued)

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 2011, member and employer contribution rates were consistent across all three plans. For 2011, member contribution rates were 10.0% of their annual covered salary. The 2011 employer contribution rate was 14.00% of covered payroll. Total required employer contributions for all three plans are equal to 100% of employer charges and should be extracted from the employer's records.

The Library's contributions to OPERS for the years ending December 31, 2011, 2010 and 2009, were \$3,666,415, \$3,197,722, and \$3,545,017 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 2011, the Library contributed 14.0% of covered payroll. The Ohio Revised Code currently limits the Library's contribution to a rate not to exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established in accordance with Internal Revenue Code §401(h). Each year, the OPERS Retirement Board determines the portion of the employer rate that will be set aside for funding of post employment health care benefits. For all of 2011 the Library's contribution allocated to the health care plan was 4.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The rates stated above are actuarially determined contribution requirements for OPERS. The amount of actuarially determined Library contributions actually made to fund post-employment benefits was approximately \$1,041,005 in 2011, \$1,155,697 in 2010, and \$1,498,795 in 2009.

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(8) Other Post-Employment Benefits (continued)

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

(9) Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Library district.

Real property taxes and public utility taxes collected during 2011 were levied after October 1 on the assessed value listed as of the prior January 1, the lien date. These taxes are payable annually or semi-annually. If paid annually, payment is due by January 20; if paid semi-annually, the first payment is due by January 20 with remainder payable by June 20. Under certain circumstances, state statutes permit earlier or later payment dates to be established.

Assessed values are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years. The last revaluation was completed in 2010. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value, which is a certain percentage of cost. Percentages vary according to the type of utility involved. The assessed values upon which the 2011 taxes were collected were approximately \$18.3 billion.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Increases in the property tax rate are restricted only by voter willingness to approve such increases. In 1986, voters approved taxation of property for the Library of .22% (2.2 mills) of assessed value effective January 1, 1986, for collection in 1987. This levy was to be collected for a period of 15 years and expired after the collection year 2002. In November 2000, the voters in Franklin County approved renewing the existing 2.2 levy. The collection year for the new levy began in 2002. In November of 2010, the voters in Franklin County approved to replace the existing 2.2 mill levy with an new 2.2 mill levy and an increase of 0.6 mills, the collection year for the replacement levy began January 2011.

The Franklin County Treasurer collects property taxes on behalf of taxing districts in the county. The Franklin County Auditor periodically remits to the Library its portion of the taxes collected. Property taxes with both a lien and levy date prior to fiscal year end are recorded as unearned revenue and receivables. However, property taxes including delinquent property taxes that were measurable at December 31, 2011, and available to the Library are recorded as revenues and receivables.

(10) Joint Ventures

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

According to the terms of the agreement, the Library will not assume any responsibility for the daily management, operation and maintenance of the building. In addition, the agreement states that the Library will contribute, based on a formula, to the operational needs of the facility. In 2011, the Library contributed \$979,410 to the operational costs of Worthington.

(11) Fund Balance

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

1. **Non-spendable** – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(11) Fund Balance (continued)

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

The Library had the following balances at December 31, 2011:

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Non-Spendable				
Permanent Principle	-	-	67,742	
Prepays	745,435	-	16,672	
Total Non-Spendable	<u>745,435</u>	-	<u>84,414</u>	<u>829,849</u>
Restricted				
Interest Earned on Donations	-	-	521	
Donations and Grants	-	-	566,248	
Total Restricted	-	-	<u>566,769</u>	<u>566,769</u>
Committed				
Capital Improvements	-	579,795	-	
Technology Projects	223,439	-	-	
Facility Projects	213,927	-	-	
Total Committed	<u>437,366</u>	<u>579,795</u>	-	<u>1,017,161</u>
Assigned				
Land Development	-	-	153,488	
Capital Improvements	-	25,196,472	-	
Facility Projects	533,024	-	-	
Technology Projects	938,016	-	-	
Library Materials	920,501	-	-	
27th Pay Period	205,325	-	-	
General Operations	1,507,887	-	-	
Total Assigned	<u>4,104,753</u>	<u>25,196,472</u>	<u>153,488</u>	<u>29,454,713</u>
Unassigned	<u>5,995,483</u>	-	-	<u>5,995,483</u>
Total Fund Balances	<u><u>11,283,037</u></u>	<u><u>25,776,267</u></u>	<u><u>804,671</u></u>	<u><u>37,863,975</u></u>

COLUMBUS METROPOLITAN LIBRARY

Notes to the Basic Financial Statements

December 31, 2011

(12) Budgetary Basis of Accounting

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

	Net Change in Fund Balance	Fund Balance, December 31, 2011
GAAP basis	\$ 4,357,097	\$ 11,283,037
Increase (decrease):		
Due to revenues:		
Received in cash during 2011, but accrued at December 31, 2010	61,827,745	
Accrued at December 31, 2011, not yet received in cash	(61,709,964)	(61,709,964)
Deferred at December 31, 2010, but not recognized in budget	(58,867,290)	
Deferred at December 31, 2011, but recognized in budget	58,311,996	58,311,996
Due to expenditures:		
Paid in cash during 2011, accrued at December 31, 2010	(750,075)	
Accrued at December 31, 2011, not yet paid in cash	1,658,138	1,658,138
Due to encumbrances:		
Expenditures of amounts encumbered during the year ended December 31, 2011	684,114	
Recognized as expenditures in budget	(2,865,754)	(2,865,754)
Others, net	(2)	(1,222)
Budgetary Basis	<u>\$ 2,646,005</u>	<u>\$ 6,676,231</u>

COLUMBUS METROPOLITAN LIBRARY FUND DESCRIPTIONS

Major Funds

General Fund

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

Capital Projects Fund

In order to align our 2011 budget cycle with the library's implementation of GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, many projects in the Capital Projects Fund were closed at the end of 2010 and re-opened in a General Projects sub-fund of the General Fund for 2011. The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities and equipment other than those financed by Proprietary Funds. The 2011 active projects are:

- CML Branding Project
- Main Library Roof Project
- Main Library HVAC Project
- Reynoldsburg & South High Roof Project
- Driving Park Branch Project
- Whitehall Branch 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.

Agency Fund

The Agency fund is used to account for funds held and administered by the Library on behalf of other government agencies. The one Agency Fund that the Library has is the Digital Downloads Collaboration fund.

COLUMBUS METROPOLITAN LIBRARY
Schedule of Assets, Liabilities and Balances of Accounts
within the General Fund
As of December 31, 2011

	General Operating Account	General Projects Account	General Liability Account	27th Pay Period Account	Northwest Library Remodel Account	Total General Fund
ASSETS						
Equity in Pooled Cash and Investments	\$ 7,329,904	\$ 2,074,182	\$ 621,642	\$ 205,325	\$ -	\$ 10,231,053
Accounts Receivable	61,643,760	-	-	-	-	61,643,760
Prepays	735,526	9,909	-	-	-	745,435
Total Assets	<u>69,709,190</u>	<u>2,084,091</u>	<u>621,642</u>	<u>205,325</u>	<u>-</u>	<u>72,620,248</u>
LIABILITIES						
Accounts Payable	1,903,308	165,776	34,109	-	-	2,103,193
Accrued Liabilities	334,489	-	587,533	-	-	922,022
Deferred Revenue	58,311,996	-	-	-	-	58,311,996
Total Liabilities	<u>60,549,793</u>	<u>165,776</u>	<u>621,642</u>	<u>-</u>	<u>-</u>	<u>61,337,211</u>
FUNDS BALANCE						
Non-Spendable	735,526	9,909	-	-	-	745,435
Committed	-	437,366	-	-	-	437,366
Assigned	2,428,388	1,471,040	-	205,325	-	4,104,753
Unassigned	5,995,483	-	-	-	-	5,995,483
Total Fund Balance	<u>9,159,397</u>	<u>1,918,315</u>	<u>-</u>	<u>205,325</u>	<u>-</u>	<u>11,283,037</u>
Total Liabilities and Fund Balance	<u>\$ 69,709,190</u>	<u>\$ 2,084,091</u>	<u>\$ 621,642</u>	<u>\$ 205,325</u>	<u>\$ -</u>	<u>\$ 72,620,248</u>

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Account Balance
General Fund
For the Year Ended December 31, 2011

	General Operating Account	General Projects Account	General Liability Account	27th Pay Period Account	Northwest Library Remodel Account	Total General Fund
REVENUES						
Property Taxes	\$ 48,318,432	\$ -	\$ -	\$ -	\$ -	\$ 48,318,432
Intergovernmental	28,109,034	-	-	-	-	28,109,034
Fines and Fees	1,532,581	-	-	-	-	1,532,581
Charges for Services	770,872	-	-	-	-	770,872
Investment Earnings	227,519	-	-	-	-	227,519
Contributions and Donations	4,000	134,033	-	-	-	138,033
Miscellaneous	419,127	-	-	-	-	419,127
Total Revenues	79,381,565	134,033	-	-	-	79,515,598
EXPENDITURES						
Public Services:						
Salaries and Benefits	23,582,457	-	-	-	-	23,582,457
Supplies	414,252	-	-	-	-	414,252
Purchased/Contracted Services	2,880,439	-	-	-	-	2,880,439
Library Materials	7,836,976	-	-	-	-	7,836,976
Total Public Service	34,714,124	-	-	-	-	34,714,124
Administrative and Support:						
Salaries and Benefits	9,832,643	-	-	-	-	9,832,643
Supplies	1,458,167	486,157	-	-	-	1,944,324
Purchased/Contracted Services	5,699,228	896,509	-	-	-	6,595,737
Library Materials	3,150	-	-	-	-	3,150
Other	893,738	-	-	-	-	893,738
Total Administrative and Support	17,886,926	1,382,666	-	-	-	19,269,592
Capital Outlay	60,475	146,835	-	-	-	207,310
Total Expenditures	52,661,525	1,529,501	-	-	-	54,191,026
Excess (deficiency) of Revenue over (under) Expenditures	26,720,040	(1,395,468)	-	-	-	25,324,572
OTHER FINANCING SOURCES (USES)						
Inter-Fund Transfers In	-	3,313,783	-	205,000	-	3,518,783
Inter-Fund Transfers Out	23,518,783	-	-	-	967,475	24,486,258
Total Other Financing Sources (Uses)	(23,518,783)	3,313,783	-	205,000	(967,475)	(20,967,475)
Net Change in Fund Balances	3,201,257	1,918,315	-	205,000	(967,475)	4,357,097
Fund Balances Beginning of Year	5,958,140	-	-	325	967,475	6,925,940
Fund Balances at End of Year	\$ 9,159,397	\$ 1,918,315	\$ -	\$ 205,325	\$ -	\$ 11,283,037

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Assets, Liabilities and Project Balances
Capital Projects
For the Year Ended December 31, 2011

	Capital Project Non-Project Related	CML Branding Project	Main Library Roof Repair Project
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 11,336,904	\$ 33,990	\$ 485,677
Total Assets	<u>11,336,904</u>	<u>33,990</u>	<u>485,677</u>
LIABILITIES			
Accounts Payable	-	-	110,594
Total Liabilities	<u>-</u>	<u>-</u>	<u>110,594</u>
FUNDS BALANCE			
Committed Fund Balance	-		256,895
Assigned Fund Balance	11,336,904	33,990	118,188
Total Fund Balance	<u>11,336,904</u>	<u>33,990</u>	<u>375,083</u>
Total Liabilities and Fund Balance	<u>\$ 11,336,904</u>	<u>\$ 33,990</u>	<u>\$ 485,677</u>

Main Library HVAC Project	Reynoldsburg & South High Roof Project	Driving Park Branch Project	Whitehall Branch Project	Total Capital Projects Fund
\$ -	\$ 370,290	\$ 6,000,000	\$ 7,660,000	\$ 25,886,861
-	370,290	6,000,000	7,660,000	25,886,861
-	-	-	-	110,594
-	-	-	-	110,594
-	322,900	-	-	579,795
-	47,390	6,000,000	7,660,000	25,196,472
-	370,290	6,000,000	7,660,000	25,776,267
\$ -	\$ 370,290	\$ 6,000,000	\$ 7,660,000	\$ 25,886,861

COLUMBUS METROPOLITAN LIBRARY
Combining Supplemental Schedule of Revenues,
Expenditures and Changes in Project Balance
Capital Projects
For the Year Ended December 31, 2011

	Capital Project Non-Project Related	CML Branding Project	Main Library Roof Repair Project	Main Library HVAC Project
REVENUES				
Contributions and Donations	\$ -	\$ -	\$ -	\$ 7,344
Total Revenues	-	-	-	7,344
EXPENDITURES				
Administrative and Support:				
Salaries and Benefits				
Supplies	-	-	-	-
Purchased/Contracted Services	-	-	22,025	20,910
Total Administrative and Support	-	-	22,025	20,910
Capital Outlay	-	-	608,179	4,239
Total Expenditures	-	-	630,204	25,149
Excess (deficiency) of revenue over (under) expenditures	-	-	(630,204)	(17,805)
OTHER FINANCING SOURCES (USES)				
Inter-Fund Transfer-In	63,913	-	306,500	-
Inter-Fund Transfer-Out	(14,427,100)	-	-	(63,913)
Transfers In	22,467,475	-	-	-
Total Other Financing Sources (Uses)	8,104,288	-	306,500	(63,913)
Net Change in Fund Balances	8,104,288	-	(323,704)	(81,718)
Fund Balances Beginning of Year	3,232,616	33,990	698,787	81,718
Fund Balances at End of Year	\$ 11,336,904	\$ 33,990	\$ 375,083	\$ -

Reynoldsburg & South High Roof Project	Driving Park Branch Project	Whitehall Branch Project	Total Capital Projects Fund
\$ -	\$ -	\$ -	\$ 7,344
-	-	-	7,344
6,100	-	-	6,100
-	-	-	42,935
6,100	-	-	49,035
84,210	-	-	696,628
90,310	-	-	745,663
(90,310)	-	-	(738,319)
460,600	6,000,000	7,660,000	14,491,013
-	-	-	(14,491,013)
-	-	-	22,467,475
460,600	6,000,000	7,660,000	22,467,475
370,290	6,000,000	7,660,000	21,729,156
-	-	-	4,047,111
\$ 370,290	\$ 6,000,000	\$ 7,660,000	25,776,267

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COLUMBUS METROPOLITAN LIBRARY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 826,341	\$ 68,262	\$ 894,603
Receivables	248	1	249
Prepays	16,672	-	16,672
Total Assets	843,261	68,263	911,524
LIABILITIES			
Account Payable	51,949	-	51,949
Accrued Liabilities	54,904	-	54,904
Total Liabilities	106,853	-	106,853
FUNDS BALANCE			
Non-Spendable Fund Balance	16,672	67,742	84,414
Restricted Fund Balance	566,248	521	566,769
Assigned Fund Balance - Land Development	153,488	-	153,488
Total Fund Balance	736,408	68,263	804,671
Total Liabilities and Fund Balance	\$ 843,261	\$ 68,263	\$ 911,524

COLUMBUS METROPOLITAN LIBRARY
Combining Statement of Revenues, Expenditures and
Changes in Funds Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment Earnings	\$ (3,601)	\$ 37	\$ (3,564)
Charges for Services	660,382	-	660,382
Contributions and Donations	731,492	-	731,492
Miscellaneous	24,288	-	24,288
Total Revenues	1,412,561	37	1,412,598
EXPENDITURES			
Public Services:			
Salaries and Benefits	470,944	-	470,944
Supplies	292,419	-	292,419
Purchased and Contracted Services	44,523	-	44,523
Library Materials	47,548	-	47,548
Total Public Service	855,434	-	855,434
Administrative and Support:			
Supplies	77,493	-	77,493
Purchased and Contracted Services	512,781	-	512,781
Library Materials	-	-	-
Other	-	-	-
Total Administrative and Support	590,274	-	590,274
Capital Outlay	22,776	-	22,776
Total Expenditures	1,468,484	-	1,468,484
Excess (deficiency) of Revenue over (under) Expenditures	(55,923)	37	(55,886)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(1,500,000)	-	(1,500,000)
Advance In	44,200	-	44,200
Advance Out	(44,200)	-	(44,200)
Total Other Financing Sources (Uses)	(1,500,000)	-	(1,500,000)
Net Change in Fund Balances	(1,555,923)	37	(1,555,886)
Fund Balances at Beginning of Year	2,292,331	68,226	2,360,557
Fund Balances at End of Year	\$ 736,408	\$ 68,263	\$ 804,671

COLUMBUS METROPOLITAN LIBRARY
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Restricted Fund	Land Development Fund	Total Nonmajor Special Revenue Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 605,733	\$ 220,608	\$ 826,341
Receivables	-	248	248
Prepays	-	16,672	16,672
Total Assets	605,733	237,528	843,261
LIABILITIES			
Accounts Payable	35,864	16,085	51,949
Accrued Liabilities	3,621	51,283	54,904
Total Liabilities	39,485	67,368	106,853
FUNDS BALANCE			
Non-Spendable Fund Balance	-	16,672	16,672
Restricted Fund Balance	566,248	-	566,248
Committed Fund Balance	-	-	-
Assigned Fund Balance	-	153,488	153,488
Unassigned Fund Balance	-	-	-
Total Fund Balance	566,248	170,160	736,408
Total Liabilities and Fund Balance	\$ 605,733	\$ 237,528	\$ 843,261

COLUMBUS METROPOLITAN LIBRARY
Combining Statement of Revenues, Expenditures and
Changes in Funds Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011

	Restricted Fund	Land Development Fund	Total Nonmajor Special Revenue Funds
REVENUES			
Investment Earnings	\$ -	\$ (3,601)	\$ (3,601)
Charges for Services	-	660,382	660,382
Contributions and Donations	731,492	-	731,492
Miscellaneous	50	24,238	24,288
Total Revenues	731,542	681,019	1,412,561
EXPENDITURES			
Public Services:			
Salaries and Benefits	470,944	-	470,944
Supplies	292,419	-	292,419
Purchased/Contracted Services	44,523	-	44,523
Library Materials	47,548	-	47,548
Total Public Service	855,434	-	855,434
Administrative and Support:			
Supplies	-	77,493	77,493
Purchased/Contracted Services	-	512,781	512,781
Total Administrative and Support	-	590,274	590,274
Capital Outlay	22,776	-	22,776
Total Expenditures	878,210	590,274	1,468,484
Excess (deficiency) of Revenue over (under) Expenditures	(146,668)	90,745	(55,923)
OTHER FINANCING SOURCES			
Advance from General Fund	44,200	-	44,200
Advance to General Fund	(44,200)	-	(44,200)
Transfers Out	-	(1,500,000)	(1,500,000)
Total Financing Sources (Uses)	-	(1,500,000)	(1,500,000)
Net Change in Fund Balances	(146,668)	(1,409,255)	(1,555,923)
Fund Balances Beginning of Year	712,916	1,579,415	2,292,331
Fund Balances at End of Year	\$ 566,248	\$ 170,160	\$ 736,408

COLUMBUS METROPOLITAN LIBRARY
Combining Schedule of Revenues, Expenditures and Changes
in Account Balances - Budget (Non-GAAP) and Actual
General Fund
For the Year Ended December 31, 2011

	<u>General Operating Account</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property Taxes	\$ 46,573,808	\$ 49,042,492	\$ 47,625,955	\$ (1,416,537)
Intergovernmental	22,956,397	30,706,557	28,239,638	(2,466,919)
Fines and Fees	1,400,000	1,400,000	1,534,992	134,992
Charges for Services	725,000	725,000	757,925	32,925
Investment Earnings	400,000	355,800	238,893	(116,907)
Contributions and Donations	10,000	10,000	4,000	(6,000)
Miscellaneous	290,000	390,000	517,453	127,453
Total Revenues	<u>72,355,205</u>	<u>82,629,849</u>	<u>78,918,856</u>	<u>(3,710,993)</u>
EXPENDITURES				
Current:				
Public Service:				
Salaries and Benefits	24,544,952	24,253,293	23,512,046	741,247
Supplies	569,511	587,010	456,958	130,052
Purchased and Contracted Services	3,289,870	3,039,135	2,914,728	124,407
Library Materials	7,998,000	7,913,848	7,888,503	25,345
Administrative and Support:				
Salaries and Benefits	9,488,465	9,780,124	9,783,429	(3,305)
Supplies	1,596,655	1,823,694	1,636,605	187,089
Purchased and Contracted Services	6,539,611	6,935,921	6,487,222	448,699
Library Materials	2,000	21,709	3,660	18,049
Other	2,042,380	1,453,140	893,739	559,401
Equipment	110,800	124,530	120,914	3,616
Total Expenditures	<u>56,182,244</u>	<u>55,932,404</u>	<u>53,697,804</u>	<u>2,234,600</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>16,172,961</u>	<u>26,697,445</u>	<u>25,221,052</u>	<u>(1,476,393)</u>
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	-	-	-	-
Intra-Fund Transfers Out	(3,493,588)	(3,493,588)	(3,493,588)	-
Transfers Out	(11,000,000)	(20,000,000)	(20,000,000)	-
Advances In	-	44,200	44,200	-
Total Other Financing Sources (Uses)	<u>(14,493,588)</u>	<u>(23,449,388)</u>	<u>(23,449,388)</u>	<u>-</u>
Net Changes in Fund Balances	1,679,373	3,248,057	1,771,664	(1,476,393)
Fund Balances at Beginning of Year	3,062,426	3,062,426	3,062,426	-
Funds Balance End of Year	<u>\$ 4,741,799</u>	<u>\$ 6,310,483</u>	<u>\$ 4,834,090</u>	<u>\$ (1,476,393)</u>

General Projects Account

<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)	
<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	159,228	159,228
-	-	-	-
-	-	159,228	159,228
-	-	-	-
80,000	4,165	4,164	1
-	-	-	-
-	-	-	-
637,800	558,329	505,842	52,487
1,790,600	2,076,552	1,109,651	966,901
-	-	-	-
415,743	70,517	-	70,517
364,445	579,025	191,343	387,682
3,288,588	3,288,588	1,811,000	1,477,588
(3,288,588)	(3,288,588)	(1,651,772)	1,636,816
3,288,588	3,288,588	3,288,588	-
-	-	-	-
-	-	-	-
-	-	-	-
3,288,588	3,288,588	3,288,588	-
-	-	1,636,816	1,636,816
-	-	-	-
\$ -	\$ -	\$ 1,636,816	\$ 1,636,816

(Continued)

27th Pay Period Account				
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and Fees	-	-	-	-
Charges for Services	-	-	-	-
Investment earnings	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Public Service:				
Salaries and Benefits	-	-	-	-
Supplies	-	-	-	-
Purchased and Contracted Services	-	-	-	-
Library Materials	-	-	-	-
Administrative and Support:				
Salaries and Benefits	-	-	-	-
Supplies	-	-	-	-
Purchased and Contracted Services	-	-	-	-
Library Materials	-	-	-	-
Other	-	-	-	-
Capital Outlay:	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of Revenue over (under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	205,000	205,000	205,000	-
Intra-Fund Transfers Out	-	-	-	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Total Other Financing Sources (Uses)	205,000	205,000	205,000	-
Net Changes in Fund Balances	205,000	205,000	205,000	-
Fund Balances at Beginning of Year	325	325	325	-
Funds Balance End of Year	\$ 205,325	\$ 205,325	\$ 205,325	\$ -

Combining General Fund Totals				
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 46,573,808	\$ 49,042,492	\$ 47,625,955	\$ (1,416,537)
Intergovernmental	22,956,397	30,706,557	28,239,638	(2,466,919)
Fines and Fees	1,400,000	1,400,000	1,534,992	134,992
Charges for Services	725,000	725,000	757,925	32,925
Investment earnings	400,000	355,800	238,893	(116,907)
Contributions and donations	10,000	10,000	163,228	153,228
Miscellaneous	290,000	390,000	517,453	127,453
Total Revenues	<u>72,355,205</u>	<u>82,629,849</u>	<u>79,078,084</u>	<u>(3,551,765)</u>
EXPENDITURES				
Current:				
Public Service:				
Salaries and Benefits	24,544,952	24,253,293	23,512,046	741,247
Supplies	649,511	591,175	461,122	130,053
Purchased and Contracted Services	3,289,870	3,039,135	2,914,728	124,407
Library Materials	7,998,000	7,913,848	7,888,503	25,345
Administrative and Support:				
Salaries and Benefits	9,488,465	9,780,124	9,783,429	(3,305)
Supplies	2,234,455	2,382,023	2,142,447	239,576
Purchased and Contracted Services	8,330,211	9,012,473	7,596,873	1,415,600
Library Materials	2,000	21,709	3,660	18,049
Other	2,458,123	1,523,657	893,739	629,918
Capital Outlay:	475,245	703,555	312,257	391,298
Total Expenditures	<u>59,470,832</u>	<u>59,220,992</u>	<u>55,508,804</u>	<u>3,712,188</u>
Excess (deficiency) of Revenue over (under) Expenditures	<u>12,884,373</u>	<u>23,408,857</u>	<u>23,569,280</u>	<u>160,423</u>
OTHER FINANCING SOURCES (USES)				
Intra-Fund Transfers In	3,493,588	3,493,588	3,493,588	-
Intra-Fund Transfers Out	(4,461,063)	(4,461,063)	(4,461,063)	-
Transfers Out	(11,000,000)	(20,000,000)	(20,000,000)	-
Advances In	-	44,200	44,200	-
Total Other Financing Sources (Uses)	<u>(11,967,475)</u>	<u>(20,923,275)</u>	<u>(20,923,275)</u>	<u>-</u>
Net Changes in Fund Balances	916,898	2,485,582	2,646,005	160,423
Fund Balances at Beginning of Year	4,030,226	4,030,226	4,030,226	-
Funds Balance End of Year	<u>\$ 4,947,124</u>	<u>\$ 6,515,808</u>	<u>\$ 6,676,231</u>	<u>\$ 160,423</u>

COLUMBUS METROPOLITAN LIBRARY
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP) and Actual
Restricted - Special Revenue Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget
				Positive
				(Negative)
REVENUES				
Contributions and Donations	\$ 800,000	\$ 800,000	\$ 809,809	\$ 9,809
Miscellaneous	-	-	50	50
Total Revenues	<u>800,000</u>	<u>800,000</u>	<u>809,859</u>	<u>9,859</u>
EXPENDITURES				
Current:				
Public Service:				
Salaries & Benefits	58,000	460,595	469,403	(8,808)
Supplies	33,444	554,819	332,004	222,815
Purchased and Contracted Services	47,800	75,522	45,831	29,691
Library Materials	39,000	98,910	48,013	50,897
Other	621,756	255,878	-	255,878
Equipment	-	23,776	22,776	1,000
Total Expenditures	<u>800,000</u>	<u>1,469,500</u>	<u>918,027</u>	<u>551,473</u>
Excess (deficiency) of Revenues over (under) Expenditures	-	(669,500)	(108,168)	561,332
OTHER FINANCING SOURCES(USES)				
Advances Out	-	(44,200)	(44,200)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(44,200)</u>	<u>(44,200)</u>	<u>-</u>
Net Changes in Fund Balances	-	(44,200)	(44,200)	-
Net Changes in Fund Balances	-	(713,700)	(152,368)	561,332
Fund Balance at Beginning of Year	713,703	713,703	713,703	-
Fund Balance End of Year	<u>\$ 713,703</u>	<u>\$ 3</u>	<u>\$ 561,335</u>	<u>\$ 561,332</u>

COLUMBUS METROPOLITAN LIBRARY
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP) and Actual
Land Development - Special Revenue Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for Services	\$ 644,315	\$ 644,315	\$ 660,382	\$ 16,067
Investment Earnings	18,000	18,000	12,497	(5,503)
Miscellaneous	20,000	20,000	24,239	4,239
Total Revenues	<u>682,315</u>	<u>682,315</u>	<u>697,118</u>	<u>14,803</u>
EXPENDITURES				
Current:				
Administrative and Support:				
Supplies	55,250	76,874	76,804	70
Purchased and Contracted Services	588,437	591,813	591,684	129
Total Expenditures	<u>643,687</u>	<u>668,687</u>	<u>668,488</u>	<u>199</u>
Excess of Revenues Over Expenditures	38,628	13,628	28,630	15,002
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	1,500,000	1,500,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>
Net Changes in Fund Balances	38,628	(1,486,372)	(1,471,370)	15,002
Fund Balance at Beginning of Year	1,640,419	1,640,419	1,640,419	-
Fund Balance End of Year	<u>\$ 1,679,047</u>	<u>\$ 154,047</u>	<u>\$ 169,049</u>	<u>\$ 15,002</u>

COLUMBUS METROPOLITAN LIBRARY
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP) and Actual
Permanent Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget
				Positive
				(Negative)
REVENUES				
Investment Earnings	\$ 75	\$ 75	\$ 41	\$ (34)
Total Revenues	75	75	41	(34)
EXPENDITURES				
Current:				
Public Service:				
Library Materials	478	478	-	478
Administrative and Support:				
Other	75	75	-	75
Total Expenditures	553	553	-	553
Deficiency of Revenues under Expenditures	(478)	(478)	41	519
Fund Balance at Beginning of Year	479	479	479	-
Fund Balance End of Year	\$ 1	\$ 1	\$ 520	\$ 519

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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	57-60
These schedules summarize financial information to assist the reader in analyzing and understanding how the Library's financial performance and condition changed over time.	
Revenue Capacity	61-67
These schedules contain information to assist the reader in evaluating factors affecting the Library's ability to generate property tax revenue.	
Debt Capacity	N/A
Currently, the Library has no debt. Therefore, these schedules are not required.	
Economic and Demographic Information	68-69
These schedules offer economic and demographic indicators to assist the reader in understanding environmental factors that influence the Library's financial activities.	
Operating Information	70-73
These schedules assist the reader in measuring the Library's financial performance as it relates to various operational statistics.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. In fiscal year 2003, the Library implemented Governmental Accounting Standards Board Statement No. 34 (GASB 34). Schedules presenting government-wide information commenced with that year. In fiscal year 2011, the Library implemented GASB No. 54, schedules reporting fund balance classifications commenced that year.

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

	Fiscal Year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
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	\$ 69,437,656	\$ 68,643,901	\$ 67,167,277	\$ 65,687,200
Non Spendable	67,742	67,742	67,742	67,742	67,742	67,742	67,742	67,742	829,849
Restricted	9,520,315	10,863,760	13,595,440	13,297,427	10,943,907	9,113,095	7,661,520	6,534,500	566,769
Committed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,017,161
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	29,444,804
Unassigned	9,410,729	9,057,840	21,822,333	23,030,705	12,714,129	11,259,145	7,265,132	7,669,410	8,901,721
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>	<u>\$ 89,877,638</u>	<u>\$ 83,638,295</u>	<u>\$ 81,438,929</u>	<u>\$ 106,447,504</u>

Note: The Library began to report accrual information when it implemented GASB Statement 34 in 2003. The Library implemented GASB 54 for fiscal year ended December 31, 2011; fund balance classifications are reported prospectively.

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

	Fiscal Year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses									
Governmental activities:									
Public Service	\$ 31,863,473	\$ 32,481,244	\$ 32,512,093	\$ 33,456,423	\$ 34,198,334	\$ 34,999,765	\$ 33,105,824	\$ 29,768,963	\$ 37,143,023
Administrative and Support	17,016,864	16,200,886	16,768,918	17,956,008	19,428,007	20,324,972	18,339,648	17,014,855	21,144,501
Total primary government expenses	\$ 48,880,337	\$ 48,682,130	\$ 49,281,011	\$ 51,412,431	\$ 53,626,341	\$ 55,324,737	\$ 51,445,472	\$ 46,783,818	\$ 58,287,524
Program Revenues									
Governmental activities:									
Charges for Services									
Public Service	\$ 3,013,381	\$ 2,490,354	\$ 2,517,277	\$ 2,150,708	\$ 2,418,348	\$ 2,264,448	\$ 2,201,915	\$ 1,901,782	\$ 1,975,996
Administrative and Support	702,286	991,232	1,247,755	1,468,269	1,618,728	1,418,800	1,355,577	1,354,700	1,431,254
Operating grants and contributions	858,135	504,607	105,987	209,120	130,556	294,952	583,625	1,389,960	876,869
Capital grants and contributions	130,594	63,000	-	-	-	-	64,059	-	-
Total primary government program revenues	\$ 4,704,396	\$ 4,049,193	\$ 3,871,019	\$ 3,828,097	\$ 4,167,632	\$ 3,978,200	\$ 4,205,176	\$ 4,646,442	\$ 4,284,119
Net (Expense) Revenue	\$ (44,175,941)	\$ (44,632,937)	\$ (45,409,992)	\$ (47,584,334)	\$ (49,458,709)	\$ (51,346,537)	\$ (47,240,296)	\$ (42,137,376)	\$ (54,003,405)
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	\$ 17,530,349	\$ 15,808,287	\$ 15,669,459	\$ 50,680,324
Intergovernmental, unrestricted	26,478,734	26,528,795	38,571,919	27,358,159	16,019,512	28,487,444	24,799,451	24,101,422	28,109,034
Unrestricted Investment Earnings	293,723	289,987	766,584	1,404,862	1,495,748	1,089,794	260,402	167,129	222,622
Total primary government	\$ 45,236,208	\$ 45,321,083	\$ 59,581,755	\$ 46,859,303	\$ 35,748,604	\$ 47,107,587	\$ 40,868,140	\$ 39,938,010	\$ 79,011,980
Changes in Net Assets	\$ 1,060,267	\$ 688,146	\$ 14,171,763	\$ (725,031)	\$ (13,710,105)	\$ (4,238,950)	\$ (6,372,156)	\$ (2,199,366)	\$ 25,008,575

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	745,435
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	437,366
Assigned	2,407,513	2,378,884	2,481,749	2,700,933	2,043,617	2,373,149	2,224,307	1,029,204	1,292,831	4,104,753
Unassigned	10,476,615	8,011,240	7,799,574	8,192,614	14,221,722	8,881,711	6,089,229	6,475,532	5,633,109	5,995,483
Total general fund	12,884,128	10,390,124	10,281,323	10,893,547	16,265,339	11,254,860	8,313,536	7,504,736	6,925,940	11,283,037
All Other Governmental Funds										
Non-Spendable	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	\$ 67,742	84,414
Restricted	-	-	-	-	-	-	-	-	-	566,769
Committed	-	-	-	-	-	-	-	-	-	579,795
Assigned	10,968,577	10,441,446	10,844,819	11,470,351	11,927,987	10,363,015	8,727,016	6,719,882	6,339,926	25,349,960
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental Funds	23,920,447	20,899,312	21,193,884	22,431,640	28,261,068	21,685,617	17,108,294	14,292,360	13,333,608	37,863,975

Note: The Library implemented GASB Statement 34 in 2003. Therefore, financial data related to Schedule 4 for fiscal years 2002 and prior have not been restated to include Internal Service Fund, Trust and Agency Fund and the Expendable Fund. The Library implemented GASB 54 in 2011; fund balance classifications are reported prospectively, with the exception of the Principal Balance required to be maintained intact, and therefore is Non-Spendable

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Property Taxes	\$ 20,427,733	\$ 18,463,751	\$ 18,502,301	\$ 18,378,399	\$ 18,566,700	\$ 18,307,983	\$ 16,515,427	\$ 15,976,544	\$ 16,308,066	\$ 48,318,432
Intergovernmental	24,845,572	26,486,233	26,573,796	26,987,656	32,557,054	22,536,974	28,487,444	24,856,280	24,101,422	28,109,034
Fines and Fees	2,201,380	1,875,357	1,857,329	1,918,291	1,866,936	1,945,475	2,041,208	1,864,263	1,572,665	1,532,581
Investment Earnings	611,715	285,907	274,599	716,174	1,292,009	1,350,592	806,956	733,130	694,174	223,955
Charges for Services	1,575,048	1,305,124	1,357,039	1,328,725	1,425,250	1,486,019	1,549,539	873,260	807,801	1,431,254
Contributions and Donations	202,646	955,636	271,667	105,987	209,120	130,556	296,196	590,855	1,389,960	876,869
Miscellaneous	152,081	591,984	504,528	534,148	322,795	601,492	221,996	282,552	329,117	443,415
Total revenues	50,016,175	49,963,992	49,341,259	49,969,380	56,239,864	46,359,091	49,918,766	45,176,884	45,203,205	80,935,540
Expenditures										
Public Service	27,578,545	30,457,034	30,703,177	31,941,341	32,335,004	33,012,423	33,385,801	31,053,545	29,400,950	35,569,558
Administrative	18,594,176	15,477,281	15,321,179	14,587,253	15,825,673	17,405,684	18,882,474	15,703,784	16,273,101	19,908,901
Capital Outlay	10,128,668	6,843,228	3,022,331	2,203,030	2,249,759	2,516,435	2,141,093	1,368,302	487,906	926,714
Total expenditures	56,301,389	52,777,543	49,046,687	48,731,624	50,410,436	52,934,542	54,409,368	48,125,631	46,161,957	56,405,173
Excess of revenues over (under) expenditures	(6,285,214)	(2,813,551)	294,572	1,237,756	5,829,428	(6,575,451)	(4,490,602)	(2,948,747)	(958,752)	24,530,367
Other Financing Sources (Uses)										
Transfers In	1,670,000	6,192,490	3,450,000	2,501,520	1,500,000	22,768	5,419,996	-	-	25,986,258
Transfers Out	(1,670,000)	(6,192,490)	(3,450,000)	(2,501,520)	(1,500,000)	(22,768)	(5,419,996)	-	-	(25,986,258)
Proceeds from sale of property	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (6,285,214)	\$ (2,813,551)	\$ 294,572	\$ 1,237,756	\$ 5,829,428	\$ (6,575,451)	\$ (4,490,602)	\$ (2,948,747)	\$ (958,752)	\$ 24,530,367
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Tax Year ¹	Real Property		Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	12,877,239	36,792,111	1,970,966	7,883,864
2003	15,015,039	42,900,111	1,642,488	6,569,952
2004	15,432,104	44,091,726	1,575,753	6,303,012
2005	17,927,605	51,221,729	1,154,863	4,619,452
2006	18,455,997	52,731,420	814,754	3,259,016
2007	18,820,172	53,771,920	466,184	1,864,736
2008	19,197,804	54,850,869	58,937	589,370
2009	19,279,860	55,085,314	29,468	294,680
2010	19,631,342	56,089,549	0	0
2011	17,840,838	50,973,823	0	0

Source: Franklin County Auditor

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

² Rate per \$1,000 of assessed value

Public Utilities		Total		Total Direct Tax Rate ²	Assessed Value as a Percentage of Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
581,963	1,662,751	15,430,168	46,338,726	16.99	33.299
579,702	1,656,291	17,237,229	51,126,354	16.99	33.715
608,039	1,737,254	17,615,896	52,131,992	16.99	33.791
579,631	1,656,089	19,662,099	57,497,270	17.79	34.197
549,787	1,570,820	19,820,538	57,561,256	17.79	34.434
408,559	1,167,311	19,694,915	56,803,967	17.79	34.672
422,371	1,206,774	19,679,112	56,647,013	17.84	34.740
436,874	1,248,211	19,746,202	56,628,205	17.84	34.870
470,486	1,344,246	20,101,828	57,433,795	17.84	35.000
472,145	1,348,986	18,312,983	52,322,809	17.84	35.000

. taxes collected in 2007 are applied in 2008).

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

63

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

(Continued)

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

	Years									
	2002 for 2003	2003 for 2004	2004 for 2005	2005 for 2006	2006 for 2007	2007 for 2008	2008 for 2009	2009 for 2010	2010 for 2011	2011 for 2012
JOINT VOCATIONAL SCHOOL DISTRICT:										
Central Ohio	\$0.50	\$0.50	\$0.50	\$0.50	\$1.30	\$1.30	\$1.30	\$ 1.30	\$ 1.30	\$ 1.60
Eastland	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Licking County	3.00	2.80	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.54
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	2.96	2.96	2.95	2.95	2.95	2.95	2.95	2.95	2.95
Gahanna	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
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	1.73	1.94	1.94	1.94	1.94	1.94	1.94	1.94	1.94	1.94
Obetz	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Reynoldsburg	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Valleyview	24.53	24.53	24.53	24.53	22.53	22.53	22.53	22.53	22.53	22.53
Whitehall	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Lithopolis	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90

(Continued)

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

	Years									
	2002 for 2003	2003 for 2004	2004 for 2005	2005 for 2006	2006 for 2007	2007 for 2008	2008 for 2009	2009 for 2010	2010 for 2011	2011 for 2012
	TOWNSHIPS:									
Blendon	\$25.40	\$25.07	\$25.05	\$25.02	\$26.55	\$26.51	\$26.56	\$ 26.56	\$ 29.10	\$ 29.10
Brown	9.60	9.60	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80
Clinton	25.64	25.64	25.64	31.14	31.14	31.14	29.74	29.74	29.74	29.74
Franklin	13.05	13.05	18.05	18.05	21.31	21.31	25.20	25.20	25.20	25.20
Hamilton	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80	16.05	16.05
Jefferson	10.37	10.37	10.28	10.21	10.09	9.12	9.17	9.17	9.17	9.17
Madison	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80
Mifflin	21.80	21.80	22.80	22.80	22.80	22.80	26.80	24.80	24.80	37.40
Norwich	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60
Perry	23.80	20.40	18.40	18.40	21.20	21.20	17.67	18.10	18.10	18.10
Plain	13.43	13.12	13.37	13.27	13.15	12.85	15.35	15.35	15.35	15.35
Prairie	14.20	14.20	14.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20
Sharon	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50
Truro	16.65	16.65	16.65	16.65	16.65	16.65	16.65	16.65	16.65	16.60
Washington	20.00	20.00	19.99	19.99	19.95	14.47	14.48	14.48	15.45	15.45
OTHER ENTITIES:										
Columbus Metropolitan Library	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$ 2.20	\$ 2.80	\$ 2.80
Metropolitan Park District	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65

Source: Franklin County Auditor

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

Taxpayer	Fiscal Year 2011 ³			Fiscal Year 2002 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 Company	\$ 393,473,760	1	2.15 %	\$ 293,125,970	1	1.91 %
Nationwide Childrens	131,530,690	2	0.72			
Nationwide Mutual Insurance Co.	71,712,090	3	0.39	99,874,030	3	0.65
Columbia Gas of Ohio Inc	59,344,900	4	0.32	42,970,120	7	0.28
OhioHealth Corp.	58,626,880	5	0.32			
Distribution Land Corp.	56,066,170	6	0.31	42,892,790	8	0.28
Huntington Center Associates	39,830,000	7	0.22	48,685,000	5	0.32
BRE/COH OH LLC	34,007,830	8	0.19			
New Albany Company	26,932,990	9	0.15			
American Electric Power	26,393,170	10	0.14			
Battelle Memorial	20,827,800	11	0.11			
Grant/Riverside Hospital	20,758,150	12	0.11			
Leslie Wexner	17,869,060	13	0.10			
Total	<u>\$ 957,373,490</u>		<u>5.23 %</u>	<u>\$ 527,547,910</u>		<u>3.43 %</u>

¹The total assessed valuation for 2011 equals: \$18,312,982,520

²The total assessed valuation for 2001 equals: \$15,360,580,478

Source of Principal Property Taxpayer Listing:

³Franklin County Auditor

⁴Columbus Metropolitan Library's 2002 CAFR

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

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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
2008	19,816,075	17,286,854	87.24	860,646	18,147,500	91.58
2009	19,066,250	17,650,285	92.57	885,022	18,535,307	97.22
2010	19,068,759	17,367,128	91.08	854,819	18,221,947	95.56
2011	52,494,125	49,954,346	95.16	1,322,005	51,276,351	97.68

Source: Franklin County Auditor

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

Employer	Fiscal Year 2011 ¹			Fiscal Year 2002 ¹		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
The Ohio State University	26,778	1	4.70 %	17,169	2	3.01 %
State of Ohio	26,728	2	4.69 %	27,707	1	4.86 %
JPMorgan Chase Bank (formerly Bank One)	18,000	3	3.16 %	8,991	5	1.58 %
Ohio Health	13,217	4	2.32 %	8,158	8	1.43 %
Nationwide Mutual Insurance Co.	11,668	5	2.05 %	10,444	4	1.83 %
Columbus City Schools	9,766	6	1.71 %	8,784	7	1.54 %
Kroger Co.	9,766	6	1.71 %	5,952	12	1.04 %
City of Columbus	8,592	8	1.51 %	8,805	6	1.54 %
Nationwide Children's Hospital	7,904	9	1.39 %	2,366	28	0.42 %
McDonald's Corp.	7,622	10	1.34 %	-	-	- %
Mount Carmel Health System	7,620	11	1.34 %	4,877	14	- %
Limited Brands Inc.	7,300	12	1.28 %	7,200	9	1.26 %
Average County Employment for the Year ²	<u>570,100</u>			<u>110,453</u>		<u>18.52 %</u>

Source:

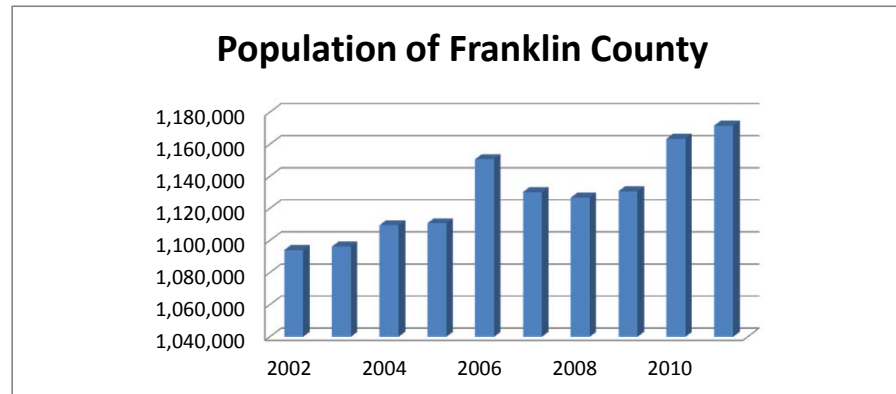
¹Business First of Columbus, Book of Lists 2011 and 2002

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

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

Year	Population	Personal Income (1)	Per Capita Personal Income (1)	Median Age	K-12 School Enrollment	Unemployment Rates		
						Franklin County	State of Ohio	United States
2002	1,094,050 (1)	32,955,000	33,144 (1)	32.9 (1)	203,724 (2)	3.9 (5)	5.3 (5)	6.0 (5)
2003	1,096,230 (1)	33,205,000	34,456 (1)	33.3 (1)	204,586 (2)	4.0 (5)	6.0 (5)	5.7 (5)
2004	1,109,630 (1)	34,043,000	35,199 (1)	33.4 (1)	203,149 (2)	4.3 (5)	5.9 (5)	5.4 (5)
2005	1,110,830 (1)	34,754,000	36,714 (1)	34.0 (1)	204,878 (2)	4.8 (5)	5.5 (5)	4.6 (5)
2006	1,150,722 (4)	35,526,000	39,395 (1)	38.8 (4)	207,204 (2)	4.5 (6)	5.4 (6)	4.3 (6)
2007	1,130,253 (4)	39,485,000	38,773 (1)	34.0 (4)	203,394 (2)	4.7 (5)	5.6 (5)	4.6 (5)
2008	1,126,742 (4)	40,331,000	40,009 (1)	34.0 (4)	200,001 (2)	6.1 (5)	7.7 (5)	7.1 (5)
2009	1,130,782 (4)	40,785,460	41,077 (1)	34.0 (4)	207,675 (2)	8.2 (5)	10.2 (5)	9.3 (5)
2010	1,163,414 (4)	41,304,170	39,473 (1)	34.0 (4)	209,841 (2)	8.5 (5)	10.1 (5)	9.6 (5)
2011	1,171,653 (8)	42,615,880*	44,666* (1)	33.6 (8)	208,597 (7)	7.6 (6)	8.6 (6)	8.9 (6)

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Source: (1) State Profile. Ohio Woods & Poole Economics, Inc., Washington, D.C.
*Woods & Poole estimate from 2010; most recent information available
(2) Quality Education Data, Inc., School Guide
(3) State of Ohio Labor Market Information
(4) Community Sourcebook of County Demographics
ESRI Business Informations

(5) Ohio Dept. of Job and Family Services, LMI; <http://lmi.state.oh.us>
ESRI Business Informations
(6) <http://ohiolmi.com/laus/CLFE/AnnualAverages/2011CLFE.pdf>
(7) MDR's school directory. Ohio. (formerly QED, source (2)) at left
(8) [Business Decision](#)

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

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

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Driving Park (1973)								
Number of Registered Borrowers	4,858	4,858	4,858	5,139	4,655	5,257	7,037	7,703
Volume Size (Collection)	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000
Circulation	134,186	131,800	119,347	106,594	93,618	76,985	71,019	71,081
Dublin (1981)								
Number of Registered Borrowers	30,067	30,067	30,067	33,365	33,483	37,667	44,431	48,584
Volume Size (Collection)	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Circulation	1,352,672	1,464,079	1,529,032	1,630,425	1,739,138	1,713,453	1,534,438	1,558,342
Franklinton (1995)								
Number of Registered Borrowers	5,849	5,849	5,849	5,583	5,401	6,091	8,426	9,424
Volume Size (Collection)	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Circulation	163,499	172,133	156,707	135,920	138,550	124,564	107,336	124,123
Gahanna (1991)								
Number of Registered Borrowers	32,261	31,581	31,987	32,833	32,481	36,400	43,462	47,165
Volume Size (Collection)	143,000	143,000	143,000	143,000	143,000	143,000	143,000	143,000
Circulation	1,181,822	1,153,960	1,182,590	1,263,524	1,353,457	1,338,952	1,199,784	1,174,913
Hilliard (1996)								
Number of Registered Borrowers	37,161	37,954	38,901	40,606	41,020	46,109	54,732	59,329
Volume Size (Collection)	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Circulation	1,484,093	1,589,055	1,637,625	1,749,510	1,863,562	1,799,007	1,599,039	1,591,721
Hilltop (1996)								
Number of Registered Borrowers	23,613	23,171	23,741	24,490	23,426	25,821	32,924	36,023
Volume Size (Collection)	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
Circulation	755,969	734,511	676,625	659,391	660,015	594,335	485,221	519,700
Karl Road (1988)								
Number of Registered Borrowers	32,581	32,252	32,252	32,282	31,009	34,478	42,691	46,272
Volume Size (Collection)	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Circulation	1,108,873	1,141,037	1,051,858	985,798	946,994	859,353	727,638	720,080
Linden (2004)								
Number of Registered Borrowers	7,485	10,446	10,446	10,438	9,714	10,973	14,881	16,107
Volume Size (Collection)	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Circulation	221,530	195,609	175,826	175,469	178,532	152,642	134,859	135,494
Livingston (1992)								
Number of Registered Borrowers	13,293	13,235	14,399	15,192	13,976	15,597	19,834	21,162
Volume Size (Collection)	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Circulation	320,773	321,463	287,361	281,320	300,800	274,717	230,806	234,540
Main Library (1901)								
Number of Registered Borrowers	75,778	71,070	70,791	78,846	79,331	90,348	113,592	129,906
Volume Size (Collection)	928,000	928,000	928,000	928,000	928,000	928,000	928,000	928,000
*Circulation	3,002,018	3,075,642	3,041,414	3,041,972	2,898,452	1,971,498	1,778,524	2,093,716
Martin Luther King (1969)								
Number of Registered Borrowers	5,798	5,335	5,484	5,402	5,203	5,932	7,770	8,445
Volume Size (Collection)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Circulation	153,269	161,761	147,531	143,224	162,779	144,400	125,551	127,794

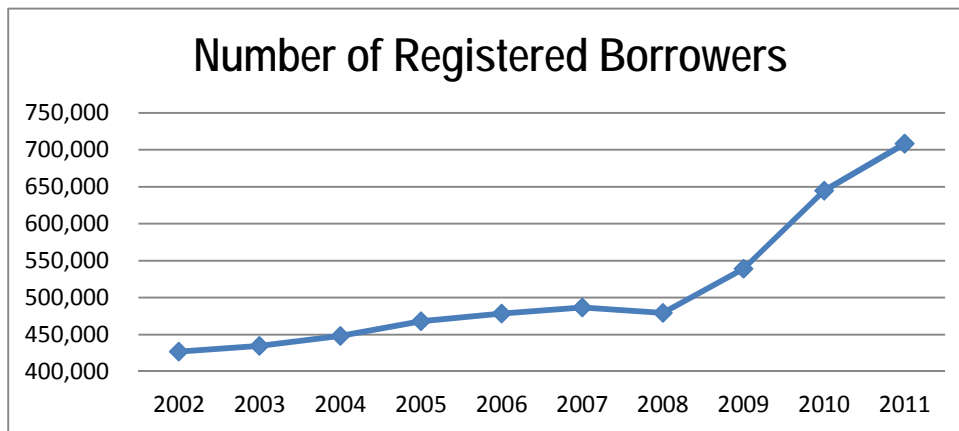
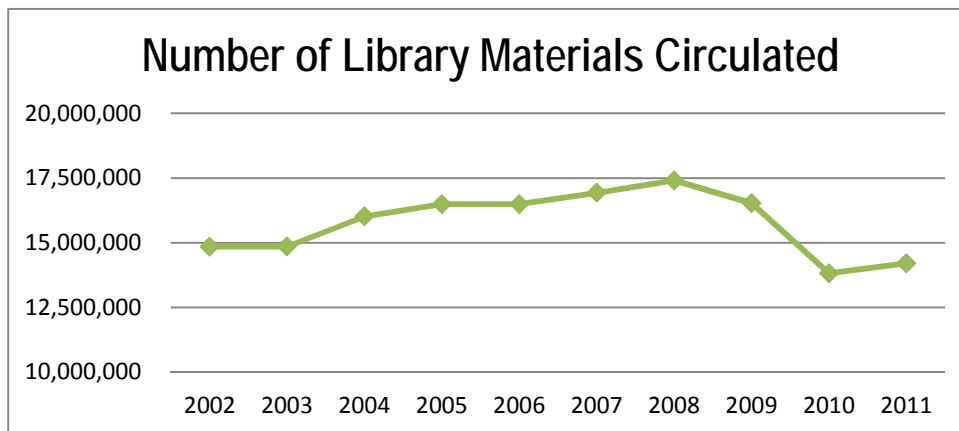
**Columbus Metropolitan Library
Capital Asset (Library Materials) Statistics by Branch
Last Eight Fiscal Years**

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

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

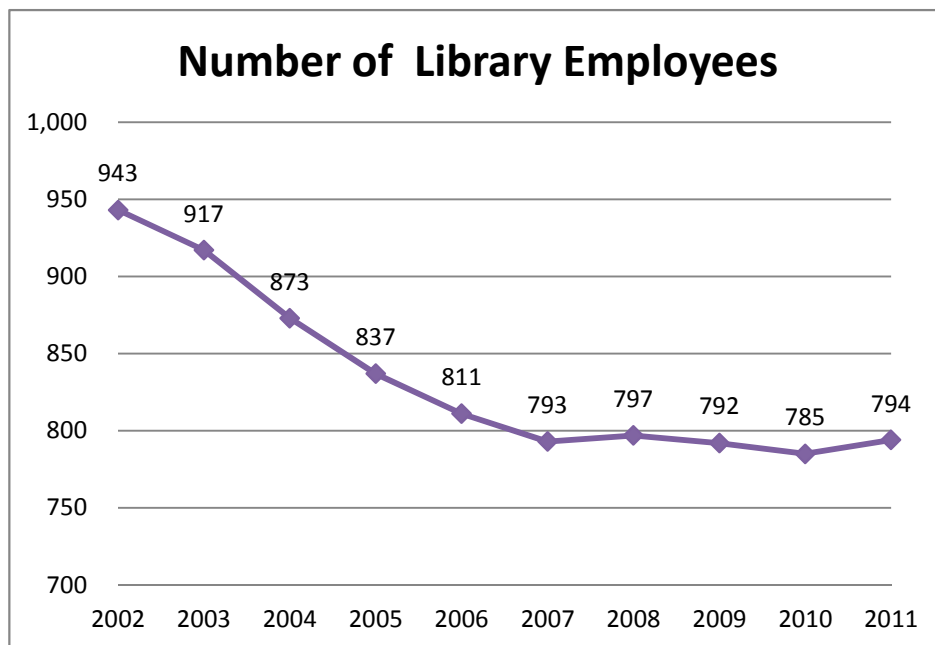
**Columbus Metropolitan Library
Operation Indicators,
Last Ten Fiscal Years**

<u>Year</u>	<u>Number of Library Materials Circulated</u>	<u>Number of Registered Borrowers</u>
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
2008	17,404,840	479,219
2009	16,526,936	539,005
2010	13,822,999	644,671
2011	14,204,719	708,451



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

<u>Year</u>	<u>Number of Library Employees¹</u>	<u>Percentage of Change Over Prior Year</u>
2002	943	0.53%
2003	917	-2.76%
2004	873	-4.80%
2005	837	-4.12%
2006	811	-3.11%
2007	793	-2.22%
2008	797	0.50%
2009	792	-0.63%
2010	785	-0.88%
2011	794	1.15%



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

COMPLIANCE SECTION

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Metropolitan Library, Franklin County, (the Library) as of and for the year ended December 31, 2011, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated May 4, 2012, wherein we noted the Library adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 the Comptroller General of the United States' *Government Auditing Standards*.

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 audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

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

We intend this report solely for the information and use of management, the audit committee, the Board of Trustees, and others within the Library. We intend it for no one other than these specified parties.



Kennedy Cottrell Richards LLC
May 4, 2012



Dave Yost • Auditor of State

COLUMBUS METROPOLITAN LIBRARY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 19, 2012**