

Columbus Metropolitan Library
Columbus, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended December 31, 2000

Issued by:

CARLOS TAYLOR

Clerk-Treasurer/Director of Finance



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398

The Board of Trustees
Columbus Metropolitan Library
Columbus, Ohio

We have reviewed the Independent Auditor's Report of the Columbus Metropolitan Library, Franklin County, prepared by KPMG, LLP, for the audit period January 1, 2000 to December 31, 2000. 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.

JIM PETRO
Auditor of State

June 26, 2001

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Columbus Metropolitan Library

LIBRARY OFFICIALS AS OF DECEMBER 31, 2000

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Columbus Metropolitan Library

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2000

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May 18, 2001

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

As Clerk-Treasurer of the Columbus Metropolitan Library (Library), it is with great pleasure that I submit to you the Comprehensive Annual Financial Report (CAFR) of the Library. This CAFR for the fiscal year ended December 31, 2000, conforms to generally accepted accounting principles (GAAP) as applicable to governmental entities.

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

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

THE HISTORY OF THE LIBRARY

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

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

Columbus Metropolitan Library

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

A milestone in the Library's history occurred in 1986. After much investigation, the Library Board of Trustees (the Board) voted to go forward to seek funds to implement a comprehensive services and capital improvements package that was developed in 1985. 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. Again, in November 2000, the voters of Franklin County approved the 2.2 mills for an additional ten years.

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

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

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

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

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

Today the Library consists of a Main Library and 21 branches located throughout Franklin County, Ohio. One of the branches is leased from the New Albany/Plain Local Schools. The contract stipulates that the Library can use the New Albany High School Library facilities during non-school hours. Additionally, the Library entered into a contract in 1993 with Worthington Public Library, a separate legal entity, to contribute to the operation of a library facility that services the citizens of both library districts.

LIBRARY MATERIALS AND SERVICES

Mission

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

We are committed to providing exceptional service to all.

Columbus Metropolitan Library

Materials and Services

The Library's collection contains more than 3.0 million items, including books, magazines, newspapers, audio and video tapes, compact discs, interactive multimedia, books-on-tape, pamphlets, maps, annual reports, sheet music and circulating visuals. The Library also maintains an extensive microfilm collection of the past issues of many magazines.

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

Customers can also access the Internet at all Library locations. The Library uses a special software package called *The Library Channel* that has allowed the system's librarians to organize thousands of Internet sites into categories called "Worlds". The Library Channel also gives customers access to the Library's collection, electronic resources, and the system's Internet site. Customers can reach the Library Internet site at <www.columbuslibrary.org>. The Library is currently in the process of evaluating another software package that will ultimately replace the Library Channel.

The Library offers workshops, book discussions and author visits for adults, and story hours and an annual summer reading program for children and young adults. A summer reading program for adults was held in 2000 and will continue in 2001.

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

Service Priorities

The Columbus Metropolitan Library currently has three service priorities:

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

REPORTING ENTITY

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

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

Based on the preceding criteria, the financial activities of the Friends of the Columbus Metropolitan Library Inc. (Friends), a nonprofit Ohio corporation, and the Carnegie Society (Society) are being reported as blended component units of the Library. Although the Friends is a separate legal entity, the sole purpose of the Friends is to provide financial support for the Library. This component unit is independently audited, and the 2000 audited figures are included in the Special Revenue Funds section of the Library's financial report.

The operation of the Society, a non-profit Ohio Corporation, is accounted for in the Special Revenue fund. The purpose of the Society is to receive, hold, invest funds, and make expenditures for the exclusive benefit of the Library. These expenditures support the long range goals and objectives of the Library's Board by providing charitable, educational, scientific and/or literary activities. For these reasons, the Library has included the Society as a blended component unit in the accompanying financial statements.

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:

Columbus Metropolitan Library

<u>Population Growth</u>	<u>City of Columbus</u>	<u>Franklin County, Ohio</u>
1980	566,800	871,900
1990	638,500	970,000
1998	657,100	1,017,400
2000	711,470	1,068,978

Sales & Marketing Management (1981, 1991) Survey of Buying Power (1998) U.S. Department of Commerce, Bureau of Census (2000)

The population growth, coupled with a strong U.S. economy, has created a very strong local economy. The city and county are supported by a diverse and stable economy, evidenced by the relatively low unemployment rate of 2.5% for the city and 2.1% for the county, as compared to the state unemployment rate of 3.7% (source: Ohio Job & Family Services, Civilian Labor Force Estimates as of December 2000).

MAJOR INITIATIVES

The significant events of 2000 were as follows:

Public Service Accomplishments:

- Won voter approval of a renewal of the Library's 2.2 mill operating levy by a margin of 67% to 33%.
- Rated as the second best public library in America serving populations of 500,000 or more, by Hennen's American Public Library Rating Index. The Hennen's Index uses six input and nine output measures to evaluate a public library's effectiveness in serving its population.
- The Library continued to experience high usage and circulation during 2000. A total of 12,239,562 items were borrowed by library patrons, an increase of 941,520 over 1999. The number of reference questions increased to 1,333,756 for the year, an increase of 33,125 over 1999.
- The Summer Reading Program "Escape to Book Island" was the most successful in Library history. A total of 51,529 children participated in this program, a 2% increase over 1999. This figure represents approximately 47% of all school age children (K-6) in area schools and is four times the national average of participants.

Public Service Enhancements:

- Provided customers with the option of preventing their children from borrowing "R" rated videos, and developed activities to help parents and children find appropriate materials.
- Evaluated and began adding Digital Video Discs (DVD's) to the Library's collection.
- Continued to collaborate with the Columbus Public Schools on a first and second grade project at 32 elementary schools.

Columbus Metropolitan Library

Service Improvements Through Computerization:

- Launched an enhanced web-based catalog version of the system's online catalog system "Discovery Place" and made it available at all library workstations and remotely to customers.
- Began using the tracking system to provide statistics on the utilization of databases.
- Further investigated the development of the Library's "Broadcast Search Engine" which will search all electronic resources via one request.
- Secured a shorter, easier to remember website address and promote the new address to the public.

Staff Development:

- Continued with the "Year 2 activities" planned for the Library's "Diversity in the Workplace" initiative. All managers and administrative staff were trained.
- Selected a program to identify key core competencies that all managerial staff is expected to actively pursue in 2001.
- Developed a training and evaluation program to improve the accuracy of reference work provided to the Library's customers.

Improvements to Facilities:

- Opened a new Southeast Branch Library, serving Canal Winchester, Groveport and Obetz communities.
- Selected a site for the new Operations Center and began the planning process.
- Developed a plan to remodel, expand, or replace selected branches.
- Widened the driveway entrance and improved lighting in the parking lot of our Reynoldsburg branch.
- Evaluated improving the entrance and bookdrop at the Driving Park branch.

Plans for 2001 and Beyond:

Public Service Enhancements:

- Begin providing library services at the Main Library and regional branches during the summer on Sundays.
- Replace "Library Channel" with an enhanced access to the Internet via the CML Home Page.
- Continue to collaborate with Columbus Public Schools on a project for grades one through three at 32 elementary schools for the third year of a three-year project.
- Investigate ways to enhance the bibliographic records in our web-based catalog.
- Continue development of the Library's "Broadcast Search Engine" which will search all the Library's electronic resources via one request, establish a schedule that will complete the project in 2002.
- Enhance the Library's home page and web-based catalog.

Columbus Metropolitan Library

Staff Development:

- Design and present general PRIDE diversity training to staff with the assistance of consultants.
- Design, introduce and access a systemwide orientation training program for customer services associates working in Extension and Main Library.
- Hire a consultant to assist selected staff members in integrating managerial competencies into the Library's culture using Lominger products with Cabinet and managers.

Improvements to Facilities:

- Finish the Southeast Branch construction project.
- Purchase land and hire Architect for Operations Center. Finalize conceptual design of Operations Center and begin groundbreaking in the summer of 2001. Complete building project for Information Systems, Technical Services and Outreach Division as they move to the Operations Center.
- Hire Architect to develop plan for transition rewiring and recabing at the Main Library before and after the departments/divisions move to the new Operations Center.
- Recarpet the entire Northern Lights branch and replace the circulation desk.

FINANCIAL INFORMATION

The Library's accounting system is organized on a "fund" basis. Each fund is a separate self-balancing accounting entity. Records for all Library funds, except the Proprietary Fund and Nonexpendable Trust Funds, are maintained on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary Fund and Nonexpendable Trust Funds are accounted for on the full accrual basis of accounting. These bases of accounting are in accordance with generally accepted accounting principles (GAAP) as applied to governmental units and consistent with GASB Cod. Sec. 1600, "Basis of Accounting".

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

Columbus Metropolitan Library

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

Internal Control Structure

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

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

The concept of reasonable assurance recognizes that:

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

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

Budgetary Controls

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

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

For financial presentation purposes, the Library has provided an additional breakdown of the legal reporting level by function. Any appropriation change, which will increase or decrease any of the above major appropriation classifications, requires approval of the Board. The Board has delegated purchase and expenditure/expense approval to the Library Administration for the daily operational needs of the Library. Generally, all expenditures over \$25,000 must be approved by the Board.

Columbus Metropolitan Library

General Governmental Functions:

Revenue Narrative:

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

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

General Property Tax Levies:

A major source of revenue for the Library is the revenue generated by the two Library property tax levies. These operating levies were approved by the voters of the Library district in 1986. These levies consist of a renewal levy in the amount of .6 mill (six-tenths of a mill) and a new levy in the amount of 1.6 mills (one and six-tenths mills). Each levy will be collected for 15 years (collection years 1987 through 2001) and then must be renewed. In 2000, the citizens of Franklin County approved a ten-year 2.2 mill operating levy, which replaces the existing levy, by a margin of 67% to 33%.

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

Another major source of funding for the Library is money received from the State of Ohio's Library and Local Government Support Fund (LLGSF). The source of money for this fund is derived from a percentage of the state income taxes collected in Ohio. Based on a formula, as established in state law, a percentage of this fund is annually distributed to each county for use by the public library district(s) within that county. Within Franklin County, the revenue is distributed among eight (8) public library districts. The Budget Commission uses a formula to determine the amount distributed to each library. The use of a formula to calculate the distribution is not mandatory under Ohio law. This formula was negotiated and agreed to by each of the library districts within the County and will expire in the year 2003. Based on the formula, the Library received 59.39% of this fund in 2000, compared to 59.33% in 1999. In 2001, the Governor of State of Ohio has proposed to the Legislature that the LLGSF be frozen for a two-year period effective July 1, 2001.

Other Revenues:

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

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Revenues for the General, Special Revenue, Debt Service and Capital Projects Funds totaled \$51,349,238 in 2000, as compared to \$47,849,603 in 1999 which represents an increase of 7.3%. The following table summarizes the composition of the 2000 and 1999 revenues by source:

<u>Revenues by Source:</u>	<u>2000</u>		<u>1999</u>		<u>Increase (Decrease)</u>
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
Intergovernmental	\$ 26,612,381	52%	\$ 24,477,146	51%	\$ 2,135,235
Property taxes	19,401,783	38	18,596,196	39	805,587
Fines and fees	1,924,045	4	1,874,421	4	49,624
Investment earnings	1,635,419	3	1,129,029	2	506,390
Charges for services	1,501,421	3	1,473,797	3	27,624
Miscellaneous	161,675	-	180,357	1	(18,682)
Contributions and donations	<u>112,514</u>	<u>-</u>	<u>118,657</u>	<u>-</u>	<u>(6,143)</u>
Total Revenues by Source	\$ 51,349,238	<u>100%</u>	\$ 47,849,603	<u>100%</u>	\$ <u>3,499,635</u>
Prior year unencumbered carryover	<u>14,494,241</u>		<u>12,984,575</u>		
TOTAL	\$ <u>65,843,479</u>		\$ <u>60,834,178</u>		

Intergovernmental revenues accounted for a majority of the increase over the previous year's revenue. Intergovernmental revenues, LLGSF and grant money received, increased by 8.7% over the previous year. This increase was attributed to an increase in the amount allocated by the State of Ohio to Franklin County for the LLGSF. The Library's other major revenue source, property taxes, experienced a minor increase of 3.8% over the previous year.

Fines and fees include payments for overdue or lost books and money received from debit cards. The fines and fees account showed relatively no increase over the previous year. The number of library materials circulated (12,364,216) increased by 8.3% over the previous year.

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

The increase in investment earnings is primarily attributable to an increase in the amount of funds available for investment purposes (approximately \$2.5 million a month). The Library's average yield on investments (certificates of deposit) during the year was 6.32% in 2000 compared to 5.04% in 1999.

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

Expenditure Narrative:

Expenditures for the General, Special Revenue, Debt Service and Capital Projects Funds totaled \$47,468,632 in 2000, as compared to \$44,729,101 in 1999, which represents an increase of \$2,739,531. Due to the nature of the Library's operations, the only current expenditure functions are Public Service and Administration and Support Services.

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The following table summarizes the composition of the 2000 and 1999 expenditures by major function:

<u>Expenditures by Function</u>	<u>2000</u>		<u>1999</u>		<u>Increase (Decrease)</u>
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
Current:					
Public service	\$24,728,346	52%	\$23,241,600	52%	\$ 1,486,746
Administration and support services	16,371,241	35	15,158,009	34	1,213,232
Capital outlay	3,360,156	7	3,031,634	7	328,522
Debt service:					
Payment of obligations under capital leases	2,885,000	6	3,020,324	7	(135,324)
Interest and fiscal charges	<u>123,889</u>	<u>-</u>	<u>277,534</u>	<u>-</u>	<u>(153,645)</u>
TOTAL	<u>\$47,468,632</u>	<u>100%</u>	<u>\$44,729,101</u>	<u>100%</u>	<u>\$ 2,739,531</u>

The comparative schedule indicates that the total "Current" expenditures increased by 7.0% (\$2,699,978) over the previous year. Current expenditures include salaries, leave benefits, supplies, purchased and contracted services, and library materials.

- A majority of the increase to the current expenditures was attributed to the salaries and leave benefits expenditure category. The salaries and leave account increased by approximately \$1,419,000. The increase was partially attributed to the Library developing and implementing a new salary and benefit plan. In addition, the number of full-time equivalent positions added during 2000 was 23.9. A portion of this increase was offset by the reduced PERS Board contribution for the last six months. Health and dental insurance contributions increased by \$201,000 over the previous year. The Library experienced a 12% increase in their health insurance coverage.
- The library materials category experienced a significant increase (\$852,000) over the prior year. Audio-visual purchases increased by \$555,000. The Library began purchasing DVD's and expanded the VHS and books-on-tape collection (\$176,000). Computer subscriptions also increased by \$150,000.
- The increase in purchased and contracted service accounts (\$237,000) was primarily due to increased postal fees (\$29,000), telephone costs (\$70,000), contracted services including cleaning, security and mowing (\$37,000), utilities (\$64,000), and increase in advertising costs (\$44,000).

A significant portion of the increase to capital outlay expenditures was due to the increase in activity within the capital projects in the current year (\$433,000). In 1999, the Library purchased a bookmobile and service vehicles (\$150,000).

Proprietary Operations

The Library's proprietary operation consists of a central stores operation. The central stores internal service fund was established to improve the accountability of the goods and services provided to the departments of the Library.

Columbus Metropolitan Library

Fiduciary Operations

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

Debt Administration

The Library finances many of its construction projects throughout Franklin County with the assistance of the city within which the construction project is located by having that city issue revenue bonds. The Library then, concurrent with the issuance of city revenue bonds, enters into capital lease agreements with the city with lease payments structured to equal the principal and interest payments on the underlying debt. Lease payments are made directly to a revenue bond trustee. In December 2000, the Library purchased the property for one dollar (\$1.00).

Cash Management

The Library pools its cash, except for that held by bond trustees, fiscal agents and funds held in perpetuity, to obtain the maximum investing efficiency. Each fund type's portion of the pool is reported on the combined balance sheet as "Cash and investments." During the year, the Library invested in demand deposits, certificates of deposits, and StarOhio, an investment pool managed by the Treasurer of the State of Ohio. The average yield on investments held at year end was 6.32%. The Library's investment performance ranks favorably when compared to average yield rates of 6.15% for 6 month U.S. Treasury bills and 6.09% for 1-year U.S. Treasury bills in 2000 (Source: Moody's Ratings). The Library's investment earnings equaled \$1,640,291 for the year ended December 31, 2000.

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

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

As of December 31, 2000, the Library's cash deposits and investments, except for investments with StarOhio, were held by several financial institutions' trust departments in the Library's name or in the name of the respective depository bank. The Library has not invested in repurchase agreements or derivatives in 2000 and has no plans to utilize repurchase agreements or derivatives in 2001. If repurchase agreements are utilized in the future, these investments will not exceed \$100,000. The Library has no intention of purchasing any types of derivatives.

Columbus Metropolitan Library

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. All employees are bonded and medical coverage for employees is insured. Beginning in 2001, the Library will become self-insured.

INDEPENDENT AUDITORS

The general purpose financial statements of the Library for the year ended December 31, 2000, were audited under contract with the Auditor of State of Ohio by KPMG LLP, independent Certified Public Accountants, whose opinion thereon is included at the beginning of the Financial Section of this report.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Columbus Metropolitan Library for its Comprehensive Annual Financial Report for the last fourteen (14) fiscal years.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports 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 report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

While many individuals have contributed to the preparation of this report, special thanks are extended to Larry D. Black, Executive Director; William Kauppi, Assistant Director of Finance; Brad Vogelmeier, Jan Smith and Anna Clendenen, Accountants; and Jean Bowling, Finance Department Secretary. I also wish to express our appreciation to the members of the Board of Trustees for their continued interest and support in planning and conducting the financial operations of the Library in a responsible and progressive manner.

Sincerely,

CARLOS TAYLOR
Clerk-Treasurer/Director of Finance

Financial Section



Two Nationwide Plaza
Columbus, OH 43215-2577

Telephone 614 249 2300
Fax 614 249 2348

Independent Auditors' Report

The Board of Trustees
Columbus Metropolitan Library

We have audited the accompanying general purpose financial statements of the Columbus Metropolitan Library (the Library) as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Library as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund type and similar trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2001 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

KPMG, LLP

May 18, 2001

COLUMBUS METROPOLITAN LIBRARY

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 2000
(with comparative totals for 1999)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits</u>				
Cash and investments (note 2)	\$ 5,790,287	\$ 1,299,901	\$ -	\$ 16,659,845
Cash and investments - Nonexpendable trust fund (note 2)	-	-	-	-
Cash with fiscal agents (note 2)	-	-	-	61,257
Receivables (note 3)	20,732,691	3,131	-	-
Due from other governments	23,631	-	-	979
Inventory	-	33,397	-	-
Prepaid items	638,232	12,409	-	-
Net property, plant and equipment (note 4)	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets	<u>\$ 27,184,841</u>	<u>\$ 1,348,838</u>	<u>\$ -</u>	<u>\$ 16,722,081</u>

Exhibit 1

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals	
		General Fixed Assets	General Long-Term Obligations	(Memorandum Only)	
Internal Service	Trust and Agency			2000	1999
\$ 121,595	\$ 707,532	\$ -	\$ -	\$ 24,579,160	\$ 20,957,640
-	84,408	-	-	84,408	83,107
-	-	-	-	61,257	2,792
-	616	-	-	20,736,438	19,775,579
-	-	-	-	24,610	26,468
354,664	-	-	-	388,061	354,951
-	-	-	-	650,641	428,006
7,702	-	88,174,063	-	88,181,765	87,916,234
-	-	-	-	-	171,633
-	-	-	1,851,368	1,851,368	4,215,069
<u>\$ 483,961</u>	<u>\$ 792,556</u>	<u>\$ 88,174,063</u>	<u>\$ 1,851,368</u>	<u>\$ 136,557,708</u>	<u>\$ 133,931,479</u>

(Continued)

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities</u>				
Accounts payable	\$ 951,056	\$ 63,732	\$ -	\$ 190,442
Accrued liabilities (note 5)	477,311	3,844	-	-
Accrued interest payable	-	-	-	-
Due to others	-	37,877	-	61,257
Deferred revenue	19,522,854	13,282	-	-
Obligations under capital leases (notes 5 and 6)	-	-	-	-
Total liabilities	20,951,221	118,735	-	251,699
<u>Fund equity and other credits</u>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings				
Unreserved	-	-	-	-
Fund balances:				
Reserved for encumbrances	2,266,228	-	-	138,139
Reserved for debt service	-	-	-	-
Reserved for prepaid items	638,232	12,409	-	-
Reserved for endowments	-	-	-	-
Reserved for inventory	-	33,397	-	-
Unreserved:				
Designated for subsequent years' expenditures	-	-	-	16,332,243
Undesignated	3,329,160	1,184,297	-	-
Total fund balances/ retained earnings	6,233,620	1,230,103	-	16,470,382
Total fund equity and other credits	6,233,620	1,230,103	-	16,470,382
Commitments and contingencies (Note 12)				
Total liabilities, fund equity and other credits	\$ 27,184,841	\$ 1,348,838	\$ -	\$ 16,722,081

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

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals	
		General Fixed Assets	General Long-Term Obligations	(Memorandum Only)	
Internal Service	Trust and Agency			2000	1999
\$ 28,788	\$ 557	\$ -	\$ -	\$ 1,234,575	\$ 1,314,318
1,061	657,562	-	1,851,368	2,991,146	2,894,158
-	-	-	-	-	37,710
-	-	-	-	99,134	45,369
-	-	-	-	19,536,136	18,937,728
-	-	-	-	-	2,885,000
<u>29,849</u>	<u>658,119</u>	<u>-</u>	<u>1,851,368</u>	<u>23,860,991</u>	<u>26,114,283</u>
-	-	88,174,063	-	88,174,063	87,907,933
145,081	-	-	-	145,081	145,081
309,031	-	-	-	309,031	301,193
-	1,963	-	-	2,406,330	3,289,907
-	-	-	-	-	171,633
-	-	-	-	650,641	428,006
-	67,742	-	-	67,742	67,742
-	-	-	-	33,397	37,753
-	-	-	-	16,332,243	13,313,924
-	64,732	-	-	4,578,189	2,154,024
<u>309,031</u>	<u>134,437</u>	<u>-</u>	<u>-</u>	<u>24,377,573</u>	<u>19,764,182</u>
454,112	134,437	88,174,063	-	112,696,717	107,817,196
<u>\$ 483,961</u>	<u>\$ 792,556</u>	<u>\$ 88,174,063</u>	<u>\$ 1,851,368</u>	<u>\$ 136,557,708</u>	<u>\$ 133,931,479</u>

COLUMBUS METROPOLITAN LIBRARY
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Fund
Year ended December 31, 2000
(with comparative totals for 1999)

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues:			
Intergovernmental	\$ 23,780,994	\$ -	\$ 2,831,387
Property taxes (note 10)	19,401,783	-	-
Fines and fees	1,924,045	-	-
Charges for services	378,346	943,578	-
Investment earnings	1,608,635	21,785	4,999
Contributions and donations	44,500	68,014	-
Miscellaneous	128,584	33,091	-
Total revenues	<u>47,266,887</u>	<u>1,066,468</u>	<u>2,836,386</u>
Expenditures:			
Current:			
Public service	24,724,098	4,248	-
Administration and support	15,423,845	947,396	-
Capital outlay	975,843	22,556	-
Debt service:			
Payment of obligations under capital leases	-	-	2,885,000
Interest and fiscal charges	-	-	123,889
Total expenditures	<u>41,123,786</u>	<u>974,200</u>	<u>3,008,889</u>
Excess (deficiency) of revenues over expenditures	<u>6,143,101</u>	<u>92,268</u>	<u>(172,503)</u>
Other financing sources (uses):			
Operating transfers in	2	550	-
Operating transfers out	(3,300,550)	(2)	-
Proceeds from sale of property	-	-	-
Total other financing sources (uses)	<u>(3,300,548)</u>	<u>548</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,842,553	92,816	(172,503)
Fund balances at beginning of year	3,391,067	1,137,287	172,503
Fund balances at end of year	<u>\$ 6,233,620</u>	<u>\$ 1,230,103</u>	<u>\$ -</u>

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

Exhibit 2

Capital Projects	Fiduciary Fund Types	Totals	
	Expendable Trust	(Memorandum Only)	
		2000	1999
\$ -	\$ -	\$ 26,612,381	\$ 24,477,146
-	-	19,401,783	18,596,196
-	-	1,924,045	1,874,421
179,497	-	1,501,421	1,473,797
-	-	1,635,419	1,129,029
-	7,886	120,400	127,044
-	-	161,675	180,357
<u>179,497</u>	<u>7,886</u>	<u>51,357,124</u>	<u>47,857,990</u>
-	6,163	24,734,509	23,245,384
-	-	16,371,241	15,158,009
2,361,757	-	3,360,156	3,031,634
-	-	2,885,000	3,020,324
-	-	123,889	277,534
<u>2,361,757</u>	<u>6,163</u>	<u>47,474,795</u>	<u>44,732,885</u>
<u>(2,182,260)</u>	<u>1,723</u>	<u>3,882,329</u>	<u>3,125,105</u>
4,468,000	-	4,468,552	15,468,551
(1,168,000)	-	(4,468,552)	(15,468,551)
721,345	-	721,345	21,950
<u>4,021,345</u>	<u>-</u>	<u>721,345</u>	<u>21,950</u>
1,839,085	1,723	4,603,674	3,147,055
14,631,297	47,977	19,380,131	16,233,076
<u>\$ 16,470,382</u>	<u>\$ 49,700</u>	<u>\$ 23,983,805</u>	<u>\$ 19,380,131</u>

COLUMBUS METROPOLITAN LIBRARY

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

	General Fund		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 19,406,405	\$ 19,279,035	\$ (127,370)
Intergovernmental	23,351,069	23,780,995	429,926
Fines and fees	1,925,000	1,917,465	(7,535)
Investment earnings	1,200,000	1,332,110	132,110
Charges for services	373,000	377,786	4,786
Contributions and donations	50,000	34,500	(15,500)
Miscellaneous	125,906	118,734	(7,172)
Total revenues	<u>46,431,380</u>	<u>46,840,625</u>	<u>409,245</u>
Expenditures:			
Current:			
Public service	25,177,859	24,948,284	229,575
Administration and support	16,786,091	15,619,693	1,166,398
Capital outlay	1,435,500	1,146,504	288,996
Debt service:			
Payment of obligations under capital leases	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>43,399,450</u>	<u>41,714,481</u>	<u>1,684,969</u>
Excess (deficiency) of revenues over expenditures	<u>3,031,930</u>	<u>5,126,144</u>	<u>2,094,214</u>
Other financing sources (uses):			
Operating transfers in	-	2	2
Operating transfers out	<u>(3,300,550)</u>	<u>(3,300,550)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,300,550)</u>	<u>(3,300,548)</u>	<u>2</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(268,620)</u>	<u>1,825,596</u>	<u>2,094,216</u>
Fund balances at beginning of year	<u>268,620</u>	<u>268,620</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 2,094,216</u>	<u>\$ 2,094,216</u>

Budgeted Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,837,000	2,831,387	(5,613)
176,739	167,723	(9,016)	-	-	-
-	-	-	4,000	5,096	1,096
-	-	-	-	-	-
-	6,160	6,160	-	-	-
500,251	507,657	7,406	-	-	-
<u>676,990</u>	<u>681,540</u>	<u>4,550</u>	<u>2,841,000</u>	<u>2,836,483</u>	<u>(4,517)</u>
-	-	-	-	-	-
1,346,126	548,611	797,515	-	-	-
38,300	16,234	22,066	-	-	-
-	-	-	-	-	-
-	-	-	2,885,000	2,885,000	-
-	-	-	165,248	160,731	4,517
<u>1,384,426</u>	<u>564,845</u>	<u>819,581</u>	<u>3,050,248</u>	<u>3,045,731</u>	<u>4,517</u>
<u>(707,436)</u>	<u>116,695</u>	<u>824,131</u>	<u>(209,248)</u>	<u>(209,248)</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(707,436)	116,695	824,131	(209,248)	(209,248)	-
707,436	707,436	-	209,248	209,248	-
<u>\$ -</u>	<u>\$ 824,131</u>	<u>\$ 824,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

COLUMBUS METROPOLITAN LIBRARY

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

	Totals (Memorandum Only)		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 19,406,405	\$ 19,279,035	\$ (127,370)
Intergovernmental	26,188,069	26,612,382	424,313
Fines and fees	2,101,739	2,085,188	(16,551)
Investment earnings	1,204,000	1,337,206	133,206
Charges for services	373,000	377,786	4,786
Contributions and donations	50,000	40,660	(9,340)
Miscellaneous	626,157	626,391	234
Total revenues	<u>49,949,370</u>	<u>50,358,648</u>	<u>409,278</u>
Expenditures:			
Current:			
Public service	25,177,859	24,948,284	229,575
Administration and support	18,132,217	16,168,304	1,963,913
Capital outlay	1,473,800	1,162,738	311,062
Debt service:			
Payment of obligations under capital leases	2,885,000	2,885,000	-
Interest and fiscal charges	165,248	160,731	4,517
Total expenditures	<u>47,834,124</u>	<u>45,325,057</u>	<u>2,509,067</u>
Excess (deficiency) of revenues over expenditures	<u>2,115,246</u>	<u>5,033,591</u>	<u>2,918,345</u>
Other financing sources (uses):			
Operating transfers in	-	2	2
Operating transfers out	(3,300,550)	(3,300,550)	-
Total other financing sources (uses)	<u>(3,300,550)</u>	<u>(3,300,548)</u>	<u>2</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(1,185,304)</u>	<u>1,733,043</u>	<u>2,918,347</u>
Fund balances at beginning of year	<u>1,185,304</u>	<u>1,185,304</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 2,918,347</u>	<u>\$ 2,918,347</u>

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

COLUMBUS METROPOLITAN LIBRARY

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

**Year ended December 31, 2000
(with comparative totals for 1999)**

	Proprietary Fund Type	Fiduciary Fund Type	Totals	
	Internal Service	Nonexpendable Trust	(Memorandum Only) 2000	1999
Operating revenues:				
Charges for services	\$ 736,495	\$ -	\$ 736,495	\$ 740,344
Interest	-	4,872	4,872	4,005
Total operating revenues	<u>736,495</u>	<u>4,872</u>	<u>741,367</u>	<u>744,349</u>
Operating expenses:				
Materials and supplies	672,311	2,993	675,304	682,403
Personnel services	52,972	-	52,972	53,456
Contractual services	2,775	-	2,775	2,901
Depreciation	599	-	599	505
Total operating expenses	<u>728,657</u>	<u>2,993</u>	<u>731,650</u>	<u>739,265</u>
Operating income/net income	<u>7,838</u>	<u>1,879</u>	<u>9,717</u>	<u>5,084</u>
Retained earnings/fund balances at beginning of year	<u>301,193</u>	<u>82,858</u>	<u>384,051</u>	<u>378,967</u>
Retained earnings/fund balances at end of year	<u>\$ 309,031</u>	<u>\$ 84,737</u>	<u>\$ 393,768</u>	<u>\$ 384,051</u>

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

COLUMBUS METROPOLITAN LIBRARY

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

**Year ended December 31, 2000
(with comparative totals for 1999)**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>	
	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	<u>(Memorandum Only)</u>	
			<u>2000</u>	<u>1999</u>
Cash flows from operating activities:				
Operating net income	\$ 7,838	\$ 1,879	\$ 9,717	\$ 5,084
Adjustments to reconcile operating net income to net cash provided (used) by operating activities:				
Depreciation	599	-	599	505
Interest income	-	(4,872)	(4,872)	(4,005)
Increase in receivables	-	(117)	(117)	(102)
(Increase) decrease in inventory	(37,466)	-	(37,466)	20,290
Increase (decrease) in accounts payable	1,417	(461)	956	(2,795)
Increase in accrued liabilities	137	-	137	228
Total adjustments	<u>(35,313)</u>	<u>(5,450)</u>	<u>(40,763)</u>	<u>14,121</u>
Net cash flows provided (used) by operating activities	<u>(27,475)</u>	<u>(3,571)</u>	<u>(31,046)</u>	<u>19,205</u>
Cash flows from capital and related financing activities - Purchase of equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,678)</u>
Cash flows from investing activities - Interest income	<u>-</u>	<u>4,872</u>	<u>4,872</u>	<u>4,005</u>
Net increase (decrease) in cash and cash equivalents	(27,475)	1,301	(26,174)	17,532
Cash and cash equivalents at beginning of year	<u>149,070</u>	<u>83,107</u>	<u>232,177</u>	<u>214,645</u>
Cash and cash equivalents at end of year	<u>\$ 121,595</u>	<u>\$ 84,408</u>	<u>\$ 206,003</u>	<u>\$ 232,177</u>

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements

December 31, 2000

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

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

The general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all the organizations, activities and functions for which the Library (the reporting entity) is financially accountable. Determination of financial accountability includes appointment of a voting majority of the component's governing body and (1) its ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Library.

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

The operation of the Society, a non-profit Ohio Corporation, is accounted for in the Special Revenue fund. The purpose of the Society is to receive, hold, invest funds, and make expenditures for the exclusive benefit of the Library. These expenditures support the long range goals and objectives of the Library's Board by providing charitable, educational, scientific and/or literary activities. For these reasons, the Library has included the Society as a blended component unit in the accompanying financial statements.

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

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

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(1) Summary of Significant Accounting Policies (Continued)

GOVERNMENTAL 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. The fund balance of the general fund is available to the Library for any purpose provided it is expended or transferred according to the laws of Ohio.

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

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, the current portion of the general long-term debt principal, interest and related costs.

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

PROPRIETARY FUND

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

FIDUCIARY FUNDS

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

ACCOUNT GROUPS

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

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(1) Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting

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

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

Property taxes with both a lien and levy date prior to fiscal year end are recorded as deferred revenue and receivables. However, property taxes, including delinquent property taxes that were measurable at December 31, 2000, and available to the Library within the first 60 days of 2001, are recorded as revenues and receivables.

Intergovernmental revenues (which principally represent that portion of Ohio state income taxes set aside for public libraries and allocated to the Library by the county budget commission through the Library and Local Government Support Fund), fines and fees and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable and available until actually received. Generally, all intergovernmental revenues are received in the year allocated. Investment earnings and charges for services are recorded as earned.

In applying the susceptible to accrual concept to grant revenues received from the State of Ohio, there are essentially two types of revenues. In one, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In the other, monies must be expended on the specific purpose or project before any amounts will be paid to the Library, therefore, revenues are recognized based upon the expenditures incurred.

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

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(1) Summary of Significant Accounting Policies (Continued)

The preparation of the general purpose financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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

(c) Budgetary Data

Budget

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

Estimated Resources

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

Appropriations

The Library is required by state statute to adopt an annual appropriation cash basis budget. A temporary appropriation measure to control cash disbursements is passed by the Library’s Board of Trustees in December of each year to be effective as of January 1. The permanent appropriation measure then must be passed by April 1 of each year for the period January 1 to December 31. The permanent appropriation measure then may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. Unencumbered appropriations lapse at year-end except in the Special Revenue (project related funds) and Capital Projects Funds which have continuing appropriations. Any budget change that increases or decreases expenditures at the major expenditure (object) level requires Board authorization. Several supplementary appropriations amounting to \$2,085,174 were made during the year. A breakdown of the appropriation adjustments is as follows:

General Fund	\$1,400,000
Special Revenue Funds:	
Parking Garage Fund	237,000
Land Development Fund	412,500
Carnegie Society Fund	30,426
Debt Service Fund	<u>5,248</u>
Total	<u>\$2,085,174</u>

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(1) Summary of Significant Accounting Policies (Continued)

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

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

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

The Board has delegated purchase and expenditure approval to the Library administration for daily operational needs of the Library. Generally, all expenditures over \$25,000 must be approved by the Board. Any appropriation change which will increase or decrease any of the major appropriation classifications requires approval of the Board. Expenditures did not exceed appropriations in any fund type.

The Library's budgetary process is based upon accounting for certain transactions on a basis other than GAAP. To provide a meaningful comparison of actual results with the budget, the actual results of operations for governmental funds are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Budgeted Special Revenue and Debt Service Funds in accordance with the budget basis of accounting.

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

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(1) Summary of Significant Accounting Policies (Continued)

(d) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the Library. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

(e) Investments

Investments are stated at fair value.

(f) Inventory

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

(g) Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items. Prepaid items consist of insurance premiums and library material subscriptions.

(h) Fixed Assets

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

(i) Depreciation

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

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

(j) Interfund Transactions

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

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

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

(k) **Endowments**

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

(l) **Fund Balance - Designated for Subsequent Years' Expenditures**

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

(m) **Library Books**

Library books and materials purchased by the Library are reflected as expenditures when purchased and are not capitalized as assets of the Library. The Library currently has a library materials collection of approximately 2,918,192 volumes.

(n) **Insurance**

The Library is insured by private carriers for property damage, personal injury and public official liability. Judgments and claims in excess of policy limits are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. At December 31, 2000, 1999, 1998, 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 medical, dental, life and disability insurance coverage for employees through a private insurance carrier. The Library is part of the state-wide plan for Worker's Compensation insurance coverage.

(o) **Compensated Absences**

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

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

(p) **Federal Income Taxes**

The Library is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

(q) **Statement of Cash Flows**

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

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

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

(s) **GASB Statements Nos. 33 and 34**

This report does not incorporate Governmental Accounting Standards Board (GASB) Statements Nos. 33 and 34, *Recipient Reporting for Certain Shared Nonexchange Revenues and Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, respectfully. The Library will adopt and implement these GASB Statements at the required time. The Library has not completed the process of evaluating the impact of adopting these statements, and therefore, is unable to disclose the impact that adopting these statements will have on its financial position and results of operations when such statements are implemented.

(2) **Cash and Investments**

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

Deposits:

At December 31, 2000, the carrying amount of all the Library's deposits (includes non-negotiable certificate of deposits) was \$18,021,057 and the bank balance was \$19,358,141. Of the bank balance, \$840,545 was covered by Federal Depository Insurance and \$18,517,596 was collateralized with securities held by the financial institution or by its trust department or agent but not in the Library's name.

Investments:

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(2) Cash and Investments (Continued)

The types of obligations eligible for investment and deposits are:

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

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

The Library's investments are categorized to give an indication of the level of risk assumed by the Library at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Library or its agent in the Library's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Library's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by the counterparty's trust department, but not in the Library's name. However, at December 31, 2000, the Library had no investments that were required to be categorized as above.

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

	<u>Carrying/Fair Value</u>
STAROhio (State Treasurer's Asset Reserve)	\$ <u>6,698,238</u>
Total Investments	6,698,238
Carrying amount of deposits	18,021,057
Petty cash and change fund	<u>5,530</u>
Total	\$ <u>24,724,825</u>
Per combined balance sheet:	
Cash and investments	\$ 24,579,160
Cash and investments - Nonexpendable trust	84,408
Cash with fiscal agent	<u>61,257</u>
Total	\$ <u>24,724,825</u>

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(2) **Cash and Investments (Continued)**

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2000.

In addition, approximately \$498,740 of investments are at the Columbus Foundation, an Ohio not-for profit corporation, for the purpose of furthering the Library's mission. Since the Library does not have legal rights to these assets, it is not included in the financial statements. The Library does have the right to suggest to the Columbus Foundation how the monies are to be expended.

(3) **Receivables**

Receivables at December 31, 2000, consist of the following:

	<u>Property Taxes</u>	<u>Interest</u>	<u>Charges for Service</u>	<u>Other</u>	<u>Total</u>
General	\$ 20,076,174	\$ 469,928	\$ 8,565	\$ 178,024	\$ 20,732,691
Special Revenue	-	2,310	450	371	3,131
Trust and Agency	-	356	-	260	616
Total	\$ <u>20,076,174</u>	\$ <u>472,594</u>	\$ <u>9,015</u>	\$ <u>178,655</u>	\$ <u>20,736,438</u>

(4) **Property, Plant and Equipment**

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

	Balance January 1, <u>2000</u>	<u>Additions</u>	<u>Depreciation</u>	Balance December 31, <u>2000</u>
Machinery and equipment	\$ 12,953	\$ -	-	\$ 12,953
Less accumulated depreciation	<u>(4,652)</u>	-	\$ <u>(599)</u>	<u>(5,251)</u>
	\$ <u>8,301</u>	\$ <u>-</u>	\$ <u>(599)</u>	\$ <u>7,702</u>

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(4) Property, Plant and Equipment (Continued)

A summary of changes in general fixed assets for the year ended December 31, 2000, follows:

	Balance January 1, <u>2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance December 31, <u>2000</u>
Land	\$ 6,672,588	\$ 29,666	\$ 358,186	-	\$ 6,344,068
Buildings and improvements	64,941,245	192,587	752,532	\$ 2,667,108	67,048,408
Machinery and equipment	14,614,669	764,605	685,961	-	14,693,313
Construction in progress	<u>1,679,431</u>	<u>1,075,951</u>	<u>-</u>	<u>(2,667,108)</u>	<u>88,274</u>
Total general fixed assets	<u>\$ 87,907,933</u>	2,062,809	<u>\$ 1,796,679</u>	<u>\$ -</u>	<u>\$ 88,174,063</u>
Capital outlay expenditures not capitalized		<u>1,297,347</u>			
Total		<u>\$ 3,360,156</u>			

Construction in progress at December 31, 2000, consists of:

<u>Project</u>	Balance January 1, <u>2000</u>	<u>Additions</u>	<u>Transfers</u>	Balance December 31, <u>2000</u>	<u>Project</u>	
					<u>Commit-</u> <u>ments</u>	<u>Remaining</u> <u>Balance</u>
Southeast Br Expan.	\$ 1,634,342	\$ 1,032,766	\$ (2,667,108)	\$ -	\$ 95,054	\$ 123,696
Operations Center	45,089	43,185	-	88,274	551	9,902,727
Linden Br Repl.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>917</u>	<u>168,900</u>
	<u>\$ 1,679,431</u>	<u>\$ 1,075,951</u>	<u>\$ (2,667,108)</u>	<u>\$ 88,274</u>	<u>\$ 96,522</u>	<u>\$ 10,195,323</u>

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

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(5) Long-Term Obligations

A summary of changes in long-term obligations for the year ended December 31, 2000, follows:

<u>General Long-Term Obligations Account Group</u>	<u>Balance January 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2000</u>
Accrued liabilities (compensated absences)	\$ 1,501,702	\$ 349,666	-	\$ 1,851,368
Obligations under capital leases (see note 6)	<u>2,885,000</u>	<u>-</u>	<u>\$ (2,885,000)</u>	<u>-</u>
Total general long- term obligations	<u>\$ 4,386,702</u>	<u>\$ 349,666</u>	<u>\$ (2,885,000)</u>	<u>\$ 1,851,368</u>

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

(6) Long-Term Lease Obligations

The Library leased property for one facility, the Main Library, under a capital lease agreement with the City of Columbus. The cost of this facility is included in the General Fixed Assets Account Group. The Library's capital lease agreement with the City of Columbus, which was for expanding and remodeling the Main Library, expired in the year 2000. The Library has no operating lease agreements.

The Main Library capital lease was financed by revenue bonds issued by the City of Columbus. Concurrent with the issuance of these bonds the Library entered into the capital lease agreement described above. The payments due under these agreements equal the bond principal and interest payments due. The Library made the lease payments directly to the revenue bond trustee. In December 2000, at the end of the lease term, the Library purchased the property for one dollar (\$1.00).

In 1992, the Library, in connection with the City of Columbus, issued \$22,225,000 of library improvement revenue bonds for the purpose of providing funds to advance refund and defease the existing library improvement bonds. The net proceeds of this issue, plus additional sinking fund moneys, were used to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the General Long-Term Obligations Account Group. As of December 31, 2000, none of these defeased bonds are still outstanding.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(7) **Agreements with Other Entities**

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 2000, the Library contributed \$589,000 to the operational costs of Worthington. The funds were appropriated and paid from the General Fund. In 2001, the Library has appropriated \$657,000 in the General Fund to be paid to Worthington.

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

(8) **Defined Benefit Pension Plan**

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

Employees are eligible for retirement benefits at age 60 with five or more years of service credit, at age 55 with a minimum of 25 years of service and at any age with 30 years of service. The benefit is based on 2.2% of final average salary for each year of credited service up to 30 years. Employees are entitled to 2.5% of their final average salary for each year of service in excess of 30 years. Final average salary is the employee's average salary over the highest three years of earnings. Employees retiring before age 65 or with less than 30 years of service credit will receive reduced retirement benefits. State statute, Chapter 145 of the Ohio Revised Code, provides PERS with the authority to establish and amend benefits.

Employees are required by state statute to contribute 8.5% of their annual covered salary. The Library's required contributions to PERS are equal to 100% of the dollar amount billed (10.84% of the covered payroll). In 2000, PERS instituted an employer contribution rate rollback for the calendar year 2000. The rate rollback was 20%. The Library's contributions to PERS for the years ending December 31, 2000, 1999, and 1998, were approximately \$2,227,000, \$2,563,000, and \$2,452,000, respectively, which were equal to the required contributions for each year.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(9) **Postemployment Benefits**

In addition to the pension benefits described in note 8, PERS also provides postemployment health care benefits (OPEB) to all age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. At December 31, 2000, the number of active contributing participants was 401,339.

As required by state statute, a portion of each employer's contribution to PERS is used for the funding of the postemployment health care. The employer contribution rate was rolled back for the calendar year 2000. Based on the employer's contribution of 10.84% of covered payroll; 4.30% was used to fund health care for the year. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The amount of actuarially determined Library contributions actually made to fund postemployment benefits was approximately \$883,000 in 2000 and \$795,000 in 1999. Employer contributions are advance-funded on an actuarially determined basis and are determined by state statute. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

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

OPEB are financed through employer contributions and investment earnings thereon. The investment assumption rate for 1999 was 7.75%. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

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

As of December 31, 1999, the actuarial value of the net assets available for future OPEB payments was \$10,805 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million; respectively.

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

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

Real property taxes and public utility taxes collected during 1999 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.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

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

Assessed values are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years. The last revaluation was completed in 2000. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value, which is a certain percentage of cost. Percentages vary according to the type of utility involved. Tangible personal property assessments were 25% of true value for personal property. The assessed values upon which the 2000 taxes were collected were approximately \$14,502 million.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Increases in the property tax rate are restricted only by voter willingness to approve such increases. In 1986, voters approved taxation of property for the Library of .22% (2.2 mills) of assessed value effective January 1, 1986, for collection in 1987. This levy is to be collected for a period of 15 years and will expire after the collection year 2001, if not renewed. In November 2000, the voters in Franklin County approved replacing the existing 2.2 levy with a new ten year 2.2 levy. The collection year for the new levy will begin in the calendar 2002.

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

Property taxes with both a lien and levy date prior to fiscal year end are recorded as deferred revenue and receivables. However, property taxes including delinquent property taxes that were measurable at December 31, 2000, and available to the Library within the first 60 days of 2001, are recorded as revenues and receivables.

(11) **Subsequent Events**

In January 2001, the Library purchased real property, approximately 0.7 acres of vacant land on Cleveland Avenue, for \$155,000. The site will be used to replace the existing Linden Branch.

In March 2001, the Library purchased real property, approximately 7.6 acres of land and buildings in Gahanna, Ohio, for \$1,150,000. The site will be used to construct a new Operations center.

In January 2001, the Library became self-insured.

(12) **Commitments and Contingencies**

The Library is currently the defendant in three 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.

COLUMBUS METROPOLITAN LIBRARY

Notes to the General Purpose Financial Statements, Continued

(13) Budgetary Basis of Accounting

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

	Excess (deficiency) of revenues and other financing sources			Fund balances at end of year		
	<u>over expenditures and other financing uses</u>					
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
GAAP basis	\$ (178,027)	\$ 166,353	\$(174,426)	\$3,391,067	\$1,137,287	\$ 172,503
Increase (decrease):						
Due to revenues:						
Received in cash during 1999, but accrued at December 31, 1998	18,534,508	200	-			
Accrued at December 31, 1999, not yet received in cash	(19,788,781)	(1,211)	(76)	(19,788,781)	(1,211)	(76)
Deferred at December 31, 1998, but not recognized in budget	(17,742,381)	(16,580)	-			
Deferred at December 31, 1999, but recognized in budget	18,925,492	12,236	-	18,925,492	12,236	-
Due to expenditures:						
Paid in cash during 1999, accrued at December 31, 1998	(1,378,631)	(70,384)	(75,079)	-	-	-
Accrued at December 31, 1999, not yet paid in cash	1,394,955	69,978	37,710	1,394,955	69,978	37,710
Due to encumbrances:						
Expenditures of amounts encumbered during the year ended December 31, 1999	3,027,847	9,520	143,714	-	-	-
Recognized as expenditures in budget	(3,162,848)	(8,408)	-	(3,162,848)	(8,408)	
Others, net	(297,162)	4,229	27	(491,265)	(49,610)	(889)
Funds not budgeted	<u>-</u>	<u>(42,871)</u>	<u>-</u>	<u>-</u>	<u>(452,836)</u>	<u>-</u>
Budgetary Basis	\$ <u>(665,028)</u>	\$ <u>123,062</u>	\$ <u>(68,130)</u>	\$ <u>268,620</u>	\$ <u>707,436</u>	\$ <u>209,248</u>

Supplemental Data

Columbus Metropolitan Library

GENERAL FUND

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

Columbus Metropolitan Library

Exhibit A-1

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund - Non GAAP Budgetary Basis Year Ended December 31, 2000

	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 19,406,405	\$ 19,279,035	\$ (127,370)
Intergovernmental	23,351,069	23,780,995	429,926
Fines and fees	1,925,000	1,917,465	(7,535)
Investment earnings	1,200,000	1,332,110	132,110
Charges for services	373,000	377,786	4,786
Contributions and donations	50,000	34,500	(15,500)
Miscellaneous	125,906	118,734	(7,172)
Total revenues	<u>46,431,380</u>	<u>46,840,625</u>	<u>409,245</u>
Expenditures:			
Public service:			
Salaries and benefits	16,644,160	16,471,545	172,615
Supplies	607,785	598,286	9,499
Purchased and contract service	118,417	93,811	24,606
Library materials	7,805,006	7,782,674	22,332
Capital outlay	356,084	323,025	33,059
Other	2,491	1,968	523
Total public service	<u>25,533,943</u>	<u>25,271,309</u>	<u>262,634</u>
Administration and support:			
Salaries and benefits	8,227,840	8,105,613	122,227
Supplies	960,714	898,008	62,706
Purchased and contract service	6,595,084	5,871,288	723,796
Library materials	132,444	127,943	4,501
Capital outlay	1,079,416	823,479	255,937
Other	618,509	616,841	1,668
Contingency	251,500	-	251,500
Total administration and support	<u>17,865,507</u>	<u>16,443,172</u>	<u>1,422,335</u>
Total expenditures	<u>43,399,450</u>	<u>41,714,481</u>	<u>1,684,969</u>
Excess of revenues over expenditures	<u>3,031,930</u>	<u>5,126,144</u>	<u>2,094,214</u>
Other financing sources (uses):			
Operating transfers in	-	2	2
Operating transfers out	(3,300,550)	(3,300,550)	-
Total other financing sources (uses)	<u>(3,300,550)</u>	<u>(3,300,548)</u>	<u>2</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(268,620)</u>	1,825,596	2,094,216
Fund balances at beginning of year	<u>268,620</u>	<u>268,620</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 2,094,216</u>	<u>\$ 2,094,216</u>

Columbus Metropolitan Library

SPECIAL REVENUE FUNDS

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

Reading is Fundamental Fund -
Inter-Connection Library Branches – 2000 Project

Carnegie Society Fundraising Event Fund

Columbus Foundation -
1999 JS Smith Library Materials Project

Friends of the Library Fund
Land Development Fund
Parking Garage Fund
Carnegie Society Fund

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Columbus Metropolitan Library

Exhibit B-1

Combining Balance Sheet

All Special Revenue Funds

December 31, 2000

(with comparative totals for 1999)

	Reading is <u>Fundamental Fund</u>		Columbus <u>Foundation</u>
	Inner-connection Library Branches 2000 Project	Carnegie Society Fundraising Event Fund	1999 JS Smith Library Materials
<u>Assets</u>			
Cash and investments	\$ -	\$ 42,021	\$ -
Receivables	-	-	-
Inventory	-	-	-
Prepaid items	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 42,021</u>	<u>\$ -</u>
<u>Liabilities</u>			
Accounts payable	\$ -	\$ 750	\$ -
Accrued liabilities	-	-	-
Due to others	-	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>750</u>	<u>-</u>
<u>Fund equity</u>			
Fund balances:			
Reserved for encumbrances	-	-	-
Reserved for inventory	-	-	-
Reserved for prepaid items	-	-	-
Unreserved:			
Undesignated	-	41,271	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>-</u>	<u>41,271</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>
Total fund equity	<u>-</u>	<u>41,271</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ 42,021</u>	<u>\$ -</u>

Exhibit B-1 (cont.)

Friends of the Library Fund	Land Development Fund	Parking Garage Fund	Carnegie Society Fund	Totals	
				2000	1999
\$ 325,241	\$ 559,623	\$ 313,236	\$ 59,780	\$ 1,299,901	\$ 1,215,668
2,310	371	450	-	3,131	4,923
33,397	-	-	-	33,397	37,753
-	12,409	-	-	12,409	10,944
<u>\$ 360,948</u>	<u>\$ 572,403</u>	<u>\$ 313,686</u>	<u>\$ 59,780</u>	<u>\$ 1,348,838</u>	<u>\$ 1,269,288</u>
\$ 3,163	\$ 52,251	\$ 7,568	\$ -	\$ 63,732	\$ 77,651
3,844	-	-	-	3,844	3,995
-	37,877	-	-	37,877	38,119
-	5,692	7,590	-	13,282	12,236
<u>7,007</u>	<u>95,820</u>	<u>15,158</u>	<u>-</u>	<u>118,735</u>	<u>132,001</u>
-	-	-	-	-	450
33,397	-	-	-	33,397	37,753
-	12,409	-	-	12,409	10,944
<u>320,544</u>	<u>464,174</u>	<u>298,528</u>	<u>59,780</u>	<u>1,184,297</u>	<u>1,088,140</u>
<u>353,941</u>	<u>476,583</u>	<u>298,528</u>	<u>59,780</u>	<u>1,230,103</u>	<u>1,137,287</u>
<u>353,941</u>	<u>476,583</u>	<u>298,528</u>	<u>59,780</u>	<u>1,230,103</u>	<u>1,137,287</u>
<u>\$ 360,948</u>	<u>\$ 572,403</u>	<u>\$ 313,686</u>	<u>\$ 59,780</u>	<u>\$ 1,348,838</u>	<u>\$ 1,269,288</u>

(Continued)

Columbus Metropolitan Library

Exhibit B-2

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Special Revenue Funds

Year Ended December 31, 2000

(with comparative totals for year ended 1999)

	Reading is Fundamental Fund Inner-connection Library Branches 2000	Carnegie Society Fundraising Event Fund	Columbus Foundation 1999 JS Smith Library Materials
Revenues:			
Charges for services	\$ -	\$ -	\$ -
Investment earnings	-	-	-
Contributions and donations	1,200	5,160	-
Miscellaneous	-	-	-
Total revenues	<u>1,200</u>	<u>5,160</u>	<u>-</u>
Expenditures:			
Current:			
Public service			
Salaries and benefits	-	-	-
Supplies	1,750	-	-
Library materials	-	-	2,498
Capital outlay	-	-	-
Administration and support			
Salaries and benefits	-	-	-
Supplies	-	2,262	-
Purchased and contract service	-	30,556	-
Library materials	-	2,497	-
Capital outlay	-	-	-
Other	-	-	-
Total expenditures	<u>1,750</u>	<u>35,315</u>	<u>2,498</u>
Excess (deficiency) of revenue over expenditures	<u>(550)</u>	<u>(30,155)</u>	<u>(2,498)</u>
Other financing sources (uses):			
Operating transfers in	550	-	-
Operating transfers out	-	-	(2)
Total other financing sources (uses)	<u>550</u>	<u>-</u>	<u>(2)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	(30,155)	(2,500)
Fund balances at beginning of year	-	71,426	2,500
Fund balances at end of year	<u>\$ -</u>	<u>\$ 41,271</u>	<u>\$ -</u>

Friends of the Library Fund	Land Development Fund	Parking Garage Fund	Carnegie Society Fund	Totals	
				2000	1999
\$ 285,515	\$ 489,691	\$ 168,372	\$ -	\$ 943,578	\$ 901,931
21,253	-	-	532	21,785	14,230
554	-	-	61,100	68,014	65,986
12,008	21,083	-	-	33,091	23,111
<u>319,330</u>	<u>510,774</u>	<u>168,372</u>	<u>61,632</u>	<u>1,066,468</u>	<u>1,005,258</u>
-	-	-	-	-	-
-	-	-	-	1,750	1,749
-	-	-	-	2,498	2,578
-	-	-	-	-	-
53,567	-	-	-	53,567	51,106
111,830	20,765	1,211	107	136,175	132,792
40,793	340,823	98,284	1,650	512,106	561,267
-	-	-	-	2,497	-
8,319	14,237	-	-	22,556	36,725
201,226	41,730	-	95	243,051	53,237
<u>415,735</u>	<u>417,555</u>	<u>99,495</u>	<u>1,852</u>	<u>974,200</u>	<u>839,454</u>
<u>(96,405)</u>	<u>93,219</u>	<u>68,877</u>	<u>59,780</u>	<u>92,268</u>	<u>165,804</u>
-	-	-	-	550	550
-	-	-	-	(2)	(1)
-	-	-	-	548	549
(96,405)	93,219	68,877	59,780	92,816	166,353
450,346	383,364	229,651	-	1,137,287	970,934
<u>\$ 353,941</u>	<u>\$ 476,583</u>	<u>\$ 298,528</u>	<u>\$ 59,780</u>	<u>\$ 1,230,103</u>	<u>\$ 1,137,287</u>

Columbus Metropolitan Library

Exhibit B-3

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Budgeted Special Revenue Funds - Non GAAP Budgetary Basis Year Ended December 31, 2000

	Carnegie Society Fundraising Event Fund		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Fines and fees	\$ -	\$ -	\$ -
Contributions and donations	-	6,160	6,160
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>6,160</u>	<u>6,160</u>
Expenditures:			
Current:			
Administration and support			
Supplies	2,500	2,262	238
Purchased and contract service	37,500	30,555	6,945
Library Materials	2,500	2,498	2
Capital outlay	-	-	-
Other	-	-	-
Contingency	27,926	-	27,926
Total expenditures	<u>70,426</u>	<u>35,315</u>	<u>35,111</u>
Excess (deficiency) of revenues over expenditures	(70,426)	(29,155)	41,271
Fund balances at beginning of year	<u>70,426</u>	<u>70,426</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 41,271</u>	<u>\$ 41,271</u>

Land Development Fund			Parking Garage Fund		
Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 176,739	\$ 167,723	\$ (9,016)
-	-	-	-	-	-
500,251	507,657	7,406	-	-	-
500,251	507,657	7,406	176,739	167,723	(9,016)
24,721	22,009	2,712	2,700	1,211	1,489
381,479	349,156	32,323	156,800	97,834	58,966
-	-	-	-	-	-
30,300	16,234	14,066	8,000	-	8,000
46,000	43,086	2,914	-	-	-
419,500	-	419,500	244,500	-	244,500
902,000	430,485	471,515	412,000	99,045	312,955
(401,749)	77,172	478,921	(235,261)	68,678	303,939
401,749	401,749	-	235,261	235,261	-
\$ -	\$ 478,921	\$ 478,921	\$ -	\$ 303,939	\$ 303,939

(Continued)

Columbus Metropolitan Library

Exhibit B-3 (cont.)

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - All Budgeted Special Revenue Funds - Non GAAP Budgetary Basis

Year Ended December 31, 2000

	Totals		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Fines and fees	\$ 176,739	\$ 167,723	\$ (9,016)
Contributions and donations	-	6,160	6,160
Miscellaneous	500,251	507,657	7,406
Total revenues	<u>676,990</u>	<u>681,540</u>	<u>4,550</u>
Expenditures:			
Current:			
Administration and support			
Supplies	29,921	25,482	4,439
Purchased and contract service	575,779	477,545	98,234
Library Materials	2,500	2,498	2
Capital outlay	38,300	16,234	22,066
Other	46,000	43,086	2,914
Contingency	691,926	-	691,926
Total expenditures	<u>1,384,426</u>	<u>564,845</u>	<u>819,581</u>
Excess (deficiency) of revenues over expenditures	(707,436)	116,695	824,131
Fund balances at beginning of year	<u>707,436</u>	<u>707,436</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 824,131</u>	<u>\$ 824,131</u>

Columbus Metropolitan Library

CAPITAL PROJECTS FUNDS

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

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

To Account for General and Other Funding Sources

Building and Repair Fund:

- Non Project Related
- Southeast Branch Expansion/Remodeling Project
- Operations Center Construction Project
- Reynoldsburg Site Improvement Project
- Linden Branch Replacement Project
- PC Furniture Millwork Project

Computer System Replacement Fund:

- Non Project Related
- Electronic Notification System Project
- Discovery Place Web Access Project
- Replace PAC with PC Year 2000 Project
- Year 2000 PC Replacement Project

Columbus Metropolitan Library

Exhibit C-1

Combining Balance Sheet

All Capital Projects Funds

December 31, 2000

(with comparative totals for 1999)

	Building and Repair Fund			
	Non Project Related	Southeast Branch Expansion Remodeling Project	Operations Center Construction Project	Reynoldsburg Site Improvement Project
<u>Assets</u>				
Cash and investments	\$ 4,684,033	\$ 325,585	\$ 9,903,878	\$ 36,474
Cash with fiscal agents	-	61,257	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 4,684,033</u>	<u>\$ 386,842</u>	<u>\$ 9,903,878</u>	<u>\$ 36,474</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 106,835	\$ 600	\$ 36,474
Due to others	-	61,257	-	-
Total liabilities	<u>-</u>	<u>168,092</u>	<u>600</u>	<u>36,474</u>
<u>Fund equity</u>				
Fund balances:				
Reserved for encumbrances	-	95,054	551	-
Unreserved:				
Designated for subsequent years' expenditures	<u>4,684,033</u>	<u>123,696</u>	<u>9,902,727</u>	<u>-</u>
Total fund balances	<u>4,684,033</u>	<u>218,750</u>	<u>9,903,278</u>	<u>-</u>
Total fund equity	<u>4,684,033</u>	<u>218,750</u>	<u>9,903,278</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 4,684,033</u>	<u>\$ 386,842</u>	<u>\$ 9,903,878</u>	<u>\$ 36,474</u>

Exhibit C-1 (cont.)

<u>Building and Repair Fund</u>		<u>Computer System Replacement Fund</u>	
<u>Linden Branch Replacement Project</u>	<u>PC Furniture Millwork Project</u>	<u>Non Project Related</u>	<u>Electronic Notification System Project</u>
\$ 170,990	\$ 21,099	\$ 1,393,384	\$ 4,650
-	-	-	-
-	-	979	-
<u>\$ 170,990</u>	<u>\$ 21,099</u>	<u>\$ 1,394,363</u>	<u>\$ 4,650</u>
\$ 1,173	\$ -	\$ -	\$ -
-	-	-	-
<u>1,173</u>	<u>-</u>	<u>-</u>	<u>-</u>
917	16,884	-	4,650
<u>168,900</u>	<u>4,215</u>	<u>1,394,363</u>	<u>-</u>
<u>169,817</u>	<u>21,099</u>	<u>1,394,363</u>	<u>4,650</u>
<u>169,817</u>	<u>21,099</u>	<u>1,394,363</u>	<u>4,650</u>
<u>\$ 170,990</u>	<u>\$ 21,099</u>	<u>\$ 1,394,363</u>	<u>\$ 4,650</u>

(Continued)

Columbus Metropolitan Library

Exhibit C-1 (cont.)

Combining Balance Sheet

All Capital Projects Funds

December 31, 2000

(with comparative totals for 1999)

	Computer System Replacement Fund		
	Discovery Place Web Access Project	Replace PAC With PC Year 2000 Project	Year 2000 PC Replacement Project
<u>Assets</u>			
Cash and investments	\$ 19,732	\$ 98,458	\$ 1,562
Cash with fiscal agents	-	-	-
Due from other governments	-	-	-
Total assets	<u>\$ 19,732</u>	<u>\$ 98,458</u>	<u>\$ 1,562</u>
<u>Liabilities</u>			
Accounts payable	\$ -	\$ 45,360	\$ -
Due to others	-	-	-
Total liabilities	<u>-</u>	<u>45,360</u>	<u>-</u>
<u>Fund equity</u>			
Fund balances:			
Reserved for encumbrances	19,500	-	583
Unreserved:			
Designated for subsequent years' expenditures	<u>232</u>	<u>53,098</u>	<u>979</u>
Total fund balances	<u>19,732</u>	<u>53,098</u>	<u>1,562</u>
Total fund equity	<u>19,732</u>	<u>53,098</u>	<u>1,562</u>
Total liabilities and fund equity	<u>\$ 19,732</u>	<u>\$ 98,458</u>	<u>\$ 1,562</u>

Totals	
2000	1999
\$ 16,659,845	\$ 14,911,067
61,257	-
979	7,488
\$ 16,722,081	\$ 14,918,555
\$ 190,442	\$ 280,008
61,257	7,250
251,699	287,258
138,139	1,317,373
16,332,243	13,313,924
16,470,382	14,631,297
16,470,382	14,631,297
\$ 16,722,081	\$ 14,918,555

Columbus Metropolitan Library

Exhibit C-2

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

All Capital Projects Funds

Year Ended December 31, 2000

(with comparative totals for 1999)

	Building and Repair Fund			
	Non Project Related	Southeast Branch Expansion Remodeling Project	Operations Center Construction Project	Reynoldsburg Site Improvement Project
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay	-	1,372,142	51,633	164,175
Total expenditures	-	1,372,142	51,633	164,175
Excess (deficiency) of revenues over expenditures	-	(1,372,142)	(51,633)	(164,175)
Other financing sources (uses):				
Operating transfers in	3,300,000	-	-	170,000
Operating transfers out	(441,000)	-	-	-
Proceeds from sale of property	721,345	-	-	-
Total other financing sources (uses)	3,580,345	-	-	170,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,580,345	(1,372,142)	(51,633)	5,825
Fund balances at beginning of year	1,097,863	1,590,892	9,954,911	-
Residual equity transfers from (to) other projects	5,825	-	-	(5,825)
Fund balances at end of year	\$ 4,684,033	\$ 218,750	\$ 9,903,278	\$ -

<u>Building and Repair Fund</u>		<u>Computer System Replacement Fund</u>	
<u>Linden Branch Replacement Project</u>	<u>PC Furniture Millwork Project</u>	<u>Non Project Related</u>	<u>Electronic Notification System Project</u>
\$ -	\$ -	\$ 179,497	\$ -
-	-	179,497	-
11,183	68,901	-	21,383
11,183	68,901	-	21,383
(11,183)	(68,901)	179,497	(21,383)
181,000	90,000	-	-
-	-	(727,000)	-
-	-	-	-
181,000	90,000	(727,000)	-
169,817	21,099	(547,503)	(21,383)
-	-	1,941,866	26,033
-	-	-	-
<u>\$ 169,817</u>	<u>\$ 21,099</u>	<u>\$ 1,394,363</u>	<u>\$ 4,650</u>

Columbus Metropolitan Library

Exhibit C-2 (cont.)

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

All Capital Projects Funds

Year Ended December 31, 2000

(with comparative totals for 1999)

	Computer System Replacement Fund		
	Discovery Place Web Access Project	Replace PAC With PC Year 2000 Project	Year 2000 PC Replacement Project
Revenues:			
Charges for services	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Capital outlay	-	456,902	215,438
Total expenditures	-	456,902	215,438
Excess (deficiency) of revenues over expenditures	-	(456,902)	(215,438)
Other financing sources (uses):			
Operating transfers in	-	510,000	217,000
Operating transfers out	-	-	-
Proceeds from sale of property	-	-	-
Total other financing sources (uses)	-	510,000	217,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	53,098	1,562
Fund balances at beginning of year	19,732	-	-
Residual equity transfers from (to) other projects	-	-	-
Fund balances at end of year	\$ 19,732	\$ 53,098	\$ 1,562

Totals	
2000	1999
\$ 179,497	\$ 235,094
<u>179,497</u>	<u>235,094</u>
2,361,757	1,928,492
<u>2,361,757</u>	<u>1,928,492</u>
(2,182,260)	(1,693,398)
4,468,000	15,468,000
(1,168,000)	(10,468,000)
<u>721,345</u>	<u>21,950</u>
<u>4,021,345</u>	<u>5,021,950</u>
1,839,085	3,328,552
14,631,297	11,302,745
-	-
<u>\$ 16,470,382</u>	<u>\$ 14,631,297</u>

Columbus Metropolitan Library

INTERNAL SERVICE FUND

The Internal Service Fund is used to account for goods or services provided by one department to other departments of the Library. The Central Stores Internal Service Fund provides accountability for costs related to supplying these goods or services. Charges are intended only to recover the total cost of these goods and services.

Columbus Metropolitan Library

Exhibit D-1

Internal Service Fund

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

Year Ended December 31, 2000

	Central Stores		Variance Favorable (Unfavorable)
	Budget	Actual	
Operating revenues -			
Charges for services	\$ 797,193	\$ 736,495	\$ (60,698)
Total operating revenues	797,193	736,495	(60,698)
Operating expenses:			
Materials and supplies	725,000	674,680	50,320
Personnel services	57,000	53,098	3,902
Contractual services	3,000	2,775	225
Capital outlay	10,000	-	10,000
Contingency	60,000	-	60,000
Total operating expenses	855,000	730,553	124,447
Operating income (loss)	(57,807)	5,942	63,749
Nonoperating revenues:			
Miscellaneous	-	-	-
Total nonoperating revenues	-	-	-
Net income (loss)	(57,807)	5,942	63,749
Retained earnings at beginning of year	57,807	57,807	-
Retained earnings at end of year	\$ -	\$ 63,749	\$ 63,749

Note: No balance sheet or statement of revenues, expenses, and changes in retained earnings is presented for the Central Stores Fund since this is the only Internal Service Fund and those statements are included in the general purpose financial statements.

Columbus Metropolitan Library

Exhibit D-2

Reconciliation Between GAAP and Budgetary Basis of Accounting

Internal Service Fund

Year Ended December 31, 2000

	<u>Net Income</u>	<u>Retained Earnings at end of year</u>
GAAP Basis	\$ 7,838	\$ 309,031
Increase (decrease):		
Due to expenses:		
Paid in cash during 2000 accrued at December 31, 1999	(28,295)	-
Accrued at December 31, 2000 not yet paid in cash	29,849	29,849
Due to encumbrances:		
Expenditures of amounts encumbered during the year ended December 31, 1999	773	-
Recognized as expenses in budget during the year ended December 31, 2000	(1,035)	(1,035)
Other	(3,188)	(274,096)
Budgetary basis	<u>\$ 5,942</u>	<u>\$ 63,749</u>

Columbus Metropolitan Library

FIDUCIARY FUND TYPE

EXPENDABLE TRUST, NONEXPENDABLE TRUST AND AGENCY FUNDS

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

In 2000 the Library received the following cash gifts of \$500 or more from donors who restricted the use of the gifts to purchase library materials, but did not specify that the monies be held in perpetuity. These were gifts deposited into the Library's Expendable Trust Fund.

Ameritech Foundation	\$950.00
Jennifer I. Chapman	\$1,000.00
Columbus Foundation	\$600.00
Fraternal Order of Eagles	\$500.00
Friends of the Library	\$900.00
Lucent Technologies Foundation	\$600.00
Organization of Chinese Americans	\$650.00
Cynthia S. Shellhaas	\$505.00

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

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

Agency Fund:
Payroll Liability

Columbus Metropolitan Library

Exhibit E-1

Combining Balance Sheet

Expendable Trust, Nonexpendable Trust and Agency Funds

December 31, 2000

(with comparative totals for 1999)

	Expendable Trust Fund	Nonexpendable Trust Fund	Agency Fund	Totals	
	Library Materials Expendable Trust Fund	Library Materials Collection Development Fund	Payroll Liability Fund	2000	1999
<u>Assets</u>					
Cash and investments	\$ 49,970	\$ 84,408	\$ 657,562	\$ 791,940	\$ 1,051,926
Receivables	260	356	-	616	779
Total assets	<u>\$ 50,230</u>	<u>\$ 84,764</u>	<u>\$ 657,562</u>	<u>\$ 792,556</u>	<u>\$ 1,052,705</u>
<u>Liabilities</u>					
Accounts payable	\$ 530	\$ 27	\$ -	\$ 557	\$ 1,029
Accrued liabilities	-	-	657,562	657,562	920,841
Total liabilities	<u>530</u>	<u>27</u>	<u>657,562</u>	<u>658,119</u>	<u>921,870</u>
<u>Fund equity</u>					
Fund balances:					
Reserved for encumbrances	1,789	174	-	1,963	2,880
Reserved for endowments	-	67,742	-	67,742	67,742
Unreserved:					
Undesignated	47,911	16,821	-	64,732	60,213
Total fund balances	<u>49,700</u>	<u>84,737</u>	<u>-</u>	<u>134,437</u>	<u>130,835</u>
Total fund equity	<u>49,700</u>	<u>84,737</u>	<u>-</u>	<u>134,437</u>	<u>130,835</u>
Total liabilities and fund equity	<u>\$ 50,230</u>	<u>\$ 84,764</u>	<u>\$ 657,562</u>	<u>\$ 792,556</u>	<u>\$ 1,052,705</u>

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

Columbus Metropolitan Library

Exhibit E-2

Combining Statement of Changes in Assets and Liabilities - Agency Fund

For the Fiscal Year Ended December 31, 2000

	Balance January 1, 2000	Additions	Deletions	Balance December 31, 2000
<u>Payroll Liability Fund</u>				
<u>Assets</u>				
Cash and investments	\$ 920,841	\$ 10,913,924	\$ 11,177,203	\$ 657,562
<u>Liabilities</u>				
Accrued liabilities	\$ 920,841	\$ 10,913,924	\$ 11,177,203	\$ 657,562

Columbus Metropolitan Library

GENERAL FIXED ASSETS ACCOUNT GROUP

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

Columbus Metropolitan Library

Exhibit F-1

Schedule of General Fixed Assets

By Source

December 31, 2000

(with comparative totals for 1999)

	<u>2000</u>	<u>1999</u>
General Fixed Assets:		
Land	\$ 6,344,068	\$ 6,672,588
Buildings	64,326,216	62,383,228
Improvements other than buildings	2,722,192	2,558,017
Machinery and equipment	14,693,313	14,614,669
Construction in progress	<u>88,274</u>	<u>1,679,431</u>
Total general fixed assets	<u>\$ 88,174,063</u>	<u>\$ 87,907,933</u>
Investment in general fixed assets from:		
General revenues	\$ 53,306,578	\$ 53,040,448
Grants	492,923	492,923
Proceeds from capital leases	33,902,078	33,902,078
Gifts and other revenues	<u>472,484</u>	<u>472,484</u>
Total investment in general fixed assets	<u>\$ 88,174,063</u>	<u>\$ 87,907,933</u>

Columbus Metropolitan Library

Exhibit F-2

Schedule of General Fixed Assets

By Function and Activity

December 31, 2000

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>
Public services:		
Main Library	\$ 41,719,110	\$ 1,549,706
Extension (branches and outreach)	<u>37,079,491</u>	<u>4,794,362</u>
Total public services	<u>78,798,601</u>	<u>6,344,068</u>
Administration and support:		
Administration	269,441	-
Finance	138,860	-
Human Resources	44,116	-
Information Systems	7,444,330	-
Communications	324,227	-
Property Management	921,883	-
Technical Services	<u>144,331</u>	<u>-</u>
Total administration and support	<u>9,287,188</u>	<u>-</u>
Construction in progress	<u>88,274</u>	<u>-</u>
Total general fixed assets	<u>\$ 88,174,063</u>	<u>\$ 6,344,068</u>

<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>
\$36,860,314	\$ 1,326,110	\$ 1,982,980	\$ -
<u>27,465,902</u>	<u>1,396,082</u>	<u>3,423,145</u>	<u>-</u>
<u>64,326,216</u>	<u>2,722,192</u>	<u>5,406,125</u>	<u>-</u>
-	-	269,441	-
-	-	138,860	-
-	-	44,116	-
-	-	7,444,330	-
-	-	324,227	-
-	-	921,883	-
<u>-</u>	<u>-</u>	<u>144,331</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>9,287,188</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>88,274</u>
<u>\$64,326,216</u>	<u>\$ 2,722,192</u>	<u>\$14,693,313</u>	<u>\$ 88,274</u>

Columbus Metropolitan Library

Exhibit F-3

Schedule of Changes in General Fixed Assets

By Function and Activity

Year Ended December 31, 2000

Function and Activity	General Fixed Assets January 1, 2000	Additions	Deletions	Transfers	General Fixed Assets December 31, 2000
Public services:					
Main library	\$42,196,503	\$ 15,941	\$ (493,334)	\$ -	\$ 41,719,110
Extension (branches and outreach)	35,007,947	261,434	(856,998)	2,667,108	37,079,491
Total public services	77,204,450	277,375	(1,350,332)	2,667,108	78,798,601
Administration and support:					
Administration	145,762	123,679	-	-	269,441
Finance	41,579	107,126	(9,845)	-	138,860
Human Resources	36,313	7,803	-	-	44,116
Information systems	7,148,338	321,881	(25,889)	-	7,444,330
Communications	715,490	19,350	(410,613)	-	324,227
Property management	822,593	99,290	-	-	921,883
Technical services	113,977	30,354	-	-	144,331
Total administration and support	9,024,052	709,483	(446,347)	-	9,287,188
Construction in progress	1,679,431	1,075,951	-	(2,667,108)	88,274
	\$87,907,933	\$ 2,062,809	\$(1,796,679)	\$ -	\$ 88,174,063

Statistical Section

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

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

Table 1

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

Fiscal Year	Public Service/ Administration and Support	Capital Outlay	Debt Service	Total
1991	\$ 24,045,766	\$ 6,162,725	\$ 4,166,438	\$34,374,929
1992	25,319,151	3,325,156	7,143,932	35,788,239
1993	26,387,548	3,784,321	4,011,077	34,182,946
1994	28,221,150	5,387,418	3,913,769	37,522,337
1995	29,854,285	5,611,575	3,706,680	39,172,540
1996	32,149,237	3,357,442	3,604,413	39,111,092
1997	33,298,764	6,687,859	3,506,195	43,492,818
1998	36,251,082	2,672,423	3,403,744	42,327,249
1999	38,399,609	3,031,634	3,297,858	44,729,101
2000	41,099,587	3,360,156	3,008,889	47,468,632

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

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

Fiscal Year	Property Taxes	Inter- governmental	Fines and Fees	Charges for Services	Investment Earnings
1991	\$ 14,925,539	\$ 13,885,154	\$ 929,660	\$ 751,399	\$ 1,534,657
1992	15,592,202	13,973,534	1,177,851	749,873	1,000,347
1993	15,890,763	14,794,846	1,452,009	1,240,917	743,564
1994	16,389,496	15,415,836	1,483,228	1,130,863	831,068
1995	16,685,996	16,679,864	1,574,104	1,430,327	1,103,415
1996	17,369,084	18,009,456	1,737,408	1,487,945	947,572
1997	17,386,512	19,937,688	1,836,243	1,490,319	1,055,711
1998	18,120,467	22,733,284	1,848,922	1,419,861	994,467
1999	18,596,196	24,477,146	1,874,421	1,473,797	1,129,029
2000	19,401,783	26,612,381	1,924,045	1,501,421	1,635,419

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

Table 2

Contributions and Donations	Miscellaneous	Operating Transfers	Proceeds of Refunding Bonds	Sale of Property	Proceeds from Insurance Company	Total
-	\$ 136,200	\$ 3,769,113	-	\$ 140,100	-	\$ 36,071,822
\$ 42,053	50,747	10,164,626	\$ 22,225,000	496,423	\$ 361,210	65,833,866
105,685	72,567	5,177,971	-	-	-	39,478,322
78,529	75,550	4,863,500	-	-	-	40,268,070
104,092	105,478	6,179,451	-	-	-	43,862,727
129,345	104,822	9,100,310	-	666,470	-	49,552,412
160,168	127,096	4,214,312	-	-	-	46,208,049
161,924	233,553	6,198,100	-	-	-	51,710,578
118,657	180,357	15,468,551	-	21,950	-	63,340,104
112,514	161,675	4,468,552	-	721,345	-	56,539,135

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections
1991	\$ 14,885,012	\$ 14,483,276	97.3%	\$ 583,633
1992	15,492,665	14,920,186	96.3	571,046
1993	15,791,558	15,189,531	96.2	599,141
1994	16,123,518	15,676,531	97.2	811,126
1995	16,538,713	16,100,779	97.4	627,378
1996	17,094,502	16,494,573	96.5	568,558
1997	17,117,709	16,687,134	97.5	580,894
1998	18,171,335	17,618,062	97.0	711,454
1999	18,613,893	18,116,382	97.3	652,402
2000	19,359,943	18,422,396	95.2	681,859

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

Table 3

<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes To Tax Levy</u>
\$ 15,066,909	101.2%	\$ 1,322,899	8.9%
15,491,232	100.0	1,270,524	8.2
15,788,672	100.0	1,321,282	8.4
16,487,657	102.3	1,216,339	7.5
16,728,157	101.1	1,267,953	7.7
17,063,131	99.8	2,110,005	12.3
17,268,028	100.9	1,195,695	7.0
18,329,516	100.9	1,253,104	6.9
18,768,784	100.8	1,409,322	7.6
19,104,255	98.7	1,730,799	8.9

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

Tax Year	For	Real Property		Personal Property	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1991	1992	\$ 7,125,800	\$20,359,429	\$ 1,358,101	\$ 4,683,107
1992	1993	7,327,466	20,935,617	1,400,282	5,001,007
1993	1994	7,508,041	21,451,546	1,382,552	5,120,563
1994	1995	8,341,840	23,833,829	1,388,777	5,341,450
1995	1996	8,513,470	24,324,200	1,449,585	5,798,340
1996	1997	8,817,064	25,191,611	1,559,442	6,237,768
1997	1998	9,535,298	27,243,709	1,637,427	6,549,708
1998	1999	9,881,847	28,233,849	1,690,361	6,761,444
1999	2000	10,415,332	29,758,091	1,760,418	7,041,672
2000	2001	12,038,975	34,397,071	1,881,401	7,525,604

Source: Franklin County Auditor

Table 4

Public Utilities		Total	
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
\$ 563,670	\$ 1,610,486	\$ 9,047,571	\$26,653,022
595,764	1,702,183	9,323,512	27,638,807
628,051	1,794,431	9,518,644	28,366,540
654,314	1,869,469	10,384,931	31,044,748
687,896	1,965,417	10,650,951	32,087,957
655,107	1,871,734	11,031,613	33,301,113
663,944	1,896,983	11,836,669	35,690,400
682,557	1,950,163	12,254,765	36,945,456
695,294	1,986,554	12,871,044	38,786,317
712,261	2,035,031	14,632,637	43,957,706

Table 5

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

	1990 for 1991	1991 for 1992	1992 for 1993	1993 for 1994	1994 for 1995	1995 for 1996	1996 for 1997	1997 for 1998	1998 for 1999	1999 for 2000
COUNTY - Franklin County	9.99	11.87	14.32	14.02	14.02	14.27	14.57	14.67	16.99	16.99
SCHOOL DISTRICT:										
Canal Winchester	42.40	48.42	48.15	46.99	45.86	44.99	51.10	56.46	55.86	55.91
Columbus	43.85	52.80	53.28	53.10	53.01	52.98	58.11	58.04	57.95	57.57
Dublin	49.90	49.24	51.42	50.51	58.41	58.41	57.90	57.90	65.50	65.22
Gahanna-Jefferson	45.35	48.89	49.01	48.23	49.44	55.43	54.85	54.69	62.09	61.35
Groveport-Madison	43.77	54.51	48.58	48.58	48.26	48.14	48.05	56.85	56.33	55.40
Hamilton	39.13	39.39	39.19	47.57	47.40	47.32	47.26	47.20	47.13	47.09
Hilliard	45.46	47.08	51.58	50.37	52.15	60.65	60.28	59.96	59.71	59.71
Licking Heights	41.30	41.20	41.10	41.00	41.00	40.70	40.70	40.70	40.10	39.60
Reynoldsburg	46.29	50.36	52.18	51.57	51.34	51.13	50.45	55.30	55.12	55.49
Upper Arlington	68.15	68.15	68.15	74.66	74.65	78.12	77.82	77.86	84.03	83.95
Whitehall	54.12	53.15	61.20	52.72	52.72	65.72	65.62	65.61	65.61	65.49

(Continued)

Table 5 (Continued)

	1990 for 1991	1991 for 1992	1992 for 1993	1993 for 1994	1994 for 1995	1995 for 1996	1996 for 1997	1997 for 1998	1998 for 1999	1999 for 2000
JOINT VOCATIONAL SCHOOL DISTRICT:										
Central Ohio	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Eastland	2.64	1.24	1.24	1.23	1.20	1.20	1.20	1.20	2.00	2.00
Licking County	2.80	2.80	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
MUNICIPAL CORPORATIONS:										
Brice	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Canal Winchester	3.30	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	3.00	2.99	2.99	2.98	2.98	2.98	2.98	2.97	2.97	2.97
Gahanna	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Groveport	2.90	2.90	2.90	2.90	1.40	1.40	1.40	1.40	1.40	1.40
Hilliard	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Lockbourne	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
New Albany	1.20	1.20	1.20	1.20	1.95	1.95	1.95	1.71	1.70	1.57
Obetz	1.70	1.70	1.70	2.65	2.05	1.70	1.70	1.70	1.70	1.70
Reynoldsburg	2.96	2.94	2.94	2.93	2.91	2.90	0.79	0.78	0.77	0.76
Valleyview	28.34	35.34	27.34	27.34	27.34	24.53	24.53	24.53	24.53	24.53
Whitehall	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Lithopolis	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.90

(Continued)

Table 5 (Continued)

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

	1990 for 1991	1991 for 1992	1992 for 1993	1993 for 1994	1994 for 1995	1995 for 1996	1996 for 1997	1997 for 1998	1998 for 1999	1999 for 2000
TOWNSHIPS:										
Blendon	16.50	16.50	16.50	16.50	19.00	19.00	21.45	22.60	22.43	22.41
Brown	7.60	7.60	7.60	1.60	9.60	9.60	9.60	9.60	9.60	9.60
Clinton	22.64	22.64	22.64	22.64	25.64	25.64	25.64	25.64	25.64	25.64
Franklin	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05
Hamilton	11.80	11.80	11.80	11.80	11.80	12.30	14.55	14.55	14.55	15.05
Jefferson	9.20	9.20	20.20	9.20	9.20	9.20	9.20	9.85	10.82	10.59
Madison	18.80	18.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80
Mifflin	18.80	18.80	20.80	20.80	20.80	20.80	22.80	20.80	20.80	20.80
Norwich	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	18.80	18.80
Perry	20.80	23.63	23.80	23.80	23.80	23.80	23.80	23.80	23.80	23.80
Plain	8.20	8.20	8.20	8.20	8.20	9.16	9.21	9.42	9.34	10.72
Prairie	11.80	11.80	11.80	14.00	14.00	14.00	14.00	14.20	14.20	14.20
Sharon	6.60	6.60	11.10	8.10	8.10	13.10	13.10	13.10	13.10	19.10
Truro	10.40	10.40	10.40	10.40	10.40	12.65	12.65	12.65	12.65	12.65
Washington	15.36	17.09	17.07	15.80	17.05	18.54	18.53	18.52	18.51	20.01
OTHER ENTITIES:										
Columbus Metropolitan Library	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Metropolitan Park District	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.65

Source: Franklin County Auditor

Table 6

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

Fiscal Year	Population (3)	Per Capita Income (1)	Median Age (1)	K-12 School Enrollment (2)
1991	981,000	\$ 19,236	30.8	170,401
1992	1,000,100	20,417	31.4	181,523
1993	N/A	20,932	31.7	180,018
1994	1,013,100	21,875	32.0	180,479
1995	1,009,800	23,242	32.2	185,071
1996	1,016,700	24,197	32.4	185,795
1997	1,016,300	25,247	32.7	185,719
1998	1,017,400 (4)	N/A	N/A	191,141
1999	1,025,742 (8)	N/A	32.9 (8)	194,036
2000	1,033,293 (8)	31,527	33.7 (8)	193,618

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

Average Unemployment Rates

Fiscal Year	Franklin County (5)	State of Ohio (5)	United States (6)
1991	4.2%	6.4%	6.7%
1992	5.0	7.2	7.4
1993	4.4 (7)	6.1 (7)	6.8
1994	2.9 (7)	4.2 (7)	6.1
1995	3.6	5.3	5.6
1996	2.6	4.8	5.4
1997	2.4	4.3	4.9
1998	2.1	3.9	4.3 (5)
1999	2.1 (7)	3.8 (7)	3.7 (7)
2000	2.1 (7)	3.7 (7)	3.7 (7)

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

Table 7

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

Fiscal Year	Construction (1)	Bank Deposits (2)	Total Property Value (3)
1991	\$ 616,262,025	\$ 18,567,111,000	\$ 9,047,571,000
1992	498,520,630	17,698,307,000	9,323,512,000
1993	540,425,036	18,074,035,000	9,518,644,000
1994	679,086,644	19,065,256,000	10,384,931,000
1995	749,610,571	21,808,752,000	10,650,951,000
1996	863,499,378	20,550,916,000	11,031,613,000
1997	1,423,716,982	40,755,867,000	11,836,669,000
1998	N/A	40,572,415,000	12,254,765,000
1999	N/A	39,568,044,000	12,871,044,000
2000	N/A	36,996,496,000	14,632,637,000

Source: (1) City of Columbus, Ohio

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

(3) Franklin County Auditor

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

Table 8

Columbus Metropolitan Library
Principal Property Taxpayers
December 31, 2000

Name of Taxpayer	Real Property	Personal Property	Total Assessed Valuation	% of Total Assessed Valuation (1)
1. Columbus Southern Power	\$ -	\$ 342,444,140	\$ 342,444,140	2.28%
2. Ohio Bell Telephone Company	-	137,958,900	137,958,900	0.92
3. Columbia Gas of Ohio, Inc.	-	122,360,790	122,360,790	0.82
4. Nationwide Mutual Insurance Co.	100,015,120	343,060	100,358,180	0.67
5. Lucent Technologies Inc (AT&T)	805,860	69,043,250	69,849,110	0.47
6. Capitol South Community	65,558,190	-	65,558,190	0.44
7. Huntington Center Associates	48,685,000	13,179	48,698,179	0.32
8. Techneglas Inc.	2,828,440	42,845,960	45,674,400	0.30
9. Distribution Land Corp	42,892,790	-	42,892,790	0.29
10. Duke Realty	39,944,000	213,690	40,157,690	0.27
TOTAL	<u>\$ 300,729,400</u>	<u>\$ 715,222,969</u>	<u>\$ 1,015,952,369</u>	<u>6.77%</u>

Source: Franklin County Auditor

(1) The total assessed valuation for 2000 equ \$15,006,756,756

**Columbus Metropolitan Library
Miscellaneous Statistics
December 31, 2000**

Date of Formation March 4, 1872

Population of County 1,033,293

<u>Year</u>	<u>Number of Employees</u>	<u>Number of Volumes Owned</u>
1991	645	1,928,603
1992	664	2,045,063
1993	688	2,169,823
1994	717	2,212,476
1995	743	2,310,808
1996	770	2,669,243
1997	808	2,746,846
1998	853	2,860,804
1999	845	2,907,305
2000	898	2,931,689

<u>Year</u>	<u>Number of Library Materials Circulated</u>	<u>Number of Registered Borrowers</u>
1991	8,392,022	363,856
1992	9,642,350	390,034
1993	10,684,651	402,627
1994	10,918,703	390,970
1995	11,158,107	386,066
1996	11,862,449	399,187
1997	11,811,189	408,553
1998	11,171,752	409,234
1999	11,411,499	401,192
2000	12,364,216	404,018

Source: Columbus Metropolitan Library

Source for County Population: CACI Marketing Systems



Two Nationwide Plaza
Columbus, OH 43215-2577

Telephone 614 249 2300
Fax 614 249 2348

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

The Board of Trustees
Columbus Metropolitan Library
Columbus, Ohio

and

The Honorable Jim Petro
Auditor of State

We have audited the financial statements of the Columbus Metropolitan Library (the Library) as of and for the year ended December 31, 2000, and have issued our report thereon dated May 18, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting, which we have reported to management of the Library in a separate letter date May 18, 2001.

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

KPMG, LLP

May 18, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

COLUMBUS METROPOLITAN LIBRARY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 10, 2001**