



WORTHINGTON LIBRARIES FRANKLIN COUNTY

Comprehensive Annual Financial Report
FOR THE YEAR ENDED DECEMBER 31, 2008





Mary Taylor, CPA
Auditor of State

Board of Trustees
Worthington Libraries
820 High Street
Worthington, Ohio 43085

We have reviewed the *Independent Auditor's Report* of the Worthington Libraries, Franklin County, prepared by Kennedy Cottrell Richards, LLC, for the audit period January 1, 2008 through December 31, 2008. 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 Worthington Libraries is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 29, 2009

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Worthington Libraries

WORTHINGTON, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2008

**Issued by:
Worthington Libraries Finance Department**

**Meribah Mansfield
Director/Fiscal Officer**

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Worthington Libraries
Worthington, Ohio
Comprehensive Annual Financial Report
For The Year Ended December 31, 2008
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June 3, 2009

Citizens who reside in the Worthington School District
Members of the Worthington Libraries Board of Trustees

We are very pleased to present the 2008 Comprehensive Annual Financial Report (CAFR) for Worthington Libraries. This report, for the calendar year ended December 31, 2008, has been prepared using generally accepted accounting principles for governments. It contains financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of Worthington Libraries (to be hereinafter referred to as "the Library," and also known as the Worthington Public Library and the Worthington School District Public Library).

Ohio law requires that every general-purpose local government file with the Auditor of State of Ohio and publish the availability of financial statements within 150 days of the close of each year. The basic financial statements from this report were filed to fulfill that requirement for the year ended December 31, 2008.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Library's financial statements have been audited under contract by Kennedy Cottrell Richards, LLC., a firm of licensed certified public accountants. The Independent Public Accountant has issued an unqualified ("clean") opinion on the Library's financial statements for the year ended December 31, 2008. The Independent Auditors' Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

LIBRARY OVERVIEW

The Library known as Worthington Libraries is located in the City of Worthington, Ohio, which is in central Ohio. It serves residents of the Worthington School District. The Old Worthington Library is located downtown in the City of Worthington, the Northwest Library is located in northwest Columbus, Ohio, and the Worthington Park Library is located in north Columbus, Ohio. All three locations are within the Worthington City School District.

Worthington Libraries is organized under Ohio State law as a school district public library. A seven-member board, one member appointed each year by the local board of education for a seven-year term, governs the Library. Members belong to the community and typically have a history of avidly supporting the Library. Board members hold positions as educators, bankers, accountants, independent business owners, attorneys, realtors, investment advisors and a variety of other occupations. They come together to apply their knowledge and experience, and offer their insights to provide management guidance and oversight to the Library.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," the Library is considered to be a related organization of the Worthington City School District.

The Director is responsible for the administration of the Library, and the Fiscal Officer oversees the library's financial affairs. The Board of Library Trustees has appointed Meribah Mansfield to both positions.

The taxing authority for the Library is the board of education, but the Library operates under a separate budget with funds derived primarily from the State's Public Library Fund and two local property tax levies totaling 4.8 mills. The Library is fiscally independent of the Worthington City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The Library Board of Trustees independently determines to request approval of a tax levy and the role and purpose(s) of the levy. If a request is approved, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

HISTORY OF THE LIBRARY

The roots of Worthington Libraries can be traced to the small New England town of Granby, Connecticut. It was from Granby in 1803 that a group of 100 men, women and children set out to begin a new life in Worthington, Ohio. Among the possessions they brought with them were the books for what they would call the Stanbery Library, a subscription library named for its principal benefactor. This library was the first in Franklin County and only the third in the State.

Throughout the next 100 years, library service in Worthington took on many forms—books were kept at the school, the local post office, etc.—but it was inevitably kept alive by groups of local citizens. They knew that if a community was to survive and grow, its residents must have a library to provide opportunities for enhanced education and continued learning.

In 1903, the Fortnightly Club, a women's Shakespeare study club, took over management of the Worthington Reading Room. In 1908, the Fortnightly Club moved to establish the Worthington Public Library Association to take advantage of local tax funds.

In 1925, the Library was placed in control of the school board, establishing it as a school district public library. This assured the Library of much-needed financial support but did not provide an actual building to house the collection. This changed in 1927 when Mary Elizabeth Jones Deshler donated money for a library building on the northeast corner of the Village Green, the area set aside by Worthington's founders for the public pursuit of learning and education. Mrs. Deshler dedicated the building to the memory of her grandfather, Worthington founder James Kilbourne. In 1931, Mrs. Deshler funded the addition of the north and south wings on the James Kilbourne Memorial Library Building.

By 1950, Library use had increased tremendously. Although the James Kilbourne Memorial Library Building was less than 25 years old, the growing collection and increasing circulation were already straining the facility, and it was finally expanded in 1956.

In 1973, the Library proposed moving less than a mile north on land it had purchased for this possibility. The community was outraged at the prospect of the Library being located anywhere but the Village Green and defeated levy issues to build a new facility in 1973 and 1974. The Library staff persevered in their cramped conditions until a final solution was found in 1976 when the school board agreed to a property swap with the Library. Groundbreaking for the new facility was held on July 4, 1978 and it was dedicated October 21, 1979. The new Library was within sight of the old Village Green location (put to use as a school administration office).

Although the community supported the Library through its patronage, it had thus far refused to pay for it with local tax support. This finally changed in 1992, when the community voted to support a 2.2 mill property tax levy to maintain service at Old Worthington Library and funded a new library to provide service to the growing northwest-area population.

The Northwest Library, which opened in 1996, was made possible through a unique partnership agreement with the Columbus Metropolitan Library. The Columbus Metropolitan Library Board of Trustees agreed to buy the land for a future library and hold it until the Worthington Libraries levy passed in 1992. Now 13 years old, the Northwest Library is jointly operated by Worthington Libraries and the Columbus Metropolitan Library and is managed by Worthington Libraries.

In the early 2000s, the Library was once again faced with an increase in use coupled with a decline in revenue. Thanks to a grassroots campaign led by members of the Friends of Worthington Libraries and the Library Board, the Library was successful in passing a permanent 2.6 mill property tax levy in November 2005.

In 2007, Worthington Libraries received the national Library of the Year award from *Gale/Library Journal*. This award annually honors the library that most profoundly demonstrates outstanding community service. Members of *Library Journal*'s editorial board, representatives from Thomson Gale's executive committee and librarians from around the world judge applicants based on the following factors: service to the community; creativity and innovation in developing specific community programs; a dramatic increase in library use; and leadership in creating programs that can be emulated by other libraries. As the recipient of the 2007 Library of the Year award, Worthington Libraries received a check for \$10,000 at a special reception held in Washington, DC during the American Library Association's annual conference in June.

Today, Worthington Libraries is one of the busiest in the State, ranked only behind the eight metropolitan libraries in terms of use. It provides a wide array of information services, including online access, materials and programs for residents of the Worthington School District, and maintains the pioneering spirit of the Library's founders in looking for new and better ways to serve patrons.

COMMUNITY OUTLOOK

Worthington is located in the center of the State at Ohio's crossroads and affords easy access to all parts of Ohio and the nation. A suburb of Columbus, the State capital, Worthington offers all of the attractions and conveniences of a big city combined with the charm of small town living.

Worthington was one of the Midwest's first planned communities, blending commerce, residential life, education and faith. Founded in 1803, Worthington reflects its dignified New England heritage with authentic brick sidewalks leading to the central Village Green where many of the City's original commercial buildings and churches still stand proudly. Today, as in ages past, people come to meet and greet on the Village Green and stroll the streets of downtown Worthington. Worthington's strong community spirit and excellent quality of life serve as the solid foundation for people of all ages, businesses, their employees and families.

Education, a founding tenet of the City, remains a hallmark of Worthington. Its school district serves over 9,000 students and consistently earns the highest ratings on the State's school district report cards. Its student-focused educational programs are continually recognized as some of the best in the State. This provides a perfect environment for a progressive, forward-looking, service oriented library to identify and meet emerging needs and to thrive.

ECONOMIC CONDITIONS AND OUTLOOK

Ohio's economy and tax collections are still unpredictable. New legislation meant to help stabilize funding for libraries was passed in June 2007. This change should provide some modest growth to the funding received from the State and allow an increased degree of certainty to longer range revenue projections, once the economy is strengthened.

In 2006, the City of Worthington adopted a new Comprehensive Plan and Strategic Plan to further benefit the business community and guide growth and development in the City. With most of the City built-out, the attention is placed on redevelopment of existing facilities and properties; finding ways to create new opportunities through re-use and redevelopment. A number of large office, retail and residential development projects are underway in the City of Worthington, reflecting this focus on redevelopment.

FINANCIAL TRENDS

During fiscal year 2008, the Library experienced a slight decrease in funding from the Public Library Fund. This trend is expected to continue through fiscal year 2009. A decrease in the general property tax collections was realized in 2008. This decrease was due to the phase out of the tax on tangible personal property. An increase in State reimbursements helped offset the revenues lost. There was a reduction in the amount of investment income realized due to significant decreases in interest rates and a decrease in invested funds as payments were made on renovation projects.

There is stability in the real estate collections and a continued increase is expected. However, the amount of personal property taxes previously collected will diminish over the next few years as a result of House Bill 66. These dollars will be replaced with money from the Commercial Activities Tax through 2010, but a new replacement mechanism for these revenues will need to be created at the end of this period.

While the number of materials circulated increased almost 95 percent from 1999 through 2008 (1,663,835 in 1999 to 3,237,654 in 2008), operating cash disbursements have only increased 61.7 percent (\$5,115,665 in 1999 to \$8,270,252 in 2008) and employees only increased from 100.7 Full-Time Equivalent in 1999 to 110.5 Full-Time Equivalent in 2008. Salaries and Benefits represented 55.37 percent of operating cash disbursements in 1999 and 60.37 percent in 2008. Careful management of staffing and disbursements continues to ensure operating efficiency and maintains control of the budget.

FINANCIAL PLANNING AND POLICIES

All budgetary policies are established by Ohio law and/or the Library Board. The budget process is as follows:

- A temporary appropriation is adopted and filed with the Franklin County Budget Commission by January 1.
- A permanent appropriation is adopted and filed with the Franklin County Budget Commission by March 31.
- For annual budgeting purposes, unused balances remain in the accounts where they were allocated.
- The level at which the Board approves the budget becomes the legal level of control.
- Transfers of appropriations at this level require Board action.

- The permanent appropriations may be amended or supplemented, based on needs during the year.
- The Franklin County Budget Commission provides an annual certificate of estimated resources. The Library's maximum annual appropriations are controlled by this document. The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Fiscal Officer.
- Rates for fines, fees, and charges are established by the Board.
- Library cash is pooled for investment.

The Library's long-range financial plan, which provides projections through 2025, is reviewed in conjunction with every operating decision that is made. The levy campaign promise was to maintain a positive cash flow with receipts and disbursements through 2018 if the levy passed. This promise was a major reason for the support the levy received and was one reason that it passed in November 2005. Every decision that has financial implications is evaluated to ensure this promise will not be compromised.

The Director/Fiscal Officer regularly meets with the Administrative Team to discuss problems, new initiatives and potential opportunities. New initiatives or reactions to emerging needs and/or problems are discussed by the group. If disbursements are required, plans are developed to establish reasonable cost estimates. If an action appears to be viable, a presentation is prepared to share with the Finance/Operations Committee of the Board of Trustees. Once the Committee understands the proposal and its financial implications on the long-range financial picture, it determines if it should support taking the recommendation to the full Board for approval. If the action, is supported, the Chair of the Committee proposes the resolution at the Board Meeting. This Committee meets three or four times per year, or as needed in special situations.

In addition to special situations, normal operating disbursements are continuously monitored. Annual budgets are developed based on projections in the long-range plan. Managers review actual monthly disbursements against budget allocations and recommend adjustments as needed. Funds not required for operating disbursements are invested to obtain the best return available with the least amount of risk. STAROhio, administered by the Treasurer of the State of Ohio, was used in 2008 because it offered similar rates to those that could be obtained from local banks and provided the liquidity necessary to allow for payments on the construction billings. The Board receives a monthly Fiscal Officer update and copies of financial statements so that they are aware of the financial condition of the Library in any given month.

MAJOR INITIATIVES FOR 2008

2008, the last year of implementation for our 2005-2008 Strategic Plan, brought significant change to Worthington Libraries as we completed four major projects and began positioning the organization for a new planning stage.

On April 16, 2008, we opened the Worthington Park Library. This storefront facility located in 5,280 square feet of space in the Worthington Park Shopping Center provides service to patrons in the northeast part of the Library's district. Developed with substantial community input, the Library has a large collection of children's materials, 25 computers for public use and the system's only Homework Help Center, which provides students with access to computers, tutors and other resources from 3-6 pm each Monday-Thursday during the school year.

Later in the year, the Library completed renovations of both Old Worthington Library and Northwest Library. In addition to better arrangement of the collection, new carpeting and fresh paint, updated features of the renovated libraries include teen rooms, quiet/group study rooms, unique children's department entrances, a family restroom at Old Worthington Library and a drive-through pickup window at Northwest Library.

The renovation didn't stop with our physical spaces, but continued into the digital realm with the redesign of the Library's Web site (worthingtonlibraries.org). Once again, community feedback was a key component of the redesign process as patrons participated in focus groups and usability studies. The new Web site made its debut in November.

As always, serving the community remains our primary focus. In 2008, we also began working with our two major community partners, the Worthington Schools and the City of Worthington, in the development of a community strategic planning process that will result in strategic plans for all three organizations and will include joint projects we will work on together.

Stewardship of Resources

Worthington residents trust the Library to make responsible financial decisions on their behalf, which is why stewardship is one of three priorities outlined in the 2005-2008 Strategic Plan. Specifically, the plan states the Library will "evaluate and improve the organization and its operation in a continuing effort to provide service to a diverse population, stimulate use of the Library and encourage familiarity with changing technology."

Prior to passage of the 2.6 mill permanent operating levy in November 2005, Library funding was in decline as use was steadily increasing—circulation has increased 45.7 percent in the last five years. Despite the increase in use, operating disbursements have only increased a total of 31.9 percent during the same time period, an average of 6.4 percent per year. These figures include the opening of the new Worthington Park Library in 2008, which accounts for the higher operating disbursements.

The Library staff has been reorganized three times since 2002. Each time, the work that needed to be accomplished was assessed and a determination was made about the best staffing structure needed to make it happen. In 2005, the traditional library hierarchy of department managers was abolished and replaced with lead librarians and staff work groups. This reorganization saved the Library a total of \$23,907 in salaries and benefits, compared to 2004 figures, and the first phase of its development only took five months to complete from inception to implementation. Insurance carriers were also changed several times and an employee Health Savings Account was approved in 2006 and began in 2007 as another insurance option for staff members. Additionally, every time a staff member retires or resigns, their position is evaluated to determine if it should be filled or restructured to better meet the needs of the Library.

Library Director Meribah Mansfield is never far from a copy of the Library's long-range financial plan. Through constant review and careful management, she is able to track and maximize the use of every dollar and to see how spending projections will impact the Library now and in the future. The results have direct benefits to the community.

In December 2006, the Northwest Library bonds were paid off early. The bonds were originally issued by the City of Columbus in 1994, with a maturation date of January 1, 2015. The Library used the proceeds from the bond sale to fund the construction of the Northwest Library, which opened in 1996. Based on the stated interest rate of the bonds for their remaining life and the projected estimated earnings the Library could generate on the funds if they were not used to redeem the bonds, a savings of approximately \$50,000 was realized by paying off the bonds prior to their maturity date. There was no Debt Service Fund beginning in 2007.

One of the action plan items for 2007-2008 was to develop a higher level of financial reporting through the preparation of a capital assets inventory for the first-ever Generally Accepted Accounting Principles report and completion of a first-ever Comprehensive Annual Financial Report for 2006. These reports were also completed for 2007 and provide the Library Board and the community with an accurate reflection of the Library's financial position. The Library received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting and was presented with the State Auditor's "Making Your Tax Dollars Count" award for both its 2006 and 2007 reports.

The November 2005 levy passed with 58 percent of the vote and has enabled the Library to maintain the quality services, materials and programs the community expects and deserves. The levy generates over \$4 million per year in revenue and is expected to provide adequate funding for the Library until at least 2018. The two local property tax levies (the Library also has a 2.2 mill levy passed in 1992) now account for 56.1 percent of the revenue, while State funds account for 30.7 percent. Considering that almost 75 percent of Ohio's libraries are completely dependent on State funds, the Library is in an enviable funding situation—which is a direct result of the services provided and not something ever taken for granted.

Building and Maintaining the Collection

In "Hennen's American Public Library Ratings 2006," Thomas Hennen writes, "Back in the mid-70s, when I went to graduate school, numbers from *Wheeler and Goldhor's Practical Administration of Public Libraries* represented the gold standard for library planning. They recommended that 20 percent of a public library budget should go toward materials. More recently, the common wisdom has pointed to 15 percent. The latest data shows another in a continuing decline from 13.9 percent to 13.2 percent." (*American Libraries*, November 2006, p. 41)

Although it has become harder to do, because of rising costs in healthcare and other expenses beyond our control, the Library still meets the "gold standard" in library planning. In 2008, 22 percent of the Library's budget was spent on materials. As a matter of fact, Worthington Libraries has spent an average of 22.7 percent of its total budget on materials since 1979.

Being part of the Discovery Place Library consortium with Columbus Metropolitan Library and Southwest Public Libraries provides patrons with access to over 3 million items (that they can reserve and renew online) and provides the freedom to build a collection that is intentionally deep and varied. Although the Library purchases bestselling books, popular music and the latest DVDs, patrons also expect to have jazz recordings, independent film releases and poetry from small publishers. Often, patrons comment that this Library is the only one in the Discovery Place system that owns the particular item they are looking for.

What the library patrons are looking for, more often than not, is a book to read. They want books more than any other information format, and that's what we provide. As of December 31, 2008, the Library owned 408,880 books.

In 2006, the Library began centralized selection by profile. This streamlines the ordering process and allows the Library to better track and build the collection as a whole, rather than in segments. In 2007, all materials selection was centralized and is now coordinated by two Materials Selectors, one for adult materials and one for youth materials.

The Library staff also takes weeding seriously and regularly removes items that are in poor condition or have not circulated to make room for items. This keeps the collection fresh and interesting for patrons who are reserving items online or stopping by to browse.

New Customer Service Model

In 2006, a New Customer Service Model workgroup was formed and charged with researching and developing a new proactive customer service model for the Library. The workgroup explored the range of possible ways to meet the information needs of our patrons in the most efficient, effective and thorough manner, paying particular attention to services that are proactive, including roving reference and concierge services.

The workgroup found that adding roving reference to our existing customer service model would allow us to help more people who ask questions at the reference desk as well as those who are afraid or not inclined to ask questions. We wanted to make sure people were not leaving the Library without the information they came in looking for.

Based on the workgroup's recommendations, the Library's reference desks adjusted their coverage by assigning one person as a "rover." Rovers are assigned to one-hour shifts and are expected to greet patrons and see if they need assistance. Roving stations with computers are being used to access the Library catalog and electronic resources to eliminate the need to run back and forth between the desk and the stacks. Phone calls are now received in the Library's new call center (located in Old Worthington Library) instead of in individual departments. This makes it easier for staff to remain focused on serving the needs of patrons without interruption.

The staff aggressively merchandises the collection. A Merchandising work group visited several area libraries and bookstores to learn more about how to promote items to encourage patrons to borrow or buy. Advice was also solicited from a marketing consultant who has experience with working in public libraries and bookstores. The consultant walked through both libraries and pointed out several areas for improvement. Using the information gleaned from the library/bookstore visits and the consultant's report, several new initiatives were implemented. "Power walls" were designed to merchandise high-traffic areas of the collection (new fiction, picture books, mystery, cookbooks, travel, etc.). We have also replaced old and outdated signs with new, bold versions that are easy-to-read and attractive.

More self-checkout machines were added in 2008, making it easier, faster and more convenient to use the Library. Self-checkout machines make it possible for people to get their materials with little or no assistance, although patrons can still request help from a person. A staff member is always available to assist those that are new or unfamiliar with the process. The feedback

received about the machines has been overwhelmingly positive and lines at circulation (which once could be quite long) are now almost non-existent. Over 87 percent of circulation is self-check out.

All of this is designed to make the Library's buildings, materials and staff more welcoming and easier to access.

Technology and Online Access

The Library's Web site, worthingtonlibraries.org, was completely redesigned in 2008 using a comprehensive process that included input from the Library staff and patrons. The process was coordinated by our Digital Library Manager, who worked with the Webmaster and Community Relations staff to develop and design the site.

Although the previous iteration of the Library's Web site was the first-ever recipient of the netConnect Award for a small public library, the site had remained essentially static for more than seven years and was in need of an "extreme makeover." Library patrons participated in focus groups, took part in a survey and provided feedback in usability tests conducted by the Digital Library Manager.

While the Webmaster and Digital Library Manager worked to code the site using the open-source Web development software Drupal, the Library's Graphic Designer developed a color palette and visual elements. The result is a much more dynamic and modern Web site that is completely modular, allowing us to easily change and update news items and to highlight important services and events.

Additional contributors to the Web site are the Digital Library Team and the Electronic Resources Team. The purpose of the Digital Library Team is to plan and implement the creation, integration and delivery of digital information and resources for use by patrons and staff, including continued development of the Web site, the staff Intranet and *Worthington Memory*. The purpose of the Electronic Resources Team is to identify, evaluate, select and promote new electronic resources, and to analyze the use of existing electronic resources offered by the Library to its patrons within the parameters of the Library's Collection Development Statement and budget. Both teams meet regularly to make sure that the Web site delivers the same quality service and resources that patrons are accustomed to when visiting our brick and mortar locations. At the end of 2008, the Library's Web site provided access to 174 premium electronic resources and more than 12,000 full-text periodicals.

Adults can ask a reference question any time of the day or night by logging on to the Library's Web site and accessing KnowItNow24x7. A statewide service initiative funded by the State Library of Ohio, KnowItNow24x7 provides online reference help 24 hours a day, seven days per week. Students also have access to free online tutoring and HomeworkNow, the companion site to KnowItNow24x7.

Younger children can enjoy TumbleBooks. TumbleBooks is an online collection of animated, talking picture books, reading comprehension quizzes, educational games, and teacher resources. It includes story books, life learning books, language learning books and TumbleReadables (large print 'Read-On-Your-Own' stories, chapter and young adult books). It is accessible in the Library and at home to anyone with a library card.

The Library also provides e-books, digital audiobooks and video for download from the Web site in partnership with the Mid-Ohio Library Digital Initiative.

The Library has 347 computers available for public use (up from 76 in 1999) and, in 2006, both Old Worthington Library and Northwest Library began providing wireless Internet access in partnership with the City of Worthington.

In 2008, the Library worked with City officials on the redesign of the community Web site, www.worthington.org. This site, hosted by the Library, links to the Worthington Schools and Worthington Area Chamber of Commerce, and provides information on community events and other organizations.

To help patrons learn more about and become comfortable with technology, the Library provides free computer classes in both libraries and at the Lazelle Woods Recreation Center, a City of Columbus Recreation and Parks facility in the northeast section of our service district. The Library is the “technology supplier” for many community events and meetings, supplying a computer, projector and screen for events such as the Worthington Area Chamber of Commerce Annual Groundhog Day Forecast Breakfast.

A teen blog and MySpace for teens were introduced in 2006 and a Flickr page was established to showcase pictures from library events. In June 2007, the Library launched Programs to Go (www.worthingtonlibraries.org/programs2go), a special section of the Web site featuring podcasts, video of library programs and events, audio and much more. In conjunction with the launch of the new Web site, we also introduced a new catalog interface which provides an updated and easy-to-use method of accessing all of the items available through the shared Discovery Place consortium.

Planning for the Future

The strategic planning process will begin again during 2009. The Library will coordinate planning for the future with the City of Worthington and the Worthington Schools, so that the needs and desires of the entire community are considered by all three institutions. As always, library staff and trustees and dozens of community members will be involved in developing the library's next strategic plan. The current goal is to have the library board adopt a new three-year plan in 2010. The Library board adopted the library's 2005-2008 Strategic Plan on May 16, 2005. The community's commitment to the Library, as well as their expectations, was embedded in each and every word. The plan culminated in its final year with the changes detailed below.

Old Worthington Library and Northwest Library

Renovation of both libraries in the Worthington Libraries system (Old Worthington Library and Northwest Library) began in 2007. Construction at both facilities began in July 2007 and was complete in fall 2008. The budget for both projects was \$3,590,390.

Use of Worthington Libraries continues to grow and space at both buildings was not being used as efficiently as possible to meet the increasing demand for Library service. Since Northwest Library opened in 1996, system-wide circulation has more than doubled. The Library now has the 9th highest circulation in the State, behind only the eight metropolitan library systems. Space

in both circulation departments was no longer adequate to process the growing number of books and other library materials being reserved, checked out and returned by patrons.

To remedy this situation, and to position the Library for future growth, the renovation included two small additions to the circulation departments at both libraries. The additional space is used to process materials more efficiently.

Because the methods for delivering library service and patron expectations regarding customer service continue to evolve, the buildings were also rearranged to create the spaces people want within the Library and to implement the goals of the 2005-2008 Strategic Plan.

Highlights of the rearrangement include the following:

- the addition of more computers
- the creation of a remote reference center at Old Worthington Library for digital and phone reference service
- the size of the collection was maintained, and bookshelves were rearranged to make materials more accessible and attractive to browsers
- adding child-friendly furnishings in the children's departments and more defined areas for babies, younger children and tweens
- the addition of a family restroom at Old Worthington Library and a drive-up window at Northwest Library
- creating a single entrance/exit point for the Northwest Library children's department, making it easier to monitor and for parents to keep track of their children
- providing teens with their own room in both libraries, where they can work together on school projects or just hang out without disturbing other library patrons
- providing tweens with their own space, that is separate from both the children's and teen areas
- the addition of seating and a self-serve coffee/beverage station in both library lobbies
- replacing the large reference and circulation desks with smaller workstations, thereby making the staff more accessible to patrons

Both libraries underwent construction concurrently and neither location closed during any phase of the renovation. Now that renovations are complete, it's gratifying to see people use the space exactly as we intended. The lobby is full of people working on their laptops, the fireplace area is a gathering place for book lovers and the teen rooms are filled to capacity every day after school.

Expansion to Serve the Northeast

Patrons in the northeast part of our service district have been eagerly anticipating a library branch for 13 years, since land was purchased in the area and set aside as a site for a possible future library. At two points in the last six years, the Library has come close to making their dreams a reality, but each time plans had to be scrapped because of State funding reductions. Although several outreach programs have been developed to serve northeast-area patrons, attending a storytime at the local recreation center is not the same as attending a storytime at the Library, and residents want a facility to call their own.

Funding still prohibits construction and operation of a stand-alone library, but we expanded service to the northeast by opening a storefront branch on April 16, 2008. The library is 5,280 square feet located in a retail center near a grocery store and within walking distance of an elementary school.

The storefront library, called Worthington Park Library, although smaller in scale than some have hoped for, provides northeast area residents with the services they've been asking for. It includes a popular reading library of bestselling fiction and nonfiction. It has a large children's collection and 25 computers for public use. The shopping center retrofitted the space for the Library. The Library spent \$169,363 on furniture and carpet for the Worthington Park Library in 2008, and a little over \$12,000 in architect and legal fees for the start-up of the facility. There was \$327,103 spent on the collection and its processing in 2008, the bulk of which was the opening collection. A total of \$949,373 was spent on Worthington Park in 2008. The 2009 operating budget is \$797,596, which includes the annual lease amount.

Programming at Worthington Park focuses on meeting the needs of the many children and families in the area. To that end, we've established a Homework Help Center in this location. This is a unique feature of the Worthington Park Library—not found in our other libraries—and is a source of pride for residents as well as tremendously useful for students. Funding for the Homework Help Center was provided by the Worthington AM Rotary Club, who contributed \$5,000 to the Library for the center, and from Gale/*Library Journal* for the 2007 Library of the Year Award.

We've emerged from the renovation and expansion projects as a more modern institution prepared to meet the changing needs of patrons at a time when library service is in great demand.

OTHER INFORMATION

Independent Audit

An audit team from the accounting firm of Kennedy Cottrell Richards, LLC is under contract with the Office of the Auditor of State Mary Taylor as Independent Professional Auditors, and they performed the 2008 audit. The results of the audit are presented in the Independent Auditors' Report.

Awards

The Library was one of four or five finalists for the prestigious national Library of the Year award in 2001, 2002, 2003 and 2006. In 2007, the Library won this award and was recognized as the best library in the nation by award sponsors *Library Journal* and Thomson-Gale. Information about this prestigious award may be found at www.worthingtonlibraries.org/libraryoftheyear.

In 2002, the Library's Web site, www.worthingtonlibraries.org, received the first ever *netConnect* award for a small public library Web site.

In 2008, Worthington Libraries was recognized in Hennen's American Public Library Ratings as the number two library system in the nation in its population category. The Hennen Report looks at 15 different factors when assessing a library's performance, including circulation, population and percent of budget spent on materials.

Library Journal recently unveiled its new tool for ranking America's libraries, and Worthington Libraries received a five-star rating—the best possible—in its category of libraries with total annual operating expenditures of over \$5 million but less than \$10 million. Four service indicators were used in the index: library visits, circulation, program attendance and public Internet computer uses. Libraries were evaluated on each service indicator relative to the performance of other libraries in their peer group. Over 7,000 libraries were evaluated, but only 256 received a starred rating. Only 84 libraries received a five-star rating.

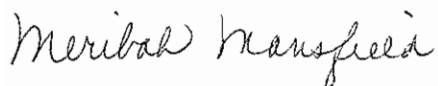
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Worthington Libraries for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2006. This was the first year that Worthington Libraries achieved this prestigious award, for its first-ever CAFR. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. We were pleased to also receive the Certificate of Achievement for our CAFR for the year ended December 31, 2007.

A Certificate of Achievement is valid for a period of one year only. The Library believes that the 2008 comprehensive annual financial report meets the Certificate of Achievement Program's requirements and it is being submitted to the GFOA to determine its eligibility for a third certificate.

In addition to the Certificate of Achievement, the Library also received the "Making Your Tax Dollars Count" Award from the State Auditor for both fiscal years 2006 and 2007. It is presented for excellence in financial accounting and states, "You are a trustworthy guardian of taxpayer dollars and deserve the highest amount of recognition for your vigilance. You are truly a model for government entities throughout the state of Ohio."

Acknowledgements

Appreciation is extended to the Board of Worthington Libraries and the employees responsible for contributing to the sound financial position of the Library, especially Senior Finance Specialist Sabra Lowe, Finance Specialist Barbara Burkholder, Finance Assistant Karin Neumann, Executive Assistant Pam Beretich and Community Relations and Development Director Lisa Fuller. Special acknowledgment is extended to the Local Government Services Section of the Office of the Auditor of State for their continued guidance in the preparation of this report.



Meribah Mansfield
Director/Fiscal Officer



Margaret Doone
Business Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Worthington Libraries
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director

Worthington Libraries
List of Principal Officials
December 31, 2008

Board of Trustees

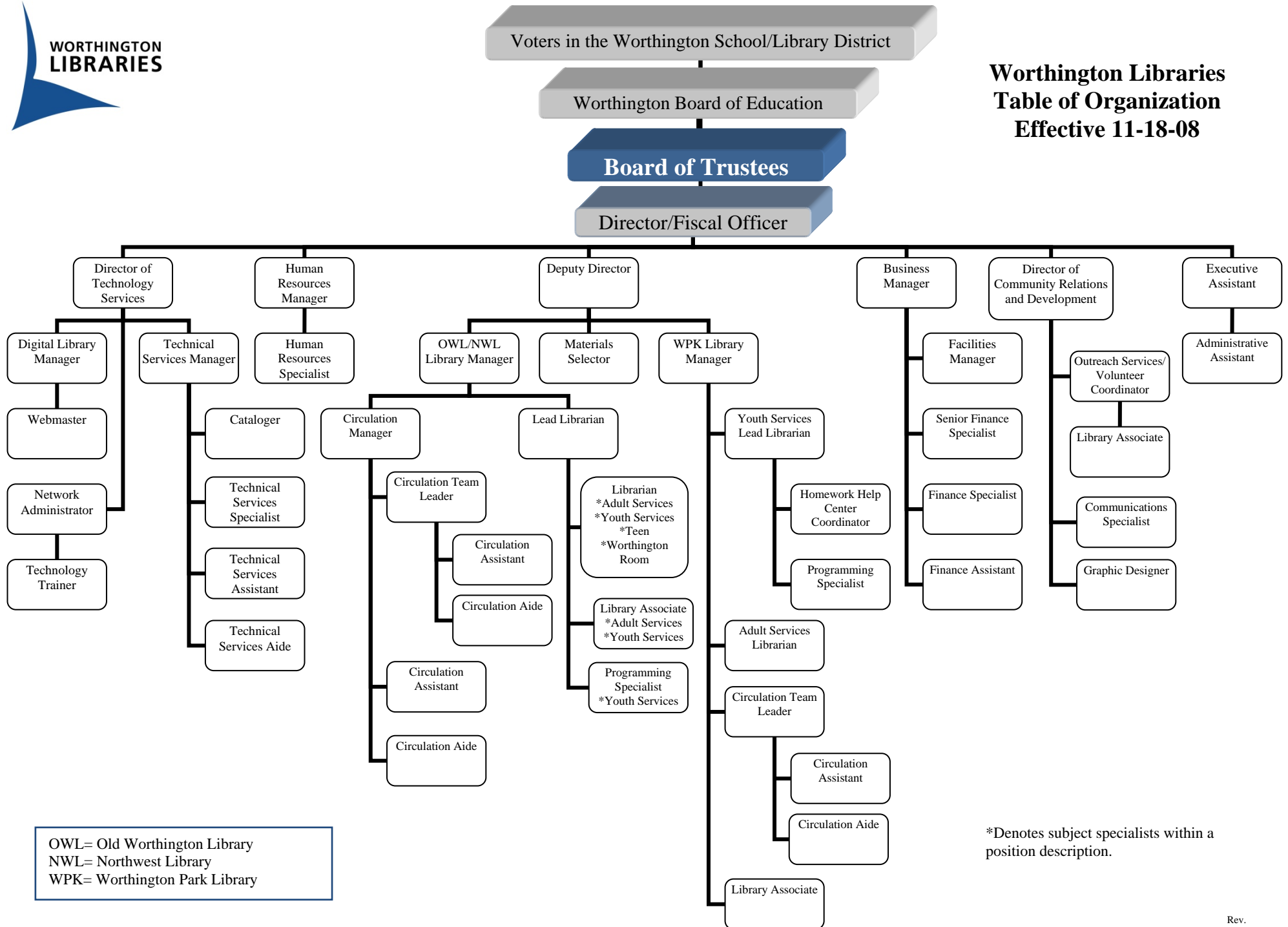
President	Martin Jenkins	2009
Vice President	Janet Brown	2011
Secretary	Lynn Nadler	2012
Member	Anne Doyle	2010
Member	Jeff Lyttle	2008
Member	Dan Lacey	2013
Member	James Hill	2014
Worthington City School Board Liaison	Jennifer Best	2008

Administration

Director/Fiscal Officer	Meribah Mansfield
Deputy Director	Kristin Shelley
Community Relations and Development Director	Lisa Fuller
Human Resources Manager	Phyllis Winfield
Director of Technology Services	Susan Allen
Business Manager	Margaret Doone



**Worthington Libraries
Table of Organization
Effective 11-18-08**



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OWL= Old Worthington Library
NWL= Northwest Library
WPK= Worthington Park Library

*Denotes subject specialists within a position description.

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INDEPENDENT AUDITOR'S REPORT

Worthington Libraries

To the Board of Trustees of Worthington Libraries:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Worthington Libraries, Franklin County, Ohio (the "Library") as of and for the year ended December 31, 2008, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library as of December 31, 2008, and the respective changes in financial position and budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2009 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Kennedy Cottrell Richards LLC
June 3, 2009

Worthington Libraries
Worthington, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

This discussion and analysis of the Worthington Libraries' financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to explain the Library's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the Library's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The Library's net assets increased by \$1,242,388 or 6.5 percent.
- General revenues represent \$9,990,826 or 90.1 percent of the Library's total revenues, and of this amount, 97 percent are property taxes and grants and contributions not restricted to specific programs. Other revenues are very insignificant and somewhat unpredictable revenue sources.
- Capital assets increased \$1,327,001 from 2007, the result of the ongoing renovation project to Library buildings.
- The Library has two major funds: the General Fund and the Building Fund. The General Fund had \$11,194,297 in revenues and \$8,382,018 in expenditures. An additional \$601,800 in transfers-out resulted in an increase in fund balance of \$2,210,479. The Building Fund received \$516,800 in transfers-in from the General Fund and had \$2,216,564 in disbursements, which were for renovation and remodeling costs.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Worthington Libraries as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the whole Library, presenting both an aggregate view of the Library's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Library's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Library, the major funds are the General Fund and the Building Fund.

Worthington Libraries
Worthington, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Reporting the Library as a Whole

Statement of Net assets and the Statement of Activities

The view of the Library as a whole looks at all financial transactions and asks the question, "How did we do financially during year 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Library's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the Library as a whole, the financial position of the Library has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the Library's property tax base, current property tax laws in Ohio restricting revenue growth, facility condition, and other factors.

In the Statement of Net Assets and the Statement of Activities, the Library reports only governmental activities. Governmental activities are the activities where all of the Library's programs and services are reported. The Library does not have any business-type activities.

Reporting the Library's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Library's major funds – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are classified as governmental.

Governmental Funds

Governmental Funds - All of the Library's activities are reported in the governmental funds. The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column.

Worthington Libraries
Worthington, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The Library as a Whole

Table 1 provides a summary of the Library's net assets for 2008 compared to 2007:

	Table 1 Net Assets		
	2008	2007	Change
Assets:			
Current Assets	\$18,774,795	\$19,048,997	(\$274,202)
Capital Assets, Net	8,984,473	7,657,472	1,327,001
Total Assets	<u>27,759,268</u>	<u>26,706,469</u>	<u>1,052,799</u>
Liabilities:			
Other Liabilities	7,271,870	7,462,235	(190,365)
Long-Term Liabilities	81,324	80,548	776
Total Liabilities	<u>7,353,194</u>	<u>7,542,783</u>	<u>(189,589)</u>
Net Assets:			
Invested in Capital Assets	8,984,473	7,657,472	1,327,001
Unrestricted	11,421,601	11,506,214	(84,613)
Total Net Assets	<u>\$20,406,074</u>	<u>\$19,163,686</u>	<u>\$1,242,388</u>

In total, net assets increased by \$1,242,388 with invested in capital assets increasing \$1,327,001. Invested in capital assets increased due to the ongoing construction relating to the renovation and remodeling of Library buildings.

Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the Library decreased by \$84,613.

Current assets decreased \$274,202 mainly due to reductions in property taxes and intergovernmental receivables due to the phase out of tangible personal property taxes and a decrease in the anticipated Public Library Funds as a result of the current economic downturn. Capital assets increased due to the renovation and remodeling projects.

Total liabilities decreased by \$189,589 due to a decrease in accounts and contracts payable associated with the renovation and remodeling projects.

Table 2 shows the changes in net assets for the year ended December 31, 2008 compared to 2007.

Worthington Libraries
Worthington, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Table 2
Changes in Net Assets

	2008	2007	Change
Revenues:			
Program Revenues:			
Charges for Services	\$1,101,263	\$1,031,340	\$69,923
General Revenues:			
Property Taxes	6,286,953	6,670,931	(383,978)
Grants and Contributions			
Not Restricted to Specific Programs	3,405,030	3,543,453	(138,423)
Contributions, Gifts, and Donations	3,661	18,828	(15,167)
Earnings on Investments	276,844	496,133	(219,289)
Miscellaneous	18,338	4,735	13,603
Total General Revenues	9,990,826	10,734,080	(743,254)
Total Revenues	11,092,089	11,765,420	(673,331)
Program Expenses:			
Library Services:			
Public Service and Programs	4,781,710	3,038,715	1,742,995
Collection Development and Processing	2,157,159	1,689,935	467,224
Support Services:			
Facilities Operations and Maintenance	737,269	574,752	162,517
Information Services Support	806,923	659,351	147,572
Business Administration	1,366,640	1,392,180	(25,540)
Total Expenses	9,849,701	7,354,933	2,494,768
Increase in Net Assets	1,242,388	4,410,487	
Net Assets at Beginning of Year	19,163,686	14,753,199	
Net Assets at End of Year	\$20,406,074	\$19,163,686	

The Library's general revenues are primarily property taxes and grants and contributions not restricted to specific programs. These receipts represent respectively 56.7 and 30.7 percent of the total revenue received for the Library's activities during the year. Overall, revenues decreased by \$673,331 mainly in the property taxes, grants and contributions not restricted to specific programs and earnings on investments. This decrease can be attributed to the current economic slowdown.

Expenses were up \$2,494,768 from the prior year. The main reason for the increase was for expenses for the renovation project that were not capitalized because the items purchased were under the Library's capitalization threshold of \$5,000.

Worthington Libraries
Worthington, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Governmental Activities

If you look at the Statement of Activities on page 11, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major program expenses for governmental activities are for public services and programs, which account for 48.5 percent of all governmental expenses. The next column of the statement entitled Program Revenues identifies amounts of revenues that are directly charged for the service provided by the Library. The Net (Expense) Revenue column compares the program revenues to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money primarily provided by local taxpayers. These net costs are paid from the general revenues which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3
Changes in Net Assets

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Library Services:				
Public Service and Programs	\$4,781,710	\$3,680,447	\$3,038,715	\$2,007,375
Collection Development and Processing	2,157,159	2,157,159	1,689,935	1,689,935
Support Services:				
Facilities Operations and Maintenance	737,269	737,269	574,752	574,752
Information Services Support	806,923	806,923	659,351	659,351
Business Administration	1,366,640	1,366,640	1,392,180	1,392,180
Total	<u>\$9,849,701</u>	<u>\$8,748,438</u>	<u>\$7,354,933</u>	<u>\$6,323,593</u>

The dependence upon property taxes and grants and contributions not restricted to specific programs is apparent. 88.8 percent or \$8,748,438 of total expenses of \$9,849,701 are paid from general revenues, primarily property taxes and grants and contributions.

The Library's Funds

Information about the Library's major funds starts on page 12 which are the General and Building Funds. The General Fund is the chief operating fund of the Library and the only fund that receives revenues. All other funds, including the Building Fund are financed through transfers from the General Fund.

The General Fund had revenues during 2008 of \$11,194,297, expenditures of \$8,382,018 and transfers out of \$601,800 to the other funds. This activity resulted in an increase of \$2,210,479 in fund balance for the General Fund, mainly a result of the additional property tax levy that was passed in 2005 that has kept the Library financially sound since collection began in 2006.

Worthington Libraries
Worthington, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The Building Fund accounts for the construction relating to the renovation and remodeling of Library buildings. Transfers-In during 2008 were only \$516,800 and expenditures were \$2,216,564 causing a decrease in fund balance of \$1,699,764, of which beginning fund balance was used to cover the deficit spending. The Library began transferring General Fund monies in prior years in anticipation of the renovation project.

General Fund Budgeting Highlights

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

There were no changes in budgeted revenues during 2008. Actual revenues were down \$456,891 from budgeted revenues. The decrease resulted from the sluggish economy as property taxes and earnings on investments revenues were lower than anticipated.

Budgeted expenditures also did not change during 2008. Actual expenditures were below what was budgeted by \$677,072, demonstrating the Library's continued effort to hold expenditures to a minimum.

Capital Assets

Table 4 shows the Library's capital assets 2008 balances compared to 2007.

Table 4
 Capital Assets
 (Net of Depreciation)
 Governmental Activities

	2008	2007	Change
Land	\$910,379	\$910,379	\$0
Construction in Progress	2,916,330	1,647,377	1,268,953
Buildings and Improvements	4,800,840	4,931,981	(131,141)
Machinery and Equipment	344,630	153,153	191,477
Vehicles	12,294	14,582	(2,288)
Totals	<u>\$8,984,473</u>	<u>\$7,657,472</u>	<u>\$1,327,001</u>

Additions to construction in progress during the year were for renovation and remodeling projects. Overall, capital assets increased during the year because of the large expenses related to the renovation and remodeling projects to the Old Worthington Library and the Northwest Library. See Note 8 of the Notes to the Basic Financial Statements for more detailed information.

Worthington Libraries
Worthington, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Meribah Mansfield, Director/Fiscal Officer, Worthington Libraries, 820 High Street, Worthington, OH 43085.

Worthington Libraries
Worthington, Ohio
Statement of Net Assets
December 31, 2008

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$10,493,773
Property Taxes Receivable	6,743,196
Intergovernmental Receivable	1,476,004
Prepaid Items	61,822
Nondepreciable Capital Assets	3,826,709
Depreciable Capital Assets	7,862,056
Accumulated Depreciation	(2,704,292)
<i>Total Assets</i>	<i>27,759,268</i>
Liabilities:	
Accounts Payable	79,550
Accrued Wages Payable	201,751
Contracts Payable	111,262
Retainage Payable	125,800
Intergovernmental Payable	95,353
Vacation Payable	230,500
Deferred Revenue	6,427,654
Long-Term Liabilities:	
Due Within One Year	19,705
Due in More Than One Year	61,619
<i>Total Liabilities</i>	<i>7,353,194</i>
Net Assets:	
Invested in Capital Assets	8,984,473
Unrestricted	11,421,601
<i>Total Net Assets</i>	<i>\$20,406,074</i>

See accompanying notes to the basic financial statements

Worthington Libraries
 Worthington, Ohio
 Statement of Activities
 For the Year Ended December 31, 2008

	<u>Expenditures</u>	<u>Program Revenues</u> <u>Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u> <u>Total Governmental Activities</u>
Governmental Activities:			
Library Services:			
Public Service and Programs	\$4,781,710	\$1,101,263	(\$3,680,447)
Collection Development and Processing	2,157,159	0	(2,157,159)
Support Services:			
Facilities Operations and Maintenance	737,269	0	(737,269)
Information Services Support	806,923	0	(806,923)
Business Administration	1,366,640	0	(1,366,640)
<i>Total Governmental Activities</i>	<u>\$9,849,701</u>	<u>\$1,101,263</u>	<u>(8,748,438)</u>
General Revenues:			
Property Taxes			6,286,953
Grants and Contributions not Restricted to Specific Programs			3,405,030
Contributions, Gifts, and Donations			3,661
Earnings on Investments			276,844
Miscellaneous			18,338
<i>Total General Revenues</i>			<u>9,990,826</u>
<i>Change in Net Assets</i>			1,242,388
<i>Net Assets at Beginning of Year</i>			<u>19,163,686</u>
<i>Net Assets at End of Year</i>			<u>\$20,406,074</u>

See accompanying notes to the basic financial statements

Worthington Libraries
Worthington, Ohio
Balance Sheet
Governmental Funds
December 31, 2008

	General	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$9,186,680	\$624,920	\$682,173	\$10,493,773
Receivables:				
Property Taxes	6,743,196	0	0	6,743,196
Intergovernmental	1,476,004	0	0	1,476,004
Prepaid Items	61,822	0	0	61,822
<i>Total Assets</i>	<u>\$17,467,702</u>	<u>\$624,920</u>	<u>\$682,173</u>	<u>\$18,774,795</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$77,726	\$0	\$1,824	\$79,550
Accrued Wages Payable	201,751	0	0	201,751
Contracts Payable	0	111,262	0	111,262
Retainage Payable	0	125,800	0	125,800
Intergovernmental Payable	95,159	0	194	95,353
Deferred Revenue	8,014,009	0	0	8,014,009
<i>Total Liabilities</i>	<u>8,388,645</u>	<u>237,062</u>	<u>2,018</u>	<u>8,627,725</u>
Fund Balances:				
Reserved for Encumbrances	259,972	92,832	27,573	380,377
Unreserved, Undesignated, Reported in:				
General Fund	8,819,085	0	0	8,819,085
Special Revenue Fund	0	0	103,610	103,610
Capital Projects Funds	0	295,026	548,972	843,998
<i>Total Fund Balances</i>	<u>9,079,057</u>	<u>387,858</u>	<u>680,155</u>	<u>10,147,070</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$17,467,702</u>	<u>\$624,920</u>	<u>\$682,173</u>	<u>\$18,774,795</u>

See accompanying notes to the basic financial statements

Worthington Libraries
 Worthington, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2008*

Total Governmental Fund Balances	\$10,147,070
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	910,379
Construction in Progress	2,916,330
Building and Improvements	7,018,132
Machinery and Equipment	825,624
Vehicles	18,300
Accumulated Depreciation	<u>(2,704,292)</u>

Total	8,984,473
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	315,542
Intergovernmental	<u>1,270,813</u>

Total	1,586,355
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Compensated Absences Payable	<u>(311,824)</u>
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<i>Net Assets of Governmental Activities</i>	<u><u>\$20,406,074</u></u>
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See accompanying notes to the basic financial statements

Worthington Libraries
 Worthington, Ohio
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2008

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$6,278,922	\$0	\$0	\$6,278,922
Other Government Grants-in-Aid	3,515,269	0	0	3,515,269
Patron Fines and Fees	297,960	0	0	297,960
Services Provided to Other Entities	803,303	0	0	803,303
Contributions, Gifts, and Donations	3,661	0	0	3,661
Earnings on Investments	276,844	0	0	276,844
Miscellaneous	18,338	0	0	18,338
<i>Total Revenues</i>	<u>11,194,297</u>	<u>0</u>	<u>0</u>	<u>11,194,297</u>
Expenditures:				
Current:				
Library Services:				
Public Service and Programs	3,303,979	1,341,571	0	4,645,550
Collection Development and Processing	2,159,378	0	0	2,159,378
Support Services:				
Facilities Operations and Maintenance	711,032	0	0	711,032
Information Services Support	771,954	0	6,509	778,463
Business Administration	1,256,978	0	94,323	1,351,301
Capital Outlay	178,697	874,993	489,692	1,543,382
<i>Total Expenditures</i>	<u>8,382,018</u>	<u>2,216,564</u>	<u>590,524</u>	<u>11,189,106</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,812,279</u>	<u>(2,216,564)</u>	<u>(590,524)</u>	<u>5,191</u>
Other Financing Sources (Uses)				
Transfers - In	0	516,800	85,000	601,800
Transfers - Out	(601,800)	0	0	(601,800)
<i>Total Other Financing Sources (Uses)</i>	<u>(601,800)</u>	<u>516,800</u>	<u>85,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	2,210,479	(1,699,764)	(505,524)	5,191
<i>Fund Balances at Beginning of Year</i>	6,868,578	2,087,622	1,185,679	10,141,879
<i>Fund Balances at End of Year</i>	<u>\$9,079,057</u>	<u>\$387,858</u>	<u>\$680,155</u>	<u>\$10,147,070</u>

See accompanying notes to the basic financial statements

Worthington Libraries

Worthington, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2008*

Net Change in Fund Balances - Total Governmental Funds		\$5,191
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	1,543,382	
Depreciation	<u>(216,381)</u>	
Excess of Depreciation Expense over Capital Outlay		1,327,001
Some revenues that will not be collected for several months after the Library's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts this year:		
Property Taxes	8,031	
Intergovernmental	<u>(110,239)</u>	
		(102,208)
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:		
Decrease in Compensated Absences		<u>12,404</u>
<i>Change in Net Assets of Governmental Activities</i>		<u><u>\$1,242,388</u></u>

See accompanying notes to the basic financial statements

Worthington Libraries
Worthington, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$6,807,012	\$6,807,012	\$6,278,922	(\$528,090)
Other Government Grants-in-Aid	3,245,019	3,245,019	3,519,415	274,396
Patron Fines and Fees	300,000	300,000	297,960	(2,040)
Services Provided to Other Entities	803,303	803,303	803,303	0
Contributions, Gifts, and Donations	0	0	3,661	3,661
Earnings on Investments	500,000	500,000	276,844	(223,156)
Miscellaneous	0	0	18,338	18,338
<i>Total Revenues</i>	11,655,334	11,655,334	11,198,443	(456,891)
Expenditures:				
Current:				
Library Services:				
Public Service and Programs	3,491,137	3,491,137	3,355,206	135,931
Collection Development and Processing	2,352,092	2,352,092	2,302,785	49,307
Support Services:				
Facilities Operations and Maintenance	797,559	797,559	714,707	82,852
Information Services Support	915,394	915,394	817,732	97,662
Business Administration	1,402,299	1,402,299	1,285,563	116,736
Capital Outlay	260,234	260,234	215,650	44,584
Contingency	150,000	150,000	0	150,000
<i>Total Expenditures</i>	9,368,715	9,368,715	8,691,643	677,072
<i>Excess of Revenues Over Expenditures</i>	2,286,619	2,286,619	2,506,800	220,181
Other Financing Uses:				
Transfers - Out	(1,390,147)	(1,390,147)	(601,800)	788,347
<i>Net Change in Fund Balance</i>	896,472	896,472	1,905,000	1,008,528
<i>Prior Year Encumbrances Appropriated</i>	343,351	343,351	343,351	0
<i>Fund Balance at Beginning of Year</i>	6,601,505	6,601,505	6,601,505	0
<i>Fund Balance at End of Year</i>	\$7,841,328	\$7,841,328	\$8,849,856	\$1,008,528

See accompanying notes to the basic financial statements

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 1 – DESCRIPTION OF THE LIBRARY AND REPORTING ENTITY

Worthington Libraries, Franklin County, Ohio (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library is directed by a seven member Board of Trustees appointed by the Worthington City School District Board of Education. The Library provides the community with various educational and literary resources. Currently Worthington Library consists of three branches, Old Worthington Library, Worthington Park Library, and the Northwest Library.

The Library is fiscally independent of the Worthington City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy and the role and purpose(s) of the levy are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, “The Financial Reporting Entity,” the Library is considered to be a related organization of the Worthington City School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization’s governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization’s resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library has no component units.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Worthington Libraries have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Library also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the Library's accounting policies are described below.

Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Library as a whole. The Statement of Net Assets presents the financial condition of the governmental activities of the Library at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues which are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Library.

Fund Financial Statements

During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The Library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Library functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library's funds are all classified as governmental.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

Governmental: Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g., grants), and other non-exchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Library's major governmental funds:

General Fund: This fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building Fund: This fund is used to record expenditures related to building projects, including improvements to the Library and construction of new facilities.

The other governmental funds of the Library account for grants and other resources whose use is restricted to a particular purpose.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the Library are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined and “available” means that the resources are collectible within the current year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Library, available means expected to be received within thirty-one days of year-end.

Non-exchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Library must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, entitlements and earnings on investments are considered to be both measurable and available at year-end.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Cash and Cash Equivalents

To improve cash management, cash received by the Library is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Library are presented on the financial statements as cash equivalents.

During 2008, the Library's investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio). 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 SEC as an investment company, but does operate in a manner consistent with Rule 2a7 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, 2008.

Following Ohio statutes, the Board of Trustees specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during 2008 was \$276,844, including \$53,530 assigned from other Library funds.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

The Library's only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. General capital assets usually result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement costs back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Library maintains a capitalization threshold of five thousand dollars. The Library does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20-100 years
Machinery and Equipment	5-20 years
Vehicles	8 years

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Library will compensate the employees for the benefits through paid time off or some other means. The Library records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The liability is an estimate based on the Library's past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consists of capital assets, net of accumulated depreciation. This amount is usually presented as net of related debt, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets; however the Library has no debt. Net assets are reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Library applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

The Library reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances are recorded as a reservation of fund balance.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The budget documents prepared by the Library are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Trustees may appropriate. The appropriations resolution is the Trustees' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Trustees. The legal level of control has been established at the fund, program, and object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director/Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts set forth in the budgetary statements and schedules as final budgeted amounts represent amounts from the amended certificate in force at the time final appropriations were passed by the Trustees.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year, including all supplemental appropriations.

Library Books

Library books are reflected as expenses when purchased and are not capitalized as assets of the Library.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position and results of operations on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis), is presented for the General Fund to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

	<u>General Fund</u>
GAAP Basis	\$2,210,479
Revenue Accruals	4,146
Expenditure Accruals	27,199
Adjustment for Encumbrances	(336,824)
Budget Basis	<u><u>\$1,905,000</u></u>

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Library into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Library Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

Inactive deposits are public deposits that the Library has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Library may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Commercial paper and bankers acceptances if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations describe in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); The State Treasurer's investment pool (STAROhio);.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$108,117 of the Library's bank balance of \$418,993 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution.

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Library or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2008, the Library's only investment was in STAROhio.

	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	<u>\$10,255,032</u>	Average 54.7 Days

Interest Rate Risk

The Library's investment policy does not address interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library and that an investment must be purchased with the expectation that it will be held to maturity. The Library's policy also states that, to the extent possible and prudent, the Library will attempt to match its investment maturities with anticipated cash flow requirements.

Credit Risk

STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The Library's investment policy states that credit risk will be minimized by diversifying assets and ensuring that the minimum credit quality ratings required by Ohio Law exist.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 5 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Library district. Property tax revenues received during 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the value as of December 31, 2007. In prior years, tangible personal property assessments were 25 percent of true value for capital assets and 23 percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent and will be reduced to zero for 2009.

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the Library. The County Auditor periodically remits to the Library its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2008, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2008 operations, and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 5 – PROPERTY TAXES (continued)

The full tax rate for all Library operations for the year ended December 31, 2008, was \$4.80 per \$1,000 of assessed value. The assessed values of real property, tangible personal property, and public utility property, upon which 2008 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	\$1,783,364,050
Public Utility Personal	29,157,310
General Business Personal	49,073,694
Totals	\$1,861,595,054

NOTE 6 – GRANTS-IN-AID

A major source of revenue for Ohio public libraries is the State Public Library Fund (PLF). The State allocates a guaranteed share of PLF to each county based on each county's share of the previous year's fund total plus an inflation factor. Any excess of the guaranteed share is distributed among counties based on their equalization ratio, which is determined by population and the previous year's distribution. The County Budget Commission allocates these funds to the Library based on its needs for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

NOTE 7 – RECEIVABLES

Receivables at December 31, 2008, consisted of property taxes and intergovernmental receivables. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of State programs. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. A summary of the principal items of intergovernmental receivables follows:

	Amounts
LLGSF	\$1,211,828
Homestead and Rollback	264,176
Total	\$1,476,004

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 8 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended December 31, 2008, was as follows:

	<u>Balance At</u> <u>12/31/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance At</u> <u>12/31/2008</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$910,379	\$0	\$0	\$910,379
Construction in Progress	1,647,377	1,268,953	0	2,916,330
Total Capital Assets, Not Being Depreciated	<u>2,557,756</u>	<u>1,268,953</u>	<u>0</u>	<u>3,826,709</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	7,000,936	17,196	0	7,018,132
Machinery and Equipment	604,389	257,233	(35,998)	825,624
Vehicles	18,300	0	0	18,300
Total Capital Assets, Being Depreciated	<u>7,623,625</u>	<u>274,429</u>	<u>(35,998)</u>	<u>7,862,056</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(2,068,955)	(148,337)	0	(2,217,292)
Machinery and Equipment	(451,236)	(65,756)	35,998	(480,994)
Vehicles	(3,718)	(2,288)	0	(6,006)
Total Accumulated Depreciation	<u>(2,523,909)</u>	<u>(216,381) *</u>	<u>35,998</u>	<u>(2,704,292)</u>
Capital Assets, Being Depreciated, Net	<u>5,099,716</u>	<u>58,048</u>	<u>0</u>	<u>5,157,764</u>
Governmental Activities Capital Assets, Net	<u>\$7,657,472</u>	<u>\$1,327,001</u>	<u>\$0</u>	<u>\$8,984,473</u>

* Depreciation expense was charged to governmental programs as follows:

Library Services:	
Public Service and Programs	\$121,826
Collection Development and Processing	2,539
Support Services:	
Facilities Operation and Maintenance	32,521
Information Services Support	29,183
Business Administration	30,312
Total Depreciation Expense	<u>\$216,381</u>

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 9 – RISK MANAGEMENT

Property and Liability

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2008, the Library contracted with Lauterbach & Eilber Company. The Commercial Package Policy includes coverage for commercial property, commercial inland marine, commercial general liability, commercial crime, commercial automobile, and a commercial umbrella through Ohio Casualty.

Commercial property consists of a \$12,068,976 blanket policy that was adjusted to \$12,525,468 in July that covers buildings, business personal property, property of others, equipment breakdown, and A/C over ten years old. It excludes earthquake damage and is a replacement cost valuation. Water backup from sewers and drains is covered with a \$100,000 limit at Old Worthington Library and a \$25,000 limit at Northwest Library, with a \$500 deductible per occurrence.

A commercial inland marine policy covers valuable papers and records. It has a \$4,500,000 limit on books, \$1,750,000 limit on audio/visual equipment with a \$250 deductible, and \$250,000 limit on fine arts with a \$1,000 deductible. It covers all risk of direct physical loss at an actual cost valuation.

A Builders Risk policy in the amount of \$170,000 for 820 High Street and \$415,000 for 2280 Hard Road was purchased at the start of the renovation project at both libraries.

Commercial General Liability coverage provides \$1,000,000 general aggregate coverage for bodily injury and property damage, with a \$500,000 limit for each occurrence. Claims coverage for products and completed operations aggregate is in place for \$1,000,000, \$500,000 for personal and advertising injury, \$300,000 fire damage limit, and \$15,000 medical expense limit for any one person. A \$1,000,000 policy is in place for aggregate Employer Liability (Ohio Stop Gap) with Intentional Tort coverage, with a \$500,000 limit for each accident, each employee and aggregate limit. There is also a \$2,000,000 commercial umbrella policy.

The Commercial automobile policy has a \$100 comprehensive deductible and a \$250 collision deductible. This insurance includes a bodily injury and property damage combined single limit of \$1,000,000 bodily injury and property damage limit, with a \$1,000,000 non-owned and hired auto liability, a \$50,000 hired car physical damage, \$1,000,000 uninsured/underinsured motorist, \$5,000 medical payments, and a \$1,000 rental reimbursement.

Settled claims have not exceeded this commercial coverage in any of the past eleven years. There have been no significant reductions in insurance coverage from the prior year.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 9 – RISK MANAGEMENT (continued)

Directors and Officers

A directors' and officers' insurance policy through the Philadelphia Insurance Company is in place providing a \$1,000,000 limit per loss, \$1,000,000 employment practices liability limit, \$1,000,000 aggregate for each policy period, and a \$5,000 deductible. Claims are paid on a claims made basis, retroactive to May 1, 2005.

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description – The Library participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10.0 percent of covered payroll. The Library's contribution rate for 2008 was 14.0 percent of covered payroll.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

The Library's required contributions for pension obligations to the traditional pension and combined plans for the years ended December 31, 2008, 2007 and 2006 were \$263,054, \$259,906 and \$469,172, respectively; 90.4 percent has been contributed for 2008 and 100 percent has been contributed for 2007 and 2006. Contributions to the member-directed plan for 2008 were \$40,660 made by the Library and \$29,043 made by the plan members.

NOTE 11 – POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in OPERS' financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State Statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional pension and combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, state and local employers contributed at a rate of 14.0 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 11 – POSTEMPLOYMENT BENEFITS (continued)

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Library's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007 and 2006 were \$263,054, \$198,654, and \$229,486, respectively; 90.4 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

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

NOTE 12 – OTHER EMPLOYEE BENEFITS

Insurance Benefits

The Library provides health, dental and vision coverage to full-time employees through Anthem, Vision Services, and Guardian Dental Guard Preferred, respectively. An Employee Assistance Program through MATRIX was added in 2007.

Compensated Absences

Accumulated Unpaid Vacation:

Library employees earn vacation leave at varying rates based upon length of service and position classification. Vacation can accumulate to a maximum of one and one-half times the employee's current annual accrual calculated on the designated position hours. Vacation hours earned in excess of that amount are forfeited. If an employee with at least one year of service terminates employment, 100 percent of unused vacation leave is paid. Employees who leave with less than one year of service forfeit any accumulated unused vacation time. Any vacation time used in the first year must be repaid if an employee resigns with less than one year of service.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 12 – OTHER EMPLOYEE BENEFITS (continued)

Accumulated Unpaid Sick Leave:

Library employees earn sick leave at the rate of four and six tenths hours per 74 hours of service. Sick leave is cumulative up to 25.9 times the designated position (i.e., 37 hours times 25.9 = 960). Hours earned in excess of the maximum are forfeited. Employees who voluntarily terminate employment after ten years of service with the Library will be paid 25 percent of their accumulated sick leave balance, up to a maximum payment of 240 hours. In the case of death, an employee's estate is paid 50 percent of accumulated available sick leave hours if the employee had ten years of service with the Library.

Deferred Compensation

Library employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

NOTE 13 – LONG-TERM OBLIGATIONS

The changes in the Library's long-term obligations during 2008 were as follows:

	Amount Outstanding 12/31/2007	Additions	Deletions	Amount Outstanding 12/31/2008	Amounts Due in One Year
Compensated Absences	\$80,548	\$30,741	\$29,965	\$81,324	\$19,705

Compensated absences will be paid from the General Fund.

NOTE 14 – INTERFUND TRANSFERS

Interfund transfers at December 31, 2008 were as follows:

	Transfer-In	Transfer-Out
General Fund	\$0	\$601,800
Building Fund	516,800	0
Other Governmental Funds	85,000	0
Total Transfers	\$601,800	\$601,800

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 14 – INTERFUND TRANSFERS (continued)

The Library transferred cash to the 27th Pay/Termination Benefits Special Revenue Fund to cover salary and benefit payments for employees who resigned or retired. Employees with ten or more years of library service receive a lump sum payment for accumulated sick leave. Those leaving with at least one year of service get a payout for accrued vacation time. The fund is also used to accumulate funds to cover a twenty-seventh pay period, which will occur again in 2009. Additional transfers from the General Fund were made to the Building Capital Projects Fund. The transfer to the Building Capital Projects Fund was to cover expenditures related to the renovations of the Old Worthington Library and the Northwest Library.

NOTE 15 – SIGNIFICANT CONTRACTUAL COMMITMENTS

At December 31, 2008, the Library had the following contractual commitments outstanding for Library renovations and remodeling:

	Original Contract	Amount Expended	Amount Outstanding
Pepper Construction	\$2,089,183	\$1,840,293	\$248,890
Design Group	135,000	110,980	24,020
Lewis & Michael Movers	84,242	70,119	14,123
Totals	<u>\$2,308,425</u>	<u>\$2,021,392</u>	<u>\$287,033</u>

NOTE 16 – CONTINGENCIES

Grants

The Library receives financial assistance from State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through December 31, 2008 will not have a material adverse effect on the Library.

Litigation

The Library is not currently a defendant in any legal case.

Worthington Libraries
Worthington, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLES

For 2008, the Library has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations”. GASB Statement No. 49 provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. The implementation of this statement did not result in any change to the financial statements.

COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

Worthington Libraries
Worthington, Ohio
Nonmajor Fund Descriptions

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

Nonmajor Special Revenue Fund

27th Pay/Termination Benefits Fund

This fund is used to pay accumulated vacation leave payouts to employees who have resigned, as well as accumulated vacation and sick leave payouts to employees who are eligible for them due to retirement. The fund is also used to cover the 27th pay that occurs approximately every ten years.

Capital Projects Funds

Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Nonmajor Capital Projects Fund

Technology Fund

This fund is used to record expenditures related to purchases of computing and network technology as well as other office equipment.

Worthington Libraries
Worthington, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Nonmajor Special Revenue Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	<u>\$103,804</u>	<u>\$578,369</u>	<u>\$682,173</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$0	\$1,824	\$1,824
Intergovernmental Payable	<u>194</u>	<u>0</u>	<u>194</u>
<i>Total Liabilities</i>	<u>194</u>	<u>1,824</u>	<u>2,018</u>
Fund Balances:			
Reserved for Encumbrances	0	27,573	27,573
Unreserved, Undesignated, Reported in:			
Special Revenue Fund	103,610	0	103,610
Capital Projects Fund	<u>0</u>	<u>548,972</u>	<u>548,972</u>
<i>Total Fund Balances</i>	<u>103,610</u>	<u>576,545</u>	<u>680,155</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$103,804</u>	<u>\$578,369</u>	<u>\$682,173</u>

Worthington Libraries
 Worthington, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2008

	Nonmajor Special Revenue Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:	\$0	\$0	\$0
Expenditures:			
Support Services:			
Information Services Support	0	6,509	6,509
Business Administration	94,323	0	94,323
Capital Outlay	0	489,692	489,692
<i>Total Expenditures</i>	94,323	496,201	590,524
<i>Excess of Revenues Under Expenditures</i>	(94,323)	(496,201)	(590,524)
Other Financing Sources:			
Transfers - In	85,000	0	85,000
<i>Net Change in Fund Balances</i>	(9,323)	(496,201)	(505,524)
<i>Fund Balances at Beginning of Year</i>	112,933	1,072,746	1,185,679
<i>Fund Balances at End of Year</i>	<u>\$103,610</u>	<u>\$576,545</u>	<u>\$680,155</u>

Worthington Libraries
 Worthington, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget and Actual (Budget Basis)
 General Fund
 For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$6,807,012	\$6,807,012	\$6,278,922	(\$528,090)
Other Government Grants-in-Aid	3,245,019	3,245,019	3,519,415	274,396
Patron Fines and Fees	300,000	300,000	297,960	(2,040)
Services Provided to Other Entities	803,303	803,303	803,303	0
Contributions, Gifts, and Donations	0	0	3,661	3,661
Earnings on Investments	500,000	500,000	276,844	(223,156)
Miscellaneous	0	0	18,338	18,338
<i>Total Revenues</i>	11,655,334	11,655,334	11,198,443	(456,891)
Expenditures:				
Library Services:				
Public Service and Programs				
Personal Services	3,414,334	3,414,334	3,284,004	130,330
Contractual Services	46,879	46,879	45,466	1,413
Materials and Supplies	29,924	29,924	25,736	4,188
<i>Total Public Service and Programs</i>	3,491,137	3,491,137	3,355,206	135,931
Collection Development and Processing				
Personal Services	281,655	281,655	274,591	7,064
Purchased Library Services	1,865,818	1,865,818	1,844,326	21,492
Contractual Services	164,246	164,246	151,567	12,679
Materials and Supplies	40,373	40,373	32,301	8,072
<i>Total Collection Development and Processing</i>	2,352,092	2,352,092	2,302,785	49,307
Support Services:				
Facilities Operations and Maintenance				
Personal Services	60,806	60,806	42,425	18,381
Contractual Services	688,917	688,917	625,730	63,187
Materials and Supplies	47,836	47,836	46,552	1,284
<i>Total Facilities Operations and Maintenance</i>	797,559	797,559	714,707	82,852
Information Services Support				
Personal Services	347,756	347,756	345,854	1,902
Purchased Library Services	191,323	191,323	187,251	4,072
Contractual Services	368,315	368,315	278,661	89,654
Materials and Supplies	8,000	8,000	5,966	2,034
<i>Total Information Services Support</i>	\$915,394	\$915,394	\$817,732	\$97,662

(continued)

Worthington Libraries
Worthington, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget and Actual (Budget Basis)
 General Fund
 For the Year Ended December 31, 2008
 (Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Business Administration				
Personal Services	\$1,022,033	\$1,022,033	\$973,849	\$48,184
Contractual Services	345,822	345,822	275,122	70,700
Materials and Supplies	21,112	21,112	25,040	(3,928)
Other	13,332	13,332	11,552	1,780
<i>Total Business Administration</i>	<u>1,402,299</u>	<u>1,402,299</u>	<u>1,285,563</u>	<u>116,736</u>
Capital Outlay	<u>260,234</u>	<u>260,234</u>	<u>215,650</u>	<u>44,584</u>
Contingency	<u>150,000</u>	<u>150,000</u>	<u>0</u>	<u>150,000</u>
<i>Total Expenditures</i>	<u>9,368,715</u>	<u>9,368,715</u>	<u>8,691,643</u>	<u>677,072</u>
<i>Excess of Revenues Over Expenditures</i>	<u>2,286,619</u>	<u>2,286,619</u>	<u>2,506,800</u>	<u>220,181</u>
Other Financing Uses:				
Transfers - Out	<u>(1,390,147)</u>	<u>(1,390,147)</u>	<u>(601,800)</u>	<u>788,347</u>
<i>Net Change in Fund Balance</i>	<u>896,472</u>	<u>896,472</u>	<u>1,905,000</u>	<u>1,008,528</u>
<i>Prior Year Encumbrances Appropriated</i>	343,351	343,351	343,351	0
<i>Fund Balance at Beginning of Year</i>	<u>6,601,505</u>	<u>6,601,505</u>	<u>6,601,505</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$7,841,328</u>	<u>\$7,841,328</u>	<u>\$8,849,856</u>	<u>\$1,008,528</u>

Worthington Libraries
 Worthington, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget and Actual (Budget Basis)
 Building Fund
 For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Capital Outlay	2,941,137	2,941,137	2,646,081	295,056
<i>Excess of Revenues Under Expenditures</i>	(2,941,137)	(2,941,137)	(2,646,081)	295,056
Other Financing Sources:				
Transfers- In	516,831	516,831	516,800	(31)
<i>Net Change in Fund Balance</i>	(2,424,306)	(2,424,306)	(2,129,281)	295,025
<i>Prior Year Encumbrances Appropriated</i>	1,794,849	1,794,849	1,794,849	0
<i>Fund Balance at Beginning of Year</i>	629,457	629,457	629,457	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$295,025	\$295,025

Worthington Libraries
Worthington, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
27th Pay/Termination Benefits Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Support Services:				
Business Administration				
Personal Services	197,933	197,933	94,129	103,804
<i>Excess of Revenues Under Expenditures</i>	(197,933)	(197,933)	(94,129)	103,804
Other Financing Sources:				
Transfers - In	85,000	85,000	85,000	0
<i>Net Change in Fund Balance</i>	(112,933)	(112,933)	(9,129)	103,804
<i>Fund Balance at Beginning of Year</i>	112,933	112,933	112,933	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$103,804	\$103,804

Worthington Libraries
 Worthington, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
 Technology Fund
 For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Support Services:				
Information Services Support				
Contractual Services	31,763	31,763	22,348	9,415
Capital Outlay	1,792,155	1,792,155	514,283	1,277,872
Contingency	50,000	50,000	0	50,000
<i>Total Expenditures</i>	1,873,918	1,873,918	536,631	1,337,287
<i>Excess of Revenues Under Expenditures</i>	(1,873,918)	(1,873,918)	(536,631)	1,337,287
Other Financing Sources:				
Transfers - In	788,315	788,315	0	788,315
<i>Net Change in Fund Balance</i>	(1,085,603)	(1,085,603)	(536,631)	548,972
<i>Prior Year Encumbrances Appropriated</i>	131,375	131,375	131,375	0
<i>Fund Balance at Beginning of Year</i>	954,228	954,228	954,228	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$548,972	\$548,972

STATISTICAL TABLES

This part of Worthington Libraries' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Library's overall financial health.

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These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Library implemented *GASB Statement No. 34* in 2006. Schedules presenting government-wide information include information beginning in that year.

Worthington Libraries
Worthington, Ohio
Net Assets by Component
Last Four Years
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$5,318,075	\$6,251,668	\$7,657,472	\$8,984,473
Unrestricted	<u>5,251,015</u>	<u>8,501,531</u>	<u>11,506,214</u>	<u>11,421,601</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$10,569,090</u>	<u>\$14,753,199</u>	<u>\$19,163,686</u>	<u>\$20,406,074</u>

Worthington Libraries
Worthington, Ohio
Changes in Net Assets
Last Three Years
(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses:			
Library Services:			
Public Service and Programs	\$3,206,853	\$3,038,715	\$4,781,710
Collection Development and Processing	1,772,553	1,689,935	2,157,159
Support Services:			
Facilities Operations and Maintenance	586,224	574,752	737,269
Information Services Support	284,985	659,351	806,923
Business Administration	1,293,803	1,392,180	1,366,640
Debt Service:			
Interest and Fiscal Charges	27,115	0	0
<i>Total Expenses</i>	<u>7,171,533</u>	<u>7,354,933</u>	<u>9,849,701</u>
Program Revenues:			
Charges for Services:			
Library Services:			
Public Service and Programs	1,036,985	1,031,340	1,101,263
<i>Net Expenses</i>	<u>(6,134,548)</u>	<u>(6,323,593)</u>	<u>(8,748,438)</u>
General Revenues:			
Governmental Activities:			
Property Taxes	7,136,074	6,670,931	6,286,953
Grants and Contributions not Restricted to Specific Programs	2,831,055	3,543,453	3,405,030
Contributions, Gifts, and Donations	825	18,828	3,661
Earnings on Investments	342,779	496,133	276,844
Miscellaneous	7,924	4,735	18,338
<i>Total General Revenues</i>	<u>10,318,657</u>	<u>10,734,080</u>	<u>9,990,826</u>
<i>Change in Net Assets</i>	<u>\$4,184,109</u>	<u>\$4,410,487</u>	<u>\$1,242,388</u>

Worthington Libraries
Worthington, Ohio
Fund Balances - Governmental Funds
Last Four Years
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Reserved	\$253,808	\$273,045	\$277,022	\$259,972
Unreserved	<u>2,598,003</u>	<u>5,933,367</u>	<u>6,591,556</u>	<u>8,819,085</u>
<i>Total General Fund</i>	<u>2,851,811</u>	<u>6,206,412</u>	<u>6,868,578</u>	<u>9,079,057</u>
All Other Governmental Funds				
Reserved	600	209,511	1,576,682	120,405
Unreserved, Undesignated				
Reported in:				
Special Revenue Fund	51,620	82,851	112,933	103,610
Debt Service Fund	36,785	0	0	0
Capital Projects Funds	<u>1,004,482</u>	<u>792,609</u>	<u>1,583,686</u>	<u>843,998</u>
<i>Total All Other Governmental Funds</i>	<u>1,093,487</u>	<u>1,084,971</u>	<u>3,273,301</u>	<u>1,068,013</u>
<i>Total Governmental Funds</i>	<u><u>\$3,945,298</u></u>	<u><u>\$7,291,383</u></u>	<u><u>\$10,141,879</u></u>	<u><u>\$10,147,070</u></u>

Worthington Libraries
Worthington, Ohio
Changes in Fund Balances - Governmental Funds
Last Three Years
(modified accrual basis of accounting)

	2006	2007	2008
Revenues:			
Property Taxes	\$6,885,758	\$6,613,736	\$6,278,922
Other Government Grants-in-Aid	3,193,006	3,429,348	3,515,269
Patron Fines and Fees	280,352	282,729	297,960
Services Provided to Other Entities	756,633	748,611	803,303
Contributions, Gifts, and Donations	825	18,828	3,661
Earnings on Investments	342,779	496,133	276,844
Miscellaneous	7,924	4,735	18,338
<i>Total Revenues</i>	<u>11,467,277</u>	<u>11,594,120</u>	<u>11,194,297</u>
Expenditures:			
Current:			
Library Services:			
Public Service and Programs	2,917,050	2,919,557	4,645,550
Collection Development and Processing	1,769,799	1,686,625	2,159,378
Support Services:			
Facilities Operations and Maintenance	556,499	543,840	711,032
Information Services Support	280,498	632,951	778,463
Business Administration	1,249,607	1,359,094	1,351,301
Capital Outlay	297,294	1,601,557	1,543,382
Debt Service:			
Principal Retirement	990,000	0	0
Interest and Fiscal Charges	60,445	0	0
<i>Total Expenditures</i>	<u>8,121,192</u>	<u>8,743,624</u>	<u>11,189,106</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,346,085</u>	<u>2,850,496</u>	<u>5,191</u>
Other Financing Sources (Uses):			
Transfers - In	1,156,910	3,856,220	601,800
Transfers - Out	(1,156,910)	(3,856,220)	(601,800)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u><u>\$3,346,085</u></u>	<u><u>\$2,850,496</u></u>	<u><u>\$5,191</u></u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	13.1%	0.0%	0.0%

Worthington Libraries
Worthington, Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Year	Real Property			Tangible Personal Property			
	Assessed Value			Public Utility		General Business	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1999	\$831,202,970	\$356,023,230	\$3,392,074,857	\$51,529,460	\$58,556,205	\$173,582,369	\$738,648,379
2000	929,521,770	405,365,520	3,813,963,686	58,148,940	66,078,341	182,194,507	775,295,774
2001	934,815,990	413,194,980	3,851,459,914	60,284,870	68,505,534	182,194,507	775,295,774
2002	937,915,140	423,862,100	3,890,792,114	50,099,860	56,931,659	222,032,266	888,129,064
2003	1,072,551,470	377,767,160	4,143,767,514	51,560,220	58,591,159	202,028,171	808,112,684
2004	1,078,744,680	447,549,100	4,360,839,371	55,641,930	63,229,466	185,037,094	740,148,376
2005	1,087,563,880	444,066,090	4,376,085,629	54,413,770	61,833,830	179,018,550	716,074,200
2006	1,302,759,720	449,491,770	5,006,432,829	53,865,420	61,210,705	132,307,380	705,639,360
2007	1,324,905,840	454,215,230	5,083,203,057	50,757,700	57,679,205	86,444,451	345,777,804
2008	1,341,080,840	442,283,210	5,095,325,857	29,157,310	33,133,307	49,073,694	196,294,776

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation, Franklin County Auditor

Totals			Weighted Average Property Tax Rate (per \$1,000 of assessed value)
Assessed Value	Estimated Actual Value	Ratio	
\$1,412,338,029	\$4,189,279,440	33.71%	\$1.80
1,575,230,737	4,655,337,801	33.84%	1.80
1,590,490,347	4,695,261,223	33.87%	1.80
1,633,909,366	4,835,852,837	33.79%	1.66
1,703,907,021	5,010,471,357	34.01%	1.63
1,766,972,804	5,164,217,213	34.22%	1.63
1,765,062,290	5,153,993,658	34.25%	1.64
1,938,424,290	5,773,282,893	33.58%	3.76
1,916,323,221	5,486,660,066	34.93%	3.73
1,861,595,054	5,324,753,940	34.96%	3.70

Worthington Libraries
Worthington, Ohio
Property Tax Levies and Collections (1)
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1999	\$2,787,015	\$2,817,225	101.08%	\$40,646	\$2,857,871	102.54%
2000	2,881,786	2,819,697	97.85%	65,857	2,885,554	100.13%
2001	2,923,403	2,877,204	98.42%	66,560	2,943,764	100.70%
2002	2,947,922	2,878,456	97.64%	106,734	2,985,190	101.26%
2003	2,912,557	2,840,571	97.53%	75,395	2,915,966	100.12%
2004	2,888,263	2,818,222	97.57%	79,010	2,897,232	100.31%
2005	2,903,568	2,817,409	97.03%	57,704	2,875,113	99.02%
2006	7,310,027	7,095,784	97.07%	221,696	7,317,480	100.10%
2007	7,231,825	6,959,989	96.24%	186,182	7,146,171	98.82%
2008	7,048,734	6,278,922	89.08%	144,930	6,423,852	91.13%

Source: Office of the Auditor, Franklin County, Ohio

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as intergovernmental revenue.

(2) The Library does not identify delinquent tax collections by tax year.

Worthington Libraries
Worthington, Ohio
Principal Taxpayers
1999 and 2008

1999			2008		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Public Utilities			Public Utilities		
1 Columbus Southern Power Company	\$22,390,800	1.59%	1 Columbus Southern Power Company	\$24,159,800	1.30%
2 Ohio Bell Telephone Company	16,700,860	1.18%			
3 Columbus Cellular Telephone Co	7,231,220	0.51%			
Real Estate			Real Estate		
1 Anheuser-Busch Inc	15,652,830	1.11%	1 Anheuser-Busch Inc	18,706,350	1.00%
2 Allstate Insurance Company	12,355,940	0.87%	2 EOP-Community Corporate	8,610,000	0.46%
3 ZML Community Corporate Center	8,461,240	0.60%	3 Eastrich No 167 Corp	8,141,660	0.44%
4 OTR	7,719,460	0.55%	4 Fieldstone Trace Partnership	7,805,010	0.42%
5 Trinity Secureco Worthington Partners	7,700,000	0.55%	5 Worthington Meadows	7,665,040	0.41%
6 Fieldstone Trace Partnership	6,642,790	0.47%	6 Worthington Industries Inc	6,664,540	0.36%
7 Columbus Retail Inc	6,468,000	0.46%	7 Crosswoods Central Park	6,568,180	0.36%
8 General Electric Company	6,394,180	0.45%	8 Columbus Retail Inc	6,328,010	0.34%
9 Community Insurance Co	5,529,980	0.39%	9 Corporate Hill LLC	6,006,040	0.32%
10 Sheraton Suites Investment LP	5,370,040	0.38%	10 Busch Properties	5,800,880	0.31%
Tangible Personal Property			Tangible Personal Property		
1 Anheuser-Busch Inc	45,796,355	3.25%	1 Anheuser-Busch Inc	32,268,910	1.73%
2 General Electric Company	17,202,740	1.22%	2 Worthington Industries Inc	7,554,150	0.41%
3 Worthington Industries Inc	16,061,990	1.14%	3 Sprintcom Inc	7,146,500	0.39%
4 Mettler Toledo Inc	7,261,430	0.51%	4 Diamond Innovations Inc.	3,862,810	0.21%
5 Liebert Corporation	5,972,600	0.42%	5 Ohio Bell Telephone Company	3,808,840	0.20%
6 Worthington Foods Inc	5,935,809	0.42%	6 Liebert Corporation	3,798,480	0.20%
7 Jack Maxton Chevrolet Inc	4,576,610	0.32%	7 Worthington Cylinder Corporation	2,640,720	0.14%
8 Worthington Cylinder Corporation	4,270,330	0.30%	8 Mettler Toledo Inc	2,391,440	0.13%
9 Abbott Laboratories	3,451,120	0.24%	9 Jack Maxton Chevrolet Inc	2,042,330	0.11%
10 Bank One Corp	2,565,450	0.18%	10 New Par	2,033,160	0.11%
All others	<u>1,170,566,255</u>	<u>82.89%</u>	All others	<u>1,687,592,204</u>	<u>90.65%</u>
Total Assessed Valuation	<u>\$1,412,278,029</u>	<u>100.00%</u>	Total Assessed Valuation	<u>\$1,861,595,054</u>	<u>100.00%</u>

Source: Office of the Auditor, Franklin County, Ohio

Worthington Libraries
Worthington, Ohio
Direct and Overlapping Property Tax Rates
 (Per \$1,000 of Assessed Value)
Last Ten Years

	1999	2000	2001
Voted Millage - By Levy			
1992 Current Expense			
Residential/Agricultural Real	\$1.83	\$1.64	\$1.64
Commercial/Industrial and Public Utility Real	2.14	1.94	1.93
General Business and Public Utility Personal	2.20	2.20	2.20
2005 Current Expense			
Residential/Agricultural Real	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00
Total Voted Millage By Type of Property			
Residential/Agricultural Real	1.83	1.64	1.64
Commercial/Industrial and Public Utility Real	2.14	1.94	1.93
General Business and Public Utility Personal	2.20	2.20	2.20
Overlapping Rates By Taxing District			
Franklin County			
General Fund	1.47	1.47	1.47
Children Services	4.25	4.25	4.25
ADAMH Board	2.20	2.20	2.20
MRDD	7.47	7.47	7.47
Metro Park	0.00	0.65	0.65
Zoological Park	0.75	0.75	0.75
Office on Aging	0.85	0.85	0.85
Total Franklin County	16.99	17.64	17.64
School District			
Worthington City School District	73.66	72.65	72.60
Townships			
Sharon Township	13.10	19.10	19.10
Perry Township	23.80	23.80	23.80
Cities			
City of Worthington	3.00	3.00	3.00
City of Columbus	3.14	3.14	3.14

Source: Ohio Department of Taxation, County Auditor, Franklin County

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue for that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

2002	2003	2004	2005	2006	2007	2008
\$1.64	\$1.43	\$1.43	\$1.43	\$1.21	\$1.20	\$1.20
1.91	1.81	1.82	1.87	1.81	1.84	1.86
2.20	2.20	2.20	2.20	2.20	2.20	2.20
0.00	0.00	0.00	0.00	2.20	2.19	2.19
0.00	0.00	0.00	0.00	2.52	2.57	2.59
0.00	0.00	0.00	0.00	2.60	2.60	2.60
1.64	1.43	1.43	1.43	3.41	3.39	3.39
1.91	1.81	1.82	1.87	4.33	4.40	4.45
2.20	2.20	2.20	2.20	4.80	4.80	4.80
1.47	1.47	1.47	1.47	1.47	1.47	1.47
4.25	4.25	5.05	5.05	5.05	5.05	5.05
2.20	2.20	2.20	2.20	2.20	2.20	2.20
7.47	7.47	7.47	7.47	7.47	7.47	7.47
0.65	0.65	0.65	0.65	0.65	0.65	0.65
0.75	0.75	0.75	0.75	0.75	0.75	0.75
0.85	0.85	0.85	0.85	0.85	0.85	0.85
17.64	17.64	18.44	18.44	18.44	18.44	18.44
78.38	77.88	77.71	84.56	83.23	83.23	83.23
19.10	23.50	23.50	23.50	23.50	23.50	23.50
23.80	23.80	20.40	18.40	18.40	21.20	21.20
3.00	3.00	3.00	3.00	3.00	5.00	5.00
3.14	3.14	3.14	3.14	3.14	3.14	3.14

Worthington Libraries
Worthington, Ohio
Computation of Direct and Overlapping Governmental Debt
December 31, 2008

	Net Long-term Debt Outstanding	Percentage Applicable to Library (1)	Amount Applicable to Library
Direct:			
Worthington Libraries	\$0	100.00%	\$0
Overlapping:			
Worthington City School District (2)			
Notes Payable	3,439,000	100.00%	3,439,000
General Obligation Bonds	41,993,753	100.00%	41,993,753
Certificates of Participation	5,794,615	100.00%	5,794,615
City of Worthington			
General Obligation Bonds	8,495,000	100.00%	8,495,000
Franklin County			
General Obligation Bonds	190,553,247	6.771%	12,901,710
City of Columbus			
Revenue Obligations	512,235,000	7.158%	36,666,658
General Obligation Bonds	1,183,551,372	7.158%	84,720,632
Total Direct and Overlapping Debt	\$1,946,061,987		\$194,011,368

Source: Office of the Auditor, Franklin County, Ohio, and Financial Statements for the respective subdivision

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2008 collection year.

(2) The debt outstanding for Worthington School District is at June 30, 2008.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Library. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Library. This process recognizes that, when considering the Library's ability to issue and repay long-term debt, the entire debt burden be borne by the residents and businesses should be taken into account.

Worthington Libraries
Worthington, Ohio
Ratio of Outstanding Debt By Type
Governmental Activities
Last Ten Years

Year	Capital Lease Payable	Percentage of Personal Income (1)	Per Capita (1)
1999	\$1,650,000	0.13%	\$29.40
2000	1,540,000	0.08%	27.05
2001	1,430,000	0.07%	25.10
2002	1,320,000	0.07%	23.17
2003	1,210,000	0.06%	20.62
2004	1,100,000	0.05%	18.62
2005	990,000	0.05%	16.43
2006	0	0.00%	0.00
2007	0	0.00%	0.00
2008	0	0.00%	0.00

Details regarding the Library's outstanding debt can be found in the notes to the financial statements

(1) See Demographic and Economic Statistics table for personal income and population data.

Worthington Libraries
Worthington, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (1)	Unemployment Rate (3)
1999	56,115	\$1,270,836,405	\$22,647	2.8%
2000	56,938	1,964,076,310	34,495	3.6%
2001	56,975	1,965,352,625	34,495	3.6%
2002	56,975	1,965,352,625	34,495	5.4%
2003	58,687	2,024,408,065	34,495	6.1%
2004	59,063	2,037,378,185	34,495	5.9%
2005	60,248	2,078,254,760	34,495	5.6%
2006	59,983	2,069,113,585	34,495	4.8%
2007	57,550	2,011,084,750	34,945	5.3%
2008	61,153	2,120,786,040	34,680	5.7%

Sources: (1) Mid Ohio Regional Planning Commission
(2) Calculated based on Per capita income and population
(3) Ohio Bureau of Employment Services, not available for Worthington
School District Public Library. Figures presented are for Franklin County

Worthington Libraries

Worthington, Ohio
Principal Employers
2006 and 2008

Employer	Nature of Business	2006		2008	
		Number of Employees	Rank	Number of Employees	Rank
Worthington School District	Education	1,176	1	1,154	1
Worthington Industries Inc	Steel Industry	1,100	2	1,100	2
Liebert Corporation	Energy/Power	1,000	3	1,000	3
Anthem Blue Cross	Insurance	840	5	920	4
Anheuser-Busch, Inc	Production Plant	892	4	869	5
Huntington Bank	Mortgage/Banking	540	6	535	6
Diamond Innovations, Inc	Diamond Products	375	7	435	7
The Laurels Healthcare	Healthcare	290	8	270	8
Medvet Medical Center	Animal Care	250	9	245	9
American Health Holding	Healthcare	231	10	0	N/A
American Automobile Association	Automotive	0	N/A	200	10

Source: Chamber of Commerce and Individual employer records

Note: Above figures are estimates based on Chamber of Commerce information and employer data provided to the Library. Actual information, as well as information prior to 2006, was not available. Percentage of total employment is not available.

Worthington Libraries
Worthington, Ohio
Library Employees by Function/Program
Last Ten Years

Function/Program	1999	2000	2001	2002	2003
Governmental Activities:					
Library Services:					
Public Service and Programs	96	108	107	107	100
Collection Development and Processing	8	10	10	10	10
Support Services:					
Facilities Operations and Maintenance	1	1	1	1	1
Information Services Support	5	3	4	4	4
Business Administration	10	11	11	11	11
<i>Total Number of Employees</i>	<u>120</u>	<u>133</u>	<u>133</u>	<u>133</u>	<u>126</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
97	105	104	120	118
9	8	7	7	9
1	1	1	1	1
3	4	4	5	5
<u>11</u>	<u>11</u>	<u>14</u>	<u>15</u>	<u>14</u>
<u>121</u>	<u>129</u>	<u>130</u>	<u>148</u>	<u>147</u>

Worthington Libraries
Worthington, Ohio
Operating Indicators By Function/Program
Last Ten Years

Function/Program	1999	2000	2001	2002
Library Services:				
Public Service and Programs				
Number of Materials Circulated	1,663,835	1,727,834	1,940,829	2,137,211
Number of Registered Borrowers	53,500	54,261	54,987	57,737
Collection Development and Processing				
Number of Materials Owned	405,857	419,276	432,827	434,899
Support Services:				
Facilities Operations and Maintenance				
Square footage of Facility Maintained:				
Old Worthington Library	41,668	41,668	41,668	41,668
Northwest Library	23,635	23,635	23,635	23,635
Worthington Park Library	0	0	0	0
Information Services Support				
Number of Computers	76	78	120	120
Number of Web Site Hits	N/A	646,394	573,543	862,866

Source: Worthington School District Public Library Information and State Library of Ohio Report

2003	2004	2005	2006	2007	2008
2,222,182	2,406,948	2,520,594	2,632,136	2,957,725	3,237,654
59,031	59,481	61,436	63,583	62,605	62,571
429,198	425,808	436,349	405,070	377,847	409,060
41,668	41,668	41,668	41,668	41,668	42,446
23,635	23,635	23,635	23,635	23,635	25,481
0	0	0	0	0	4,974
100	100	129	130	225	347
827,170	921,832	738,686	761,586	1,268,262	1,858,073

Worthington Libraries
Worthington, Ohio
Capital Assets Statistics by Function/Class
Last Four Years

Function/Class	2005	2006	2007	2008
Library Services:				
Public Service and Programs				
Land	\$697,350	\$697,350	\$697,350	\$697,350
Construction in Progress	0	63,255	1,261,891	2,233,909
Buildings and Improvements	5,150,819	5,150,819	5,150,819	5,150,819
Machinery and Equipment	393,319	393,319	266,794	471,025
Collection Development and Processing				
Land	17,206	17,206	17,206	17,206
Construction in Progress	0	1,561	31,135	55,119
Buildings and Improvements	126,966	126,966	126,966	126,966
Support Services:				
Facilities Operations and Maintenance				
Land	120,443	120,443	120,443	120,443
Construction in Progress	0	10,925	217,948	385,830
Buildings and Improvements	1,166,919	1,166,919	1,166,919	1,184,115
Machinery and Equipment	0	0	0	12,800
Information Services Support				
Land	8,558	8,558	8,558	8,558
Construction in Progress	0	776	15,485	27,414
Buildings and Improvements	63,147	63,147	63,147	63,147
Machinery and Equipment	158,402	178,804	149,804	143,834
Business Administration				
Land	66,822	66,822	66,822	66,822
Construction in Progress	0	6,061	120,917	214,058
Buildings and Improvements	493,085	493,085	493,085	493,085
Machinery and Equipment	175,994	175,994	187,792	197,965
Vehicles	23,933	18,300	18,300	18,300
<i>Total Governmental Activities</i>	<u>\$8,662,963</u>	<u>\$8,760,310</u>	<u>\$10,181,381</u>	<u>\$11,688,765</u>

Source: Library capital assets records. The Library began to utilize the system in 2005; therefore, records are only available since then. Amounts presented are actual costs of assets.

WORTHINGTON LIBRARIES

Reports Issued Pursuant to
Government Auditing Standards

For the year ended December 31, 2008

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

Worthington Libraries
To the Board of Directors:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Worthington Libraries, Franklin County, Ohio (the "Library") as of and for the year ended December 31, 2008, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated June 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

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

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

Kennedy Cottrell Richards LLC
June 3, 2009

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Mary Taylor, CPA
Auditor of State

WORTHINGTON LIBRARIES

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 14, 2009**