

# Cleveland Heights-University Heights Public Library

Cleveland Heights, OH



 **Heights  
Libraries**  
Opening Doors. Opening Minds

## Comprehensive Annual Financial Report

For the year ended December 31, 2012

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY**

**CLEVELAND HEIGHTS, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Issued by:  
Nancy S. Levin, Director  
&  
the Business Office**

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# Introductory Section

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**Cleveland Heights-University Heights Public Library**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2012*  
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June 12, 2013

To the Board of Library Trustees,  
Citizens of Cleveland Heights–University Heights City School District

### **PUBLIC REPORTING RESPONSIBILITY**

We hereby submit to you the Cleveland Heights-University Heights Public Library’s Comprehensive Annual Financial Report for the year ended December 31, 2012. This is the twenty-second year that the Library has gone the extra mile to share comprehensive financial data in this format with the taxpayers, enabling them to gain a true understanding of the Library’s financial status.

Ohio law requires that public offices reporting pursuant to Generally Accepted Accounting Principles (GAAP) shall file their reports with the Auditor of the State and publish notice of the availability of the financial statements within 150 days of the close of each year. The General Purpose External Financial Statements from this report were filed to fulfill that requirement for the year ended December 31, 2012.

Library Administration assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive framework of internal control that is 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.

### **CONTENTS**

The Auditor of State, Dave Yost, has issued an unqualified (“clean”) opinion on the Library’s financial statements for the year ended December 31, 2012. The independent accountants’ report is located at the front of the financial section of this report. “Management’s Discussion and Analysis” immediately follows the independent accountants’ report and provides a narrative introduction, overview and analysis of the basic financial statements.

### **REPORTING ENTITY**

The Cleveland Heights–University Heights Public Library is organized under Ohio state law as a school district public Library. A seven–member board of trustees governs the Library. One member is appointed each year by the local board of education for a seven–year term. The taxing authority for the school district public Library is the Board of Education, but the Library operates under a separate budget with funds derived primarily from the Public Library Fund and three property tax levies totaling 7.8-mills.

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 Cleveland Heights-University Heights City School District.

The Director is responsible for the administration of the Library, and the Fiscal Officer oversees the Library’s financial affairs. Molly Pandelli is the Library’s Fiscal Officer. Nancy Levin entered her fifth year as Director in October. The division of these duties has been essential as the Library faced increasingly complicated financial issues.

## **PROFILE OF GOVERNMENT**

In November 1916, a Board of Trustees was appointed to form a public Library for the Village of Cleveland Heights but, because of World War I, the Library was not organized until 1920. At that time a librarian was appointed and the Cleveland Heights Public Library opened in the basement of the Coventry Elementary School, where the school Library was merged with it. In 1926 the Library moved into its own permanent building at 1925 Coventry Road.

The Cleveland Heights–University Heights Public Library is presently comprised of four buildings: The 107,856-square-foot Lee Road Branch (our main Library) was last renovated in 2006, and includes the west building which was a former YMCA, the old Lee Road branch built in 1932 and an earlier renovation from 1968. The Noble Neighborhood Branch, built in 1937 and renovated in 2011; the University Heights Branch, built in 1952; and the original 1926 building which became the Coventry Village Branch in 1968.

In 1973, the Library placed its first five–year operating levy on the ballot and it passed by 67.8 percent. In 2008, the community passed its third continuing levy. This financial support has allowed the Library to develop innovative approaches to the public service that the residents of the community demand. For example, in 1981, the Cleveland Heights–University Heights Public Library was the first Library to join the Cleveland Public Library’s automated circulation system and online catalog. This year CLEVNET celebrated its 30<sup>th</sup> year and, has grown to over 38 libraries in eleven counties in northern Ohio. In 2009, Ohio placed more of the burden of support for local libraries on the individual communities by lowering the percentage of the General Revenue Fund (GRF) dedicated to the Public Library Fund to 1.68 percent from 1.97 percent in 2011. In 2012, because of a slowly rebounding economy, the Library saw a small increase in State funding. The Public Library Fund (PLF) made up 26.08 percent of general fund revenue (cash basis) in 2012.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Although its boundaries coincide with those of the Cleveland Heights–University Heights City School District, primarily the cities of Cleveland Heights and University Heights with a five street area located within South Euclid, the Library’s role is enlarged by its proximity to the major metropolitan area of Cleveland. The population of Cuyahoga County is highly mobile and most residents use several libraries to meet their recreational reading and informational needs; thus, many people come into the Library from outside its immediate service area. Participation in CLEVNET also expands the Library’s role through the mutual sharing of materials and resources both within Cuyahoga County and throughout Ohio.

Funding for the Library from the PLF depends upon general economic conditions in Ohio, and upon allocation decisions made by the Cuyahoga County Budget Commission. In 2012 there was a small rebound as the country and Ohio climbed out of the depths of the current recession. Local property taxes account for 62 percent of our revenue (modified accrual basis). Property owners pay \$7.80 a year for every \$1,000 of assessed value of their property. We continue to watch county property valuations and collection rates to determine if this revenue will decline significantly in coming years.

The Board of Library Trustees and management believe close monitoring of funds is essential to extend the life our current levy beyond the promised 2013 renewal and well into 2015. This is essential as our school community considers a large building/renovation program and will require public funding to complete this project.



## **LEVY SUPPORT**

In November of 1992, our residents approved a continuing, four-mill operating levy by a two-to-one margin. Beginning collection in 1993, this levy replaced a three-mill levy (with an effective rate of only 2.06 mills) and generates approximately \$3,085,000 annually in property taxes and intergovernmental revenues. In March of 2000, the voters of the Cleveland Heights-University Heights City School District approved an additional continuing 1.9-mill operating levy. Collections began in 2001 and they generate approximately \$1,451,000 annually. State law limits the property tax levies, which account for approximately 60 percent of the Library's revenue, to the revenue generated by real property appraisal values at the time of each levy's passage. As a result, property tax revenues cannot increase significantly during the term of each levy.

In November 2001, the voters of the Cleveland Heights-University Heights City School District approved a \$9.5 million bond issue. This money supported the renovation of the Lee Road Branch, the former Heights YMCA (purchased in 2000), and the construction of a pedestrian walkway over the street between the two buildings. This increased space allows needed growth in all departments and increased programming for the community. This renovation was completed and the facility re-opened in September of 2006.

The Board of Library Trustees went on the ballot in March 2008 for a third continuous 1.9-mill property tax levy, this one certified to generate \$2.3 million beginning in 2009. We anticipated going to the voters again in 2013, but through careful management we believe we will be able to extend our current funding until late into 2015.

## **COMMUNITY DEMOGRAPHICS**

A demographic study, commissioned from by Cleveland State's Northern Ohio Data and Information Service (NODIS) in 2012, allows us to take a closer look at our service area characteristics and how that relates to borrowing from our Library.

The Cleveland Heights-University Heights School District, which defines our boundaries, is above the county average in educational attainment and other socioeconomic measures like household income, and that generally is associated with strong support for education and Library services. Population loss and the increase in poverty will continue to challenge us. Poverty for children ages 5-17 in our community jumped from 6.1 percent in 2000 to 23 percent in 2010.

Cuyahoga County saw a ten percent drop in new foreclosure filings in 2012, but residential mortgage foreclosures rose from 9,405 in 2011 to 9,905 in 2012. (Source: Cuyahoga Planning Commission.)

NODIS predicts that we will continue to lose population by another 4.5 percent between 2010 and 2020. Mirroring the population of Cuyahoga County, the Cleveland Heights-University Heights area lost 3.2 percent of its population in the 2010 census with a total population for Cleveland Heights of 59,660 residents. Both white and black populations dipped while Hispanic and Asian populations grew slightly. University Heights residents number 13,539 according to the 2010 census, about 600 fewer than in 2000.

Neither city has any industry and both are excellent examples of relatively affluent "bedroom communities." Since 2000, the average household income has increased by 27.7 percent in the two communities. Per capita income in Cleveland Heights is \$28,597 and \$31,693 in University Heights, while the combined median household income for the two cities is \$60,290. A disproportionate share of workers commute to cities other than their place of residence. There are a large number of small businesses and home-based businesses in our communities and they will be served more completely by the addition of the Small Business Development Center that is slated to be housed at the Lee Road branch beginning in 2013.

## **Borrowing patterns**

Many of our residents check out items from neighboring libraries as well as from our own system. These other systems were Shaker Heights, Cleveland Public and Euclid as well as Cuyahoga County Public Libraries. The neighborhood that borrows most widely outside of our service area is University Heights. In accord with this data, we also had more than 90,000 transacting visits from people who live outside our service area during the study period.

Within our service area, people who live near a Library generally use that branch *as well as* the Lee Road Branch. But defying that generalization, most Noble residents who borrow from our system use the Noble Branch exclusively (89.4 percent). Our neighborhood libraries continue to serve a significant number of our residents.

Books are still the most borrowed item overall followed closely by DVDs. University Heights patrons check out books more than other materials and Coventry Branch customers had the highest percentage of DVD circulation.

## **Ohio Public Library environment:**

- By law, no new public Library systems can be established in Ohio.
- The PLF distributes money to the 88 counties (not the Library systems) to fund Library services. If there are multiple Library systems within a county, the county budget commissions use agreements reached by the libraries to determine how the money gets distributed to the Library systems within each county.
- State funding allows public libraries to collaborate by supporting interLibrary loan of materials, shared staffing models, group purchasing, etc. Public libraries view their collections as a statewide asset.
- State funding of public libraries is currently at the same level it was in 1996.
- Ohio's libraries have the highest circulation, computer usage, volume of materials, and patron traffic per capita in the country.
- When creating the 2011-2012 biennium budget, legislators reduced the PLF funding percentage from 2.22 percent to 1.97 percent.

## **LONG-TERM FINANCIAL PLANNING**

The Library maintains a five-year financial projection at all times and this is regularly shared with the Board of Library Trustees. It is updated as material changes to income and expenditures are determined, and it covers both operational and capital needs to maintain and enhance current services and facilities.

## **RELEVANT FINANCIAL POLICIES**

The Board of Library Trustees approved a long-term investment policy in May 2004 as part of their by-laws. The purpose of this policy is to establish priorities and guidelines regarding the investment management of the Library operating funds. These priorities and guidelines are based upon Chapter 135 Ohio Revised Code (ORC) and prudent money management. The policy also follows Section 135.14 of the ORC in establishing what qualifies as an eligible investment. Safety of principal is the most important objective of the Library's investment policy. The policy also focuses on issues regarding liquidity and yield. Income from investments in 2012 was minimal due to low interest rates.

## **STRATEGIC PLANNING**

The Library's latest strategic plan uses the "Balanced Scorecard" approach that emphasizes results with measurements taken throughout the year, such as statistical use counts, community surveys, and customer feedback. The Board of Library Trustees approved a two-year plan in 2011. The objectives of this plan include:

1. Seek efficiencies, collaborations, alternative funding and innovations
2. Offer optimal technology access, services and programming
3. Utilize effective marketing in all areas of operation
4. Create and maintain welcoming, comfortable and safe spaces

The end of 2012 marked the halfway point of this plan and we have documented many measurable successes in monthly reports to the public and Library Board.

## **MISSION, VISION AND VALUES**

Staff's work was based on the Library's Mission, Values and Vision that were reviewed and updated by the Board of Library Trustees in July, 2009.

### **The Library's Mission**

*The Mission indicates what our organization is committed to do:*

The Cleveland Heights–University Heights Public Library—Opening doors, opening minds.

### **The Library's Values**

*We place great value in:*

- Education and literacy,
- Understanding and responding to the needs of our customers,
- Effective management of financial resources,
- Assuring that our libraries remain free for all,
- Effective management and development of human resources, resulting in a diverse and culturally competent staff,
- Quality in all we do,
- Intellectual Freedom,
- A climate for innovation and change,
- Respect and tolerance for diverse viewpoints and individual differences,
- Integrity and ethics in the workplace,
- Shared organizational decision making and responsibility,
- Open, timely and effective internal and external communications,
- Contributing to a culture of respect and comfort for all.

### **The Library's Vision**

*We will know we are succeeding when:*

- Our services and facilities appeal to all ages,
- Our collections, services and staff are outstanding,
- We have established the Library as a Third Place or “someplace other than work or home where a person can go to... feel part of the community,”
- We remain focused on the needs of our customers.

### **Highlights of 2012**

In November, the Library earned the top rating from *Library Journal's* 2012 Index of Public Library Service based on four criteria. Our circulation, visits, program attendance and computer terminal usage statistics made us one of the top libraries of our size in the United States. We have now earned five stars in four out of the five years of the Index's existence.

Another highlight of the year was the celebration of the Friends of Heights Library's 50<sup>th</sup> anniversary. Approximately 200 people attended *Harvey Pekar: A Literary, Library Life* on October 14th, a celebration of the writer, graphic novelist and Heights Libraries customer. A statue of Pekar, housed on the second floor of the Library, was dedicated. Artist J. T. Waldman, collaborator on Pekar's final work, *Not the Israel My Parents Promised Me*, shared stories both personal and professional. We also received national acclaim when the organization of Library Friends' groups (ALTAFF) presented us with Literary Landmark Status because of our role in the day-to-day life and work of Pekar.

"Superstorm Sandy," which caused damage in 24 states and killed at least 285 people, did not spare Ohio and caused a blackout that closed the Library for three days. The use of social media allowed the Library to provide updates to the public as power was slowly restored to the area and we were able to open our branches.

After four years of planning for Library use of the gym space of the former YMCA attached to the Lee Road branch, the Heights Knowledge and Innovation Center renovation began and is scheduled to be completed by June of 2013.

The Fund for the Future of Heights Libraries was created when a seven member Board of Directors filed all paperwork for establishment of the Fund for the Future of Heights Libraries with a 501(c)3 designation. The initial board is comprised of Susan Pardee, Courtney Eaton, Jim Burger, Adaora Schmeidl, Holly Little, Rachel Nelson, and Susan Janssen. They soon contracted with Cleveland Foundation to locate the Fund in its community holdings.

A spirit of outreach extended to the Library Board of Trustees and they conducted joint board meetings with the Shaker Heights Public Library and the Cuyahoga County Public Library. This initiative and many others can be attributed to the leadership of Board of Trustees President Esther Moss who served us for 14 years and whose term ended on December 31, 2012.

### **Special Projects**

Special Projects Coordinator Sam Lapidés accomplished a great deal in the first year of this new position. He facilitated the installation of three Little Free Libraries in the community, presided over the Annual Crossword Competition, organized the STEPS program with the Youth Services Department, led the third year of the Summer Lunch Program, partnered with the Cleveland Clinic to offer free health screenings for customers, wrote numerous grants for the Library system and published an article in *Public Libraries* on the Summer Lunch program. As the year ended, Sam facilitated the purchase of the BookBike, an outreach project that will make visits to community events, parades, festivals, and schools. Staff and volunteers from the Heights Bicycle Coalition will ride the BookBike, which will be filled with donated or canceled books for giveaway. The BookBike was a gift from Friends of the Heights Libraries. It will be on the streets come next spring.

### **Finance and Fines**

Library Administration endeavored to gain even greater transparency by communicating spending and revenue to the public with a mini-annual report in the pages of our quarterly program guide, *Check Us Out*.

New cash registers were purchased for all four locations to ensure proper processing of fines and other charges while CLEVENET updated the catalog to allow online bill pay. Senior citizens ages 60 and over now become "fine free" on their 60<sup>th</sup> birthday regardless of their Golden Buckeye membership.

### **Safety and Facilities**

We continued to improve facilities during 2012 with the following projects: initiating window replacement at Coventry keeping with historic restoration standards, improved grounds keeping for all branches, working with the city to improve safety at the Lee Road crosswalk and updating all fire alarm systems. In addition, outdoor lighting was improved and security cameras were moved to aid reporting on security issues.

### **Staff Reorganization Enters Final Phase**

For Phase Four, the final phase of the reorganization that began in 2011, the Staff Pay, Schedule and Forms Teams worked out the details and ensured staff ownership of the process. An all-staff training session on the new process was conducted on Staff Development Day, while supervisors attended three separate training sessions. Administration requested the creation of a Trustee Personnel Committee to bring evaluation reforms to the highest level --Director and Finance Manager. Deputy Director Kim DeNero-Ackroyd paid special attention to Balanced Scorecard and helped integrate goal-setting into the new staff evaluation process.

A great deal of staff turnover occurred in 2012 caused by the promotion of 11 existing staff members as well as an improvement in the economy and the relocation of a number of staff to other states.

In 2012 reorganizations in the Circulation Department continued. Two new positions were added to Circulation Department staffing. The position of Shipping Page was created to add part-time help for the full-time Shipping Assistant and two twenty-hour-a-week staffers were added to the department. The new position of Circulation Supervisor was also added by revamping existing hours which became available due to a retirement. Shandra Jackson was hired and trained to assist in managing the large staff and needs of a big department.

In May the Library installed a new self-charge circulation system made by Tech Logic. While the new touch-screen system requires more viewing interaction by the customers, it has been very well received due to fast processing, optional receipts, and ease of use.

November saw a change in the shipping area with the installation of carpeting in the entire shipping area and the staff entrance area. The entire shipping section was emptied, cleaned, carpeted and restored to working order within three days' time.

### **Collection Development**

The Heights Libraries proudly own 269,434 books, more than 38,432 video, 55,613 recordings and 79,089 ebooks. In 2012 we circulated 1,819,940 items.

A collection of books and DVDs previously held by the Home Repair Resource Center was turned over to the Adult Services department at Lee Road to make the resources more widely available. A grand opening for the collection was held in January.

In April, the Library began participating in the Overdrive Advantage program, which allows our system to add eBooks to the CLEVNET holdings. These eBooks are available exclusively to our customers and are usually additional copies of high-demand titles. Also, CLEVNET started giving member libraries monthly statistics on eMedia. This change reflected the inclusion of eMedia statistics in state and national reporting as well, recognizing the significant growth in this area. On the national front, the American Library Association and others worked with publishers to make more books available digitally.

### **Service Updates/Changes**

In order to serve our customers better, we initiated a study of service area demographics. The Cleveland State University Northern Ohio Data and Information Service (NODIS) was hired to cull statistics from the 2010 census as well as anonymous patron use data. Sheryl Banks led a staff committee to create responses to this study and to fulfill the Marketing Balanced Scorecard goal. Data from this report and a follow up telephone survey will inform the creation of our next strategic plan.

Beginning in October, six private study rooms on the second floor were made available by reservation. The rooms were previously available on a "first come, first served" basis, which lead to lengthy stays and competition among customers. The change has resulted in more frequent usage by a wider range of people.

### **Staff Training and Development Highlights**

In 2012, our staff spent a total of 2,516 hours in training and development activities. That's an increase of 14 percent over last year. This year, 138 staff participated in training and development activities, attending 144 events - an increase of 22 percent over last year. Most of our training budget is provided by the Anne Bauer Staff Development Fund, the legacy of a gift to the Library of savings bonds that amounted to nearly \$480,000. The interest from these bonds is used for an annual training allocation.

This year, tuition reimbursement funds were awarded to three employees - Lisa Smilnak and Zahir Sutarwala were each awarded \$500 and Sam Lapides was awarded \$1,000 to pursue educational opportunities.

### **Tradition of giving back**

Staff donated \$1,287 to the Harvest for Hunger campaign this year during our casual Friday program. In addition, staff donated 130 pounds of food and household items to the Cleveland Foodbank during our Staff Development Day in September. These local charities are endorsed by the Board of Library Trustees.

### **Training for the Public and at Professional meetings**

The Training Department offered four well-attended workshops for employment by the Tri-C Career Development and Transition Services. The Training Department also offered an employment series at the Noble Neighborhood branch in September and October. They created a six-part Small Business Series in connection with SCORE (Service Corps of Retired Executives) Greater Cleveland. They also participated in the video recording of three classes from Western Reserve Public Broadcasting Service for their "iTunes U" account. The Training Department conducted 12 successful Connect Ohio series with seventy-five customers completing the six parts.

Coventry's Branch Manager Pat Gray chaired NEO-RLS's (North East Ohio Regional Library Service) Adult Services Subcommittee. Lee Road staff also provided training for other staff on topics such as digital media, eReader use and troubleshooting, reader's advisory, Know It Now and Director's Station. Maggie Lindsey assumed responsibility as system-wide Storytime Trainer. Branch Manager Aurora Martinez presented at the Ohio Library Council North and South/Central conferences.

Youth Services Librarian Henry Drak, Teen Librarian Jessica Robinson and UH Librarian Pam Spangler supervised practicum students during the year. Spangler presented at the NEO -RLS's Summer Reading workshop in December at Kent State University. Director Nancy Levin developed a segment called "Ethics for Public Library Staff" for a Kent State University Public Libraries class.

### **Programming Highlights**

Library programming in 2012 attracted 66,342 people to attend 5,904 programs, according to Evanced software statistics. Some of these people attended exciting system-wide programs, including a live-action Candyland, the Hobbit Quest, and the Summer Reading Program.

At University Heights, Senior Spot attendance increased by 38 percent. The first annual Senior Health and Wellness Fair, with nine community organizations and businesses represented, was a success as well.

The Cedar-Coventry Author Series at the Coventry Branch drew large audiences clamoring to hear local authors.

Noble Teen Associate Rachelle Perry has increased Teen programming significantly, starting a Teen Advisory Group and a Winter Reading Program and offering a very successful after hours "Night of the Living Dead" program. The Noble Neighborhood PLAYroom remains a popular destination for daycares, preschools, playgroups, and families and was featured in an article written by Branch Manager Constance Dickerson published in the Spring 2012 issue of the journal *Children and Libraries*.

At Lee Road, Youth Services had well-attended and unique programs including the 2<sup>nd</sup> annual Pet Show, Free Comic Book Day, Definitely Dinosaurs, Andy Warhol Art, Concrete Jungle Warriors book club, and CreaTeens.

### **Staff Benefits**

Staff salaries and benefits continue to require around 60 percent of Library general fund expenditures. This is consistent with the past four years. Staff have begun to take part in wellness initiatives that will lower our rates in the long run while eligible staff were required to pay a small percentage of their health care premiums. After giving no raises in 2009, and small one time bonuses in 2010 and 2011, this year we were able to reward staff with a 3 percent raise.

### **Partnerships**

We continue to partner with organizations throughout our communities to bring the best services to our customers. We are grateful for these partnerships that allow us to leverage our staff time and resources. The list of partners is long but worth documenting here.

Lee Road Adult Services staff partnered with the Cleveland Heights Historical Society, Cleveland Heights Landmarks Commission, Dobama Theatre, Inc., Future Heights, Home Repair Resource Center, AARP, Cleveland Clinic Community Wellness program, the Ingalls Library at the Cleveland Museum of Art, the Foundation Center, Cleveland Restoration Society, the Cleveland Institute of Art and the Cleveland Playhouse.

Lee Road Youth Services staff partnered with the Holden Arboretum, Cleveland Museum of Art, WVIZ - Channel 25 public television, Free Comic Book Day, Beech Brook, Mt. Sinai Foundation, CH-UH Elementary Schools, local preschools and daycares, and Jim Metzner author, of the public radio program "Pulse of the Planet."

University Heights Branch partnered with AARP, the City of University Heights, Cleveland Clinic Community Wellness, the Cleveland Foodbank, Cuyahoga County Department of Senior and Adult Services, John Carroll University's Grasselli Library, Sue Klarreich (Adaptations Film Series), Rap Art/Center for Families and Children, and Whole Foods.

The Coventry branch partnered with Mac's Backs and Appletree Books, the Cleveland Institute of Music, Clayworks Co-operative, Beech Brook, Cleveland Hearing and Speech, and City Fresh. There were also a wealth of programs offered by teachers, musicians, writers, and artists from the community.

The Noble Neighborhood branch partnered with the Cleveland Food Bank, Beech Brook, Cuyahoga County Board of Health, Cleveland Heights Police Department, Holden Arboretum, Lakeview Cemetery, the Mandel Jewish Community Center, RapArt, Adult Basic Literacy Education, El Bario/Westside Ecumenical Ministry, Ministerial Day Care-A Headstart Parent Advisory Group, and HeightsArts.

## **OTHER INFORMATION**

### **Awards**

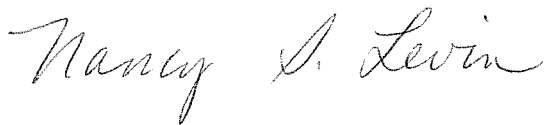
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The Library has received the Certificate of Achievement for its Comprehensive Annual Financial Report each year dating back a number of years. A Certificate of Achievement is valid for a period of one year.

The Cleveland Heights-University Heights Public Library believes the current report continues to conform to the requirements and standards of the Certificate of Achievement Program and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

**Acknowledgements**

We wish to express our appreciation to the members of the Board of Library Trustees for their continued interest and support in planning and conducting the financial operations of the Library in a responsible and progressive manner.

**Respectfully submitted,**

A handwritten signature in cursive script that reads "Nancy S. Levin". The signature is written in black ink and is positioned above the printed name and title.

**Nancy S. Levin  
Director**



# CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY

## LIST OF PRINCIPAL OFFICIALS

as of December 31, 2012

President.....	Esther Moss
Vice President.....	James Posch
Secretary.....	James Roosa
Member.....	Robert Fischer
Member.....	Rick Ortmeyer
Member.....	Ron Holland
Member.....	Abby Botnick

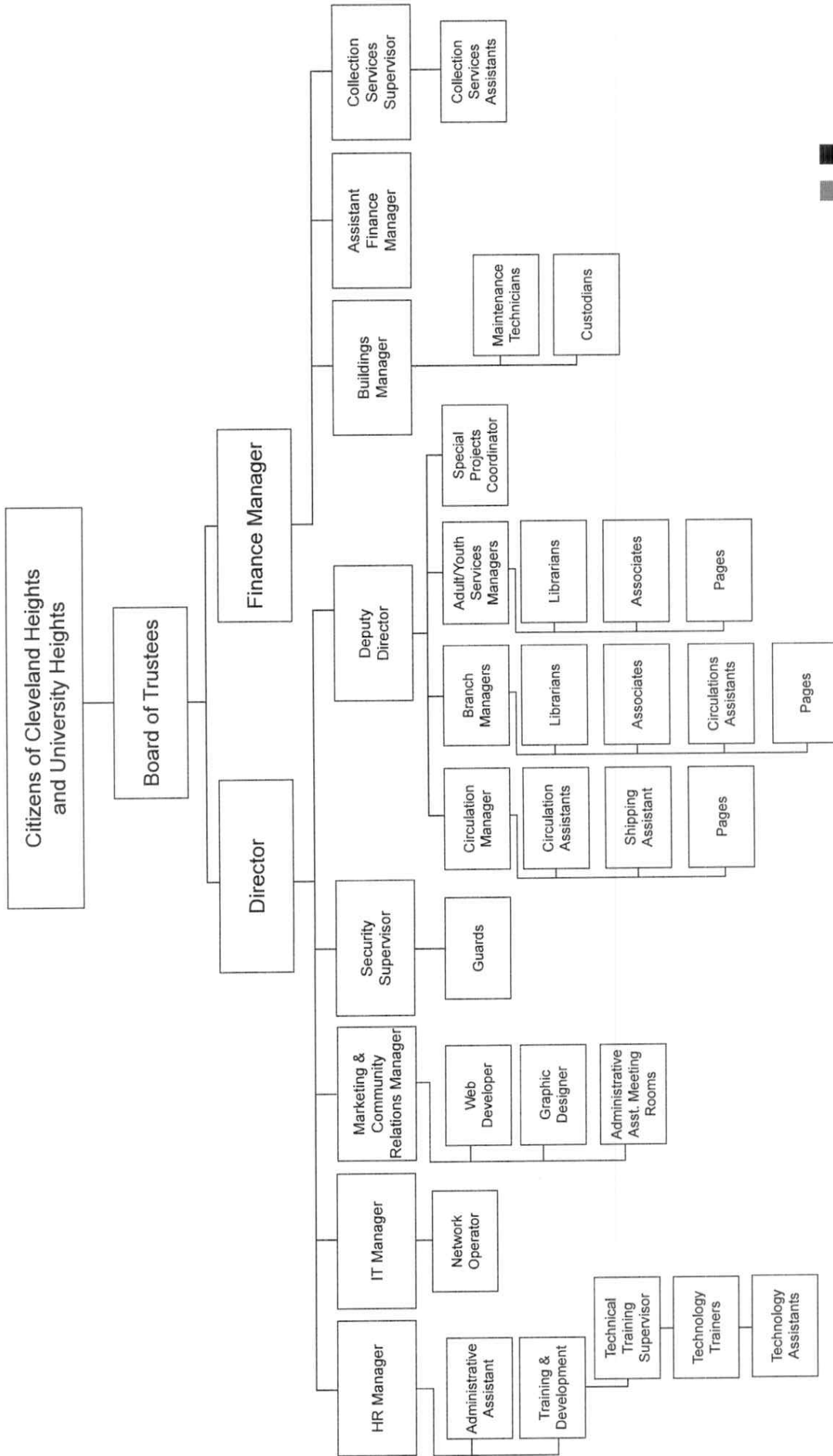
## ADMINISTRATIVE STAFF

Nancy S. Levin.....	Director
Kimerlee DeNero-Ackroyd.....	Deputy Director
Molly M. Pandelli.....	Fiscal Officer*
Charles Collins.....	Adult Services Manager
Sam Lapidés.....	Special Projects Coordinator
Brian Hare.....	Youth Services Manager
Laurie Marotta.....	Human Resources Manager
Sheryl Banks.....	Marketing & Community Relations Manager
Timothy Pasbrig.....	Buildings Manager
Heather Howiler.....	Training Development Manager
Mary Murphy.....	Circulation Manager
Matt Hoffman.....	IT Manager
Patricia Gray.....	Branch Manager, Coventry Village Library
Constance Dickerson.....	Branch Manager, Noble Neighborhood Library
Aurora Martinez.....	Branch Manager, University Heights Library
Kevin Echols.....	Security Supervisor
Teanna Weeks.....	Collection Services Supervisor

\*Molly M. Pandelli left the Library on May 17, 2013. The Board appointed Nancy Levin as Interim Fiscal Officer.

# 2012 ORGANIZATION CHART

## Cleveland Heights - University Heights Public Library



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cleveland Heights-University  
Heights Public Library, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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.



*Christopher P. Morill*

President

*Jeffrey R. Emer*

Executive Director

# Heights Libraries

Cleveland Heights-University Heights

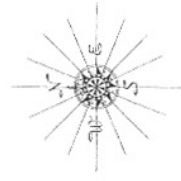
## Cleveland Heights-University Heights Public Library

**Main Library**  
2345 Lee Road  
Cleveland Heights, OH 44118  
216-932-3600

**Coventry Village Library**  
1925 Coventry Road  
Cleveland Heights, OH 44118  
216-321-3400; TTY 321-0739

**Noble Neighborhood Library**  
2800 Noble Road  
Cleveland Heights, OH 44121  
216-291-5665

**University Heights Library**  
13866 Cedar Road  
University Heights, OH 44118  
216-321-4700



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# Financial Section

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Cleveland Heights-University Heights Public Library  
Cuyahoga County  
2345 Lee Road  
Cleveland Heights, Ohio 44118

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio (the Library), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

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 Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio, as of December 31, 2012 and the respective changes in financial position, thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

Our audit was conducted to opine on the Library's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules, are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2013 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 12, 2013

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# Cleveland Heights-University Heights Public Library

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2012*

*Unaudited*

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The management's discussion and analysis of the Cleveland Heights-University Heights Public Library's (the Library) financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2012. The intent of this management's discussion and analysis is to look at the Library's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Library's financial performance.

## **Financial Highlights**

Key financial highlights for 2012 are as follows:

- Total net position increased from 2011 resulting from revenues exceeding expenses directly related to decreases in expenses from tighter spending controls and changes to negotiated agreements.
- Total assets of governmental activities showed an increase over 2011 from increased cash and cash equivalents which was the direct result of revenues far outpacing expenses in the current year.
- Total liabilities decreased from 2011, primarily as a result of decreases in compensated absences and capital leases.
- Capital assets had additions to construction in progress, buildings and improvements, equipment, and furniture. The highlights of these additions consist of the renovation of the technology center, a new fire alarm system and new furnishings and upgrades to equipment and computers.

## **Using This Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Cleveland Heights-University Heights Public Library as a financial whole or as an entire operating entity. The statements provide a detailed look at the Library's specific financial activities.

The Statement of Net Position and 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 dollars remain 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.

## **Cleveland Heights-University Heights Public Library**

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2012*

*Unaudited*

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### **Reporting the Cleveland Heights-University Heights Public Library as a Whole**

#### *Statement of Net Position and the Statement of Activities*

While this document contains information about the funds used by the Library to provide services to our citizens, the view of the Library as a whole considers all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Position 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 method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the Library's net position and the changes in those net position. The change in net position is important because it tells the reader whether, for the Library as a whole, the financial position of the Library has improved or diminished. However, in evaluating the overall position of the Library, non-financial information such as changes in the Library's tax base and the condition of the Library's capital assets also need to be evaluated.

The Statement of Net Position and the Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net position (Assets minus Liabilities and Deferred Inflows of Resources)
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning of Year and Year's End

### **Reporting the Cleveland Heights-University Heights Public Library's Most Significant Funds**

#### *Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Cleveland Heights-University Heights Public Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Library's funds can be classified as governmental funds. Fund financial statements provide detailed information about the Library's major funds. The Library has established funds that account for the multitude of services and facilities provided to our residents. However, these fund financial statements focus on the Library's most significant funds. In the case of the Cleveland Heights-University Heights Public Library, our major funds are the general fund and the building and repairs capital projects fund.

**Governmental Funds** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. All Library activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year end available for spending in future periods. Our funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Library's general operations and the basic services it provides. Governmental fund

# Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2012

Unaudited

information helps one determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental fund financial statements can be found on pages 14 – 19 of this report.

## The Cleveland Heights-University Heights Public Library as a Whole

Recall that the Statement of Net Position pictures the Library as a whole. Table 1 provides a summary of the Library's net position for 2012 compared to 2011.

**Table 1**  
*Net Position*

	Governmental Activities		
	2012	2011	Change
<b>Assets</b>			
Current and Other Assets	\$15,064,904	\$13,784,052	\$1,280,852
Capital Assets, Net	16,808,547	16,806,774	1,773
<b>Total Assets</b>	<b>31,873,451</b>	<b>30,590,826</b>	<b>1,282,625</b>
<b>Liabilities</b>			
Current Liabilities	222,739	5,381,017	5,158,278
Long-Term Liabilities			
Due Within One Year	226,897	237,863	10,966
Due in More Than One Year	369,303	446,856	77,553
<b>Total Liabilities</b>	<b>818,939</b>	<b>6,065,736</b>	<b>5,246,797</b>
<b>Deferred Inflows of Resources</b>			
Property Taxes	5,235,400	5,212,227	(23,173)
<b>Net Position</b>			
Investment in Capital Assets	16,419,092	16,340,379	78,713
Restricted for:			
Staff Development			
Nonexpendable	418,502	418,502	0
Expendable	89,643	73,448	16,195
Unrestricted	8,891,875	7,692,761	1,199,114
<b>Total Net Position</b>	<b>\$25,819,112</b>	<b>\$24,525,090</b>	<b>\$1,294,022</b>

**Cleveland Heights-University Heights Public Library**

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2012*

*Unaudited*

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Cleveland Heights-University Heights Public Library, assets exceeded liabilities at year-end 2012. Increases in cash and cash equivalents coupled with decreases in long-term liabilities resulted in the increase to net position. By comparing assets and liabilities, one can see the overall position of the Library is good.

Although the Cleveland Heights-University Heights Public Library's investment in its capital assets is reported net of related debt, which is strictly capital leases, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additionally, the Cleveland Heights-University Heights Public Library works very hard to stabilize current liabilities and reduce long-term liabilities.

Table 2 shows the changes in net position for the years ended December 31, 2012 and 2011.

**Table 2**  
*Change in Net Position*

	Governmental Activities		
	2012	2011	Change
<b>Revenues</b>			
<i>Program Revenues</i>			
Charges for Services	\$136,352	\$153,696	(\$17,344)
Operating Grants and Contributions	26,908	92,238	(65,330)
<i>Total Program Revenues</i>	<u>163,260</u>	<u>245,934</u>	<u>(82,674)</u>
<i>General Revenues</i>			
Property Taxes	5,528,009	5,658,014	(130,005)
Grants and Entitlements not Restricted to Specific Purposes	3,149,291	3,177,827	(28,536)
Investment Earnings	24,330	26,913	(2,583)
Miscellaneous	47,928	62,588	(14,660)
<i>Total General Revenues</i>	<u>8,749,558</u>	<u>8,925,342</u>	<u>(175,784)</u>
<i>Total Revenues</i>	<u>8,912,818</u>	<u>9,171,276</u>	<u>(258,458)</u>
<b>Program Expenses</b>			
General Government:			
Public Service	6,032,580	6,334,670	302,090
Administration	1,571,627	1,553,407	(18,220)
Interest and Fiscal Charges	14,589	18,729	4,140
<i>Total Program Expenses</i>	<u>7,618,796</u>	<u>7,906,806</u>	<u>288,010</u>
<i>Change in Net Position</i>	1,294,022	1,264,470	29,552
Net Position Beginning of Year	24,525,090	23,260,620	1,264,470
Net Position End of Year	<u>\$25,819,112</u>	<u>\$24,525,090</u>	<u>\$1,294,022</u>

# Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2012

Unaudited

The vast majority of revenue supporting all governmental activities is general revenue. The most significant portions of general revenues are local property taxes and grants and entitlements not restricted. The remaining amount of revenue received was in the form of program revenues, the majority of which was charges for services provided by the Library.

The Library also carefully invests its funds in a variety of investment types with the primary focus being safety of principal, but with an attention to investment opportunities to increase yield. The Director and Fiscal Officer pay close attention to daily interest rates and have made the Library's money "work for us", even during these difficult economic times of dropping interest rates.

## Analysis of Overall Financial Positions and Results of Operations

In Table 3 below, the total cost of services column contains all costs related to the programs and the net cost of services column shows how much of the total amount is not covered by program revenues. The net costs are program costs that must be covered by unrestricted State aid (Library and Local Government Support Fund) or local property taxes.

**Table 3**  
*Governmental Activities*

Programs	Total Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2012	Net Cost of Services 2011
General Government:				
Public Service	\$6,032,580	\$6,334,670	\$5,899,231	\$6,128,191
Administration	1,571,627	1,553,407	1,541,716	1,513,952
Interest and Fiscal Charges	14,589	18,729	14,589	18,729
Total Expenses	<u>\$7,618,796</u>	<u>\$7,906,806</u>	<u>\$7,455,536</u>	<u>\$7,660,872</u>

The difference in the total cost and net cost of services represents restricted grants, fees and donations. The dependence upon general tax revenues for governmental activities is apparent. 72.56 percent of total expenses are supported through taxes.

## Governmental Activities

Several revenue sources fund our governmental activities with the Library property tax being the largest contributor. General revenues from grants and entitlements, such as local government funds, and patron fines and fees are also major sources of revenue.

Library property tax revenues (using full accrual numbers) in 2012 were slightly less than in 2011. The area of Cleveland Heights is not immune to the economic situation affecting the Country-. The Library System's geographic boundaries encompass several inner-ring suburbs of the City of Cleveland. These communities are primarily residential in nature. The proximity and the easy access of the cities to major cultural, educational and medical facilities in northeast Ohio typically contributes to climbing property values, a key indicator of a community's economic health and stability, where the primary "industry" is housing. Typically, the vitality of the area is also demonstrated by new construction over the past few years, development and redevelopment of

## **Cleveland Heights-University Heights Public Library**

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2012*

*Unaudited*

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retail and commercial corridors found throughout each community. However, the current foreclosure crisis and overall increase in delinquencies, in addition to a generally stagnant state economy, is cause for concern today and into the future.

Although the Library relies heavily upon local property taxes to support its operations, we continue to actively solicit and receive additional grant and entitlement funds to help offset operating and program costs.

The majority of the Library's program expenses are for public services, 79.18 percent. Public services showed a decrease from 2011, as the result of the Library implementing tighter spending controls and changes to negotiated agreements. Administration accounts for an additional 20.63 percent of total expenses. The remaining program expenses, amounting to less than one percent, represent interest and fiscal charges.

### **The Library's Funds**

Information about the Library's governmental funds begins on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue of \$8,904,656 and expenditures of \$7,709,088. The most significant fund is our general fund with an unassigned fund balance at year-end of \$5,925,424 compared to annual expenditures of \$7,360,316. \$658,500 was transferred to the building and repairs capital projects fund. This transfer enabled the Library to fund various capital improvements. The general fund balance had an increase from 2011 due to the Library being fiscally responsible and ensuring that revenues are far exceeding expenditures on the year. The building and repairs capital projects fund had an increase in fund balance as the Noble branch renovation concluded in 2011.

### **General Fund Budgetary Highlights**

The Library's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of 2012, the Library amended its general fund budget, but no amendment was significant. For the general fund, original and final budgeted revenues were \$8,571,607. Actual revenues were \$308,294 higher than final budgeted resources due to increases to anticipated property taxes. Original and final budgeted expenditures in the general fund were \$8,127,146 and \$8,129,146, respectively. Actual expenditures were \$690,677 lower than final budgeted expenditures due to careful monitoring of expenditures that resulted in decreases to all expenditure line items.



**Cleveland Heights-University Heights Public Library**

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2012*

*Unaudited*

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**Capital Assets and Debt**

***Capital Assets***

**(Table 4)**

*Capital Assets at December 31  
(Net of Accumulated Depreciation)*

	Governmental Activities		
	2012	2011	Change
Land	\$791,638	\$791,638	\$0
Construction in Progress	83,340	0	83,340
Land Improvements	76,117	99,408	(23,291)
Buildings and Building Improvements	14,705,528	14,843,100	(137,572)
Equipment	992,063	944,386	47,677
Furniture	152,318	119,285	33,033
Vehicles	7,543	8,957	(1,414)
Total Capital Assets	<u>\$16,808,547</u>	<u>\$16,806,774</u>	<u>\$1,773</u>

The most significant changes in our capital assets came from taking another year's worth of depreciation coupled with deletions offset by additions to construction in progress, buildings and building improvements and equipment and furniture. The Library is committed to a long-term goal of rebuilding and renovating facilities. See Note 9 for additional information on capital assets.

**Long-term Obligations**

As of December 31, 2012, the Cleveland Heights-University Heights Public Library had outstanding balances in compensated absences and capital leases. See Note 15 for additional information on the Library's debt.

**(Table 5)**

*Outstanding Obligations at Year End*

	Governmental Activities		
	2012	2011	Change
Compensated Absences	\$206,745	\$218,324	(\$11,579)
Capital Leases	389,455	466,395	(76,940)
Total	<u>\$596,200</u>	<u>\$684,719</u>	<u>(\$88,519)</u>

## **Cleveland Heights-University Heights Public Library**

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2012*

*Unaudited*

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### **Current Financial Related Activities**

The Cleveland Heights-University Heights Public Library has continued to maintain the highest standard of service to the patrons of our communities. The Cleveland Heights-University Heights Public Library is financially strong. Even though the Library saw a reduction in overall revenues, revenues still far outpaced expenditures which is part of our strong, fiscally responsible financial plan to live within our means. The Board of Library Trustees and administration closely monitor its revenues and expenditures in accordance with its financial forecast.

The Cleveland Heights-University Heights Public Library relies on its property taxpayers to support its operations, and the fiscal capacity and community support for the Library is quite strong. The Cleveland Heights-University Heights Public Library voters have passed additional operating levies in the years 1992, 2000 and 2008, which help the general operations and permanent improvements of the Library. In addition, the community overwhelmingly passed a bond issue in 2001 to support the renovation of the main library and cultural arts center. The Cleveland Heights-University Heights Public Library continues to communicate to the community that they rely upon their support for the majority of its operations and will continue to work diligently to plan expenses, staying carefully within the Library's budget and financial forecast. The community realizes the income generated by local levies remains constant, thereby forcing the Library to come back to the voters from time to time for additional support.

The Board of Trustees and Director work extremely hard at containing health care costs by securing updated competitive proposals from various health care providers. While the cost increases for medical insurance are unavoidable in today's environment, the Library is working diligently to maintain a high level of coverage for its employees at the lowest cost possible.

### **Contacting the Library's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Library's finances and demonstrates the Library's accountability for all money it receives, spends, and invests. Please direct any questions about this report or financial information inquiries to Director Nancy S. Levin, Cleveland Heights-University Heights Public Library, 2345 Lee Road, Cleveland Heights, Ohio 44118-3493, or telephone 216-932-3600. We also offer information regarding our Library on our web site, [www.heightslibrary.org](http://www.heightslibrary.org).

## Basic Financial Statements

**Cleveland Heights-University Heights Public Library**

*Statement of Net Position*

*December 31, 2012*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$7,370,002
Intergovernmental Receivable	1,588,410
Prepaid Items	28,416
Property Taxes Receivable	6,078,076
Nondepreciable Capital Assets, Net	874,978
Depreciable Capital Assets, Net	<u>15,933,569</u>
<i>Total Assets</i>	<u>31,873,451</u>
<b>Liabilities</b>	
Accounts Payable	38,737
Contracts Payable	38,661
Retainage Payable	6,667
Accrued Wages	96,944
Intergovernmental Payable	37,945
Accrued Interest Payable	3,785
Long-Term Liabilities:	
Due Within One Year	226,897
Due In More Than One Year	<u>369,303</u>
<i>Total Liabilities</i>	<u>818,939</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	<u>5,235,400</u>
<b>Net Position</b>	
Net Investment in Capital Assets	16,419,092
Restricted for:	
Staff Development	
Nonexpendable	418,502
Expendable	89,643
Unrestricted	<u>8,891,875</u>
<i>Total Net Position</i>	<u><u>\$25,819,112</u></u>

See accompanying notes to the basic financial statements

**Cleveland Heights-University Heights Public Library**

*Statement of Activities*

*For the Year Ended December 31, 2012*

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>				
General Government:				
Public Service	\$6,032,580	\$106,441	\$26,908	(\$5,899,231)
Administration	1,571,627	29,911	0	(1,541,716)
Interest and Fiscal Charges	14,589	0	0	(14,589)
<i>Total Governmental Activities</i>	<b>\$7,618,796</b>	<b>\$136,352</b>	<b>\$26,908</b>	<b>(7,455,536)</b>
		<b>General Revenues</b>		
		Property Taxes Levied for General Purposes		5,528,009
		Grants and Entitlements not Restricted to Specific Programs		3,149,291
		Investment Earnings		24,330
		Miscellaneous		47,928
		<i>Total General Revenues</i>		8,749,558
		Change in Net Position		1,294,022
		<i>Net Position Beginning of Year</i>		24,525,090
		<i>Net Position End of Year</i>		<b>\$25,819,112</b>

See accompanying notes to the basic financial statements

**Cleveland Heights-University Heights Public Library**

*Balance Sheet*

*Governmental Funds*

*December 31, 2012*

	<u>General</u>	<u>Building and Repairs</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$6,010,184	\$829,480	\$508,145	\$7,347,809
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	22,193	0	0	22,193
Receivables:				
Property Taxes	6,078,076	0	0	6,078,076
Intergovernmental	1,588,410	0	0	1,588,410
Prepaid Items	28,416	0	0	28,416
<i>Total Assets</i>	<u>\$13,727,279</u>	<u>\$829,480</u>	<u>\$508,145</u>	<u>\$15,064,904</u>
<b>Liabilities</b>				
Accounts Payable	\$38,737	\$0	\$0	\$38,737
Contracts Payable	0	38,661	0	38,661
Retainage Payable	0	6,667	0	6,667
Accrued Wages	96,944	0	0	96,944
Intergovernmental Payable	37,945	0	0	37,945
Accrued Interest Payable	3,785	0	0	3,785
<i>Total Liabilities</i>	<u>177,411</u>	<u>45,328</u>	<u>0</u>	<u>222,739</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	5,235,400	0	0	5,235,400
Unavailable Revenue	2,232,490	0	0	2,232,490
<i>Total Deferred Inflows of Resources</i>	<u>7,467,890</u>	<u>0</u>	<u>0</u>	<u>7,467,890</u>
<b>Fund Balances</b>				
Nonspendable	50,609	0	418,502	469,111
Restricted	0	0	89,643	89,643
Committed	16,904	493,763	0	510,667
Assigned	89,041	290,389	0	379,430
Unassigned	5,925,424	0	0	5,925,424
<i>Total Fund Balances</i>	<u>6,081,978</u>	<u>784,152</u>	<u>508,145</u>	<u>7,374,275</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$13,727,279</u>	<u>\$829,480</u>	<u>\$508,145</u>	<u>\$15,064,904</u>

See accompanying notes to the basic financial statements

**Cleveland Heights-University Heights Public Library**

*Reconciliation of Total Governmental Fund Balances to*

*Net Position of Governmental Activities*

*December 31, 2012*

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<b>Total Governmental Fund Balances</b>		\$7,374,275
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		16,808,547
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Property Taxes	842,676	
Intergovernmental	<u>1,389,814</u>	
Total		2,232,490
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated Absences	(206,745)	
Capital Leases	<u>(389,455)</u>	
Total		<u>(596,200)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$25,819,112</u></u>

See accompanying notes to the basic financial statements

**Cleveland Heights-University Heights Public Library**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
 Governmental Funds  
 For the Year Ended December 31, 2012

	General	Building and Repairs	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$5,550,237	\$0	\$0	\$5,550,237
Patron Fines and Fees	98,859	0	0	98,859
Intergovernmental	3,118,901	0	6,615	3,125,516
Interest	4,643	342	19,345	24,330
Donations	20,293	0	0	20,293
Rentals	37,493	0	0	37,493
Miscellaneous	47,928	0	0	47,928
<i>Total Revenues</i>	<u>8,878,354</u>	<u>342</u>	<u>25,960</u>	<u>8,904,656</u>
<b>Expenditures</b>				
Current:				
General Government:				
Public Service	5,564,186	58,447	7,575	5,630,208
Administration	1,563,625	0	2,190	1,565,815
Capital Outlay	140,976	280,560	0	421,536
Debt Service:				
Principal Retirement	76,940	0	0	76,940
Interest and Fiscal Charges	14,589	0	0	14,589
<i>Total Expenditures</i>	<u>7,360,316</u>	<u>339,007</u>	<u>9,765</u>	<u>7,709,088</u>
<i>Excess of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>1,518,038</u>	<u>(338,665)</u>	<u>16,195</u>	<u>1,195,568</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	658,500	0	658,500
Transfers Out	(658,500)	0	0	(658,500)
<i>Total Other Financing Sources (Uses)</i>	<u>(658,500)</u>	<u>658,500</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	859,538	319,835	16,195	1,195,568
<i>Fund Balances Beginning of Year</i>	<u>5,222,440</u>	<u>464,317</u>	<u>491,950</u>	<u>6,178,707</u>
<i>Fund Balances End of Year</i>	<u><u>\$6,081,978</u></u>	<u><u>\$784,152</u></u>	<u><u>\$508,145</u></u>	<u><u>\$7,374,275</u></u>

See accompanying notes to the basic financial statements



**Cleveland Heights-University Heights Public Library**  
*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, 2012*

**Net Change in Fund Balances - Total Governmental Funds** \$1,195,568

*Amounts reported for governmental activities in the statement of activities are  
different because*

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. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	353,984	
Depreciation	(351,506)	
	2,478	
Total		2,478

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (705)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property Taxes	(22,228)	
Intergovernmental	30,390	
	8,162	
Total		8,162

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 76,940

Some expenses, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 11,579

*Change in Net Position of Governmental Activities* \$1,294,022

See accompanying notes to the basic financial statements

**Cleveland Heights-University Heights Public Library**

*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund*

*For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$5,215,802	\$5,215,802	\$5,550,237	\$334,435
Patron Fines and Fees	114,200	114,200	98,859	(15,341)
Intergovernmental	3,115,690	3,115,690	3,118,648	2,958
Interest	4,300	4,300	6,443	2,143
Donations	23,600	23,600	20,293	(3,307)
Rentals	48,100	48,100	37,493	(10,607)
Miscellaneous	49,915	49,915	47,928	(1,987)
<i>Total Revenues</i>	<u>8,571,607</u>	<u>8,571,607</u>	<u>8,879,901</u>	<u>308,294</u>
<b>Expenditures</b>				
Current:				
General Government:				
Public Service	6,114,263	6,115,768	5,710,315	405,453
Administration	1,816,672	1,817,122	1,567,483	249,639
Capital Outlay	196,211	196,256	160,671	35,585
<i>Total Expenditures</i>	<u>8,127,146</u>	<u>8,129,146</u>	<u>7,438,469</u>	<u>690,677</u>
<i>Excess of Revenues Over Expenditures</i>	444,461	442,461	1,441,432	998,971
<b>Other Financing Uses</b>				
Transfers Out	(658,500)	(658,500)	(658,500)	0
<i>Net Change in Fund Balance</i>	(214,039)	(216,039)	782,932	998,971
<i>Fund Balance Beginning of Year</i>	5,041,497	5,041,497	5,041,497	0
Prior Year Encumbrances Appropriated	89,856	89,856	89,856	0
<i>Fund Balance End of Year</i>	<u>\$4,917,314</u>	<u>\$4,915,314</u>	<u>\$5,914,285</u>	<u>\$998,971</u>

See accompanying notes to the basic financial statements

## **Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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### **Note 1 – Description of the Library and Reporting Entity**

The Cleveland Heights-University Heights Public Library (the Library) was organized as a school district public library in 1920 under the laws of the State of Ohio. The Library has its own Board of Trustees consisting of seven members, who are appointed by the Cleveland Heights-University Heights Board of Education. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.41 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Fiscal Officer.

The Library is fiscally independent of the 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, 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 Cleveland Heights-University Heights 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. Component units may also include organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. The Library has no component units.

The Friends of the Cleveland Heights-University Heights Public Library, Inc. is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. Further, this organization is not accumulating large resources for the benefit of the Library. Therefore, this organization has been excluded from the reporting entity of the Library.

### **Note 2 - Summary of Significant Accounting Policies**

The financial statements of the Cleveland-Heights-University Heights Public Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the Library's accounting policies are described below.

# Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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## ***Basis of Presentation***

The Library's basic financial statements consist of government-wide statements, including a statement of net position 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 position and the statement of activities display information about the Library as a whole. These statements usually distinguish between those activities of the Library that are governmental and those that are considered business-type. However, the Library has only governmental activities; therefore no business-type activities are presented.

The statement of net position 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular 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 program 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. 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.

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

***General Fund*** The general fund accounts for and reports all financial resources except those required to be accounted for and reported 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 and Repairs Fund*** This fund accounts for and reports assigned monies set aside by the Board of Library Trustees specifically for major capital and technology improvements that include the renovation and construction of the Library's branches.

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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

### ***Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Library are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

***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.

### ***Basis of Accounting***

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 modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Nonexchange 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 year in which the resources are measurable and become available. Available means that the resources will be collected 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.

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, Library and Local Government Support Fund payments, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from Library and Local Government Support Fund payments, 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: interest, federal and state grants and subsidies, state-levied locally shared taxes, fees and rentals.

## Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

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**Deferred Outflows/Inflows of Resources** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Library, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance fiscal year 2013 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Library unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**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 cost, 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 deposited into one bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

During 2012, investments were limited to STAR Ohio, US Savings Bonds and nonnegotiable certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold for on December 31, 2012.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the staff development special revenue fund during 2012 amounted to \$19,345, \$17,110 of which is assigned from other Library funds.

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and reflecting the expenditure/expense in the year in which the services are consumed.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the general fund represent money set aside for unclaimed monies.

***Capital Assets***

All capital assets of the Library are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Library was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The Library maintains a capitalization threshold of five hundred dollars with the exception of land as land was listed regardless of cost. 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.

All capital assets are depreciated except for land and construction in progress. 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>Governmental Activities Estimated Lives</u>
Land Improvements	5-40 Years
Buildings and Improvements	5-99 Years
Equipment	3-20 Years
Furniture	5-20 Years
Vehicles	10 years

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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### ***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 all accumulated unused vacation time when earned for all employees.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes amounts accumulated by those employees who are currently eligible to receive termination benefits and those the Library has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the Library's termination policy. The Library records a liability for accumulated unused sick leave for all employees payable at 25 percent of their ending accumulated sick leave balance.

### ***Accrued Liabilities and Long-Term Obligations***

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

In general, governmental fund 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. Capital leases are recognized as a liability on the governmental fund financial statements when due.

### ***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Nonspendable:** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

**Restricted:** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

**Committed:** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Library Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.



## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Trustees. In the general fund, assigned amounts represent intended uses established by Library Board or a Library official delegated that authority by Library resolution or by State statute. State statute authorizes the Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

**Unassigned:** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

### ***Net Position***

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

### ***Internal Activity***

Transfers between governmental activities are eliminated on the government wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for 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.

### ***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.

## **Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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### ***Budgetary Process***

All funds are legally required to be budgeted and appropriated. The budgetary process is prescribed by provisions of the Ohio Administrative Code and entails the preparation of budgetary documents within an established timetable. The Ohio Administrative Code section 117-8 does not require public libraries to budget receipts. However, sound budget practice suggests a government cannot appropriate responsibly unless they have an estimate of resources to support the appropriations. The Board must annually approve appropriation measures and subsequent amendments. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation 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 the Board of Trustees may appropriate. The appropriations resolution is the Board of Trustees' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established by the Board of Trustees at the fund and function level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Trustees. The Fiscal Officer has been given authority to allocate Board appropriations to the object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Fiscal Officer. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amounts in the original and final amended certificate in effect at the time original and final appropriations were passed.

The appropriation 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 appropriation 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 Board of Trustees during the year.

### **Note 3 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental fund and all other governmental funds are presented below:

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

Fund Balances	General	Building and Repairs	Other Governmental Fund	Total
<u>Nonspendable:</u>				
Prepays	\$28,416	\$0	\$0	\$28,416
Unclaimed Monies	22,193	0	0	22,193
Staff Development Endowment	0	0	418,502	418,502
<i>Total Nonspendable</i>	<u>50,609</u>	<u>0</u>	<u>418,502</u>	<u>469,111</u>
<u>Restricted for:</u>				
Staff Development	0	0	89,643	89,643
<u>Committed to:</u>				
Building Improvements and Repair	0	493,763	0	493,763
Memorial Books and Society for Deaf	16,904	0	0	16,904
<i>Total Committed</i>	<u>16,904</u>	<u>493,763</u>	<u>0</u>	<u>510,667</u>
<u>Assigned to:</u>				
Building Improvements and Repair	0	290,389	0	290,389
Purchases on Order	89,041	0	0	89,041
<i>Total Assigned</i>	<u>89,041</u>	<u>290,389</u>	<u>0</u>	<u>379,430</u>
Unassigned:	5,925,424	0	0	5,925,424
<b>Total Fund Balances</b>	<u><u>\$6,081,978</u></u>	<u><u>\$784,152</u></u>	<u><u>\$508,145</u></u>	<u><u>\$7,374,275</u></u>

**Note 4 - Budgetary Basis of Accounting**

While the Library is reporting financial position, results of operations and changes in fund balance 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 (Non-GAAP Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis (generally accepted accounting principles) are:

- a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- b) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- c) Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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Net Change in Fund Balance

GAAP Basis	\$859,538
Net Adjustment for Revenue Accruals	1,547
Net Adjustment for Expenditure Accruals	39,939
Encumbrances	(118,092)
Budget Basis	<u>\$782,932</u>

**Note 5 - Deposits and Investments**

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

Active monies are public monies necessary to meet current demands on the Library 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.

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 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.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States treasury bills, bonds, notes or any other obligation and 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 provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits**

**Custodial Credit Risk** 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 year end, \$1,920,848 of the Library's bank balance of \$3,210,391 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Library to a successful claim by the FDIC.

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**

Investments are reported at fair value. As of December 31, 2012, the Library had the following investments:

	Fair Value	Maturity	Standard & Poor's	Percent of Total Investments
STAR Ohio	\$3,792,901	Average 55.4 Days	N/A	N/A
United States Savings Bonds	47,810	Less than three years	N/A	1.12%
United States Savings Bonds	118,104	Less than five years	N/A	2.76
United States Savings Bonds	99,424	Less than seven years	N/A	2.32
United States Savings Bonds	140,758	Less than eleven years	N/A	3.29
United States Savings Bonds	64,968	Less than twelve years	N/A	1.52
United States Savings Bonds	20,336	Less than fourteen years	N/A	0.47
Total Investments	<u>\$4,284,301</u>			

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012*

**Interest Rate Risk** arises because potential purchases of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library does not have an investment policy beyond the requirements of State statute. Ohio Law addresses interest rate risk by requiring that the Library’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity.

**Credit Risk** STAR Ohio carries a rating of AAAM by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Library has no investment policy that addresses credit risk.

**Concentration of Credit Risk** The Library places no limit on the amount it may invest in any one issuer.

**Note 6 - Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Cleveland Heights-University Heights City School District. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes.

2012 real property taxes were levied after October 1, 2012, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

Real property taxes are payable annually or semi-annually. If paid annually, 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.

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. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2012 was \$7.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Values</u>
Real Estate	
Residential/Agricultural	\$900,875,670
Other Real Estate	167,529,470
Tangible Personal Property	
Public Utility	15,110,130
Total	<u><u>\$1,083,515,270</u></u>

The County Treasurer collects property tax on behalf of all taxing districts within the county, including the Library. The County Fiscal Officer periodically remits to the Library its portion of the taxes collected. Property taxes receivable represents real and public utility taxes which are measurable as of December 31, 2012, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2012 operations is offset to deferred inflows of resources – property taxes. On the

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**Note 7 - Receivables**

Receivables at December 31, 2012, consisted of taxes and intergovernmental. The intergovernmental receivables at December 31, 2012, were \$1,186,931 of Library and Local Government Support Fund revenues received through the State of Ohio and \$401,479 for homestead and rollback. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**Note 8 – Capital Leases**

In prior years, the Library entered into lease agreements for the acquisition of copiers, communication equipment, an office phone system and an energy management system. The Library’s lease obligations meet the criteria of a capital lease as defined by Financial Accounting Standards Board Statement Number 13, “Accounting for Leases,” and have been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book value as of December 31, 2012 follows:

Assets:	
Equipment	\$877,834
Less: Accumulated Depreciation	<u>(331,534)</u>
Net Book Values	<u><u>\$546,300</u></u>

The following is a schedule of the future long-term minimum lease payments required on the capital leases and present value of the minimum lease payments as of December 31, 2012. All lease payments are made from the general fund.

<u>Year Ending December 31,</u>	<u>Amount</u>
2013	\$75,085
2014	71,203
2015	51,535
2016	51,605
2017	51,679
2018-2020	<u>154,914</u>
Total Minimum Lease Payments	456,021
Less: Amount Representing Interest	<u>(66,566)</u>
Present Value of Minimum Lease	<u><u>\$389,455</u></u>

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

**Note 9 - Capital Assets**

Capital asset activity for the year ended December 31, 2012, was as follows:

	<u>Balance</u> 12/31/11	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> 12/31/12
Governmental activities:				
Capital assets, not being depreciated				
Land	\$791,638	\$0	\$0	\$791,638
Construction in progress	<u>0</u>	<u>83,340</u>	<u>0</u>	<u>83,340</u>
Total capital assets not being depreciated	<u>791,638</u>	<u>83,340</u>	<u>0</u>	<u>874,978</u>
Capital assets, being depreciated				
Land Improvements	399,730	0	0	399,730
Buildings and Improvements	17,479,905	43,802	(7,694)	17,516,013
Equipment	1,713,471	184,098	(62,617)	1,834,952
Furniture	141,943	42,744	0	184,687
Vehicles	<u>9,900</u>	<u>0</u>	<u>0</u>	<u>9,900</u>
Total capital assets being depreciated	<u>19,744,949</u>	<u>270,644</u>	<u>(70,311)</u>	<u>19,945,282</u>
Accumulated depreciation				
Land Improvements	(300,322)	(23,291)	0	(323,613)
Buildings and Improvements	(2,636,624)	(180,850)	6,989	(2,810,485)
Equipment	(769,266)	(136,240)	62,617	(842,889)
Furniture	(22,658)	(9,711)	0	(32,369)
Vehicles	<u>(943)</u>	<u>(1,414)</u>	<u>0</u>	<u>(2,357)</u>
Total accumulated depreciation	<u>(3,729,813)</u>	<u>(351,506)</u>	<u>69,606</u>	<u>(4,011,713)</u>
Total Capital assets being depreciated, net	<u>16,015,136</u>	<u>(80,862)</u>	<u>(705)</u>	<u>15,933,569</u>
Governmental activities capital assets, net	<u>\$16,806,774</u>	<u>\$2,478</u>	<u>(\$705)</u>	<u>\$16,808,547</u>

\* Depreciation expense was charged to governmental activities as follows:

General Government:	
Public Service	\$342,748
Administration	<u>8,758</u>
Total	<u>\$351,506</u>

**Note 10 - Risk Management**

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 2012, the Library contracted with Love Insurance for various types of insurance coverage as follows:



**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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Type of Coverage	Coverage
Commercial Property	\$30,257,492
Library Materials	8,170,401
Inland Marine:	
Electronic Equipment	395,000
Electronic Media and Extra Expense (per)	60,000
General Liability (per)	2,000,000
Commercial Crime and Computer Fraud (per)	5,000
Public Employee Dishonesty, Forgery and Funds Transfer Fraud (per)	10,000
Vehicle	2,000,000
Errors and Omissions	2,000,000
Library Officials	100,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

**Note 11 - Defined Benefit Pension Plan**

***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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, 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 visiting <https://www.opers.org/investments/cafr.shtml>, 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 and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions. For the year ended

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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December 31, 2012, members in state and local divisions contributed 10 percent of covered payroll. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2012, member and employer contribution rates were consistent across all three plans.

The Library's 2012 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Employer contribution rates are actuarially determined.

The Library's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$370,178, \$362,584, and \$327,853, respectively. For 2012, 96.56 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions to the Member-Directed Plan for 2012 were \$23,292 made by the Library and \$16,637 made by plan members.

### **Note 12 - Postemployment Benefits**

#### ***Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order 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 mandate, 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 the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, 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 administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS 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 members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$148,071, \$145,034, and \$186,907, respectively. For 2012, 96.56 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

### **Note 13 – Other Employee Benefits**

#### *Compensated Absences*

All full time, 30 hour and part time employees earn vacation by payroll period at different rates which are affected by length of service. Up to 100 percent of the annual vacation allowance may be carried forward from one year to the next. Upon retirement or death, employees are paid 25 percent of their accumulated hours of sick leave. Accrued vacation leave is paid upon retirement, termination or death of the employee.

Sick leave for full time and 30 hour employees is also earned by payroll period and can be accumulated up to 105 days, plus the current year. Part time staff can also earn sick leave which accumulates to a comparable amount.

#### *Insurance*

The Library provides medical, dental and vision insurance to employees on a paid premium basis. Other employee benefits include life insurance coverage, long-term disability insurance and an IRC Section 125 flexible benefit plan.

### **Note 14 – Interfund Transfers**

The general fund transferred \$658,500 to the building and repairs capital projects fund for the purchase and maintenance of various items throughout the Library.

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

**Note 15 - Long-Term Obligations**

A schedule of changes in long-term obligations of the Library during 2012 follows:

	Principal Outstanding 12/31/2011	Additions	Deletions	Principal Outstanding 12/31/2012	Amounts Due In One Year
<i><b>Governmental Activities</b></i>					
Compensated Absences	\$218,324	\$326,163	\$337,742	\$206,745	\$166,391
Capital Lease Obligations	466,395	0	76,940	389,455	60,506
<i><b>Total Governmental Activities</b></i>	<u>\$684,719</u>	<u>\$326,163</u>	<u>\$414,682</u>	<u>\$596,200</u>	<u>\$226,897</u>

Compensated absences and capital leases will be paid from the general fund.

**Note 16 – Construction and Improvement of Facilities**

In 2001, the Board of Library Trustees of the Cleveland Heights-University Heights Public Library submitted to the Cleveland Heights-University Heights City School District a bond issue to be used for improvements to the Library System. The School District serves as the taxing authority and issues tax related debt on behalf of the Library, although their role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Library Trustees.

With approval of the bond issue in 2001, the School District issued bond anticipation notes for Library improvements in the amount of \$5,000,000 in 2001 and of \$4,500,000 during 2002. During 2002, the notes were rolled into bonds. Because the bonds are general obligations of the Cleveland Heights-University Heights City School District, the long-term obligation is excluded from the general long-term obligations of the Cleveland Heights-University Heights Public Library. The receipt and expenditure of the proceeds from the property tax levy for the retirement of the debt is reflected in the School District’s bond retirement fund.

**Note 17 – Significant Commitments**

***Contractual Commitments***

At December 31, 2012, the Library’s significant contractual commitment is the contract of \$485,300 for the renovation of the Technology Center. \$83,380 has been paid towards the contract during 2012, leaving a remaining contract balance of \$401,960.

***Encumbrances***

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General fund	\$118,092
Building Maintenance and Repair	<u>493,763</u>
Total	<u><u>\$611,855</u></u>

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2012*

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### **Note 18 – Changes in Accounting Principles**

For 2012, the Library has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements, Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”, Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions – and amendment of GASB Statement No. 53” Fund Balance Reporting and Governmental Fund Type Definitions,” Statement No. 65, “Items Previously Reported as Assets and Liabilities” and Statement No. 66, “Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62.”

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the Library’s financial statements.

GASB Statement No. 62 incorporates into GASB’s authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the Library’s financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the Library’s fiscal year 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the Library’s financial statements.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the Library’s fiscal year 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the Library’s financial statements.

# Combining and Individual Statements and Schedules

## Combining Statements – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

To account for and report the proceeds of specific revenue sources that are restricted, committed or nonspendable to expenditure for specified purposes other than debt service or capital projects.

***Staff Development Fund*** - This fund accounts for and reports revenue received as interest from principal left to the Library as part of the estate of Larry Bauer. The principal balance is included as nonspendable since it is to be maintained while the interest is restricted specifically for staff development programs.

***Local Grants Fund*** - This fund accounts for and reports revenue received from local organizations that is restricted for varying library programs and activities.

**Cleveland Heights-University Heights Public Library**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2012*

	Staff Development	Local Grants	Total Other Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$0	\$6,615	\$6,615
Interest	18,385	960	19,345
<i>Total Revenues</i>	18,385	7,575	25,960
<b>Expenditures</b>			
Current:			
General Government:			
Public Service	0	7,575	7,575
Administration	2,190	0	2,190
<i>Total Expenditures</i>	2,190	7,575	9,765
<i>Net Change in Fund Balances</i>	16,195	0	16,195
<i>Fund Balances Beginning of Year</i>	491,950	0	491,950
<i>Fund Balances End of Year</i>	\$508,145	\$0	\$508,145

**Individual Fund Schedules of Revenues,  
Expenditures and Changes in Fund Balances –  
Budget (Non-GAAP Basis) and Actual**



**Cleveland Heights-University Heights Public Library**

*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$5,215,802	\$5,215,802	\$5,550,237	\$334,435
Patron Fines and Fees	114,200	114,200	98,859	(15,341)
Intergovernmental	3,115,690	3,115,690	3,118,648	2,958
Interest	4,300	4,300	6,443	2,143
Donations	23,600	23,600	20,293	(3,307)
Rentals	48,100	4,800	37,493	32,693
Miscellaneous	49,915	49,915	47,928	(1,987)
<i>Total Revenues</i>	<u>8,571,607</u>	<u>8,528,307</u>	<u>8,879,901</u>	<u>351,594</u>
<b>Expenditures</b>				
Current:				
General Government:				
Public Service				
Salaries and Wages	3,765,174	3,766,112	3,592,894	173,218
Purchased Services	1,306,481	1,306,793	1,219,631	87,162
Materials and Supplies	1,006,617	1,006,863	871,781	135,082
Other	35,991	36,000	26,009	9,991
Total Public Service	<u>6,114,263</u>	<u>6,115,768</u>	<u>5,710,315</u>	<u>405,453</u>
Administration				
Salaries and Wages	1,322,898	1,323,228	1,262,368	60,860
Purchased Services	51,289	51,302	46,047	5,255
Materials and Supplies	292,522	292,592	245,415	47,177
Other	149,963	150,000	13,653	136,347
Total Administration	<u>1,816,672</u>	<u>1,817,122</u>	<u>1,567,483</u>	<u>249,639</u>
Capital Outlay				
Land Improvements	4,499	4,500	3,070	1,430
Building Improvements	51,511	51,521	27,539	23,982
Furniture and Equipment	90,213	90,235	80,075	10,160
Capital Outlay	49,988	50,000	49,987	13
Total Capital Outlay	<u>196,211</u>	<u>196,256</u>	<u>160,671</u>	<u>35,585</u>
<i>Total Expenditures</i>	<u>8,127,146</u>	<u>8,129,146</u>	<u>7,438,469</u>	<u>690,677</u>
<i>Excess of Revenues Over Expenditures</i>	444,461	399,161	1,441,432	1,042,271
<b>Other Financing Uses</b>				
Transfers Out	(658,500)	(658,500)	(658,500)	0
<i>Net Change in Fund Balance</i>	(214,039)	(259,339)	782,932	1,042,271
<i>Fund Balance Beginning of Year</i>	5,041,497	5,041,497	5,041,497	0
Prior Year Encumbrances Appropriated	89,856	89,856	89,856	0
<i>Fund Balance End of Year</i>	<u>\$4,917,314</u>	<u>\$4,872,014</u>	<u>\$5,914,285</u>	<u>\$1,042,271</u>

**Cleveland Heights-University Heights Public Library**

*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Building and Repairs Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Interest	\$400	\$400	\$342	(\$58)
<b>Expenditures</b>				
Current:				
General Government:				
Public Service				
Purchased Services	71,956	70,478	65,887	4,591
Capital Outlay				
Building Improvements	920,728	852,917	620,659	232,258
Furniture and Equipment	167,060	167,060	133,088	33,972
Total Capital Outlay	1,087,788	1,019,977	753,747	266,230
<i>Total Expenditures</i>	1,159,744	1,090,455	819,634	270,821
<i>Excess of Revenues Under Expenditures</i>	(1,159,344)	(1,090,055)	(819,292)	270,763
<b>Other Financing Sources</b>				
Transfers In	656,500	656,500	658,500	2,000
<i>Net Change in Fund Balance</i>	(502,844)	(433,555)	(160,792)	272,763
<i>Fund Balance Beginning of Year</i>	427,220	427,220	427,220	0
Prior Year Encumbrances Appropriated	69,289	69,289	69,289	0
<i>Fund Balance (Deficit) End of Year</i>	(\$6,335)	\$62,954	\$335,717	\$272,763

**Cleveland Heights-University Heights Public Library**

*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Staff Development Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$15,000	\$15,000	\$18,385	\$3,385
<b>Expenditures</b>				
Current:				
General Government:				
Administration				
Purchased Services	<u>3,000</u>	<u>3,000</u>	<u>2,190</u>	<u>810</u>
<i>Net Change in Fund Balance</i>	12,000	12,000	16,195	4,195
<i>Fund Balance Beginning of Year</i>	<u>491,950</u>	<u>491,950</u>	<u>491,950</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$503,950</u></u>	<u><u>\$503,950</u></u>	<u><u>\$508,145</u></u>	<u><u>\$4,195</u></u>

**Cleveland Heights-University Heights Public Library**

*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Local Grants Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$6,615	\$6,615	\$6,615	\$0
Interest	960	960	960	0
<i>Total Revenues</i>	<i>7,575</i>	<i>7,575</i>	<i>7,575</i>	<i>0</i>
<b>Expenditures</b>				
Current:				
General Government:				
Public Service				
Purchased Services	7,575	7,575	7,575	0
<i>Net Change in Fund Balance</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Fund Balance Beginning of Year</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>

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# Statistical Section

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## Statistical Section

This part of the Cleveland Heights-University Heights Public Library, Ohio's 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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<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S9</i></b>
These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S10 – S20</i></b>
These schedules contain information to help the reader assess the Library's most significant local revenue, the property tax.	
<b><i>Debt Capacity</i></b> .....	<b><i>S21 – S22</i></b>
These schedules present information to help the reader assess the affordability of the Library's current levels of outstanding debt and the Library's ability to issue additional debt in the future.	
<b><i>Economic and Demographic Information</i></b> .....	<b><i>S23 – S25</i></b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the Library's financial activities take place.	
<b><i>Operating Information</i></b> .....	<b><i>S26 – S29</i></b>
These schedules contain service and infrastructure data to help the reader understand how the information in the Library's financial report relates to the services the Library provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**Cleveland Heights-University Heights Public Library**

*Net Position By Component*

*Last Ten Years*

*(Accrual Basis of Accounting)*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental Activities				
Net Investment in				
Capital Assets	\$16,419,092	\$16,340,379	\$15,825,402	\$16,014,552
Restricted for:				
Capital Projects	0	0	1,040,906	672,782
Staff Development				
Nonexpendable	418,502	418,502	418,502	418,502
Expendable	89,643	73,448	55,174	32,612
Other Purposes	0	0	15,610	6,883
Unrestricted	<u>8,891,875</u>	<u>7,692,761</u>	<u>5,905,026</u>	<u>4,427,955</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$25,819,112</u>	<u>\$24,525,090</u>	<u>\$23,260,620</u>	<u>\$21,573,286</u>

2008	2007	2006	2005	2004	2003
\$16,066,388	\$16,231,023	\$18,041,395	\$11,967,722	\$6,649,002	\$5,895,502
702,020	555,910	1,311,793	6,997,038	12,049,830	12,100,420
418,502	418,502	418,502	418,502	418,502	418,502
32,612	45,334	47,902	51,697	55,372	56,899
0	0	2,000	0	976	6,980
2,392,699	3,188,303	3,308,194	3,491,863	3,324,272	3,241,771
<u>\$19,612,221</u>	<u>\$20,439,072</u>	<u>\$23,129,786</u>	<u>\$22,926,822</u>	<u>\$22,497,954</u>	<u>\$21,720,074</u>



**Cleveland Heights-University Heights Public Library**

*Changes in Net Position*

*Last Ten Years*

*(Accrual Basis of Accounting)*

	2012	2011	2010	2009
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government:				
Public Service	\$106,441	\$119,666	\$115,270	\$105,416
Administration	29,911	34,030	31,073	27,571
Subtotal - Charges for Services	<u>136,352</u>	<u>153,696</u>	<u>146,343</u>	<u>132,987</u>
Operating Grants and Contributions:				
General Government:				
Public Service	26,908	86,813	42,670	38,494
Administration	0	5,425	3,473	5,946
Subtotal - Operating Grants and Contributions	<u>26,908</u>	<u>92,238</u>	<u>46,143</u>	<u>44,440</u>
Capital Grants and Contributions:				
General Government				
Public Service	0	0	0	3,000
<i>Total Primary Government Program Revenues</i>	<u>163,260</u>	<u>245,934</u>	<u>192,486</u>	<u>180,427</u>
<b>Expenses</b>				
Governmental Activities:				
General Government:				
Public Service	6,032,580	6,334,670	6,209,429	6,368,432
Administration	1,571,627	1,553,407	1,512,688	1,577,866
Interest and Fiscal Charges	14,589	18,729	21,507	21,251
<i>Total Governmental Activities Expenses</i>	<u>7,618,796</u>	<u>7,906,806</u>	<u>7,743,624</u>	<u>7,967,549</u>
<b>Net Expense</b>				
Governmental Activities	<u>(7,455,536)</u>	<u>(7,660,872)</u>	<u>(7,551,138)</u>	<u>(7,787,122)</u>
<b>General Revenues</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	5,528,009	5,658,014	5,619,186	6,242,776
Grants and Entitlements not Restricted to Specific Programs	3,149,291	3,177,827	3,575,503	3,437,579
Investment Earnings	24,330	26,913	21,094	30,077
Miscellaneous	47,928	62,588	22,689	37,755
<i>Total Governmental Activities</i>	<u>8,749,558</u>	<u>8,925,342</u>	<u>9,238,472</u>	<u>9,748,187</u>
<b>Change in Net Position</b>				
Governmental Activities	<u>\$1,294,022</u>	<u>\$1,264,470</u>	<u>\$1,687,334</u>	<u>\$1,961,065</u>

2008	2007	2006	2005	2004	2003
\$103,739	\$116,109	\$100,472	\$105,936	\$116,469	\$174,815
22,918	28,589	20,658	21,698	27,876	0
<u>126,657</u>	<u>144,698</u>	<u>121,130</u>	<u>127,634</u>	<u>144,345</u>	<u>174,815</u>
5,914	2,573	36,541	2,318	5,819	3,138
644	633	703	475	305	0
<u>6,558</u>	<u>3,206</u>	<u>37,244</u>	<u>2,793</u>	<u>6,124</u>	<u>3,138</u>
0	0	598	257,999	87,557	4,732
<u>133,215</u>	<u>147,904</u>	<u>158,972</u>	<u>388,426</u>	<u>238,026</u>	<u>182,685</u>
7,047,915	9,026,175	6,201,050	6,956,913	6,144,037	6,238,829
1,478,715	2,038,947	1,452,755	1,178,367	1,381,107	1,191,302
29,122	28,289	42,244	13,564	16,172	14,292
<u>8,555,752</u>	<u>11,093,411</u>	<u>7,696,049</u>	<u>8,148,844</u>	<u>7,541,316</u>	<u>7,444,423</u>
<u>(8,422,537)</u>	<u>(10,945,507)</u>	<u>(7,537,077)</u>	<u>(7,760,418)</u>	<u>(7,303,290)</u>	<u>(7,261,738)</u>
4,019,850	4,000,385	4,045,997	4,154,144	4,178,114	4,155,802
3,506,609	3,688,533	3,628,958	3,617,300	3,722,905	3,554,417
67,337	162,444	357,563	414,154	176,561	411,667
1,890	90,942	20,012	3,688	3,590	2,750
<u>7,595,686</u>	<u>7,942,304</u>	<u>8,052,530</u>	<u>8,189,286</u>	<u>8,081,170</u>	<u>8,124,636</u>
<u>(\$826,851)</u>	<u>(\$3,003,203)</u>	<u>\$515,453</u>	<u>\$428,868</u>	<u>\$777,880</u>	<u>\$862,898</u>

**Cleveland Heights-University Heights Public Library**

*Fund Balances, Governmental Funds*

*Last Ten Years*

*(Modified Accrual Basis of Accounting)*

	2012	2011	2010	2009
<b>General Fund</b>				
Nonspendable	\$50,609	\$49,735	\$32,390	\$28,255
Committed	16,904	29,316	21,024	9,747
Assigned	89,041	46,583	30,039	69,877
Unassigned	5,925,424	5,096,806	3,857,080	2,552,844
Reserved	0	0	0	0
Unreserved	0	0	0	0
<b>Total General Fund</b>	<b>6,081,978</b>	<b>5,222,440</b>	<b>3,940,533</b>	<b>2,660,723</b>
<b>All Other Governmental Funds</b>				
Nonspendable	418,502	418,502	418,502	418,502
Restricted	89,643	73,448	70,784	39,495
Committed	493,763	69,289	866,671	0
Assigned	290,389	395,028	174,235	672,782
Reserved	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Debt Service fund	0	0	0	0
Capital Projects fund	0	0	0	0
<b>Total All Other Governmental Funds</b>	<b>1,292,297</b>	<b>956,267</b>	<b>1,530,192</b>	<b>1,130,779</b>
<b>Total Governmental Funds</b>	<b>\$7,374,275</b>	<b>\$6,178,707</b>	<b>\$5,470,725</b>	<b>\$3,791,502</b>

Note: The Library implemented GASB 54 in 2010.

2008	2007	2006	2005	2004	2003
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
52,263	217,258	239,157	164,238	145,124	116,477
822,519	1,290,179	1,444,866	1,570,289	1,364,190	1,340,247
874,782	1,507,437	1,684,023	1,734,527	1,509,314	1,456,724
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
104,731	6,118	1,051,773	5,986,236	884,406	806,656
449,604	462,212	464,618	467,195	471,150	471,052
0	0	312,489	0	0	0
598,799	551,416	263,806	1,013,806	11,169,124	11,305,093
1,153,134	1,019,746	2,092,686	7,467,237	12,524,680	12,582,801
\$2,027,916	\$2,527,183	\$3,776,709	\$9,201,764	\$14,033,994	\$14,039,525

**Cleveland Heights-University Heights Public Library**

*Changes in Fund Balances, Governmental Funds*

*Last Ten Years*

*(Modified Accrual Basis of Accounting)*

	2012	2011	2010	2009
<b>Revenues</b>				
Property Taxes	\$5,550,237	\$5,510,252	\$5,553,935	\$5,962,946
Patron Fines and Fees	98,859	111,050	107,142	112,203
Intergovernmental	3,125,516	3,372,113	3,487,887	3,530,889
Interest	24,330	26,913	21,094	30,077
Donations	20,293	31,852	17,506	32,680
Rentals	37,493	42,646	39,201	20,784
Miscellaneous	47,928	62,588	22,689	37,755
<i>Total Revenues</i>	<u>8,904,656</u>	<u>9,157,414</u>	<u>9,249,454</u>	<u>9,727,334</u>
<b>Expenditures</b>				
Current:				
General Government:				
Public Service	5,630,208	5,580,315	5,633,984	6,026,405
Administration	1,565,815	1,534,769	1,518,458	1,558,492
Capital Outlay	421,536	1,233,446	314,798	406,361
Debt Service:				
Principal Retirement	76,940	82,173	81,484	69,450
Interest and Fiscal Charges	14,589	18,729	21,507	21,251
<i>Total Expenditures</i>	<u>7,709,088</u>	<u>8,449,432</u>	<u>7,570,231</u>	<u>8,081,959</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,195,568</u>	<u>707,982</u>	<u>1,679,223</u>	<u>1,645,375</u>
<b>Other Financing Sources (Uses)</b>				
Inception of Capital Lease	0	0	0	118,211
Transfers In	658,500	563,015	614,500	300,000
Transfers Out	(658,500)	(563,015)	(614,500)	(300,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>118,211</u>
<i>Net Change in Fund Balances</i>	<u>\$1,195,568</u>	<u>\$707,982</u>	<u>\$1,679,223</u>	<u>\$1,763,586</u>
Debt Service as a Percentage of Noncapital Expenditures	1.2%	1.4%	1.4%	1.2%

2008	2007	2006	2005	2004	2003
\$4,006,125	\$3,995,415	\$4,137,884	\$4,134,195	\$4,204,497	\$4,058,172
108,402	123,751	107,456	114,514	133,045	159,975
3,607,370	3,693,850	3,686,792	3,671,580	3,669,810	3,659,416
67,337	162,444	357,563	414,154	176,561	411,667
6,558	3,206	22,630	260,792	88,737	7,870
18,255	20,947	13,674	13,120	11,300	14,840
1,890	90,942	20,012	3,688	3,590	2,750
<u>7,815,937</u>	<u>8,090,555</u>	<u>8,346,011</u>	<u>8,612,043</u>	<u>8,287,540</u>	<u>8,314,690</u>
6,426,265	6,202,089	5,864,854	5,683,861	5,640,180	5,923,909
1,466,785	1,577,507	1,419,563	1,182,721	1,358,823	1,138,871
321,679	1,574,996	6,927,497	6,515,594	1,284,583	496,791
71,353	79,224	108,261	99,285	111,935	95,464
29,122	34,084	36,449	13,564	16,172	14,292
<u>8,315,204</u>	<u>9,467,900</u>	<u>14,356,624</u>	<u>13,495,025</u>	<u>8,411,693</u>	<u>7,669,327</u>
<u>(499,267)</u>	<u>(1,377,345)</u>	<u>(6,010,613)</u>	<u>(4,882,982)</u>	<u>(124,153)</u>	<u>645,363</u>
0	127,819	585,558	50,752	118,622	128,109
400,000	612,489	712,489	900,000	1,000,000	500,000
(400,000)	(612,489)	(712,489)	(900,000)	(1,000,000)	(500,000)
<u>0</u>	<u>127,819</u>	<u>585,558</u>	<u>50,752</u>	<u>118,622</u>	<u>128,109</u>
<u>(\$499,267)</u>	<u>(\$1,249,526)</u>	<u>(\$5,425,055)</u>	<u>(\$4,832,230)</u>	<u>(\$5,531)</u>	<u>\$773,472</u>
1.2%	1.2%	2.0%	1.6%	1.8%	1.6%

**Cleveland Heights-University Heights Public Library**

*Assessed and Estimated Actual Value of Taxable Property*

*Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2012	\$900,875,670	\$167,529,470	\$3,052,586,114	\$15,110,130	\$17,170,602
2011	948,255,120	172,363,120	3,201,766,400	13,770,650	15,648,466
2010	958,818,960	174,565,760	3,238,242,057	13,289,430	15,101,625
2009	959,766,770	172,123,380	3,233,971,857	12,905,470	14,665,307
2008	1,035,088,170	182,208,130	3,477,989,429	12,095,890	13,745,330
2007	1,034,579,860	196,135,280	3,516,328,971	11,548,270	13,123,034
2006	1,031,665,920	186,687,680	3,481,010,286	17,706,520	20,121,045
2005	903,510,300	165,323,030	3,053,809,514	27,878,630	31,680,261
2004	902,759,460	232,806,480	3,244,474,114	30,356,400	34,495,909
2003	900,693,110	165,866,620	3,047,313,514	31,701,920	36,024,909

Source: Cuyahoga County, Ohio; Fiscal Officer

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. 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 was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero percent for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

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.

Tangible Personal Property					Weighted Average Tax Rate (per \$1,000 of Assessed Value)
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$1,083,515,270	\$3,069,756,717	35.30 %	\$5.9130
0	0	1,134,388,890	3,217,414,866	35.26	5.2635
0	0	1,146,674,150	3,253,343,682	35.25	5.2772
0	0	1,144,795,620	3,248,637,164	35.24	5.2743
4,791,945	76,671,120	1,234,184,135	3,568,405,879	34.59	5.4490
9,140,242	73,121,936	1,251,403,652	3,602,573,942	34.74	3.6256
17,686,445	94,327,707	1,253,746,565	3,595,459,038	34.87	3.6480
23,111,301	100,483,917	1,119,823,261	3,185,973,692	35.15	4.1328
22,495,796	97,807,809	1,188,418,136	3,376,777,832	35.19	4.1154
25,539,854	102,159,416	1,123,801,504	3,185,497,839	35.28	4.1556



**Cleveland Heights-University Heights Public Library**

*Property Tax Rates - Direct and Overlapping Governments*

*(Per \$1,000 of Assessed Valuation)*

*Last Ten Years*

	2012	2011	2010	2009
<b>Voted Millage - by levy</b>				
1992 Current Expense				
Residential/Agricultural Real	\$2.5299	\$2.4060	\$2.3828	\$2.3771
Commercial/Industrial and Public Utility Real	2.8874	2.7867	2.7398	2.7856
General Business and Public Utility Personal	4.0000	4.0000	4.0000	4.0000
2000 Current Expense				
Residential/Agricultural Real	1.4772	1.4048	1.3913	1.3880
Commercial/Industrial and Public Utility Real	1.5415	1.4878	1.4628	1.4872
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000
2008 Current Expense				
Residential/Agricultural Real	1.9000	1.9000	1.9000	1.9000
Commercial/Industrial and Public Utility Real	1.9000	1.9000	1.8688	1.9000
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000
<b>Total Millage</b>				
Residential/Agricultural Real	\$5.9071	\$5.7108	\$5.6741	\$5.6651
Commercial/Industrial and Public Utility Real	6.3289	6.1745	6.0714	6.1728
General Business and Public Utility Personal	7.8000	7.8000	7.8000	7.8000
<b>Overlapping Rates by Taxing District</b>				
Cleveland Heights City				
Residential/Agricultural Real	\$13.0000	\$12.9000	\$12.9000	\$12.9000
Commercial/Industrial and Public Utility Real	13.0000	12.9000	12.9000	12.9000
General Business and Public Utility Personal	13.0000	12.9000	12.9000	12.9000
University Heights City				
Residential/Agricultural Real	13.2000	13.2000	13.2000	13.2000
Commercial/Industrial and Public Utility Real	13.2000	13.2000	13.2000	13.2000
General Business and Public Utility Personal	13.2000	13.2000	13.2000	13.2000

2008	2007	2006	2005	2004	2003
\$2.2031	\$2.1967	\$2.1947	\$2.4945	\$2.4929	\$2.4928
2.7275	2.7105	2.7188	2.9866	2.8406	3.0505
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
1.2864	1.2826	1.2815	1.4565	1.4556	1.4555
1.4562	1.4471	1.4515	1.5945	1.5166	1.6286
1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
1.9000	0.0000	0.0000	0.0000	0.0000	0.0000
1.9000	0.0000	0.0000	0.0000	0.0000	0.0000
1.9000	0.0000	0.0000	0.0000	0.0000	0.0000
\$5.3895	\$3.4793	\$3.4762	\$3.9510	\$3.9485	\$3.9483
6.0837	4.1576	4.1703	4.5811	4.3572	4.6791
7.8000	5.9000	5.9000	5.9000	5.9000	5.9000
\$12.9000	\$12.9000	\$13.0000	\$13.0000	\$13.1000	\$14.0000
12.9000	12.9000	13.0000	13.0000	13.1000	14.0000
12.9000	12.9000	13.0000	13.0000	13.1000	14.0000
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000

(continued)

**Cleveland Heights-University Heights Public Library**  
*Property Tax Rates - Direct and Overlapping Governments (continued)*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

	2012	2011	2010	2009
<b>South Euclid City</b>				
Residential/Agricultural Real	\$13.1000	\$13.1000	\$13.1000	\$13.2670
Commercial/Industrial and Public Utility Real	13.1000	13.1000	13.1000	13.2621
General Business and Public Utility Personal	13.1000	13.1000	13.1000	14.9000
<b>Cleveland Heights/University Heights City School District</b>				
Residential/Agricultural Real	74.3049	71.7220	64.3156	64.1927
Commercial/Industrial and Public Utility Real	87.0446	84.6791	76.5609	77.7531
General Business and Public Utility Personal	143.7000	143.7000	136.8000	136.8000
<b>Cuyahoga County</b>				
Residential/Agricultural Real	13.2200	13.1182	13.1866	13.1789
Commercial/Industrial and Public Utility Real	12.9968	12.7846	12.8412	12.8457
General Business and Public Utility Personal	13.2200	13.2200	13.3200	13.3200
<b>Special Taxing Districts (1)</b>				
Residential/Agricultural Real	5.0635	5.0041	4.9900	4.5068
Commercial/Industrial and Public Utility Real	4.9621	4.8649	4.8450	4.4119
General Business and Public Utility Personal	5.0800	5.0800	5.0800	4.7800

Source: Cuyahoga County Fiscal Officer

Note: 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 billed in that year.

The Library's basic property tax rate may be increased only by a majority vote of the Library's residents.

Overlapping rates are those of local and county governments that apply to property owners within the Cities.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

(1) Metro Parks, Port Authority, County Library, Community College

2008	2007	2006	2005	2004	2003
\$13.1066	\$12.9048	\$12.9037	\$13.2397	\$13.2394	\$13.3393
13.2611	13.0691	13.0711	13.2964	13.3008	13.4031
14.9000	14.7000	14.7000	14.9000	14.9000	15.0000
60.2980	60.1573	53.0145	59.4523	59.5232	51.0205
76.2906	75.8676	68.9863	75.1736	71.8459	68.2727
136.7000	136.7000	129.6000	129.5000	129.6000	121.1000
12.6607	11.8688	11.8655	11.7227	10.9754	10.9899
12.8153	12.4535	12.4941	12.5762	11.9846	12.0433
13.3200	13.4200	13.4200	13.5200	13.5200	13.5200
4.1597	4.1590	4.1576	4.2965	4.2949	4.1139
4.3911	4.3800	4.3962	4.5552	4.5175	4.0096
4.7800	4.7800	4.7800	4.7800	4.7800	4.4800

**Cleveland Heights-University Heights Public Library**  
*Real Property and Public Utility Tax Levies And Collections*  
*Last Ten Years*

Year	Total Tax Levy(1)	Current Tax Collections(1)	Percent of Current Tax Collections To Current Tax Levy	Delinquent Tax Collection (3)	Total Tax Collections(2)(4)
2012	\$7,370,086	\$6,095,982	82.71%	\$314,701	\$6,410,683
2011	6,658,267	6,030,499	90.57	301,253	6,331,752
2010	6,654,296	6,082,138	91.40	337,096	6,419,234
2009	6,781,043	6,310,205	93.06	308,608	6,618,813
2008	4,437,530	4,120,788	92.86	220,649	4,341,437
2007	4,464,818	4,112,555	92.11	221,087	4,333,642
2006	4,511,524	4,245,826	94.11	234,895	4,480,721
2005	4,560,243	4,276,028	93.77	223,680	4,499,708
2004	4,514,148	4,303,482	95.33	264,985	4,568,467
2003	4,533,482	4,203,470	92.72	212,737	4,416,207

Source: Cuyahoga County, Ohio; Fiscal Officer

(1) Information for Real and Public Utility Property Only

(2) State Reimbursements of Rollback and Homestead Exemptions are included

(3) The County does not identify delinquent collections by the year for which the tax was levied.

(4) Penalties and interest are included, since by Ohio Law, they become part of the tax obligation as assessment occurs.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Tax Levy
86.98%	\$808,031	10.96 %
95.10	829,594	12.46
96.47	678,890	10.20
97.61	624,212	9.21
97.83	355,942	8.02
97.06	358,336	8.03
99.32	353,366	7.83
98.67	445,253	9.76
101.20	425,304	9.42
97.41	451,686	9.96

**Cleveland Heights-University Heights Public Library**

*Personal Property Tax Levies And Collections*

*Last Ten Years*

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (4)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections (2)(3)</u>	<u>Total Tax Collections</u>
2012	\$35,122	\$0	0.00 %	\$512	\$512
2011	0	0	0.00	344	344
2010	6,969	6,969	100.00	(3,305)	3,664
2009	15,149	15,149	100.00	1,701	16,850
2008	58,520	58,167	99.40	14,940	73,107
2007	110,798	107,935	97.42	8,944	116,879
2006	108,802	105,406	96.88	20,597	126,003
2005	149,948	135,438	90.32	368	135,806
2004	182,702	136,508	74.72	3,533	140,041
2003	172,501	130,509	75.66	4,274	134,783

Source: Cuyahoga County, Ohio; County Fiscal Officer

- (1) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.
- (2) The County does not identify delinquent collections by the year for which the tax was levied.
- (3) The negative delinquent tax collections are the result of refunds on delinquencies exceeding the collections in a given year.
- (4) Penalties and interest are included, since by Ohio law, they become part of the tax obligation as the assessment occurs.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (1)	Percentage of Delinquent Taxes to Total Tax Levy
1.46 %	\$34,645	98.64 %
N/A	35,310	N/A
52.58	38,252	548.89
111.23	27,679	182.71
124.93	16,119	27.54
105.49	49,536	44.71
115.81	42,370	38.94
90.57	58,250	38.85
76.65	40,006	21.90
78.13	68,535	39.73



**Cleveland Heights-University Heights Public Library**

*Principal Real Property Taxpayers*

2012 and 2003

<i>2012</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Kaiser Foundation	\$11,348,150	1.05 %
Severance SPE Lease Company	9,711,730	0.90
Cleveland Electric Illuminating	9,320,520	0.86
Coral Cedar Center LLC	5,977,490	0.55
Inland Western	5,443,380	0.50
Severance SPE FEECO, LLC	4,466,180	0.42
Target	3,500,780	0.32
The May Department	3,408,020	0.31
ARC Cleveland Heights LLC	2,724,580	0.25
Kensington Limited Partnership	2,573,270	0.24
<b>Total</b>	<b>\$58,474,100</b>	<b>5.40 %</b>
<b>Total Assessed Valuation</b>	<b>\$1,083,515,270</b>	

<i>2003</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
SCIT, Incorporated	\$12,791,600	1.14 %
AT&T Wireless	10,295,760	0.92
Star Wood Wasserman	8,692,360	0.77
Kaiser Foundation	7,791,840	0.69
Cleveland Electric Illuminating	7,710,290	0.69
Ohio Bell Telephone Company	6,142,900	0.55
Coral Seuh, LLC	3,943,810	0.35
American Retirement Corporation	3,882,380	0.35
Concord Company	2,290,930	0.21
East Ohio Gas Company	2,177,230	0.20
<b>Total</b>	<b>\$65,719,100</b>	<b>5.85 %</b>
<b>Total Assessed Valuation</b>	<b>\$1,123,801,504</b>	

Source: Cuyahoga County Fiscal Officer

**Cleveland Heights-University Heights Public Library**

*Ratios of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Ten Years*

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<u>Fiscal Year</u>	<u>Capital Leases</u>	<u>Total Personal Income (1)</u>	<u>Percentage Of Personal Income</u>	<u>Population (1)</u>	<u>Per Capita</u>
2012	\$389,455	\$1,395,626,380	0.03 %	59,660	\$7
2011	466,395	1,745,532,280	0.03	59,660	8
2010	548,568	2,012,988,060	0.03	59,660	9
2009	630,052	2,078,917,974	0.03	61,614	10
2008	581,291	2,078,917,974	0.03	61,614	9
2007	652,644	2,078,917,974	0.03	61,614	11
2006	604,049	2,078,917,974	0.03	61,614	10
2005	126,752	2,099,250,690	0.01	62,610	2
2004	175,285	2,112,600,876	0.01	63,411	3
2003	168,598	N/A	N/A	N/A	N/A

(1) Personal Income and Population amounts derived from S24.

**Cleveland Heights-University Heights Public Library**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2012*

Jurisdiction	Governmental Activities Debt	Percentage Applicable to Library(1)	Amount Applicable to the Library
<b>Direct</b>			
Capital Leases	\$389,455	100.00 %	\$389,455
<b>Overlapping</b>			
Cuyahoga County			
General Obligation Bonds	289,329,556	4.19	12,122,908
Revenue Bonds	442,206,354	4.19	18,528,446
Capital Leases	98,268,690	4.19	4,117,458
Loans	14,438,621	4.19	604,978
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	134,123,371	4.19	5,619,769
Capital Leases	17,793,437	4.19	745,545
City of Cleveland Heights			
General Obligation Bonds	11,949,619	95.00	11,352,138
Special Assessment Bonds	2,595,206	95.00	2,465,446
OPWC Loans	1,286,753	95.00	1,222,415
Notes	2,126,000	95.00	2,019,700
City of University Heights			
General Obligation Bonds	275,000	100.00	275,000
Bond Anticipation Notes	2,487,000	100.00	2,487,000
OPWC Loans	370,626	100.00	370,626
Capital Leases	160,759	100.00	160,759
Police Pension	259,228	100.00	259,228
City of South Euclid			
General Obligation Bonds	19,975,712	6.51	1,300,419
Special Assessment Bonds	100,000	6.51	6,510
OPWC Loans	3,289,882	6.51	214,171
OWDA Loans	1,544,518	6.51	100,548
OAQDA Loans	749,236	6.51	48,775
Capital Leases	351,238	6.51	22,866
Police and Fire Pension	281,095	6.51	18,299
Cleveland Heights-University Heights City School District			
General Obligation Bonds	7,160,000	100.00	7,160,000
Energy Conservation Bonds	1,295,000	100.00	1,295,000
QZAB Bonds	5,500,000	100.00	5,500,000
Capital Lease	770,975	100.00	770,975
<i>Total Overlapping Debt</i>	<u>1,058,687,876</u>		<u>78,788,982</u>
<i>Total Direct and Overlapping Debt</i>	<u>\$1,059,077,331</u>		<u>\$79,178,437</u>

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2011 collection year. The Cleveland Heights-University Heights Public Library is a school district library and its boundaries follow those of the Cleveland Heights-University Heights City School District. These boundaries cover all of the community of University Heights; all but a small portion of Cleveland Heights (that which is within the boundaries of the East Cleveland City School District); and includes a small portion of the City of South Euclid. Despite this fact, the statistics given here, which represent those of the two cities of Cleveland Heights and University Heights, are considered representative of the service area covered by the Cleveland Heights-University Heights Public Library.

**Cleveland Heights-University Heights Public Library**

*Principal Employers  
2012 and Six Years Ago (1)*

<b>2012</b>		
Employer	Nature of Activity	Employees
John Carroll University	Higher Education	2,301
Cleveland Heights-University Heights City School District	Public Education	1,470
City of Cleveland Heights	Local Government	789
Target	Retail Store	436
Bellefaire Jewish Children's Center	Social Services	429
Whole Foods Market Group, Incorporated	Grocery	314
Kaiser Foundation	Healthcare	313
Macy's	Retail Store	300
CAS Health Investors	Healthcare	234
Home Depot	Retail Store	223
<b>Total</b>		<b>6,809</b>
Total Employment within the Library District		NA

<b>2006</b>			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
Cleveland Heights-University Heights City School District	Public Education	1,164	3.69 %
City of Cleveland Heights	Local government	921	2.92
John Carroll University	Higher Education	585	1.86
Wal-Mart, Inc.	Retail Store	300	0.95
Kaiser Foundation	Medical Facility	300	0.95
Heinen's	Grocery/Retail	200	0.64
Kauffman's	Retail Store	200	0.64
Target	Retail Store	200	0.64
Tops	Grocery/Retail	190	0.60
Home Depot, Inc.	Retail Store	150	0.48
<b>Total</b>		<b>4,210</b>	<b>13.37 %</b>
Total Employment within the Library District		31,488	

Source: Survey conducted by the two Cities. (2)

(1) Information prior to 2006 is not available.

(2) The Cleveland Heights-University Heights Public Library is a school district library and its boundaries follow those of the Cleveland Heights-University Heights City School District. These boundaries cover all of the community of University Heights; all but a small portion of Cleveland Heights (that which is within the boundaries of the East Cleveland City School District); and includes a small portion of the City of South Euclid. Despite this fact, the statistics given here, which represent combined totals for the two cities of Cleveland Heights and University Heights, are considered representative of the service area covered by the Cleveland Heights-University Heights Public Library.

NA Information not available.

**Cleveland Heights-University Heights Public Library**

*Demographic and Economic Statistics*

*Last Nine Years (1)*

Year	Population (2)	Total Personal Income (3)	Median Family Income (4)	Per Capita Income (3)	Unemployment Rate (3)	
					Cuyahoga County	State of Ohio
2012	59,660	\$1,395,626,380	\$62,240	\$23,393	6.6%	6.7%
2011	59,660	1,745,532,280	60,618	29,258	7.1	7.6
2010	59,660	2,012,988,060	66,726	33,741	9.4	9.5
2009	61,614	2,078,917,974	61,401	33,741	9	10.7
2008	61,614	2,078,917,974	61,401	33,741	6.8	6.5
2007	61,614	2,078,917,974	61,401	33,741	6.3	5.6
2006	61,614	2,078,917,974	61,401	33,741	6.1	5.6
2005	62,610	2,099,250,690	60,864	33,529	5.9	5.9
2004	63,411	2,112,600,876	60,326	33,316	6.6	5.9

Sources:

- (1) Information prior to 2004 is not available.
- (2) Estimates 2004-2009, Environmental Systems Research Institute (ESRI), 2009. The Cleveland Heights-University Heights Public Library is a school district library and its boundaries follow those of the Cleveland Heights-University Heights City School District. These boundaries cover all of the community of University Heights; all but a small portion of Cleveland Heights (that which is within the boundaries of the East Cleveland City School District); and includes a small portion of the City of South Euclid. Despite this fact, the statistics given here, which represent combined totals for the two cities of Cleveland Heights and University Heights, are considered representative of the service area covered by the Cleveland Heights-University Heights Public Library.
- (3) ESRI, 2005-2008
- (4) County and State Records
- (5) Records of Cities of Cleveland Heights and University Heights.
- (6) Cuyahoga County, Ohio; County Auditor  
Represents total real property assessed value for the Cities of Cleveland Heights and University Heights.

<u>City Square Miles (5)</u>	<u>Estimated Actual Property Value (6)</u>	<u>Number of Building Permits (5)</u>	<u>Dollar Value of Building Permits (5)</u>
10.11	\$3,069,756,717	1,433	\$21,208,864
10.11	3,217,414,866	1,397	29,625,288
10.11	3,253,343,682	1,530	22,853,095
10.11	3,248,637,164	1,511	18,627,975
10.11	3,568,405,879	4,278	30,508,251
10.11	3,602,573,942	4,563	40,280,589
10.11	3,595,459,038	2,159	42,688,348
10.11	3,185,973,692	2,071	52,872,625
10.11	3,376,777,832	2,107	30,161,964

**Cleveland Heights-University Heights Public Library**  
*Full-Time Equivalent Library Employees by Function/Program*  
*Last Seven Years (1)*

Function/Program	2012	2011	2010	2009
<b>Public Service</b>				
Adult Services	11.950	13.875	13.925	13.920
Young Adult Services	0.000	3.600	3.600	3.600
Children's Services	0.000	7.200	7.000	6.600
Youth Services	10.500	0.000	0.000	0.000
Circulation Services	12.200	10.750	11.550	11.500
Technical Services	4.750	5.250	5.250	4.250
Information Technology	2.000	2.000	2.000	3.000
Training	4.800	0.000	0.000	0.000
Building Services	9.000	9.800	9.600	9.000
Coventry Village Library	6.150	5.100	5.100	5.700
Noble Neighborhood Library	7.975	6.775	6.775	7.770
University Heights Library	6.650	5.900	5.300	6.300
Marketing and Communications	4.000	4.000	4.000	3.000
Administrative Support	1.000	1.500	1.500	3.500
Sub Reference Hours	1.550	1.550	1.350	1.350
Circulation Reference	N/A	N/A	N/A	0.500
Main Library Pages	11.100	8.750	8.750	8.750
<b>Administration</b>				
Main Library	5.000	6.000	6.000	5.000
Branch Library	3.000	3.000	3.000	3.000
Totals:	<u>101.625</u>	<u>95.050</u>	<u>94.700</u>	<u>96.740</u>

**Method:** Using all positions (open or filled) divided by a 40-hour work week at December 31.

(1) Information prior to 2006 is not available

2008	2007	2006
16.625	16.700	17.825
6.600	4.975	4.600
9.325	8.200	7.875
0.000	0.000	0.000
21.550	20.825	20.250
8.700	6.925	5.525
2.000	2.000	2.175
0.000	0.000	0.000
6.000	5.725	5.950
6.750	5.675	5.800
8.150	7.400	8.725
7.650	6.375	6.225
4.000	2.225	1.500
2.500	5.925	5.800
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
5.000	10.000	10.000
3.000	3.000	3.000
<u>107.850</u>	<u>105.950</u>	<u>105.250</u>



**Cleveland Heights-University Heights Public Library**

*Capital Assets Statistics by Function/Program*

*Last Seven Years (1)*

Function/Program	2012	2011	2010	2009
<b>Public Service</b>				
Number of Buildings	4	4	4	4
Public Meeting Rooms	13	13	13	13
Vehicles for Delivery	1	1	1	1
Square Footage				
1920 Coventry Village Library	5,105	5,105	5,105	5,105
1937 Noble Neighborhood Library	11,160	11,160	11,160	11,160
1952 University Heights Library	11,160	11,160	11,160	11,160
1932 Lee Road (Main) Library	107,856	107,856	107,856	107,856
Public Use Copy Machines	7	7	7	8
Public Use Fax Machines	4	4	4	4
Public Use PCs	133	133	123	120
ATMs	1	1	1	1
Cafes	1	1	1	1
Art Galleries	1	1	1	1
Technology Classrooms	1	1	1	1
<b>Administration</b>				
Square Footage (at Lee Road)	2,144	2,144	2,144	2,144
Administrative Copy Machine	1	1	1	1
Staff Use PCs	94	94	96	96

(1) Information prior to 2006 is not available

2008	2007	2006
4	4	4
12	12	12
1	1	1
5,105	5,105	5,105
11,160	11,160	11,160
11,160	11,160	11,160
107,856	107,856	107,856
8	8	7
4	4	4
120	127	123
1	1	1
1	1	1
1	1	1
2	N/A	N/A
2,144	2,144	2,144
1	1	1
92	92	89

**Cleveland Heights-University Heights Public Library**

*Operating Indicators by Function/Program*

*Last Seven Years (1)*

Function/Program	2012	2011	2010	2009
<b>Public Service</b>				
Circulation By Building				
Coventry Village Library	125,497	120,281	133,160	156,376
Lee Road Library	1,307,227	1,158,207	1,209,339	1,371,795
Noble Neighborhood Library	187,101	106,594	133,998	224,310
University Heights Library	200,115	193,243	193,425	220,054
Total Circulation, All Buildings	1,819,940	1,578,325	1,669,922	1,972,535
Circulation By Age Level				
Total Adult Circulation	1,306,911	1,332,370	1,438,758	1,499,759
Total Juvenile Circulation	473,437	465,583	476,085	472,776
Circulation By Type of Materials				
Books and Magazines	928,942	920,247	753,957	1,041,514
Videocassettes and DVDs	638,680	665,329	684,773	691,858
Recordings (Discs, Tapes, CDs)	207,286	206,446	223,349	231,111
Computer Software	319	528	678	1,147
E-media	39,532	N/A	N/A	N/A
Other Items	5,181	5,574	7,165	6,905
Library Collections Systemwide				
Books	269,434	270,610	240,750	283,101
E-books	79,089	34,073	34,073	22,807
Videocassettes and DVDs	38,432	35,219	32,022	29,475
Recordings (Discs, Tapes, CDs)	55,613	50,423	44,057	26,475
Computer Software	13	96	98	108
Magazine Subscriptions	729	795	728	666
Databases Provided	413	312	278	324
Electronic Resources				
Number of PCs Available for Public	133	133	123	120
Number of Weekly Users of Electronic Resources	5,517	5,802	2,351	2,277
Annual Number of Users of Electronic Resources	286,884	301,744	122,252	118,404
Public Service Transactions Systemwide				
Average Weekly Building Attendance	21,714	20,898	22,325	21,884
Annual Building Attendance	1,129,152	1,086,696	1,160,900	1,137,968
Average Weekly Reference Transactions	7,505	5,985	6,367	4,411
Annual Reference Transactions	390,260	311,220	331,084	229,372
Total Annual Library Programs	5,904	3,929	2,718	2,358
Total Annual Library Programs Attendance	66,342	32,728	53,219	46,343
<b>Administration</b>				
Purchase orders Issued	1,324	1,625	2,352	2,278
Accounts Payable Checks/Vouchers Issued	188	2,343	2,039	2,385
Payroll Checks/Direct Deposits				
Processed/Issued	3,699	3,931	4,406	4,156
W-2s and 1099s Issued	195	187	178	209
Board Resolutions	61	74	67	44

(1) Information prior to 2006 is not available.

2008	2007	2006
142,632	123,230	143,688
1,325,253	1,248,260	1,127,499
218,722	239,337	278,741
213,859	200,039	216,506
1,900,466	1,810,866	1,766,434
1,449,501	1,379,985	1,337,745
450,896	436,781	428,689
1,032,297	1,021,905	1,019,068
627,489	553,931	509,809
232,494	234,135	229,645
1,225	1,202	2,211
N/A	N/A	N/A
6,892	5,693	5,691
288,070	284,276	306,202
18,801	15,944	15,944
28,977	25,736	23,904
37,932	31,771	28,415
119	145	194
847	1,033	1,181
325	78	80
120	127	123
2,103	2,103	5,755
109,356	109,356	299,260
19,553	18,862	19,963
1,016,783	980,864	1,038,076
6,482	5,936	6,238
337,064	308,672	324,376
1,886	2,955	1,935
28,651	43,251	13,821
2,569	1,056	644
2,628	3,682	2,658
4,520	4,582	4,595
202	221	205
60	50	81

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