

**CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS PUBLIC LIBRARY  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY  
CUYAHOGA COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	1

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Lausche Bldg  
615 W Superior Ave  
Floor 12  
Cleveland OH 44113 - 1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
www.auditor.state.oh.us

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of Cleveland Heights- University Heights Public Library, Cuyahoga County, Ohio, (the Library) as of and for the year ended December 31, 2001, and have issued our report thereon dated April 15, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated April 15, 2002.

Cleveland Heights-University Heights Public Library  
Cuyahoga County  
Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
Page 2

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

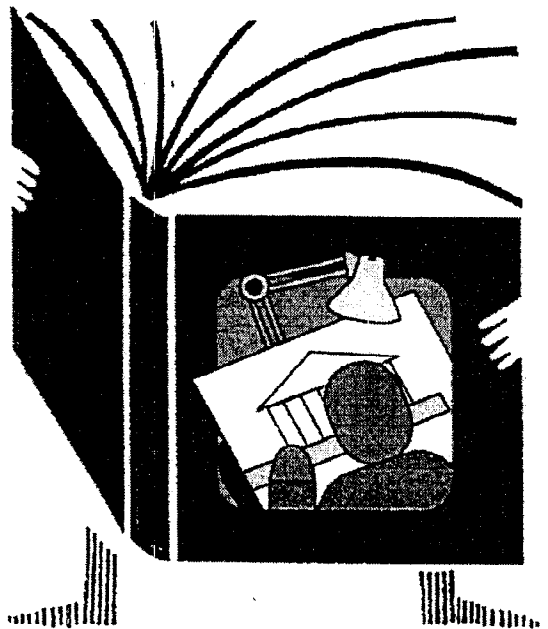
A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

April 15, 2002

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

**Comprehensive  
Annual  
Financial  
Report**



For the year ended December 31, 2001





**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY**

**CLEVELAND HEIGHTS, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

**Issued by:  
Stephen D. Wood  
Director/Clerk-Treasurer**

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Cleveland Heights-University Heights Public Library  
 Comprehensive Annual Financial Report  
 For The Year Ended December 31, 2001  
 Table of Contents

I. INTRODUCTORY SECTION	<u>Page</u>
Table of Contents .....	i
Letter of Transmittal.....	iv
List of Principal Officials.....	xviii
Organization Chart.....	xix
GFOA Certificate of Achievement .....	xx
II. FINANCIAL SECTION	
Report of Independent Accountants.....	1
General Purpose Financial Statements: (Combined Statements - Overview)	
Combined Balance Sheet - All Fund Types and Account Groups.....	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) - All Governmental Fund Types .....	5
Notes to the General Purpose Financial Statements.....	8
Financial Statements and Schedules of Individual Funds and Account Groups:	
Governmental Funds:	
General Fund:	
Description of Fund.....	25
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis).....	26

Cleveland Heights-University Heights Public Library  
 Comprehensive Annual Financial Report  
 For The Year Ended December 31, 2001  
 Table of Contents (continued)

Special Revenue Fund:	
Description of Funds .....	28
Combining Balance Sheet .....	29
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	30
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)	
Staff Development.....	31
Gates Grant.....	32
LSTA Grant.....	33
OLF Grant .....	34
Capital Projects Fund:	
Description of Funds .....	35
Combining Balance Sheet .....	36
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	37
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis)	
Building and Repair .....	38
Renovation .....	39
General Fixed Assets Account Group:	
Description of Account Group .....	40
Schedule of General Fixed Assets - By Source.....	41
Schedule of Changes in General Fixed Assets - By Function.....	42
Schedule of General Fixed Assets - By Function .....	42

Cleveland Heights-University Heights Public Library  
Comprehensive Annual Financial Report  
For The Year Ended December 31, 2001  
Table of Contents (continued)

III. STATISTICAL SECTION

General Governmental Expenditures by Function - Last Ten Years .....	S1
General Governmental Revenues by Source - Last Ten Years .....	S2
Property Tax Levies and Collections - Last Ten Years .....	S3
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years .....	S4
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years .....	S5
Bonded Debt.....	S6
Property Value, Construction and Bank Deposits - Last Ten Years .....	S7
Ten Principal Taxpayers.....	S8
Demographic Statistics.....	S9
Miscellaneous Statistics .....	S10



## Cleveland Heights - University Heights Public Library

2345 Lee Road Cleveland Heights, Ohio 44118-3493  
(216) 932-3600 Fax 932-0932 www.chuhpl.lib.oh.us

Stephen D. Wood  
Director/Clerk

Susan Matisoff  
Deputy Director

April 15, 2002

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

With great pleasure we submit to you the Cleveland Heights-University Heights Public Library's eleventh Comprehensive Annual Financial Report (CAFR) as prepared by the Library's Business Office for the year ended December 31, 2001. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Library. We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Library as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the Library's financial activity have been included. This report will provide the taxpayers of the Cleveland Heights-University Heights City School District with comprehensive financial data in a format that enables them to gain a true understanding of the Library's financial status.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, this Letter of Transmittal, a list of the Library's Principal Officials, an Organization Chart, and the GFOA Certificate of Achievement.
2. The Financial Section, which contains the Report of Independent Accountants, the General Purpose Financial Statements, which include explanatory notes and provide an overview of the Library's financial position and operating results, and the Individual Fund and Account Group Statements and Schedules which provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section, which presents various tables reflecting social and economic information and financial trends of the Cleveland Heights-University Heights Public Library.

Coventry Village Library  
1925 Coventry Road 44118-2001

Noble Neighborhood Library  
2800 Noble Road 44121-2208

University Heights Library  
13866 Cedar Road 44118-3201

## **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, one member appointed each year by the local board of education for a seven–year term, governs the Library. 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 Library and Local Government Support Fund and a 5.9-mill property tax levy.

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 Clerk–Treasurer oversees the Library’s financial affairs. The Board of Library Trustees has appointed Stephen Wood to both positions.

## **HISTORY OF THE LIBRARY**

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 64,000 square foot Main Library, built in 1968 on the expanded site of, and incorporating, the old Lee Road branch which was built in 1932; the Noble Neighborhood Library, built in 1937; the University Heights Library, built in 1952; and the original 1926 building which became the Coventry Village Library in 1968.

In 1973, the Library placed its first five–year operating levy on the ballot and it passed by 67.8 percent. (None of the Library’s tax levies or bond issues has ever passed by less than 61 percent.) 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. CLEVNET, as it is now known, has grown to 31 libraries in 10 counties in northern Ohio.

## **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, being adjacent to the major metropolitan area of Cleveland enlarges the role of the Library. The population of Cuyahoga County is highly mobile and most residents use several libraries to meet their informational and recreational reading 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 the State.

Funding for the Library from the Library and Local Government Support Fund, which represents approximately 26 percent of the Library's total revenue, is derived from a percentage of State-wide income tax collections. Receipts from this source depend upon general economic conditions in Ohio, and upon allocation decisions made by the Cuyahoga County Budget Commission. Economic and political uncertainties continue to affect future allocations of the Library and Local Government Support Fund. The Board of Library Trustees and management believe that careful planning and closely monitoring the expenditure of funds are essential to withstand any material effect on levels of public service.

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 \$2,850,000 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 \$1,300,000 annually. Passage of this second levy has ensured continued public service levels in the face of increasing costs.

State law limits the property tax levy, which accounts for approximately 29 percent of the Library's revenue, to the revenue generated by appraisal values at the time of levy passage. As a result, property tax revenues cannot increase significantly during the term of the levy. Properties in the Library's taxing boundaries are largely residential.

In November 2001 the voters of the Cleveland Heights-University Heights City School District approved a \$9.5 million bond issue. This money supports the renovation of the Main Library, 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.

The demographics of the Library's service area have changed since 1990. According to 2001 estimates, the most recent data provided by Claritas, yet based on the 2000 Census, the number of our residents who are over the age of 65 has decreased from 12.8 percent to 12.3 percent in Cleveland Heights and from 15.6 percent to 13.6 percent in University Heights. The overall population for the two cities has decreased by 7.4 percent (from 68,842 to 63,775). The racial mix has also changed as we have experienced a 15.6 percent increase in our African-American population in Cleveland Heights and 29.4 percent in University Heights.

Neither city has any industry to speak of and both are excellent examples of relatively affluent "bedroom communities." Since 1990 the average household income has increased 59.1 percent in Cleveland Heights and 54.0 percent in University Heights. The percentage of residents having received college degrees and above is 45.0 percent and 47.0 percent in Cleveland Heights and University Heights respectively. At the same time, 8.8 percent of households in Cleveland Heights and 3.7 percent in University Heights are below the poverty level.

## **MAJOR INITIATIVES**



The Library's latest strategic plan was initiated in 2000 and differs from most others. The Board of Library Trustees recognized that since it falls to staff to carry out such a plan, it should be generated by them. It is rare for a Board to have the vision to allow this to happen and the proof of its success will be found in the document.

Staff's work is based on the Library's Mission, Values and Vision. At the end of this year, the Mission was revised in response to the community's support for the bond issue.

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

The Mission indicates what our organization is committed to do:

The Cleveland Heights–University Heights Public Library—A vital and dynamic community resource that promotes lifelong learning.

Approved by the Board of Library Trustees: December 17, 2001

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

The Library's Values describe the key attributes that are most important to us as an organization. These include attributes that we currently possess as well as those to which we aspire:

We place great value in:

- Education and literacy;
- Understanding and responsiveness in meeting the needs of our customers;
- Effective management of financial resources;
- Effective management and development of human resources;
- 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 of the organization as guides for all personal and professional actions within the workplace;
- Shared decision-making and shared responsibility;
- Open, timely and effective communication.

Approved by the Board of Library Trustees: May 19, 1997  
Reviewed and revised by Strategic Planning Steering Committee: November 1, 1999  
Approved by the Board of Library Trustees: November 15, 1999

## The Library's Vision

The Library's Vision details how we expect our organization to serve the community over the next five years:

The Cleveland Heights–University Heights Public Library is a community resource that nurtures the quest for lifelong learning, cultivates intellectual enrichment, promotes the enjoyment of reading, and opens the door to our children's imagination.

- It is a repository of knowledge serving its customers by providing access to information from any available source, including physical and electronic material;
- It is a center for literacy development and intellectual growth that teaches and encourages its customers to access, evaluate and use print, electronic and other information sources so they can transform information into usable knowledge;
- It is a community gathering place for public forums and group meetings, educational courses, programs for children and adults, senior citizen activities and recreational reading and learning. It is the focal point for information technologies for its communities. It actively promotes the cities it serves;
- It is the leading library system of its size in the nation, a customer service-oriented pace-setter through its:
  - Breadth, depth and accessibility of services for its customers;
  - Approaches to library services using innovative technology and techniques;
  - Services to customer groups with special needs and interests;
  - Establishment and enforcement of evaluative processes to measure quality of services.

This vision will be attained through the commitment of a well-trained, diverse, empowered staff determined to make it happen. We share responsibility and decision-making through teamwork and cooperation.

The Cleveland Heights–University Heights Public Library is a bridge into the future. Generous community support and funding translates this vision into reality.

Approved by the Board of Library Trustees: September 15, 1997  
Reviewed and revised by Strategic Planning Steering Committee: November 1, 1999  
Approved by the Board of Library Trustees: November 15, 1999

Work on the strategic plan began in March and was approved by the Board of Library Trustees in June. The implementation of the plan was initiated in September. This is a fast track, but the Board, administration and staff are excited by and committed to the results beginning to take place.

Some highlights of our efforts during 2001 include:

Statistics. A review of the statistics gathered this year produce the following interesting comparisons with 2000:

- Total circulation **increased by 10%**, which represents *27.2 items per capita*. The state average for 1998 (the latest year available) was only 12.6; nationally, the average for libraries our size is a mere 7.5! Our circulation of children's materials remains at 26% of the total.
- Circulation of all non-print materials represented **over 30%** of our total circulation for the year; print circulation remains our "best seller."
- Circulation of the various audiovisual formats **increased by more than 22%** over 2000. Videocassettes alone **increased by 29%**, DVDs by **679%!**
- The number of people entering the buildings **increased by 5.6%**.
- The number of questions answered by staff **increased by 4.5%**, and "hits" to our Web site **increased by 82%** over last year. The number of unique visitors to our Web site **increased by 54%!**
- The number of programs planned by staff **increased by almost 17%** although attendance **increased by only 8%**. Newspaper publicity is always difficult to secure.
- The number of outside groups using our buildings **increased by more than 15%** over last year. Attendance at these meetings **increased by over 7%**.
- Total meeting and program attendance this year **increased by more than 11%** over 2000.
- Reciprocal returns, our materials returned to other libraries and vice versa, impacts heavily on staff. During 2001, **over 381,000 items** were carried to and from our buildings, an **increase of more than 10%** over last year. Ours is a very mobile community.
- The system's book collection **decreased by a little more than 10,000 volumes** this year. As much as possible, the current size of the collection should be maintained or decreased slightly in all our buildings.
- Use of paper at our Internet Workstations, provided free of charge to our customers, **increased by 25%** over last year. This is another indication of how the use of the Internet continues to grow.

Services and Programming. The Cleveland Heights-University Heights Public Library has a long tradition of customer service and we focused on it again this year. Increasingly, we recognize the importance of programming and the number of staff-planned programs grew in 2001 by almost

17%. We have always heavily programmed for children, but this year saw programs for adults run the gamut, with a number of them focusing on diversity and especially on music. We are also a very popular resource for classes on computers, software and using the Internet. We'll see even more programming for all ages in the years to come because of the renovation project; it supports the growing realization that libraries really *are* community centers.

Because the Library's strategic plan is both staff-developed and staff driven, it has a buy-in that brings a high level of enthusiasm to the deliberations of our five teams, Customer Service, Workplace, Collections, Marketing and Facilities. Specific accomplishments emanating from staff's work in 2001 include:

- Developing customer service standards reflected in a brochure, *Customer Service Means...*; a *Pledge to Our Customers*; a series of *Customer Service Dialogues* for staff; and a *Secret Shopper* survey. The latter, using surveyors asking real reference questions, gave us the opportunity to obtain a snapshot of the quality of our reference service and that becomes the basis of future staff training sessions. We will repeat the Secret Shopper program in two years to determine how we have improved and where our new emphasis in the area needs to be.
- Developing an informational packet for new residents. This contains a wealth of information handy for those just beginning to use our libraries.
- Implementing Saturday deliveries to the branches. Now, six-day-a-week delivery of materials between our buildings reduces the amount of time customers must wait for requested items.
- Launching *KnowItNow*, a 24-hour, 7-day-a-week, live reference service available over the Internet. We are providing this important service through CLEVNET and it is more extensive than any similar service offered anywhere else in the country.
- Adding the Homewood Residence to the Outreach sites we visit monthly. Through these senior residences and nursing homes, we provide some 120 people between 400 and 600 books each month. In addition, we have currently 110 people who use our homebound service.
- Responding to customer input is reflected in our collections as well. We almost doubled the number of Russian titles borrowed from the Cleveland Public Library's foreign language department; added popular paperbacks in Russian at our Coventry branch; purchased many new titles for our popular DVD collection; began a collection of circulating CD-ROM software; increased the number of popular teen magazines received and our popular holdings of teen interest.
- Performing a study of our non-fiction collection to determine its currency. We learned that a very impressive 48% is less than five years old. For several age-sensitive areas it is even better: medicine has a currency of 62%; computer books of 77%. The staff deserve a lot of credit for the work necessary to maintain a collection in this way.
- Adding several new reference databases to those already provided through CLEVNET, OPLIN and other sources. These include the "Allnet" automotive repair database and

“Refer,” the CD-ROM information and referral database provided by United Way’s First Call for Help. Although the latter is not available remotely, in homes and offices, it is still an extraordinary resource for our community.

Technology. The Library was the first participant in CLEVNET, the 31–library automation system in northern Ohio operated by the Cleveland Public Library. Through CLEVNET’s resource sharing component, our customers effectively have access to over two and one–half million titles, 10 million items, as well as to a number of valuable resource databases, many available from home or office.

The Library participates in OPLIN, the Ohio Public Library Information Network. This State–wide service provides high–speed telecommunication lines to all public libraries in Ohio, a Web site providing links to useful resources around the world, and access to a growing number of commercial reference databases. These databases are valuable for adults and students alike.

Taken as a whole, this Library’s staff-developed Web site, membership in CLEVNET and participation in OPLIN, bring to the residents of Cleveland Heights and University Heights and to all the Library’s customers, an amount of information—available at their fingertips—that is truly staggering.

Staff. Several important changes in staffing occurred this year including the promotion of the Coventry Branch Manager to the position of Adult Services Coordinator and her replacement at the branch; the loss and replacement of our Young Adult Librarian and the retirement and replacement of our Business Manager. Customer service never suffered despite the changes in these key positions.

We completed work on a salary survey and will complete a review of all our position descriptions early in 2002. This work is essential since it insures that we remain competitive with libraries and other entities throughout our area. We found that three positions were classified too low, the Network Administrator, the Network Operator and the Public Services Supervisor, Adult Services. The Board upgraded these positions in December.

We began using off-duty police at the Noble Neighborhood Library as we do at University Heights, and we installed security cameras at the Main Library. While neither of these actions were steps we wanted to take, our buildings are increasingly busy and, for the security of customers and staff alike, we have little choice.

Thanks to financial support from our Friends of the Library, longevity with the system is acknowledged through the awarding of special pins. Throughout the year our productive and stable staff are recognized through small gifts and food, also provided through support from our Friends. In honor of the retirement of their Office Secretary after 14 years of service, the Friends established the “Gertrude Kleiner Award.” It is presented each year “...to a Library staff member whose extraordinary efforts advance the work of the Library.”

Facilities. Our primary focus this year was on finalizing the use of renovated interior space within the Main Library and former Heights Y. Still, other work on our buildings occurred as well. Fire suppression systems were installed in the interior book drops at Noble, University Heights and the Main Library. (There is no interior drop at Coventry.) This is an important safety factor should anyone put anything burning into one of the drops.

At Noble, we upgraded both the maintenance of the boiler and of the existing security system. At University Heights we completed the enlarged parking lot and installed a new air conditioning unit for the meeting rooms.

We had all the asbestos removed from the former Heights Y and as much as possible from the Main Library. This positions us for a contaminant-free renovation when it begins in 2002.

Begun at the end of 2000, we completed installation of the materials security system for the audiovisual area at the Main Library. The theft of DVDs and CDs from our collection required a complete rearrangement of shelving and the move toward greatly increased security. While this method has been far from perfect, it has given us a great deal of information about how we can improve security throughout our four buildings. It will lead to some exciting advancements in the coming years.

Because of the need to redesign the Main Library's lobby and circulation area, we began, as a test, placing customers' reserves on open, public accessible shelves. This has been met with a very favorable response from our customers. They enjoy coming in and finding materials waiting there for them because it speeds up the circulation process. They also appreciate our willingness to protect their confidentiality by wrapping the items in white paper so that other people cannot see what they are reading. As one customer put it, it makes her library visits "...seem like Christmas with the little gifts."

During the coming year, several major areas will be addressed. The Library plans to:

- Complete planning for a major renovation of the Main Library and the former Heights Y and begin construction in the fall.
- Investigate new technology to improve customer service during the process of circulating library materials.
- Continue searching for opportunities to partner with our schools in ways that improve the educational experience.
- Continue implementation of the Library's technology plans by further expanding access from home or office to information through improved connectivity to CLEVNET, OPLIN, the Internet, and other locally provided electronic resources.
- Continue promoting the materials and services of the Cleveland Heights–University Heights Public Library through print pieces, such as our award-winning newsletter, *Check Us Out*, now produced four times a year and expanded in size, through the staff-created Readers' Advisory section of our Web site, and through visually exciting displays of new materials.

#### Internal Accounting and Budgetary Control

In the preparation of its annual report, the Library utilized the modified accrual basis of accounting for governmental funds. With the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are

received. This timing enables management to improve the quality of its decision-making process by providing more consistent, comparable information regarding the current and past operations and financial position of the Library.

Development of the Library's accounting system includes consideration of internal controls. Internal accounting controls are designed to provide reasonable but not absolute assurances regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation, and (2) the valuation of costs and benefits requires estimates and judgements by management.

The Director/Clerk-Treasurer is responsible for evaluating the Library's internal control methods and developing procedures to enhance internal controls. He is further responsible for working closely with auditors to ensure that the Library's internal controls are followed and adapted to any recommendations from the Auditor of State's Local Government Services or the Audit Division.

Budgetary control is maintained by an encumbrance of the purchase amount prior to the release of purchase orders to vendors. Purchase orders are not issued when an insufficient unencumbered appropriation balance is available.

The Library adopts a temporary appropriations spending measure on or before January 1 of each year for the period January 1 through March 31. An annual appropriations measure is adopted by April 1 of each year for the period January 1 through December 31, and is amended, if necessary, throughout the year. All disbursements and transfers of cash between funds require appropriation authority. Appropriations are controlled by fund.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by either the Director or Deputy Director and certified by either the Clerk Treasurer or Deputy Clerk Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

## General Government Functions

The following schedule presents a summary of general fund, special revenue funds, and capital projects funds revenues and expenditures for the year ended December 31, 2001, compared to the amounts for 2000.

<u>Revenues:</u>	<u>2000 Amount</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent Change</u>
Intergovernmental	\$3,812,425	\$3,982,598	29.64%	\$170,173	4.46%
Property and Other Taxes	2,568,771	3,897,506	29.00	1,328,735	51.73
Patron Fines and Fees	161,772	151,515	1.13	(10,257)	(6.34)
Contributions, Gifts and Donations	1,652	121,983	0.91	120,331	7,283.96
Interest	159,615	136,202	1.01	(23,413)	(14.67)
Rentals	15,828	13,750	0.10	(2,078)	(13.13)
Other	<u>2,188</u>	<u>5,135,139</u>	<u>38.21</u>	<u>5,132,951</u>	<u>234,595.60</u>
Total Revenues	<u>\$6,722,251</u>	<u>\$13,438,693</u>	<u>100.00%</u>	<u>\$6,716,442</u>	

<u>Expenditures:</u>	<u>2000 Amount</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent Change</u>
Current:					
Public Service	\$5,297,826	\$5,621,448	72.94%	\$323,622	6.11%
Administration	968,274	982,663	12.75	14,389	1.49
Capital Outlay	1,120,994	1,056,666	13.71	(64,328)	(5.74)
Debt Service:					
Principal Retirement	34,337	36,951	0.48	2,614	7.61
Interest and Fiscal Charges	<u>4,830</u>	<u>9,571</u>	<u>0.12</u>	<u>4,741</u>	<u>98.16</u>
Total Expenditures	<u>\$7,426,261</u>	<u>\$7,707,299</u>	<u>100.00%</u>	<u>\$281,038</u>	

Intergovernmental revenues provided 29.64 percent and local property taxes provided 29.00 percent of the Library's total receipts in 2001. The remaining 41.36 percent came from contributions, patron fines and fees, gifts, interest, rentals and other revenues. Other revenues increased due to the Library issuing notes through the Cleveland Heights-University Heights City School District that will soon be rolled into bonds. (See Note 15.)

Intergovernmental revenues are solely from State homestead and rollback, grants and the Library and Local Government Support Fund (LLGSF), which was created as an earmarked allocation of State income tax revenues each year starting January 1, 1986, replacing the repealed Intangibles Tax. Although originally established in State law at 6.3 percent of all personal income tax collections, that percentage was permanently reduced in 1995 to 5.7 percent as part of the State's 1995-97 biennium budget. Because of increased State homestead and rollback collections from first year collection on the 1.9 mill operating levy passed in 2000, revenue from this source increased by \$170,173 over 2000.



The Library and Local Government Support Fund is distributed to each of Ohio's 88 counties by a formula that recognizes both inflation and, for poorer areas, a portion designed to contribute to State-wide equalization. In 1996, the nine independent libraries in Cuyahoga County approved a 10-year agreement for distributing this county's share. The Cuyahoga County Budget Commission, which is legally responsible for distributing the Library and Local Government Support Fund within the county, has accepted this formula as its guide.

Property taxes increased by \$1,328,735 over 2000 due to first year collection on the 1.9 mill operating levy passed in 2000.

Revenues from Contributions, Gifts and Donations increased by \$120,331 because the Library received one-time contributions from outside sources.

Other revenue increased by \$5,132,951 due to the local School District issuing \$5,000,000 in bond anticipation notes for Library improvements.

Public service accounts for the largest cost in operating the Library system, requiring 72.94 percent of total expenditures. Administration accounts for 12.75 percent of the Library's total expenditures. The remaining 14.31 percent of expenditures accounts for capital outlay and principal and interest payments for capital leases.

Overall, expenditures increased by 3.78 percent from 2000. Public service and administration were maintained with a \$338,011 cost increase due to compensation increases, contractual or purchased service cost increases and materials price increases. Principal retirement increased by \$2,614 due to additional principal capital lease payments.

General Fund Balance - The general fund balance increased 51.78 percent in 2001. This increase of \$287,076 is due primarily to additional tax revenues generated by a new tax levy.

Special Revenue Fund – The special revenue fund balance increased \$34,643. This increase is due primarily to increased intergovernmental revenue and contributions.

Capital Projects Fund - The capital projects fund balance increased \$5,545,295. This increase was caused by \$5,000,000 in other revenue due to the School District's issuance of notes to be rolled into bonds for the renovation of the Main Library and the former Heights Y building as well as additional operations transfers from the general fund.

### General Fixed Assets

The general fixed assets of the Library include all Library-owned land, buildings, furniture and equipment. As of December 31, 2001, the general fixed assets of the Library totaled \$9,273,706. This amount represents either actual or estimated historical costs of the assets.

### Cash Management

Cash temporarily idle during the year was invested in STAR Ohio, the State Treasurer of Ohio's investment pool. The average yield on investments was 4.06 percent. The Library earned interest revenue of \$136,202 on all investments for the year ended December 31, 2001. As custodian of

all Library monies, the Director/Clerk-Treasurer is responsible for investing idle funds and directing the investment policies of the Library.

### Risk Management

The Cleveland Heights–University Heights Public Library holds a personal service contract with Love Insurance as its agent for liability insurance coverage. This agency seeks the best rated companies at the best price to provide insurance coverage to the Library and its officials. The Library carries a comprehensive general liability policy of \$2,000,000. The Library also carries commercial property coverage of \$12,390,941.

The State provides workers' compensation coverage. 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.

### Debt Management

In prior years, the Library entered into capital lease agreements with various vendors for copiers and vehicles. After debt is paid, title to the property transfers to the Library. The capital lease obligations are accounted for in the general long-term obligations account group.

As of December 31, 2001, the Library had \$123,662 in capital lease obligations. Capital lease obligations payments are made through the general fund from monies allocated in that fund.

## **OTHER INFORMATION**

### Independent Audit

Included in this report is an unqualified audit opinion rendered on the Library's financial statements as of and for the year ended December 31, 2001, by our independent auditor, Auditor of State Jim Petro.

Library management plans to continue to subject financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit also serves to maintain and strengthen the Library's accounting and budgetary controls.

### Awards

The Cleveland Heights-University Heights Public Library was rated seventh nationally among libraries its size. Looking at circulation, staff, expenditures and the like, the Hennen American Public Library Rating Index is the only nationwide comparison of libraries based on statistics each collects.

The Library's Web site, [www.heightslibrary.org](http://www.heightslibrary.org), has been recognized as a "Site of the Month" by *LibrarySpot.com* and has won the prestigious "Libby Award" from *LibraryPlace.com*. Innovative Applications in Libraries chose to recognize our *Potamus Place* (for children) and *ClickThis* (for teens).

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cleveland Heights–University Heights Public Library for its Comprehensive Annual Financial Report for the year ended December 31, 2000. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must conform to generally accepted accounting principles and satisfy all applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. We believe this Comprehensive Annual Financial Report continues to meet the high standards set by GFOA, and therefore, we will be submitting this report to determine its eligibility for a Certificate.

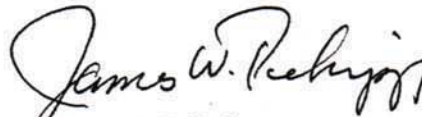
Acknowledgements

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,



Stephen D. Wood  
Director/Clerk–Treasurer



James W. Teknipp  
Business Manager

**CLEVELAND HEIGHTS–UNIVERSITY HEIGHTS PUBLIC LIBRARY**

**LIST OF PRINCIPAL OFFICIALS**  
as of December 31, 2001

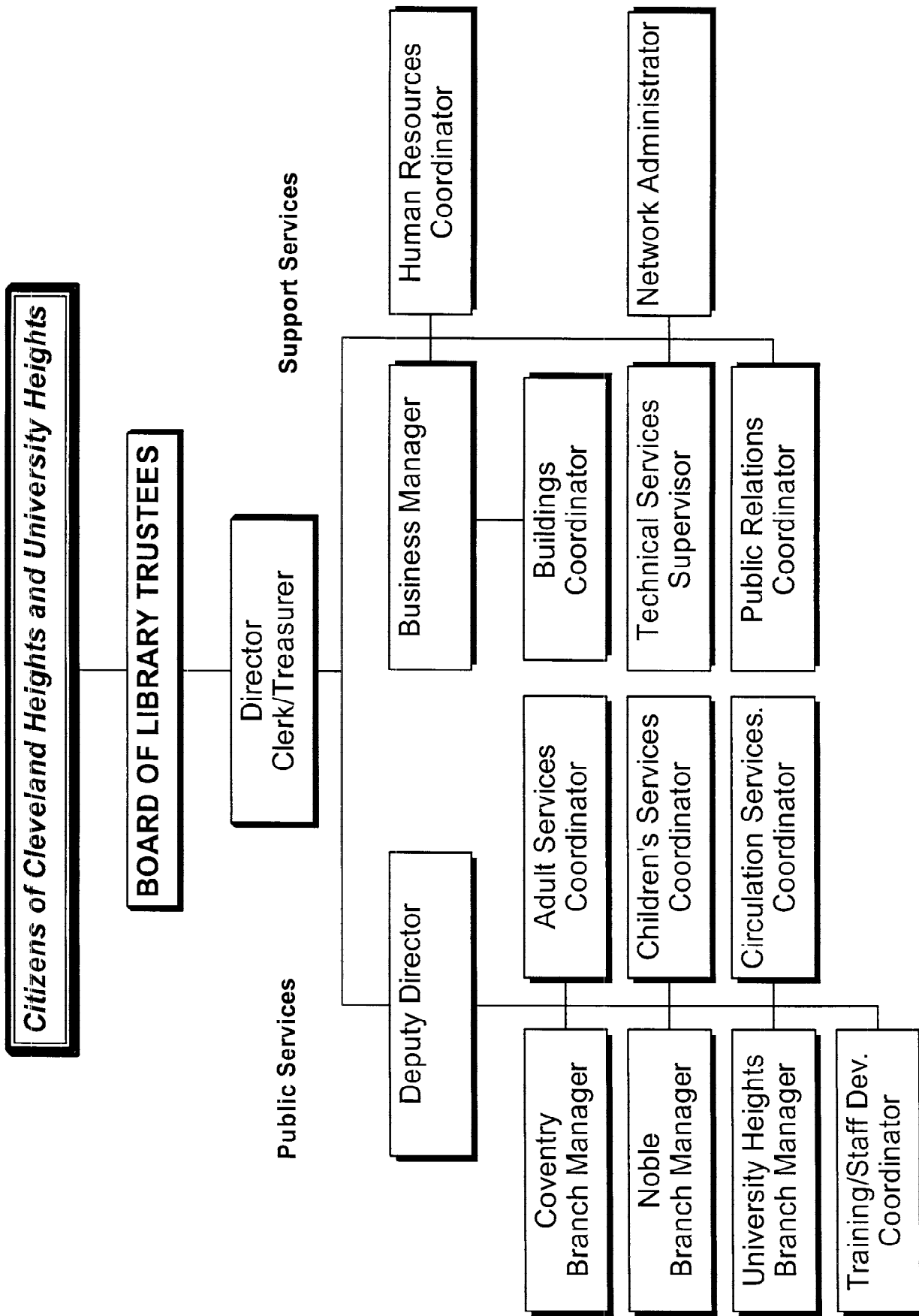
**BOARD OF LIBRARY TRUSTEES**

President .....	Ruth Ness
Vice–President.....	Raizel Michelow
Secretary .....	Christine Stouffer
Member.....	William Batcheller
Member.....	Pippa Carter
Member.....	Susan Janssen
Member.....	Esther Moss

**ADMINISTRATIVE STAFF**

Stephen Wood .....	Director/Clerk-Treasurer
Susan Matisoff.....	Deputy Director
James Teknipp .....	Business Manager
Vicki Victoria .....	Adult Services Coordinator
Amy Switzer.....	Children’s Services Coordinator
Mary Beth Musk.....	Circulation Services Coordinator
Beverly Costanzo.....	Human Resources Coordinator
Judithe Soppel .....	Public Relations Coordinator
Gerald Kavulic.....	Buildings Coordinator
Patricia Carterette .....	Training & Staff Development Coordinator
Mary Murphy.....	Technical Services Coordinator
Matt Hoffman .....	Network Administrator
Abigail Noland .....	Branch Manager, Coventry Village Library
Jo Ann Vicarel.....	Branch Manager, Noble Neighborhood Library
Maureen Weisblatt.....	Branch Manager, University Heights Library

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, 2000

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.



*Imelda Gruwe*  
President

*Jeffrey L. Esser*  
Executive Director



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Lausche Bldg  
615 W Superior Ave  
Floor 12  
Cleveland OH 44113 - 1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general-purpose financial statements of the Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio, (the Library) as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cleveland Heights- University Heights Public Library, Cuyahoga County, Ohio, as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2002 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the Library, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

April 15, 2002

Cleveland Heights-University Heights Public Library  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 December 31, 2001

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<b>Assets and Other Debits</b>			
<b>Assets</b>			
Cash and Cash Equivalents	\$726,883	491,221	6,792,200
Receivables:			
Taxes	4,075,160	0	0
Accounts	670	0	0
Due from Other Governments	1,968,095	0	0
Materials and Supplies Inventory	38,188	0	0
Prepaid Items	19,502	0	0
Fixed Assets	0	0	0
<b>Other Debits</b>			
Amount to be Provided from General Government Resources	0	0	0
Total Assets and Other Debits	\$6,828,498	491,221	6,792,200
<b>Liabilities, Fund Equity and Other Credits</b>			
<b>Liabilities</b>			
Accounts Payable	\$42,109	0	0
Accrued Wages and Benefits	94,311	0	0
Compensated Absences Payable	25,816	0	0
Due to Other Governments	12,779	0	0
Deferred Revenue	5,811,983	0	0
Capital Leases Payable	0	0	0
Total Liabilities	5,986,998	0	0
<b>Fund Equity and Other Credits</b>			
Investment in General Fixed Assets	0	0	0
Fund Balance:			
Reserved for Encumbrances	129,066	1,835	249,806
Reserved for Inventory	38,188	0	0
Unreserved; Undesignated	674,246	489,386	6,542,394
Total Fund Equity and Other Credits	841,500	491,221	6,792,200
Total Liabilities, Fund Equity and Other Credits	\$6,828,498	491,221	6,792,200

See accompanying notes to the general purpose financial statements



<u>Account Groups</u>		
<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>Totals (Memorandum Only)</u>
0	0	8,010,304
0	0	4,075,160
0	0	670
		1,968,095
0	0	38,188
0	0	19,502
9,273,706	0	9,273,706
<u>0</u>	<u>454,194</u>	<u>454,194</u>
<u>9,273,706</u>	<u>454,194</u>	<u>23,839,819</u>
0	0	42,109
0	0	94,311
0	221,169	246,985
0	109,363	122,142
0	0	5,811,983
<u>0</u>	<u>123,662</u>	<u>123,662</u>
<u>0</u>	<u>454,194</u>	<u>6,441,192</u>
9,273,706	0	9,273,706
0	0	380,707
0	0	38,188
<u>0</u>	<u>0</u>	<u>7,706,026</u>
<u>9,273,706</u>	<u>0</u>	<u>17,398,627</u>
<u>9,273,706</u>	<u>454,194</u>	<u>23,839,819</u>

Cleveland Heights-University Heights Public Library  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 All Governmental Fund Types  
 For the Year Ended December 31, 2001

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Revenues:				
Intergovernmental	\$3,969,530	13,068	0	3,982,598
Property and Other Taxes	3,897,506	0	0	3,897,506
Patron Fines and Fees	151,515	0	0	151,515
Contributions, Gifts and Donations	1,853	48,706	71,424	121,983
Interest	72,052	21,412	42,738	136,202
Rentals	13,750	0	0	13,750
Other	132,269	0	5,002,870	5,135,139
Total Revenues	8,238,475	83,186	5,117,032	13,438,693
Expenditures:				
Current:				
General Government:				
Public Service	5,583,804	37,644	0	5,621,448
Administration	971,764	10,899	0	982,663
Capital Outlay	184,929	0	871,737	1,056,666
Debt Service:				
Principal Retirement	36,951	0	0	36,951
Interest and Fiscal Charges	9,571	0	0	9,571
Total Expenditures	6,787,019	48,543	871,737	7,707,299
Excess of Revenues Over Expenditures	1,451,456	34,643	4,245,295	5,731,394
Other Financing Sources (Uses):				
Inception of Capital lease	128,191	0	0	128,191
Operating Transfers - In	0	0	1,300,000	1,300,000
Operating Transfers - Out	(1,300,000)	0	0	(1,300,000)
Total Other Sources (Uses)	(1,171,809)	0	1,300,000	128,191
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	279,647	34,643	5,545,295	5,859,585
Fund Balances at Beginning Of Year	554,424	456,578	1,246,905	2,257,907
Increase in Reserve for Inventory	7,429	0	0	7,429
Fund Balances at End of Year	\$841,500	491,221	6,792,200	8,124,921

See accompanying notes to the general purpose financial statements

Cleveland Heights-University Heights Public Library  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)  
 All Governmental Fund Types  
 For the Year Ended December 31, 2001

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$4,005,184	3,973,852	(31,332)
Property and Other Taxes	3,941,523	3,897,506	(44,017)
Patron Fines and Fees	165,556	151,515	(14,041)
Contributions, Gifts and Donations	1,656	1,853	197
Interest	72,017	72,052	35
Rentals	14,072	13,750	(322)
Other	77,812	131,599	53,787
Total Revenues	8,277,820	8,242,127	(35,693)
Expenditures:			
Current:			
General Government:			
Public Service	5,951,116	5,719,357	231,759
Administration	1,173,601	1,050,096	123,505
Capital Outlay	93,353	67,017	26,336
Total Expenditures	7,218,070	6,836,470	381,600
Excess of Revenues Over (Under) Expenditures	1,059,750	1,405,657	345,907
Other Financing Sources (Uses):			
Operating Transfers - In	0	0	0
Operating Transfers - Out	(1,300,000)	(1,300,000)	0
Total Other Sources (Uses)	(1,300,000)	(1,300,000)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(240,250)	105,657	345,907
Fund Balances at Beginning of Year	367,386	367,386	0
Prior Year Encumbrances Appropriated	82,665	82,665	0
Fund Balances at End of Year	\$209,801	555,708	345,907

(continued)

Cleveland Heights-University Heights Public Library  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)  
 All Governmental Fund Types (Continued)  
 For the Year Ended December 31, 2001

	Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$13,068	13,068	0
Property and Other Taxes	0	0	0
Patron Fines and Fees	0	0	0
Contributions, Gifts and Donations	48,706	48,706	0
Interest	15,000	21,412	6,412
Rentals	0	0	0
Other	0	0	0
Total Revenues	76,774	83,186	6,412
Expenditures:			
Current:			
General Government:			
Public Service	61,774	37,644	24,130
Administration	39,594	12,734	26,860
Capital Outlay	0	0	0
Total Expenditures	101,368	50,378	50,990
Excess of Revenues Over (Under) Expenditures	(24,594)	32,808	57,402
Other Financing Sources (Uses):			
Operating Transfers - In	0	0	0
Operating Transfers - Out	0	0	0
Total Other Sources (Uses)	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(24,594)	32,808	57,402
Fund Balances at Beginning of Year	453,484	453,484	0
Prior Year Encumbrances Appropriated	3,094	3,094	0
Fund Balances at End of Year	\$431,984	489,386	57,402

See accompanying notes to the general purpose financial statements

Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
0	0	0	4,018,252	3,986,920	(31,332)
0	0	0	3,941,523	3,897,506	(44,017)
0	0	0	165,556	151,515	(14,041)
199,000	71,424	(127,576)	249,362	121,983	(127,379)
41,000	42,738	1,738	128,017	136,202	8,185
0	0	0	14,072	13,750	(322)
<u>5,002,000</u>	<u>5,002,870</u>	<u>870</u>	<u>5,079,812</u>	<u>5,134,469</u>	<u>54,657</u>
<u>5,242,000</u>	<u>5,117,032</u>	<u>(124,968)</u>	<u>13,596,594</u>	<u>13,442,345</u>	<u>(154,249)</u>
0	0	0	6,012,890	5,757,001	255,889
0	0	0	1,213,195	1,062,830	150,365
<u>1,274,219</u>	<u>1,121,543</u>	<u>152,676</u>	<u>1,367,572</u>	<u>1,188,560</u>	<u>179,012</u>
<u>1,274,219</u>	<u>1,121,543</u>	<u>152,676</u>	<u>8,593,657</u>	<u>8,008,391</u>	<u>585,266</u>
<u>3,967,781</u>	<u>3,995,489</u>	<u>27,708</u>	<u>5,002,937</u>	<u>5,433,954</u>	<u>431,017</u>
1,363,000	1,300,000	(63,000)	1,363,000	1,300,000	(63,000)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>0</u>
<u>1,363,000</u>	<u>1,300,000</u>	<u>(63,000)</u>	<u>63,000</u>	<u>0</u>	<u>(63,000)</u>
5,330,781	5,295,489	(35,292)	5,065,937	5,433,954	368,017
1,005,458	1,005,458	0	1,826,328	1,826,328	0
<u>241,447</u>	<u>241,447</u>	<u>0</u>	<u>327,206</u>	<u>327,206</u>	<u>0</u>
<u>6,577,686</u>	<u>6,542,394</u>	<u>(35,292)</u>	<u>7,219,471</u>	<u>7,587,488</u>	<u>368,017</u>

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

NOTE 1 - REPORTING ENTITY

The Cleveland Heights–University Heights Public 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 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 3375.39 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 Clerk–Treasurer.

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.

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. 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 government units. The Government Accounting Standards Board (GASB) is the accepted standard–setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library's accounting policies are described below.

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

A. Basis of Presentation - Fund Accounting

The Library's accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operation of each fund is accounted for within a set of self-balancing accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain library functions or activities.

An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified as governmental. Each category, in turn, is divided into separate "fund types." The Library uses the following fund types and account groups:

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The following are the Library's governmental fund types:

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

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are restricted to expenditure for special purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - to account for all general fixed assets of the Library.

General Long-Term Obligations Account Group - to account for all unmatured long-term indebtedness of the Library.

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is utilized for reporting purposes by the governmental funds.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the modified accrual basis when the exchange takes place provided that the resources are also measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Library, available means expected to be received within thirty-one days of year-end.

Non-exchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, Library and Local Government Support Fund payments, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6.) Revenue from grants, entitlements and donations is recognized in the fiscal 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 fiscal year when use is first permitted, matching requirements, in which the Library must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

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.



Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

C. Budgets

The budgetary process is prescribed by provisions of the Ohio Administrative Code and entails the preparation of budgetary documents within an established timetable. 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 certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that the appropriations cannot exceed estimated resources, as certified. All funds are required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Budgetary modifications at the fund level may only be made by resolution of the Board of Trustees.

Tax Budget:

A tax budget of estimated revenues and expenditures for all funds is required to be submitted to the Board of Education by May 31 of each year, for the period January 1, to December 31, of the following year. As taxing authority, it is the responsibility of the Board of Education to submit the Library's tax budget to the County Budget Commission. The Board of Education is not authorized to make changes to the Library's budget.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the Library by October 1. As part of this certification the Library receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the Library must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the Clerk-Treasurer determines and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2001.

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

Appropriations:

The Library has established internal control guidelines for the budgetary process. Estimated resources together with unencumbered balances from the prior year set a limit on total appropriations for the current year. A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources. The allocation of appropriations at the fund level may be modified during the year only by a resolution of the Board of Library Trustees. The allocation of appropriations among functions and objects within a fund is determined during the year by the Clerk Treasurer without Board approval. During the year, supplemental appropriation measures were made. The budget figures which appear in the statement of budgetary comparison represent the final appropriation amounts approved by the Board during the year.

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are reappropriated as part of the subsequent year appropriations.

Encumbrances:

As part of formal budgetary control, purchases orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

On the GAAP basis, encumbrances outstanding at year end for governmental funds are reported as reservations of fund balances for subsequent-year expenditures.

D. Cash and Investments

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.

During 2001, investments were limited to U.S. Savings Bonds and stock, reported at fair value, and STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2001.

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

Following Ohio Statutes, the Board of Library Trustees has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2001 amounted to \$72,052.

E. Inventory

Inventory is stated at cost on a first-in, first-out basis. The costs of inventory items are recorded as expenditures when purchased.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001, are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

G. Fixed Assets

General fixed assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental type funds and capitalized (recorded and accounted for) in the General Fixed Assets Account Group.

Fixed asset values were initially determined at December 31, 1990, by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not obtainable, estimated historical costs were developed. For certain fixed assets, the estimates were calculated by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated. The Library's books have not been capitalized because their per-unit cost does not meet the Library's capitalization threshold of \$500.

The Library has elected not to record depreciation in the General Fixed Assets Account Group.

H. 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. 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 current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the General Fund. The remainder is reported in the general long-term obligations account group.

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

I. Accrued Liabilities and Long-term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than thirty-one days after year-end are considered not to have been paid with current available financial resources. Capital leases are recognized as a liability of the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

J. Fund Equity

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriations or expenditure including amounts that are legally segregated for a specific future use. As a result, encumbrances, and inventories are recorded as a reservation of fund balance.

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed.

All other interfund transactions are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. Memorandum Only - Total Columns

The columns on the general purpose financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

M. Estimates

The preparation of 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 the estimates.

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

For 2001, the Library has implemented GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions” and GASB Statement No. 36, “Recipient Reporting for Certain Shared Nonexchange Revenues.” The application of these statements did not result in any change in fund balance from the prior year.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) - All Governmental Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with state statute.

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

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

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements for governmental funds to the budgetary basis statements on a fund type basis.

Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses All Governmental Fund Types			
	General	Special Revenue	Capital Projects
GAAP Basis	\$279,647	\$34,643	\$5,545,295
Net Adjustment For Revenue Accruals	(124,539)	-0-	-0-
Net Adjustments For Expenditure Accruals	121,724	-0-	-0-
Encumbrances	(171,175)	(1,835)	(249,806)
Budget Basis	\$105,657	\$32,808	\$5,295,489

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

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:

- A. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
- B. 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;
- C. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds 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;
- D. Bonds and other obligations of the State of Ohio;
- E. No-load money market mutual funds consisting exclusively of obligations described in division (A) or (B) 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
- F. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. 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 of the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements."

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

A. Deposits

At year-end, the carrying amount of the Library's deposits was \$64,300 and the bank balance was \$269,104. \$142,642 of the bank balance was covered by federal depository insurance. \$126,462 was uninsured and uncollateralized. Although the securities were held by the pledging financial institution's trust department in the Library's name and all state statutory requirements for the investment of money had been followed, noncompliance with federal requirements would potentially subject the Library to a successful claim by the FDIC.

B. Investments

The Library's investments are categorized to give an indication of the level of risk assumed by the Library at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Library or by the Library's agent in the Library's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Library's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Library's name.

The Library invests in STAROhio that is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form.

	<u>Category 1</u>	<u>Category 3</u>	<u>Carrying Value</u>	<u>Fair Value</u>
U.S. Savings Bonds	<u>\$495,807</u>		\$495,807	\$495,807
Anthem Stock		<u>\$130,235</u>	130,235	130,235
STAROhio			<u>7,319,962</u>	<u>7,319,962</u>
Total			<u>\$7,946,004</u>	<u>\$7,946,004</u>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$8,010,304	\$0
U.S. Savings Bonds	(495,807)	495,807
Anthem Stock	(130,235)	130,235
STAROhio	<u>(7,319,962)</u>	<u>7,319,962</u>
GASB Statement 3	<u>\$64,300</u>	<u>\$7,946,004</u>



Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

NOTE 6 - TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the Library district. Property tax revenue received during 2001 for real and public utility property taxes represents collections of 2000 taxes. Property tax payments received during 2001 for tangible personal property (other than public utility property) is for 2001 taxes.

2001 real property taxes are levied after October 1, 2001 on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2001 real property taxes are collected in and intended to finance 2002.

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. 2001 public utility property taxes become a lien December 31, 2000, are levied after October 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after October 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25 percent of true value.

The full tax rate assessed in calendar year 2000 and collected for all Library operations for the year ended December 31, 2001, was \$5.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

Real Property	\$929,693,070
Public Utility Property	20,379,170
Tangible Personal Property	<u>24,751,484</u>
Total	<u>\$974,823,724</u>

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 July 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

The County Treasurer collects property tax on behalf of all taxing districts within the county, including the Library district. The County Auditor periodically remits to the Library its portion of the taxes. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies that are measurable as of December 31, 2001. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimate at December 31, nor are they intended to finance 2001 operations. The receivable is offset by deferred revenue.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2001 consisted of taxes, accounts and due from other governments. All receivables are considered fully collectible.

NOTE 8 - FIXED ASSETS

Changes in general fixed assets during the year ended December 31, 2000, were as follows:

	<u>Balance January 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2001</u>
Land and Land Improvements	\$1,371,134	14,102	-0-	1,385,236
Buildings	5,839,730	246,155	-0-	6,085,885
Furniture and Equipment	1,254,674	207,686	173,048	1,289,312
Construction in Progress	<u>0</u>	<u>513,273</u>	<u>0</u>	<u>513,273</u>
Total	<u>\$8,465,538</u>	<u>981,216</u>	<u>173,048</u>	<u>9,273,706</u>

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

NOTE 9 - 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 2001, the Library contracted with several companies for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>
Indiana Insurance	Commercial Property	\$12,390,941
	General Liability	2,000,000
	Commercial Crime	2,000
	Inland Marine	3,632,679
	Automobile	1,000,000
Utica National	Errors and Omissions	2,000,000
Ohio Farmers Insurance	Library officials	100,000
Fidelity and Deposit	Fidelity Bond	10,000

The amount of settlements did not exceed the coverage for each of the past three years. There have been no significant reductions in insurance coverage from last 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 10 - CAPITAL LEASES

The Library has entered into leases for the acquisition of copiers, a mailing machine and vehicles. These 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 in the general long term obligations account group. The agreements provide for minimum annual rental payments as follows:

<u>Year</u>	<u>Total</u>
2002	\$56,438
2003	53,524
2004	<u>28,408</u>
Total minimum lease payments	\$138,370
Less amount representing interest	<u>(14,708)</u>
Present value of minimum lease	<u><u>\$123,662</u></u>

The copiers, vehicles and mailing machine have been capitalized in the general fixed assets account group in the amount of \$171,255, the present value of the minimum lease payments at the inception of the leases.

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

NOTE 11 - LONG-TERM OBLIGATIONS

Changes in long-term obligations of the Library for the year ended December 31, 2001, are as follows:

	<u>Balance</u> <u>1/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/01</u>
General Long-Term Obligations:				
Compensated Absences	\$194,266	26,903	-0-	221,169
Pension Obligations	58,596	109,363	58,596	109,363
Capital Lease Obligations	<u>32,422</u>	<u>128,191</u>	<u>36,951</u>	<u>123,662</u>
Total General Long-Term Obligations	<u>\$285,284</u>	<u>264,457</u>	<u>95,547</u>	<u>454,194</u>

Compensated absences, pension obligations and capital lease obligations are paid from revenues received in the general fund.

NOTE 12 - DEFINED BENEFIT PENSION PLAN

The Library contributes to the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement benefits, disability, and death benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer pension contribution rate for the Library was 9.25 percent of covered payroll, increased from 6.54 percent in 2000. Contributions are authorized by State statute. The contribution rates are determined actuarially. The Library's required contributions to PERS for the years ending December 31, 2001, 2000 and 1999 were \$461,368, \$338,371 and \$405,720 respectively. Seventy-six percent has been contributed for 2001 and 100 percent for the years 2000 and 1999. The unpaid contribution for 2001 is \$109,363 and is recorded as a liability within the general long-term obligations account group.

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

NOTE 13 - POSTEMPLOYMENT BENEFITS

The Public Employees Retirement System of Ohio (the System) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the System is set aside for the funding of post-retirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001. For 2000, the contribution rate was 10.84 percent of covered payroll; 4.3 percent was the portion that was used to fund health care.

Benefits are advanced-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 411,076. The Library's actual contributions for 2001 that were used to fund postemployment benefits were \$111,691. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available), were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

NOTE 14 - OTHER EMPLOYEE BENEFITS

A. 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.

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 also earn sick leave which accumulates to a comparable amount.

Upon retirement, employees are paid 25 percent of their accumulated hours of sick leave. Accrued vacation is paid upon retirement, termination or death of the employee.

Cleveland Heights-University Heights Public Library  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

The current portion of unpaid compensated absences is recorded as a current liability in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. As of December 31, 2001, the liability for unpaid compensated absences was \$246,985.

B. 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 15 – 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 property tax levy 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 levy, the School District issued bond anticipation notes in the amount of \$5,000,000 during 2001 for Library improvements. The \$5,000,000 is reflected as “Other” revenue in the Renovation Capital Projects Fund. The notes will be paid from proceeds of the property tax levy. During 2002 the notes will be rolled into bonds. Because the notes 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.

NOTE 16 – SUBSEQUENT EVENT

On January 31, 2002, the Cleveland Heights-University Heights City School District issued an additional \$4,500,000 in bond anticipation notes for Library improvements and forwarded the proceeds to the Library.

## GENERAL FUND

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

Cleveland Heights-University Heights Public Library  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget and Actual (Non-GAAP Basis)  
General Fund  
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$4,005,184	3,973,852	(31,332)
Property and Other Taxes	3,941,523	3,897,506	(44,017)
Patron Fines and Fees	165,556	151,515	(14,041)
Contributions, Gifts and Donations	1,656	1,853	197
Interest	72,017	72,052	35
Rentals	14,072	13,750	(322)
Other	77,812	131,599	53,787
Total Revenue	8,277,820	8,242,127	(35,693)
Expenditures:			
Current:			
Public Service			
Salaries and Benefits	3,627,810	3,472,840	154,970
Materials and Supplies Purchased/Contracted	1,533,735	1,475,293	58,442
Services	766,671	753,301	13,370
Other	22,900	17,923	4,977
Total Public Service	5,951,116	5,719,357	231,759
Administration			
Salaries and Benefits	823,490	792,135	31,355
Materials and Supplies Purchased/Contracted	44,468	40,068	4,400
Services	305,643	217,893	87,750
Total Administration	1,173,601	1,050,096	123,505
Capital Outlay			
Land Improvements	9,000	501	8,499
Building Improvements	21,353	17,116	4,237
Furniture and Equipment	63,000	49,400	13,600
Total Capital Outlay	93,353	67,017	26,336
Total Expenditures	7,218,070	6,836,470	381,600

(continued)



Cleveland Heights-University Heights Public Library  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget and Actual (Non-GAAP Basis)  
General Fund (continued)  
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Excess of Revenues Over Expenditures	\$1,059,750	1,405,657	345,907
Other Financing Uses:			
Operating Transfers - Out	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(240,250)	105,657	345,907
Fund Balance at Beginning of Year	367,386	367,386	0
Prior Year Encumbrances Appropriated	<u>82,665</u>	<u>82,665</u>	<u>0</u>
Fund Balance at End of Year	<u>\$209,801</u>	<u>555,708</u>	<u>345,907</u>

## SPECIAL REVENUE FUNDS

Special revenue funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

### Staff Development

To account for revenue received as interest from principal left to the Library as part of the estate of Larry Bauer. It is used specifically for staff development programs.

### Gates Grant

To account for contributions received from the Bill and Melinda Gates Foundation used to purchase personal computers for the Coventry Village Library.

### LSTA Grant (Library Services and Technology Act)

To account for grant revenue received from the State Library of Ohio that is used to create science kits and purchase books for preschoolers.

### OLF Grant (Ohio Library Foundation)

To account for contributions received from the Drew Carey Fund of the Ohio Library Foundation that is used to develop a program training teens to review library materials.

Cleveland Heights-University Heights Public Library  
Combining Balance Sheet  
All Special Revenue Funds  
December 31, 2001

	<u>Staff Development</u>	<u>OLF Grant</u>	<u>Totals</u>
<b>Assets</b>			
Cash and Cash Equivalents	<u>\$467,091</u>	<u>24,130</u>	<u>491,221</u>
Total Assets	<u>\$467,091</u>	<u>24,130</u>	<u>491,221</u>
<b>Liabilities and Fund Equity</b>			
Total Liabilities	\$0	0	0
<b>Fund Equity</b>			
<b>Fund Balance</b>			
Reserved for Encumbrances	1,835	0	1,835
Unreserved; Undesignated	<u>465,256</u>	<u>24,130</u>	<u>489,386</u>
Total Liabilities and Fund Equity	<u>\$467,091</u>	<u>24,130</u>	<u>491,221</u>

Cleveland Heights-University Heights Public Library  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds  
For the Year Ended December 31, 2001

	<u>Staff Develop- ment</u>	<u>Gates Grant</u>	<u>LSTA Grant</u>	<u>OLF Grant</u>	<u>Totals</u>
Revenues:					
Intergovernmental	\$0	0	13,068	0	13,068
Contributions, Gifts and					
Donations	0	23,958	0	24,748	48,706
Interest	<u>21,412</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,412</u>
Total Revenues	<u>21,412</u>	<u>23,958</u>	<u>13,068</u>	<u>24,748</u>	<u>83,186</u>
Expenditures:					
Current:					
General Government:					
Public Service	0	23,958	13,068	618	37,644
Administration	<u>10,899</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,899</u>
Total Expenditures	<u>10,899</u>	<u>23,958</u>	<u>13,068</u>	<u>618</u>	<u>48,543</u>
Excess of Revenues Over (Under) Expenditures	10,513	0	0	24,130	34,643
Fund Balances at Beginning Of Year	<u>456,578</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>456,578</u>
Fund Balances at End of Year	<u>\$467,091</u>	<u>0</u>	<u>0</u>	<u>24,130</u>	<u>491,221</u>

Cleveland Heights-University Heights Public Library  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget and Actual (Non-GAAP Basis)  
Staff Development  
For the Year Ended December 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Interest	<u>\$15,000</u>	<u>21,412</u>	<u>6,412</u>
Expenditures			
Current:			
Administration			
Salaries and Benefits	28,112	8,644	19,468
Materials and Supplies	7,523	2,989	4,534
Purchased/Contracted Services	<u>3,959</u>	<u>1,101</u>	<u>2,858</u>
Total Expenditures	<u>39,594</u>	<u>12,734</u>	<u>26,860</u>
Excess of Revenues Over (Under)			
Expenditures	(24,594)	8,678	33,272
Fund Balance at Beginning of Year	453,484	453,484	0
Prior Year Encumbrances			
Appropriated	<u>3,094</u>	<u>3,094</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$431,984</u></u>	<u><u>465,256</u></u>	<u><u>33,272</u></u>

Cleveland Heights-University Heights Public Library  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget and Actual (Non-GAAP Basis)  
Gates Grant  
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Contributions, Gifts and Donations	\$23,958	23,958	0
Expenditures			
Current			
Public Service			
Materials and Services	<u>23,958</u>	<u>23,958</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

Cleveland Heights-University Heights Public Library  
 Schedule of Revenues, Expenditures, and Changes  
 In Fund Balance - Budget and Actual (Non-GAAP Basis)  
 LSTA Grant  
 For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$13,068	13,068	0
Expenditures			
Current			
Public Service			
Materials and Supplies	<u>13,068</u>	<u>13,068</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

Cleveland Heights-University Heights Public Library  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget and Actual (Non-GAAP Basis)  
OLF Grant  
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Contributions, Gifts and Donations	\$24,748	24,748	0
Expenditures			
Current			
Public Service			
Materials and Supplies	24,748	618	24,130
Excess of Revenues Over Expenditures	0	24,130	24,130
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances			
Appropriated	0	0	0
Fund Balance at End of Year	\$0	24,130	24,130



## CAPITAL PROJECTS FUNDS

The capital projects funds account for financial resources to be used for the acquisition or construction of major capital improvements within the Library.

### Building and Repair

To account for monies set aside by the Board of Library Trustees specifically for major capital and technology improvements.

### Renovation

To account for revenue from the recent School District bond issue and fundraising efforts specifically set aside for the planned renovation of the Main Library.

Cleveland Heights-University Heights Public Library  
Combining Balance Sheet  
All Capital Projects Funds  
December 31, 2001

	<u>Building and Repair</u>	<u>Renovation</u>	<u>Totals</u>
<b>Assets</b>			
Cash and Cash Equivalents	<u>\$1,769,816</u>	<u>5,022,384</u>	<u>6,792,200</u>
Total Assets	<u>\$1,769,816</u>	<u>5,022,384</u>	<u>6,792,200</u>
<b>Liabilities and Fund Equity</b>			
Total Liabilities	\$0	0	0
<b>Fund Equity</b>			
<b>Fund Balance</b>			
Reserved for Encumbrances	249,806	0	249,806
Unreserved; Undesignated	<u>1,520,010</u>	<u>5,022,384</u>	<u>6,542,394</u>
Total Liabilities and Fund Equity	<u>\$1,769,816</u>	<u>5,022,384</u>	<u>6,792,200</u>

Cleveland Heights-University Heights Public Library  
Combining Statement of Revenues, Expenditures  
And Changes in Fund Balances  
All Capital Projects Funds  
For the Year Ended December 31, 2001

	<u>Building and Repair</u>	<u>Renovation</u>	<u>Totals</u>
Revenues			
Contributions, Gifts and Donations	\$0	71,424	71,424
Interest	41,988	750	42,738
Other	<u>2,870</u>	<u>5,000,000</u>	<u>5,002,870</u>
 Total Revenues	 44,858	 5,072,174	 5,117,032
Expenditures			
Capital Outlay	<u>821,947</u>	<u>49,790</u>	<u>871,737</u>
Excess of Revenues Over (Under) Expenditures	(777,089)	5,022,384	4,245,295
Other Financing Sources			
Operating Transfers In	<u>1,300,000</u>	<u>0</u>	<u>1,300,000</u>
Excess of Revenues and Other Financing Sources Over Expenditures	522,911	5,022,384	5,545,295
Fund Balance at Beginning of Year	<u>1,246,905</u>	<u>0</u>	<u>1,246,905</u>
Fund Balances at End of Year	<u>\$1,769,816</u>	<u>5,022,384</u>	<u>6,792,200</u>

Cleveland Heights-University Heights Public Library  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget and Actual (Non-GAAP Basis)  
Building and Repair  
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$40,000	41,988	1,988
Other	2,000	2,870	870
Total Revenues	42,000	44,858	2,858
Expenditures			
Capital Outlay	1,209,219	1,036,753	172,466
Excess of Revenues Under Expenditures	(1,167,219)	(991,895)	175,324
Other Financing Sources			
Operating Transfers – In	1,363,000	1,300,000	(63,000)
Excess of Revenues and Other Financing Sources Over Expenditures	195,781	308,105	112,324
Fund Balance at Beginning of Year	1,005,458	1,005,458	0
Prior Year Encumbrances Appropriated	241,447	241,447	0
Fund Balance at End of Year	\$1,442,686	1,555,010	112,324

Cleveland Heights-University Heights Public Library  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget and Actual (Non-GAAP Basis)  
Renovation  
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Contributions, Gifts and Donations	\$199,000	71,424	(127,576)
Interest	1,000	750	(250)
Other	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>
Total Revenues	5,200,000	5,072,174	(127,826)
Expenditures			
Capital Outlay	<u>65,000</u>	<u>84,790</u>	<u>(19,790)</u>
Excess of Revenues Over (Under) Expenditures	5,135,000	4,987,384	(147,616)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$5,135,000</u>	<u>4,987,384</u>	<u>(147,616)</u>

## GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group accounts for all fixed assets of the Cleveland Heights-University Heights Public Library.

Cleveland Heights-University Heights Public Library  
Schedule Of General Fixed Assets  
By Source  
December 31, 2001

	<u>Total</u>
General Fixed Assets:	
Land and Land Improvements	\$1,385,236
Buildings	6,085,885
Furniture and Equipment	1,289,312
Construction in Progress	513,273
Total General Fixed Assets	<u>\$9,273,706</u>
Investment in General Fixed Assets From:	
General Revenues	\$9,102,451
Capital Leases	171,255
Total Investment in General Fixed Assets	<u>\$9,273,706</u>

Cleveland Heights-University Heights Public Library  
Schedule Of Changes In General Fixed Assets  
By Function  
For the Year Ended December 31, 2001

	General Fixed Assets 1/1/01	Additions	Deletions	General Fixed Assets 12/31/01
Public Service	\$8,259,842	\$980,006	\$173,048	\$9,066,800
Administration	<u>205,696</u>	<u>1,210</u>	<u>0</u>	<u>206,906</u>
Total General Fixed Assets	<u>\$8,465,538</u>	<u>\$981,216</u>	<u>\$173,048</u>	<u>\$9,273,706</u>

Schedule Of General Fixed Assets  
By Function  
December 31, 2001

	Land and Land Improvements	Buildings	Furniture and Equipment	Construction in Progress	Totals
Public Service	\$1,385,236	\$6,056,753	\$1,111,538	\$513,273	\$9,066,800
Administration	<u>0</u>	<u>29,132</u>	<u>177,774</u>	<u>0</u>	<u>206,906</u>
Total General Fixed Assets	<u>\$1,385,236</u>	<u>\$6,085,885</u>	<u>\$1,289,312</u>	<u>\$513,273</u>	<u>\$9,273,706</u>



Cleveland Heights-University Heights Public Library  
 General Governmental Expenditures By Function  
 Last Ten Years

Year	Public Service	Administration	Capital Outlay	Principal Retirement	Interest and Fiscal Charges	Totals
1992	\$3,462,089	\$511,650	\$113,086	\$18,470	\$3,693	\$4,108,988
1993	3,753,257	599,967	205,488	18,258	3,268	4,580,238
1994	4,075,716	615,310	760,739	19,284	2,191	5,473,240
1995	4,220,453	653,155	929,258	18,508	4,054	5,825,428
1996	4,366,384	660,521	642,058	18,264	2,964	5,690,191
1997	4,685,253	736,377	1,083,912	18,223	1,876	6,525,641
1998	4,761,633	681,787	305,082	24,130	6,635	5,779,267
1999	5,032,724	876,887	272,500	32,946	6,466	6,221,523
2000	5,297,826	968,274	1,120,994	34,337	4,830	7,426,261
2001	5,621,448	982,663	1,056,666	36,951	9,571	7,707,299

Source: Library Financial Records

Cleveland Heights-University Heights Public Library  
 General Governmental Revenues By Source  
 Last Ten Years

<u>Year</u>	<u>Inter-Governmental</u>	<u>Property and Other Taxes</u>	<u>Patrons Fines and Fees</u>	<u>Contributions Gifts and Donations</u>	<u>Interest</u>	<u>Rentals</u>	<u>Other</u>	<u>Total</u>
1992	\$2,406,964	\$1,394,051	\$188,167	\$450	\$41,721	\$12,550	\$4,142	\$4,048,045
1993	2,667,951	2,509,298	186,718	373	53,214	15,715	5,186	5,438,455
1994	2,750,022	2,515,136	197,489	1,945	109,284	14,850	4,136	5,592,862
1995	2,883,199	2,520,562	191,251	8,855	124,596	15,320	3,262	5,747,045
1996	3,136,718	2,539,458	181,761	11,519	118,513	14,130	5,462	6,007,561
1997	3,239,149	2,479,638	180,000	1,320	131,085	15,645	2,366	6,049,203
1998	3,445,629	2,503,701	176,568	228,644	127,666	13,505	23,314	6,519,027
1999	3,568,195	2,545,036	180,204	216,787	172,304	14,442	1,170	6,698,138
2000	3,812,425	2,568,771	161,772	1,652	159,615	15,828	2,188	6,722,251
2001	3,982,598	3,897,506	151,515	121,983	136,202	13,750	5,135,139	13,438,693

Source: Library Financial Records

Cleveland Heights-University Heights Public Library  
Property Tax Levies and Collections (1)  
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Total Tax Collections (2)	Percent of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Current Tax Levy
1992	\$1,562,646	\$1,528,569	97.82%	\$25,677	\$1,554,246	99.46%	\$71,743	4.59%
1993	2,787,742	2,731,440	97.98	28,233	2,759,673	98.99	90,133	3.23
1994	2,781,713	2,700,435	97.08	53,756	2,754,191	99.01	117,289	4.22
1995	2,774,624	2,697,285	97.21	60,272	2,757,557	99.38	127,782	4.61
1996	2,777,036	2,714,477	97.75	61,708	2,776,185	99.97	124,224	4.47
1997	2,777,348	2,675,313	96.33	77,107	2,752,420	99.10	147,910	5.33
1998	2,774,079	2,652,333	95.61	81,851	2,734,184	98.56	173,266	6.25
1999	2,772,395	2,657,244	95.85	111,572	2,768,816	99.87	167,888	6.06
2000	2,790,287	2,658,169	95.27	119,373	2,777,542	99.54	165,429	5.93
2001	4,431,593	4,185,829	94.45	115,372	4,301,201	97.06	289,640	6.54

Source: Cuyahoga County, Ohio; County Auditor

(1) Information for Real and Public Utility Property Only

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

Cleveland Heights-University Heights Public Library  
Assessed Valuation And Estimated Actual Value Of Taxable Property  
Last Ten Years

Year	Real Property		Public Utility Property		Tangible Personal Property		Total	Ratio of Assessed Value to Estimated Actual Value	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
1992	\$665,696,680	\$1,901,990,514	\$59,327,822	\$67,417,980	\$22,343,964	\$85,938,324	\$747,368,466	\$2,055,346,818	36%
1993	664,409,800	1,898,313,714	32,860,450	37,341,420	21,575,124	86,300,496	718,845,374	2,021,955,630	36
1994	664,716,300	1,899,189,429	32,565,220	37,005,932	21,575,936	86,308,744	718,857,456	2,022,504,105	36
1995	751,385,040	2,146,814,400	30,963,200	35,185,455	22,939,216	91,756,864	805,287,456	2,273,756,719	35
1996	751,834,635	2,148,099,100	30,118,460	34,225,523	23,934,850	95,739,400	805,887,945	2,278,064,023	35
1997	769,834,700	2,199,527,714	30,118,460	34,225,523	23,934,850	95,739,400	823,888,010	2,329,492,637	35
1998	802,796,940	2,293,705,543	29,159,440	33,135,727	22,936,713	91,746,852	854,893,093	2,418,588,122	35
1999	813,037,690	2,322,964,828	26,927,490	30,599,420	23,459,179	93,836,716	863,424,359	2,447,400,964	35
2000	926,462,620	2,647,036,057	30,906,950	35,121,534	34,917,354	139,669,416	992,286,924	2,821,827,007	35
2001	929,693,070	2,656,265,914	20,379,170	23,158,148	24,751,484	99,005,936	974,823,724	2,778,429,998	35

Source: Cuyahoga County, Ohio; County Auditor

Estimated actual value is calculated by dividing the assessed value by the assessed percentage. The percentages for 2001 were 35% for real property, 35% public utility real property, 88% public utility tangible personal property and 25% for tangible personal property.

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

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Cleveland Heights–University Heights Public Library	\$3.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$5.90
Cuyahoga County	9.32	9.32	9.32	9.12	9.12	9.12	7.82	7.82	7.82	8.72
Cuyahoga Community College	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Metroparks	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55
Port Authority	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Health and Human Services	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Cleveland Heights	14.50	14.40	13.90	13.00	13.00	13.00	14.80	14.80	14.80	14.10
South Euclid	15.70	15.80	15.80	15.50	15.50	15.50	15.20	15.10	15.10	15.00
University Heights	12.50	12.50	12.50	13.20	13.20	13.20	13.20	13.20	13.20	13.20
Cleveland Heights–University Heights School District	92.90	96.70	104.10	102.10	111.00	111.00	111.00	111.00	111.00	120.40

Source: Cuyahoga County, Ohio; County Auditor

Cleveland Heights–University Heights Public Library  
Bonded Debt  
December 31, 2001

The Cleveland Heights–University Heights Public Library does not have any general obligation bonded debt, and has not had any general obligation bonded debt for the last twenty years; therefore, no ratio of net general bonded debt to assessed value and net bonded debt per capita and no ratio of annual debt service for general bonded debt to total general fund expenditures are presented in the Library's statistical tables.

Cleveland Heights-University Heights Public Library  
Property Value, Construction, and Bank Deposits  
Last Ten Years

<u>Year</u>	<u>Number of Building Permits (1)</u>	<u>Dollar Value of Building Permits Issued (1)</u>	<u>Estimated Property Values (2)</u>	<u>Bank Deposits (in Thousands) (3)</u>
1992	1,214	\$12,839,826	\$2,055,346,818	\$19,370,280
1993	1,717	14,896,318	2,021,955,630	21,009,421
1994	2,058	14,614,218	2,022,504,105	20,885,453
1995	1,537	11,771,876	2,273,756,719	22,458,573
1996	2,014	22,620,481	2,278,064,023	27,068,211
1997	2,069	41,698,495	2,329,492,637	40,245,094
1998	2,061	43,055,372	2,418,588,122	58,904,596
1999	1,945	31,779,938	2,447,400,964	57,816,942
2000	1,835	41,653,992	2,821,827,007	61,942,764
2001	1,953	28,678,819	2,778,429,998	63,893,769

Source: (1) Cleveland Heights Building Department  
(2) Cuyahoga County, Ohio; County Auditor  
(3) Federal Reserve Bank of Cleveland—Bank deposits increased during 1997 because Key Bank now has a single charter.

Cleveland Heights-University Heights Public Library  
 Ten Principal Taxpayers  
 December 31, 2001

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage Of Total Assessed Valuation</u>
SCIT, Inc.	\$12,684,760	1.30%
Cleveland Electric Illuminating	8,908,340	0.91
Kaiser Foundation	7,791,840	0.80
Ohio Bell Telephone Company	7,683,630	0.79
Starwood Wasserman	4,184,110	0.43
American Retirement Corporation	3,866,590	0.40
Coral SEUH, LLC	3,655,190	0.37
Concord Company	2,290,930	0.24
Lancashire Towers Associates	2,173,640	0.22
Waldorf Partners, LTD	<u>2,143,020</u>	<u>0.22</u>
 Total	 <u>\$55,382,050</u>	 <u>5.68%</u>
 Total Library Valuation	 <u>\$974,823,724</u>	

Source: Cuyahoga County, Ohio; County Auditor



Cleveland Heights-University Heights Public Library  
Demographic Statistics  
December 31, 2001

	<u>1990 Census</u>		<u>2001 Estimate</u>	
	<u>Cleve. Hts.</u>	<u>Univ. Hts.</u>	<u>Cleve. Hts.</u>	<u>Univ. Hts.</u>
Population (1)	54,052	14,790	49,676	14,099
Population by Age				
Under Age 18	24.7%	20.5%	23.6%	19.8%
Age 65 and Over	12.8%	15.6%	12.3%	13.6%
Population by Race				
White	60.2%	81.8%	53.2%	76.0%
African American	37.1%	16.3%	42.9%	21.1%
Other	2.7%	1.9%	3.9%	2.9%
Total Households	21,012	5,151	19,596	4,957
Households Below Poverty Level	8.5%	2.9%	8.8%	3.7%
Average Household Income	\$46,407	\$52,828	\$73,839	\$81,380
Median Household Income	\$36,043	\$43,376	\$55,729	\$63,733
Educational Attainment				
High School Graduate or Higher	88.0%	90.9%	88.1%	90.9%
Bachelor's Degree or Higher	45.1%	47.0%	45.0%	47.0%

Source: Claritas, 2002 (based on the 2000 Census)

(1) 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 School District); and includes a small portion of the City of South Euclid. The population of this area covered by the School District is estimated to be 62,875. Despite this fact, these demographic statistics are considered representative of the population served by the Cleveland Heights–University Heights Public Library.

Cleveland Heights–University Heights Public Library  
Miscellaneous Statistics  
December 31, 2001

<u>Year</u>	<u>Number of Employees</u>	<u>Number of Volumes Owned</u>
1992	113	307,661
1993	113	311,951
1994	113	316,842
1995	118	330,977
1996	119	338,917
1997	125	322,820
1998	137	332,362
1999	138	342,697
2000	130	352,496
2001	143	342,143

<u>Year</u>	<u>Number of Library Materials Circulated</u>	<u>Number of Registered Borrowers (1)</u>
1992	1,299,812	62,078
1993	1,346,518	62,641
1994	1,357,790	62,928
1995	1,438,826 (3)	61,067
1996	1,457,290	60,074
1997	1,419,264	63,514
1998	1,441,650	66,911
1999	1,490,404	70,047
2000	1,554,131	59,623 (2)
2001	1,707,812	56,691

Source: Cleveland Heights–University Heights Public Library

(1) Borrowers registered at any CLEVNET library (thirty-one in all), or newly registered at any branch of the Cuyahoga County Public Library, may use their cards at this Library without registering a second time.

(2) Patron database purged in 2000.

(3) Prior to 1995, circulation monitored activity of a library’s materials collection regardless of the CLEVNET library from which the items circulated. Beginning with 1995, circulation monitors activity at our specific agencies regardless of which CLEVNET library owns the items we circulated. This method is a truer indication of how “busy” our buildings are.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

**CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS PUBLIC LIBRARY**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 13, 2002**