

Comprehensive Annual Financial Report

For the year ended December 31, 2013



Opening Doors, Opening Minds

www.heightslibrary.org

Introductory Section

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY

CLEVELAND HEIGHTS, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Comprehensive Annual Financial Report

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June 26, 2014

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

PUBLIC REPORTING RESPONSIBILITY

We hereby submit to you the Cleveland Heights-University Heights Public Library’s Comprehensive Annual Financial Report for the year ended December 31, 2013. This is the 23rd year that the Library has gone the extra mile to share comprehensive financial data in this format with the taxpayers, enabling them to gain a true understanding of the Library’s financial status.

Ohio law requires that public offices reporting pursuant to Generally Accepted Accounting Principles (GAAP) shall file their reports with the Auditor of the State and publish notice of the availability of the financial statements within 150 days of the close of each year. The General Purpose External Financial Statements from this report were filed to fulfill that requirement for the year ended December 31, 2013.

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

CONTENTS

The Auditor of State, Dave Yost, has issued an unmodified (“clean”) opinion on the Library’s financial statements for the year ended December 31, 2013. The independent accountants’ report is located at the front of the financial section of this report. “Management’s Discussion and Analysis” immediately follows the independent accountants’ report and provides a narrative introduction, overview and analysis of the basic financial statements.

REPORTING ENTITY

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

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board (GASB), “The Financial Reporting Entity,” and GASB Statement 61, “The Financial Reporting Entity: Omnibus”, the Library is considered to be a related organization of the Cleveland Heights-University Heights City School District.

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

PROFILE OF GOVERNMENT

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

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

In 1973, the Library placed its first five–year operating levy on the ballot and it passed by 67.8 percent. In 2008, the community passed its third continuing levy. This financial support has allowed the Library to develop innovative approaches to the public service that the residents of the community demand. For example, in 1981, the Cleveland Heights–University Heights Public Library was the first library to join the Cleveland Public Library’s automated circulation system and online catalog. This year CLEVNET celebrated its 31st year and has grown to over 38 libraries in 11 counties in Northern Ohio. Over the past several years, Ohio has placed more of the burden of support for local libraries on individual communities. The FY12-13 Biennium Budget (HB 153) reduced the Public Library Fund (PLF) percentage of the State’s General Revenue Fund (GRF) from 2.2 to 1.66 percent. HB 59 (the State biennium budget bill) projected a 4 percent increase in funding for libraries in the FY 14-15 biennium. Instead, the Public Library Fund (PLF) received a 4 percent cut in funding for 2014. The PLF made up 26.5 percent of our total revenue in 2013.

ECONOMIC CONDITIONS AND OUTLOOK

Although its boundaries coincide with those of the Cleveland Heights–University Heights City School District, primarily the cities of Cleveland Heights and University Heights with a five street area located within South Euclid, the Library’s role is enlarged by its proximity to the major metropolitan area of Cleveland. The population of Cuyahoga County is highly mobile and most residents use several libraries to meet their recreational reading and informational needs. Thus, the Library serves residents beyond those located within our boundaries, which has an impact on our available resources. Participation in CLEVNET also expands the Library’s role through the mutual sharing of materials and resources both within Cuyahoga County and throughout Ohio.

Proposed legislation that cuts the State income tax and other State revenue, as well as changes in the severance tax will further reduce the PLF beginning in calendar year 2015.

Local property taxes account for approximately 63 percent of our revenue. Property owners pay \$7.80 a year for every \$1,000 of assessed value of their property. We continue to watch county property valuations and collection rates to determine if this revenue will decline significantly in coming years.

The Board of Library Trustees and management believe close monitoring of funds is essential to extend the life of our current levy beyond the promised 2013 renewal and into 2015. This is essential as our school community and cities face increasing economic pressure.

LEVY SUPPORT

In November of 1992, our residents approved a continuing, 4-mill operating levy by a two-to-one margin. Beginning collection in 1993, this levy replaced a 3-mill levy (with an effective rate of only 2.06 mills) and generated approximately \$2.8 million in 2013 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 in 2013 generated \$1.6 million.

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

The Board of Library Trustees went on the ballot in March 2008 for a third continuous 1.9-mill property tax levy. This levy generated \$2.1 million in 2013. State law limits the property tax levies, which in 2013 accounted for approximately 63 percent of the Library's revenue, to the revenue generated by real property appraisal values at the time of each levy's passage. As a result, property tax revenues cannot increase significantly during the term of each levy.

We anticipated going to the voters again in 2013, but through careful management were able to extend our current funding into 2015.

COMMUNITY DEMOGRAPHICS

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

The Cleveland Heights-University Heights School District, which defines our boundaries, is above the county average in educational attainment and other socioeconomic measures like household income, and generally is associated with strong support for education and library services. However, population loss and the increase in poverty will continue to challenge us. Poverty for children ages 5-17 in our community jumped from 6.1 percent in 2000 to 20 percent in 2012.

Cuyahoga County saw a 22.7 percent reduction in new foreclosure filings in 2013, 2,600 fewer foreclosures filed than in 2012. The totals for 2013 mark the fourth consecutive year new filings have declined. The total for 2013 is the lowest in Ohio in 11 years, according to the court. (Source: Ohio Supreme Court).

NODIS predicts that we will continue to lose population by another 4.5 percent between 2010 and 2020. Mirroring the population of Cuyahoga County, the Cleveland Heights-University Heights area lost 3.2 percent of its population in the 2010 census with a total population for Cleveland Heights of 46,121 residents. Both white and black populations dipped while Hispanic and Asian populations grew slightly. University Heights residents number 13,539 according to the 2010 census, about 600 fewer than in 2000.

Neither city has any industry and both are excellent examples of relatively affluent "bedroom communities." Since 2000, the average household income has increased by more than 25 percent in the two communities. Per capita income in Cleveland Heights is \$28,906 and \$32,197 in University Heights,

while the combined median household income for the two cities is around \$53,000. (Source: US Census Bureau). A disproportionate share of workers commute to cities other than their place of residence. There are a large number of small businesses and home-based businesses in our communities and they are served more completely by the addition of the Small Business Development Center that is housed at the Lee Road Branch.

Borrowing patterns

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

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

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

Ohio Public Library environment:

- By law, no new public Library systems can be established in Ohio.
- The PLF distributes money to the 88 counties (not the Library systems) to fund Library services. If there are multiple Library systems within a county, the county budget commissions use agreements reached by the libraries to determine how the money gets distributed to the Library systems within each county.
- State funding allows public libraries to collaborate by supporting interLibrary loan of materials, shared staffing models, group purchasing, etc. Public libraries view their collections as a statewide asset.
- State funding of public libraries is currently at the same level it was in 1996.
- Ohio's libraries have the highest circulation, computer usage, volume of materials, and patron traffic per capita in the country.
- Rather than receiving a projected 4 percent increase in funding, the Public Library Fund received a 4 percent cut in funding for 2014.

LONG-TERM FINANCIAL PLANNING

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

RELEVANT FINANCIAL POLICIES

The Board of Library Trustees approved a long-term investment policy in May 2004 as part of their by-laws. The purpose of this policy is to establish priorities and guidelines regarding the investment management of the Library operating funds. These priorities and guidelines are based upon Chapter 135 of the Ohio Revised Code (ORC) and prudent money management practices. The policy also follows Section 135.14 of the ORC in establishing what qualifies as an eligible investment. Safety of principal is the most important objective of the Library's investment policy. The policy also focuses on issues regarding liquidity and yield. Income from investments in 2013 was minimal due to low interest rates, although they are slowly improving.

STRATEGIC PLANNING

The Library's latest strategic plan uses the "Balanced Scorecard" approach that emphasizes results with measurements taken throughout the year, such as statistical use counts, community surveys, and customer feedback. The Board of Library Trustees approved a new two-year plan in 2013 that will be in effect for 2014-2015. The objectives of this plan include:

Enhance Customer Experience

- Create new and optimize current modes of access
- Balance expectations regarding behavior/atmosphere
- Establish criteria for evaluation of services and resources
- Focus our collections while maintaining balance

Facilitate Community Engagement

- Establish a Library presence with high priority relationships
- Identify and fill gaps in services, programs and collections
- Provide resources for our communities to share their stories and guide community conversation

Invest Resources Wisely

- Automate business operations
- Focus our facility investments on accessibility
- Create required core training for staff
- Locate and pursue alternative funding sources

The conclusion of the 2012-2013 plan outlined the many measurable successes of the plan, which were documented in monthly reports to the public and Board of Library Trustees. A summary is available on our website.

MISSION, VISION AND VALUES

Staff's work is based on the Library's Mission, Values and Vision that are reviewed annually by the Board of Library Trustees.

The Library's Mission

The Mission indicates what our organization is committed to do:

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

The Library's Values

We place great value in:

- Education and literacy,
- Understanding and responding to the needs of our customers,
- Effective management of financial resources,
- Assuring that our libraries remain free for all,
- Effective management and development of human resources, resulting in a diverse and culturally competent staff,
- Quality in all we do,
- Intellectual Freedom,
- A climate for innovation and change,
- Respect and tolerance for diverse viewpoints and individual differences,
- Integrity and ethics in the workplace,

- Shared organizational decision making and responsibility,
- Open, timely and effective internal and external communications,
- Contributing to a culture of respect and comfort for all.

The Library's Vision

We will know we are succeeding when:

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

2013 Annual Report

Numbers to know:

- Circulation: 1,795,420 items
- Visitors: 1,070,404
- Meeting Room Uses: 2,126
- Library Programs: 3,149 with an attendance of 33,773, according to Evanced software statistics

New and innovative services

The HKIC (Heights Knowledge and Innovation Center) opened on May 8th, with a Grand Opening on June 2nd. It features the new Computer Lab, two meeting/quiet study rooms and a Multi-Media Lab. Library Technology Trainers received intensive training on the software in the Multi Media Lab so that they could assist people who wished to use the audio and video equipment. During June, the Library featured “30 Days of Innovation” with programs and training from innovative Northeast Ohio companies and individuals to celebrate the opening of the HKIC.

At the same time, we created room for the Small Business Development Center of Cleveland State University (SBDC). Federal and State funded, the SBDC provides support for new and existing small businesses. Our partnership is the first of its kind, pairing public library facilities, resources and staff with the SBDC in a very symbiotic relationship that will benefit our cities and all of Northeast Ohio.

The Coventry Village, Lee Road and University Heights branches all added early learning computers to match the services already provided by the Noble Neighborhood Branch. These computers, with brightly colored keyboards, provide early literacy activities and games targeted to children from 2-10 years old. They provide self-directed learning that leads to Kindergarten readiness and helps our students reach the third grade reading guarantee mandated by the state of Ohio.

In May, Zinio, an online service that gives digital access to current issues of over 100 popular magazines, was introduced to our customers. By year's end, 193 people had downloaded 2,380 magazines.

The Book Bike, purchased by the FRIENDS of the Heights Libraries, served 2,700 people in the community and was ridden by four volunteers and eight staff at 19 different events. The Book Bike led the way as staff members and volunteers represented the library system and promoted the Summer Reading Program at the University Heights Memorial Day Parade. University Heights Branch Manager Aurora Martinez worked with Adult Services Manager Charles Collins, Special Projects Coordinator Sam Lapidés and staff at John Carroll University's Grasselli Library to schedule monthly visits to Grasselli by Adult Services Associate Eric Litschel and the Book Bike. This service started in September and has been a success. Eric Litschel rides the Book Bike to the John Carroll University campus the first Tuesday of each month. While there, in addition to allowing students to check out books and DVDs, he promotes the Library's programming and digital collection and signs students up for library cards.

Programming

The Summer Reading Program, which is our biggest program and encompasses all branches and all ages, recorded strong participation numbers again. The Adult program had 774 entries, the Teen program had 195 (an increase of 44 percent over 2012) and the Children's program had 1,075 participants (a 24 percent increase). Youth Services Associate Tim Cable organized our annual collaboration with the Summer Lunch Program called Reading Buddies @ Summer Lunch. He recruited qualified teens to attend Summer Lunch and assist school-age children in their reading. This is yet another example of how the Library supports youth literacy.

The Cedar-Coventry Author Series programs continued to be popular, particularly the evenings with mystery writer Sam Thomas (*The Midwife's Tale*); *Rust Belt Chic* panel Anne Trubeck, Larry Smith, Bonnie Jacobson and Marion Morton; and vegan cookbook author Tamasin Noyes. Patricia Averbach's talk about her novel *Painting Bridges* drew a large audience, including many from the deaf community.

In the fall, we unveiled a new, improved "Library @ Home" service. The program, maintained by Adult Services Associate Christina Sheppa, mails library material to homebound residents with re-useable bags which allow customers to mail the material back to the Library free of charge.

The Noble Neighborhood Branch more than doubled its programming and outreach activities for youth, reaching new customers and attempting to fill the gap left by the elimination of librarians in some of the public schools. At the University Heights Branch, the addition of two weekly after-school programs and more evening and weekend programs for school-age children, caused program attendance for this age group to increase by 530 percent, from 113 the previous year to 712. According to the Library's recent demographic study, the community served by the University Heights Branch includes more school-age children than the service areas of our other branches, and so this programming change has been appropriate and successful. Youth Services Librarian Pam Spangler and Youth Services Associate Shenee King created and presented 80 programs ranging from visual arts and dance to science experiments, technology and gaming, bringing more children than ever through our doors and encouraging the development of lifelong library users.

ABLE ESOL classes and a new partnership with US Together at the Noble Neighborhood Branch have increased the number and comfort level of customers who have emigrated from other countries. These customers primarily rely on computer usage, while their children are also frequent borrowers of materials. Adult Services staff developed the program series "Bridging Cultures: Muslim Journeys." This series was made possible by a grant from the National Endowment for the Humanities, which awarded the Cleveland Heights-University Heights Public Library the Muslim Journeys Bookshelf, a collection of books, films and other resources designed to introduce the American public to the complex history and culture of Muslims in the U.S. and around the world. Programs in this series included lectures, book discussions, film screenings, a tour of the Islamic Center of Cleveland and visits to see Islamic materials held by the Cleveland Museum of Art and Cleveland Public Library.

Six local history programs were held in the spring and fall in partnership with the Cleveland Heights Historical Society and the Cleveland Heights Landmarks Commission. Topics included historic Cleveland nightlife, a Lee Road Walking Tour and introduction to the Cleveland History App, a celebration of Cain Park's 75th Anniversary, houses of the 1950s and 1960s, immigration in Greater Cleveland and a history of the Shakers in Cleveland Heights.

The 13th Annual Poetry Slam, a collaboration with the organization Lake Erie Ink, represents an achievement in our goal to "enhance and develop community and regional collaborations." Additionally, several staff members at Heights High were involved, and we received food and prize donations from local businesses, including Dewey's, Winking Lizard, Wendy's, Sweetie Fry and Five Guys. With 13 competitors, five guest judges from the community, and an estimated crowd of 60, the event exhibited and celebrated our teen space as a safe environment for teens to express themselves.

The Training Department completed seven successful “Connect Ohio” broadband expansion series before federal funding for the program ended. Then the staff relaunched the Computer Basics series. These classes were written to offer more hands-on, web-based training. In total, 418 computer classes were presented to 2,801 adult students.

The Training Department offered four well attended employment workshops by the Tri-C Career Development and Transition Services, and also created a separate employment series at the Coventry Village and University Heights branches.

Internal Operations

Starting in July, staff used Collection HQ software reports to identify materials for weeding, replacement and purchase. At the Coventry Village Branch, a reorganization of A/V materials and the addition of shelves in the A/V browsing room resulted in nearly 50 percent more shelf space for DVDs and Blu-ray. The A/V expansion also included the addition of DVD section signs to make browsing easier for customers.

Borrowing changes

Changes were made to the library card application form to align with Library policy changes. All minors under age 18 are required to have their parent/guardian sign for the card and accept financial responsibility. Also, additional wording was changed on the form to clarify for customers our policy regarding library card theft. For children who arrive at the Library without a parent, work has moved forward on the creation of a three item limit library card, targeted to allow children to check out three juvenile books without identifying documentation.

Staff Development and Training

Public service staff from a variety of departments internally served on the Adult Programming, Balanced Scorecard, Early Literacy, Green Team, Matchmakers, On the Same Page, Rewards and Recognition, Staff Association, Staff Day and Youth Programming committees. Staff also served on committees in professional organizations such as the Ohio Library Council (Brian Hare) and the Public Library Association (Kimerlee DeNero-Ackroyd) and the Clevnet Directors Panel (Nancy Levin).

Youth Services Associate Rachele Perry presented a NEO-RLS webinar on her “Night of the Living Dead” program while Youth Services Librarian Pam Spangler presented early literacy training at Heights High. Special Projects Coordinator Sam Lapidés earned the “Emotionally Intelligent Leader” certificate from Case Western Reserve University School of Management and led presentations for staff. Youth Services Librarian Maggie Kinney provided storytime training to four new Youth Services staff members. 12 new public service staff members received training at the Coventry Village Branch this year.

The Library hosted a number of interns, practicum and “library experience program students” who are in high school, college and graduate programs.

Nearly every staff member participated in development opportunities in 2013 supported by the Anne Bauer Fund. These included a wide-ranging variety of webinars, computer classes, library specific classes offered by the regional library system, Emotional Intelligence, CPR/AED, Affordable Care Act, Resource Description and Access training for cataloging, Collection HQ software, In Charge and Violent Intruder trainings.

Facility updates

At the Lee Road Branch, physical improvements to the Circulation Department area included installation of a new, modern design metal awning over the shipping area/staff entrance to provide protection for staff and materials; addition of a portable ramp in shipping to facilitate deliveries; alpha letters added to the top of reserve pick up area shelving to help direct customers to the correct section; and finally, new custom built workstations for our self-charge machines were installed. The workstations have much more counter space, Corian countertops and hidden wiring. We have received many customer compliments on the workstations.

The Noble Neighborhood Branch building and grounds improvement included an additional outdoor bookdrop. Signs were installed in the parking lot restricting the lot to library parking, therefore improving after school safety. Window shades and screens were installed in the Teen Room. Furniture was purchased to reconfigure the reference workspace and improve functionality of both the Reference and Circulation areas. The tree in the Children's Department received its green cloth canopy to the delight of staff and customers.

The University Heights Branch received many physical improvements throughout the year, which increased the safety, comfort and beauty of the building and property. The interior of the building was completely repainted, and new comfortable seating and a table were purchased for the fireplace area. The windows of the Fenwick entrance were replaced, along with two security doors on the lower level. Roof repairs were done to address leaking over the children's area. Large and colorful signs were created for the nonfiction collection. A new fire alarm system was installed, and the front walkways were replaced. University Heights resident Mari Keating planted small edible gardens in the planters at our front entrance, and arranged for the donation of a dwarf apple sapling for our front yard. School-age students grew a flower garden around our front brick walls over the summer.

At the Coventry Village Branch, the leaded glass windows above the main entrance were removed, repaired, and reinstalled with new interior storms and screens. All other windows in the building were repaired and painted and had new storm windows installed. The front bed was planted with a variety of attractive, hardy perennials. The ceiling above the circulation desk was repaired and painted.

Partnerships

We share the list of our partners to illustrate how the Cleveland Heights-University Heights Public Library brings the world to its users. This is a source of great pride to the staff.

The Coventry Village Branch partnered with Mac's Backs and Appletree Books (Cedar-Coventry Author Series), the Cleveland Institute of Music (Coventry Concert Night), Clayworks Co-operative, Beech Brook, Cleveland Hearing and Speech and City Fresh. New partnerships were developed with both Urban Oak and the new Waldorf School located in the former Coventry Elementary School building and Cleveland Heights Poet Laureate Kathleen Cerveny.

The Noble Neighborhood Branch partnered with the Cleveland Food Bank, American Library Association, Centers for Families and Children, Mandell Jewish Community Center, Maltz Museum of Jewish Heritage, Heights Community Garden Network, Food Not Lawns, Oxford and Noble Elementary Schools, Noble Preschool, ITM Building Blocks Childcare Center, Hannah's House Childcare Center, Cuyahoga Community College, Holden Arboretum, Cleveland Heights Democrats, McDonald's Restaurant, US Together and ABLE.

The University Heights Branch partnered with AARP, the City of University Heights, Cleveland Clinic Community Wellness, the Cleveland Foodbank, Cleveland Heights-University Heights Public School District, Cuyahoga County Department of Senior and Adult Services, Rap Art/Center for Families and Children and Whole Foods.

At the Lee Road Branch, Adult Services partnered with the Cleveland Heights Historical Society, Cleveland Heights Landmarks Commission, Home Repair Resource Center, the Ingalls Library at the Cleveland Museum of Art, the Harold T. Clark Library at the Cleveland Museum of Natural History, Grasselli Library at John Carroll University, the Foundation Center, Cleveland Restoration Society, Cleveland Orchestra, Cleveland State University, the Cuyahoga Weavers Guild and the Cleveland Playhouse.

Youth Services partnered with the Case Western Dental School, Cuyahoga County Board of Health, Cuyahoga County Weaver's Guild, Heights High GRADS class and Holden Arboretum.

OTHER INFORMATION

Independent Audit

Included in this report is an unmodified audit opinion rendered on the Library's financial statements as of and for the year ended December 31, 2013, by our independent auditor, Auditor of State Dave Yost.

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.

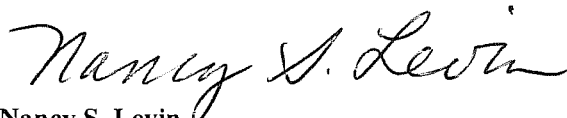
Awards

The 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, 2012.

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,



Nancy S. Levin
Director



Jana L. Nassif
Fiscal Officer

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY

LIST OF PRINCIPAL OFFICIALS as of December 31, 2013

BOARD OF LIBRARY TRUSTEES

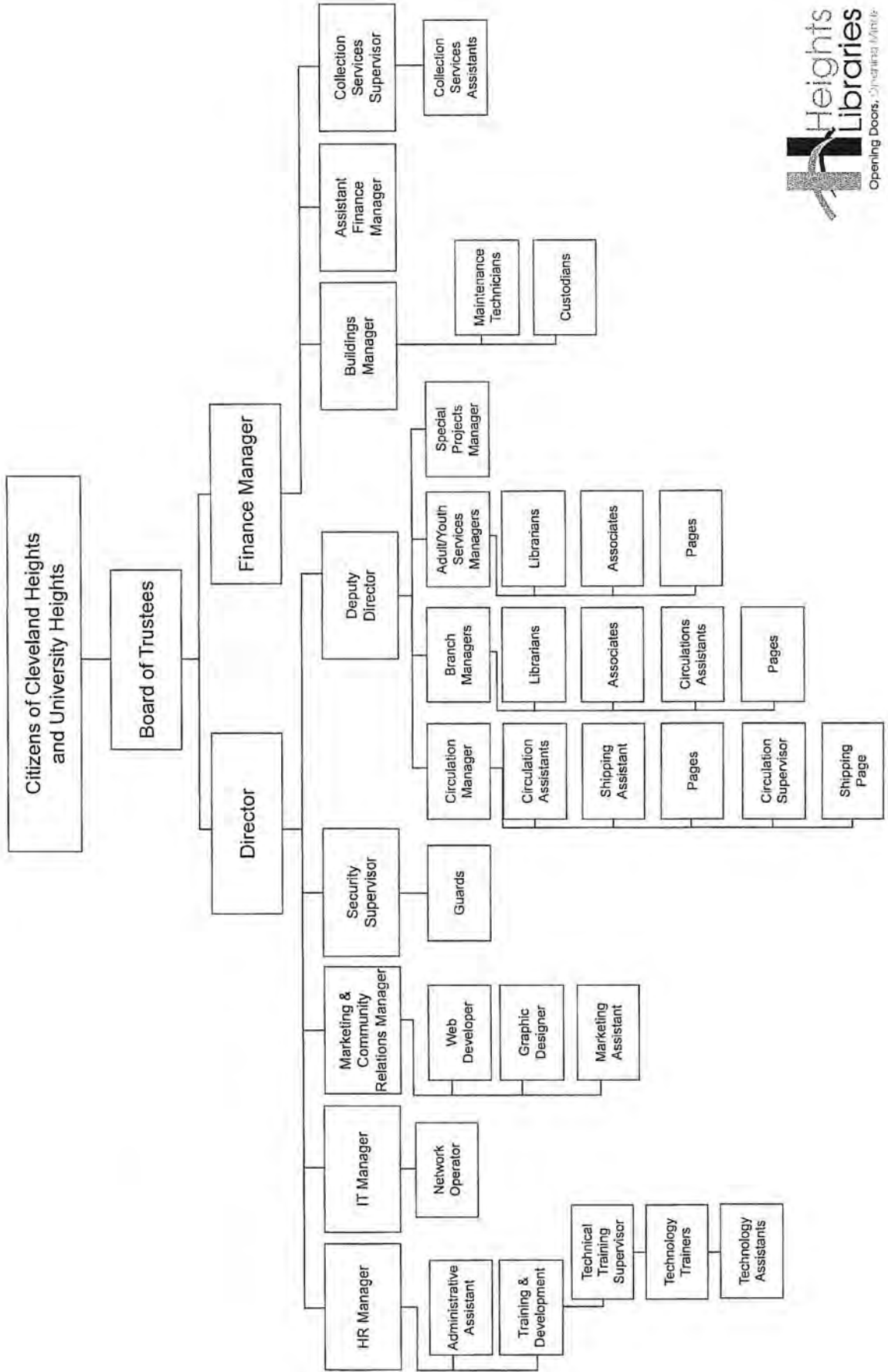
President	James Roosa
Vice President.....	James Posch
Secretary	Ron Holland
Member	Robert Fischer
Member	Rick Ortmeyer
Member	Abby Botnick
Member	Jeffrey Eummer

ADMINISTRATIVE STAFF

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

2013 ORGANIZATION CHART

Cleveland Heights - University Heights Public Library





Government Finance Officers Association

**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, 2012

Executive Director/CEO

Heights Libraries

Cleveland Heights-University Heights

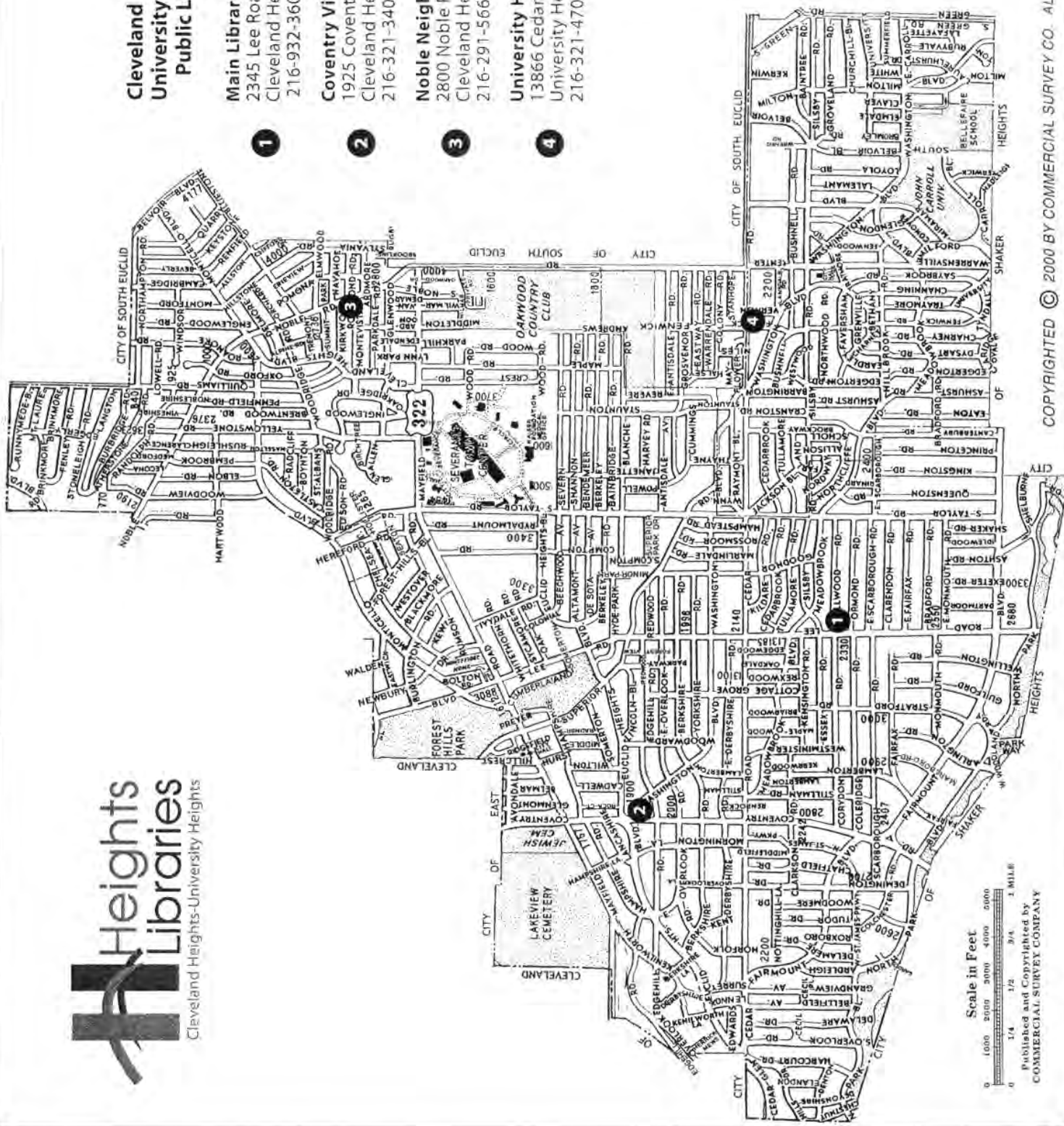
Cleveland Heights-University Heights Public Library

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

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

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

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



Scale in Feet
0 1000 2000 3000 4000 5000
0 1/4 1/2 3/4 1 MILE
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Financial Section



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio (the Library), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio, as of December 31, 2013, and the respective changes in financial position and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the Library's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2014, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

June 26, 2014

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Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

The management's discussion and analysis of the Cleveland Heights-University Heights Public Library's (the Library) financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2013. The intent of this management's discussion and analysis is to look at the Library's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Library's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

- Total net position increased from 2012 resulting from revenues exceeding expenses; tighter spending controls and changes to negotiated agreements have helped keep expenses relatively flat.
- Total assets of governmental activities showed an increase over 2012 from increased cash and cash equivalents which was the direct result of revenues far outpacing expenses in the current year.
- Total liabilities decreased from 2012, primarily as a result of decreases in capital leases.
- Capital assets had additions to land improvements, buildings and improvements, equipment, and furniture. The highlight of these additions was the completion of the technology center renovations.

Using This Annual Financial Report

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

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

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

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

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the Library to provide services to our citizens, the view of the Library as a whole considers all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

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

Fund Financial Statements

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

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

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

term view of the Library's general operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental fund financial statements can be found on pages 16-20 of this report.

The Cleveland Heights-University Heights Public Library as a Whole

Recall that the Statement of Net Position pictures the Library as a whole. Table 1 provides a summary of the Library's net position for 2013 compared to 2012.

Table 1
Net Position

	Governmental Activities		
	2013	2012	Change
Assets			
Current and Other Assets	\$15,692,540	\$15,064,904	\$627,636
Capital Assets, Net	16,992,074	16,808,547	183,527
Total Assets	32,684,614	31,873,451	811,163
Liabilities			
Current Liabilities	200,078	222,739	22,661
Long-Term Liabilities			
Due Within One Year	231,744	226,897	(4,847)
Due in More Than One Year	301,130	369,303	68,173
Total Liabilities	732,952	818,939	85,987
Deferred Inflows of Resources	5,262,765	5,235,400	(27,365)
Net Position			
Investment in Capital Assets	16,675,019	16,419,092	255,927
Restricted for:			
Staff Development			
Nonexpendable	418,502	418,502	0
Expendable	107,581	89,643	17,938
Unrestricted	9,487,795	8,891,875	595,920
Total Net Position	\$26,688,897	\$25,819,112	\$869,785

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Cleveland Heights-University Heights Public Library, assets exceeded liabilities at year-end 2013. Increases in cash and cash equivalents coupled with decreases in long-term liabilities resulted in the increase to net position. By comparing assets and liabilities, one can see the overall position of the Library is good.

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

Table 2 shows the changes in net position for the years ended December 31, 2013 and 2012.

Table 2
Change in Net Position

	Governmental Activities		
	2013	2012	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$127,689	\$136,352	(\$8,663)
Operating Grants and Contributions	18,460	26,908	(8,448)
<i>Total Program Revenues</i>	146,149	163,260	(17,111)
<i>General Revenues</i>			
Property Taxes	5,698,149	5,528,009	170,140
Grants and Entitlements not Restricted to Specific Purposes	3,131,633	3,149,291	(17,658)
Investment Earnings	32,243	24,330	7,913
Miscellaneous	88,399	47,928	40,471
<i>Total General Revenues</i>	8,950,424	8,749,558	200,866
<i>Total Revenues</i>	9,096,573	8,912,818	183,755
Program Expenses			
General Government:			
Public Service	6,603,614	6,032,580	(571,034)
Administration	1,609,684	1,571,627	(38,057)
Interest and Fiscal Charges	13,490	14,589	1,099
<i>Total Program Expenses</i>	8,226,788	7,618,796	(607,992)
<i>Change in Net Position</i>	869,785	1,294,022	(424,237)
Net Position Beginning of Year	25,819,112	24,525,090	1,294,022
Net Position End of Year	\$26,688,897	\$25,819,112	\$869,785

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

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

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

Analysis of Overall Financial Positions and Results of Operations

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

Table 3
Governmental Activities

<u>Programs</u>	<u>Total Cost of Services 2013</u>	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2013</u>	<u>Net Cost of Services 2012</u>
General Government:				
Public Service	\$6,603,614	\$6,032,580	\$6,460,388	\$5,899,231
Administration	1,609,684	1,571,627	1,606,761	1,541,716
Interest and Fiscal Charges	13,490	14,589	13,490	14,589
Total Expenses	<u>\$8,226,788</u>	<u>\$7,618,796</u>	<u>\$8,080,639</u>	<u>\$7,455,536</u>

The difference in the total cost and net cost of services represents restricted grants, fees and donations. The dependence upon general tax revenues for governmental activities is apparent. 69.16 percent of total expenses are supported through taxes.

Governmental Activities

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

Library property tax revenues (using full accrual numbers) in 2013 increased over 2012. The area of Cleveland Heights is not immune to the economic situation affecting the Country. The Library System's geographic boundaries encompass several inner-ring suburbs of the City of Cleveland. These communities are primarily residential in nature. The proximity and the easy access of the cities to major cultural, educational and medical facilities in northeast Ohio typically contributes to climbing property values, a key indicator of a community's economic health and stability, where the primary "industry" is housing. Typically, the vitality of the area is also demonstrated by new construction over the past few years, development and redevelopment of retail and

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

commercial corridors found throughout each community. However, even with the current foreclosure crisis and overall increase in delinquencies, there is a slight upturn in the state economy which caused the slight increase.

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

The majority of the Library's program expenses are for public services, 80.30 percent. Public services showed an increase from 2012, as the result of wage increases due to changes to negotiated agreements in addition to final payments made on the technology renovation project. Administration accounts for an additional 19.57 percent of total expenses. The remaining program expenses, amounting to less than one percent, represent interest and fiscal charges.

The Library's Funds

Information about the Library's governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue of \$8,968,512 and expenditures of \$8,473,641. The most significant fund is our general fund with an unassigned fund balance at year-end of \$6,385,108 compared to annual expenditures of \$7,704,448. \$560,000 was transferred to the building and repairs capital projects fund. This transfer enabled the Library to fund various capital improvements. The general fund balance had an increase from 2012 due to the Library being fiscally responsible and ensuring that revenues are far exceeding expenditures for the year. The building and repairs capital projects fund had a decrease in fund balance as the Library completed renovations to the technology center during 2013.

General Fund Budgetary Highlights

The Library's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of 2013, the Library amended its general fund budget, but no amendment was significant. For the general fund, original and final budgeted revenues were \$8,636,793 and \$8,658,593, respectively. Actual revenues were \$287,673 higher than final budgeted resources due to increases to anticipated property taxes. Original and final budgeted expenditures in the general fund were \$8,565,171 and \$8,448,017, respectively. Actual expenditures were \$629,390 lower than final budgeted expenditures due to careful monitoring of expenditures that resulted in decreases to all expenditure line items.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

Capital Assets and Debt

Capital Assets

(Table 4)

Capital Assets at December 31
(Net of Accumulated Depreciation)

	Governmental Activities		
	2013	2012	Change
Land	\$791,638	\$791,638	\$0
Construction in Progress	0	83,340	(83,340)
Land Improvements	65,528	76,117	(10,589)
Buildings and Building Improvements	14,993,982	14,705,528	288,454
Equipment	956,252	992,063	(35,811)
Furniture	178,545	152,318	26,227
Vehicles	6,129	7,543	(1,414)
Total Capital Assets	\$16,992,074	\$16,808,547	\$183,527

The most significant changes in our capital assets came from the completion of renovations to the technology center in addition to taking another year's worth of depreciation. The Library is committed to a long-term goal of rebuilding and renovating facilities. See Note 10 for additional information on capital assets.

Long-term Obligations

As of December 31, 2013, the Cleveland Heights-University Heights Public Library had outstanding balances in compensated absences and capital leases. See Note 16 for additional information on the Library's debt.

(Table 5)

Outstanding Obligations at Year End

	Governmental Activities		
	2013	2012	Change
Compensated Absences	\$215,819	\$206,745	\$9,074
Capital Leases	317,055	389,455	(72,400)
Total	\$532,874	\$596,200	(\$63,326)

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

Current Financial Related Activities

The Cleveland Heights-University Heights Public Library has continued to maintain the highest standard of service to the patrons of our communities. The Cleveland Heights-University Heights Public Library is financially strong. The Library saw a slight increase in revenues from 2012 and revenues outpaced expenditures which is part of our strong, fiscally responsible financial plan to live within our means. The Board of Library Trustees and administration closely monitor its revenues and expenditures in accordance with its financial forecast.

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

The Board of Trustees and Director work extremely hard at containing health care costs by ensuring the pricing it receives is competitive and promotes employee wellness programs. While the cost increases for medical insurance are unavoidable in today's environment, the Library is working diligently to maintain a high level of coverage for its employees at the lowest cost possible.

Contacting the Library's Finance Department

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

Basic Financial Statements

Cleveland Heights-University Heights Public Library

Statement of Net Position

December 31, 2013

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$7,835,202
Accounts Receivable	2,497
Accrued Interest	2,208
Intergovernmental Receivable	1,552,742
Prepaid Items	31,960
Property Taxes Receivable	6,267,931
Nondepreciable Capital Assets, Net	791,638
Depreciable Capital Assets, Net	<u>16,200,436</u>
<i>Total Assets</i>	<u>32,684,614</u>
Liabilities	
Accounts Payable	30,046
Accrued Wages	111,693
Intergovernmental Payable	54,641
Accrued Interest Payable	3,698
Long-Term Liabilities:	
Due Within One Year	231,744
Due In More Than One Year	<u>301,130</u>
<i>Total Liabilities</i>	<u>732,952</u>
Deferred Inflows of Resources	
Property Taxes	<u>5,262,765</u>
Net Position	
Net Investment in Capital Assets	16,675,019
Restricted for:	
Staff Development	
Nonexpendable	418,502
Expendable	107,581
Unrestricted	<u>9,487,795</u>
<i>Total Net Position</i>	<u>\$26,688,897</u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library

Statement of Activities

For the Year Ended December 31, 2013

	<u>Program Revenues</u>			Net (Expense) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General Government:				
Public Service	\$6,603,614	\$125,135	\$18,091	(\$6,460,388)
Administration	1,609,684	2,554	369	(1,606,761)
Interest and Fiscal Charges	13,490	0	0	(13,490)
<i>Total Governmental Activities</i>	<u>\$8,226,788</u>	<u>\$127,689</u>	<u>\$18,460</u>	<u>(8,080,639)</u>
		General Revenues		
		Property Taxes Levied for General Purposes		5,698,149
		Grants and Entitlements not Restricted to Specific Programs		3,131,633
		Investment Earnings		32,243
		Miscellaneous		88,399
		<i>Total General Revenues</i>		<u>8,950,424</u>
		Change in Net Position		869,785
		<i>Net Position Beginning of Year</i>		<u>25,819,112</u>
		<i>Net Position End of Year</i>		<u>\$26,688,897</u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library

Balance Sheet

Governmental Funds

December 31, 2013

	General	Building and Repairs	Non-Major Staff Development	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,729,281	\$579,838	\$522,046	\$7,831,165
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	4,037	0	0	4,037
Receivables:				
Property Taxes	6,267,931	0	0	6,267,931
Accounts	2,497	0	0	2,497
Intergovernmental	1,552,742	0	0	1,552,742
Accrued Interest	2,208	0	0	2,208
Prepaid Items	31,960	0	0	31,960
<i>Total Assets</i>	<u>\$14,590,656</u>	<u>\$579,838</u>	<u>\$522,046</u>	<u>\$15,692,540</u>
Liabilities				
Accounts Payable	\$30,046	\$0	\$0	\$30,046
Accrued Wages	111,693	0	0	111,693
Intergovernmental Payable	54,641	0	0	54,641
Accrued Interest Payable	3,698	0	0	3,698
<i>Total Liabilities</i>	<u>200,078</u>	<u>0</u>	<u>0</u>	<u>200,078</u>
Deferred Inflows of Resources				
Property Taxes	5,262,765	0	0	5,262,765
Unavailable Revenue	2,360,551	0	0	2,360,551
<i>Total Deferred Inflows of Resources</i>	<u>7,623,316</u>	<u>0</u>	<u>0</u>	<u>7,623,316</u>
Fund Balances				
Nonspendable	35,997	0	418,502	454,499
Restricted	0	0	103,544	103,544
Committed	13,545	35,000	0	48,545
Assigned	332,612	544,838	0	877,450
Unassigned	6,385,108	0	0	6,385,108
<i>Total Fund Balances</i>	<u>6,767,262</u>	<u>579,838</u>	<u>522,046</u>	<u>7,869,146</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$14,590,656</u>	<u>\$579,838</u>	<u>\$522,046</u>	<u>\$15,692,540</u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library

Reconciliation of Total Governmental Fund Balances to

Net Position of Governmental Activities

December 31, 2013

Total Governmental Fund Balances		\$7,869,146
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		16,992,074
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	1,005,166	
Intergovernmental	<u>1,355,385</u>	
Total		2,360,551
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated Absences	(215,819)	
Capital Leases	<u>(317,055)</u>	
Total		<u>(532,874)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$26,688,897</u></u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library
Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2013

	General	Building and Repairs	Non-Major Staff Development	Total Governmental Funds
Revenues				
Property Taxes	\$5,535,659	\$0	\$0	\$5,535,659
Patron Fines and Fees	78,225	0	0	78,225
Intergovernmental	3,166,062	0	0	3,166,062
Interest	13,463	566	18,214	32,243
Donations	18,460	0	0	18,460
Rentals	49,464	0	0	49,464
Miscellaneous	88,399	0	0	88,399
<i>Total Revenues</i>	<u>8,949,732</u>	<u>566</u>	<u>18,214</u>	<u>8,968,512</u>
Expenditures				
Current:				
General Government:				
Public Service	5,828,445	8,940	0	5,837,385
Administration	1,587,691	0	4,313	1,592,004
Capital Outlay	202,422	755,940	0	958,362
Debt Service:				
Principal Retirement	72,400	0	0	72,400
Interest and Fiscal Charges	13,490	0	0	13,490
<i>Total Expenditures</i>	<u>7,704,448</u>	<u>764,880</u>	<u>4,313</u>	<u>8,473,641</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,245,284</u>	<u>(764,314)</u>	<u>13,901</u>	<u>494,871</u>
Other Financing Sources (Uses)				
Transfers In	0	560,000	0	560,000
Transfers Out	(560,000)	0	0	(560,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(560,000)</u>	<u>560,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	685,284	(204,314)	13,901	494,871
<i>Fund Balances Beginning of Year</i>	<u>6,081,978</u>	<u>784,152</u>	<u>508,145</u>	<u>7,374,275</u>
<i>Fund Balances End of Year</i>	<u><u>\$6,767,262</u></u>	<u><u>\$579,838</u></u>	<u><u>\$522,046</u></u>	<u><u>\$7,869,146</u></u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2013*

Net Change in Fund Balances - Total Governmental Funds \$494,871

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	681,450	
Depreciation	<u>(497,923)</u>	
 Total		 183,527

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

Property Taxes	162,490	
Intergovernmental	<u>(34,429)</u>	
 Total		 128,061

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 72,400

Some expenses, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (9,074)

Change in Net Position of Governmental Activities \$869,785

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library

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

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$5,257,491	\$5,214,981	\$5,535,659	\$320,678
Patron Fines and Fees	98,698	97,900	78,225	(19,675)
Intergovernmental	3,177,934	3,173,862	3,167,926	(5,936)
Interest	6,553	6,500	11,255	4,755
Donations	17,885	17,750	18,460	710
Rentals	40,326	40,000	47,464	7,464
Miscellaneous	37,906	107,600	87,277	(20,323)
<i>Total Revenues</i>	<u>8,636,793</u>	<u>8,658,593</u>	<u>8,946,266</u>	<u>287,673</u>
Expenditures				
Current:				
General Government:				
Public Service	6,481,632	6,390,541	6,021,357	369,184
Administration	1,785,681	1,779,281	1,580,857	198,424
Capital Outlay	297,858	278,195	216,413	61,782
<i>Total Expenditures</i>	<u>8,565,171</u>	<u>8,448,017</u>	<u>7,818,627</u>	<u>629,390</u>
<i>Excess of Revenues Over Expenditures</i>	71,622	210,576	1,127,639	917,063
Other Financing Uses				
Transfers Out	<u>(559,938)</u>	<u>(560,000)</u>	<u>(560,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(488,316)	(349,424)	567,639	917,063
<i>Fund Balance Beginning of Year</i>	5,914,285	5,914,285	5,914,285	0
Prior Year Encumbrances Appropriated	<u>118,092</u>	<u>118,092</u>	<u>118,092</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,544,061</u>	<u>\$5,682,953</u>	<u>\$6,600,016</u>	<u>\$917,063</u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

Note 1 – Description of the Library and Reporting Entity

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

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

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board (GASB), “The Financial Reporting Entity,” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units”, the Library is considered to be a related organization of the Cleveland Heights-University Heights City School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library approves the budget, the issuance of debt or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The Library has no component units.

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

Note 2 - Summary of Significant Accounting Policies

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

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Library as a whole. These statements usually distinguish between those activities of the Library that are governmental and those that are considered business-type. However, the Library has only governmental activities; therefore no business-type activities are presented.

The statement of net position presents the financial condition of the governmental activities of the Library at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Library.

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

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The Library's funds are all classified as governmental.

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

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

Building and Repairs Fund This fund accounts for and reports assigned monies set aside by the Board of Library Trustees specifically for major capital and technology improvements that include the renovation and construction of the Library's branches.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

The staff development nonmajor governmental fund accounts for and reports revenue received as interest from principal left to the Library as part of the estate of Larry Bauer. An ordinance passed by the Library Trustees maintains the principal balance and is included as nonspendable, while the interest is restricted specifically for staff development programs.

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

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

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

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, Library and Local Government Support Fund payments, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from Library and Local Government Support Fund payments, grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Library must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Library, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance fiscal year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Library unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

Cash and Cash Equivalents

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

During 2013, investments were limited to STAR Ohio, US Savings Bonds and nonnegotiable certificates of deposit.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold for on December 31, 2013.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the staff development special revenue fund during 2013 amounted to \$18,214, \$16,066 of which is assigned from other Library funds.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Restricted Assets

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Library was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The Library maintains a capitalization threshold of five hundred dollars with the exception of land as land was listed regardless of cost. The Library does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land Improvements	5-40 Years
Buildings and Improvements	5-99 Years
Equipment	3-20 Years
Furniture	5-20 Years
Vehicles	10 years

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

Assigned: Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Trustees. In the general fund, assigned amounts represent intended uses established by Library Board or a Library official delegated that authority by Library resolution or by State statute. State statute authorizes the Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Library Board assigned fund balance to cover a gap between estimated revenue and appropriations in 2014's appropriated budget.

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

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

Net Position

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

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

Internal Activity

Transfers between governmental activities are eliminated on the government wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

Estimates

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

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

Budgetary Process

All funds are legally required to be budgeted and appropriated. The budgetary process is prescribed by provisions of the Ohio Administrative Code and entails the preparation of budgetary documents within an established timetable. The Ohio Administrative Code section 117-8 does not require public libraries to budget receipts. However, sound budget practice suggests a government cannot appropriate responsibly unless they have an estimate of resources to support the appropriations. The Board must annually approve appropriation measures and subsequent amendments. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The certificate of estimated resources establishes a limit on the amount the Board of Trustees may appropriate. The appropriations resolution is the Board of Trustees' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established by the Board of Trustees at the fund and function level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Trustees. The Fiscal Officer has been given authority to allocate Board appropriations to the object level within each fund.

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

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

Note 3 – Changes in Accounting Principle

For 2013, the Library has implemented Governmental Accounting Standard Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus."

GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. These changes were incorporated in the Library's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Fund Balances

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

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

Fund Balances	General	Building and Repairs	Staff Development	Total
<u>Nonspendable:</u>				
Prepays	\$31,960	\$0	\$0	\$31,960
Unclaimed Monies	4,037	0	0	4,037
Staff Development Endowment	0	0	418,502	418,502
<i>Total Nonspendable</i>	<u>35,997</u>	<u>0</u>	<u>418,502</u>	<u>454,499</u>
<u>Restricted for:</u>				
Staff Development	0	0	103,544	103,544
<u>Committed to:</u>				
Building Improvements and Repair	0	35,000	0	35,000
Memorial Books and Society for Deaf	13,545	0	0	13,545
<i>Total Committed</i>	<u>13,545</u>	<u>35,000</u>	<u>0</u>	<u>48,545</u>
<u>Assigned to:</u>				
Building Improvements and Repair	0	544,838	0	544,838
Purchases on Order	131,040	0	0	131,040
Year 2014 Appropriations	201,572	0	0	201,572
<i>Total Assigned</i>	<u>332,612</u>	<u>544,838</u>	<u>0</u>	<u>877,450</u>
Unassigned:	6,385,108	0	0	6,385,108
Total Fund Balances	<u><u>\$6,767,262</u></u>	<u><u>\$579,838</u></u>	<u><u>\$522,046</u></u>	<u><u>\$7,869,146</u></u>

Note 5 - Budgetary Basis of Accounting

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

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

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

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

Net Change in Fund Balance

GAAP Basis	\$685,284
Net Adjustment for Revenue Accruals	(3,466)
Net Adjustment for Expenditure Accruals	19,123
Encumbrances	<u>(133,302)</u>
Budget Basis	<u><u>\$567,639</u></u>

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States treasury bills, bonds, notes or any other obligation and security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$2,330,006 of the Library's bank balance of \$7,274,531 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Library to a successful claim by the FDIC.

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

Investments

Investments are reported at fair value. As of December 31, 2013, the Library had the following investments:

	Fair Value	Maturity	Standard & Poor's	Percent of Total Investments
STAR Ohio	\$214,868	Average 53.4 Days	AAAm	N/A
United States Savings Bonds	\$31,657	Less than six months	N/A	4.38%
United States Savings Bonds	140,969	Less than three years	N/A	19.48
United States Savings Bonds	103,432	Less than five years	N/A	14.30
United States Savings Bonds	143,860	Less than eight years	N/A	19.88
United States Savings Bonds	67,576	Less than nine years	N/A	9.34
United States Savings Bonds	21,160	Less than eleven years	N/A	2.92
Total Investments	<u>\$723,522</u>			

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

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

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Library has no investment policy that addresses credit risk.

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

Note 7 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Cleveland Heights-University Heights City School District. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes were levied after October 1, 2013, on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2013 was \$7.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2013 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Values</u>
Real Estate	
Residential/Agricultural	\$896,858,400
Other Real Estate	171,379,150
Tangible Personal Property	
Public Utility	16,523,940
Total	<u><u>\$1,084,761,490</u></u>

The County Treasurer collects property tax on behalf of all taxing districts within the county, including the Library. The County Fiscal Officer periodically remits to the Library its portion of the taxes collected. Property taxes receivable represents real and public utility taxes which are measurable as of December 31, 2013, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2013 operations is offset to deferred inflows of resources – property taxes. On the

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

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

Note 8 - Receivables

Receivables at December 31, 2013, consisted of taxes, intergovernmental, accounts and accrued interest. The intergovernmental receivables at December 31, 2013, were \$1,152,405 of Library and Local Government Support Fund revenues received through the State of Ohio, \$399,712 for homestead and rollback and \$625 from the IRS for a penalty reimbursement. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Note 9 – Capital Leases

In prior years, the Library entered into lease agreements for the acquisition of copiers, communication equipment, an office phone system and an energy management system. The Library’s lease obligations meet the criteria of a capital lease and have been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book value as of December 31, 2013 follows:

Assets:	
Equipment	\$680,842
Less: Accumulated Depreciation	<u>(225,849)</u>
Net Book Values	<u><u>\$454,993</u></u>

The following is a schedule of the future long-term minimum lease payments required on the capital leases and present value of the minimum lease payments as of December 31, 2013. All lease payments are made from the general fund.

<u>Year Ending December 31,</u>	<u>Amount</u>
2014	\$69,722
2015	49,987
2016	49,987
2017	49,986
2018	49,987
2019-2020	<u>99,373</u>
Total Minimum Lease Payments	369,042
Less: Amount Representing Interest	<u>(51,987)</u>
Present Value of Minimum Lease	<u><u>\$317,055</u></u>

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

Note 10 - Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance 12/31/12	Additions	Reductions	Balance 12/31/13
Governmental activities:				
Capital assets, not being depreciated				
Land	\$791,638	\$0	\$0	\$791,638
Construction in progress	83,340	423,589	(506,929)	0
Total capital assets not being depreciated	<u>874,978</u>	<u>423,589</u>	<u>(506,929)</u>	<u>791,638</u>
Capital assets, being depreciated				
Land Improvements	399,730	7,500	0	407,230
Buildings and Improvements	17,516,013	585,930	0	18,101,943
Equipment	1,834,952	127,221	0	1,962,173
Furniture	184,687	44,139	0	228,826
Vehicles	9,900	0	0	9,900
Total capital assets being depreciated	<u>19,945,282</u>	<u>764,790</u>	<u>0</u>	<u>20,710,072</u>
Accumulated depreciation				
Land Improvements	(323,613)	(18,089)	0	(341,702)
Buildings and Improvements	(2,810,485)	(297,476)	0	(3,107,961)
Equipment	(842,889)	(163,032)	0	(1,005,921)
Furniture	(32,369)	(17,912)	0	(50,281)
Vehicles	(2,357)	(1,414)	0	(3,771)
Total accumulated depreciation	<u>(4,011,713)</u>	<u>(497,923)</u>	<u>0</u>	<u>(4,509,636)</u>
Total Capital assets being depreciated, net	<u>15,933,569</u>	<u>266,867</u>	<u>0</u>	<u>16,200,436</u>
Governmental activities capital assets, net	<u>\$16,808,547</u>	<u>\$690,456</u>	<u>(\$506,929)</u>	<u>\$16,992,074</u>

* Depreciation expense was charged to governmental activities as follows:

General Government:	
Public Service	\$486,758
Administration	<u>11,165</u>
Total	<u><u>\$497,923</u></u>

Note 11 - 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 2013, the Library contracted with Love Insurance for various types of insurance coverage as follows:

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

Type of Coverage	Coverage
Commercial Property	\$31,165,216
Library Materials	8,144,401
Inland Marine:	
Electronic Equipment	395,000
Electronic Media and Extra Expense (per)	60,000
General Liability (per)	2,000,000
Commercial Crime and Computer Fraud (per)	5,000
Public Employee Dishonesty, Forgery and Funds Transfer Fraud (per)	10,000
Vehicle	2,000,000
Errors and Omissions	2,000,000
Library Officials	2,000,000

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

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

Note 12 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions. For the year ended

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

December 31, 2013, members in state and local divisions contributed 10 percent of covered payroll. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2013, member and employer contribution rates were consistent across all three plans.

The Library's 2013 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contribution allocated to health care was 1 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2 percent. Employer contribution rates are actuarially determined.

The Library's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$486,638, \$370,178, and \$362,584, respectively. For 2013, 94.85 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were \$18,053 made by the Library and \$25,274 made by plan members.

Note 13 - Postemployment Benefits

Ohio Public Employees Retirement System

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

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

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan and the Combined Plan was 1 percent. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$37,434, \$148,071, and \$145,034, respectively. For 2013, 94.85 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

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

Note 14 – Other Employee Benefits

Compensated Absences

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

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

Insurance

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

Note 15 – Interfund Transfers

The general fund transferred \$560,000 to the building and repairs capital projects fund for the purchase and maintenance of various items throughout the Library.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

Note 16 - Long-Term Obligations

A schedule of changes in long-term obligations of the Library during 2013 follows:

	Principal Outstanding 12/31/2012	Additions	Deletions	Principal Outstanding 12/31/2013	Amounts Due In One Year
<i>Governmental Activities</i>					
Compensated Absences	\$206,745	\$300,177	\$291,103	\$215,819	\$173,509
Capital Lease Obligations	389,455	0	72,400	317,055	58,235
<i>Total Governmental Activities</i>	\$596,200	\$300,177	\$363,503	\$532,874	\$231,744

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

Note 17 – Construction and Improvement of Facilities

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

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

Note 18 – Encumbrances

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

General fund	\$133,302
Building Maintenance and Repair	35,786
Total	\$169,088

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

Cleveland Heights-University Heights Public Library

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

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$5,257,491	\$5,214,981	\$5,535,659	\$320,678
Patron Fines and Fees	98,698	97,900	78,225	(19,675)
Intergovernmental	3,177,934	3,173,862	3,167,926	(5,936)
Interest	6,553	6,500	11,255	4,755
Donations	17,885	17,750	18,460	710
Rentals	40,326	40,000	47,464	7,464
Miscellaneous	37,906	107,600	87,277	(20,323)
<i>Total Revenues</i>	<u>8,636,793</u>	<u>8,658,593</u>	<u>8,946,266</u>	<u>287,673</u>
Expenditures				
Current:				
General Government:				
Public Service				
Salaries and Wages	3,843,429	3,843,856	3,639,480	204,376
Purchased Services	1,078,383	1,045,612	945,326	100,286
Materials and Supplies	1,519,574	1,463,623	1,408,554	55,069
Other	40,246	37,450	27,997	9,453
Total Public Service	<u>6,481,632</u>	<u>6,390,541</u>	<u>6,021,357</u>	<u>369,184</u>
Administration				
Salaries and Wages	1,350,394	1,350,544	1,278,736	71,808
Purchased Services	284,887	278,359	250,137	28,222
Materials and Supplies	57,410	57,378	51,984	5,394
Other	92,990	93,000	0	93,000
Total Administration	<u>1,785,681</u>	<u>1,779,281</u>	<u>1,580,857</u>	<u>198,424</u>
Capital Outlay				
Land Improvements	15,998	16,000	1,193	14,807
Building Improvements	90,190	89,100	70,626	18,474
Furniture and Equipment	141,676	123,095	94,607	28,488
Capital Outlay	49,994	50,000	49,987	13
Total Capital Outlay	<u>297,858</u>	<u>278,195</u>	<u>216,413</u>	<u>61,782</u>
<i>Total Expenditures</i>	<u>8,565,171</u>	<u>8,448,017</u>	<u>7,818,627</u>	<u>629,390</u>
<i>Excess of Revenues Over Expenditures</i>	71,622	210,576	1,127,639	917,063
Other Financing Uses				
Transfers Out	(559,938)	(560,000)	(560,000)	0
<i>Net Change in Fund Balance</i>	(488,316)	(349,424)	567,639	917,063
<i>Fund Balance Beginning of Year</i>	5,914,285	5,914,285	5,914,285	0
Prior Year Encumbrances Appropriated	118,092	118,092	118,092	0
<i>Fund Balance End of Year</i>	<u>\$5,544,061</u>	<u>\$5,682,953</u>	<u>\$6,600,016</u>	<u>\$917,063</u>

Cleveland Heights-University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building and Repairs Fund
For the Year Ended December 31, 2013*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$325	\$325	\$566	\$241
Expenditures				
Current:				
General Government:				
Public Service				
Purchased Services	16,380	16,380	8,940	7,440
Capital Outlay				
Building Improvements	1,514,622	1,514,622	673,561	841,061
Furniture and Equipment	220,919	220,919	163,493	57,426
Total Capital Outlay	1,735,541	1,735,541	837,054	898,487
<i>Total Expenditures</i>	1,751,921	1,751,921	845,994	905,927
<i>Excess of Revenues Under Expenditures</i>	(1,751,596)	(1,751,596)	(845,428)	906,168
Other Financing Sources				
Transfers In	1,060,075	1,060,075	560,000	(500,075)
<i>Net Change in Fund Balance</i>	(691,521)	(691,521)	(285,428)	406,093
<i>Fund Balance Beginning of Year</i>	335,717	335,717	335,717	0
Prior Year Encumbrances Appropriated	493,763	493,763	493,763	0
<i>Fund Balance End of Year</i>	\$137,959	\$137,959	\$544,052	\$406,093

Cleveland Heights-University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Staff Development Fund
For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$15,000	\$15,000	\$960	(\$14,040)
Expenditures				
Current:				
General Government:				
Administration				
Purchased Services	<u>4,500</u>	<u>4,500</u>	<u>4,313</u>	<u>187</u>
<i>Net Change in Fund Balance</i>	10,500	10,500	(3,353)	(13,853)
<i>Fund Balance Beginning of Year</i>	<u>508,145</u>	<u>508,145</u>	<u>508,145</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$518,645</u></u>	<u><u>\$518,645</u></u>	<u><u>\$504,792</u></u>	<u><u>(\$13,853)</u></u>

Statistical Section

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Statistical Section

This part of the Cleveland Heights-University Heights Public Library, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Library's overall financial health.

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S9</i>
These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S10 – S20</i>
These schedules contain information to help the reader assess the Library's most significant local revenue, the property tax.	
<i>Debt Capacity</i>	<i>S21 – S22</i>
These schedules present information to help the reader assess the affordability of the Library's current levels of outstanding debt and the Library's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	<i>S23 – S25</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the Library's financial activities take place.	
<i>Operating Information</i>	<i>S26 – S31</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the Library's financial report relates to the services the Library provides and the activities it performs.	

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

Cleveland Heights-University Heights Public Library

Net Position By Component

Last Ten Years

(Accrual Basis of Accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities				
Net Investment in				
Capital Assets	\$16,675,019	\$16,419,092	\$16,340,379	\$15,825,402
Restricted for:				
Capital Projects	0	0	0	1,040,906
Staff Development				
Nonexpendable	418,502	418,502	418,502	418,502
Expendable	107,581	89,643	73,448	55,174
Other Purposes	0	0	0	15,610
Unrestricted	<u>9,487,795</u>	<u>8,891,875</u>	<u>7,692,761</u>	<u>5,905,026</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$26,688,897</u>	<u>\$25,819,112</u>	<u>\$24,525,090</u>	<u>\$23,260,620</u>

2009	2008	2007	2006	2005	2004
\$16,014,552	\$16,066,388	\$16,231,023	\$18,041,395	\$11,967,722	\$6,649,002
672,782	702,020	555,910	1,311,793	6,997,038	12,049,830
418,502	418,502	418,502	418,502	418,502	418,502
32,612	32,612	45,334	47,902	51,697	55,372
6,883	0	0	2,000	0	976
4,427,955	2,392,699	3,188,303	3,308,194	3,491,863	3,324,272
<u>\$21,573,286</u>	<u>\$19,612,221</u>	<u>\$20,439,072</u>	<u>\$23,129,786</u>	<u>\$22,926,822</u>	<u>\$22,497,954</u>

Cleveland Heights-University Heights Public Library

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2013	2012	2011	2010
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Public Service	\$125,135	\$106,441	\$119,666	\$115,270
Administration	2,554	29,911	34,030	31,073
Subtotal - Charges for Services	<u>127,689</u>	<u>136,352</u>	<u>153,696</u>	<u>146,343</u>
Operating Grants and Contributions:				
General Government:				
Public Service	18,091	26,908	86,813	42,670
Administration	369	0	5,425	3,473
Subtotal - Operating Grants and Contributions	<u>18,460</u>	<u>26,908</u>	<u>92,238</u>	<u>46,143</u>
Capital Grants and Contributions:				
General Government				
Public Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government Program Revenues</i>	<u>146,149</u>	<u>163,260</u>	<u>245,934</u>	<u>192,486</u>
Expenses				
Governmental Activities:				
General Government:				
Public Service	6,603,614	6,032,580	6,334,670	6,209,429
Administration	1,609,684	1,571,627	1,553,407	1,512,688
Interest and Fiscal Charges	13,490	14,589	18,729	21,507
<i>Total Governmental Activities Expenses</i>	<u>8,226,788</u>	<u>7,618,796</u>	<u>7,906,806</u>	<u>7,743,624</u>
Net Expense				
Governmental Activities	<u>(8,080,639)</u>	<u>(7,455,536)</u>	<u>(7,660,872)</u>	<u>(7,551,138)</u>
General Revenues				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	5,698,149	5,528,009	5,658,014	5,619,186
Grants and Entitlements not Restricted to Specific Programs	3,131,633	3,149,291	3,177,827	3,575,503
Investment Earnings	32,243	24,330	26,913	21,094
Miscellaneous	88,399	47,928	62,588	22,689
<i>Total Governmental Activities</i>	<u>8,950,424</u>	<u>8,749,558</u>	<u>8,925,342</u>	<u>9,238,472</u>
Change in Net Position				
Governmental Activities	<u>\$869,785</u>	<u>\$1,294,022</u>	<u>\$1,264,470</u>	<u>\$1,687,334</u>

2009	2008	2007	2006	2005	2004
\$105,416	\$103,739	\$116,109	\$100,472	\$105,936	\$116,469
27,571	22,918	28,589	20,658	21,698	27,876
<u>132,987</u>	<u>126,657</u>	<u>144,698</u>	<u>121,130</u>	<u>127,634</u>	<u>144,345</u>
38,494	5,914	2,573	36,541	2,318	5,819
5,946	644	633	703	475	305
<u>44,440</u>	<u>6,558</u>	<u>3,206</u>	<u>37,244</u>	<u>2,793</u>	<u>6,124</u>
3,000	0	0	598	257,999	87,557
<u>180,427</u>	<u>133,215</u>	<u>147,904</u>	<u>158,972</u>	<u>388,426</u>	<u>238,026</u>
6,368,432	7,047,915	9,026,175	6,201,050	6,956,913	6,144,037
1,577,866	1,478,715	2,038,947	1,452,755	1,178,367	1,381,107
21,251	29,122	28,289	42,244	13,564	16,172
<u>7,967,549</u>	<u>8,555,752</u>	<u>11,093,411</u>	<u>7,696,049</u>	<u>8,148,844</u>	<u>7,541,316</u>
<u>(7,787,122)</u>	<u>(8,422,537)</u>	<u>(10,945,507)</u>	<u>(7,537,077)</u>	<u>(7,760,418)</u>	<u>(7,303,290)</u>
6,242,776	4,019,850	4,000,385	4,045,997	4,154,144	4,178,114
3,437,579	3,506,609	3,688,533	3,628,958	3,617,300	3,722,905
30,077	67,337	162,444	357,563	414,154	176,561
37,755	1,890	90,942	20,012	3,688	3,590
<u>9,748,187</u>	<u>7,595,686</u>	<u>7,942,304</u>	<u>8,052,530</u>	<u>8,189,286</u>	<u>8,081,170</u>
<u>\$1,961,065</u>	<u>(\$826,851)</u>	<u>(\$3,003,203)</u>	<u>\$515,453</u>	<u>\$428,868</u>	<u>\$777,880</u>

Cleveland Heights-University Heights Public Library

Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010
General Fund				
Nonspendable	\$35,997	\$50,609	\$49,735	\$32,390
Committed	13,545	16,904	29,316	21,024
Assigned	332,612	89,041	46,583	30,039
Unassigned	6,385,108	5,925,424	5,096,806	3,857,080
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	6,767,262	6,081,978	5,222,440	3,940,533
All Other Governmental Funds				
Nonspendable	418,502	418,502	418,502	418,502
Restricted	103,544	89,643	73,448	70,784
Committed	35,000	493,763	69,289	866,671
Assigned	544,838	290,389	395,028	174,235
Reserved	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Debt Service fund	0	0	0	0
Capital Projects fund	0	0	0	0
Total All Other Governmental Funds	1,101,884	1,292,297	956,267	1,530,192
Total Governmental Funds	\$7,869,146	\$7,374,275	\$6,178,707	\$5,470,725

Note: The Library implemented GASB 54 in 2010.

2009	2008	2007	2006	2005	2004
\$28,255	\$0	\$0	\$0	\$0	\$0
9,747	0	0	0	0	0
69,877	0	0	0	0	0
2,552,844	0	0	0	0	0
0	52,263	217,258	239,157	164,238	145,124
0	822,519	1,290,179	1,444,866	1,570,289	1,364,190
<u>2,660,723</u>	<u>874,782</u>	<u>1,507,437</u>	<u>1,684,023</u>	<u>1,734,527</u>	<u>1,509,314</u>
418,502	0	0	0	0	0
39,495	0	0	0	0	0
0	0	0	0	0	0
672,782	0	0	0	0	0
0	104,731	6,118	1,051,773	5,986,236	884,406
0	449,604	462,212	464,618	467,195	471,150
0	0	0	312,489	0	0
0	598,799	551,416	263,806	1,013,806	11,169,124
<u>1,130,779</u>	<u>1,153,134</u>	<u>1,019,746</u>	<u>2,092,686</u>	<u>7,467,237</u>	<u>12,524,680</u>
<u>\$3,791,502</u>	<u>\$2,027,916</u>	<u>\$2,527,183</u>	<u>\$3,776,709</u>	<u>\$9,201,764</u>	<u>\$14,033,994</u>

Cleveland Heights-University Heights Public Library

Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010
Revenues				
Property Taxes	\$5,535,659	\$5,550,237	\$5,510,252	\$5,553,935
Patron Fines and Fees	78,225	98,859	111,050	107,142
Intergovernmental	3,166,062	3,125,516	3,372,113	3,487,887
Interest	32,243	24,330	26,913	21,094
Donations	18,460	20,293	31,852	17,506
Rentals	49,464	37,493	42,646	39,201
Miscellaneous	88,399	47,928	62,588	22,689
<i>Total Revenues</i>	<u>8,968,512</u>	<u>8,904,656</u>	<u>9,157,414</u>	<u>9,249,454</u>
Expenditures				
Current:				
General Government:				
Public Service	5,837,385	5,630,208	5,580,315	5,633,984
Administration	1,592,004	1,565,815	1,534,769	1,518,458
Capital Outlay	958,362	421,536	1,233,446	314,798
Debt Service:				
Principal Retirement	72,400	76,940	82,173	81,484
Interest and Fiscal Charges	13,490	14,589	18,729	21,507
<i>Total Expenditures</i>	<u>8,473,641</u>	<u>7,709,088</u>	<u>8,449,432</u>	<u>7,570,231</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>494,871</u>	<u>1,195,568</u>	<u>707,982</u>	<u>1,679,223</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	0	0	0	0
Transfers In	560,000	658,500	563,015	614,500
Transfers Out	(560,000)	(658,500)	(563,015)	(614,500)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u><u>\$494,871</u></u>	<u><u>\$1,195,568</u></u>	<u><u>\$707,982</u></u>	<u><u>\$1,679,223</u></u>
Debt Service as a Percentage of Noncapital Expenditures	1.1%	1.2%	1.4%	1.4%

2009	2008	2007	2006	2005	2004
\$5,962,946	\$4,006,125	\$3,995,415	\$4,137,884	\$4,134,195	\$4,204,497
112,203	108,402	123,751	107,456	114,514	133,045
3,530,889	3,607,370	3,693,850	3,686,792	3,671,580	3,669,810
30,077	67,337	162,444	357,563	414,154	176,561
32,680	6,558	3,206	22,630	260,792	88,737
20,784	18,255	20,947	13,674	13,120	11,300
37,755	1,890	90,942	20,012	3,688	3,590
<u>9,727,334</u>	<u>7,815,937</u>	<u>8,090,555</u>	<u>8,346,011</u>	<u>8,612,043</u>	<u>8,287,540</u>
6,026,405	6,426,265	6,202,089	5,864,854	5,683,861	5,640,180
1,558,492	1,466,785	1,577,507	1,419,563	1,182,721	1,358,823
406,361	321,679	1,574,996	6,927,497	6,515,594	1,284,583
69,450	71,353	79,224	108,261	99,285	111,935
21,251	29,122	34,084	36,449	13,564	16,172
<u>8,081,959</u>	<u>8,315,204</u>	<u>9,467,900</u>	<u>14,356,624</u>	<u>13,495,025</u>	<u>8,411,693</u>
<u>1,645,375</u>	<u>(499,267)</u>	<u>(1,377,345)</u>	<u>(6,010,613)</u>	<u>(4,882,982)</u>	<u>(124,153)</u>
118,211	0	127,819	585,558	50,752	118,622
300,000	400,000	612,489	712,489	900,000	1,000,000
(300,000)	(400,000)	(612,489)	(712,489)	(900,000)	(1,000,000)
<u>118,211</u>	<u>0</u>	<u>127,819</u>	<u>585,558</u>	<u>50,752</u>	<u>118,622</u>
<u>\$1,763,586</u>	<u>(\$499,267)</u>	<u>(\$1,249,526)</u>	<u>(\$5,425,055)</u>	<u>(\$4,832,230)</u>	<u>(\$5,531)</u>
1.2%	1.2%	1.2%	2.0%	1.6%	1.8%

Cleveland Heights-University Heights Public Library
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2013	\$896,858,400	\$171,379,150	\$3,052,107,286	\$16,523,940	\$18,777,205
2012	900,875,670	167,529,470	3,052,586,114	15,110,130	17,170,602
2011	948,255,120	172,363,120	3,201,766,400	13,770,650	15,648,466
2010	958,818,960	174,565,760	3,238,242,057	13,289,430	15,101,625
2009	959,766,770	172,123,380	3,233,971,857	12,905,470	14,665,307
2008	1,035,088,170	182,208,130	3,477,989,429	12,095,890	13,745,330
2007	1,034,579,860	196,135,280	3,516,328,971	11,548,270	13,123,034
2006	1,031,665,920	186,687,680	3,481,010,286	17,706,520	20,121,045
2005	903,510,300	165,323,030	3,053,809,514	27,878,630	31,680,261
2004	902,759,460	232,806,480	3,244,474,114	30,356,400	34,495,909

Source: Cuyahoga County, Ohio; Fiscal Officer

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero percent for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

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

Tangible Personal Property					Weighted Average Tax Rate (per \$1,000 of Assessed Value)
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$1,084,761,490	\$3,070,884,490	35.32 %	\$6.0140
0	0	1,083,515,270	3,069,756,717	35.30	5.9130
0	0	1,134,388,890	3,217,414,866	35.26	5.2635
0	0	1,146,674,150	3,253,343,682	35.25	5.2772
0	0	1,144,795,620	3,248,637,164	35.24	5.2743
4,791,945	76,671,120	1,234,184,135	3,568,405,879	34.59	5.4490
9,140,242	73,121,936	1,251,403,652	3,602,573,942	34.74	3.6256
17,686,445	94,327,707	1,253,746,565	3,595,459,038	34.87	3.6480
23,111,301	100,483,917	1,119,823,261	3,185,973,692	35.15	4.1328
22,495,796	97,807,809	1,188,418,136	3,376,777,832	35.19	4.1154

Cleveland Heights-University Heights Public Library

Property Tax Rates - Direct and Overlapping Governments

(Per \$1,000 of Assessed Valuation)

Last Ten Years

	2013	2012	2011	2010
Voted Millage - by levy				
1992 Current Expense				
Residential/Agricultural Real	\$2.5401	\$2.5299	\$2.4060	\$2.3828
Commercial/Industrial and Public Utility Real	2.8819	2.8874	2.7867	2.7398
General Business and Public Utility Personal	4.0000	4.0000	4.0000	4.0000
2000 Current Expense				
Residential/Agricultural Real	1.4831	1.4772	1.4048	1.3913
Commercial/Industrial and Public Utility Real	1.5386	1.5415	1.4878	1.4628
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000
2008 Current Expense				
Residential/Agricultural Real	1.9000	1.9000	1.9000	1.9000
Commercial/Industrial and Public Utility Real	1.8964	1.9000	1.9000	1.8688
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000
Total Millage				
Residential/Agricultural Real	\$5.9232	\$5.9071	\$5.7108	\$5.6741
Commercial/Industrial and Public Utility Real	6.3169	6.3289	6.1745	6.0714
General Business and Public Utility Personal	7.8000	7.8000	7.8000	7.8000
Overlapping Rates by Taxing District				
Cleveland Heights City				
Residential/Agricultural Real	\$12.9000	\$13.0000	\$12.9000	\$12.9000
Commercial/Industrial and Public Utility Real	12.9000	13.0000	12.9000	12.9000
General Business and Public Utility Personal	12.9000	13.0000	12.9000	12.9000
University Heights City				
Residential/Agricultural Real	13.2000	13.2000	13.2000	13.2000
Commercial/Industrial and Public Utility Real	13.2000	13.2000	13.2000	13.2000
General Business and Public Utility Personal	13.2000	13.2000	13.2000	13.2000

2009	2008	2007	2006	2005	2004
\$2.3771	\$2.2031	\$2.1967	\$2.1947	\$2.4945	\$2.4929
2.7856	2.7275	2.7105	2.7188	2.9866	2.8406
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
1.3880	1.2864	1.2826	1.2815	1.4565	1.4556
1.4872	1.4562	1.4471	1.4515	1.5945	1.5166
1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
1.9000	1.9000	0.0000	0.0000	0.0000	0.0000
1.9000	1.9000	0.0000	0.0000	0.0000	0.0000
1.9000	1.9000	0.0000	0.0000	0.0000	0.0000
\$5.6651	\$5.3895	\$3.4793	\$3.4762	\$3.9510	\$3.9485
6.1728	6.0837	4.1576	4.1703	4.5811	4.3572
7.8000	7.8000	5.9000	5.9000	5.9000	5.9000

\$12.9000	\$12.9000	\$12.9000	\$13.0000	\$13.0000	\$13.1000
12.9000	12.9000	12.9000	13.0000	13.0000	13.1000
12.9000	12.9000	12.9000	13.0000	13.0000	13.1000
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000

(continued)

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

	2013	2012	2011	2010
South Euclid City				
Residential/Agricultural Real	\$16.1215	\$13.1000	\$13.1000	\$13.1000
Commercial/Industrial and Public Utility Real	16.3500	13.1000	13.1000	13.1000
General Business and Public Utility Personal	16.3500	13.1000	13.1000	13.1000
Cleveland Heights/University Heights City School District				
Residential/Agricultural Real	92.7788	74.3049	71.7220	64.3156
Commercial/Industrial and Public Utility Real	80.3810	87.0446	84.6791	76.5609
General Business and Public Utility Personal	149.5900	143.7000	143.7000	136.8000
Cuyahoga County				
Residential/Agricultural Real	13.9495	13.2200	13.1182	13.1866
Commercial/Industrial and Public Utility Real	14.0500	12.9968	12.7846	12.8412
General Business and Public Utility Personal	14.0500	13.2200	13.2200	13.3200
Special Taxing Districts (1)				
Residential/Agricultural Real	5.9639	5.0635	5.0041	4.9900
Commercial/Industrial and Public Utility Real	5.8843	4.9621	4.8649	4.8450
General Business and Public Utility Personal	5.9800	5.0800	5.0800	5.0800

Source: Cuyahoga County Fiscal Officer

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

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

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

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

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

2009	2008	2007	2006	2005	2004
\$13.2670	\$13.1066	\$12.9048	\$12.9037	\$13.2397	\$13.2394
13.2621	13.2611	13.0691	13.0711	13.2964	13.3008
14.9000	14.9000	14.7000	14.7000	14.9000	14.9000
64.1927	60.2980	60.1573	53.0145	59.4523	59.5232
77.7531	76.2906	75.8676	68.9863	75.1736	71.8459
136.8000	136.7000	136.7000	129.6000	129.5000	129.6000
13.1789	12.6607	11.8688	11.8655	11.7227	10.9754
12.8457	12.8153	12.4535	12.4941	12.5762	11.9846
13.3200	13.3200	13.4200	13.4200	13.5200	13.5200
4.5068	4.1597	4.1590	4.1576	4.2965	4.2949
4.4119	4.3911	4.3800	4.3962	4.5552	4.5175
4.7800	4.7800	4.7800	4.7800	4.7800	4.7800

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

Year	Total Tax Levy(1)	Current Tax Collections(1)	Percent of Current Tax Collections To Current Tax Levy	Delinquent Tax Collection (3)	Total Tax Collections(2)(4)
2013	\$7,383,904	\$6,025,104	81.60%	\$296,178	\$6,321,282
2012	7,370,086	6,095,982	82.71	314,701	6,410,683
2011	6,658,267	6,030,499	90.57	301,253	6,331,752
2010	6,654,296	6,082,138	91.40	337,096	6,419,234
2009	6,781,043	6,310,205	93.06	308,608	6,618,813
2008	4,437,530	4,120,788	92.86	220,649	4,341,437
2007	4,464,818	4,112,555	92.11	221,087	4,333,642
2006	4,511,524	4,245,826	94.11	234,895	4,480,721
2005	4,560,243	4,276,028	93.77	223,680	4,499,708
2004	4,514,148	4,303,482	95.33	264,985	4,568,467

Source: Cuyahoga County, Ohio; Fiscal Officer

(1) Information for Real and Public Utility Property Only

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

(3) The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

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

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Tax Levy
85.61%	\$971,103	13.15 %
86.98	\$808,031	10.96
95.10	829,594	12.46
96.47	678,890	10.20
97.61	624,212	9.21
97.83	355,942	8.02
97.06	358,336	8.03
99.32	353,366	7.83
98.67	445,253	9.76
101.20	425,304	9.42

Cleveland Heights-University Heights Public Library

Personal Property Tax Levies And Collections

Last Ten Years

Year	Total Tax Levy	Current Tax Collections (4)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections (2)(3)	Total Tax Collections
2013	\$34,234	\$0	0.00 %	\$182	\$182
2012	35,122	0	0.00	512	512
2011	0	0	0.00	344	344
2010	6,969	6,969	100.00	(3,305)	3,664
2009	15,149	15,149	100.00	1,701	16,850
2008	58,520	58,167	99.40	14,940	73,107
2007	110,798	107,935	97.42	8,944	116,879
2006	108,802	105,406	96.88	20,597	126,003
2005	149,948	135,438	90.32	368	135,806
2004	182,702	136,508	74.72	3,533	140,041

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (1)	Percentage of Delinquent Taxes to Total Tax Levy
0.53 %	\$34,063	99.50 %
1.46	34,645	98.64
N/A	35,310	N/A
52.58	38,252	548.89
111.23	27,679	182.71
124.93	16,119	27.54
105.49	49,536	44.71
115.81	42,370	38.94
90.57	58,250	38.85
76.65	40,006	21.90

Cleveland Heights-University Heights Public Library

Principal Real Property Taxpayers

2013 and 2004

<u>2013</u>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating	\$11,393,890	1.05 %
Kaiser Foundation	11,348,150	1.05
Severance SPE Lease Company	9,711,730	0.90
Severance SPE FEECO, LLC	4,466,180	0.41
Inland Cedar Center South	6,212,210	0.57
University Heights Holdings	5,443,380	0.50
Target	3,500,780	0.32
The May Department	3,408,020	0.31
East Ohio Gas	2,889,350	0.27
ARC Cleveland Heights LLC	2,724,580	0.25
Total	\$61,098,270	5.63 %
Total Assessed Valuation	\$1,084,761,490	

<u>2004</u>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
SCIT, Incorporated	\$14,963,610	1.26 %
Star Wood Wasserman	12,748,090	1.07
AT&T Wireless	8,739,610	0.74
May Department Stores Company	8,538,110	0.72
Kaiser Foundation	8,407,390	0.71
University Square	7,861,180	0.66
Cleveland Electric Illuminating	7,281,440	0.61
Target Corporation	6,893,220	0.58
Ohio Bell Telephone Company	6,690,230	0.56
American Retirement Corporation	4,165,810	0.35
Total	\$86,288,690	7.26 %
Total Assessed Valuation	\$1,188,418,136	

Source: Cuyahoga County Fiscal Officer

Cleveland Heights-University Heights Public Library

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

<u>Fiscal Year</u>	<u>Capital Leases</u>	<u>Total Personal Income (1)</u>	<u>Percentage Of Personal Income</u>	<u>Population (1)</u>	<u>Per Capita</u>
2013	\$317,055	\$1,769,694,580	0.02 %	59,660	\$5
2012	389,455	1,395,626,380	0.03	59,660	7
2011	466,395	1,745,532,280	0.03	59,660	8
2010	548,568	2,012,988,060	0.03	59,660	9
2009	630,052	2,078,917,974	0.03	61,614	10
2008	581,291	2,078,917,974	0.03	61,614	9
2007	652,644	2,078,917,974	0.03	61,614	11
2006	604,049	2,078,917,974	0.03	61,614	10
2005	126,752	2,099,250,690	0.01	62,610	2
2004	175,285	2,112,600,876	0.01	63,411	3

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

Cleveland Heights-University Heights Public Library

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2013*

Jurisdiction	Governmental Activities Debt	Percentage Applicable to Library(1)	Amount Applicable to the Library
Direct			
Capital Leases	<u>\$317,055</u>	100.00 %	<u>\$317,055</u>
Overlapping			
Cuyahoga County			
General Obligation Bonds	335,242,118	4.19	14,046,645
Revenue Bonds	427,434,477	4.19	17,909,505
Capital Leases	372,101,958	4.19	15,591,072
Loans	6,058,580	4.19	253,855
Notes	5,100,000	4.19	213,690
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	146,628,054	4.19	6,143,715
Capital Leases	16,149,572	4.19	676,667
City of Cleveland Heights			
General Obligation Bonds	10,830,316	95.00	10,288,800
Special Assessment Bonds	2,522,575	95.00	2,396,446
OPWC Loans	1,679,271	95.00	1,595,307
Notes	2,193,000	95.00	2,083,350
City of University Heights			
General Obligation Bonds	140,000	100.00	140,000
Bond Anticipation Notes	2,280,000	100.00	2,280,000
OPWC Loans	339,047	100.00	339,047
Capital Leases	80,148	100.00	80,148
Loans	459,402	100.00	459,402
City of South Euclid			
General Obligation Bonds	19,248,831	6.51	1,253,099
OPWC Loans	3,174,806	6.51	206,680
OWDA Loans	1,449,909	6.51	94,389
OAQDA Loans	705,606	6.51	45,935
Capital Leases	233,606	6.51	15,208
Cleveland Heights-University Heights City School District			
General Obligation Bonds	6,750,000	100.00	6,750,000
Energy Conservation Bonds	660,000	100.00	660,000
QZAB Bonds	5,500,000	100.00	5,500,000
Capital Lease	<u>318,414</u>	100.00	<u>318,414</u>
<i>Total Overlapping Debt</i>	<u>1,367,279,690</u>		<u>89,341,375</u>
<i>Total Direct and Overlapping Debt</i>	<u>\$1,367,596,745</u>		<u>\$89,658,430</u>

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2012 collection year. The Cleveland Heights-University Heights Public Library is a school district library and its boundaries follow those of the Cleveland Heights-University Heights City School District. These boundaries cover all of the community of University Heights; all but a small portion of Cleveland Heights (that which is within the boundaries of the East Cleveland City School District); and includes a small portion of the City of South Euclid. Despite this fact, the statistics given here, which represent those of the two cities of Cleveland Heights and University Heights, are considered representative of the service area covered by the Cleveland Heights-University Heights Public Library.

Cleveland Heights-University Heights Public Library

*Principal Employers
2013 and Seven Years Ago (1)*

2013		
Employer	Nature of Activity	Employees
John Carroll University	Higher Education	2,271
Group Management Services	Property Management	1,703
Cleveland Heights-University Heights City School District	Public Education	1,249
City of Cleveland Heights	Local Government	789
Target	Retail Store	436
Bellefaire Jewish Children's Center	Social Services	429
Cuyahoga County Fiscal Office	Local Government	336
Whole Foods Market Group, Incorporated	Grocery	314
Kaiser Foundation	Healthcare	304
Macy's	Retail Store	300
Total		8,131
Total Employment within the Library District		NA

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

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

(1) Information prior to 2006 is not available.

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

NA Information not available.

Cleveland Heights-University Heights Public Library

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Total Personal Income (2)	Median Family Income (3)	Per Capita Income (2)	Unemployment Rate (2)	
					Cuyahoga County	State of Ohio
2013	59,660	\$1,769,694,580	\$53,194	\$29,663	7.2%	7.1%
2012	59,660	1,395,626,380	62,240	23,393	6.6	6.7
2011	59,660	1,745,532,280	60,618	29,258	7.1	7.6
2010	59,660	2,012,988,060	66,726	33,741	9.4	9.5
2009	61,614	2,078,917,974	61,401	33,741	9	10.7
2008	61,614	2,078,917,974	61,401	33,741	6.8	6.5
2007	61,614	2,078,917,974	61,401	33,741	6.3	5.6
2006	61,614	2,078,917,974	61,401	33,741	6.1	5.6
2005	62,610	2,099,250,690	60,864	33,529	5.9	5.9
2004	63,411	2,112,600,876	60,326	33,316	6.6	5.9

Sources:

- (1) Estimates 2004-2013, Environmental Systems Research Institute (ESRI), 2013. The Cleveland Heights-University Heights Public Library is a school district library and its boundaries follow those of the Cleveland Heights-University Heights City School District. These boundaries cover all of the community of University Heights; all but a small portion of Cleveland Heights (that which is within the boundaries of the East Cleveland City School District); and includes a small portion of the City of South Euclid. Despite this fact, the statistics given here, which represent combined totals for the two cities of Cleveland Heights and University Heights, are considered representative of the service area covered by the Cleveland Heights-University Heights Public Library.
- (2) ESRI, 2005-2013
- (3) County and State Records
- (4) Records of Cities of Cleveland Heights and University Heights.
- (5) Cuyahoga County, Ohio; County Auditor
Represents total real property assessed value for the Cities of Cleveland Heights and University Heights.

City Square Miles (4)	Estimated Actual Property Value (5)	Number of Building Permits (4)	Dollar Value of Building Permits (4)
10.11	\$3,070,884,490	2,373	\$14,847,219
10.11	3,069,756,717	1,433	21,208,864
10.11	3,217,414,866	1,397	29,625,288
10.11	3,253,343,682	1,530	22,853,095
10.11	3,248,637,164	1,511	18,627,975
10.11	3,568,405,879	4,278	30,508,251
10.11	3,602,573,942	4,563	40,280,589
10.11	3,595,459,038	2,159	42,688,348
10.11	3,185,973,692	2,071	52,872,625
10.11	3,376,777,832	2,107	30,161,964

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

Function/Program	2013	2012	2011	2010
Public Service				
Adult Services	12.000	11.950	13.875	13.925
Young Adult Services	0.000	0.000	3.600	3.600
Children's Services	0.000	0.000	7.200	7.000
Youth Services	10.500	10.500	0.000	0.000
Circulation Services	13.200	12.200	10.750	11.550
Technical Services	4.750	4.750	5.250	5.250
Information Technology	2.000	2.000	2.000	2.000
Training	5.300	4.800	0.000	0.000
Building Services	9.500	9.000	9.800	9.600
Coventry Village Library	5.900	6.150	5.100	5.100
Noble Neighborhood Library	7.980	7.975	6.775	6.775
University Heights Library	6.650	6.650	5.900	5.300
Marketing and Communications	4.000	4.000	4.000	4.000
Administrative Support	1.000	1.000	1.500	1.500
Sub Reference Hours	1.550	1.550	1.550	1.350
Circulation Reference	N/A	N/A	N/A	N/A
Main Library Pages	11.400	11.100	8.750	8.750
Administration				
Main Library	5.000	5.000	6.000	6.000
Branch Library	3.000	3.000	3.000	3.000
Totals:	<u>103.730</u>	<u>101.625</u>	<u>95.050</u>	<u>94.700</u>

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

(1) Information prior to 2006 is not available

2009	2008	2007	2006
13.920	16.625	16.700	17.825
3.600	6.600	4.975	4.600
6.600	9.325	8.200	7.875
0.000	0.000	0.000	0.000
11.500	21.550	20.825	20.250
4.250	8.700	6.925	5.525
3.000	2.000	2.000	2.175
0.000	0.000	0.000	0.000
9.000	6.000	5.725	5.950
5.700	6.750	5.675	5.800
7.770	8.150	7.400	8.725
6.300	7.650	6.375	6.225
3.000	4.000	2.225	1.500
3.500	2.500	5.925	5.800
1.350	N/A	N/A	N/A
0.500	N/A	N/A	N/A
8.750	N/A	N/A	N/A
5.000	5.000	10.000	10.000
3.000	3.000	3.000	3.000
96.740	107.850	105.950	105.250

Cleveland Heights-University Heights Public Library

Capital Assets Statistics by Function/Program

Last Eight Years (1)

Function/Program	2013	2012	2011	2010
Public Service				
Number of Buildings	5	4	4	4
Public Meeting Rooms	10	13	13	13
Vehicles for Delivery	1	1	1	1
 Square Footage				
1920 Coventry Village Library	5,105	5,105	5,105	5,105
1937 Noble Neighborhood Library	11,160	11,160	11,160	11,160
1952 University Heights Library	11,160	11,160	11,160	11,160
1932 Lee Road (Main) Library	107,856	107,856	107,856	107,856
2013 Lee Road (HKIC) Library	4,000	0	0	0
 Public Use Copy Machines	7	7	7	7
Public Use Fax Machines	5	4	4	4
Public Use PCs	137	133	133	123
ATMs	0	1	1	1
Cafes	0	1	1	1
Art Galleries	1	1	1	1
Technology Classrooms	1	1	1	1
 Administration				
Square Footage (at Lee Road)	2,144	2,144	2,144	2,144
Administrative Copy Machine	1	1	1	1
Staff Use PCs	95	94	94	96

(1) Information prior to 2006 is not available

2009	2008	2007	2006
4	4	4	4
13	12	12	12
1	1	1	1
5,105	5,105	5,105	5,105
11,160	11,160	11,160	11,160
11,160	11,160	11,160	11,160
107,856	107,856	107,856	107,856
0	0	0	0
8	8	8	7
4	4	4	4
120	120	127	123
1	1	1	1
1	1	1	1
1	1	1	1
1	2	N/A	N/A
2,144	2,144	2,144	2,144
1	1	1	1
96	92	92	89

Cleveland Heights-University Heights Public Library

Operating Indicators by Function/Program

Last Eight Years (1)

Function/Program	2013	2012	2011	2010
Public Service				
Circulation By Building				
Coventry Village Library	123,945	125,497	120,281	133,160
Lee Road Library	1,283,982	1,307,227	1,158,207	1,209,339
Noble Neighborhood Library	182,587	187,101	106,594	133,998
University Heights Library	204,906	200,115	193,243	193,425
Total Circulation, All Buildings	1,795,420	1,819,940	1,578,325	1,669,922
Circulation By Age Level				
Total Adult Circulation	1,293,901	1,306,911	1,332,370	1,438,758
Total Juvenile Circulation	448,082	473,437	465,583	476,085
Circulation By Type of Materials				
Books and Magazines	916,864	928,942	920,247	753,957
Videocassettes and DVDs	613,227	638,680	665,329	684,773
Recordings (Discs, Tapes, CDs)	206,841	207,286	206,446	223,349
Computer Software	485	319	528	678
E-media	53,345	39,532	N/A	N/A
Other Items	4,658	5,181	5,574	7,165
Library Collections Systemwide				
Books	266,791	269,434	270,610	240,750
E-books	115,779	79,089	34,073	34,073
Videocassettes and DVDs	42,453	38,432	35,219	32,022
Recordings (Discs, Tapes, CDs)	60,769	55,613	50,423	44,057
Computer Software	19	13	96	98
Magazine Subscriptions	362	729	795	728
Databases Provided	413	413	312	278
Electronic Resources				
Number of PCs Available for Public	137	133	133	123
Number of Weekly Users of Electronic Resources	542	5,517	5,802	2,351
Annual Number of Users of Electronic Resources	288,184	286,884	301,744	122,252
Public Service Transactions Systemwide				
Average Weekly Building Attendance	20,585	21,714	20,898	22,325
Annual Building Attendance	1,070,404	1,129,152	1,086,696	1,160,900
Average Weekly Reference Transactions	10,626	7,505	5,985	6,367
Annual Reference Transactions	552,552	390,260	311,220	331,084
Total Annual Library Programs	3,149	5,904	3,929	2,718
Total Annual Library Programs Attendance	33,773	66,342	32,728	53,219
Administration				
Purchase orders Issued	1,307	1,324	1,625	2,352
Accounts Payable Checks/Vouchers Issued	1,899	188	2,343	2,039
Payroll Checks/Direct Deposits				
Processed/Issued	3,939	3,699	3,931	4,406
W-2s and 1099s Issued	208	195	187	178
Board Resolutions	64	61	74	67

(1) Information prior to 2006 is not available.

2009	2008	2007	2006
156,376	142,632	123,230	143,688
1,371,795	1,325,253	1,248,260	1,127,499
224,310	218,722	239,337	278,741
220,054	213,859	200,039	216,506
1,972,535	1,900,466	1,810,866	1,766,434
1,499,759	1,449,501	1,379,985	1,337,745
472,776	450,896	436,781	428,689
1,041,514	1,032,297	1,021,905	1,019,068
691,858	627,489	553,931	509,809
231,111	232,494	234,135	229,645
1,147	1,225	1,202	2,211
N/A	N/A	N/A	N/A
6,905	6,892	5,693	5,691
283,101	288,070	284,276	306,202
22,807	18,801	15,944	15,944
29,475	28,977	25,736	23,904
26,475	37,932	31,771	28,415
108	119	145	194
666	847	1,033	1,181
324	325	78	80
120	120	127	123
2,277	2,103	2,103	5,755
118,404	109,356	109,356	299,260
21,884	19,553	18,862	19,963
1,137,968	1,016,783	980,864	1,038,076
4,411	6,482	5,936	6,238
229,372	337,064	308,672	324,376
2,358	1,886	2,955	1,935
46,343	28,651	43,251	13,821
2,278	2,569	1,056	644
2,385	2,628	3,682	2,658
4,156	4,520	4,582	4,595
209	202	221	205
44	60	50	81

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Dave Yost • Auditor of State

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY
CUYAHOGA COUNTY

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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of the Cleveland Heights-University Heights Public Library, Cuyahoga County, (the Library) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 26, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Library's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Library's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 26, 2014



Dave Yost • Auditor of State

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
JULY 10, 2014**