



Dave Yost • Auditor of State

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY
CUYAHOGA COUNTY

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Dave Yost • Auditor of State

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, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights Public Library, Cuyahoga County, (the Library) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated August 25, 2016, wherein we noted the Library adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings, that we consider a significant deficiency. We consider finding 2015-001 to be a significant deficiency.

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

August 25, 2016

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2015

FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2015-001

Financial Reporting – Significant Deficiency

Sound financial reporting is the responsibility of the Fiscal Officer and Board of Trustees, and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Library misposted \$1,000 in miscellaneous receipts as intergovernmental receipts in Other Governmental Funds on their financial statements. This misposting resulted in the Library subsequently adjusting their financial statements.

We recommend the Library take appropriate measures to ensure all financial transactions are properly classified on their financial statements.

Officials' Response: We did not receive a response from Officials to this finding.

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Comprehensive Annual Financial Report

For the year ended December 31, 2015



Opening Doors, Opening Minds

www.heightslibrary.org

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Introductory Section

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY

CLEVELAND HEIGHTS, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

**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, 2015
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August 25, 2016

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, 2015. This is the 25th 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, 2015.

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, 2015. The independent auditor’s report is located at the front of the financial section of this report. “Management’s Discussion and Analysis” immediately follows the independent auditor’s 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 four property tax levies totaling 10-mills.

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” and GASB Statement No. 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 Finance Manager oversees the Library's financial affairs. Deborah Herrmann is the Library's Finance Manager for the year ended December 31, 2015. Nancy Levin entered her eighth 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. The Coventry Village Branch was updated significantly in 2014 including roof and window repairs, new carpeting, and new furniture.

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. The fourth levy passed in 2014 with 68 percent of the votes. This financial support has allowed the Library to develop innovative approaches to the public service that the residents of the community demand. For example, in 1981, the Cleveland Heights–University Heights Public Library was the first library to join the Cleveland Public Library's automated circulation system and online catalog, CLEVNET. This year, CLEVNET has grown to include over 43 libraries in 12 counties in Northern Ohio.

State funding represents one-fourth of the Library's budget and grew by approximately \$200,000 in 2015. This increase is due to a general improvement in the State's economy which is reflected in tax collections flowing to the general fund. In addition to general economic improvement, the legislature changed the percentage of the general fund allocated to the PLF from 1.66 percent to 1.7 percent in 2015.

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.

Local property taxes account for approximately 68 percent of our revenue. A levy was passed in November, 2014 and went into effect January 1, 2015. With the new levy, property owners pay \$10.00 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 new levy. 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 2015 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 2015 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 allowed 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, generating \$1.7 million in 2014, and in November 2014 for a fourth continuous 2.2-mill levy. State law limits the property tax levies 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. State law also sets a maximum rate of property tax levies at ten mills, a maximum we have now reached.

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.

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 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.

Electronic media borrowing continues to grow each year and made up 6 percent of our circulation in 2015.

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 increased slightly in 2015.

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 2015 was \$40,732.

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 objectives of this plan include:

Enhance Customer Experience

- Create new and optimize current modes of access
- 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 2014-2015 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.

2015 Annual Report

Numbers to know:

- Circulation: 1,698,165 items
- Electronic (downloadable film, music, audio books, ebooks, magazines) media downloads: 98,690
- Visitors: 995,176 * New “people counters” installed this year at Lee Road Library
- Meeting room uses: 1,693 with attendance of 34,419
- Library programs: 6,421 with attendance 70,776

Finances

Income from the Public Library Fund (PLF) of the State of Ohio increased \$220,900 in 2015, totaling \$2,543,466. This increase was the result of an economic upturn. The Library realized an increase in revenue of \$2,121,084 from the first year of the levy passed in 2014. Most of this increase will fund the renovation of the University Heights (UH) Branch and continuing capital investment of nearly \$100,000 at the Coventry Branch in 2015. The Library purchased three homes on Fenwick Road to accommodate an addition to the UH Branch. We maintain a five-year plan of building and repair costs as well as a five-year plan for technology spending. Replacements and new purchases of computers, monitors, servers and telephone equipment totaled \$85,476 in 2015. Investments also increased the general fund by a significant amount over the previous year due to a new investment strategy employed by the Board of Library Trustees. The year-end Star Plus account saw an interest rate of .30 percent which is higher than it has been in the three years it has existed. Gifts to the Library of \$15,700 benefited the new garden at Coventry Branch and other gifts totaling \$178 enhanced the book collection at Lee Road and University Heights branch. Grants were received by the Library from Whole Foods for the Coventry garden and from the American Library Association for a travelling exhibit exploring space (coming to the Lee Road Library in 2018). Our library prides itself on the training program for staff which is funded in part by the staff development fund.

Staffing

We promoted 14 people in 2015. Long-time Adult Services Librarian Becky Katzenmeyer and Circulation Assistant Gloria Woods both retired. Deborah Herrmann joined the Library as Finance Manager/Board Fiscal Officer in July. Outreach staff were hired at each branch.

In consideration of offering paid time off to Page employees, we designed a policy that pools earned time into one bank of hours. These hours can be used for any combination of time off needs. There is no need to qualify the time as sick, vacation, personal or holiday. A Paid Time Off policy was implemented by the Board in October of 2015.

Service Highlights of 2015

In January the Internal Revenue Service drastically reduced the distribution of 2014 tax forms and booklets to libraries causing a shortage throughout the Country. Public libraries rose to the occasion by printing out forms for customers. In February, the Heights Libraries restored Sunday hours at all of its branches and Friday hours to the Coventry Village Branch. The extended hours were made possible by the levy passed in 2014.

For the seventh year in a row, the Cleveland Heights-University Heights Public Library system received the highest possible rating in the Library Journal's 2015 Index of Public Library Service. The five-star rating is given to the top U.S. libraries each year.

Heights Libraries earned five stars in seven out of the eight years that Library Journal has published the ratings, starting in 2008. Library Journal is a trade journal that reports news about the library world, emphasizing public libraries and has a nation-wide circulation of 100,000.

Libraries are categorized by yearly expenditure and rated on four criteria: circulation, visits, program attendance and Internet terminal use (public computers). Heights Libraries circulation came in at 31 per capita in our service area, meaning that roughly 31 items were circulated for every resident in the Cleveland Heights-University Heights service area. Visits per capita averaged 18.5 (down from 19.5 for 2014), program attendance averaged 1.3 (up from 1.1 in 2014), and public computer use held steady from 2014 at 5 per capita.

Each year the Library participates in the local Reaching Heights Spelling Bee benefitting the public school foundation. In 2015 the joint Library staff and Friends team called "Dewey's Decimators" took home the first place trophy! Aurora Martinez, Kathy Farago and Victor Rosenberg comprised the winning team. Library Director Nancy Levin is the pronouncer of the Spelling Bee.

Mid-way through the year, the Library Board of Trustees chose CBLH Design Inc. of Middleburg Heights, to design the University Heights Branch renovation scheduled to begin in 2016. Meetings were held with residents to discuss the scope of the project.

Coventry Branch

- The creation and opening of the "Shire" children's area at the Coventry Village branch resulted in record attendance at children's programs and circulation of children's materials. We also welcomed notably large audiences for Local Author's series. Coventry received a number of large donations from residents, some in memory of former Branch Manager Shony Long, to create a garden space.
- Internal and external lighting was upgraded at the branch for safety and energy efficiency. Carpet and paint were upgraded and new computer furniture was purchased.

Noble Branch

- We created the Local History service and collections, and promotion of an Adult Librarian, Amia Wheatley, with a specialty in archives management to oversee this work. We began preparation for the Centennial of the Library in 2016.
- ASIA in Action joined in the refugee focused Welcome Hub partnership at the Noble branch.

University Heights Branch

- Staff provided IPAD training for University Heights City Council in March.
- University Heights branch welcomed high school students now housed in the Wiley school building.
- We said farewell to University Heights Branch Manager Aurora Martinez who became the Director of the Morley Public Library in Painesville and welcomed Sara Phillips as the new UH Branch manager.
- The UH branch partnered in a Digilit (grant) with the CH-UH public schools and offered a “Bring Your Own Device” event at the branch aimed at Gearity families whose children will be using the school-issued iPads.
- Homes were purchased to make room for the branch renovation.

Adult Services

- We had record attendance in the Adult Summer Reading program with almost a 200 percent increase.
- Adult programs opened the year with the Civil War in partnership with the Dobama Theater production of “A Civil War Christmas”. Other themes included Spring Time in Paris, Heroes and Legends and Black Voices Matter. In the fall, we did a number of programs celebrating the 150th anniversary of the publication of Lewis Carroll’s classic, Alice’s Adventures in Wonderland.
- Our ongoing book discussion groups saw a record attendance in 2015 with 346 people attending 20 sessions. This is a 12 percent increase over 2014 and our best year to date.
- With partner Heights Community Congress we hosted a number of discussions on social class differences and an exploration of the true meaning of the word “Community” took place, as well as a program entitled “Connecting the Dots: Fair Housing and our Schools.”
- Adult Outreach services continued to expand in 2015 with the promotion of a librarian to lead our efforts. Cedarwood Plaza Nursing Home became the sixth facility serviced by our program. Two off-site book discussion groups, at Huntington Green apartments and Cedar Center apartments, were added to the ongoing discussion group at the Cleveland Heights Senior Center.

Youth Services

- In 2015, Youth Services staff read stories to 11,197 children and caregivers who attended 364 story-times for an average of 31 attendees per program.
- Heights Libraries joined with other northeast Ohio libraries in “Make Your Summer Count”, a county-wide initiative meant to address summer learning loss in children and teens. This program included recording good deeds and math activities in addition to reading. Kathy Franzinger and Anne Tisch developed a partnership with the Monarch School for Autism, leading a quarterly sensory story-time at their school.
- We continued to welcome to the Library, college and high school students as interns and practicum students under supervision of our staff. Many students find their first job at the Heights Libraries.
- Sam Lapidés became the permanent Youth Services Manager in February.
- Early Literacy Space at Lee Road Branch was dedicated to the memory of Professor Grace Brody in December.
- Jessica Robinson hosted the 16th Annual Poetry Slam with support from Lake Erie Ink. One hundred people heard these young poets speak their mind. Our celebrity judge was Superintendent Dr. Dixon.
- One hundred and fifty caregivers interested in enrolling a child in a daycare or preschool attended our annual our Preschool and Daycare Fair. Fifteen local daycares and preschools were on hand to share information with these caregivers.
- A Maker Space program introduced teens to many hands-on work experiences such as carpentry, electronics and needlecrafts. 369 teens attended 26 programs.

Circulation Services

- Department Manager Chuck Collins served as interim Circulation Manager for three months before we welcomed Ty Emerson as Circulation Manager.
- We added access to more patrons with the 633 children’s “Three for Me” cards and 53 “Teen Three for Me” cards. New library cards were developed for travelling students (Temporary Card) and those who only use our website (Emedia card.)

Staff Training and Public Computer Classes

- We provided 399 public computer classes for 2,041 attendees in 2015.
- 240 individual tutorials were scheduled for one-on-one training with library staff.
- 21 Technology outreach classes were held in the community with our mobile technology lab.
- The State Library of Ohio Technology Bus visited our service area in April and the Overdrive Digital Bookmobile came to Lee Road in August.
- Staff had 206 training opportunities during 2015: 182 were not mandatory and 24 were mandatory. 96 part time employees and 66 full time employees took advantage of training opportunities which enhanced their job knowledge, customer focus, supervisory skills and technology skills.

Partnerships in 2015

The Lee Road Library continues to be the home of the Dobama Theater, Family Connections-Little Heights and the Small Business Development Center of the Cleveland State University Monte Ahuja College of Business. Clayworks continues to occupy space in the lower level of the Coventry Village Branch and the University Heights Branch continues to house Senior Network for the City of University Heights.

Coventry Village Branch: Mac's Backs and AppleTree Books (Cedar-Coventry Author Series); the Cleveland Institute of Music (Coventry Concert Nights); Clayworks Co-operative (Here Be Dragons, Animal Mugs, and Falling Leaves); Coventry SID (Harvey Pekar Memorial Event), La Cave du Vin (Westeros at the Wine Cave), B-Side Liquor Lounge and Arcade (Arcade Heroes and Pinball Wizards), Coventry Children's Center, Fairmount Co-op Preschool, Forest Hill Church, Family Promise of Greater Cleveland and Roxboro Elementary and Middle Schools (outreach).

Noble Neighborhood Branch: Partner agencies included the Cleveland Food Bank, Mandel Jewish Community Center, Oxford and Noble Elementary Schools, Noble Preschool, Hannah's House Childcare Center, Discovery Preschool, Cuyahoga County Dept. of Senior and Adult Services, US Together, and Global Cleveland. New partnerships included Spaces Gallery, Greater Cleveland Preschool Network, Cuyahoga County Youth Counts and ASIA (Asian Services in Action), Inc.

Adult Services staff partnered with a number of organizations to bring a wide variety of innovative programs to our customers in 2015. These partners included 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 Playhouse, Dobama Theatre, University Hospitals Seidman Cancer Center, Heights Community Congress, Hospice of the Western Reserve, The Civil War Roundtable and The FRIENDS of the Heights Libraries.

Children's Services staff partnered with Forest Hills Church (Family Promise outreach), Church of the Savior (sensory storytimes), Heights High School (TigerLab, outreaches), Lake Erie Ink (Poetry Slam), Family Connections (Kindergarten Readiness programs), Natural History Museum (summer science programs), Monarch School for Autism (sensory storytimes) and Gearity Elementary (Digilit and Makerlab).

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, 2015, 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, 2014.

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



Deborah Herrmann
Finance Manager

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY

LIST OF PRINCIPAL OFFICIALS as of December 31, 2015

BOARD OF LIBRARY TRUSTEES

Robert Fischer*	.....	President
Rick Ortmeyer**	.....	Vice President
Ron Holland***	.....	Secretary
Abby Botnick****	.....	Member
Chris Mentrek	.....	Member
James Roosa	.....	Member
Susan Beatty	.....	Member

ADMINISTRATIVE STAFF

Nancy S. Levin	.....	Director
Kimberlee DeNero-Ackroyd	.....	Deputy Director
Deborah Herrmann	.....	Finance Manager
Charles Collins	.....	Adult Services Manager
Beth Hatch	.....	Special Projects Coordinator
Sam Lapidés	.....	Youth Services Manager
Laurie Marotta	.....	Human Resources Manager
Sheryl Banks	.....	Marketing & Community Relations Manager
Timothy Pasbrig	.....	Buildings Manager
Heather Howiler	.....	Training Development Manager
Matt Hoffman	.....	IT Manager
Patricia Gray	.....	Branch Manager, Coventry Village Library
Constance Dickerson	.....	Branch Manager, Noble Neighborhood Library
Sara Phillips	.....	Branch Manager, University Heights Library
Kevin Echols	.....	Security Supervisor

* Rick Ortmeyer assumed position on January 1, 2016.

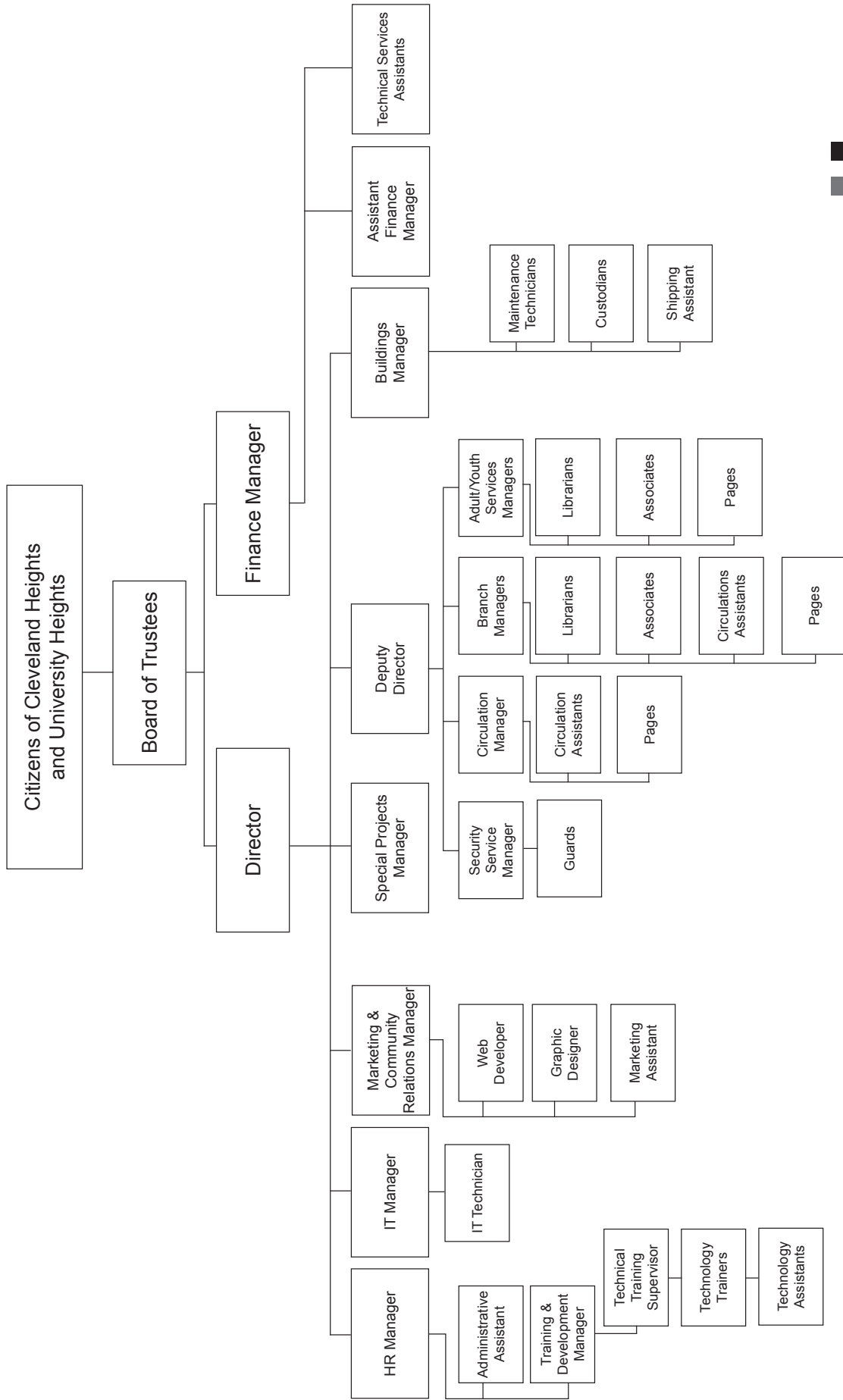
** Ron Holland assumed position on January 1, 2016.

*** Abby Botnick assumed position on January 1, 2016.

**** Suzann Moskowitz assumed position on January 1, 2016.

2015 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, 2014

Executive Director/CEO

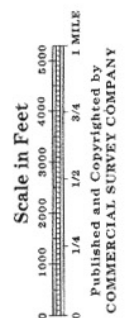
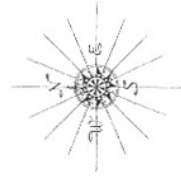
Cleveland Heights-University Heights Public Library

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

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

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

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



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Financial Section

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio (the Library), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio, as of December 31, 2015, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during the year ended December 31, 2015, the Library adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

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* and schedules of net pension liabilities and pension contributions 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 August 25, 2016, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

August 25, 2016

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Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2015

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, 2015. 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 2015 are as follows:

- Total net position increased from 2014. This is the direct result of the 2.2 mill levy that was passed in 2014 that generates approximately \$2,000,000 in additional property taxes annually which resulted in an increase in cash.
- Capital assets had additions to all categories but vehicles. The Library continues to make improvements to ensure that the residents using the Library will have current technology and updated facilities.
- The Library implemented GASB 68 and GASB 71, which establish standards for measuring and recognizing pension liabilities, deferred outflows/inflows of resources and expense/expenditure. The implementation of these GASB statements resulted in a significant change to the financial statements presentation of the Library. The Library has reported these liabilities to comply with the requirements of GASB 68 and 71.

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.

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 2015?" 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.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2015

Unaudited

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
- Deferred Outflows of Resources
- 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 and building and repairs funds.

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

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2015

Unaudited

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 2015 compared to 2014.

Table 1
Net Position

	Governmental Activities		
	2015	2014	Change
Assets			
Current and Other Assets	\$22,210,616	\$19,094,817	\$3,115,799
Capital Assets, Net	16,972,946	16,712,949	259,997
Total Assets	39,183,562	35,807,766	3,375,796
Deferred Outflows of Resources			
Pension	597,706	409,095	188,611
Liabilities			
Current Liabilities	265,421	256,686	(8,735)
Long-Term Liabilities			
Due Within One Year	264,522	232,341	(32,181)
Due in More Than One Year			
Net Pension Liability	3,353,851	3,278,100	(75,751)
Other Amounts	276,127	357,446	81,319
<i>Total Liabilities</i>	<i>4,159,921</i>	<i>4,124,573</i>	<i>(35,348)</i>
Deferred Inflows of Resources			
Property Taxes	7,413,176	7,310,006	(103,170)
Pension	58,921	0	(58,921)
<i>Total Deferred Inflows of Resources</i>	<i>7,472,097</i>	<i>7,310,006</i>	<i>(162,091)</i>
Net Position			
Investment in Capital Assets	16,644,656	16,322,853	321,803
Restricted for:			
Staff Development			
Nonexpendable	418,502	418,502	0
Expendable	128,352	143,936	(15,584)
Other Purposes	2,108	8,724	(6,616)
Unrestricted	10,955,632	7,888,267	3,067,365
Total Net Position	\$28,149,250	\$24,782,282	\$3,366,968

During 2015, the Library adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Library's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2015

Unaudited

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the Library's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service;
2. Minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Library is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the Library's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the Library is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation and the restatement from interest revenue had the effect of restating net position at December 31, 2014, from \$27,680,028 to \$24,782,282.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2015

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 2015. The increase in assets over 2014 is attributable to the additional tax monies from the passage of the 2.2 mill operating levy that resulted in an increase in cash. 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, 2015 and 2014.

Table 2
Change in Net Position

	Governmental Activities		
	2015	2014	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$152,870	\$133,691	\$19,179
Operating Grants and Contributions	0	9,000	(9,000)
<i>Total Program Revenues</i>	152,870	142,691	10,179
<i>General Revenues</i>			
Property Taxes	8,191,307	5,570,878	2,620,429
Grants and Entitlements not Restricted to Specific Purposes	3,526,072	3,144,750	381,322
Investment Earnings	40,732	61,291	(20,559)
Unrestricted Contributions	33,567	517,995	(484,428)
Miscellaneous	51,458	65,426	(13,968)
<i>Total General Revenues</i>	11,843,136	9,360,340	2,482,796
<i>Total Revenues</i>	11,996,006	9,503,031	2,492,975
Program Expenses			
General Government:			
Public Service	6,991,889	6,471,499	(520,390)
Administration	1,620,757	2,028,001	407,244
Interest and Fiscal Charges	16,392	12,400	(3,992)
<i>Total Program Expenses</i>	8,629,038	8,511,900	(117,138)
<i>Change in Net Position</i>	3,366,968	991,131	2,375,837
Net Position Beginning of Year - Restated	24,782,282	N/A	N/A
Net Position End of Year	\$28,149,250	\$24,782,282	\$3,366,968

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2015

Unaudited

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$409,095 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$364,816. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	<u>Governmental Activities</u>
Total 2015 program expenses under GASB 68	\$8,629,038
Pension expense under GASB 68	(364,816)
2015 contractually required contribution	<u>418,755</u>
Adjusted 2015 program expenses	8,682,977
Total 2014 program expenses under GASB 27	<u>8,511,900</u>
Increase/Decrease in program expenses not related to pension	<u><u>\$171,077</u></u>

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.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2015

Unaudited

Table 3
Governmental Activities

<u>Programs</u>	<u>Total Cost of Services 2015</u>	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2015</u>	<u>Net Cost of Services 2014</u>
General Government:				
Public Service	\$6,991,889	\$6,471,499	\$6,868,576	\$6,381,964
Administration	1,620,757	2,028,001	1,590,200	1,974,845
Interest and Fiscal Charges	16,392	12,400	16,392	12,400
Total Expenses	<u>\$8,629,038</u>	<u>\$8,511,900</u>	<u>\$8,475,168</u>	<u>\$8,369,209</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.

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.

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 has also been demonstrated by new construction over the past few years, with development and redevelopment of retail and 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. A 2.2 mill levy was passed by the voters with over 68 percent approval in November 2014. Unrestricted contributions decreased from the large donation received in 2014 from the Grace Brody Trust.

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. The increase in public service expenses is due to the Library ensuring that programs and media for the users of the Library remain current with what the public is looking for. Administration accounts for the majority of the remaining total expenses. The remaining program expense, amounting to less than one percent, represents interest and fiscal charges.

The Library's Funds

Information about the Library's governmental funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue of \$11,524,229 and expenditures of \$8,989,306. The most significant fund is our general fund with an unassigned fund balance

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2015

Unaudited

at year-end of \$7,839,302 compared to annual expenditures of \$8,213,511. \$2,600,000 was transferred to the building and repairs capital projects fund. This transfer enabled the Library to fund various capital improvements, including building improvements. The general fund balance had an increase from 2014 due to an increase in property taxes received from the passage of the additional 2.2 mill levy. The building and repairs capital projects fund increased from 2014 from the transfer in from the general fund to assist with capital improvements.

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 2015, the Library amended its general fund budget. For the general fund, original and final budgeted revenues were \$10,840,461 and \$11,548,294, respectively. Actual revenues were \$34,055 lower than final budgeted resources due to a decrease in miscellaneous revenues. Original and final budgeted expenditures in the general fund were \$8,844,211 and \$8,967,219, respectively. Actual expenditures were \$563,806 lower than final budgeted expenditures due to careful monitoring of expenditures that resulted in decreases to all expenditure line items.

Capital Assets and Debt

Capital Assets

(Table 4)

Capital Assets at December 31
(Net of Accumulated Depreciation)

	Governmental Activities		
	2015	2014	Change
Land	\$934,657	\$791,638	\$143,019
Construction in Progress	142,868	0	142,868
Land Improvements	34,102	47,182	(13,080)
Buildings and Building Improvements	14,778,484	14,711,658	66,826
Equipment	814,133	960,245	(146,112)
Furniture	265,402	197,511	67,891
Vehicles	3,300	4,715	(1,415)
Total Capital Assets	\$16,972,946	\$16,712,949	\$259,997

The Library is committed to a long-term goal of rebuilding and renovating facilities. There were increases to all categories except vehicles during 2015; however those increases were offset by the current year depreciation. See Note 9 for additional information on capital assets.

Long-term Obligations

As of December 31, 2015, the Cleveland Heights-University Heights Public Library had outstanding balances in compensated absences and capital leases as well as reporting the net pension liability which resulted from the implementation of GASBs 68 and 71. See Note 15 for additional information on the Library's debt.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2015

Unaudited

(Table 5)

Outstanding Obligations at Year End

	Governmental Activities		
	2015	2014	Change
Net Pension Liability	\$3,353,851	\$3,278,100	\$75,751
Compensated Absences	212,359	199,691	12,668
Capital Leases	328,290	390,096	(61,806)
Total	\$3,894,500	\$3,867,887	\$26,613

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 an increase in revenues from 2014 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, 2008 and 2014, 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. An Employee Wellness Initiative has lowered the rates of insurance renewals in recent years.

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 the Finance Manager, 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.

Cleveland Heights-University Heights Public Library

Statement of Net Position

December 31, 2015

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$11,707,672
Accrued Interest	3,475
Intergovernmental Receivable	1,710,833
Prepaid Items	33,896
Property Taxes Receivable	8,754,740
Nondepreciable Capital Assets	1,077,525
Depreciable Capital Assets, Net	15,895,421
<i>Total Assets</i>	<u>39,183,562</u>
Deferred Outflows of Resources	
Pension	<u>597,706</u>
Liabilities	
Accounts Payable	46,008
Contracts Payable	30,000
Accrued Wages	138,648
Intergovernmental Payable	47,959
Accrued Interest Payable	2,806
Long-Term Liabilities:	
Due Within One Year	264,522
Due In More Than One Year	
Net Pension Liability (See Note 11)	3,353,851
Other Amounts	<u>276,127</u>
<i>Total Liabilities</i>	<u>4,159,921</u>
Deferred Inflows of Resources	
Property Taxes	7,413,176
Pension	<u>58,921</u>
<i>Total Deferred Inflows of Resources</i>	<u>7,472,097</u>
Net Position	
Net Investment in Capital Assets	16,644,656
Restricted for:	
Staff Development	
Nonexpendable	418,502
Expendable	128,352
Other Purposes	2,108
Unrestricted	<u>10,955,632</u>
<i>Total Net Position</i>	<u><u>\$28,149,250</u></u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library

Statement of Activities

For the Year Ended December 31, 2015

	Program Revenues	Charges for Services	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>
General Government:			
Public Service	\$6,991,889	\$122,313	(\$6,869,576)
Administration	1,620,757	30,557	(1,590,200)
Interest and Fiscal Charges	16,392	0	(16,392)
<i>Total Governmental Activities</i>	<u>\$8,629,038</u>	<u>\$152,870</u>	<u>(8,476,168)</u>
General Revenues			
Property Taxes Levied for General Purposes			8,191,307
Grants and Entitlements not Restricted to Specific Programs			3,526,072
Investment Earnings			40,732
Unrestricted Contributions			33,567
Miscellaneous			51,458
<i>Total General Revenues</i>			<u>11,843,136</u>
Change in Net Position			3,366,968
<i>Net Position Beginning of Year - Restated (See Note 18)</i>			<u>24,782,282</u>
<i>Net Position End of Year</i>			<u>\$28,149,250</u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library

Balance Sheet

Governmental Funds

December 31, 2015

	General	Building and Repairs	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,372,059	\$2,786,651	\$548,201	\$11,706,911
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	761	0	0	761
Receivables:				
Property Taxes	8,754,740	0	0	8,754,740
Intergovernmental	1,710,833	0	0	1,710,833
Accrued Interest	3,475	0	0	3,475
Prepaid Items	33,896	0	0	33,896
<i>Total Assets</i>	<u>\$18,875,764</u>	<u>\$2,786,651</u>	<u>\$548,201</u>	<u>\$22,210,616</u>
Liabilities				
Accounts Payable	\$46,008	\$0	\$0	\$46,008
Contracts Payable	0	30,000	0	30,000
Accrued Wages	138,648	0	0	138,648
Intergovernmental Payable	47,959	0	0	47,959
<i>Total Liabilities</i>	<u>232,615</u>	<u>30,000</u>	<u>0</u>	<u>262,615</u>
Deferred Inflows of Resources				
Property Taxes	7,413,176	0	0	7,413,176
Unavailable Revenue	2,833,583	0	0	2,833,583
<i>Total Deferred Inflows of Resources</i>	<u>10,246,759</u>	<u>0</u>	<u>0</u>	<u>10,246,759</u>
Fund Balances				
Nonspendable	34,657	0	418,502	453,159
Restricted	0	0	129,699	129,699
Committed	23,229	105,061	0	128,290
Assigned	499,202	2,651,590	0	3,150,792
Unassigned	7,839,302	0	0	7,839,302
<i>Total Fund Balances</i>	<u>8,396,390</u>	<u>2,756,651</u>	<u>548,201</u>	<u>11,701,242</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$18,875,764</u>	<u>\$2,786,651</u>	<u>\$548,201</u>	<u>\$22,210,616</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, 2015*

Total Governmental Fund Balances	\$11,701,242
 <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.	16,972,946
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	1,341,564
Intergovernmental	<u>1,492,019</u>
Total	2,833,583
In the statement of activities, interest is accrued on outstanding capital leases, whereas in governmental funds, an interest expenditure is reported when due.	(2,806)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	597,706
Deferred Inflows - Pension	(58,921)
Net Pension Liability	<u>(3,353,851)</u>
Total	(2,815,066)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated Absences	(212,359)
Capital Leases	<u>(328,290)</u>
Total	<u>(540,649)</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$28,149,250</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, 2015

	General	Building and Repairs	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$7,835,201	\$0	\$0	\$7,835,201
Patron Fines and Fees	104,755	0	0	104,755
Intergovernmental	3,410,401	0	0	3,410,401
Interest	21,812	778	18,142	40,732
Donations	33,567	0	0	33,567
Rentals	48,115	0	0	48,115
Miscellaneous	50,458	0	1,000	51,458
<i>Total Revenues</i>	<u>11,504,309</u>	<u>778</u>	<u>19,142</u>	<u>11,524,229</u>
Expenditures				
Current:				
General Government:				
Public Service	6,324,940	0	0	6,324,940
Administration	1,580,214	27,658	4,985	1,612,857
Capital Outlay	232,965	735,536	7,616	976,117
Debt Service:				
Principal Retirement	61,806	0	0	61,806
Interest and Fiscal Charges	13,586	0	0	13,586
<i>Total Expenditures</i>	<u>8,213,511</u>	<u>763,194</u>	<u>12,601</u>	<u>8,989,306</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,290,798</u>	<u>(762,416)</u>	<u>6,541</u>	<u>2,534,923</u>
Other Financing Sources (Uses)				
Transfers In	0	2,600,000	0	2,600,000
Transfers Out	(2,600,000)	0	0	(2,600,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,600,000)</u>	<u>2,600,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	690,798	1,837,584	6,541	2,534,923
<i>Fund Balances Beginning of Year - Restated (See Note 18)</i>	<u>7,705,592</u>	<u>919,067</u>	<u>541,660</u>	<u>9,166,319</u>
<i>Fund Balances End of Year</i>	<u><u>\$8,396,390</u></u>	<u><u>\$2,756,651</u></u>	<u><u>\$548,201</u></u>	<u><u>\$11,701,242</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, 2015*

Net Change in Fund Balances - Total Governmental Funds \$2,534,923

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	874,413	
Depreciation	(585,070)	
Total		289,343

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (29,346)

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

Property Taxes	356,106	
Intergovernmental	115,671	
Total		471,777

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 418,755

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (364,816)

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. 61,806

In the statement of activities, interest is accrued on capital leases, whereas in governmental funds, an interest expenditure is reported when due. (2,806)

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. (12,668)

Change in Net Position of Governmental Activities **\$3,366,968**

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$7,355,121	\$7,835,224	\$7,835,201	(\$23)
Patron Fines and Fees	95,750	102,000	104,755	2,755
Intergovernmental	3,188,537	3,396,667	3,396,643	(24)
Interest	27,786	29,600	40,434	10,834
Donations	17,428	18,500	33,567	15,067
Rentals	48,063	51,200	52,115	915
Miscellaneous	107,776	115,103	51,524	(63,579)
<i>Total Revenues</i>	<u>10,840,461</u>	<u>11,548,294</u>	<u>11,514,239</u>	<u>(34,055)</u>
Expenditures				
Current:				
General Government:				
Public Service	6,827,167	6,922,224	6,530,172	392,052
Administration	1,757,459	1,781,851	1,637,431	144,420
Capital Outlay	259,585	263,144	235,810	27,334
<i>Total Expenditures</i>	<u>8,844,211</u>	<u>8,967,219</u>	<u>8,403,413</u>	<u>563,806</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,996,250	2,581,075	3,110,826	529,751
Other Financing Sources (Uses)				
Transfers Out	(1,275,000)	(2,600,000)	(2,600,000)	0
<i>Net Change in Fund Balance</i>	721,250	(18,925)	510,826	529,751
<i>Fund Balance Beginning of Year</i>	7,613,922	7,613,922	7,613,922	0
Prior Year Encumbrances Appropriated	99,666	99,666	99,666	0
<i>Fund Balance End of Year</i>	<u>\$8,434,838</u>	<u>\$7,694,663</u>	<u>\$8,224,414</u>	<u>\$529,751</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, 2015

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” and GASB Statement No. 61, The Financial Reporting Entity: Omnibus,” 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, 2015

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, 2015

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

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and 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 6). Revenue from Library and Local Government Support Fund payments, grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Library must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2015*

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. For the Library, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 11.

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 until that time. For the Library, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance fiscal year 2016 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. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 11)

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

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 2015, investments were limited to STAR Ohio, federal home loan mortgage corporation notes, federal national mortgage association notes, federal farm credit bank bonds, negotiable certificates of deposit, US Savings Bonds and US Treasury Note.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

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, 2015.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2015 amounted to \$21,812, none of which is assigned from other Library funds.

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, 2015, 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 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:

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered. 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 and net pension liability 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.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

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.

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 revenues and appropriations in 2016's 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.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

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.

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 Finance Manager 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 Finance Manager. 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.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

Note 3 – Fund Balances

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

Fund Balances	General	Building and Repairs	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$33,896	\$0	\$0	\$33,896
Unclaimed Monies	761	0	0	761
Staff Development Endowment	0	0	418,502	418,502
<i>Total Nonspendable</i>	<u>34,657</u>	<u>0</u>	<u>418,502</u>	<u>453,159</u>
<u>Restricted for:</u>				
Staff Development	0	0	128,352	128,352
Library Services and Technology	0	0	1,000	1,000
Summer Teen Program	0	0	347	347
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>129,699</u>	<u>129,699</u>
<u>Committed to:</u>				
Building Improvements and Repair	0	105,061	0	105,061
Technology Improvements	762	0	0	762
Memorial Books and Society for Deaf	22,467	0	0	22,467
<i>Total Committed</i>	<u>23,229</u>	<u>105,061</u>	<u>0</u>	<u>128,290</u>
<u>Assigned to:</u>				
Building Improvements and Repair	0	2,651,590	0	2,651,590
2016 Operations	364,025	0	0	364,025
Purchases on Order:				
Library Materials	135,177	0	0	135,177
<i>Total Assigned</i>	<u>499,202</u>	<u>2,651,590</u>	<u>0</u>	<u>3,150,792</u>
Unassigned:	7,839,302	0	0	7,839,302
Total Fund Balances	<u><u>\$8,396,390</u></u>	<u><u>\$2,756,651</u></u>	<u><u>\$548,201</u></u>	<u><u>\$11,701,242</u></u>

Note 4 - Budgetary Basis of Accounting

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

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

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- 1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
 - 2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
 - 3) Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
 - 4) Investments are reported at cost (budget) rather than fair value (GAAP).

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

Net Change in Fund Balance	
GAAP Basis	\$690,798
Net Adjustment for Revenue Accruals	(10,875)
Net Adjustment for Expenditure Accruals	(20,691)
Ending Fair Value Adjustment for Investments	20,805
Encumbrances	(169,211)
Budget Basis	<u>\$510,826</u>

Note 5 - Deposits and Investments

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

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

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

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

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

Interim monies held by the subdivision can be deposited or invested in the following securities:

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

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. 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 fair 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;
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, \$400,465 of the Library's bank balance of \$3,921,406 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 fair value at all times shall be at least one hundred five percent of the deposits being secured.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

Investments

Investments are reported at fair value. As of December 31, 2015, the Library had the following investments:

	Fair Value	Maturity	Standard & Poor's	Percent of Total Investments
STAR Ohio	\$1,848,301	Average 49.4 Days	AAAm	N/A
Federal Home Loan Mortgage Corporation Notes	1,744,770	Less than five years	AAAm	22.25%
Federal National Mortgage Association Notes	1,194,088	Less than five years	AAAm	15.23
Federal Farm Credit Bank Bonds	497,440	Less than three years	AAAm	6.34
Negotiable Certificates of Deposit	744,025	Less than One year	N/A	9.49
Negotiable Certificates of Deposit	1,284,347	Less than five years	N/A	16.38
EE United States Savings Bonds	427,446	Less than nine years	N/A	5.45
HH United States Savings Bonds	64,000	Less than seven years	N/A	0.82
United States Treasury Note	37,000	Less than four years	N/A	0.47
Total Investments	<u>\$7,841,417</u>			

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 6 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Cleveland Heights-University Heights City School District. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes were levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised fair value. 2015 real property taxes are collected in and intended to finance 2016.

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. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

The full tax rate for all Library operations for the year ended December 31, 2015 was \$10.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Values</u>
Real Estate	
Residential/Agricultural	\$879,068,060
Other Real Estate	157,675,130
Tangible Personal Property	
Public Utility	17,942,510
Total	<u>\$1,054,685,700</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, 2015, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Note 7 - Receivables

Receivables at December 31, 2015, consisted of taxes, intergovernmental, accounts and accrued interest. The intergovernmental receivables at December 31, 2015, were \$1,284,244 of Library and Local Government Support Fund revenues received through the State of Ohio and \$426,589 for homestead and rollback. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Note 8 – Capital Leases

In prior years, the Library entered into lease agreements for the acquisition of copiers, communication equipment, an office phone system and an energy management system. The Library’s lease obligations meet the criteria of a capital lease 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, 2015 follows:

Assets:	
Equipment	\$695,910
Less: Accumulated Depreciation	<u>(195,445)</u>
Net Book Values	<u>\$500,465</u>

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

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, 2015. All lease payments are made from the general fund.

Year Ending December 31,	Amount
2016	\$79,543
2017	79,543
2018	79,543
2019	76,480
2020	49,986
Total Minimum Lease Payments	365,095
Less: Amount Representing Interest	(36,805)
Present Value of Minimum Lease	<u>\$328,290</u>

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

	Balance 12/31/14	Additions	Reductions	Balance 12/31/15
Governmental activities:				
Capital assets, not being depreciated				
Land	\$791,638	\$143,019	\$0	\$934,657
Construction in progress	0	142,868	0	142,868
Total capital assets not being depreciated	<u>791,638</u>	<u>285,887</u>	<u>0</u>	<u>1,077,525</u>
Capital assets, being depreciated				
Land Improvements	407,230	2,547	0	409,777
Buildings and Improvements	18,172,127	427,392	0	18,599,519
Equipment	2,157,719	63,825	(315,203)	1,906,341
Furniture	268,759	94,762	0	363,521
Vehicles	9,900	0	0	9,900
Total capital assets being depreciated	<u>21,015,735</u>	<u>588,526</u>	<u>(315,203)</u>	<u>21,289,058</u>
Accumulated depreciation				
Land Improvements	(360,048)	(15,627)	0	(375,675)
Buildings and Improvements	(3,460,469)	(360,566)	0	(3,821,035)
Equipment	(1,197,474)	(180,591)	285,857	(1,092,208)
Furniture	(71,248)	(26,871)	0	(98,119)
Vehicles	(5,185)	(1,415)	0	(6,600)
Total accumulated depreciation	<u>(5,094,424)</u>	<u>(585,070) *</u>	<u>285,857</u>	<u>(5,393,637)</u>
Total Capital assets being depreciated, net	<u>15,921,311</u>	<u>3,456</u>	<u>(29,346)</u>	<u>15,895,421</u>
Governmental activities capital assets, net	<u>\$16,712,949</u>	<u>\$289,343</u>	<u>(\$29,346)</u>	<u>\$16,972,946</u>

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

* Depreciation expense was charged to governmental activities as follows:

General Government:	
Public Service	\$574,652
Administration	10,418
	<hr/>
Total	\$585,070
	<hr/> <hr/>

Note 10 - Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2015, the Library contracted with Love Insurance for various types of insurance coverage as follows:

Type of Coverage	Coverage
Commercial Property	\$32,100,173
Library Materials	8,144,901
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)	100,000
Public Employee Dishonesty, Forgery and Funds Transfer Fraud (per)	100,000
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 11 – Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

The net pension liability represents the Library's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Library's obligation for this liability to annually required payments. The Library cannot control benefit terms or the manner in which pensions are financed; however, the Library does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Library employees participate 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Library employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$418,755 for 2015. Of this amount, \$24,956 is reported as an intergovernmental payable.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The Library's proportion of the net pension liability was based on the Library's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>
Proportionate Share of the Net Pension Liability	\$3,353,851
Proportion of the Net Pension Liability	0.027807%
Pension Expense	\$364,816

At December 31, 2015, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$178,951
Library contributions subsequent to the measurement date	<u>418,755</u>
Total Deferred Outflows of Resources	<u><u>\$597,706</u></u>
Deferred Inflows of Resources	
Differences between expected and actual experience	<u><u>\$58,921</u></u>

\$418,755 reported as deferred outflows of resources related to pension resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>
Year Ending December 31:	
2016	\$17,552
2017	17,552
2018	40,190
2019	<u>44,736</u>
Total	<u><u>\$120,030</u></u>

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	4.25 to 10.05 percent including wage inflation 3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Library's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Library's proportionate share of the net pension liability	\$6,170,126	\$3,353,851	\$981,870

Note 12 – Postemployment Benefits

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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 two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.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 the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

Substantially all of the Library's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014 and 2013 was \$69,792, \$77,432 and \$37,434, respectively. For 2015, 85.71 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

Note 13 – Other Employee Benefits

Compensated Absences

All full time, 30 hour and part time employees earn vacation by payroll period at different rates which are affected by length of service. As of 2015, vacation allowance is now capped at the following:

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

<u>Exempt</u>	<u>Years of Service</u>	<u>Maximum Balance</u>	<u>Maximum Carryover</u>
Full Time:	0-3	152 hours	120 hours
	4-9	168 hours	140 hours
	10+	200 hours	160 hours
<u>Non-Exempt</u>			
Full Time:	0-3	80 hours	80 hours
	4-9	120 hours	120 hours
	10+	160 hours	160 hours
Prorated-30+ Hours	0-3	60 hours	60 hours
	4-9	90 hours	60 hours
	10+	120 hours	90 hours
Part Time	0-3	40 hours*	40 hours
	4-9	60 hours*	60 hours
	10+	80 hours*	80 hours

*Part-time staff can earn ETO on and up to 16-20 hours per week.

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 14 – Interfund Transfers

The general fund transferred \$2,600,000 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, 2015

Note 15 - Long-Term Obligations

A schedule of changes in long-term obligations of the Library during 2015 follows:

	Principal Outstanding 12/31/2014	Additions	Deletions	Principal Outstanding 12/31/2015	Amounts Due In One Year
<i>Governmental Activities</i>					
Net Pension Liability - OPERS	\$3,278,100	\$75,751	\$0	\$3,353,851	\$0
Compensated Absences	199,691	180,174	167,506	212,359	198,436
Capital Lease Obligations	390,096	0	61,806	328,290	66,086
<i>Total Governmental Activities</i>	<u>\$3,867,887</u>	<u>\$255,925</u>	<u>\$229,312</u>	<u>\$3,894,500</u>	<u>\$264,522</u>

Compensated absences and capital leases will be paid from the general fund. The Library pays obligations related to employee compensation from the fund benefitting from their service. See Note 11 for additional information related to the net pension liability.

Note 16 – Construction and Improvement of Facilities

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

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

Note 17 – 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	\$169,211
Building and Repairs Fund	135,061
Total	<u>\$304,272</u>

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2015

Note 18 – Change in Accounting Principle and Restatement of Net Position

For 2015, the Library implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68”. GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure.

The Library also has a restatement resulting from an overstatement of interest booked in the staff development special revenue fund.

The implementation of this pronouncement and the understated receivables had the following effect on net position as reported at December 31, 2014:

	Governmental Activities
	<u>\$27,680,028</u>
Net Position December 31, 2014	
Adjustments:	
Net Pension Liability	(3,278,100)
Deferred Outflow - Payments Subsequent to Measurement Date	409,095
Interest Revenue	<u>(28,741)</u>
Restated Net Position December 31, 2014	<u><u>\$24,782,282</u></u>

Other than employer contributions subsequent to the measurement date, the Library made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

The overstated interest revenue had the following effect on fund balance as reported at December 31, 2014:

	<u>General</u>	<u>Building and Repairs</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Net Position December 31, 2014	\$7,705,592	\$919,067	\$570,401	\$9,195,060
Adjustments:				
Interest Revenue	<u>0</u>	<u>0</u>	<u>(28,741)</u>	<u>(28,741)</u>
Restated Net Position December 31, 2014	<u><u>\$7,705,592</u></u>	<u><u>\$919,067</u></u>	<u><u>\$541,660</u></u>	<u><u>\$9,166,319</u></u>

Note 19 – Subsequent Event

The Library purchased three homes on Fenwick Road to accommodate an addition to the University Heights Branch. Construction will commence in 2016 with anticipated completion by the end of 2017.

Required Supplementary Information

Cleveland Heights-University Heights Public Library
Required Supplementary Information
Schedule of the Library's Proportionate Share of the
Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Two Years (1)

	2014	2013
Library's Proportion of the Net Pension Liability	0.027807%	0.027807%
Library's Proportionate Share of the Net Pension Liability	\$3,353,851	\$3,278,100
Library's Covered-Employee Payroll	\$3,409,125	\$3,513,257
Library's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	93.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the Library's measurement date which is the prior year end.

Cleveland Heights-University Heights Public Library
Required Supplementary Information
Schedule of the Library's Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Three Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$418,755	\$409,095	\$456,723
Contributions in Relation to the Contractually Required Contribution	<u>(418,755)</u>	<u>(409,095)</u>	<u>(456,723)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$3,489,621	\$3,409,125	\$3,513,257
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

Combining and Individual Fund Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Staff Development Fund – 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.

LSTA Grant Fund – To account for and report revenue received from the State that is restricted for improving Library services and technology.

Summer Teen Program Fund – To account for and report donations that are restricted for the summer teen program.

Cleveland Heights-University Heights Public Library

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2015

	<u>Staff Development</u>	<u>LSTA Grant</u>	<u>Summer Teen Program</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$546,854</u>	<u>\$1,000</u>	<u>\$347</u>	<u>\$548,201</u>
Fund Balances				
Nonspendable	\$418,502	\$0	\$0	\$418,502
Restricted	<u>128,352</u>	<u>1,000</u>	<u>347</u>	<u>129,699</u>
<i>Total Fund Balances</i>	<u>546,854</u>	<u>1,000</u>	<u>347</u>	<u>548,201</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$546,854</u>	<u>\$1,000</u>	<u>\$347</u>	<u>\$548,201</u>

Cleveland Heights-University Heights Public Library
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015

	Staff Development	LSTA Grant	Summer Teen Program	Total Nonmajor Special Revenue Funds
Revenues				
Interest	\$18,142	\$0	\$0	\$18,142
Miscellaneous	0	1,000	0	1,000
<i>Total Revenues</i>	<u>18,142</u>	<u>1,000</u>	<u>0</u>	<u>19,142</u>
Expenditures				
Current:				
General Government:				
Administration	4,985	0	0	4,985
Capital Outlay	0	0	7,616	7,616
<i>Total Expenditures</i>	<u>4,985</u>	<u>0</u>	<u>7,616</u>	<u>12,601</u>
<i>Net Change in Fund Balances</i>	13,157	1,000	(7,616)	6,541
<i>Fund Balances Beginning of Year - Restated (See Note 18)</i>	<u>533,697</u>	<u>0</u>	<u>7,963</u>	<u>541,660</u>
<i>Fund Balances End of Year</i>	<u><u>\$546,854</u></u>	<u><u>\$1,000</u></u>	<u><u>\$347</u></u>	<u><u>\$548,201</u></u>

**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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$7,355,121	\$7,835,224	\$7,835,201	(\$23)
Patron Fines and Fees	95,750	102,000	104,755	2,755
Intergovernmental	3,188,537	3,396,667	3,396,643	(24)
Interest	27,786	29,600	40,434	10,834
Donations	17,428	18,500	33,567	15,067
Rentals	48,063	51,200	52,115	915
Miscellaneous	107,776	115,103	51,524	(63,579)
<i>Total Revenues</i>	<u>10,840,461</u>	<u>11,548,294</u>	<u>11,514,239</u>	<u>(34,055)</u>
Expenditures				
Current:				
General Government:				
Public Service				
Salaries and Benefits	4,101,144	4,158,858	3,939,027	219,831
Purchased Services	1,221,047	1,238,017	1,157,437	80,580
Materials and Supplies	1,457,463	1,477,169	1,391,599	85,570
Other	47,513	48,180	42,109	6,071
<i>Total Public Service</i>	<u>6,827,167</u>	<u>6,922,224</u>	<u>6,530,172</u>	<u>392,052</u>
Administration				
Salaries and Benefits	1,367,048	1,386,286	1,313,009	73,277
Purchased Services	307,921	312,184	267,351	44,833
Materials and Supplies	82,339	83,228	57,071	26,157
Other	151	153	0	153
<i>Total Administration</i>	<u>1,757,459</u>	<u>1,781,851</u>	<u>1,637,431</u>	<u>144,420</u>
Capital Outlay				
Land Improvements	14,052	14,250	6,283	7,967
Building Improvements	87,424	88,560	81,443	7,117
Furniture and Equipment	108,803	110,334	98,097	12,237
Capital Outlay	49,306	50,000	49,987	13
<i>Total Capital Outlay</i>	<u>259,585</u>	<u>263,144</u>	<u>235,810</u>	<u>27,334</u>
<i>Total Expenditures</i>	<u>8,844,211</u>	<u>8,967,219</u>	<u>8,403,413</u>	<u>563,806</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,996,250	2,581,075	3,110,826	529,751
Other Financing Sources (Uses)				
Transfers Out	(1,275,000)	(2,600,000)	(2,600,000)	0
<i>Net Change in Fund Balance</i>	721,250	(18,925)	510,826	529,751
<i>Fund Balance Beginning of Year</i>	7,613,922	7,613,922	7,613,922	0
Prior Year Encumbrances Appropriated	99,666	99,666	99,666	0
<i>Fund Balance End of Year</i>	<u>\$8,434,838</u>	<u>\$7,694,663</u>	<u>\$8,224,414</u>	<u>\$529,751</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$650	\$100	\$778	\$678
Expenditures				
Current:				
General Government:				
Administration				
Purchased Services	107,233	203,333	122,034	81,299
Capital Outlay				
Land	140,000	163,400	143,019	20,381
Land Improvements	0	50,000	9,900	40,100
Buildings and Improvements	1,762,169	1,933,569	512,202	1,421,367
Furniture and Equipment	103,300	112,400	85,476	26,924
Total Capital Outlay	2,005,469	2,259,369	750,597	1,508,772
<i>Total Expenditures</i>	2,112,702	2,462,702	872,631	1,590,071
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,112,052)	(2,462,602)	(871,853)	1,590,749
Other Financing Sources (Uses)				
Transfers In	1,275,000	2,600,000	2,600,000	0
<i>Net Change in Fund Balance</i>	(837,052)	137,398	1,728,147	1,590,749
<i>Fund Balance Beginning of Year</i>	687,298	687,298	687,298	0
Prior Year Encumbrances Appropriated	236,145	236,145	236,145	0
<i>Fund Balance End of Year</i>	\$86,391	\$1,060,841	\$2,651,590	\$1,590,749

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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$36,000	\$36,000	\$18,478	(\$17,522)
Expenditures				
Current:				
General Government:				
Administration				
Purchased Services	7,000	7,000	4,985	2,015
<i>Net Change in Fund Balance</i>	29,000	29,000	13,493	(15,507)
<i>Fund Balance Beginning of Year - Restated</i>	516,763	516,763	516,763	0
<i>Fund Balance End of Year</i>	<u>\$545,763</u>	<u>\$545,763</u>	<u>\$530,256</u>	<u>(\$15,507)</u>

Cleveland Heights-University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
LSTA Grant Fund
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$0	\$0	\$1,000	\$1,000
Expenditures				
	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	1,000	1,000
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$1,000	\$1,000

Cleveland Heights-University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer Teen Program Fund
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Donations	\$5,000	\$5,000	\$0	(\$5,000)
Expenditures				
Current:				
Capital Outlay				
Furniture and Equipment	20,751	20,751	7,616	13,135
<i>Net Change in Fund Balance</i>	(15,751)	(15,751)	(7,616)	8,135
<i>Fund Balance Beginning of Year - Restated</i>	175	175	175	0
Prior Year Encumbrances Appropriated	7,788	7,788	7,788	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$7,788)</u>	<u>(\$7,788)</u>	<u>\$347</u>	<u>\$8,135</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities				
Net Investment in				
Capital Assets	\$16,644,656	\$16,322,853	\$16,675,019	\$16,419,092
Restricted for:				
Capital Projects	0	0	0	0
Staff Development				
Nonexpendable	418,502	418,502	418,502	418,502
Expendable	128,352	143,936	107,581	89,643
Other Purposes	2,108	8,724	0	0
Unrestricted	<u>10,955,632</u>	<u>7,888,267</u>	<u>9,487,795</u>	<u>8,891,875</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$28,149,250</u>	<u>\$24,782,282</u>	<u>\$26,688,897</u>	<u>\$25,819,112</u>

Note - The effects of the implementation of GASB 68 are reflected in the 2015 and 2014 amounts.

2011	2010	2009	2008	2007	2006
\$16,340,379	\$15,825,402	\$16,014,552	\$16,066,388	\$16,231,023	\$18,041,395
0	1,040,906	672,782	702,020	555,910	1,311,793
418,502	418,502	418,502	418,502	418,502	418,502
73,448	55,174	32,612	32,612	45,334	47,902
0	15,610	6,883	0	0	2,000
7,692,761	5,905,026	4,427,955	2,392,699	3,188,303	3,308,194
<u>\$24,525,090</u>	<u>\$23,260,620</u>	<u>\$21,573,286</u>	<u>\$19,612,221</u>	<u>\$20,439,072</u>	<u>\$23,129,786</u>

Cleveland Heights-University Heights Public Library

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2015	2014	2013	2012
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Public Service	\$122,313	\$80,535	\$125,135	\$106,441
Administration	30,557	53,156	2,554	29,911
Subtotal - Charges for Services	<u>152,870</u>	<u>133,691</u>	<u>127,689</u>	<u>136,352</u>
Operating Grants and Contributions:				
General Government:				
Public Service	0	9,000	18,091	26,908
Administration	0	0	369	0
Subtotal - Operating Grants and Contributions	<u>0</u>	<u>9,000</u>	<u>18,460</u>	<u>26,908</u>
Capital Grants and Contributions:				
General Government				
Public Service	0	0	0	0
<i>Total Primary Government Program Revenues</i>	<u>152,870</u>	<u>142,691</u>	<u>146,149</u>	<u>163,260</u>
Expenses				
Governmental Activities:				
General Government:				
Public Service	6,991,889	6,471,499	6,603,614	6,032,580
Administration	1,620,757	2,028,001	1,609,684	1,571,627
Interest and Fiscal Charges	16,392	12,400	13,490	14,589
<i>Total Governmental Activities Expenses</i>	<u>8,629,038</u>	<u>8,511,900</u>	<u>8,226,788</u>	<u>7,618,796</u>
Net Expense				
Governmental Activities	<u>(8,476,168)</u>	<u>(8,369,209)</u>	<u>(8,080,639)</u>	<u>(7,455,536)</u>
General Revenues				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	8,191,307	5,570,878	5,698,149	5,528,009
Grants and Entitlements not Restricted to Specific Programs	3,526,072	3,144,750	3,131,633	3,149,291
Investment Earnings	40,732	61,291	32,243	24,330
Unrestricted Contributions	33,567	517,995	0	0
Miscellaneous	51,458	65,426	88,399	47,928
<i>Total Governmental Activities</i>	<u>11,843,136</u>	<u>9,360,340</u>	<u>8,950,424</u>	<u>8,749,558</u>
Change in Net Position				
Governmental Activities	<u>\$3,366,968</u>	<u>\$991,131</u>	<u>\$869,785</u>	<u>\$1,294,022</u>

2011	2010	2009	2008	2007	2006
\$119,666	\$115,270	\$105,416	\$103,739	\$116,109	\$100,472
34,030	31,073	27,571	22,918	28,589	20,658
<u>153,696</u>	<u>146,343</u>	<u>132,987</u>	<u>126,657</u>	<u>144,698</u>	<u>121,130</u>
86,813	42,670	38,494	5,914	2,573	36,541
5,425	3,473	5,946	644	633	703
<u>92,238</u>	<u>46,143</u>	<u>44,440</u>	<u>6,558</u>	<u>3,206</u>	<u>37,244</u>
0	0	3,000	0	0	598
<u>245,934</u>	<u>192,486</u>	<u>180,427</u>	<u>133,215</u>	<u>147,904</u>	<u>158,972</u>
6,334,670	6,209,429	6,368,432	7,047,915	9,026,175	6,201,050
1,553,407	1,512,688	1,577,866	1,478,715	2,038,947	1,452,755
18,729	21,507	21,251	29,122	28,289	42,244
<u>7,906,806</u>	<u>7,743,624</u>	<u>7,967,549</u>	<u>8,555,752</u>	<u>11,093,411</u>	<u>7,696,049</u>
<u>(7,660,872)</u>	<u>(7,551,138)</u>	<u>(7,787,122)</u>	<u>(8,422,537)</u>	<u>(10,945,507)</u>	<u>(7,537,077)</u>
5,658,014	5,619,186	6,242,776	4,019,850	4,000,385	4,045,997
3,177,827	3,575,503	3,437,579	3,506,609	3,688,533	3,628,958
26,913	21,094	30,077	67,337	162,444	357,563
0	0	0	0	0	0
62,588	22,689	37,755	1,890	90,942	20,012
<u>8,925,342</u>	<u>9,238,472</u>	<u>9,748,187</u>	<u>7,595,686</u>	<u>7,942,304</u>	<u>8,052,530</u>
<u>\$1,264,470</u>	<u>\$1,687,334</u>	<u>\$1,961,065</u>	<u>(\$826,851)</u>	<u>(\$3,003,203)</u>	<u>\$515,453</u>

Cleveland Heights-University Heights Public Library

Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012
General Fund				
Nonspendable	\$34,657	\$33,661	\$35,997	\$50,609
Committed	23,229	12,514	13,545	16,904
Assigned	499,202	88,352	332,612	89,041
Unassigned	7,839,302	7,571,065	6,385,108	5,925,424
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	8,396,390	7,705,592	6,767,262	6,081,978
All Other Governmental Funds				
Nonspendable	418,502	418,502	418,502	418,502
Restricted	129,699	123,158	103,544	89,643
Committed	105,061	228,913	35,000	493,763
Assigned	2,651,590	690,154	544,838	290,389
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	3,304,852	1,460,727	1,101,884	1,292,297
Total Governmental Funds	\$11,701,242	\$9,166,319	\$7,869,146	\$7,374,275

Note: The Library implemented GASB 54 in 2010.

Note: The effects of the restatement for interest revenue are reflected in the 2014 amounts.

2011	2010	2009	2008	2007	2006
\$49,735	\$32,390	\$28,255	\$0	\$0	\$0
29,316	21,024	9,747	0	0	0
46,583	30,039	69,877	0	0	0
5,096,806	3,857,080	2,552,844	0	0	0
0	0	0	52,263	217,258	239,157
0	0	0	822,519	1,290,179	1,444,866
<u>5,222,440</u>	<u>3,940,533</u>	<u>2,660,723</u>	<u>874,782</u>	<u>1,507,437</u>	<u>1,684,023</u>
418,502	418,502	418,502	0	0	0
73,448	70,784	39,495	0	0	0
69,289	866,671	0	0	0	0
395,028	174,235	672,782	0	0	0
0	0	0	104,731	6,118	1,051,773
0	0	0	449,604	462,212	464,618
0	0	0	0	0	312,489
0	0	0	598,799	551,416	263,806
<u>956,267</u>	<u>1,530,192</u>	<u>1,130,779</u>	<u>1,153,134</u>	<u>1,019,746</u>	<u>2,092,686</u>
<u>\$6,178,707</u>	<u>\$5,470,725</u>	<u>\$3,791,502</u>	<u>\$2,027,916</u>	<u>\$2,527,183</u>	<u>\$3,776,709</u>

Cleveland Heights-University Heights Public Library

Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012
Revenues				
Property Taxes	\$7,835,201	\$5,590,586	\$5,535,659	\$5,550,237
Patron Fines and Fees	104,755	80,535	78,225	98,859
Intergovernmental	3,410,401	3,123,787	3,166,062	3,125,516
Interest	40,732	61,291	32,243	24,330
Donations	33,567	526,995	18,460	20,293
Rentals	48,115	53,156	49,464	37,493
Miscellaneous	51,458	65,426	88,399	47,928
<i>Total Revenues</i>	<u>11,524,229</u>	<u>9,501,776</u>	<u>8,968,512</u>	<u>8,904,656</u>
Expenditures				
Current:				
General Government:				
Public Service	6,324,940	5,707,937	5,837,385	5,630,208
Administration	1,612,857	2,020,620	1,592,004	1,565,815
Capital Outlay	976,117	507,946	958,362	421,536
Debt Service:				
Principal Retirement	61,806	60,238	72,400	76,940
Interest and Fiscal Charges	13,586	12,400	13,490	14,589
<i>Total Expenditures</i>	<u>8,989,306</u>	<u>8,309,141</u>	<u>8,473,641</u>	<u>7,709,088</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,534,923</u>	<u>1,192,635</u>	<u>494,871</u>	<u>1,195,568</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	0	133,279	0	0
Transfers In	2,600,000	550,000	560,000	658,500
Transfers Out	(2,600,000)	(550,000)	(560,000)	(658,500)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>133,279</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u><u>\$2,534,923</u></u>	<u><u>\$1,325,914</u></u>	<u><u>\$494,871</u></u>	<u><u>\$1,195,568</u></u>
Debt Service as a Percentage of Noncapital Expenditures	0.9%	0.9%	1.1%	1.2%

2011	2010	2009	2008	2007	2006
\$5,510,252	\$5,553,935	\$5,962,946	\$4,006,125	\$3,995,415	\$4,137,884
111,050	107,142	112,203	108,402	123,751	107,456
3,372,113	3,487,887	3,530,889	3,607,370	3,693,850	3,686,792
26,913	21,094	30,077	67,337	162,444	357,563
31,852	17,506	32,680	6,558	3,206	22,630
42,646	39,201	20,784	18,255	20,947	13,674
62,588	22,689	37,755	1,890	90,942	20,012
<u>9,157,414</u>	<u>9,249,454</u>	<u>9,727,334</u>	<u>7,815,937</u>	<u>8,090,555</u>	<u>8,346,011</u>
5,580,315	5,633,984	6,026,405	6,426,265	6,202,089	5,864,854
1,534,769	1,518,458	1,558,492	1,466,785	1,577,507	1,419,563
1,233,446	314,798	406,361	321,679	1,574,996	6,927,497
82,173	81,484	69,450	71,353	79,224	108,261
18,729	21,507	21,251	29,122	34,084	36,449
<u>8,449,432</u>	<u>7,570,231</u>	<u>8,081,959</u>	<u>8,315,204</u>	<u>9,467,900</u>	<u>14,356,624</u>
<u>707,982</u>	<u>1,679,223</u>	<u>1,645,375</u>	<u>(499,267)</u>	<u>(1,377,345)</u>	<u>(6,010,613)</u>
0	0	118,211	0	127,819	585,558
563,015	614,500	300,000	400,000	612,489	712,489
(563,015)	(614,500)	(300,000)	(400,000)	(612,489)	(712,489)
<u>0</u>	<u>0</u>	<u>118,211</u>	<u>0</u>	<u>127,819</u>	<u>585,558</u>
<u>\$707,982</u>	<u>\$1,679,223</u>	<u>\$1,763,586</u>	<u>(\$499,267)</u>	<u>(\$1,249,526)</u>	<u>(\$5,425,055)</u>
1.4%	1.4%	1.2%	1.2%	1.2%	2.0%

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
2015	\$879,068,060	\$157,675,130	\$2,962,123,400	\$17,942,510	\$20,389,216
2014	886,426,760	171,565,400	3,022,834,743	17,518,250	19,907,102
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

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	\$1,054,685,700	\$2,982,512,616	35.36 %	\$8.3351
0	0	1,075,510,410	3,042,741,845	35.35	8.2636
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

Cleveland Heights-University Heights Public Library

Property Tax Rates - Direct and Overlapping Governments

(Per \$1,000 of Assessed Valuation)

Last Ten Years

	2015	2014	2013	2012
Voted Millage - by levy				
1992 Current Expense				
Residential/Agricultural Real	\$2.5904	\$2.5700	\$2.5401	\$2.5299
Commercial/Industrial and Public Utility Real	3.1179	2.9100	2.8819	2.8874
General Business and Public Utility Personal	4.0000	4.0000	4.0000	4.0000
2000 Current Expense				
Residential/Agricultural Real	1.5125	1.5000	1.4831	1.4772
Commercial/Industrial and Public Utility Real	1.6646	1.5600	1.5386	1.5415
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000
2008 Current Expense				
Residential/Agricultural Real	1.9000	1.9000	1.9000	1.9000
Commercial/Industrial and Public Utility Real	1.9000	1.9000	1.8964	1.9000
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000
2014 Current Expense				
Residential/Agricultural Real	2.2000	2.2000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	2.2000	2.2000	0.0000	0.0000
General Business and Public Utility Personal	2.2000	2.2000	0.0000	0.0000
Total Millage				
Residential/Agricultural Real	\$8.2030	\$8.1700	\$5.9232	\$5.9071
Commercial/Industrial and Public Utility Real	8.8825	8.5700	6.3169	6.3289
General Business and Public Utility Personal	10.0000	10.0000	7.8000	7.8000
 Total Weighted Average Rate	 \$8.3351	 \$8.2636	 \$6.0140	 \$5.9130

Overlapping Rates by Taxing District

Cleveland Heights City

Residential/Agricultural Real	\$13.9200	\$13.9200	\$12.9000	\$13.0000
Commercial/Industrial and Public Utility Real	13.9200	13.9200	12.9000	13.0000
General Business and Public Utility Personal	13.9200	13.9200	12.9000	13.0000

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

2011	2010	2009	2008	2007	2006
\$2.4060	\$2.3828	\$2.3771	\$2.2031	\$2.1967	\$2.1947
2.7867	2.7398	2.7856	2.7275	2.7105	2.7188
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
1.4048	1.3913	1.3880	1.2864	1.2826	1.2815
1.4878	1.4628	1.4872	1.4562	1.4471	1.4515
1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
1.9000	1.9000	1.9000	1.9000	0.0000	0.0000
1.9000	1.8688	1.9000	1.9000	0.0000	0.0000
1.9000	1.9000	1.9000	1.9000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
\$5.7108	\$5.6741	\$5.6651	\$5.3895	\$3.4793	\$3.4762
6.1745	6.0714	6.1728	6.0837	4.1576	4.1703
7.8000	7.8000	7.8000	7.8000	5.9000	5.9000
\$5.2635	\$5.2772	\$5.2743	\$5.4490	\$3.6256	\$3.6480

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

(continued)

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

	2015	2014	2013	2012
South Euclid City				
Residential/Agricultural Real	\$16.3500	\$16.0500	\$16.1215	\$13.1000
Commercial/Industrial and Public Utility Real	16.2817	15.9600	16.3500	13.1000
General Business and Public Utility Personal	16.3500	16.0500	16.3500	13.1000
Cleveland Heights/University Heights City School District				
Residential/Agricultural Real	81.3081	80.9500	92.7788	74.3049
Commercial/Industrial and Public Utility Real	98.1577	93.5400	80.3810	87.0446
General Business and Public Utility Personal	149.5900	149.5900	149.5900	143.7000
Cuyahoga County				
Residential/Agricultural Real	13.8698	14.0500	13.9495	13.2200
Commercial/Industrial and Public Utility Real	14.0500	14.0200	14.0500	12.9968
General Business and Public Utility Personal	14.0500	14.0500	14.0500	13.2200
Special Taxing Districts (1)				
Residential/Agricultural Real	9.2368	9.3600	5.9639	5.0635
Commercial/Industrial and Public Utility Real	9.3676	9.3400	5.8843	4.9621
General Business and Public Utility Personal	9.3800	9.3800	5.9800	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

2011	2010	2009	2008	2007	2006
\$13.1000	\$13.1000	\$13.2670	\$13.1066	\$12.9048	\$12.9037
13.1000	13.1000	13.2621	13.2611	13.0691	13.0711
13.1000	13.1000	14.9000	14.9000	14.7000	14.7000
71.7220	64.3156	64.1927	60.2980	60.1573	53.0145
84.6791	76.5609	77.7531	76.2906	75.8676	68.9863
143.7000	136.8000	136.8000	136.7000	136.7000	129.6000
13.1182	13.1866	13.1789	12.6607	11.8688	11.8655
12.7846	12.8412	12.8457	12.8153	12.4535	12.4941
13.2200	13.3200	13.3200	13.3200	13.4200	13.4200
5.0041	4.9900	4.5068	4.1597	4.1590	4.1576
4.8649	4.8450	4.4119	4.3911	4.3800	4.3962
5.0800	5.0800	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)
2015	\$8,831,597	\$8,258,723	93.51%	\$429,656	\$8,688,379
2014	6,530,159	6,016,335	92.13	336,860	6,353,195
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

Source: Cuyahoga County, Ohio; Fiscal Officer

- (1) Information for Real and Public Utility Property Only
- (2) State Reimbursements of Rollback and Homestead Exemptions are included
- (3) The County does not identify delinquent collections by the year for which the tax was levied.
- (4) Penalties and interest are included, since by Ohio Law, they become part of the tax obligation as assessment occurs.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Tax Levy
98.38%	\$1,341,564	15.19 %
97.29	985,458	15.09
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

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
2015	\$0	\$0	0.00 %	\$0	\$0
2014	0	0	0.00	0	0
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

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
N/A %	\$34,063	N/A %
N/A	34,063	N/A
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

Cleveland Heights-University Heights Public Library

Principal Real Property Taxpayers

2015 and 2006

<i>2015</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating	\$12,523,480	1.21 %
Kaiser Foundation	10,667,260	1.03
Inland Cedar Center South	8,261,320	0.80
Severance SPE Lease Company	4,032,040	0.39
University Heights Holdings	4,023,010	0.38
Murphy Hall LLC	3,360,000	0.32
East Ohio Gas	2,859,260	0.28
The May Department	2,685,730	0.26
Kensington Ltd Partnership	2,521,830	0.24
Target Corporation	2,477,310	0.24
Total	\$53,411,240	5.15 %
Total Assessed Valuation	\$1,036,743,190	

<i>2006</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Severance SPE Lease Company	\$19,182,600	1.57 %
Inland Western	15,755,720	1.29
Kaiser Foundation	11,642,930	0.96
Macy Department Store	8,552,780	0.70
Cleveland Electric Illuminating	8,207,460	0.67
University Square	7,827,610	0.64
Target Corporation	6,279,500	0.52
Ohio Bell Telephone Company	4,449,070	0.37
Huntington House	3,559,060	0.29
ARC Cleveland Heights LLC	3,415,590	0.28
Total	\$88,872,320	7.29 %
Total Assessed Valuation	\$1,218,353,600	

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*

Fiscal Year	Capital Leases	Total Personal Income (1)	Percentage Of Personal Income	Population (1)	Per Capita
2015	\$328,290	\$1,822,702,490	0.02 %	59,660	\$6
2014	390,096	1,810,919,640	0.02	59,660	7
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

(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, 2015*

Jurisdiction	Governmental Activities Debt	Percentage Applicable to Library(1)	Amount Applicable to the Library
Direct			
Capital Leases	328,290	100.00 %	328,290
Overlapping			
Cuyahoga County			
General Obligation Bonds	265,325,306	4.19	11,117,130
Revenue Bonds	632,267,039	4.19	26,491,989
Certificates of Participation	256,864,058	4.19	10,762,604
Loans Payable	3,641,944	4.19	152,597
Capital Leases	454,910,836	4.19	19,060,764
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	133,153,266	4.19	5,579,122
City of Cleveland Heights			
General Obligation Bonds	14,707,000	95.00	13,971,650
OPWC Loans	1,461,069	95.00	1,388,016
Notes	1,752,527	95.00	1,664,901
City of University Heights			
General Obligation Bonds	1,820,000	100.00	1,820,000
OPWC Loans	617,748	100.00	617,748
Loans	315,292	100.00	315,292
City of South Euclid			
General Obligation Bonds	17,450,069	6.51	1,135,999
Special Obligation Bonds	1,765,000	6.51	114,902
OPWC Loans	2,772,374	6.51	180,482
OWDA Loans	1,289,436	6.51	83,942
OAQDA Loans	614,179	6.51	39,983
Capital Leases	234,162	6.51	15,244
Cleveland Heights-University Heights City School District			
General Obligation Bonds	140,614,915	100.00	140,614,915
Certificates of Participation	20,330,000	100.00	20,330,000
QZAB Bonds	5,500,000	100.00	5,500,000
Capital Lease	139,039	100.00	139,039
<i>Total Overlapping Debt</i>	<u>1,957,545,259</u>		<u>261,096,319</u>
<i>Total Direct and Overlapping Debt</i>	<u>\$1,957,873,549</u>		<u>\$261,424,609</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 2014 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
2015 and Nine Years Ago*

2015		
Employer	Nature of Activity	Employees
John Carroll University	Higher Education	2,291
Cleveland Heights-University Heights City School District	Public Education	1,069
City of Cleveland Heights	Local Government	793
Bellefaire Jewish Children's Center	Social Services	324
Cuyahoga County Fiscal Office	Local Government	306
Heinen's Grocery	Grocery/Retail	179
Cleveland Heights-University Heights Public Library	Library	146
Toyota on the Heights	Auto Dealership	114
City of University Heights	Local Government	105
Motorcars Honda Inc.	Auto Dealership	102
Total		<u>5,429</u>
Total Employment within the Library District		<u>N/A</u>

2006			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
Cleveland Heights-University Heights City School District	Public Education	1,164	3.69 %
John Carroll University	Higher Education	585	1.85
City of Cleveland Heights	Local government	496	1.58
Wal-Mart, Inc.	Retail Store	300	0.95
Kaiser Foundation	Medical Facility	300	0.95
Heinen's Grocery	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		<u>3,785</u>	<u>12.02 %</u>
Total Employment within the Library District		<u>31,488</u>	

Source: Survey conducted by the two Cities. (1)

(1) The Cleveland Heights-University Heights Public Library is a school district library and its boundaries follow those of the Cleveland Heights-University Heights City School District. These boundaries cover all of the community of University Heights; all but a small portion of Cleveland Heights (that which is within the boundaries of the East Cleveland 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
2015	59,660	\$1,822,702,490	\$53,000	\$30,552	4.0%	4.6%
2014	59,660	1,810,919,640	58,968	30,354	6.5	4.8
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

Sources:

- (1) Estimates 2006-2015, Environmental Systems Research Institute (ESRI), 2015. 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, 2006-2015
- (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	\$2,982,512,616	6,092	\$40,840,680
10.11	3,042,741,845	3,550	33,086,052
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

Cleveland Heights-University Heights Public Library
Full-Time Equivalent Library Employees by Function/Program
Last Ten Years

Function/Program	2015	2014	2013	2012
Public Service				
Adult Services	12.200	11.950	12.000	11.950
Young Adult Services	0.000	0.000	0.000	0.000
Children's Services	0.000	0.000	0.000	0.000
Youth Services	11.000	11.000	10.500	10.500
Circulation Services	12.200	12.400	13.200	12.200
Technical Services	2.500	4.500	4.750	4.750
Information Technology	2.000	2.000	2.000	2.000
Training	6.300	5.800	5.300	4.800
Building Services	11.500	9.500	9.500	9.000
Coventry Village Library	6.900	6.900	5.900	6.150
Noble Neighborhood Library	9.050	9.050	7.980	7.975
University Heights Library	8.000	8.000	6.650	6.650
Marketing and Communications	4.000	4.000	4.000	4.000
Administrative Support	1.500	1.000	1.000	1.000
Sub Reference Hours	1.550	1.550	1.550	1.550
Circulation Reference	N/A	N/A	N/A	N/A
Main Library Pages	10.100	10.100	11.400	11.100
Administration				
Main Library	5.000	5.000	5.000	5.000
Branch Library	3.000	3.000	3.000	3.000
Totals:	<u>106.800</u>	<u>105.750</u>	<u>103.730</u>	<u>101.625</u>

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

2011	2010	2009	2008	2007	2006
13.875	13.925	13.920	16.625	16.700	17.825
3.600	3.600	3.600	6.600	4.975	4.600
7.200	7.000	6.600	9.325	8.200	7.875
0.000	0.000	0.000	0.000	0.000	0.000
10.750	11.550	11.500	21.550	20.825	20.250
5.250	5.250	4.250	8.700	6.925	5.525
2.000	2.000	3.000	2.000	2.000	2.175
0.000	0.000	0.000	0.000	0.000	0.000
9.800	9.600	9.000	6.000	5.725	5.950
5.100	5.100	5.700	6.750	5.675	5.800
6.775	6.775	7.770	8.150	7.400	8.725
5.900	5.300	6.300	7.650	6.375	6.225
4.000	4.000	3.000	4.000	2.225	1.500
1.500	1.500	3.500	2.500	5.925	5.800
1.550	1.350	1.350	N/A	N/A	N/A
N/A	N/A	0.500	N/A	N/A	N/A
8.750	8.750	8.750	N/A	N/A	N/A
6.000	6.000	5.000	5.000	10.000	10.000
3.000	3.000	3.000	3.000	3.000	3.000
<u>95.050</u>	<u>94.700</u>	<u>96.740</u>	<u>107.850</u>	<u>105.950</u>	<u>105.250</u>

Cleveland Heights-University Heights Public Library

Capital Assets Statistics by Function/Program

Last Ten Years

Function/Program	2015	2014	2013	2012
Public Service				
Number of Buildings	5	5	5	4
Public Meeting Rooms	10	10	10	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	4,000	4,000	0
Public Use Copy Machines	8	8	7	7
Public Use Fax Machines	6	6	5	4
Public Use PCs	160	160	137	133
ATMs	0	0	0	1
Cafes	0	0	0	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	96	96	95	94

2011	2010	2009	2008	2007	2006
4	4	4	4	4	4
13	13	13	12	12	12
1	1	1	1	1	1
5,105	5,105	5,105	5,105	5,105	5,105
11,160	11,160	11,160	11,160	11,160	11,160
11,160	11,160	11,160	11,160	11,160	11,160
107,856	107,856	107,856	107,856	107,856	107,856
0	0	0	0	0	0
7	7	8	8	8	7
4	4	4	4	4	4
133	123	120	120	127	123
1	1	1	1	1	1
1	1	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	2,144	2,144
1	1	1	1	1	1
94	96	96	92	92	89

Cleveland Heights-University Heights Public Library

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2015	2014	2013	2012
Public Service				
Circulation By Building				
Coventry Village Library	116,683	117,100	123,945	125,497
Lee Road Library	1,223,439	1,270,117	1,283,982	1,307,227
Noble Neighborhood Library	164,954	179,990	182,587	187,101
University Heights Library	193,089	212,365	204,906	200,115
Total Circulation, All Buildings	1,698,165	1,779,572	1,795,420	1,819,940
Circulation By Age Level				
Total Adult Circulation	1,264,591	1,237,050	1,293,901	1,306,911
Total Juvenile Circulation	433,574	542,522	448,082	473,437
Circulation By Type of Materials				
Books and Magazines	844,290	915,445	916,864	928,942
Videocassettes and DVDs	532,565	592,621	613,227	638,680
Recordings (Discs, Tapes, CDs)	178,269	194,638	206,841	207,286
Computer Software	522	622	485	319
E-media	98,690	71,478	53,345	39,532
Other Items	3,829	4,768	4,658	5,181
Library Collections Systemwide				
Books	263,418	266,906	266,791	269,434
E-books	215,490	124,395	115,779	79,089
Videocassettes and DVDs	36,502	39,537	42,453	38,432
Recordings (Discs, Tapes, CDs)	31,568	68,825	60,769	55,613
Computer Software	16	17	19	13
Magazine Subscriptions	577	362	362	729
Databases Provided	88	92	413	413
Electronic Resources				
Number of PCs Available for Public	144	137	137	133
Number of Weekly Users of Electronic Resources	5,345	5,593	5,542	5,517
Annual Number of Users of Electronic Resources	277,940	290,836	288,184	286,884
Public Service Transactions Systemwide				
Average Weekly Building Attendance	19,138	20,134	20,585	21,714
Annual Building Attendance	995,176	1,046,968	1,070,404	1,129,152
Average Weekly Reference Transactions	10,552	11,271	10,626	7,505
Annual Reference Transactions	548,704	586,092	552,552	390,260
Total Annual Library Programs	5,104	3,378	3,149	5,904
Total Annual Library Programs Attendance	70,776	70,025	33,773	66,342
Administration				
Purchase orders Issued	1,081	1,303	1,307	1,324
Accounts Payable Checks/Vouchers Issued	1,710	1,765	1,899	188
Payroll Checks/Direct Deposits				
Processed/Issued	6,622	3,987	3,939	3,699
W-2s and 1099s Issued	204	184	208	195
Board Resolutions	86	72	64	61

2011	2010	2009	2008	2007	2006
120,281	133,160	156,376	142,632	123,230	143,688
1,158,207	1,209,339	1,371,795	1,325,253	1,248,260	1,127,499
106,594	133,998	224,310	218,722	239,337	278,741
193,243	193,425	220,054	213,859	200,039	216,506
1,578,325	1,669,922	1,972,535	1,900,466	1,810,866	1,766,434
1,332,370	1,438,758	1,499,759	1,449,501	1,379,985	1,337,745
465,583	476,085	472,776	450,896	436,781	428,689
920,247	753,957	1,041,514	1,032,297	1,021,905	1,019,068
665,329	684,773	691,858	627,489	553,931	509,809
206,446	223,349	231,111	232,494	234,135	229,645
528	678	1,147	1,225	1,202	2,211
N/A	N/A	N/A	N/A	N/A	N/A
5,574	7,165	6,905	6,892	5,693	5,691
270,610	240,750	283,101	288,070	284,276	306,202
34,073	34,073	22,807	18,801	15,944	15,944
35,219	32,022	29,475	28,977	25,736	23,904
50,423	44,057	26,475	37,932	31,771	28,415
96	98	108	119	145	194
795	728	666	847	1,033	1,181
312	278	324	325	78	80
133	123	120	120	127	123
5,802	2,351	2,277	2,103	2,103	5,755
301,744	122,252	118,404	109,356	109,356	299,260
20,898	22,325	21,884	19,553	18,862	19,963
1,086,696	1,160,900	1,137,968	1,016,783	980,864	1,038,076
5,985	6,367	4,411	6,482	5,936	6,238
311,220	331,084	229,372	337,064	308,672	324,376
3,929	2,718	2,358	1,886	2,955	1,935
32,728	53,219	46,343	28,651	43,251	13,821
1,625	2,352	2,278	2,569	1,056	644
2,343	2,039	2,385	2,628	3,682	2,658
3,931	4,406	4,156	4,520	4,582	4,595
187	178	209	202	221	205
74	67	44	60	50	81

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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
SEPTEMBER 6, 2016**