

Dave Yost • Auditor of State



CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY  
CUYAHOGA COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' 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 the financial statements of the governmental activities, the General Fund, and the aggregate remaining fund information of Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio, (the Library) as of and for the year ended December 31, 2010, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 10, 2011, wherein we noted the Library implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and timely corrected.

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

### **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, providing an opinion 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*.

We did note certain matters not requiring inclusion in this report that we reported to the Library's management in a separate letter dated June 10, 2011.

We intend this report solely for the information and use of management, the Operations Committee, the Board of Trustees, and others within the Library. We intend it for no one other than these specified parties.

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

June 10, 2011

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY  
CUYAHOGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-01	Library overpaid the Studio Techne contract by \$1,295	Yes	

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY**

**CLEVELAND HEIGHTS, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

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



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# Introductory Section

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**Cleveland Heights-University Heights Public Library**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2010*  
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Nancy S. Levin  
Director/Clerk

Catherine Hakala-Ausperk  
Deputy Director

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2345 Lee Road Cleveland Heights, Ohio 44118-3493

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June 10, 2011

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, 2010. This is the twentieth year that the Library has gone the extra mile to share with taxpayers comprehensive financial data in this format, 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 State of Ohio 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, 2010.

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

## **CONTENTS**

The Auditor of State, Dave Yost, has issued an unqualified (“clean”) opinion on the Library’s financial statements for the year ended December 31, 2010. 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, one member appointed each year by the local board of education for a seven–year term, governs the Library. The taxing authority for the school district public library is the Board of Education, but the Library operates under a separate budget with funds derived primarily from the Public Library Fund and three property tax levies totaling 7.8-mills.

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

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

## **PROFILE OF GOVERNMENT**

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

The Cleveland Heights–University Heights Public Library is presently comprised of four buildings: The 107,856 square foot Lee Road Library (our Main Library), including the Activity Center where renovation was completed in 2006, incorporating the old Lee Road branch built in 1932 and an earlier renovation from 1968; the Noble Neighborhood Library, built in 1937; the University Heights Library, built in 1952; and the original 1926 building which became the Coventry Village Library in 1968.

In 1973, the Library placed its first five–year operating levy on the ballot and it passed by 67.8 percent. In 2008, the community passed its third continuing levy. This financial support has allowed the Library to develop innovative approaches to the public service that the residents of the community demand. For example, in 1981, the Cleveland Heights–University Heights Public Library was the first library to join the Cleveland Public Library’s automated circulation system and online catalog. CLEVNET, as it is now known, has grown to over 31 libraries in nine counties in northern Ohio. In 2009, Ohio placed more of the burden of support for local libraries on the individual communities by lowering the percentage of the General Revenue Fund (GRF) dedicated to the Public Library Fund to 1.97 percent. (See Levy Support below)

## **ECONOMIC CONDITIONS AND OUTLOOK**

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

Funding for the Library from the Public Library Fund (PLF), which represents approximately 26 percent of the Library’s total revenue, is derived from a percentage of statewide General Revenue Fund collections. Receipts from this source depend upon general economic conditions in Ohio, and upon allocation decisions made by the Cuyahoga County Budget Commission. The current nationwide recession began to affect allocations from the Public Library Fund in the fall of 2008; and the recession continued in 2009 becoming the worst recession in the history of this country. As a result, the State Legislature voted to reduce the percentage of the GRF allocated to libraries and the GRF itself shrunk in 2009 and 2010 as well. The Board of Library Trustees and management believe that carefully planned reductions in expenditures and close monitoring of funds are essential to withstand the budget crisis on state and national levels.

## **LEVY SUPPORT**

In November of 1992, our residents approved a continuing, four-mill operating levy by a two-to-one margin. Beginning collection in 1993, this levy replaced a three-mill levy (with an effective rate of only 2.06 mills) and generates approximately \$3,085,000 annually in property taxes and intergovernmental revenues. In March of 2000, the voters of the Cleveland Heights-University Heights City School District approved an additional continuing 1.9-mill operating levy. Collections began in 2001 and they generate approximately \$1,451,000 annually. State law limits the property tax levies, which account for approximately 60.05 percent of the Library's revenue, to the revenue generated by real property appraisal values at the time of each levy's passage. As a result, property tax revenues cannot increase significantly during the term of each levy.

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

The Board of Library Trustees went on the ballot in March 2008 for a third continuous 1.9 mill property tax levy, this one certified to generate \$2.3 million beginning in 2009. We anticipate going to the voters again in 2013.

## **POLITICAL ENVIRONMENT**

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. The national foreclosure crisis hit Cuyahoga County very hard and the ramifications have not yet been fully felt. The loss of population may be only a first wave.

At the end of 2010, some 1,500 properties in our service area were in foreclosure. Neither City has any industry and both are excellent examples of relatively affluent "bedroom communities." Since 2000, the average household income has increased by 27.7 percent in the two communities. The percentage of residents having received college degrees and above is 55.5 percent and 55.3 percent in Cleveland Heights and University Heights respectively. At the same time, per capita income in Cleveland Heights is \$33,741 and \$35,913 in University Heights, while the combined median household income for the two cities is \$66,726.

## **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 ORC and prudent money management. The policy also follows Section 135.14 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 2010 was minimal due to extremely low interest rates.

### **Ohio Public Library environment in 2010:**

- There are 251 public library systems with approximately 700 locations. In the past two years a number of public library branches have closed and more will be closing in 2011.
- By law, no new public library systems can be established in Ohio.
- The Public Library Fund (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; it supports interlibrary loan of materials, shared staffing models, group purchasing, etc. Public libraries view their collections as a Statewide asset.
- In the past two years, State funding of public libraries has decreased by 24 percent.
- In a 2010 Statewide poll, 86 percent of Ohioans use their public library; and 88 percent felt that the quality of library service in Ohio was good or excellent.
- Ohio's libraries have the highest circulation, computer usage, volume of materials, and patron traffic per capita in the country.
- The 94 library systems without levies (37 percent) are, on average, 98 percent dependent on the PLF.
- 157 (63 percent) of the 251 public library systems in Ohio now have levies.
- 30 of 38 public library ballot issues (37 levies; 1 bond) passed in November 2010 – nearly 80 percent.

When creating the 2009-2010 biennium budget State legislators rejected the governor's proposal to reduce the Public Library Fund percentage of the General Revenue Fund by 30 percent. Legislators reduced the PLF funding percentage from 2.22 percent to 1.97 percent. The result of this was an 18 percent loss in State funding in 2009 for public libraries. This decline continued in 2010 because State revenues have not rebounded. Ohio public library funding is down 24 percent in the last two years.

### **CURRENT LIBRARY FUNDING IN OHIO**

<u>PLF Annual</u>	<u>Total (millions)</u>	<u>Percent Reduction from 2008 Base</u>
CY 2008	\$450.6	
CY 2009	370.4	-17.80%
CY 2010	344.9	* -23.46%

\* Projected by the Ohio Department of Taxation

### **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. It seeks a balance between past accomplishments and future achievements and recognizes that rapid change and the need to adjust quickly to customer needs requires that we replace the typical three to five year long-range plan with something that is shorter in duration and is updated regularly. The Board of Library Trustees approved a two-year plan in 2010. The objectives of this plan include: Tell Our Story; Improve Operational Excellence; and Affirm our Place in the World. The entire plan is posted on the library website, [www.heightslibrary.org](http://www.heightslibrary.org).

### **MISSION, VISION AND VALUES**

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

## **The Library's Mission**

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

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

## **The Library's Values**

*We place great value in:*

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

## **The Library's Vision**

*We will know we are succeeding when:*

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

## **2010 AT A GLANCE**

### **Board of Library Trustees**

Member Kevin Ortner resigned his position at the end of 2010 making it necessary to add two new members at that time. James Roosa was chosen to serve out the rest of Mr. Ortner's term. Ron Holland was selected for a seven year term.

### **Staff**

Two major changes took place in Library administration in 2010. One was the creation of the marketing and community relations manager position. This position aligns with our Balanced Scorecard initiative to “Tell Our Story.” The position oversees the Web designer, staff artist and events coordinator and is a member of the Administrative Support Team. This person creates a combined effort for all outlets of information and the building of relationships on behalf of the Library. There is no longer a Public Relations position. Dean Schnurr filled this position with great aplomb, especially when he agreed to wear a pirate costume to a Library sponsored Coventry Movie night!

The other major change was the creation of the deputy fiscal officer position. By eliminating two part-time Accounting Assistant positions we were able to create a true back-up for the Fiscal Officer. Realizing that we could augment our strong programs and services with the help of volunteers, especially in an age of budget cutbacks, we added volunteer coordinator to the job of Heather Howiler, staff training and development coordinator. 32 adults and teens volunteered approximately 370 hours to our Summer

Lunch Program, 24 assisted with gardening projects, 5 volunteered on Summer Reading projects, and 2 assisted with grant research.

Staff training hours increased 38 percent in 2010 over the previous year. 122 staff members participated in 115 training events. Tuition reimbursement funds of \$500 each were awarded to three employees. The Library hosted 8 practicum students from Kent State University's School of Library and Information Science, 3 apprentices and 2 interns. Three high school students also did service learning projects with us in 2010.

Noble Branch Manager JoAnn Vicarel and Circulation Services Coordinator Mary Beth Musk both retired. Steven Haynie, Teen Services Coordinator accepted a job with another library. Buildings Coordinator Gerry Kavulich also left. These openings were filled with internal candidates in anticipation of a library organizational redesign.

Benefit changes: Due to changes in tax laws, the Library closed its 403(b) deferred compensation plan for staff in 2010. As for health benefits, the Library still pays the single-person premium on a high deductible health insurance policy for full-time staff. This Health Savings Account plan allows staff to save contributions in a health care bank to pay the deductible in the future. Any funds left in the account remain the property of the staff member and can be saved. In return, staff pay all bills at a full rate up to the deductible amount. This provides them with an awareness of the cost of health care and provides incentive to seek lower cost care. We continue to provide optional vision and dental coverage.

### **Operational Changes**

In June, the Library contracted with Unique Management Services to help collect fines and the return of lost materials. Within six months, the return rate was 5:1 for each dollar spent. This agency helped us to identify some excessively high bills for individuals that were turned over to the Cleveland Heights Police Department for criminal activity.

In July, the Board voted to extend the summer branch hours into the school year, effectively keeping the branches closed on Sundays to save on staff hours in light of budget and staffing reductions. Meanwhile, the Lee Road Library remains open seven days a week.

### **Friends of the Heights Library**

The Library received \$12,000 from the Friends of the Library. The Friends of the Library saw a surge in membership and activity in 2010. The events included very successful book sales and a reprise of the Wise Up: Chapter Two fundraiser at Night Town. The year ended with a "Behind the Scenes" look at writing with author and member Richard Montanari and former Noble Branch Manager JoAnn Vicarel. Staff members Shamekia Chandler and Shannon Horrocks won the Friend's Library Education Scholarship. This year the Friends Board included President Adaora Schmiedl, Treasurer Sherri Appleton, and Secretary Sharon Richardson. Their membership numbers exceeded 300 and weekly book sorting sessions brought in many new library advocates.

### **Grants and Gifts**

Grants were awarded from the State Library of Ohio through the Federal Library Services and Technology Act funding, including \$5,600 with a local match of \$3,600 for the Community Gardening initiative at all four buildings and a Choose to Read Ohio Grant in partnership with the CH-UH School District in the amount of \$5,211 of federal funds with \$1,736 local matching funds. The Library was the fiscal agent for this grant. (Only 12 other Ohio libraries received this grant.) It celebrated the work of two Ohio authors, Dan Chaon and Louise Borden. Dan Chaon is a Cleveland Heights resident and is the author of *You Remind Me of Me*. Louise Borden is the author of *The Journey that Saved Curious George: The True Wartime Escape of Margret and H.A. Rey*. Activities included author visits, partnerships with the Maltz Museum of Jewish Heritage and Cleveland Bikes. We received an LSTA grant for Pre-Literacy and You (P.L.A.Y.) room at the renovated Noble Library for a total of \$35,652. (\$17,826 in 2010 and \$17,826 in 2011)

The Library staff in turn contributed over \$1,600 to the Harvest for Hunger campaign, American Heart Association's Go Red campaign and the American Cancer Society in honor of our colleague Pat Carterette, as part of the Library's casual Friday program.

### **Facilities**

In October we started Phase 1 of the Noble Neighborhood Library renovation, which will result in a \$1,000,000 investment in that branch between 2010 and 2011. A new lift was planned at the University Heights branch. Meanwhile, Coventry installed a walk up book drop on Coventry Road and continues to improve its back room, where computers and the teen collection are housed.

At the Lee Road Library, we opened the new computer classroom and Computer Gallery space with much fanfare on January 19. Our dedicated classroom is equipped with SMART Board technology and our trainers enjoy working with it. The transition to the new Computer Gallery has been smooth, thanks to staff. Patrons have a choice of one-hour or two-hour reservations. Frequent art shows enhance the environment.

The Lee Road children's department made many improvements, starting with brightly colored walls and the addition of new Ezra Jack Keats murals from the book *Whistle for Willie*. Also, additional child sized furnishings created a popular family play area. In conjunction with the installation of the murals, the Library received an Ezra Jack Keats Foundation \$500 mini-grant to do a program based on the Keats' book *Pet Show*. Constance Dickerson and Catherine Hakala-Ausperk wrote the grant and planned a pet show inspired by the book for the summer of 2011. Children's practicum student Leslie Prusinski transformed a large window to highlight the evolving Children's Garden just south of the room. Leslie chose to illustrate the growth cycle of a sunflower from seed to flower with the caption, "Grow Your Imagination." Not only does the mural do the job of highlighting the garden, but it brings warmth and beauty to the picture book area.

We continued our very popular partnership with Heights Parent Center on the Little Heights pre-literacy program three times a week. Heights Parent Center evolved into a much larger organization called Family Connections in 2010, yet remained an anchor for our early childhood offerings.

Work on the Children's Garden continued in 2010 with planting, the installation of a foot bridge, and spreading of wood-chip mulch. Librarian Anne Butera selected the five books that inspired the selection of plants: *Planting a Rainbow* by Lois Ehlert, *Seedfolks* by Paul Fleischman, *Butterflies in the Garden* by Carol Lerner, *Roots, Shoots, Bucket and Boots* by Sharon Lovejoy, and *Riki's Birdhouse* by Monica Wellington.

### **Arts Related Programming**

Coventry Village Branch programs continued to celebrate the arts in 2010. NIA Coffeehouse drew growing numbers of poets, reading their creations between the jazzy rifts of the outstanding musicians who play, encouraged the poets to overcome any stage fright, and drink the coffee. Ukulele Jam monthly found enthusiastic groups from both the immediate area and outlying communities participating in an evening of playing, singing, and having fun.

The Cedar/Coventry Local Author Series began with three events at Coventry Library in September, October, and November, and continued with three events at Saint Ann Church in February, March, and April. The series is a collaboration of Saint Ann Church, Mac's Backs Books, Apple Tree Books, and Coventry Library.

In partnership with Lake Erie Ink, a new writing initiative in the community, we created the "In the Middle Writers Club" (4th-8th grade students) and "Teen Writers Club" (for 6th to 12th grade) in the fall of 2010 for the duration of the school year. These programs are free and are funded by the Heights Library, Reaching Heights, and other community partners. Students attended on a drop in basis at all of our locations and at Monticello Middle School as a substitute for the Noble Library.

Lee Road hosted a two-day art workshop with the Textile Art Alliance and displayed their annual show in the Computer Gallery in the summer. The exhibit also included a long lasting fiber piece that decorated the Lee Road Lobby for most of the year.

### **Local History Initiatives**

Practicum student J. Kern Swenson and volunteers began digitizing a local history collection from the City of University Heights. Enthusiasm for this project spread and we started digitizing photographs from our own collection to add to the online Cleveland Memory Project hosted by Cleveland State University.

Viktor Schreckengost's paintings and ceramics were moved into the quiet study room to celebrate his legacy and a biographical paragraph was displayed next to the Jazz Bowl that is on loan to us from his foundation. Schreckengost is a local resident and artist who taught industrial design to a whole generation while residing in Cleveland Heights.

Heights resident, Library regular, and internationally known author Harvey Pekar, died in July of 2010 launching our Library into the center of celebrations of his life and art. The Cedar Lee Theatre screening of the biographical film "American Splendor" followed by a book discussion on Pekar's works was led by Adult Services Librarians Carla Schober and Carole Wallencheck. As the year ended the Friends of the Library planned to name their new book shop after Pekar, who was also a daily customer of the ongoing book sale.

### **Billington's Bucket List**

Board President Glenn Billington framed a 'Bucket List' of goals to accomplish during his term, inspired by a popular movie about two men who try to fulfill a list of goals before they 'kick the bucket.' They are listed below with a few of the many examples of our successes.

- 1. Strengthen children's services staff and programs with increased outreach to any underserved population.**
  - ✓ We hosted the Cleveland Food bank Summer Lunch program, reaching underserved children and their escorts, staffed with a combination of volunteers and managers. More than 5,400 cold lunches were served in a 12 week period.
- 2. Expand senior outreach.**
  - ✓ The number of senior residents served at our four residential locations has doubled, and at the same time the number of homebound clients doubled.
- 3. Understand how the selection process for our collection works and be sure that it reflects the needs of our community.**
  - ✓ We have established a DVD floating collection which will move DVD materials to the areas where customers use them the most.
- 4. Maximize the usefulness of the computer classroom/boardroom across the street.**
  - ✓ Added 20 hours of instruction time to supervisor position when Joseph Kaiser assumed that role. Added "Senior Citizen Computer Series" (six classes) resulting in 10 residents from Owl's Nest Senior Center attending all of them. Launched weekly Computer Classes for the Deaf and an interpreter was provided.
- 5. Coordinate the Coventry school site development with the Music Settlement to address our parking and program opportunities.**

- ✓ Pat Gray and Nancy Levin attended three meetings with CH-UH School District, Music Settlement representatives and PEACE park leaders. The project was later postponed due to the financial recession.
- 6. Address building needs such as loading dock area, Noble, UH branches and gym build out financing.**
- ✓ UH will be addressed after Noble, and then Coventry so that we are not over-burdened financially.
  - ✓ The gym build-out remains a viable plan. We consult every possible leader and vendor about improving the plan and tailoring it to the needs of our service area (for example adding more quiet study rooms.) We still are searching for outside funding but tie it with Foundation development as well.
  - ✓ The loading dock is the lowest priority but shall remain on the wish list.
- 7. Expand and strengthen our relationships with public and non-public schools in our District.**
- ✓ Steven Haynie and Sam Lapides acted as instructors for the “Digital Citizenship” series. The first two classes were “Safe Social Networking” and “Cyberbullying”. This initiative is in direct partnership with the school district. Sam Lapides worked with Ruffing Montessori for the second year in a row teaching 6<sup>th</sup> graders how to utilize databases for their research needs and how to become familiar with the Library’s print resources as well.
  - ✓ The City of University Heights held a ceremonial tree-planting on Fenwick Road near the Library on Arbor Day (4/30.) Students from Gearity Elementary, Wiley Middle School, and Heights High were invited to assist with the planting and read their own poetry for the participants, including the new Mayor of University Heights. A reception was held at the Library after the ceremony.
  - ✓ Continuing our tradition of supporting learning even when schools are out of session, 1,221 children participated in the Summer Reading Program: “Make a Splash,” far exceeded last year’s numbers.
- 8. Expand and strengthen our relationships with local not-for-profit organizations in or near the District.**
- ✓ Established new programs and relationships with The Maltz Museum, Shaker Lakes Nature Center, Cleveland Museum of Art, and Sustainable Cleveland Heights, University Circle Inc., and the Adoption Network of Cleveland.
  - ✓ Worked the Heights Hillcrest Regional Chamber of Commerce’s Business Expo.
  - ✓ We hosted many events with the Home Repair Resource Center including financial and home repair classes. We held the Home Remodeling Fair here for the first time. It had previously been held at City Hall. Their move to the Library proved to be very successful. The day was full of customers who learned about how to begin home remodeling projects.
  - ✓ Hosted more than 40 NEW Meeting Room Groups/Organizations.
- 9. Respond to the possible permanent closing of the Caledonia branch of the East Cleveland system.**

- ✓ The closing of Caledonia Branch of the East Cleveland Public Library has created increased traffic in at least three of our branches. The renovation of Noble reiterates our commitment to that neighborhood.
- 10. Measure and evaluate the impact of Dobama’s programming with us and with the community, especially children.**
- ✓ We held a children’s program series last year with Dobama which culminated in some of our children writing two short plays.
  - ✓ We offered two Backstage Pass performances in conjunction with Dobama and a successful Friend Night Out in October.
- 11. Evaluate the Sunday hours and the allocation of those resources.**
- ✓ It was decided to remain closed at the three branches on Sundays and to concentrate our efforts at the largest, Lee Road Branch.
- 12. Monitor our finances with a view to being prepared for whatever the Governor and state legislature to be elected in 2010 may do in 2011.**
- ✓ Fiscal Officer Molly Riffle continued to offer five-year plan updates and included Buildings and Technology Spending Plans in her calculations. The State’s Public Library Fund supported libraries at a level that was 18 percent less than 2009. We have taken necessary steps to adjust to this reduction in the past two years.
- 13. Conclude the Technology/Website Task Force discussion and implement the appropriate tools.**
- ✓ We created a Technology Plan and five-year spending forecast. It addresses not only the software and hardware used for our staff and public computer access, but also who is responsible for it. This plan addresses staff and public training as well.
- 14. Support young parents, for both mothers and fathers.**
- ✓ The Deputy Director, Heights Parent’s Center and the Teen Department wrote a grant to support literacy-based education initiatives for young parents.
- 15. Study reorganization of Adult Services space in Lee Road for better display of collection.**
- ✓ The Adult Services Department has moved the furniture to allow more room for laptop users and to add another conversation area.
  - ✓ Display furniture was installed.

**OTHER INFORMATION**

**Independent Audit**

Included in this report is an unqualified audit opinion rendered on the Library's financial statements as of and for the year ended December 31, 2010, 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, 2009.

**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**



**Molly Riffle  
Fiscal Officer**

# CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY

## LIST OF PRINCIPAL OFFICIALS as of December 31, 2010

### BOARD OF LIBRARY TRUSTEES

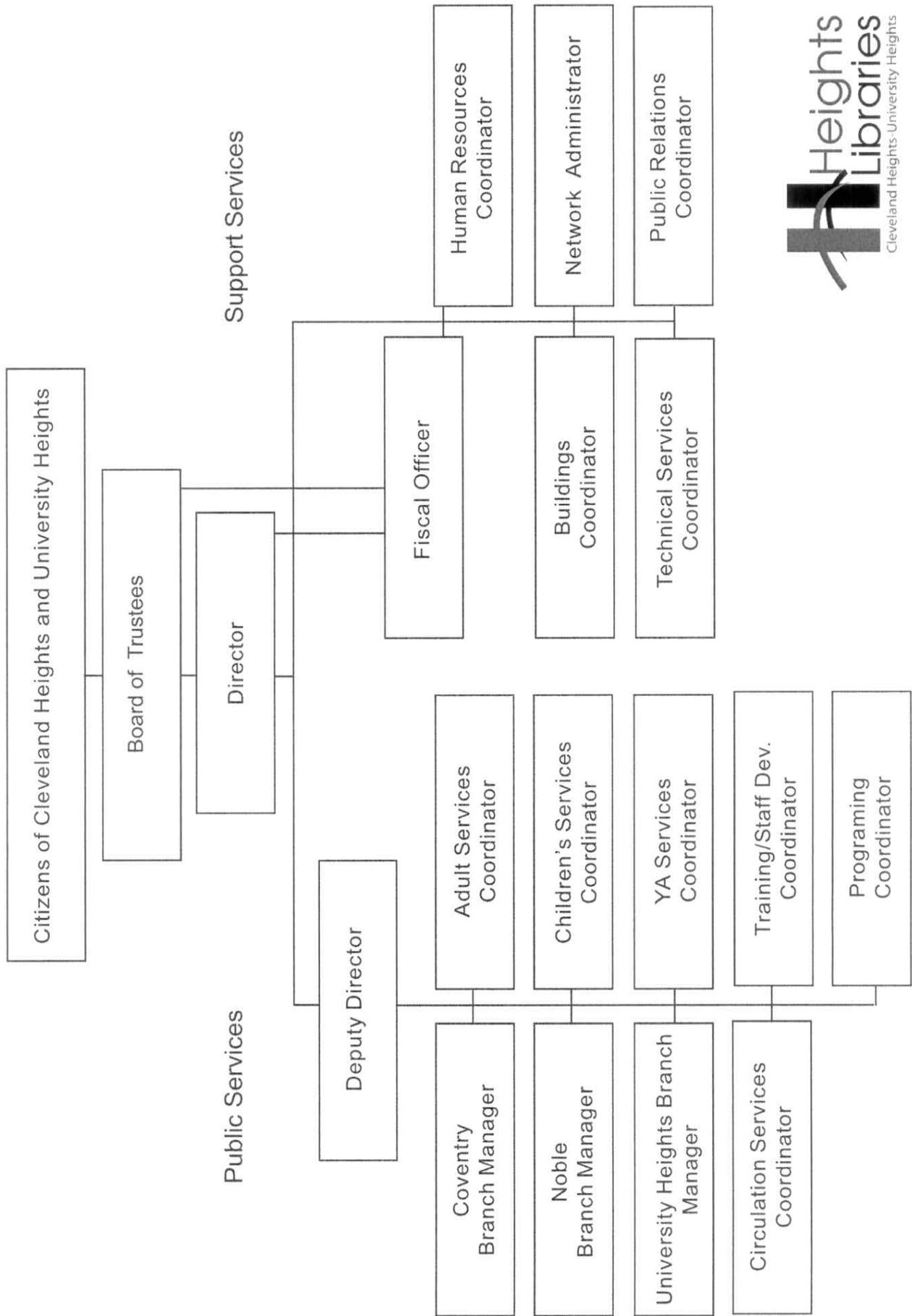
President.....	Glenn Billington
Vice President.....	Audrey Cole
Secretary .....	Esther Moss
Member.....	James Roosa
Member.....	James Posch
Member.....	CarDala Carter
Member.....	Jason Stein

### ADMINISTRATIVE STAFF

Nancy S. Levin .....	Director
Catherine Hakala-Ausperk.....	Deputy Director
Molly M. Riffle.....	Fiscal Officer
Alice Iden.....	Adult Services Coordinator
Pending .....	Young Adult Services Coordinator
Constance Dickerson .....	Children's Services Coordinator
Laurie Marotta .....	Human Resources Coordinator
Tonya Davis.....	Events Coordinator
Dean Schnurr .....	Marketing & Community Relations Manager
Peter Cooke.....	Buildings Coordinator
Heather Howiler.....	Training and Staff Development Coordinator
Mary Murphy.....	Circulation/Technical Services Coordinator
Matt Hoffman .....	Network Administrator
Patricia Gray .....	Branch Manager, Coventry Village Library
Jo Ann Vicarel .....	Branch Manager, Noble Neighborhood Library
Aurora Martinez.....	Branch Manager, University Neighborhood Library

# Organization Chart

## Cleveland Heights - University Heights Public Library



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cleveland Heights - University  
Heights Public Library, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

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



President

Executive Director

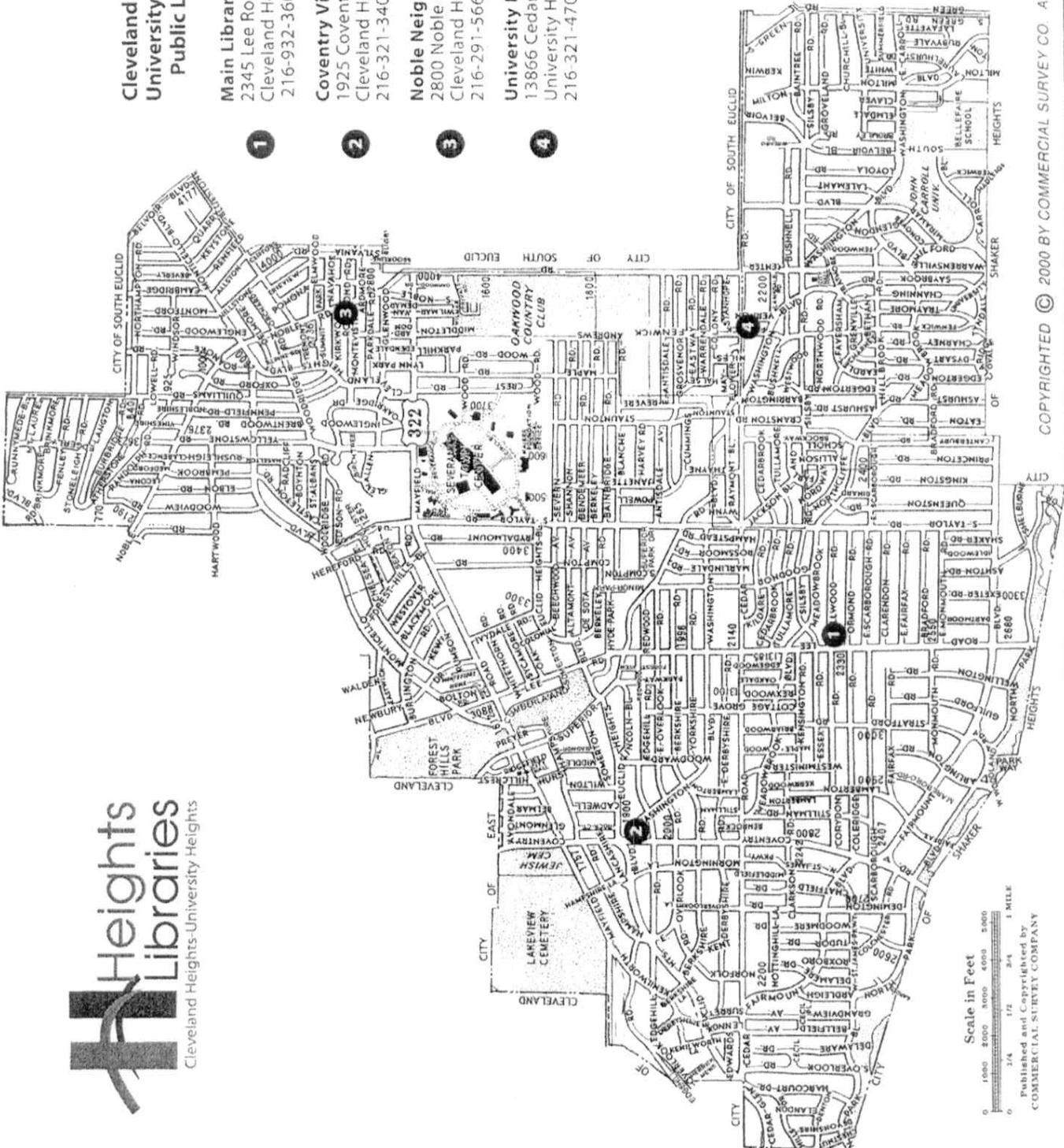
**Cleveland Heights-  
University Heights  
Public Library**

**1**  
Main Library  
2345 Lee Road  
Cleveland Heights, OH 44118  
216-932-3600

**2**  
Coventry Village Library  
1925 Coventry Road  
Cleveland Heights, OH 44118  
216-321-3400; TTY 321-0739

**3**  
Noble Neighborhood Library  
2800 Noble Road  
Cleveland Heights, OH 44121  
216-291-5665

**4**  
University Heights Library  
13866 Cedar Road  
University Heights, OH 44118  
216-321-4700



Scale in Feet  
0 1000 2000 3000 4000 5000  
0 1/4 1/2 3/4 1 MILE  
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COMMERCIAL SURVEY COMPANY

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# Financial Section

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the General Fund, and the aggregate remaining fund information of Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio (the Library), as of and for the year ended December 31, 2010, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio, as of December 31, 2010, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the Library implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2011, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Library's basic financial statements taken as a whole. The introductory section, the combining non-major fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The combining non-major fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



**Dave Yost**  
Auditor of State

June 10, 2011

# Cleveland Heights-University Heights Public Library

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2010*

*Unaudited*

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The management's discussion and analysis of the Cleveland Heights-University Heights Public Library's (the Library) financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2010. 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 2010 are as follows:

- Total net assets increased from 2009 resulting from revenues exceeding expenditures directly related to decreases in expenses from tighter spending controls and changes to negotiated agreements.
- Total assets of governmental activities showed an increase over 2009 from increased cash and cash equivalents which was the direct result of reductions to expenses.
- Total liabilities decreased from 2009, primarily as a result of decreases in compensated absences and capital leases.
- Capital assets had additions to land improvements, buildings and building improvements, equipment and furniture. The highlights of these additions consist of parking lot sealing, new cable wiring throughout the main branch, new carpet installation at a branch, computer upgrades and a new book drop.
- Library interest revenue decreased from 2009 due to lower interest rates.

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

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

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2010*

*Unaudited*

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

#### *Statement of Net Assets 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 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the Library's net assets and the changes in those net assets. The change in net assets 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 Assets and the Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Expenses and Revenues
- General Revenues
- Net Assets 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 fund is the general fund.

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

# Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2010

Unaudited

information helps one determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental fund financial statements can be found on pages 14 – 17 of this report.

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

Recall that the Statement of Net Assets pictures the Library as a whole. Table 1 provides a summary of the Library's net assets for 2010 compared to 2009.

**Table 1**  
*Net Assets*

	Governmental Activities		
	2010	2009	Change
<b>Assets</b>			
Current and Other Assets	\$13,194,828	\$11,364,232	\$1,830,596
Capital Assets, Net	16,373,970	16,644,604	(270,634)
<b>Total Assets</b>	<b>29,568,798</b>	<b>28,008,836</b>	<b>1,559,962</b>
<b>Liabilities</b>			
Current Liabilities	5,513,637	5,543,768	30,131
Long-Term Liabilities			
Due Within One Year	266,627	305,350	38,723
Due in More Than One Year	527,914	586,432	58,518
<b>Total Liabilities</b>	<b>6,308,178</b>	<b>6,435,550</b>	<b>127,372</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	15,825,402	16,014,552	(189,150)
Restricted for:			
Capital Projects	1,040,906	672,782	368,124
Staff Development	489,286	457,997	31,289
Unrestricted	5,905,026	4,427,955	1,477,071
<b>Total Net Assets</b>	<b>\$23,260,620</b>	<b>\$21,573,286</b>	<b>\$1,687,334</b>

## Cleveland Heights-University Heights Public Library

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2010*

*Unaudited*

As noted earlier, net assets 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 2010. Increases in cash and cash equivalents coupled with decreases in deferred revenue and long-term liabilities resulted in the increase to net assets. 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 assets for the years ended December 31, 2010 and 2009.

**Table 2**  
*Change in Net Assets*

	Governmental Activities		
	2010	2009	Change
<b>Revenues</b>			
<i>Program Revenues</i>			
Charges for Services	\$146,343	\$132,987	\$13,356
Operating Grants and Contributions	46,143	44,440	1,703
Capital Grants and Contributions	0	3,000	(3,000)
<i>Total Program Revenues</i>	<u>192,486</u>	<u>180,427</u>	<u>12,059</u>
<i>General Revenues</i>			
Property Taxes	5,619,186	6,242,776	(623,590)
Grants and Entitlements not Restricted to Specific Purposes	3,575,503	3,437,579	137,924
Investment Earnings	21,094	30,077	(8,983)
Miscellaneous	22,689	37,755	(15,066)
<i>Total General Revenues</i>	<u>9,238,472</u>	<u>9,748,187</u>	<u>(509,715)</u>
<i>Total Revenues</i>	<u>9,430,958</u>	<u>9,928,614</u>	<u>(497,656)</u>
<b>Program Expenses</b>			
General Government:			
Public Service	6,209,429	6,368,432	159,003
Administration	1,512,688	1,577,866	65,178
Interest and Fiscal Charges	21,507	21,251	(256)
<i>Total Program Expenses</i>	<u>7,743,624</u>	<u>7,967,549</u>	<u>223,925</u>
<i>Change in Net Assets</i>	1,687,334	1,961,065	(273,731)
Net Assets Beginning of Year	<u>21,573,286</u>	<u>19,612,221</u>	<u>1,961,065</u>
Net Assets End of Year	<u>\$23,260,620</u>	<u>\$21,573,286</u>	<u>\$1,687,334</u>

# Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2010

Unaudited

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

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

## Analysis of Overall Financial Positions and Results of Operations

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

**Table 3**  
*Governmental Activities*

<u>Programs</u>	<u>Total Cost of Services 2010</u>	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2010</u>	<u>Net Cost of Services 2009</u>
General Government:				
Public Service	\$6,209,429	\$6,368,432	\$6,051,489	\$6,221,522
Administration	1,512,688	1,577,866	1,478,142	1,544,349
Interest and Fiscal Charges	21,507	21,251	21,507	21,251
Total Expenses	<u>\$7,743,624</u>	<u>\$7,967,549</u>	<u>\$7,551,138</u>	<u>\$7,787,122</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. 97.51 percent of total expenses are supported through taxes and other general revenue.

## 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.

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

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2010*

*Unaudited*

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Library property tax revenues (using full accrual numbers) in 2010 were less than in 2009. The area of Cleveland Heights is not immune to the economic situation affecting the Country and this has led to a decrease in property tax revenues. The Library System's geographic boundaries encompass several inner-ring suburbs of the City of Cleveland. These communities are primarily residential in nature. The proximity and the easy access of the cities to major cultural, educational and medical facilities in northeast Ohio typically contributes to climbing property values, a key indicator of a community's economic health and stability, where the primary "industry" is housing. Typically, the vitality of the area is also demonstrated by new construction over the past few years, development and redevelopment of retail and commercial corridors found throughout each community. However, the current foreclosure crisis and overall increase in delinquencies, in addition to a generally stagnant state economy, is cause for concern today and into the future.

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

The majority of the Library's program expenses are for public services. Public services showed a decrease from the reduction of staff coupled with tighter spending controls. Administration accounts for an additional 19.54 percent. The remaining program expenses, amounting to less than one percent, represent interest and fiscal charges.

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

Information about the Library's governmental funds begins on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue of \$9,249,454 and expenditures of \$7,570,231. The most significant fund is our general fund with an unassigned fund balance at year-end of \$3,857,080 compared to annual expenditures of \$7,309,050. \$614,500 was transferred to the building and repairs capital projects fund. This transfer enabled the Library to fund various capital improvements. The general fund balance had an increase from 2009 due to the Library being fiscally responsible and ensuring that revenues are far exceeding expenditures on the year.

### **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 2010, the Library amended its general fund budget, but no amendment was significant. For the general fund, original and final budgeted revenues were \$8,779,493. Actual revenues were \$419,927 higher than final budgeted resources due to increases to anticipated property taxes and intergovernmental collections. Original and final budgeted expenditures in the general fund were \$7,835,962, respectively. Actual expenditures were \$449,433 lower than final budgeted expenditures due to careful monitoring of expenditures that resulted in decreases to all expenditure line items.

# Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2010

Unaudited

## Capital Assets and Debt

### Capital Assets

(Table 4)

Capital Assets at December 31  
(Net of Accumulated Depreciation)

	Governmental Activities		
	2010	2009	Change
Land	\$791,638	\$791,638	\$0
Land Improvements	120,504	138,655	(18,151)
Buildings and Building Improvements	14,459,259	14,703,663	(244,404)
Equipment	970,011	992,288	(22,277)
Furniture	27,173	11,995	15,178
Vehicles	5,385	6,365	(980)
Total Capital Assets	\$16,373,970	\$16,644,604	(\$270,634)

Total capital assets for the Cleveland Heights-University Heights Public Library as of December 31, 2010, were lower than 2009. The most significant changes in our capital assets came from taking another year's worth of depreciation coupled with deletions offset by additions to land improvements, buildings and building improvements, equipment, furniture and deleted accumulated depreciation. The Library is committed to a long-term goal of rebuilding and renovating facilities. See Note 11 for additional information on capital assets.

### Long-term Obligations

As of December 31, 2010, the Cleveland Heights-University Heights Public Library had outstanding balances in compensated absences and capital leases. See Note 16 for additional information on the Library's debt.

(Table 5)

Outstanding Obligations at Year End

	Governmental Activities		
	2010	2009	Change
Compensated Absences	\$245,973	\$261,730	(\$15,757)
Capital Leases	548,568	630,052	(81,484)
Total	\$794,541	\$891,782	(\$97,241)

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

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2010*

*Unaudited*

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### **Current Financial Related Activities**

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

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

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

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

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

## Basic Financial Statements

**Cleveland Heights-University Heights Public Library**

*Statement of Net Assets*

*December 31, 2010*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$5,469,329
Intergovernmental Receivable	1,702,128
Prepaid Items	26,001
Property Taxes Receivable	5,997,370
Nondepreciable Capital Assets, Net	791,638
Depreciable Capital Assets, Net	<u>15,582,332</u>
<i>Total Assets</i>	<u>29,568,798</u>
<b>Liabilities</b>	
Accounts Payable	67,563
Contracts Payable	46,926
Accrued Wages	73,479
Intergovernmental Payable	25,425
Matured Compensated Absences Payable	15,228
Deferred Revenue	5,280,228
Accrued Interest Payable	4,788
Long-Term Liabilities:	
Due Within One Year	266,627
Due In More Than One Year	<u>527,914</u>
<i>Total Liabilities</i>	<u>6,308,178</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	15,825,402
Restricted for:	
Capital Projects	1,040,906
Staff Development	489,286
Unrestricted	<u>5,905,026</u>
<i>Total Net Assets</i>	<u><u>\$23,260,620</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, 2010*

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government:				
Public Service	\$6,209,429	\$115,270	\$42,670	(\$6,051,489)
Administration	1,512,688	31,073	3,473	(1,478,142)
Interest and Fiscal Charges	21,507	0	0	(21,507)
<i>Total Governmental Activities</i>	<u>\$7,743,624</u>	<u>\$146,343</u>	<u>\$46,143</u>	<u>(7,551,138)</u>
			<b>General Revenues</b>	
			Property Taxes Levied for General Purposes	5,619,186
			Grants and Entitlements not Restricted to Specific Programs	3,575,503
			Investment Earnings	21,094
			Miscellaneous	22,689
			<i>Total General Revenues</i>	<u>9,238,472</u>
			Change in Net Assets	1,687,334
			<i>Net Assets Beginning of Year</i>	<u>21,573,286</u>
			<i>Net Assets End of Year</i>	<u>\$23,260,620</u>

See accompanying notes to the basic financial statements

**Cleveland Heights-University Heights Public Library**

*Balance Sheet  
Governmental Funds  
December 31, 2010*

	General	Other Governmental Fund	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$3,885,822	\$1,577,118	\$5,462,940
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	6,389	0	6,389
Receivables:			
Property Taxes	5,997,370	0	5,997,370
Intergovernmental	1,702,128	0	1,702,128
Prepaid Items	26,001	0	26,001
<i>Total Assets</i>	<u>\$11,617,710</u>	<u>\$1,577,118</u>	<u>\$13,194,828</u>
<b>Liabilities</b>			
Accounts Payable	\$67,563	\$0	\$67,563
Contracts Payable	0	46,926	46,926
Accrued Wages	73,479	0	73,479
Intergovernmental Payable	25,425	0	25,425
Deferred Revenue	7,490,694	0	7,490,694
Matured Compensated Absences Payable	15,228	0	15,228
Accrued Interest Payable	4,788	0	4,788
<i>Total Liabilities</i>	<u>7,677,177</u>	<u>46,926</u>	<u>7,724,103</u>
<b>Fund Balances</b>			
Nonspendable	26,001	418,502	444,503
Restricted	6,389	70,784	77,173
Committed	21,024	866,671	887,695
Assigned	30,039	174,235	204,274
Unassigned	3,857,080	0	3,857,080
<i>Total Fund Balances</i>	<u>3,940,533</u>	<u>1,530,192</u>	<u>5,470,725</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11,617,710</u>	<u>\$1,577,118</u>	<u>\$13,194,828</u>

See accompanying notes to the basic financial statements

**Cleveland Heights-University Heights Public Library**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2010*

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<b>Total Governmental Fund Balances</b>	<b>\$5,470,725</b>
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	16,373,970
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	717,142
Intergovernmental	1,493,324
Total	2,210,466
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated Absences	(245,973)
Capital Leases	(548,568)
Total	(794,541)
<i>Net Assets of Governmental Activities</i>	<b>\$23,260,620</b>

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, 2010*

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$5,553,935	\$0	\$5,553,935
Patron Fines and Fees	107,142	0	107,142
Intergovernmental	3,459,250	28,637	3,487,887
Interest	3,637	17,457	21,094
Donations	17,506	0	17,506
Rentals	39,201	0	39,201
Miscellaneous	22,689	0	22,689
<i>Total Revenues</i>	<u>9,203,360</u>	<u>46,094</u>	<u>9,249,454</u>
<b>Expenditures</b>			
Current:			
General Government:			
Public Service	5,566,281	67,703	5,633,984
Administration	1,518,458	0	1,518,458
Capital Outlay	121,320	193,478	314,798
Debt Service:			
Principal Retirement	81,484	0	81,484
Interest and Fiscal Charges	21,507	0	21,507
<i>Total Expenditures</i>	<u>7,309,050</u>	<u>261,181</u>	<u>7,570,231</u>
<i>Excess of Revenues</i>			
<i>Over (Under) Expenditures</i>	<u>1,894,310</u>	<u>(215,087)</u>	<u>1,679,223</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	614,500	614,500
Transfers Out	(614,500)	0	(614,500)
<i>Total Other Financing Sources (Uses)</i>	<u>(614,500)</u>	<u>614,500</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,279,810	399,413	1,679,223
<i>Fund Balances Beginning of Year</i>	<u>2,660,723</u>	<u>1,130,779</u>	<u>3,791,502</u>
<i>Fund Balances End of Year</i>	<u><u>\$3,940,533</u></u>	<u><u>\$1,530,192</u></u>	<u><u>\$5,470,725</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, 2010*

**Net Change in Fund Balances - Total Governmental Funds** \$1,679,223

*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	191,343
Depreciation	<u>(431,207)</u>

Total (239,864)

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. (30,770)

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

Property Taxes	65,251
Intergovernmental	<u>116,253</u>

Total 181,504

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 81,484

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. 15,757

*Change in Net Assets of Governmental Activities* \$1,687,334

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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$5,333,907	\$5,333,907	\$5,553,935	\$220,028
Patron Fines and Fees	82,000	82,000	107,142	25,142
Intergovernmental	3,300,686	3,300,686	3,455,310	154,624
Interest	6,000	6,000	3,637	(2,363)
Donations	13,000	13,000	17,506	4,506
Rentals	37,200	37,200	39,201	2,001
Miscellaneous	6,700	6,700	22,689	15,989
<i>Total Revenues</i>	<u>8,779,493</u>	<u>8,779,493</u>	<u>9,199,420</u>	<u>419,927</u>
<b>Expenditures</b>				
Current:				
General Government:				
Public Service	6,017,209	6,017,209	5,743,152	274,057
Administration	1,687,253	1,679,870	1,511,135	168,735
Capital Outlay	131,500	138,883	132,242	6,641
<i>Total Expenditures</i>	<u>7,835,962</u>	<u>7,835,962</u>	<u>7,386,529</u>	<u>449,433</u>
<i>Excess of Revenues Over Expenditures</i>	943,531	943,531	1,812,891	869,360
<b>Other Financing Uses</b>				
Transfers Out	<u>(550,000)</u>	<u>(614,500)</u>	<u>(614,500)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	393,531	329,031	1,198,391	869,360
<i>Fund Balance Beginning of Year</i>	2,442,363	2,442,363	2,442,363	0
Prior Year Encumbrances Appropriated	<u>143,728</u>	<u>143,728</u>	<u>143,728</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,979,622</u>	<u>\$2,915,122</u>	<u>\$3,784,482</u>	<u>\$869,360</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, 2010*

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

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

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

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

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

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

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

The financial statements of the Cleveland-Heights-University Heights Public Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The Library also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The 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, 2010*

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## ***Basis of Presentation***

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

***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the Library as a whole. 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 assets presents the financial condition of the governmental activities of the Library at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and 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 is the Library's major governmental fund:

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

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

# Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

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## ***Measurement Focus***

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

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

## ***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 revenue and in the presentation of expenses versus expenditures.

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

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

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

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

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

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Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

### ***Cash and Cash Equivalents***

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

During 2010, investments were limited to STAR Ohio, US Savings Bonds and nonnegotiable certificates of deposit.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the staff development special revenue fund during 2010 amounted to \$15,679, \$13,852 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, 2010, 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.

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2010*

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***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 or enabling legislation. 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 assets but are not reported in the fund financial statements.

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

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

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

***Compensated Absences***

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

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2010*

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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.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees who have resigned or retired will be paid.

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

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

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

### ***Fund Balance***

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

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

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

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

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

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**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Board or a Library official delegated that authority by the Library Board.

**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 resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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 Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

### ***Internal Activity***

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

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

### ***Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Library Administration and that are either unusual in nature or infrequent in occurrence.

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

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### ***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 Fiscal Officer has been given authority to allocate Board appropriations to the object level within each fund.

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

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

### **Note 3 – Change in Accounting Principles**

#### ***Change in Accounting Principles***

For 2010, the Library has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement did not result in a change in total fund balance but only the classification of fund balance on the Library's financial statements.

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

**Note 4 – Fund Balances**

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

Fund Balances	General Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>			
Prepays	\$26,001	\$0	\$26,001
Staff Development Endowment	0	418,502	418,502
<i>Total Nonspendable</i>	<u>26,001</u>	<u>418,502</u>	<u>444,503</u>
<u>Restricted for:</u>			
Staff Development	0	55,174	55,174
Library Services and Technology	0	15,610	15,610
Unclaimed Monies	6,389	0	6,389
<i>Total Restricted</i>	<u>6,389</u>	<u>70,784</u>	<u>77,173</u>
<u>Committed to:</u>			
Building Improvements and Repair	0	866,671	866,671
Memorial Books and Society for Deaf	10,897	0	10,897
Other Purposes	10,127	0	10,127
<i>Total Committed</i>	<u>21,024</u>	<u>866,671</u>	<u>887,695</u>
<u>Assigned to:</u>			
Building Improvements and Repair	0	174,235	174,235
Other Purposes	30,039	0	30,039
<i>Total Assigned</i>	<u>30,039</u>	<u>174,235</u>	<u>204,274</u>
Unassigned:	<u>3,857,080</u>	<u>0</u>	<u>3,857,080</u>
<b>Total Fund Balances</b>	<u><u>\$3,940,533</u></u>	<u><u>\$1,530,192</u></u>	<u><u>\$5,470,725</u></u>

**Note 5 - Budgetary Basis of Accounting**

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

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2010*

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

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

Net Change in Fund Balance

GAAP Basis	\$1,279,810
Net Adjustment for Revenue Accruals	(3,940)
Net Adjustment for Expenditure Accruals	30,250
Encumbrances	<u>(107,729)</u>
Budget Basis	<u><u>\$1,198,391</u></u>

**Note 6 - Deposits and Investments**

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

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

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

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

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

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

1. United States treasury bills, bonds, notes or any other obligation and security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

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2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
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, \$575,940 of the Library's bank balance of \$2,007,531 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Library to a successful claim by the FDIC.

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

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

**Investments**

Investments are reported at fair value. As of December 31, 2010, the Library had the following investments:

	Fair Value	Maturity	Standard & Poor's	Percent of Total Investments
STAR Ohio	\$2,379,277	Average 58.0 Days	N/A	N/A
United States Savings Bonds	44,176	Less than four years	N/A	1.56%
United States Savings Bonds	109,128	Less than six years	N/A	3.85%
United States Savings Bonds	91,840	Less than eight years	N/A	3.24%
United States Savings Bonds	134,906	Less than twelve years	N/A	4.75%
United States Savings Bonds	60,016	Less than thirteen years	N/A	2.11%
United States Savings Bonds	18,784	Less than fifteen years	N/A	0.66%
Total Investments	<u>\$2,838,127</u>			

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

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

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

**Note 7 - Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Cleveland Heights-University Heights City School District. Property tax revenue received during 2010 for real and public utility property taxes represents collections of the 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) is for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2010*

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. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer collected. Tangible personal property taxes received from telephone companies in 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Library operations for the year ended December 31, 2010 was \$7.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Category	Assessed Values
Real Estate	
Residential/Agricultural	\$958,818,960
Other Real Estate	174,565,760
Tangible Personal Property	
Public Utility	13,289,430
Total	<u>\$1,146,674,150</u>

The County Treasurer collects property tax on behalf of all taxing districts within the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes collected. Property taxes receivable represents real and public utility taxes which are measurable as of December 31, 2010, and for which there is an enforceable legal claim. In the general fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while on a modified accrual basis it is deferred.

**Note 8 - Receivables**

Receivables at December 31, 2010, consisted of taxes, interest and due from other governments. The intergovernmental receivables at December 31, 2010, were \$1,272,340 of Library and Local Government Support Fund revenues received through the State of Ohio, \$402,387 for homestead and rollback and \$27,401 for tangible personal property tax reimbursement. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

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**Note 9 – Capital Leases**

In prior years, the Library entered into lease agreements for the acquisition of copiers, communication equipment, an office phone system and an energy management system. The Library’s lease obligations meet the criteria of a capital lease as defined by Financial Accounting Standards Board Statement Number 13, “Accounting for Leases,” and have been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book value as of December 31, 2010 follows:

Assets:	
Equipment	\$805,746
Less: Accumulated Depreciation	<u>(149,673)</u>
Net Book Values	<u><u>\$656,073</u></u>

The following is a schedule of the future long-term minimum lease payments required on the capital leases and present value of the minimum lease payments as of December 31, 2010. All lease payments are made from the general fund.

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$101,314
2012	93,474
2013	75,084
2014	71,203
2015	51,535
2016-2020	<u>258,198</u>
Total Minimum Lease Payments	650,808
Less: Amount Representing Interest	<u>(102,240)</u>
Present Value of Minimum Lease	<u><u>\$548,568</u></u>

**Note 10 - Risk Management**

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2010, the Library contracted with Love Insurance for various types of insurance coverage as follows:

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

Type of Coverage	Coverage
Commercial Property	\$28,704,301
Library Materials	8,144,401
Inland Marine:	
Electronic Equipment	375,000
Electronic Media and Extra Expense (per)	30,000
General Liability (per)	2,000,000
Commercial Crime and Computer Fraud (per)	5,000
Public Employee Dishonesty, Forgery and Funds Transfer Fraud (per)	10,000
Vehicle	2,000,000
Errors and Omissions	2,000,000
Library Officials	100,000

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

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

**Note 11 - Capital Assets**

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance 12/31/09	Additions	Reductions	Balance 12/31/10
Governmental activities:				
Capital assets, not being depreciated				
Land	\$791,638	\$0	\$0	\$791,638
Capital assets, being depreciated				
Land Improvements	393,499	6,181	0	399,680
Buildings and Building Improvements	17,240,377	48,911	(31,989)	17,257,299
Equipment	1,566,801	116,251	(70,313)	1,612,739
Furniture	42,155	20,000	(17,859)	44,296
Vehicles	14,688	0	0	14,688
Total capital assets being depreciated	\$19,257,520	\$191,343	(\$120,161)	\$19,328,702

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

	<u>Balance 12/31/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>
Governmental activities:				
Accumulated depreciation				
Land Improvements	(\$254,844)	(\$24,332)	\$0	(\$279,176)
Buildings and Building Improvements	(2,536,714)	(274,224)	12,898	(2,798,040)
Equipment	(574,513)	(129,559)	61,344	(642,728)
Furniture	(30,160)	(2,112)	15,149	(17,123)
Vehicles	(8,323)	(980)	0	(9,303)
Total accumulated depreciation	<u>(3,404,554)</u>	<u>(431,207) *</u>	<u>89,391</u>	<u>(3,746,370)</u>
Total Capital assets being depreciated, net	<u>15,852,966</u>	<u>(239,864)</u>	<u>(30,770)</u>	<u>15,582,332</u>
Governmental activities capital assets, net	<u>\$16,644,604</u>	<u>(\$239,864)</u>	<u>(\$30,770)</u>	<u>\$16,373,970</u>

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

General Government:	
Public Service	\$422,583
Administration	<u>8,624</u>
Total	<u>\$431,207</u>

**Note 12 - Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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

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

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

## Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2010*

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are not to exceed 10 percent of covered payroll. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2010, member and employer contribution rates were consistent across all three plans.

The Library's 2010 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The Library's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009 and 2008 were \$327,853, \$329,651 and \$282,822, respectively. For 2010, 97.41 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008. Contributions to the Member-Directed Plan for 2010 were \$12,931 made by the Library and \$9,237 made by plan members.

### **Note 13 - Postemployment Benefits**

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

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

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

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

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

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

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

The Library’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009 and 2008 were \$186,907, \$238,363 and \$282,822, respectively. For 2010, 97.41 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

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

**Note 14 – Other Employee Benefits**

***Compensated Absences***

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

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

**Cleveland Heights-University Heights Public Library**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2010*

***Insurance***

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

**Note 15 – Interfund Transfers**

The general fund transferred \$614,500 to the building and repairs capital projects fund for the purchase and maintenance of various items throughout the Library.

**Note 16 - Long-Term Obligations**

A schedule of changes in long-term obligations of the Library during 2010 follows:

	Principal Outstanding 12/31/2009	Additions	Deletions	Principal Outstanding 12/31/2010	Amounts Due In One Year
<b><i>Governmental Activities</i></b>					
Compensated Absences	\$261,730	\$310,574	\$326,331	\$245,973	\$184,454
Capital Lease Obligations	630,052	0	81,484	548,568	82,173
<b><i>Total Governmental Activities</i></b>	<b><u>\$891,782</u></b>	<b><u>\$310,574</u></b>	<b><u>\$407,815</u></b>	<b><u>\$794,541</u></b>	<b><u>\$266,627</u></b>

Compensated absences will be paid from the general fund.

**Note 17 – Construction and Improvement of Facilities**

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

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

## **Combining Statements – Nonmajor Governmental Funds**

### ***Nonmajor Special Revenue Funds***

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

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

***LSTA Grant Fund*** - This fund accounts for revenue received from the State that is restricted for improving library services and technology.

### ***Nonmajor Capital Projects Fund***

Capital Projects funds are used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust.

***Building and Repairs Fund*** - This fund accounts for 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**

*Combining Balance Sheet*

*Nonmajor Governmental Funds*

*December 31, 2010*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$489,286	\$1,087,832	\$1,577,118
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Contracts Payable	\$0	\$46,926	\$46,926
<b>Fund Balances</b>			
Nonspendable	418,502	0	418,502
Restricted	70,784	0	70,784
Committed	0	866,671	866,671
Assigned	0	174,235	174,235
<i>Total Fund Balances</i>	489,286	1,040,906	1,530,192
<i>Total Liabilities and Fund Balances</i>	\$489,286	\$1,087,832	\$1,577,118

**Cleveland Heights-University Heights Public Library**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2010*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$28,637	\$0	\$28,637
Interest	15,679	1,778	17,457
<i>Total Revenues</i>	<u>44,316</u>	<u>1,778</u>	<u>46,094</u>
<b>Expenditures</b>			
Current:			
General Government:			
Public Service	13,027	54,676	67,703
Capital Outlay	<u>0</u>	<u>193,478</u>	<u>193,478</u>
<i>Total Expenditures</i>	<u>13,027</u>	<u>248,154</u>	<u>261,181</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	31,289	(246,376)	(215,087)
<b>Other Financing Sources</b>			
Transfers In	<u>0</u>	<u>614,500</u>	<u>614,500</u>
<i>Net Change in Fund Balances</i>	31,289	368,124	399,413
<i>Fund Balances Beginning of Year</i>	<u>457,997</u>	<u>672,782</u>	<u>1,130,779</u>
<i>Fund Balances End of Year</i>	<u><u>\$489,286</u></u>	<u><u>\$1,040,906</u></u>	<u><u>\$1,530,192</u></u>

**Cleveland Heights-University Heights Public Library**

*Combining Balance Sheet*

*Nonmajor Special Revenue Funds*

*December 31, 2010*

	Staff Development	LSTA Grant	Total Nonmajor Special Revenue Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$473,676	\$15,610	\$489,286
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>	\$0	\$0	\$0
<b>Fund Balances</b>			
Nonspendable	418,502	0	418,502
Restricted	55,174	15,610	70,784
<i>Total Fund Balances</i>	473,676	15,610	489,286
<i>Total Liabilities and Fund Balances</i>	\$473,676	\$15,610	\$489,286

**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, 2010*

	Staff Development	LSTA Grant	Total Nonmajor Special Revenue Funds
<b>Revenues</b>			
Intergovernmental	\$0	\$28,637	\$28,637
Interest	15,679	0	15,679
<i>Total Revenues</i>	15,679	28,637	44,316
<b>Expenditures</b>			
Current:			
General Government:			
Public Service	0	13,027	13,027
<i>Net Change in Fund Balances</i>	15,679	15,610	31,289
<i>Fund Balances Beginning of Year</i>	457,997	0	457,997
<i>Fund Balances End of Year</i>	\$473,676	\$15,610	\$489,286

**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, 2010*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$5,333,907	\$5,333,907	\$5,553,935	\$220,028
Patron Fines and Fees	82,000	82,000	107,142	25,142
Intergovernmental	3,300,686	3,300,686	3,455,310	154,624
Interest	6,000	6,000	3,637	(2,363)
Donations	13,000	13,000	17,506	4,506
Rentals	37,200	37,200	39,201	2,001
Miscellaneous	6,700	6,700	22,689	15,989
<i>Total Revenues</i>	<u>8,779,493</u>	<u>8,779,493</u>	<u>9,199,420</u>	<u>419,927</u>
<b>Expenditures</b>				
Current:				
General Government:				
Public Service				
Salaries and Wages	3,629,034	3,629,034	3,498,733	130,301
Purchased Services	1,295,653	1,295,653	1,290,520	5,133
Materials and Supplies	1,064,022	1,064,022	925,701	138,321
Other	28,500	28,500	28,198	302
Total Public Service	<u>6,017,209</u>	<u>6,017,209</u>	<u>5,743,152</u>	<u>274,057</u>
Administration				
Salaries and Wages	1,275,066	1,275,066	1,229,285	45,781
Purchased Services	63,687	63,687	48,996	14,691
Materials and Supplies	198,500	198,500	190,095	8,405
Other	150,000	142,617	42,759	99,858
Total Administration	<u>1,687,253</u>	<u>1,679,870</u>	<u>1,511,135</u>	<u>168,735</u>
Capital Outlay				
Land Improvements	6,000	6,000	3,111	2,889
Building Improvements	21,500	28,883	28,883	0
Furniture and Equipment	54,000	54,000	50,261	3,739
Capital Outlay	50,000	50,000	49,987	13
Total Capital Outlay	<u>131,500</u>	<u>138,883</u>	<u>132,242</u>	<u>6,641</u>
<i>Total Expenditures</i>	<u>7,835,962</u>	<u>7,835,962</u>	<u>7,386,529</u>	<u>449,433</u>
<i>Excess of Revenues Over Expenditures</i>	943,531	943,531	1,812,891	869,360
<b>Other Financing Uses</b>				
Transfers Out	(550,000)	(614,500)	(614,500)	0
<i>Net Change in Fund Balance</i>	393,531	329,031	1,198,391	869,360
<i>Fund Balance Beginning of Year</i>	2,442,363	2,442,363	2,442,363	0
Prior Year Encumbrances Appropriated	143,728	143,728	143,728	0
<i>Fund Balance End of Year</i>	<u>\$2,979,622</u>	<u>\$2,915,122</u>	<u>\$3,784,482</u>	<u>\$869,360</u>

**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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$5,000	\$5,000	\$14,811	\$9,811
<b>Expenditures</b>				
	0	0	0	0
<i>Net Change in Fund Balance</i>	5,000	5,000	14,811	9,811
<i>Fund Balance Beginning of Year</i>	443,979	443,979	443,979	0
Prior Year Encumbrances Appropriated	500	500	500	0
<i>Fund Balance End of Year</i>	<u>\$449,479</u>	<u>\$449,479</u>	<u>\$459,290</u>	<u>\$9,811</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$6,947	\$46,463	\$28,637	(\$17,826)
<b>Expenditures</b>				
Current:				
General Government:				
Public Service				
Purchased Services	6,947	46,463	28,637	17,826
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**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, 2010*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Interest	\$0	\$1,600	\$1,778	\$178
<b>Expenditures</b>				
Current:				
General Government:				
Public Service				
Purchased Services	32,733	60,000	60,000	0
Capital Outlay				
Building Improvements	496,300	909,731	909,731	0
Furniture and Equipment	79,167	145,116	145,094	22
Total Capital Outlay	575,467	1,054,847	1,054,825	22
<i>Total Expenditures</i>	608,200	1,114,847	1,114,825	22
<i>Excess of Revenues Under Expenditures</i>	(608,200)	(1,113,247)	(1,113,047)	200
<b>Other Financing Sources</b>				
Transfers In	550,000	614,500	614,500	0
<i>Net Change in Fund Balance</i>	(58,200)	(498,747)	(498,547)	200
<i>Fund Balance Beginning of Year</i>	672,782	672,782	672,782	0
<i>Fund Balance End of Year</i>	\$614,582	\$174,035	\$174,235	\$200

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# Statistical Section

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## Statistical Section

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

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<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S11</i></b>
These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S12 – S22</i></b>
These schedules contain information to help the reader assess the Library's most significant local revenue, the property tax.	
<b><i>Debt Capacity</i></b> .....	<b><i>S23 – S24</i></b>
These schedules present information to help the reader assess the affordability of the Library's current levels of outstanding debt and the Library's ability to issue additional debt in the future.	
<b><i>Economic and Demographic Information</i></b> .....	<b><i>S25 – S27</i></b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the Library's financial activities take place.	
<b><i>Operating Information</i></b> .....	<b><i>S28 – S30</i></b>
These schedules contain service and infrastructure data to help the reader understand how the information in the Library's financial report relates to the services the Library provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Library implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**Cleveland Heights-University Heights Public Library**

*Net Assets By Component*

*Last Eight Years*

*(Accrual Basis of Accounting)*

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$15,825,402	\$16,014,552	\$16,066,388	\$16,231,023
Restricted:				
Capital Projects	1,040,906	672,782	702,020	555,910
Debt Service	0	0	0	0
Other Purposes	489,286	457,997	451,114	463,836
Unrestricted	<u>5,905,026</u>	<u>4,427,955</u>	<u>2,392,699</u>	<u>3,188,303</u>
<i>Total Governmental Activities</i> <i>Net Assets</i>	<u>\$23,260,620</u>	<u>\$21,573,286</u>	<u>\$19,612,221</u>	<u>\$20,439,072</u>

2006	2005	2004	2003
\$18,041,395	\$11,967,722	\$6,649,002	\$5,895,502
1,311,793	6,997,038	12,049,830	12,100,420
312,489	0	0	0
468,404	470,199	474,850	482,381
3,308,194	3,491,863	3,324,272	3,241,771
<u>\$23,442,275</u>	<u>\$22,926,822</u>	<u>\$22,497,954</u>	<u>\$21,720,074</u>

**Cleveland Heights-University Heights Public Library**

*Changes in Net Assets*

*Last Eight Years*

*(Accrual Basis of Accounting)*

	2010	2009	2008	2007
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government:				
Public Service	\$115,270	\$105,416	\$103,739	\$116,109
Administration	31,073	27,571	22,918	28,589
Subtotal - Charges for Services	<u>146,343</u>	<u>132,987</u>	<u>126,657</u>	<u>144,698</u>
Operating Grants and Contributions:				
General Government:				
Public Service	42,670	38,494	5,914	2,573
Administration	3,473	5,946	644	633
Subtotal - Operating Grants and Contributions	<u>46,143</u>	<u>44,440</u>	<u>6,558</u>	<u>3,206</u>
Capital Grants and Contributions:				
General Government				
Public Service	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government Program Revenues</i>	<u>192,486</u>	<u>180,427</u>	<u>133,215</u>	<u>147,904</u>
<b>Expenses</b>				
Governmental Activities:				
General Government:				
Public Service	6,209,429	6,368,432	7,047,915	9,026,175
Administration	1,512,688	1,577,866	1,478,715	2,038,947
Interest and Fiscal Charges	<u>21,507</u>	<u>21,251</u>	<u>29,122</u>	<u>28,289</u>
<i>Total Governmental Activities Expenses</i>	<u>7,743,624</u>	<u>7,967,549</u>	<u>8,555,752</u>	<u>11,093,411</u>
<b>Net Expense</b>				
Governmental Activities	<u>(7,551,138)</u>	<u>(7,787,122)</u>	<u>(8,422,537)</u>	<u>(10,945,507)</u>
<b>General Revenues</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	5,619,186	6,242,776	4,019,850	4,000,385
Grants and Entitlements not Restricted to Specific Programs	3,575,503	3,437,579	3,506,609	3,688,533
Investment Earnings	21,094	30,077	67,337	162,444
Miscellaneous	<u>22,689</u>	<u>37,755</u>	<u>1,890</u>	<u>90,942</u>
<i>Total Governmental Activities</i>	<u>9,238,472</u>	<u>9,748,187</u>	<u>7,595,686</u>	<u>7,942,304</u>
<b>Change in Net Assets</b>				
Governmental Activities	<u>\$1,687,334</u>	<u>\$1,961,065</u>	<u>(\$826,851)</u>	<u>(\$3,003,203)</u>

2006	2005	2004	2003
\$100,472	\$105,936	\$116,469	\$174,815
20,658	21,698	27,876	0
<u>121,130</u>	<u>127,634</u>	<u>144,345</u>	<u>174,815</u>
36,541	2,318	5,819	3,138
703	475	305	0
<u>37,244</u>	<u>2,793</u>	<u>6,124</u>	<u>3,138</u>
598	257,999	87,557	4,732
<u>158,972</u>	<u>388,426</u>	<u>238,026</u>	<u>182,685</u>
6,201,050	6,956,913	6,144,037	6,238,829
1,452,755	1,178,367	1,381,107	1,191,302
42,244	13,564	16,172	14,292
<u>7,696,049</u>	<u>8,148,844</u>	<u>7,541,316</u>	<u>7,444,423</u>
<u>(7,537,077)</u>	<u>(7,760,418)</u>	<u>(7,303,290)</u>	<u>(7,261,738)</u>
4,045,997	4,154,144	4,178,114	4,155,802
3,628,958	3,617,300	3,722,905	3,554,417
357,563	414,154	176,561	411,667
20,012	3,688	3,590	2,750
<u>8,052,530</u>	<u>8,189,286</u>	<u>8,081,170</u>	<u>8,124,636</u>
<u>\$515,453</u>	<u>\$428,868</u>	<u>\$777,880</u>	<u>\$862,898</u>

**Cleveland Heights-University Heights Public Library**  
*Fund Balances, Governmental Funds*  
*Last Two Years*  
*(Modified Accrual Basis of Accounting)*

	2010	2009
<b>General Fund</b>		
Nonspendable	\$26,001	\$21,866
Restricted	6,389	6,389
Committed	21,024	9,747
Assigned	30,039	69,877
Unassigned	3,857,080	2,552,844
<b>Total General Fund</b>	<b>3,940,533</b>	<b>2,660,723</b>
<b>All Other Governmental Funds</b>		
Nonspendable	418,502	418,502
Restricted	70,784	39,495
Committed	866,671	0
Assigned	174,235	672,782
Unassigned	0	0
<b>Total All Other Governmental Funds</b>	<b>1,530,192</b>	<b>1,130,779</b>
<b>Total Governmental Funds</b>	<b>\$5,470,725</b>	<b>\$3,791,502</b>

Note: The Library implemented GASB 54 in 2010.

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**Cleveland Heights-University Heights Public Library**

*Fund Balances, Governmental Funds*

*Last Eight Years*

*(Modified Accrual Basis of Accounting)*

	2008	2007	2006	2005
<b>General Fund</b>				
Reserved	\$52,263	\$217,258	\$239,157	\$164,238
Unreserved	822,519	1,290,179	1,444,866	1,570,289
Total General Fund	874,782	1,507,437	1,684,023	1,734,527
<b>All Other Governmental Funds</b>				
Reserved	104,731	6,118	1,051,773	5,986,236
Unreserved, Undesignated, Reported in:				
Special Revenue funds	449,604	462,212	464,618	467,195
Debt Service fund	0	0	312,489	0
Capital Projects fund	598,799	551,416	263,806	1,013,806
Total All Other Governmental Funds	1,153,134	1,019,746	2,092,686	7,467,237
<b>Total Governmental Funds</b>	<b>\$2,027,916</b>	<b>\$2,527,183</b>	<b>\$3,776,709</b>	<b>\$9,201,764</b>

2004	2003	2002	2001
\$145,124	\$116,477	\$189,898	\$167,254
1,364,190	1,340,247	774,226	674,246
1,509,314	1,456,724	964,124	841,500
884,406	806,656	900,145	251,641
471,150	471,052	486,019	489,386
0	0	0	0
11,169,124	11,305,093	10,885,191	6,542,394
12,524,680	12,582,801	12,271,355	7,283,421
\$14,033,994	\$14,039,525	\$13,235,479	\$8,124,921

**Cleveland Heights-University Heights Public Library**

*Changes in Fund Balances, Governmental Funds*

*Last Ten Years*

*(Modified Accrual Basis of Accounting)*

	2010	2009	2008	2007
<b>Revenues</b>				
Property Taxes	\$5,553,935	\$5,962,946	\$4,006,125	\$3,995,415
Patron Fines and Fees	107,142	112,203	108,402	123,751
Intergovernmental	3,487,887	3,530,889	3,607,370	3,693,850
Interest	21,094	30,077	67,337	162,444
Donations	17,506	32,680	6,558	3,206
Rentals	39,201	20,784	18,255	20,947
Miscellaneous	22,689	37,755	1,890	90,942
<i>Total Revenues</i>	<u>9,249,454</u>	<u>9,727,334</u>	<u>7,815,937</u>	<u>8,090,555</u>
<b>Expenditures</b>				
Current:				
General Government:				
Public Service	5,633,984	6,026,405	6,426,265	6,202,089
Administration	1,518,458	1,558,492	1,466,785	1,577,507
Capital Outlay	314,798	406,361	321,679	1,574,996
Debt Service:				
Principal Retirement	81,484	69,450	71,353	79,224
Interest and Fiscal Charges	21,507	21,251	29,122	34,084
<i>Total Expenditures</i>	<u>7,570,231</u>	<u>8,081,959</u>	<u>8,315,204</u>	<u>9,467,900</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,679,223</u>	<u>1,645,375</u>	<u>(499,267)</u>	<u>(1,377,345)</u>
<b>Other Financing Sources (Uses)</b>				
Inception of Capital Lease	0	118,211	0	127,819
Transfers In	614,500	300,000	400,000	612,489
Transfers Out	(614,500)	(300,000)	(400,000)	(612,489)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>118,211</u>	<u>0</u>	<u>127,819</u>
<i>Net Change in Fund Balances</i>	<u>\$1,679,223</u>	<u>\$1,763,586</u>	<u>(\$499,267)</u>	<u>(\$1,249,526)</u>
Debt Service as a Percentage of Noncapital Expenditures	1.4%	1.2%	1.2%	1.2%

2006	2005	2004	2003	2002	2001
\$4,137,884	\$4,134,195	\$4,204,497	\$4,058,172	\$3,969,137	\$3,897,506
107,456	114,514	133,045	159,975	148,495	151,515
3,686,792	3,671,580	3,669,810	3,659,416	3,688,977	3,982,598
357,563	414,154	176,561	411,667	298,272	136,202
22,630	260,792	88,737	7,870	88,190	121,983
13,674	13,120	11,300	14,840	15,438	13,750
20,012	3,688	3,590	2,750	4,501,097	5,135,139
<u>8,346,011</u>	<u>8,612,043</u>	<u>8,287,540</u>	<u>8,314,690</u>	<u>12,709,606</u>	<u>13,438,693</u>
5,864,854	5,683,861	5,640,180	5,923,909	5,883,555	5,621,448
1,419,563	1,182,721	1,358,823	1,138,871	1,276,581	982,663
6,927,497	6,515,594	1,284,583	496,791	429,481	1,056,666
108,261	99,285	111,935	95,464	65,103	36,951
36,449	13,564	16,172	14,292	13,880	9,571
<u>14,356,624</u>	<u>13,495,025</u>	<u>8,411,693</u>	<u>7,669,327</u>	<u>7,668,600</u>	<u>7,707,299</u>
<u>(6,010,613)</u>	<u>(4,882,982)</u>	<u>(124,153)</u>	<u>645,363</u>	<u>5,041,006</u>	<u>5,731,394</u>
585,558	50,752	118,622	128,109	77,394	128,191
712,489	900,000	1,000,000	500,000	600,000	1,300,000
<u>(712,489)</u>	<u>(900,000)</u>	<u>(1,000,000)</u>	<u>(500,000)</u>	<u>(600,000)</u>	<u>(1,300,000)</u>
<u>585,558</u>	<u>50,752</u>	<u>118,622</u>	<u>128,109</u>	<u>77,394</u>	<u>128,191</u>
<u>(\$5,425,055)</u>	<u>(\$4,832,230)</u>	<u>(\$5,531)</u>	<u>\$773,472</u>	<u>\$5,118,400</u>	<u>\$5,859,585</u>
2.0%	1.6%	1.8%	1.6%	1.1%	0.7%

**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
2010	\$958,818,960	\$174,565,760	\$3,238,242,057	\$13,289,430	\$15,101,625
2009	959,766,770	172,123,380	3,233,971,857	12,905,470	14,665,307
2008	1,035,088,170	182,208,130	3,477,989,429	12,095,890	13,745,330
2007	1,034,579,860	196,135,280	3,516,328,971	11,548,270	13,123,034
2006	1,031,665,920	186,687,680	3,481,010,286	17,706,520	20,121,045
2005	903,510,300	165,323,030	3,053,809,514	27,878,630	31,680,261
2004	902,759,460	232,806,480	3,244,474,114	30,356,400	34,495,909
2003	900,693,110	165,866,620	3,047,313,514	31,701,920	36,024,909
2002	773,205,020	164,029,800	2,677,813,771	31,701,920	36,024,909
2001	772,943,680	156,749,390	2,656,265,914	20,379,170	23,158,148

Source: Cuyahoga County, Ohio; County Auditor

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	\$1,146,674,150	\$3,253,343,682	35.25 %	\$5.2772
0	0	1,144,795,620	3,248,637,164	35.24	5.2743
4,791,945	76,671,120	1,234,184,135	3,568,405,879	34.59	5.4490
9,140,242	73,121,936	1,251,403,652	3,602,573,942	34.74	3.6256
17,686,445	94,327,707	1,253,746,565	3,595,459,038	34.87	3.6480
23,111,301	100,483,917	1,119,823,261	3,185,973,692	35.15	4.1328
22,495,796	97,807,809	1,188,418,136	3,376,777,832	35.19	4.1154
25,539,854	102,159,416	1,123,801,504	3,185,497,839	35.28	4.1556
25,539,854	102,159,416	994,476,594	2,815,998,096	35.32	4.6741
24,751,484	99,005,936	974,823,724	2,778,429,998	35.09	4.6527

**Cleveland Heights-University Heights Public Library**

*Property Tax Rates - Direct and Overlapping Governments*

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

*Last Ten Years*

	2010	2009	2008	2007
<b>Voted Millage - by levy</b>				
1992 Current Expense				
Residential/Agricultural Real	\$2.3828	\$2.3771	\$2.2031	\$2.1967
Commercial/Industrial and Public Utility Real	2.7398	2.7856	2.7275	2.7105
General Business and Public Utility Personal	4.0000	4.0000	4.0000	4.0000
2000 Current Expense				
Residential/Agricultural Real	1.3913	1.3880	1.2864	1.2826
Commercial/Industrial and Public Utility Real	1.4628	1.4872	1.4562	1.4471
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	0.0000
Commercial/Industrial and Public Utility Real	1.8688	1.9000	1.9000	0.0000
General Business and Public Utility Personal	1.9000	1.9000	1.9000	0.0000
<b>Total Millage</b>				
Residential/Agricultural Real	\$5.6741	\$5.6651	\$5.3895	\$3.4793
Commercial/Industrial and Public Utility Real	6.0714	6.1728	6.0837	4.1576
General Business and Public Utility Personal	7.8000	7.8000	7.8000	5.9000
<b>Overlapping Rates by Taxing District</b>				
Cleveland Heights City				
Residential/Agricultural Real	\$12.9000	\$12.9000	\$12.9000	\$12.9000
Commercial/Industrial and Public Utility Real	12.9000	12.9000	12.9000	12.9000
General Business and Public Utility Personal	12.9000	12.9000	12.9000	12.9000
University Heights City				
Residential/Agricultural Real	13.2000	13.2000	13.2000	13.2000
Commercial/Industrial and Public Utility Real	13.2000	13.2000	13.2000	13.2000
General Business and Public Utility Personal	13.2000	13.2000	13.2000	13.2000

2006	2005	2004	2003	2002	2001
\$2.1947	\$2.4945	\$2.4929	\$2.4928	\$2.8747	\$2.8710
2.7188	2.9866	2.8406	3.0505	3.1400	3.1377
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
1.2815	1.4565	1.4556	1.4555	1.6785	1.6764
1.4515	1.5945	1.5166	1.6286	1.6764	1.6752
1.9000	1.9000	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
\$3.4762	\$3.9510	\$3.9485	\$3.9483	\$4.5532	\$4.5474
4.1703	4.5811	4.3572	4.6791	4.8164	4.8129
5.9000	5.9000	5.9000	5.9000	5.9000	5.9000
\$13.0000	\$13.0000	\$13.1000	\$14.0000	\$14.1000	\$14.0000
13.0000	13.0000	13.1000	14.0000	14.1000	14.0000
13.0000	13.0000	13.1000	14.0000	14.1000	14.0000
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000

(continued)

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

	2010	2009	2008	2007
<b>South Euclid City</b>				
Residential/Agricultural Real	\$13.1000	\$13.2670	\$13.1066	\$12.9048
Commercial/Industrial and Public Utility Real	13.1000	13.2621	13.2611	13.0691
General Business and Public Utility Personal	13.1000	14.9000	14.9000	14.7000
<b>Cleveland Heights/University Heights City School District</b>				
Residential/Agricultural Real	64.3156	64.1927	60.2980	60.1573
Commercial/Industrial and Public Utility Real	76.5609	77.7531	76.2906	75.8676
General Business and Public Utility Personal	136.8000	136.8000	136.7000	136.7000
<b>Cuyahoga County</b>				
Residential/Agricultural Real	13.1866	13.1789	12.6607	11.8688
Commercial/Industrial and Public Utility Real	12.8412	12.8457	12.8153	12.4535
General Business and Public Utility Personal	13.3200	13.3200	13.3200	13.4200
<b>Special Taxing Districts (1)</b>				
Residential/Agricultural Real	4.9900	4.5068	4.1597	4.1590
Commercial/Industrial and Public Utility Real	4.8450	4.4119	4.3911	4.3800
General Business and Public Utility Personal	5.0800	4.7800	4.7800	4.7800

Source: Cuyahoga County Auditor

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

2006	2005	2004	2003	2002	2001
\$12.9037	\$13.2397	\$13.2394	\$13.3393	\$13.4860	\$13.4860
13.0711	13.2964	13.3008	13.4031	13.4723	13.4811
14.7000	14.9000	14.9000	15.0000	15.0000	15.0000
53.0145	59.4523	59.5232	51.0205	58.0479	56.9136
68.9863	75.1736	71.8459	68.2727	70.1257	69.2618
129.6000	129.5000	129.6000	121.1000	121.1000	121.1000
11.8655	11.7227	10.9754	10.9899	12.4609	11.3815
12.4941	12.5762	11.9846	12.0433	12.8764	12.0023
13.4200	13.5200	13.5200	13.5200	14.6500	14.6500
4.1576	4.2965	4.2949	4.1139	1.2758	1.2771
4.3962	4.5552	4.5175	4.0096	1.3447	1.3335
4.7800	4.7800	4.7800	4.4800	1.5500	1.5500

**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)
2010	\$6,654,296	\$6,082,138	91.40%	\$337,096	\$6,419,234
2009	6,781,043	6,310,205	93.06	308,608	6,618,813
2008	4,437,530	4,120,788	92.86	220,649	4,341,437
2007	4,464,818	4,112,555	92.11	221,087	4,333,642
2006	4,511,524	4,245,826	94.11	234,895	4,480,721
2005	4,560,243	4,276,028	93.77	223,680	4,499,708
2004	4,514,148	4,303,482	95.33	264,985	4,568,467
2003	4,533,482	4,203,470	92.72	212,737	4,416,207
2002	4,383,205	4,102,149	93.59	218,360	4,320,509
2001	4,431,593	4,185,829	94.45	115,372	4,301,201

Source: Cuyahoga County, Ohio; County Auditor

(1) Information for Real and Public Utility Property Only

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

(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
96.47%	\$678,890	10.20 %
97.61	624,212	9.21
97.83	355,942	8.02
97.06	358,336	8.03
99.32	353,366	7.83
98.67	445,253	9.76
101.20	425,304	9.42
97.41	451,686	9.96
98.57	354,058	8.08
97.06	289,640	6.54

**Cleveland Heights-University Heights Public Library**

*Personal Property Tax Levies And Collections*

*Last Ten Years*

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections (2)(3)</u>	<u>Total Tax Collections</u>
2010	\$6,969	\$6,969	100.00 %	(\$3,305)	\$3,664
2009	15,149	15,149	100.00	1,701	16,850
2008	58,520	58,167	99.40	14,940	73,107
2007	110,798	107,935	97.42	8,944	116,879
2006	108,802	105,406	96.88	20,597	126,003
2005	149,948	135,438	90.32	368	135,806
2004	182,702	136,508	74.72	3,533	140,041
2003	172,501	130,509	75.66	4,274	134,783
2002	164,408	130,475	79.36	6,575	137,050
2001	137,832	140,694	102.08	(17,978)	122,716

Source: Cuyahoga County, Ohio; County Auditor

- (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.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (1)	Percentage of Delinquent Taxes to Total Tax Levy
52.58 %	\$38,252	548.89 %
111.23	27,679	182.71
124.93	16,119	27.54
105.49	49,536	44.71
115.81	42,370	38.94
90.57	58,250	38.85
76.65	40,006	21.90
78.13	68,535	39.73
83.36	27,119	16.49
89.03	10,130	7.35

**Cleveland Heights-University Heights Public Library**

*Principal Real Property Taxpayers*

2010 and 2001

<u>2010</u>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Kaiser Foundation	\$11,621,820	1.03 %
Severance SPE Lease Company	10,429,720	0.92
Cleveland Electric Illuminating	10,033,940	0.89
Inland Western	6,377,040	0.56
Coral Cedar Center LLC	6,093,970	0.54
Severance SPE FEECO, LLC	5,685,720	0.50
The May Department	4,975,180	0.44
ARC Cleveland Heights, LLC	3,757,150	0.33
Concord Park I,II,II, LLC	2,591,190	0.23
Target	2,555,010	0.22
<b>Total</b>	<b>\$64,120,740</b>	<b>5.66 %</b>
<b>Total Assessed Valuation</b>	<b>\$1,133,384,720</b>	

<u>2001</u>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Kaiser Foundation	\$7,791,840	0.84 %
SCIT, Incorporated	6,029,880	0.65
Wal Mart	4,113,250	0.44
American Retirement Corporation	3,866,590	0.42
Star Wood Wasserman	3,720,640	0.40
East Ohio Gas Company	2,541,630	0.27
Coral Seuh, LLC	2,504,740	0.27
Concord Company	2,290,390	0.25
Lancashire Towers Associates	2,173,640	0.23
Waldorf Partners, LTD	2,143,020	0.23
<b>Total</b>	<b>\$37,175,620</b>	<b>4.00 %</b>
<b>Total Assessed Valuation</b>	<b>\$929,693,070</b>	

Source: Cuyahoga County Auditor

**Cleveland Heights-University Heights Public Library**

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

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<u>Fiscal Year</u>	<u>Capital Leases</u>	<u>Total Personal Income (1)</u>	<u>Percentage Of Personal Income</u>	<u>Population (1)</u>	<u>Per Capita</u>
2010	\$548,568	\$2,078,917,974	0.03 %	59,660	\$9
2009	630,052	2,078,917,974	0.03	61,614	10
2008	581,291	2,078,917,974	0.03	61,614	9
2007	652,644	2,078,917,974	0.03	61,614	11
2006	604,049	2,078,917,974	0.03	61,614	10
2005	126,752	2,099,250,690	0.01	62,610	2
2004	175,285	2,112,600,876	0.01	63,411	3
2003	168,598	N/A	N/A	N/A	N/A
2002	135,953	N/A	N/A	N/A	N/A
2001	123,662	N/A	N/A	N/A	N/A

(1) Personal Income and Population amounts derived from S26.

**Cleveland Heights-University Heights Public Library**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2010*

Jurisdiction	Governmental Activities Debt	Percentage Applicable to Library(1)	Amount Applicable to the Library
<b>Direct</b>			
Capital Leases	\$548,568	100.00 %	\$548,568
<b>Overlapping</b>			
Cuyahoga County			
General Obligation Bonds	141,947,000	4.19	5,947,579
Revenue Bonds	88,220,000	4.19	3,696,418
Capital Leases	20,863,000	4.19	874,160
Loans	4,103,000	4.19	171,916
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	157,545,585	4.19	6,601,160
State Infrastructure Bank Loans	2,459,509	4.19	103,053
Bond Anticipation Notes	8,000,000	4.19	335,200
Capital Leases	20,869,675	4.19	874,439
City of Cleveland Heights			
General Obligation Bonds	12,901,915	95.00	12,256,819
Economic Development Revenue Bond	235,000	95.00	223,250
OPWC Loans	1,148,458	95.00	1,091,035
Capital Leases	69,417	95.00	65,946
City of University Heights			
General Obligation Bonds	520,000	100.00	520,000
Bond Anticipation Notes	2,914,000	100.00	2,914,000
OPWC Loans	433,783	100.00	433,783
Capital Leases	283,400	100.00	283,400
Police Pension	272,534	100.00	272,534
City of South Euclid			
General Obligation Bonds	6,083,267	6.51	396,021
Special Assessment Bonds	190,000	6.51	12,369
OPWC Loans	2,235,704	6.51	145,544
OWDA Loans	1,724,826	6.51	112,286
Capital Leases	217,631	6.51	14,168
Police and Fire Pension	295,528	6.51	19,239
Bond Anticipation Notes	2,000,000	6.51	130,200
Cleveland Heights-University Heights City School District			
General Obligation Bonds	9,390,000	100.00	9,390,000
QZAB Bonds	5,500,000	100.00	5,500,000
Capital Lease	1,271,932	100.00	1,271,932
<i>Total Overlapping Debt</i>	<u>491,695,164</u>		<u>53,656,453</u>
<i>Total Direct and Overlapping Debt</i>	<u>\$492,243,732</u>		<u>\$54,205,021</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 2010 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*

*Prior Year and Four Years Ago (1)*

<b>2009 (2)</b>			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
John Carroll University	Higher Education	2,313	6.25 %
Cleveland Heights-University Heights City School District	Public Education	1,664	4.49
City of Cleveland Heights	Local Government	774	2.09
Target	Retail Store	381	1.03
Zagaras	Retail Store	245	0.66
AI Healthcare	Healthcare	231	0.62
Bellefaire Jewish Children's Center	Social Services	229	0.62
Home Depot, Inc.	Retail Store	227	0.61
Hebrew Academy	Private Education	202	0.55
City of University Heights	Local Government	175	0.48
<b>Total</b>		<b>6,441</b>	<b>17.40 %</b>
<b>Total Employment within the Library District</b>		<b>37,023</b>	

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

Source: Survey conducted by the two Cities. (3)

(1) Information prior to 2006 is not available.

(2) The latest information available.

(3) 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.

**Cleveland Heights-University Heights Public Library**

*Demographic and Economic Statistics*

*Last Seven Years (1)*

Year	Population (2)	Total Personal Income (3)	Median Family Income (4)	Per Capita Income (3)	Unemployment Rate (3)	
					Cuyahoga County	State of Ohio
2010	59,660	\$2,078,917,974	\$66,726	\$33,741	9.4%	9.5%
2009	61,614	2,078,917,974	61,401	33,741	9	10.7
2008	61,614	2,078,917,974	61,401	33,741	6.8	6.5
2007	61,614	2,078,917,974	61,401	33,741	6.3	5.6
2006	61,614	2,078,917,974	61,401	33,741	6.1	5.6
2005	62,610	2,099,250,690	60,864	33,529	5.9	5.9
2004	63,411	2,112,600,876	60,326	33,316	6.6	5.9

Sources:

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

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

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

Function/Program	2010	2009	2008	2007	2006
<b>Public Service</b>					
Adult Services	13.925	13.920	16.625	16.700	17.825
Young Adult Services	3.600	3.600	6.600	4.975	4.600
Children's Services	7.000	6.600	9.325	8.200	7.875
Circulation Services	11.550	11.500	21.550	20.825	20.250
Technical Services	5.250	4.250	8.700	6.925	5.525
Information Technology	2.000	3.000	2.000	2.000	2.175
Building Services	9.600	9.000	6.000	5.725	5.950
Coventry Village Library	5.100	5.700	6.750	5.675	5.800
Noble Neighborhood Library	6.775	7.770	8.150	7.400	8.725
University Heights Library	5.300	6.300	7.650	6.375	6.225
Marketing and Communications	4.000	3.000	4.000	2.225	1.500
Administrative Support	1.500	3.500	2.500	5.925	5.800
Sub Reference Hours	1.350	1.350	N/A	N/A	N/A
Circulation Reference	N/A	0.500	N/A	N/A	N/A
Main Library Pages	8.750	8.750	N/A	N/A	N/A
<b>Administration</b>					
Main Library	6.000	5.000	5.000	10.000	10.000
Branch Library	3.000	3.000	3.000	3.000	3.000
Totals:	<u>94.700</u>	<u>96.740</u>	<u>107.850</u>	<u>105.950</u>	<u>105.250</u>

**Method:** Using total hours worked by all staff divided by a 40-hour work week at December 31.

(1) Information prior to 2006 is not available

**Cleveland Heights-University Heights Public Library**

*Capital Assets Statistics by Function/Program*

*Last Five Years (1)*

Function/Program	2010	2009	2008	2007	2006
<b>Public Service</b>					
Number of Buildings	4	4	4	4	4
Public Meeting Rooms	13	13	12	12	12
Vehicles for Delivery	1	1	1	1	1
Square Footage					
1920 Coventry Village Library	5,105	5,105	5,105	5,105	5,105
1937 Noble Neighborhood Library	11,160	11,160	11,160	11,160	11,160
1952 University Heights Library	11,160	11,160	11,160	11,160	11,160
1932 Lee Road (Main) Library	107,856	107,856	107,856	107,856	107,856
Public Use Copy Machines	7	8	8	8	7
Public Use Fax Machines	4	4	4	4	4
Public Use PCs	123	120	120	127	123
ATMs	1	1	1	1	1
Cafes	1	1	1	1	1
Art Galleries	1	1	1	1	1
Technology Classrooms	1	1	2	N/A	N/A
<b>Administration</b>					
Square Footage (at Lee Road)	2,144	2,144	2,144	2,144	2,144
Administrative Copy Machine	1	1	1	1	1
Staff Use PCs	96	96	92	92	89

(1) Information prior to 2006 is not available

**Cleveland Heights-University Heights Public Library**

*Operating Indicators by Function/Program*

*Last Five Years (1)*

Function/Program	2010	2009	2008	2007	2006
<b>Public Service</b>					
Circulation By Building					
Coventry Village Library	133,160	156,376	142,632	123,230	143,688
Lee Road Library	1,209,339	1,371,795	1,325,253	1,248,260	1,127,499
Noble Neighborhood Library	133,998	224,310	218,722	239,337	278,741
University Heights Library	193,425	220,054	213,859	200,039	216,506
Total Circulation, All Buildings	1,669,922	1,972,535	1,900,466	1,810,866	1,766,434
Circulation By Age Level					
Total Adult Circulation	1,438,758	1,499,759	1,449,501	1,379,985	1,337,745
Total Juvenile Circulation	476,085	472,776	450,896	436,781	428,689
Circulation By Type of Materials					
Books and Magazines	753,957	1,041,514	1,032,297	1,021,905	1,019,068
Videocassettes and DVDs	684,773	691,858	627,489	553,931	509,809
Recordings (Discs, Tapes, CDs)	223,349	231,111	232,494	234,135	229,645
Computer Software	678	1,147	1,225	1,202	2,211
Other Items	7,165	6,905	6,892	5,693	5,691
Library Collections Systemwide					
Books	240,750	283,101	288,070	284,276	306,202
E-books	34,073	22,807	18,801	15,944	15,944
Videocassettes and DVDs	32,022	29,475	28,977	25,736	23,904
Recordings (Discs, Tapes, CDs)	44,057	26,475	37,932	31,771	28,415
Computer Software	98	108	119	145	194
Magazine Subscriptions	728	666	847	1,033	1,181
Databases Provided	278	324	325	78	80
Electronic Resources					
Number of PCs Available for Public	123	120	120	127	123
Number of Weekly Users of Electronic Resources	2,351	2,277	2,103	2,103	5,755
Annual Number of Users of Electronic Resources	122,252	118,404	109,356	109,356	299,260
Public Service Transactions Systemwide					
Average Weekly Building Attendance	22,325	21,884	19,553	18,862	19,963
Annual Building Attendance	1,160,900	1,137,968	1,016,783	980,864	1,038,076
Average Weekly Reference Transactions	6,367	4,411	6,482	5,936	6,238
Annual Reference Transactions	331,084	229,372	337,064	308,672	324,376
Total Annual Library Programs	2,718	2,358	1,886	2,955	1,935
Total Annual Library Programs Attendance	53,219	46,343	28,651	43,251	13,821
<b>Administration</b>					
Purchase orders Issued	2,352	2,278	2,569	1,056	644
Accounts Payable Checks/Vouchers Issued	2,039	2,385	2,628	3,682	2,658
Payroll Checks/Direct Deposits Processed/Issued	4,406	4,156	4,520	4,582	4,595
W-2s and 1099s Issued	178	209	202	221	205
Board Resolutions	67	44	60	50	81

(1) Information prior to 2006 is not available.

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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  
JULY 05, 2011