

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

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY
CUYAHOGA COUNTY

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**Auditor of State
Betty Montgomery**

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

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

We have audited the financial statements of the Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio (the Library) as of and for the year ended December 31, 2003, and have issued our report thereon dated May 14, 2004, wherein we noted the Library adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated May 14, 2004.

Internal Control Over Financial Reporting

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated May 14, 2004.

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

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

Betty Montgomery
Auditor of State

May 14, 2004

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

**Comprehensive
Annual
Financial
Report**



For the year ended December 31, 2003

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY

CLEVELAND HEIGHTS, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003

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

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Cleveland Heights-University Heights Public Library
Comprehensive Annual Financial Report
For the Year Ended December 31, 2003
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Cleveland Heights - University Heights Public Library

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Stephen D. Wood
Director/Clerk

Catherine Hakala-Ausperk
Deputy Director

May 14, 2004

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

With great pleasure we submit to you the Cleveland Heights–University Heights Public Library's thirteenth Comprehensive Annual Financial Report (CAFR) as prepared by the Library's Business Office for the year ended December 31, 2003. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Library. We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Library as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the Library's financial activity have been included. This report will provide the taxpayers of the Cleveland Heights–University Heights City School District with comprehensive financial data in a format that enables them to gain a true understanding of the Library's financial status.

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

1. The Introductory Section, which contains a Table of Contents, this Letter of Transmittal, a list of the Library's Principal Officials, an Organization Chart, the GFOA Certificate of Achievement and a map of the Library's service area.
2. The Financial Section, which begins with the Independent Accountants' Report, includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the Library's financial position and operating results, the Combining Statements for nonmajor funds and other Schedules which provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section, which presents various tables reflecting social and economic information and financial trends of the Cleveland Heights–University Heights Public Library.

REPORTING ENTITY

The Cleveland Heights–University Heights Public Library is organized under Ohio State law as a school district public library. A seven–member board, one member appointed each year by the local board of education for a seven–year term, governs the Library. The taxing authority for the school district public library is the board of education, but the Library operates under a separate budget with funds derived primarily from the Library and Local Government Support Fund and a 5.9-mill property tax levy.

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

The Director is responsible for the administration of the Library, and the Clerk–Treasurer oversees the Library’s financial affairs. The Board of Library Trustees has appointed Stephen Wood to both positions.

HISTORY OF THE LIBRARY

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

The Cleveland Heights–University Heights Public Library is presently comprised of four buildings: The 64,000 square foot Main Library, built in 1968 on the expanded site of, and incorporating, the old Lee Road branch which was built in 1932; the Noble Neighborhood Library, built in 1937; the University Heights Library, built in 1952; and the original 1926 building which became the Coventry Village Library in 1968.

In 1973, the Library placed its first five–year operating levy on the ballot and it passed by 67.8 percent. (None of the Library’s tax levies or bond issues has ever passed by less than 61 percent.) This financial support has allowed the Library to develop innovative approaches to the public service that the residents of the community demand. For example, in 1981 the Cleveland Heights–University Heights Public Library was the first library to join the Cleveland Public Library’s automated circulation system and online catalog. CLEVNET, as it is now known, has grown to 31 libraries in 10 counties in northern Ohio.

ECONOMIC CONDITIONS AND OUTLOOK

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

Funding for the Library from the Library and Local Government Support Fund, which represents approximately 37 percent of the Library's total revenue, is derived from a percentage of State-wide income tax collections. Receipts from this source depend upon general economic conditions in Ohio, and upon allocation decisions made by the Cuyahoga County Budget Commission. Economic and political uncertainties continue to affect future allocations of the Library and Local Government Support Fund. The Board of Library Trustees and management believe that careful planning and closely monitoring the expenditure of funds are essential to withstand any material effect on levels of public service.

In November of 1992 our residents approved a continuing, four-mill operating levy by a two-to-one margin. Beginning collection in 1993, this levy replaced a three-mill levy (with an effective rate of only 2.06 mills) and generates approximately \$2,850,000 annually in property taxes and intergovernmental revenues.

In March of 2000 the voters of the Cleveland Heights-University Heights City School District approved an additional continuing 1.9-mill operating levy. Collections began in 2001 and they generate approximately \$1,300,000 annually. Passage of this second levy has ensured continued public service levels in the face of increasing costs.

State law limits the property tax levy, which accounts for approximately 49 percent of the Library's revenue, to the revenue generated by appraisal values at the time of levy passage. As a result, property tax revenues cannot increase significantly during the term of the levy. Properties in the Library's taxing boundaries are largely residential.

In November 2001 the voters of the Cleveland Heights-University Heights City School District approved a \$9.5 million bond issue. This money supports the renovation of the Main Library, the former Heights YMCA, purchased in 2000, and the construction of a pedestrian walkway over the street between the two buildings. This increased space will allow needed growth in all departments and increased programming for the community.

The demographics of the Library's service area have changed little since 2000. According to 2003 estimates, the most recent data provided by ESRI, when compared with 2000 Census figures the number of our residents who are over the age of 65 has increased from 11.7 percent to 11.9 percent in Cleveland Heights but has decreased from 13.5 percent to 12.7 percent in University Heights. The overall population for the two cities has decreased by 3.5 percent (from 64,915 to 62,617). The racial mix is also changing as we have experienced a 7.2 percent increase in our African-American population in Cleveland Heights and 9.7 percent in University Heights.

Neither city has any industry to speak of and both are excellent examples of relatively affluent "bedroom communities." Since 2000 the average household income has increased 18.5 percent in Cleveland Heights and 15.9 percent in University Heights. The percentage of residents having received college degrees and above is 50.0 percent and 55.4 percent in Cleveland Heights and University Heights respectively. At the same time, 11.9 percent of households in Cleveland Heights and 7.4 percent in University Heights are below the poverty level.

MAJOR INITIATIVES

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

Staff's work is based on the Library's Mission, Values and Vision. At the end of 2001, the Mission was revised in response to the community's support for the bond issue.

The Library's Mission

The Mission indicates what our organization is committed to do:

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

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

The Library's Values

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

We place great value in:

- Education and literacy;
- Understanding and responsiveness in meeting the needs of our customers;
- Effective management of financial resources;
- Effective management and development of human resources;
- Quality in all we do;
- Intellectual freedom;
- A climate for innovation and change;
- Respect and tolerance for diverse viewpoints and individual differences;
- Integrity and ethics of the organization as guides for all personal and professional actions within the workplace;
- Shared decision-making and shared responsibility;
- Open, timely and effective communication.

Approved by the Board of Library Trustees: May 19, 1997

Reviewed and revised by Strategic Planning Steering Committee: November 1, 1999

Approved by the Board of Library Trustees: November 15, 1999

The Library's Vision

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

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

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

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

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

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

Work on the strategic plan began in March 2000 and was approved by the Board of Library Trustees in June. The implementation of the plan was initiated in September 2000. This is a three-year plan, and the Board, administration and staff were committed to results. Work on this plan was completed in September of this year. Some highlights of our efforts include:

Statistics. A review of the statistics gathered this year produce the following interesting comparisons with 2002:

- Total circulation, **for the first time ever, exceeded 2 million.** This is **an increase of 6%** over last year and represents *over 32 items per capita*. The state average for 2002 was only 14.5 per capita; the national average in 2001, the latest year available, was a mere 6.5! Our circulation of children's materials remains at 26% of the total.
- Circulation of all non-print materials represented **40%** of our total circulation for the year; print circulation still remains our "best seller."
- Circulation of the various audiovisual formats **increased by 13%** over 2002. Books on CD **increased by 25%**, DVDs **increased by 84%!**
- The number of people entering the buildings, over one million, **increased by almost 4%**.
- The number of "hits" to our Web site **increased by over 6%** over last year. The number of unique visitors to our Web site **increased by almost 3.5%**.
- The number of programs planned by staff **increased by more than 3%**; attendance at these programs **increased by more than 4%**.
- The number of outside groups using our buildings **decreased by almost 1%** over last year, although attendance at these meetings **increased by over 9%**.
- Reciprocal returns, our materials returned to other libraries and vice versa, impacts heavily on staff. During 2003, **almost 555,000 items** were carried to and from our buildings.
- The system's book collection **decreased by more than 16,000 volumes** this year. As much as possible, the current size of the collection should be maintained or decreased slightly in all our buildings.
- Use of paper at our Internet workstations **increased by 21%** over last year even though we began asking our customers for voluntary payment of \$.10 per copy after the first 10 pages. This growth in paper usage is another indication of how the use of the Internet continues to grow.

Services and Programming. The Cleveland Heights-University Heights Public Library has a long tradition of customer service and we focused on it again this year. Increasingly, we recognize the importance of programming and the number of staff-planned programs grew in 2003 by more than 3 percent. We have always programmed heavily for children, but we now see programs for adults run the gamut, with a number of them focusing on diversity and especially on music. We are also a very popular resource for classes on computers, software and using the Internet. We'll see even more programming for all ages in the years to come because of the renovation project; it supports the growing realization that libraries really *are* community centers.

Because the Library's strategic plan is both staff-developed and staff driven, it has a buy-in that brings a high level of enthusiasm to the deliberations of our five teams, Customer Service, Workplace, Collections, Marketing and Facilities. With the completion of this three-year strategic plan, staff point to a number of specific accomplishments:

- Developing a “secret shopper” program to analyze and improve the quality of our reference service.
- Increasing the number of “roving techs,” staff trained to help customers resolve computer-related issues.
- Expanding our daily delivery service to our branches to include Saturdays.
- Exploring and encouraging partnerships including those with the Cleveland Area Metropolitan Library System (CAMLs), Heights Community Congress, Heights Parent Center, Heights Arts Collaborative and Dobama Theatre.
- Creating a successful “reserve club” allowing customers to inform us of their interest in specific authors in advance of publication.
- Creating an improved and enlarged “teen” space at the Main Library.
- Increasing teen programming, including several very popular “poetry slams.”
- Creating a series of “Tech Connections” programs to educate customers about new technology.
- Enhancing our collections of books that appear on school reading lists.
- Providing a fax machine for public use.
- Centralizing materials' ordering for the library system.
- Developing circulating collections of DVDs, MP3 players/audio books, graphic novels and comic books and computer software.
- Increasing our core teen book and popular music collections.
- Providing focused development of “special” collections including deaf materials, books in Russian and Indian music and videos.

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

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

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

The Library has a leasing program in place for all public and staff workstations. One-third of our PCs are replaced each year and the final third of our machines were replaced in 2003. Our equipment receives heavy use by our customers and this replacement program ensures that we remain current with new technology.

Staff. Several retirements brought opportunities to reevaluate our operations in various areas. All branch custodial functions are now covered by cleaning services, allowing us to reduce our weekly time bank. The vacancy caused by the retirement of our Printing Clerk is not being filled, allowing further reductions. She was already splitting her time between Public Relations and Technical Services because our in-house printing had become so streamlined.

Realignment of tasks in both Technical Services and Adult Services allows us to further reduce the weekly time bank. Not only does this help control expenditures, it also encourages us to perform necessary tasks better and to eliminate unnecessary ones. We will continue to review tasks, especially when faced with a vacancy. The goal is to fill only those that must be filled.

We are outsourcing many of the processing functions from our Technical Services Department and have begun to order new materials electronically from our jobbers. This has had a major impact on the workload of that department that will serve us well in coming years. This is a cooperative effort among several departments that is a model for additional efforts to maximize our staffing resources and streamline procedures.

This is the second year we reimbursed staff for up to \$100 of their membership fees in professional organizations. Not only does this help support our profession, it also encourages greater participation by our staff and attendance at workshops and conferences. Training and staff development remain essential to quality customer service.

For the second year, we offered staff the opportunity to receive flu shots through the Cuyahoga County Board of Health. The Library paid the cost.

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

We continue to look at the organizational structure of the Library and how that may be improved. We talk a great deal about “shared leadership” and “flattening the organization” but it is still unclear how any of this will improve the Library, the leadership within it, or, ultimately, customer service. The latter is *always* our goal.

Buildings. We experienced another year of delays in the renovation of the Main Library and former Heights YMCA. The exterior design was going nowhere until Paul Ricciuti, hired by the Board of Library Trustees as our design consultant to assist architect Dan Meehan, finally developed an acceptable plan. In August, the city’s Architectural Board of Review approved the design, including the necessary connecting walkway. Shortly thereafter, the city’s Planning Commission unanimously approved the project and City Council unanimously approved the right of way for the walkway and a pair of decorative arches. It seemed that after so many delays, we might finally be on the move.

In November, the city’s Board of Zoning Appeals, our final step in the approval process, rejected our request for set-back variances for the pillars required to support the walkway. They reasoned that we had not met the criteria necessary to justify the variance, even though the walkway was essential to the library’s program and had been approved by City Council. The Board of Library Trustees felt they had no other option but to bring a suit against the City of Cleveland Heights. A settlement in the library’s favor was reached in December. All necessary city approvals have now been received.

Unfortunately, all our fundraising activities continued on hold during 2003. No one was interested in talking with us while city approvals were still at issue. Hopefully, despite the poor economy, we can renew our efforts in 2004 with some success.

In preparation for renovation, several staff made visits to libraries of note, including two outside Detroit, the Toledo-Lucas County Public Library and the Cerritos Public Library outside of Los Angeles. Each of these libraries is new or newly renovated and each gives us ideas for making the Main Library of the Cleveland Heights-University Heights Public Library the very best it can be.

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

- Complete the planning necessary for the major renovation of the Main Library and the former Heights YMCA and begin construction in the fall.
- Plan and implement a new three-year strategic plan.
- Install self-charge technology at the Main Library and branches to improve customer service during the process of circulating library materials.

- Continue searching for opportunities to partner with our schools in ways that improve the educational experience.
- Continue partnering with other community groups to increase the number of, and enhance, the programs we offer to the community.
- Continue planning, in this poor economy, to reduce spending in ways that have only a minor impact on the residents of our community and on the level of customer service we provide.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

Budgetary Control

The budgetary process is prescribed by provisions of the Ohio Administrative Code and entails the preparation of budgetary documents within an established time table. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Library Trustees.

The Library's computerized financial system maintains budgetary control through its purchase order/encumbrance feature. The purchase order, required before making a purchase, creates the encumbrance against the current budget. Purchase orders which result in an overrun of budget are not released until additional appropriations are made available through Board Resolution. This procedure is followed when money is available to allow an increase in appropriations. If no money is available, the purchase order is canceled.

The Clerk-Treasurer continually monitors the encumbrances and expenditures against the budget appropriations and against the County Auditor's certificate of estimated resources. Using the budget prepared by the Library the preceding July and including carry-over balances less carry-over encumbrances at year end, the County Auditor arrives at and issues the certificate of estimated resources for the Library. Ohio law prohibits total fund appropriations from exceeding the amount by fund on the County Auditor's Certificate.

Internal Accounting and Reporting Control

As part of its continuing commitment to excellence in financial reporting, the Library utilizes a computerized financial accounting and reporting system. Enhancements to the present internal accounting controls and procedures are continually evaluated by the Clerk-Treasurer and Business Manager. They oversee the appropriateness of internal control, develop procedures to enhance internal control, and consult with outside auditors to ensure that the Library remains at a sound financial level of operation.

Financial Condition

This is the first year the Library has prepared financial statements following GASB Statement 34. "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the Library's financial activities as follows:

Government-wide financial statements. These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities that are governmental and those that are business type. All activities of the Library are classified as governmental.

Fund financial statements. These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements.

Statements of budgetary comparisons. These statements present comparisons of actual information to the legally adopted budget. The budgetary basis is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the Library. This discussion follows the Independent Accountants' Report, providing an assessment of the Library finances for 2003.

Cash Management

The Library adheres to the regulations set forth in the Ohio Revised Code to ensure the safety of its investments. All deposits are made under contracts with local banking institutions and with the State Treasurer's Investment Pool (STAROhio).

A majority of the Library's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal 105 percent of the public funds on deposit. The collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management

The Cleveland Heights-University Heights Public Library holds a personal service contract with Love Insurance as its agent for liability insurance coverage. This agency seeks the best rated companies at the best price to provide insurance coverage to the Library and its officials. The Library carries a comprehensive general liability policy of \$2,000,000. The Library also carries commercial property coverage of \$12,434,335.

The State provides workers' compensation coverage. The Library pays the State Workers' Compensation system a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

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, 2003, by our independent auditor, Auditor of State Betty Montgomery.

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

Awards

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

The 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, 2002. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must conform to generally accepted accounting principles and satisfy all applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. We believe this Comprehensive Annual Financial Report continues to meet the high standards set by GFOA, and therefore, we will be submitting this report to determine its eligibility for a Certificate.

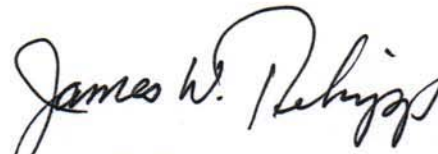
Acknowledgements

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

Respectfully Submitted,



Stephen D. Wood
Director/Clerk-Treasurer



James W. Teknipp
Business Manager

CLEVELAND HEIGHTS–UNIVERSITY HEIGHTS PUBLIC LIBRARY

LIST OF PRINCIPAL OFFICIALS
as of December 31, 2003

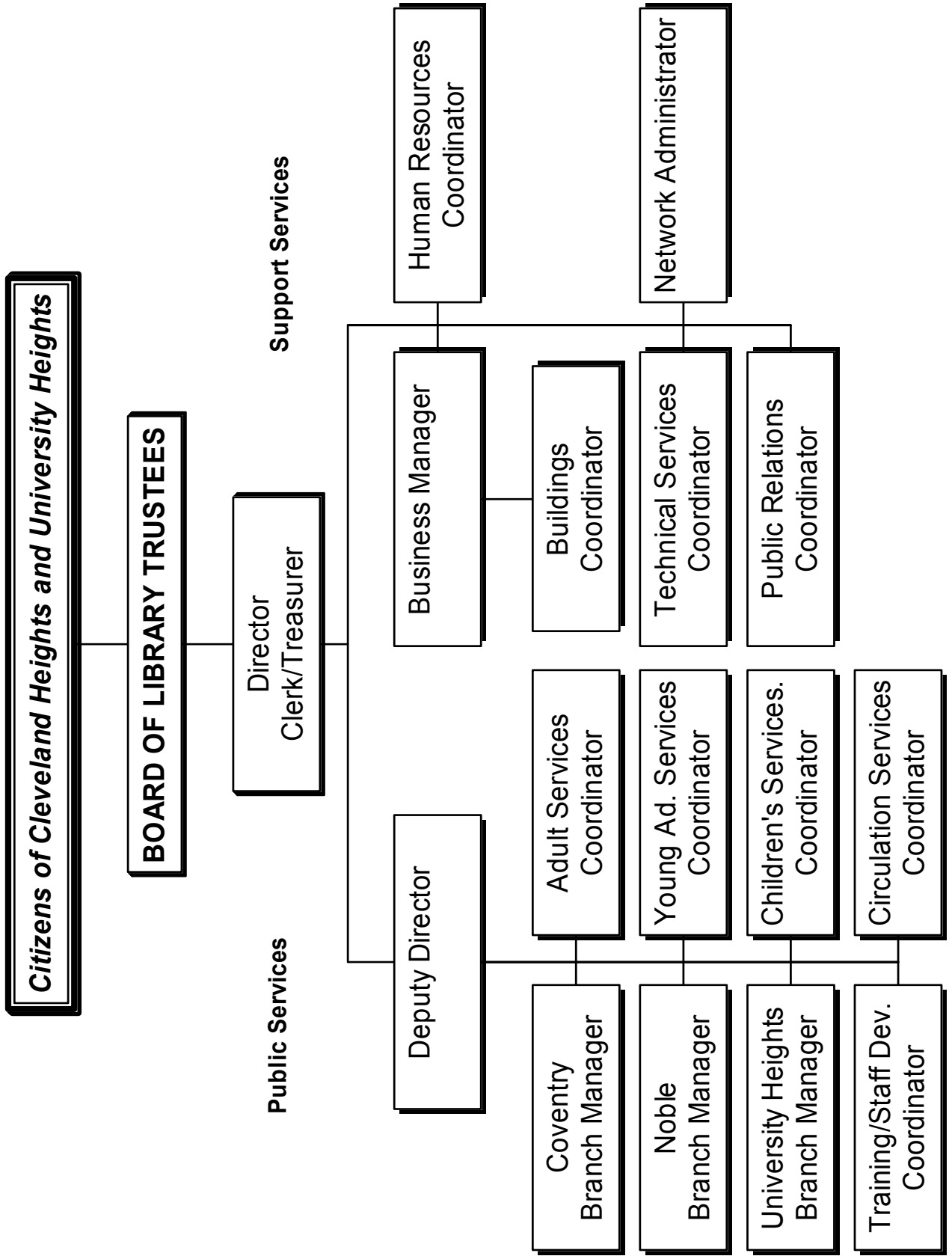
BOARD OF LIBRARY TRUSTEES

President	Christine M. Stouffer
Vice-President	Pippa Carter
Secretary	Susan Janssen
Member	William Batcheller
Member	Gerald Blake
Member	Esther Moss
Member	Eric Silverman

ADMINISTRATIVE STAFF

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

Organization Chart
 Cleveland Heights-University Heights Public Library



Certificate of Achievement for Excellence in Financial Reporting

Presented to
Cleveland Heights-
University Heights Public Library,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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

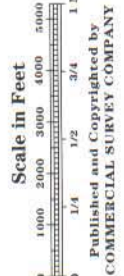
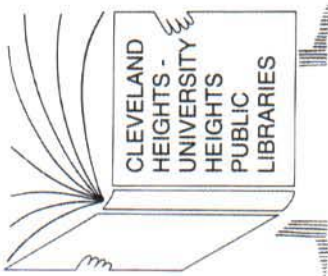
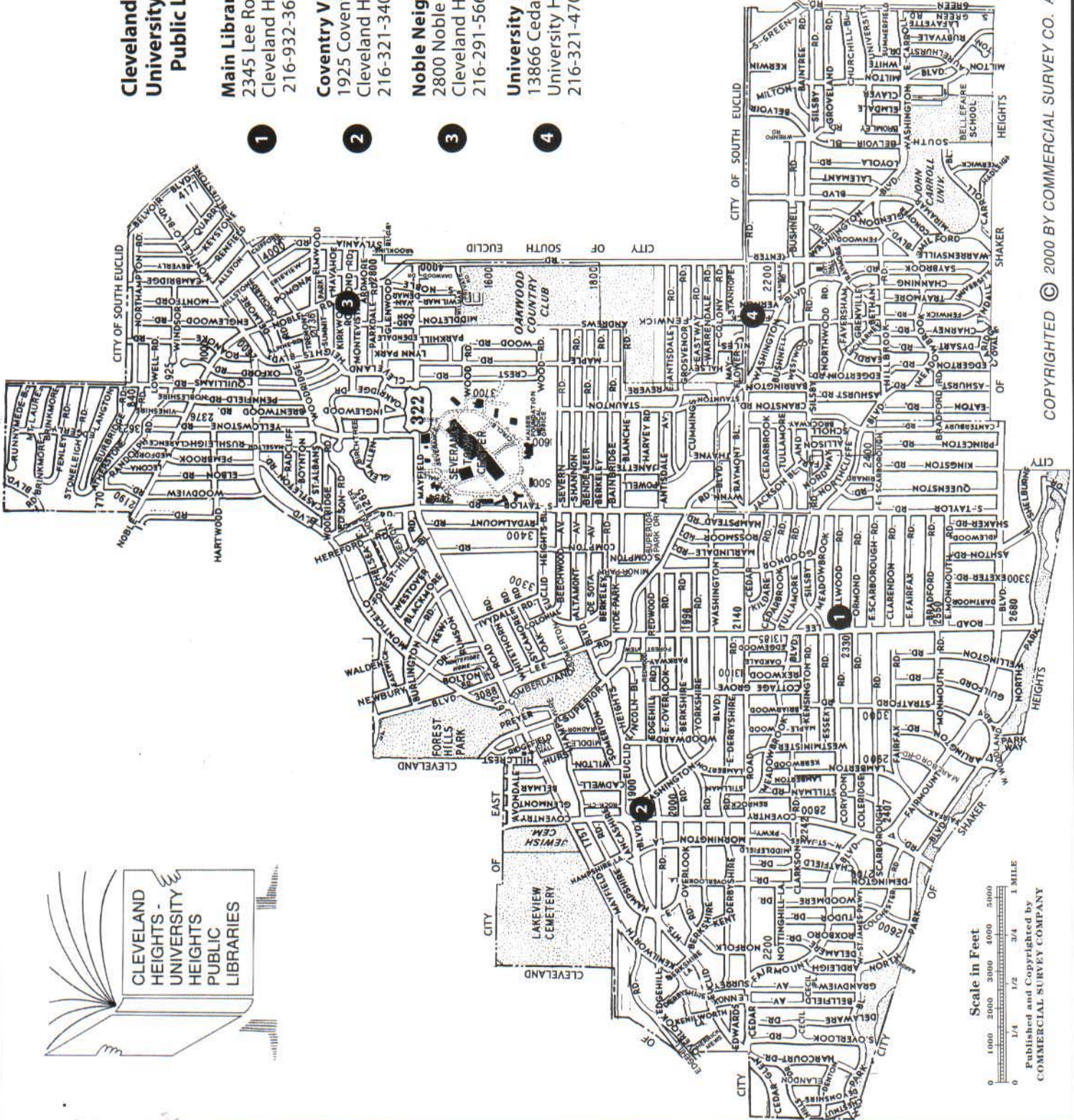
**Cleveland Heights -
University Heights
Public Library**

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

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

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

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



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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Board of Trustees
Cleveland Heights-University Heights Public Library
Cuyahoga County
2345 Lee Road
Cleveland Heights, OH 44118

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio, (the Library) as of and for the year ended December 31, 2003, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio, as of December 31, 2003, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2003, the Library implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2004 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the Library's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, statistical tables and supplemental information are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. 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, statistical tables and supplemental information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

May 14, 2004

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

The discussion and analysis of the Cleveland Heights-University Heights Public Library's financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2003. The intent of this 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 2003 are as follows:

- Total Net Assets increased \$862,898 or a 4.14 percent increase over 2003.
- Total Assets of Governmental Activities increased \$857,175 which represents a 3.36 percent increase over 2002.
- Total Current Liabilities decreased by \$71,515 or 1.67 percent from 2002.
- Total Capital Assets increased by \$51,120 or 0.85 percent over 2002.
- Total Outstanding Long-term Liabilities at 2003 were \$65,792 more than year 2002 or 17.78 percent increase.
- On a modified accrual basis, Library property tax revenue has increased by \$89,035 or 2.24 percent over 2002.

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, 2003

Unaudited

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 2003?" 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 reports provide detailed information about the Library's major funds. The Library has established funds that account for the multitude of services and facilities provided to our residents. However, these fund financial statements focus on the Library's most significant funds. In the case of the Cleveland Heights-University Heights Public Library, our major funds are the general, building and repairs and renovation funds.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. All Library activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year end available for spending in future periods. Our funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Library's general operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government'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

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

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 2003 compared to 2002.

Table 1
Net Assets

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
Assets		
Current and Other Assets	\$20,309,720	\$19,503,665
Capital Assets, Net	<u>6,064,100</u>	<u>6,012,980</u>
<i>Total Assets</i>	<u>26,373,820</u>	<u>25,516,645</u>
Liabilities		
Current and Other Liabilities	4,217,946	4,289,461
Long-Term Liabilities:		
Due Within One Year	278,924	294,801
Due In More Than One Year	<u>156,876</u>	<u>75,207</u>
<i>Total Liabilities</i>	<u>4,653,746</u>	<u>4,659,469</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	5,895,502	6,012,980
Restricted for:		
Capital Projects	12,100,420	11,783,183
Other Purposes	482,381	488,172
Unrestricted	<u>3,241,771</u>	<u>2,572,841</u>
<i>Total Net Assets</i>	<u>\$21,720,074</u>	<u>\$20,857,176</u>

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 by \$21,720,074 at year-end 2003. Total government assets increased by \$857,175 while total governmental liabilities decreased by \$5,723 resulting in an increase to net assets of \$862,898. By comparing assets and liabilities, one can see the overall position of the Library is good.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

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 Public Library works very hard to stabilize current liabilities and reduce long-term liabilities. By comparing assets and liabilities, one can see the overall position of the Library is good.

Table 2 shows the changes in net assets for 2003. Since this is the first year the Library has prepared financial statements following GASB Statement 34, revenue and expense comparisons to fiscal year 2002 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Table 2
Change in Net Assets

	<u>2003</u>
Revenues	
Program Revenues	
Charges for Services	\$174,815
Operating Grants and Contributions	3,138
Capital Grants and Contributions	<u>4,732</u>
Total Program Revenues	<u>182,685</u>
General Revenues	
Property Taxes	4,155,802
Grants and Entitlements	3,554,417
Interest	411,667
Miscellaneous	<u>2,750</u>
Total General Revenues	<u>8,124,636</u>
<i>Total Revenues</i>	<u>8,307,321</u>
Program Expenses	
General Government:	
Public Services	6,238,829
Administration	1,191,302
Interest and Fiscal Charges	<u>14,292</u>
<i>Total Program Expenses</i>	<u>7,444,423</u>
<i>Increase in Net Assets</i>	<u><u>\$862,898</u></u>

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

The vast majority of revenue supporting all governmental activities is general revenue. General revenue totaled \$8,124,636 or 97.80 percent of total revenue. The most significant portion of the general revenues is local property tax. The remaining amount of revenue received was in the form of program revenues, which equaled \$182,685 or 2.20 percent of total revenue.

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 Business Manager pay close attention to daily interest rates and have made the Library's money "work for us", an increasingly difficult task in the current period of declining interest rates. The Library realized \$411,667 in interest revenue. This additional revenue is utilized as part of the Library's plan to pay for future projects or improvements.

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 taxes.

**Table 3
Governmental Activities**

<u>Programs</u>	<u>Total Cost of Services 2003</u>	<u>Net Cost of Services 2003</u>
General Government:		
Public Service	\$6,238,829	(\$6,056,144)
Administration	1,191,302	(1,191,302)
Interest and Fiscal Charges	14,292	(14,292)
Total Expenses	<u>\$7,444,423</u>	<u>(\$7,261,738)</u>

The difference in these two columns of \$182,685 represents restricted grants, fees and donations. The dependence upon general tax revenues for governmental activities is apparent. Over 97 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. Property tax revenues account for \$4,155,802 or 50.03 percent of total revenues. General revenues from grants and entitlements, such as local government funds, are also sources of revenue.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

While Library property tax collections in 2003 were 4.70 percent greater than in 2002, the majority of the increase can be attributed to new construction. 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 contributes to climbing property values, a key indicator of a community's economic health and stability, where the primary "industry" is housing. The vitality of the area is also demonstrated by new construction, development and redevelopment of retail and commercial corridors found throughout each community.

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. Grants and entitlements account for \$3,554,417 or 42.79 percent of total revenue.

Approximately 83.81 percent of the Library's budget is used for public services. Administration accounts for an additional 16.00 percent. The remaining program expenses, amounting to less than one percent represent other obligations such as interest and fiscal charges.

The Library's Funds

Information about the Library's Governmental funds begins on page 14. These funds are accounted for using the modified accrual basis of accounting. All Governmental Funds had total revenue of \$8,314,690 and expenditures of \$7,669,327. The most significant fund is our general fund with an unreserved fund balance at year-end of \$1,340,247 compared to annual expenditures of \$7,140,846. While revenues exceeded expenditures by \$833,917, \$500,000 was transferred to other funds. These transfers enabled the Library to fund capital improvements.

General Fund Budgetary Highlights

The Library's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of 2003, the Library amended its general fund budget, but no amendment was significant. For the general fund, original budgeted revenues were \$8,029,587. The decrease in the estimate of \$125,344 was due to decreases in the amount of property taxes and intergovernmental revenues expected. The final estimated revenue was within one percent of the actual revenue. Original and final budgeted expenditures in the general fund were both \$7,612,274.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

Capital Assets and Debt

Capital Assets

Table 4
Capital Assets at December 31

	Governmental Activities	
	2003	2002
Land	\$791,638	\$791,638
Construction in Progress	1,151,236	782,575
Land Improvements	299,849	338,397
Buildings and Building Improvements	3,447,812	3,661,100
Furniture and Equipment	355,113	429,233
Vehicles	18,452	10,037
<i>Total Capital Assets</i>	<u>\$6,064,100</u>	<u>\$6,012,980</u>

Total capital assets for the Cleveland Heights-University Heights Public Library as of December 31, 2003 were \$6,064,100, \$51,120 more than 2002. The most significant increases in our capital assets came in the area of construction in progress. The Library is committed to a long-term goal of rebuilding and renovating facilities. Our current capital plan provides for renovating the main library and adding a cultural arts facility. See Note 11 for additional information on capital assets.

Debt

As of December 31, 2003, the Cleveland Heights-University Heights Public Library had \$435,800 in compensated absences and capital leases outstanding with \$278,924 due within one year. See Note 15 for additional information on Library's debt.

Table 4
Outstanding Debt at Year End

	Governmental Activities	
	2003	2002
Compensated Absences	\$267,202	\$234,055
Capital Leases	168,598	135,953
<i>Total</i>	<u>\$435,800</u>	<u>\$370,008</u>

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

Current Financial Related Activities

The Cleveland Heights-University Heights Public Library has continued to maintain the highest standard of service to the customers of our communities. The Cleveland Heights-University Heights Public Library is financially strong. Over the past fifteen years we have enjoyed positive growth in revenues and at the same time adopted a 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.

While the Cleveland Heights-University Heights Public Library relies on its property tax payers to support its operations, 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 and 2000, 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 joining the group rating workers' compensation program offered through the Ohio Library Council and 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/Clerk-Treasurer Stephen D. Wood, Cleveland Heights-University Heights Public Library, 2345 Lee Road, Cleveland Heights, Ohio 44118-3493, or telephone 216-932-3600. We also offer information regarding our Library on our web site, www.heightslibrary.org.

Cleveland Heights-University Heights Public Library

Statement of Net Assets

December 31, 2003

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$13,948,467
Materials and Supplies Inventory	13,127
Accounts Receivable	16
Intergovernmental Receivable	1,831,194
Prepaid Items	25,564
Property Taxes Receivable	4,491,352
Nondepreciable Capital Assets	1,942,874
Depreciable Capital Assets, Net	<u>4,121,226</u>
<i>Total Assets</i>	<u>26,373,820</u>
Liabilities	
Accounts Payable	39,161
Accrued Wages and Benefits	117,351
Intergovernmental Payable	21,769
Deferred Revenue	4,039,665
Long-Term Liabilities:	
Due Within One Year	278,924
Due In More Than One Year	<u>156,876</u>
<i>Total Liabilities</i>	<u>4,653,746</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	5,895,502
Restricted for:	
Capital Projects	12,100,420
Other Purposes	482,381
Unrestricted	<u>3,241,771</u>
<i>Total Net Assets</i>	<u><u>\$21,720,074</u></u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library

Balance Sheet

Governmental Funds

December 31, 2003

	General	Building and Repair	Renovation	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$1,365,666	\$2,268,900	\$9,831,520	\$482,381	\$13,948,467
Property Taxes Receivable	4,491,352	0	0	0	4,491,352
Accounts Receivable	16	0	0	0	16
Intergovernmental Receivable	1,831,194	0	0	0	1,831,194
Materials and Supplies Inventory	13,127	0	0	0	13,127
Prepaid Items	25,564	0	0	0	25,564
<i>Total Assets</i>	<u>\$7,726,919</u>	<u>\$2,268,900</u>	<u>\$9,831,520</u>	<u>\$482,381</u>	<u>\$20,309,720</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$39,161	\$0	\$0	\$0	\$39,161
Accrued Wages and Benefits	117,351	0	0	0	117,351
Intergovernmental Payable	21,769	0	0	0	21,769
Deferred Revenue	6,091,914	0	0	0	6,091,914
<i>Total Liabilities</i>	<u>6,270,195</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,270,195</u>
Fund Balances					
Reserved for Encumbrances	116,477	556,731	238,596	11,329	923,133
Unreserved:					
General Fund	1,340,247	0	0	0	1,340,247
Special Revenue Funds	0	0	0	471,052	471,052
Capital Projects Funds	0	1,712,169	9,592,924	0	11,305,093
<i>Total Fund Balances</i>	<u>1,456,724</u>	<u>2,268,900</u>	<u>9,831,520</u>	<u>482,381</u>	<u>14,039,525</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,726,919</u>	<u>\$2,268,900</u>	<u>\$9,831,520</u>	<u>\$482,381</u>	<u>\$20,309,720</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, 2003

Total Governmental Fund Balances \$14,039,525

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds 6,064,100

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds:

Property Taxes 451,687
Intergovernmental 1,600,562

Total 2,052,249

Long-term liabilities are not due and payable in the
current period and therefore are not reported in the funds:

Compensated Absences (267,202)
Capital Lease Payable (168,598)

Total (435,800)

Net Assets of Governmental Activities \$21,720,074

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, 2003

	General	Building and Repair	Renovation	Other Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Taxes	\$4,058,172	\$0	\$0	\$0	\$4,058,172
Patrons Fines and Fees	159,975	0	0	0	159,975
Intergovernmental	3,646,061	0	0	13,355	3,659,416
Interest	89,887	48,632	250,782	22,366	411,667
Donations	3,078	0	4,732	60	7,870
Rentals	14,840	0	0	0	14,840
Miscellaneous	2,750	0	0	0	2,750
<i>Total Revenues</i>	<u>7,974,763</u>	<u>48,632</u>	<u>255,514</u>	<u>35,781</u>	<u>8,314,690</u>
Expenditures					
Current:					
General Government:					
Public Service	5,902,168	0	0	21,741	5,923,909
Administration	1,119,040	0	0	19,831	1,138,871
Capital Outlay	9,882	335,416	151,493	0	496,791
Debt Service:					
Principal Retirement	95,464	0	0	0	95,464
Interest and Fiscal Charges	14,292	0	0	0	14,292
<i>Total Expenditures</i>	<u>7,140,846</u>	<u>335,416</u>	<u>151,493</u>	<u>41,572</u>	<u>7,669,327</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>833,917</u>	<u>(286,784)</u>	<u>104,021</u>	<u>(5,791)</u>	<u>645,363</u>
Other Financing Sources (Uses)					
Inception of Capital Lease	128,109	0	0	0	128,109
Transfers In	0	500,000	0	0	500,000
Transfers Out	(500,000)	0	0	0	(500,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(371,891)</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>128,109</u>
<i>Net Change in Fund Balances</i>	462,026	213,216	104,021	(5,791)	773,472
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>994,698</u>	<u>2,055,684</u>	<u>9,727,499</u>	<u>488,172</u>	<u>13,266,053</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,456,724</u></u>	<u><u>\$2,268,900</u></u>	<u><u>\$9,831,520</u></u>	<u><u>\$482,381</u></u>	<u><u>\$14,039,525</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, 2003*

Net Change in Fund Balances - Total Governmental Funds \$773,472

*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 outlays exceeded depreciation in the current period.

Capital Asset Additions	519,339
Current Year Depreciation	<u>(407,949)</u>

Total	111,390
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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. (60,270)

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

Property Taxes	97,630
Intergovernmental	<u>(104,999)</u>

Total	(7,369)
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Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. (128,109)

Repayment of capital lease principal is an expenditure in the statement of net assets. 95,464

Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds.

Compensated Absences	(33,147)
Pension Obligation	<u>111,467</u>

Total	<u>78,320</u>
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Change in Net Assets of Governmental Activities \$862,898

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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$4,085,855	\$4,014,120	\$4,058,172	\$44,052
Patron Fines and Fees	160,582	158,085	159,992	1,907
Intergovernmental	3,664,622	3,615,846	3,645,931	30,085
Interest	94,743	93,270	94,479	1,209
Donations	3,712	3,162	3,078	(84)
Rentals	16,058	15,808	16,340	532
Miscellaneous	4,015	3,952	2,734	(1,218)
<i>Total Revenues</i>	<u>8,029,587</u>	<u>7,904,243</u>	<u>7,980,726</u>	<u>76,483</u>
Expenditures				
Current:				
Public Service	6,389,721	6,389,721	5,979,523	410,198
Administration	1,187,087	1,187,087	1,122,146	64,941
Capital Outlay	35,466	35,466	15,590	19,876
<i>Total Expenditures</i>	<u>7,612,274</u>	<u>7,612,274</u>	<u>7,117,259</u>	<u>495,015</u>
<i>Excess of Revenues Over Expenditures</i>	417,313	291,969	863,467	571,498
Other Financing Uses				
Transfers Out	(300,000)	(300,000)	(500,000)	(200,000)
<i>Net Change in Fund Balance</i>	117,313	(8,031)	363,467	371,498
<i>Fund Balance Beginning of Year</i>	665,477	665,477	665,477	0
Prior Year Encumbrances Appropriated	174,374	174,374	174,374	0
<i>Fund Balance End of Year</i>	<u>\$957,164</u>	<u>\$831,820</u>	<u>\$1,203,318</u>	<u>\$371,498</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, 2003*

Note 1 – Description of the Library and Reporting Entity

The Cleveland Heights-University Heights Public Library was organized as a school district public library in 1920 under the laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Cleveland Heights-University Heights Board of Education. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Clerk-Treasurer.

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

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

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. 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, 2003*

A. 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.

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.

B. Fund Accounting

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

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

General Fund The general fund accounts for 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.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

Building and Repair Fund The building and repair fund accounts for monies set aside by the Board of Library Trustees specifically for major capital and technology improvements.

Renovation Fund The renovation fund accounts for revenue from the recent School District bond issue and fundraising efforts specifically set aside for the planned renovation of the Main Library.

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

C. 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.

D. 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.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

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.

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 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 In 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.

E. 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 pooled in cash and cash equivalents."

During 2003, investments were limited to U.S. Savings Bonds, federal national mortgage association notes, federal home loan mortgage corporation notes, federal home loan bank notes, STAROhio and nonnegotiable certificates of deposit.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2003

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.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2003.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2003 amounted to \$89,887, which includes \$40,305 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.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003, 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.

G. Inventory

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

H. 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. Donated fixed 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. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

<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	5 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental activities column of the statement of net assets.

J. Compensated Absences

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

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

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and contractually required pension contributions 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.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2003

L. Fund Balance Reserves

The Library reserves those portions of the fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances are recorded as a reservation of fund balance.

M. 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. Net assets restricted for other purposes include training for staff and library customers.

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

N. 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.

O. 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.

P. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Administrative Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The 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 Clerk/Treasurer's 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 level. Any budgetary modifications at this level may only be made by resolution of the Board of Trustees. The Clerk/Treasurer has been given authority to allocate Board appropriations to the function and object levels within each fund.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2003

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Clerk/Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts in the final amended certificate in effect at the time 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 and Restatement of Prior Year Fund Equity

A. Changes in Accounting Principles

For 2003, the Library has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus", Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences," and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

GASB 34 creates new basic financial statements for reporting on the Library's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements show the Library's governmental activities' programs. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2002, caused by the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the Management's Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the Library not being able to present budgetary comparisons for the general and each major special revenue fund. The implementation of Statement No. 41 did not affect the presentation of the budgetary statements of the Library.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

B. Restatement of Net Assets/Fund Balance

The implementation of these changes had the following effects on fund balance of the major and nonmajor funds of the Library as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Buildings and Repair</u>	<u>Renovation</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balances, December 31, 2002	\$964,124	\$2,055,684	\$9,727,499	\$488,172	\$13,235,479
GASB Interpretation No. 6	<u>30,574</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,574</u>
Restated Fund Balances, December 31, 2002	<u>\$994,698</u>	<u>\$2,055,684</u>	<u>\$9,727,499</u>	<u>\$488,172</u>	13,266,053
GASB 34 Adjustments:					
Capital Assets					6,012,980
Compensated Absences Payable					(234,055)
Intergovernmental Payable					(111,467)
Capital Lease Payable					(135,953)
Long-Term (Deferred) Assets					<u>2,059,618</u>
Governmental Activities Net Assets, December 31, 2002					<u>\$20,857,176</u>

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

Note 4 - Budgetary Basis of Accounting

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

- a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- b) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- c) Encumbrances are treated as expenditures for all funds (budget) rather than as a reservation of fund balance (GAAP).
- d) Investments are reported at cost (budget) rather than at fair value (GAAP).

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

Net Change in Fund Balance	
GAAP Basis	\$462,026
Net Adjustment for Revenue Accruals	(122,146)
Net Adjustment for Expenditure Accruals	179,225
Encumbrances	<u>(155,638)</u>
Budget Basis	<u><u>\$363,467</u></u>

Note 5 – Compliance

The OLF Grant and LSTA Grant special revenue funds had expenditures and encumbrances in excess of appropriations by \$1,263 and \$13,355 respectively, contrary to Section 117-8-02, Ohio Administrative Code. Although these violations were not corrected by year end, management has indicated that appropriations will be closely monitored to ensure no future violations.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

Note 6 - Deposits and Investments

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

Active deposits are public deposits necessary to meet current demands on the 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 notes, bills, bonds, or any other obligation and security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
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;
6. The State Treasurer's investment pool (STAROhio).

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

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.

Cash on Hand At year end, the Library had \$1,300 in undeposited cash on hand, which is included on the balance sheet of the Library as part of “equity in pooled cash and cash equivalents.”

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

Deposits At year-end, the carrying amount of the Library's deposits was \$4,806,816 and the bank balance was \$4,819,164. Of the bank balance:

1. \$662,323 was covered by federal depository insurance; and
2. \$4,156,841 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Library held to a successful claim by the FDIC.

Investments The Library’s investments are required to be categorized to give an indication of the level of risk assumed by the Library at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Library or its agent in the Library’s name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the Library's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the Library's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 1	Category 3	Fair Value
U.S.Savings Bonds	\$413,695		\$413,695
Federal National Mortgage Association Notes		\$3,445,805	3,445,805
Federal Home Loan Mortgage Corporation Notes		2,439,346	2,439,346
Federal Home Loan Bank Notes		2,444,145	2,444,145
STAROhio			397,360
Total Investments		<u>\$8,329,296</u>	<u>\$9,140,351</u>

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2003

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined to include investments with original maturities of three months or less and cash and investments of the cash management pool. A reconciliation between the classification of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$13,948,467	\$0
Cash on Hand	(1,300)	0
Investments which are part of the cash management pool:		
U.S. Savings Bond	(413,695)	413,695
Federal National Mortgage Association Notes	(3,445,805)	3,445,805
Federal Home Loan Mortgage Corporation Notes	(2,439,346)	2,439,346
Federal Home Loan Bank Notes	(2,444,145)	2,444,145
STAROhio	(397,360)	397,360
GASB Statement No. 3	<u>\$4,806,816</u>	<u>\$9,140,351</u>

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 2003 for real and public utility property taxes represents collections of the 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) are for 2003 taxes.

Real property taxes for 2003 are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

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. 2003 public utility property taxes became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

Tangible personal property taxes for 2003 are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventories.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

The full tax rate for all Library operations for the year ended December 31, 2003 was \$5.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property	\$1,066,559,730
Public Utility Personal Property	33,561,950
Tangible Personal Property	<u>23,331,004</u>
Total	<u><u>\$1,123,452,684</u></u>

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.

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

The County Treasurer collects property tax on behalf of all taxing districts within the county, including the Library district. The County Auditor periodically remits to the Library its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2003 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 2003 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, 2003, consisted of taxes, accounts and due from other governments. All receivables are considered fully collectible. The principal intergovernmental receivables at December 31, 2003 were \$264,433 for homestead and rollback and \$1,566,761 of Library and Local Government Support Fund revenues received through the State of Ohio. 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 and all receivables will be collected within one year.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

Note 9 – Capital Leases

During 2003, the Library entered into lease agreements for the acquisition of copiers, computers, a mailing machine and vehicles. 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 equipment has been capitalized in the amount of \$349,219, the present value of the minimum lease payments at the inception of the lease. Accumulated depreciation on these leases was \$181,260, leaving a current book value of \$152,434 as of December 31, 2003. 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, 2003:

<u>Year Ending December 31,</u>	<u>Amount</u>
2004	\$92,952
2005	49,166
2006	22,468
2007	12,540
2008	7,091
Total Minimum Lease Payments	184,217
Less: Amount Representing Interest	(15,619)
Present Value of Minimum Lease	<u>\$168,598</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 2003, the Library contracted with several companies for various types of insurance coverage as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>
Indiana Insurance	Commercial Property	\$12,434,335
	General Liability	2,000,000
	Commercial Crime	2,000
	Inland Marine	3,557,680
	Vehicle	1,000,000
Utica National	Errors and Omissions	2,000,000
Ohio Farmers Insurance	Library Officials	1,000,000
Fidelity and Deposit	Fidelity and Deposit	10,000

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.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

Note 11 - Capital Assets

Capital asset activity for the year ended December 31, 2003, was as follows:

	<u>Balance</u> <u>12/31/02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/03</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$791,638	\$0	\$0	\$791,638
Construction in progress	<u>782,575</u>	<u>368,661</u>	<u>0</u>	<u>1,151,236</u>
Total capital assets not being depreciated	<u>1,574,213</u>	<u>368,661</u>	<u>0</u>	<u>1,942,874</u>
Capital assets, being depreciated				
Land Improvements	596,780	0	(3,495)	593,285
Buildings and Building Improvements	6,174,187	0	(22,132)	6,152,055
Equipment	1,268,737	137,153	(403,713)	1,002,177
Furniture	27,645	1,140	0	28,785
Vehicles	<u>14,688</u>	<u>12,385</u>	<u>0</u>	<u>27,073</u>
Total capital assets being depreciated	<u>8,082,037</u>	<u>150,678</u>	<u>(429,340)</u>	<u>7,803,375</u>
Accumulated depreciation				
Land Improvements	(258,383)	(38,367)	3,314	(293,436)
Buildings and Building Improvements	(2,513,087)	(210,113)	18,957	(2,704,243)
Equipment	(863,571)	(151,639)	346,799	(668,411)
Furniture	(3,578)	(3,860)	0	(7,438)
Vehicles	<u>(4,651)</u>	<u>(3,970)</u>	<u>0</u>	<u>(8,621)</u>
Total accumulated depreciation	<u>(3,643,270)</u>	<u>(407,949) *</u>	<u>369,070</u>	<u>(3,682,149)</u>
Total Capital assets being depreciated, net	<u>4,438,767</u>	<u>(257,271)</u>	<u>(60,270)</u>	<u>4,121,226</u>
Governmental activities capital assets, net	<u>\$6,012,980</u>	<u>\$111,390</u>	<u>(\$60,270)</u>	<u>\$6,064,100</u>

* Depreciation expense was charged to governmental activities as follows:

General Government:	
Public Service	\$399,790
Administration	<u>8,159</u>
Total	<u>\$407,949</u>

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2003

Note 12 - Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Library participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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% 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 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 that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans were required to contribute 8.5 percent of their annual covered salaries. The Library's contribution rate for pension benefits for 2003 was 13.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Library's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$311,324, \$305,767, and \$461,368 respectively; 98 percent has been contributed for 2003 and 100 percent for 2002 and 2001. Contributions to the member-directed plan for 2003 were \$6,994 made by the Library and \$4,387 made by the plan members.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

Note 13 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.31 percent of covered payroll; 5.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

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

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$182,061. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits as December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion respectively.

In December 2001, the OPERS Board adopted the Health Care "Choices" Plan. The Choices Plan is offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

Benefit recipients will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2003*

The number of active contributing participants was 364,881. The Library's actual contributions for 2003 which were used to fund postemployment benefits were \$182,061. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

Note 14 – Other Employee Benefits

A. Compensated Absences

All full time, 30 hour and part time employees earn vacation by payroll period at different rates which are affected by length of service. Up to 100 percent of the annual vacation allowance may be carried forward from one year to the next.

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

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.

B. Insurance

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

Note 15 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the Library during 2003 follows:

	Principal Outstanding 12/31/2002	Additions	Deletions	Principal Outstanding 12/31/2003	Amounts Due In One Year
<i>Governmental Activities</i>					
Compensated Absences	\$234,055	\$227,933	\$194,786	\$267,202	\$194,786
Capital Lease Obligations	135,953	128,109	95,464	168,598	84,138
<i>Total Governmental Activities</i>	\$370,008	\$356,042	\$290,250	\$435,800	\$278,924

Both compensated absences and capital lease obligations will be paid from the general fund.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2003

Note 16 – Construction and Improvement of Facilities

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

With approval of the bond issue in 2001, the School District issued bond anticipation notes for Library improvements in the amount of \$5,000,000 in 2001 and of \$4,500,000 during 2002. During 2002, the notes were rolled into bonds. Because the bonds are general obligations of the Cleveland Heights-University Heights City School District, the long-term obligation is excluded from the general long-term obligations of the Cleveland Heights-University Heights Public Library.

Note 17 – Interfund Transfers

The general fund transferred \$500,000 to the building and repair capital projects fund for the purchase and maintenance of various items throughout the Library.

**Combining Statements and
Individual Fund Schedules**

Fund Descriptions - Nonmajor Governmental Funds

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

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. It is used specifically for staff development programs.

Ohio Library Foundation (OLF) Grant Fund - This fund accounts for contributions from the Drew Carey Fund of the Ohio Library Foundation that is used to develop a program training teens to review library materials.

Library Services and Technology Act (LSTA) Grant Fund - This fund accounts for revenue received from the State to be used to support the Play and Learn Village initiative.

Cleveland Heights-University Heights Public Library

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2003

	<u>Staff Development</u>	<u>OLF Grant</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$475,401	\$6,980	\$482,381
	<hr/>	<hr/>	<hr/>
Liabilities and Fund Balances			
Liabilities	\$0	\$0	\$0
Fund Balances			
Reserved for Encumbrances	4,441	6,888	11,329
Unreserved, Undesignated	470,960	92	471,052
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	475,401	6,980	482,381
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities and Fund Balances</i>	\$475,401	\$6,980	\$482,381
	<hr/>	<hr/>	<hr/>

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, 2003

	Staff Development	OLF Grant	LSTA Grant	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental	\$0	\$0	\$13,355	\$13,355
Interest	22,366	0	0	22,366
Donations	60	0	0	60
<i>Total Revenues</i>	<u>22,426</u>	<u>0</u>	<u>13,355</u>	<u>35,781</u>
Expenditures				
Current:				
General Government:				
Public Service	0	8,386	13,355	21,741
Administration	19,831	0	0	19,831
<i>Total Expenditures</i>	<u>19,831</u>	<u>8,386</u>	<u>13,355</u>	<u>41,572</u>
<i>Net Change in Fund Balances</i>	2,595	(8,386)	0	(5,791)
<i>Fund Balances Beginning of Year</i>	<u>472,806</u>	<u>15,366</u>	<u>0</u>	<u>488,172</u>
<i>Fund Balances End of Year</i>	<u><u>\$475,401</u></u>	<u><u>\$6,980</u></u>	<u><u>\$0</u></u>	<u><u>\$482,381</u></u>

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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$4,085,855	\$4,014,120	\$4,058,172	\$44,052
Patron Fines and Fees	160,582	158,085	159,992	1,907
Intergovernmental	3,664,622	3,615,846	3,645,931	30,085
Interest	94,743	93,270	94,479	1,209
Donations	3,712	3,162	3,078	(84)
Rentals	16,058	15,808	16,340	532
Miscellaneous	4,015	3,952	2,734	(1,218)
<i>Total Revenues</i>	<u>8,029,587</u>	<u>7,904,243</u>	<u>7,980,726</u>	<u>76,483</u>
Expenditures				
Current:				
Public Service				
Salaries and Wages	\$3,934,494	\$3,934,494	\$3,828,266	\$106,228
Purchased Services	1,014,670	1,014,670	806,395	208,275
Materials and Supplies	1,440,557	1,440,557	1,344,862	95,695
Total Public Service	<u>6,389,721</u>	<u>6,389,721</u>	<u>5,979,523</u>	<u>410,198</u>
Administration				
Salaries and Wages	983,623	983,623	957,066	26,557
Purchased Services	154,547	154,547	123,410	31,137
Materials and Supplies	48,917	48,917	41,670	7,247
Total Administration	<u>1,187,087</u>	<u>1,187,087</u>	<u>1,122,146</u>	<u>64,941</u>
Capital Outlay				
Land Improvements	5,000	5,000	1,390	3,610
Building Improvements	6,000	6,000	0	6,000
Furniture and Equipment	24,466	24,466	14,200	10,266
Total Capital Outlay	<u>35,466</u>	<u>35,466</u>	<u>15,590</u>	<u>19,876</u>
<i>Total Expenditures</i>	<u>7,612,274</u>	<u>7,612,274</u>	<u>7,117,259</u>	<u>495,015</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	417,313	291,969	863,467	571,498
Other Financing Uses				
Transfers Out	(300,000)	(300,000)	(500,000)	(200,000)
<i>Net Change in Fund Balance</i>	117,313	(8,031)	363,467	371,498
<i>Fund Balance Beginning of Year</i>	665,477	665,477	665,477	0
Prior Year Encumbrances Appropriated	174,374	174,374	174,374	0
<i>Fund Balance End of Year</i>	<u>\$957,164</u>	<u>\$831,820</u>	<u>\$1,203,318</u>	<u>\$371,498</u>

Cleveland Heights - University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building and Repair Fund
For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$50,000	\$50,000	\$41,616	(\$8,384)
Expenditures				
Capital Outlay	1,792,992	1,792,992	902,147	890,845
<i>Excess of Revenues Under Expenditures</i>	(1,742,992)	(1,742,992)	(860,531)	882,461
Other Financing Uses				
Transfers In	962,000	962,000	500,000	(462,000)
<i>Net Change in Fund Balance</i>	(780,992)	(780,992)	(360,531)	420,461
<i>Fund Balance Beginning of Year</i>	1,462,692	1,462,692	1,462,692	0
Prior Year Encumbrances Appropriated	592,992	592,992	592,992	0
<i>Fund Balance End of Year</i>	<u>\$1,274,692</u>	<u>\$1,274,692</u>	<u>\$1,695,153</u>	<u>\$420,461</u>

Cleveland Heights - University Heights Public Library

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$22,000	\$22,000	\$220,378	\$198,378
Donations	3,000	3,000	4,732	1,732
<i>Total Revenues</i>	25,000	25,000	225,110	200,110
Expenditures				
Capital Outlay:				
Capital Outlay	5,305,000	5,305,000	390,089	4,914,911
<i>Net Change in Fund Balance</i>	(5,280,000)	(5,280,000)	(164,979)	5,115,021
<i>Fund Balance Beginning of Year</i>	9,422,499	9,422,499	9,422,499	0
Prior Year Encumbrances Appropriated	305,000	305,000	305,000	0
<i>Fund Balance End of Year</i>	<u>\$4,447,499</u>	<u>\$4,447,499</u>	<u>\$9,562,520</u>	<u>\$5,115,021</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, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$9,900	\$9,900	\$22,161	\$12,261
Donations	100	100	60	(40)
<i>Total Revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>22,221</u>	<u>12,221</u>
Expenditures				
Current:				
Administration				
Salaries and Wages	16,049	16,049	8,057	7,992
Purchased Services	17,629	17,629	11,241	6,388
Materials and Supplies	5,822	5,822	4,974	848
<i>Total Expenditures</i>	<u>39,500</u>	<u>39,500</u>	<u>24,272</u>	<u>15,228</u>
<i>Net Change in Fund Balance</i>	(29,500)	(29,500)	(2,051)	27,449
<i>Fund Balance Beginning of Year</i>	472,006	472,006	472,006	0
Prior Year Encumbrances Appropriated	800	800	800	0
<i>Fund Balance End of Year</i>	<u>\$443,306</u>	<u>\$443,306</u>	<u>\$470,755</u>	<u>\$27,449</u>

Cleveland Heights - University Heights Public Library

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

For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Public Service				
Purchased Services	6,913	6,913	6,912	1
Materials and Supplies	<u>7,099</u>	<u>7,099</u>	<u>8,362</u>	<u>(1,263)</u>
<i>Total Expenditures</i>	<u>14,012</u>	<u>14,012</u>	<u>15,274</u>	<u>(1,262)</u>
<i>Net Change in Fund Balance</i>	(14,012)	(14,012)	(15,274)	(1,262)
<i>Fund Balance Beginning of Year</i>	14,013	14,013	14,013	0
Prior Year Encumbrances Appropriated	<u>1,353</u>	<u>1,353</u>	<u>1,353</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,354</u></u>	<u><u>\$1,354</u></u>	<u><u>\$92</u></u>	<u><u>(\$1,262)</u></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, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$0	\$0	\$13,355	\$13,355
Expenditures				
Current:				
Public Service				
Materials and Supplies	0	0	13,355	(13,355)
<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>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Statistical Section

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the Library.

Cleveland Heights-University Heights Public Library
*Governmental Revenues by Source
and Expenditures by Function (1)*
Last Ten Years

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Revenues				
Property and Other Taxes	\$4,058,172	\$3,969,137	\$3,897,506	\$2,568,771
Patron Fines and Fees	159,975	148,495	151,515	161,772
Intergovernmental	3,659,416	3,688,977	3,982,598	3,812,425
Interest	411,667	298,272	136,202	159,615
Donations	7,870	88,190	121,983	1,652
Rentals	14,840	15,438	13,750	15,828
Miscellaneous	2,750	4,501,097	5,135,139	2,188
Total	<u>\$8,314,690</u>	<u>\$12,709,606</u>	<u>\$13,438,693</u>	<u>\$6,722,251</u>
Expenditures				
Current				
Public Service	\$5,923,909	\$5,883,555	\$5,621,448	\$5,297,826
Administration	1,138,871	1,276,581	982,663	968,274
Capital Outlay	496,791	429,481	1,056,666	1,120,994
Debt Service				
Principal Retirement	95,464	65,103	36,951	34,337
Interest and Fiscal Charges	14,292	13,880	9,571	4,830
Total	<u>\$7,669,327</u>	<u>\$7,668,600</u>	<u>\$7,707,299</u>	<u>\$7,426,261</u>

Source: Library financial records

(1) Information is based on modified accrual. Information for full accrual will be presented when there are enough years of information to make comparisons.

1999	1998	1997	1996	1995	1994
\$2,545,036	\$2,503,701	\$2,479,638	\$2,539,458	\$2,520,562	\$2,515,136
180,204	176,568	180,000	181,761	191,251	197,489
3,568,195	3,445,629	3,239,149	3,136,718	2,883,199	2,750,022
172,304	127,666	131,085	118,513	124,596	109,284
216,787	228,644	1,320	11,519	8,855	1,945
14,442	13,505	15,645	14,130	15,320	14,850
1,170	23,314	2,366	5,462	3,262	4,136
<u>\$6,698,138</u>	<u>\$6,519,027</u>	<u>\$6,049,203</u>	<u>\$6,007,561</u>	<u>\$5,747,045</u>	<u>\$5,592,862</u>
\$5,032,724	\$4,761,633	\$4,685,253	\$4,366,384	\$4,220,453	\$4,075,716
876,887	681,787	736,377	660,521	653,155	615,310
272,500	305,082	1,083,912	642,058	929,258	760,739
32,946	24,130	18,223	18,264	18,508	19,284
6,466	6,635	1,876	2,964	4,054	2,191
<u>\$6,221,523</u>	<u>\$5,779,267</u>	<u>\$6,525,641</u>	<u>\$5,690,191</u>	<u>\$5,825,428</u>	<u>\$5,473,240</u>

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

Year	Current Tax Levy (1)	Current Collection (1)	Percent of Current Collections To Current Tax Levy	Delinquent Collection	Total Collections
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
2000	2,790,287	2,658,169	95.27	119,373	2,777,542
1999	2,772,395	2,657,244	95.85	111,572	2,768,816
1998	2,774,079	2,652,333	95.61	81,851	2,734,184
1997	2,777,348	2,675,313	96.33	77,107	2,752,420
1996	2,777,036	2,714,477	97.75	61,708	2,776,185
1995	2,774,674	2,697,285	97.21	60,272	2,757,557
1994	2,781,713	2,700,435	97.08	53,756	2,754,191

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

Percent of Total Collections To Current Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes to Total Tax Levy
97.41%	\$451,686	9.96 %
98.57	354,058	8.08
97.06	289,640	6.54
99.54	165,429	5.93
99.87	167,888	6.06
98.56	173,266	6.25
99.10	147,910	5.33
99.97	124,224	4.47
99.38	127,782	4.61
99.01	117,289	4.22

Cleveland Heights-University Heights Public Library
Personal Property Tax Levies And Collections
Last Ten Years

Year	Current Tax Levy	Delinquent Tax Levy	Total Tax Levy	Current Collections
2003	\$238,088	\$32,119	\$270,207	\$219,492
2002	256,856	21,078	277,934	250,419
2001	261,601	71,664	333,265	258,309
2000	237,359	67,348	304,707	224,473
1999	243,380	62,049	305,429	242,928
1998	244,544	71,865	316,409	241,094
1997	282,281	80,182	362,463	281,275
1996	233,678	100,571	334,249	230,660
1995	213,790	103,474	317,264	209,496
1994	182,864	113,006	295,870	174,659
1993	174,912	99,613	274,525	169,924

Source: Cuyahoga County, Ohio; County Auditor

- (1) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.

<u>Percent of Current Collections To Current Tax Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Total Collections to Current Tax Levy</u>	<u>Outstanding Delinquent Taxes (1)</u>	<u>Percent of Delinquent Taxes to Total Tax Levy</u>
92.19 %	\$16,707	\$236,199	99.21 %	\$38,535	14.26 %
97.49	10,669	261,088	101.65	16,976	6.11
98.74	18,873	277,182	105.96	55,465	16.64
94.57	12,668	237,141	99.91	71,591	23.50
99.81	6,282	249,210	102.40	55,615	18.21
98.59	8,637	249,731	102.12	66,428	20.99
99.64	6,556	287,831	101.97	61,562	16.98
98.71	3,018	233,678	100.00	63,137	18.89
97.99	4,293	213,789	100.00	103,474	32.61
95.51	10,303	184,962	101.15	110,062	37.20
97.15	6,210	176,134	100.70	98,379	35.84

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

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	\$1,066,559,730	3,047,313,514	\$33,561,950	\$38,138,580
2002	937,234,820	2,677,813,771	31,701,920	36,024,909
2001	929,693,070	2,656,265,914	20,379,170	23,158,148
2000	926,462,620	2,647,036,057	30,906,950	35,121,534
1999	813,037,690	2,322,964,829	26,927,490	30,599,420
1998	802,796,940	2,293,705,543	29,159,440	33,135,727
1997	769,834,700	2,199,527,714	30,118,460	34,225,523
1996	751,834,635	2,148,098,957	30,118,460	34,225,523
1995	751,385,040	2,146,814,400	30,963,200	35,185,455
1994	664,716,300	1,899,189,429	32,565,220	37,005,932

Source: Cuyahoga County, Ohio; County Auditor

Estimated actual value is calculated by dividing the assessed value by the assessed percentage. The percentages for 2003 were thirty-five percent for real property, thirty-five percent for public utility real property, eighty-eight percent for public utility tangible personal property, twenty-five percent for tangible personal property capital assets and twenty-three percent for tangible personal property inventory.

Tangible Personal Property		Total		Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$23,331,004	\$93,324,016	\$1,123,452,684	\$3,178,776,110	35.34 %
25,539,854	102,159,416	994,476,594	2,815,998,097	35.32
24,751,484	99,005,936	974,823,724	2,778,429,998	35.09
34,917,354	139,669,416	992,286,924	2,821,827,007	35.16
23,459,179	93,836,716	863,424,359	2,447,400,965	35.28
22,936,713	91,746,852	854,893,093	2,418,588,122	35.35
23,934,850	95,739,400	823,888,010	2,329,492,637	35.37
23,934,850	95,739,400	805,887,945	2,278,063,880	35.38
22,939,216	91,756,864	805,287,456	2,273,756,719	35.42
21,575,936	86,303,744	718,857,456	2,022,499,104	35.54

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

Year	Total Library	Cuyahoga County	Cuyahoga Community College	Metroparks	Port Authority	Health and Human Services	Cleveland Heights
2003	\$5.90	\$10.52	\$2.80	\$1.55	\$0.13	\$3.00	\$14.00
2002	5.90	8.72	2.80	1.55	0.13	3.00	14.10
2001	5.90	8.72	2.80	1.55	0.13	3.00	14.10
2000	4.00	7.82	2.80	1.55	0.13	3.00	14.80
1999	4.00	7.82	2.80	1.55	0.13	3.00	14.80
1998	4.00	7.82	2.80	1.55	0.13	3.00	14.80
1997	4.00	9.12	2.80	1.55	0.13	3.00	13.00
1996	4.00	9.12	2.80	1.55	0.13	3.00	13.00
1995	4.00	9.12	2.80	1.55	0.13	3.00	13.00
1994	4.00	9.32	2.80	1.55	0.13	3.00	13.90

Source: Cuyahoga County, Ohio; County Auditor

South Euclid	University Heights	Cleveland Heights University Heights City School District	Total
\$15.00	\$13.20	\$121.10	\$187.20
15.00	13.20	121.10	185.50
15.00	13.20	120.40	184.80
15.10	13.20	111.00	173.40
15.10	13.20	111.00	173.40
15.20	13.20	111.00	173.50
15.50	13.20	111.00	173.30
15.50	13.20	111.00	173.30
15.50	13.20	102.10	164.40
15.80	12.50	104.10	167.10

Cleveland Heights-University Heights Library

Bonded Debt

December 31, 2003

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

Cleveland Heights-University Heights Public Library

Property Value, Construction and Bank Deposits

Last Ten Years

Year	Property Value (1)	Number of Building Permits	Dollar Value of Building Permits	Bank Deposits (in thousands)(2)
2003	\$3,178,776,110	2,108	\$26,368,502	\$97,238,973
2002	2,815,998,097	1,955	26,308,804	95,761,917
2001	2,778,429,998	1,953	28,678,819	63,893,769
2000	2,821,827,007	1,835	41,653,992	61,942,764
1999	2,447,400,965	1,945	31,779,938	57,816,942
1998	2,418,588,122	2,061	43,055,372	58,904,596
1997	2,329,492,637	2,069	41,698,495	53,941,971
1996	2,278,063,880	2,014	22,620,481	27,068,211
1995	2,273,756,719	1,537	11,771,876	22,458,573
1994	2,022,499,104	2,058	14,614,218	20,885,453

Sources: Cuyahoga County, Ohio; County Auditor
Cleveland Heights Building Department
Federal Reserve Bank of Cleveland

(1) Represents total real property assessed value for the City

(2) In 1997 Key Bank adopted a single charter causing a significant increase in recorded bank deposits

Cleveland Heights-University Heights Library

Ten Principal Taxpayers

December 31, 2003

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of Assessed Value</u>
SCIT, Inc.	\$13,146,540	1.17 %
Starwood Wasserman	11,748,800	1.05
AT&T Wireless	11,680,030	1.04
May Department Stores Company	8,538,110	0.76
Kaiser Foundation, Inc.	8,407,390	0.75
Cleveland Electric Illuminating Company	8,018,790	0.71
Ohio Bell Telephone	6,141,950	0.55
Target Corporation	5,897,920	0.52
University Square	5,377,300	0.48
American Retirement Corporation	4,165,810	0.37
<i>Totals</i>	<u>\$83,122,640</u>	<u>7.40 %</u>
Total Library Valuation	<u>\$1,123,452,684</u>	

Source: Cuyahoga County, Ohio; County Auditor

Cleveland Heights-University Heights Public Library

Demographic Statistics

December 31, 2003

	2000 Census		2003 Estimate	
	Cleve. Hts.	Univ. Hts.	Cleve. Hts.	Univ. Hts.
Population (1)	50,769	14,146	48,789	13,828
Population by Age				
Under Age 19	26.0%	28.7%	24.3%	22.7%
Age 65 and Over	11.7%	13.5%	11.9%	12.7%
Population by Race				
White	52.5%	75.4%	49.2%	73.2%
African American	41.8%	20.6%	44.8%	22.6%
Other	5.7%	4.0%	6.0%	4.2%
Total Households	20,913	5,163	20,616	5,081
Persons Berlow Poverty Level	10.6%	5.8%	11.9%	7.4%
Average Household Income	\$61,190	\$72,317	\$72,520	\$83,792
Median Household Income	\$46,565	\$61,284	\$52,164	\$69,816
Median Home Value	\$110,064	\$137,837	\$126,869	\$157,292
Educational Attainment				
High School Graduate or Higher	91.6%	94.1%	N/A	N/A
Bachelor's Degree or Higher	50.0%	55.4%	N/A	N/A

Source: ESRI, 2004

- (1) The Cleveland Heights-University Heights Public Library is a school district library and its boundaries follow those of the Cleveland Heights-University Heights City School District. These boundaries cover all of the community of University Heights; all but a small portion of Cleveland Heights (that portion within the boundaries of the East Cleveland School District); and includes a small portion of the City of South Euclid. The population of this area covered by the School District is estimated to be 62,875. Despite this fact, the demographic statistics shown above are considered representative of the population served by the Cleveland Heights-University Heights Public Library.

Cleveland Heights-University Heights Library

Miscellaneous Statistics

Last Ten Years

<u>Year</u>	<u>Number of Employees</u>	<u>Number of Volumes Owned</u>
2003	124	325,592
2002	135	342,013
2001	143	342,143
2000	130	352,496
1999	138	342,697
1998	137	332,362
1997	125	322,820
1996	119	338,917
1995	118	330,977
1994	113	316,842

<u>Year</u>	<u>Number of Library Materials Circulated</u>	<u>Number of Registered Borrowers (1)</u>
2003	2,014,014	40,482 (2)
2002	1,908,017	52,212
2001	1,707,812	56,691
2000	1,554,131	59,623 (2)
1999	1,490,404	70,047
1998	1,441,650	66,911
1997	1,419,264	63,514
1996	1,457,290	60,074
1995	1,438,826 (3)	61,067
1994	1,357,790	62,928

Source: Cleveland Heights-University Heights Public Library

- (1) Borrowers registered at any CLEVNET library (thirty-one in all), or newly registered at any of the Cuyahoga County Public Library, may use their cards at this Library without register second time.
- (2) Patron database purged in 2000 and 2003.
- (3) Prior to 1995, circulation monitored activity of a library's materials collection regardless of CLEVNET library from which the items circulated. Beginning with 1995, circulation monitoring activity at our specific agencies regardless of which CLEVNET library owns the items we circulated. This method is a truer indication of how "busy" our buildings are.



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CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 22, 2004**