

Comprehensive Annual Financial Report

For the year ended December 31, 2020



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Introductory Section

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CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY

CLEVELAND HEIGHTS, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

Issued by:
Nancy S. Levin, Director
&
Deborah Herrmann, Finance Manager

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Cleveland Heights-University Heights Public Library

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For the Year Ended December 31, 2020
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June 11, 2021

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

PUBLIC REPORTING RESPONSIBILITY

We hereby submit to you the Cleveland Heights-University Heights Public Library's Comprehensive Annual Financial Report for the year ended December 31, 2020. This is the 30th year that the Library has gone the extra mile to share comprehensive financial data in this format with the taxpayers, enabling them to gain a true understanding of the Library's financial status.

Ohio law requires that public offices reporting pursuant to Generally Accepted Accounting Principles (GAAP) shall file their reports with the Auditor of the State and publish notice of the availability of the financial statements within 150 days of the close of each year. The General Purpose External Financial Statements from this report were filed to fulfill that requirement for the year ended December 31, 2020.

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

CONTENTS

Ohio's Auditor of State, Keith Faber, has issued an unmodified ("clean") opinion on the Library's financial statements for the year ended December 31, 2020. The independent auditor's report is located at the front of the financial section of this report. "Management's Discussion and Analysis" immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements.

REPORTING ENTITY

The Cleveland Heights–University Heights Public Library is organized under Ohio state law as a school district public library. A seven-member board of trustees governs the Library. One member is appointed each year by the local board of education for a seven-year term. The taxing authority for the school district public library is the Cleveland Heights-University Heights Board of Education; however, the Library operates under a separate budget with funds derived primarily from the Ohio Public Library Fund (PLF) and four property tax levies totaling 10-mills.

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

The director is responsible for the administration of the Library, and the fiscal officer oversees the Library’s financial affairs. Deborah Herrmann is in her sixth year as the Library’s fiscal officer. Nancy Levin entered her thirteen year as director in October.

PROFILE OF GOVERNMENT

In November 1916, a Board of Trustees was appointed to form a public library for the Village of Cleveland Heights, however, due to the events of World War I, the Library was not officially organized until 1920. At that time, Helen Keeler was appointed librarian and the Cleveland Heights Public Library opened in the basement of the Coventry Elementary School, merging with the school library. 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 six buildings: The 107,856-square-foot Lee Road Branch (our main library) was built in 1932, renovated in 1968, and last renovated in 2006. The Noble Neighborhood Branch, built in 1937 and renovated in 2011, is 9,723 square feet. The University Heights Branch was built in 1952 and renovated in 2017, increasing it to 17,593 square feet. The original 1926 library building, which became the Coventry Village Branch in 1968, is 5,105 square feet. The Heights Knowledge and Innovation Center (HKIC), which is the west building on Lee Road and former YMCA is included in the Lee Road square footage. The newly acquired Washington Boulevard property, the Coventry PEACE Campus, formerly the Coventry Elementary School building, is approximately 60,000 square feet and is rented to non-profit organizations.

The 90-year-old Coventry Village Branch was updated significantly in 2015, with the completion of a new children’s room and exterior lighting. In 2016, we embarked on a full tuck-pointing project, which was completed in 2017.

The Noble Neighborhood Branch received new storm windows and upgrades to the teen room in 2015.

A five-million-dollar renovation and additions project at the University Heights Branch was completed in 2017. This project was entirely self-funded, with no issuance of debt.

The former Coventry School building was purchased for one dollar from the Cleveland Heights-University Heights Board of Education on March 31, 2018. This building is not used for Library operations, as it is rented to tenants. The tenants are expected to take over operations of the building in 2021 while the Library continues to possess the six-acre piece of land on which the building is located. This land includes the Coventry PEACE Park and a parking lot adjacent to the Coventry Village Branch.

In 1973, the Library placed its first five–year operating levy on the ballot and it passed by 67.8 percent. Continuing levies were passed in 1992, 2000, 2008, and 2014. This financial support has allowed the Library to develop innovative ways to meet the public service needs of the community.

The Cleveland Heights–University Heights Public Library was the first library to join the Cleveland Public Library’s automated circulation system and online catalog in 1981, called the CLEVNET consortium. The consortium serves 45 libraries in 12 counties in Northern Ohio.

State funding, in the form of the Public Library Fund (PLF), represents 23 percent of the Library’s budget. The total amount of state funding to Heights Libraries in 2020 was \$2,715,179, which was a decrease of \$5,077 from the previous year; and overall state funding has decreased significantly since its peak in 2007 at \$3,136,266.

Why is this important? State funding supports the Ohio Public Information Network, which provides high speed internet access to all 251 of Ohio’s public libraries. In Ohio, the PLF currently receives 1.68 percent of the state’s General Revenue Fund. Public libraries are receiving \$87 million LESS than what they received in 2001. This does not account for inflation over the past 18 years, nor does it account for the increased necessity of high-speed internet.

ECONOMIC CONDITIONS AND OUTLOOK

Although its boundaries coincide with those of the Cleveland Heights–University Heights City School District, primarily the cities of Cleveland Heights and University Heights with a five-street area located within South Euclid, the Library’s role is enlarged by its proximity to the major metropolitan area of Cleveland. The population of Cuyahoga County is highly mobile, and most residents use several libraries to meet their recreational and informational needs. Thus, the Library serves residents beyond the boundaries of our service area, which has an impact on our available resources. Participation in CLEVNET expands the Library’s role through the mutual sharing of materials and resources both within Cuyahoga County and in 11 other counties throughout northern Ohio.

Local property taxes account for approximately 66 percent of our revenue. The Board of Library Trustees and Library administration believe close monitoring of funds is essential to extend the life of our levies. This is essential as our school community and cities face increasing economic pressure.

LEVY SUPPORT

The Library is supported by four continuing operating levies. They were passed in November 1992, March 2000, March 2008, and November 2014.

In November 2001, the voters of the Cleveland Heights and University Heights additionally approved a \$9.5 million bond issue. This money supported the renovation of the Lee Road Branch and the former Heights YMCA (purchased in 2000), and the construction of a pedestrian walkway over the street between the two buildings. This renovation was completed, and the facility re-opened, in September 2006.

State law limits the property tax levies to the revenue generated by real property appraisal values at the time of each levy’s passage. As a result, property tax revenues cannot increase significantly during the term of each levy.

COMMUNITY DEMOGRAPHICS

2019-Pre COVID statistics

Demographics	Cleveland Heights				University Heights			
Total Population	Number 43,992	% of County 3.60%			Number 12,797	% of County 1.00%		
Pop. Change 2014-2019	-1,367	-3%			-434	-3.30%		
Pop. per square mile	5,420	4th			7,031	2nd		
Race and Ethnicity	White 47.90%	Black 40.70%	Asian 5.30%	Hispanic 2.80%	White 69.20%	Black 23.40%	Asian 1.80%	Hispanic 3.00%
Age	Children 21.20%	Young Adult 28.60%	Working Age 33.90%	Seniors 16.30%	Children 22.20%	Young Adult 39.60%	Working age 26.90%	Seniors 11.30%
Language spoken at home	English 80.90%	Indo-Euro. 4.10%	Spanish 2.50%	Asian 3.10%	English 91.50%	Indo-Euro. 3.70%	Spanish 2.30%	Asian 1.00%
Average household size	2.29				2.56			
Size of households	1 person 36.20%	2 person 33.90%	3 person 15.50%	4 or more 14.40%	1 person 29.60%	2 person 32.30%	3 person 17.50%	4 or more 20.60%

Economy	Cleveland Heights				University Heights		
Median household income	\$ 57,768.00				\$ 77,256.00		
Educational attainment	H.S. Diploma 14.90%	Bachelor's 25.20%	Master's 29.70%		H.S. Diploma 12.80%	Bachelor's 28.20%	Master's 29.90%
Population in the workforce	64.60%				69.30%		
Self-employed	10.70%				8.50%		
Percent Population under poverty line	18.20%				11.10%		
Number living under poverty line	7,930				1,262		
Housing							
Owner occupied	55.30%				63.40%		
Median Rent	\$965/month				\$1,017/month		
Percent vacant	12.90%				6.30%		
Date most houses built	1925				1942		
Land Use							
Pct. Is park land	4.70%				0.60%		
Acres of park land	242				7		
Pct. tree canopy cover	37.80%				25.80%		
Pct. Change in tree canopy 2011-2017	-13.30%				-10.80%		
Internet access							
Fixed Broadband	78.30%				86.20%		
No computer at home	7.40%				3.90%		

Source: Our Communities: The 2021 Data Book by the Cuyahoga Planning Commission

BORROWING PATTERNS

As of December 31, 2020, there were 45,389 library cardholders registered at Cleveland Heights-University Heights Public Library who may also use their cards at any CLEVNET library. Circulation set an all-time high at over 2 million items in 2019. This increase may be attributable to changes in automatic renewals of materials as well as our fine-free policy implemented on January 1, 2018. Circulation in 2020 was 1,199,969. This represents a nearly 58 percent decrease from the previous year, which is largely due to the pandemic closures. Digital media accounts for 269,193 of these items which represents 22 percent of our total circulation which is a significant increase from 10 percent in the prior year.

Many of our residents check out items from neighboring libraries as well as from our own system. These other systems include Shaker Heights, Cleveland, Euclid, and Cuyahoga County public libraries. According to the Northern Ohio Data and Information Service (NODIS) data, in 2012 we had more than 90,000 transacting visits from people who live outside our service area during the study period.

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

OHIO PUBLIC LIBRARY ENVIRONMENT

- By law, no new public library systems can be established in Ohio.
- The PLF distributes money to the 88 counties (not the Library systems) to fund library services. County budget commissions use agreements reached by the libraries to determine how the money gets distributed to the library systems within each county.
- State funding allows public libraries to collaborate by supporting interlibrary loan of materials, shared staffing models, group purchasing, etc. Public libraries view their collections as a statewide asset.
- The PLF also distributes money to the Ohio Public Library Information Network, providing high speed internet services to all public libraries in the state.
- State funding of public libraries is currently lower than 2001 levels.

LONG-TERM FINANCIAL PLANNING

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

RELEVANT FINANCIAL POLICIES

The Board of Library Trustees approved a long-term investment policy in May 2014 as part of their by-laws. The purpose of this policy is to establish priorities and guidelines regarding the investment management of the Library's operating funds. These priorities and guidelines are based upon Chapter 135 of the Ohio Revised Code (ORC) and prudent money management practices. The policy also follows Section 135.14 of the ORC in establishing what qualifies as an eligible investment. Safety of principal is the most important objective of the Library's investment policy. The policy also focuses on issues regarding liquidity and yield.

The Library also approved in 2019 a Cash Reserve Policy. Based on a best practice recommendation from the Government Finance Officers Association, the Cleveland Heights University Heights Library Board of Trustees will adopt budgets with a General Fund year end unrestricted cash balance no lower than 16.6 percent of annual revenue. This unrestricted cash balance is necessary to fund operations when revenue from the State or county is delayed or decreased, to weather difficult economic times, and when exigent expenditures occur.

STRATEGIC PLANNING

We continued the path set for us in the 2019-2021 Strategic plan.

Strategic goals for 2019-2021

- Foster diversity, equity, and inclusion
- Seek opportunities to promote an environment of safety and security for the community
- Be proactive in facilitating communication and be a bridge builder for community concern
- Be a bedrock for workforce development

2020 Annual Report

Numbers

Circulation:	1,199,969
Library cardholders:	45,389
Visitors:	222,813
HKIC Computer Lab sessions:	9,354
Computer Classes:	88
Computer Class attendance:	3,759
Technology Tutorials:	313

The Greater Cleveland Foodbank (GCFB) Mobile Pantry at Lee Road Library served 1,974 food portions.

Our Local History digital collection saw a dramatic increase in users (+121%) and page views (+101%) in its second year.

January 2 – March 13 Pre-Covid Numbers

Meeting Room Uses:	389
HKIC Meeting Room reservations:	375
Media Lab reservations:	127
Lee Rd Study Room Reservations:	1,781
UH Study Room Reservations:	440
Passport Customers:	140

A Year Like No Other

The year 2020 started out with circulation soaring and programming reaching many audiences. We held a kick off meeting to start the installation at Lee Road of an automatic materials handling system that checks in items. The staff was working on promoting the 2020 Census and had a year's worth of programming to look forward to. Our gallery at Lee Road also had nine months' worth of artists booked for shows after the **Telling a People's Story: African American Children's Literature** exhibit ended in March. Our caring and aware staff had formed a recycling team and conducted a trash audit and then set goals for the new program that we hope will see much more waste diverted from the trash to recycling. We had posted an RFP for cleaning services and contract bids were submitted on Friday, February 28. This is one of our largest areas of spending for contracted services.

By March, however, the library, along with the rest of the world, retreated into lockdown as the COVID-19 pandemic spread around the world. One can instantly see the impact the pandemic had on our statistical reports. All four Heights Library buildings closed to the public on March 13, following Governor Mike DeWine's COVID-19 orders. Schools closed on April 1 and students began online learning. Until May 1, most staff worked from home while we found suppliers for personal protection equipment and learned of the dire impact of the pandemic on our most vulnerable populations. But what do libraries do when they can no longer do library things? They adapt. The library started offering podcasts, blog posts and story times on an internet-based video service called Zoom. While at home, staff members completed their 2020 learning goals taking advantage of many online offerings from our professional organizations and social service providers. It was not unusual to see cars parked in our lots during all hours as citizens took advantage of our strong wi-fi signal to stay connected through their personal devices.

Not knowing how the economy would be affected by the stay at home orders, the Library executed emergency budget cuts. \$1 million was culled from Library expenses and the other \$1 million from the staffing budget. We took advantage of Ohio's Shared Work Ohio program to offset staff salaries for laid off people who did not have meaningful full-time work during the Library closure. Supplies and materials collections were cut by 20 percent.

The United States Constitution: Article 1, Section 2, mandates that the country conduct a count of its population once every 10 years. The 2020 Census will mark the 24th time that the country counted its population since 1790 and it began doing so on April 1. Every year, billions of dollars in federal funding go to hospitals, fire departments, schools, roads, and other resources based on census data. The results of the census also determine the number of seats each state will have in the U.S. House of Representatives, and they are used to draw congressional and state legislative districts. The pandemic slowed down the process, but the Library was there to share information, answer questions and promote the count.

On May 18, we started curbside delivery at Lee Road, restarted Homebound mail delivery services, and phone reference. We changed our hours of service from 7 days a week to Tuesday through Saturday. Staff worked in alternating shifts at their home libraries careful not to overlap their employee "pods" to slow the spread of the virus. Our buildings were fitted out with plexiglass panels at public desks, while staff donned cloth face masks and rubber gloves. Every other computer station was blocked from public use and staff spread out to stay 6 feet apart.

Many Americans were shocked when video surfaced of the death of a Minneapolis man who was under arrest for passing a counterfeit \$20 bill. The video showed a police officer kneeling on George Floyd's neck for 8 minutes and 46 seconds as he pleaded for his life. The country erupted in protests, including in Cleveland and Cleveland Heights. Despite the difficulty of maintaining a work routine, the Heights Library Antiracism Committee met in April and May and continued to work on internal ways to increase diversity and inclusion at the library. Racism was recognized as another pandemic in many communities in America and around the world.

With public service staff working at half their normal hours; we reopened for lobby service on June 2 at Lee Road and June 9 in the other branches. History was again at our doorstep as the November Presidential election loomed large. The Cuyahoga County Board of Elections used our meeting rooms to train new poll workers (in socially distanced smaller groups). Both University Heights and Lee Road Branches served as polling places attracting the highest turnout ever due to the highly contested race. Still in the midst of the pandemic on election day, there were no bake sales and Library staff did not interact with the voters.

After the summer we had slowly continued to increase staff hours and were feeling optimistic about fully reopening on election day. But Library services suffered again in November when, as predicted, the pandemic worsened as the weather got colder and people went indoors. Our notice read, "Due to the November 18, 2020 stay-at-home advisory from the Cuyahoga County Board of Health, all Heights Libraries buildings will be closed to the public starting Nov. 19, until at least December 17." We wouldn't welcome customers back inside until February 16, 2021. In conclusion, the COVID pandemic completely changed how we provided service in 2020, but it did not change why we provide such services to our customers. The value and importance that we have in the lives of our customers and community has been evident every time we are thanked by the public for doing our utmost to provide materials, information and resources to them. Our entire staff endured a tumultuous year and continued to find new ways to serve our community.

Communications

Instagram grew from 951 followers in 2019 to 1,380 at the end of 2020 an increase of 32 percent. The two most popular postings were a Bookface Friday featuring a memoir of the recently deceased game show host Alex Trebek that received 361 likes and the Black Excellence Mural in the Coventry parking lot received 202 likes. We also revived our YouTube account which was fortuitous during the pandemic as we posted COVID related guidelines for customers, story times, author interviews, yoga sessions, technology demonstrations and Board of Trustee Meetings.

New and Innovative Services

Our monthly Greater Cleveland Food Bank Food pantry, now operating in a contactless model direct to cars in the parking lot, continued throughout the year and in May we added to every trunk a free bag of books, donated by the Friends of the Library.

Curbside delivery of library materials was introduced in May at all four locations and continued throughout the year.

Youth Services responded to the COVID closure by recording and uploading story times to the Library's Facebook page. Once staff returned to work in June, we switched to live Zoom story times twice per week, which continue to be a popular choice for families. In order to better support students, we purchased a Tutor.com subscription and created co-learning spaces in the Lee Road Teen Room. Youth Services designed a virtual summer reading program using Beanstack for preschool through teen participants. Youth Services staff throughout the system created weekly themed activity packs for children to take home. They were extremely popular as we ran out of them every week. Additionally, we created two programs on Beanstack after summer reading ended: Winter Reading Warm-Up for younger kids and Read Woke for teens. To make some connection with them, teen staff created a Discord App group, which continues to have regular participation.

All locations began offering to print out documents for customers that were emailed to our Reference Inbox since public computers weren't available. Customers were able to pick-up their printouts.

When the Library opened up for lobby service, Noble staff quickly adapted browsing service by creating themed book bundles, selections of Large Print and Russian materials, and DVDs for impulse checkouts. Noble Staff created COVID 19 resource guides for the Bhutanese Community of Greater Cleveland to give away during the Greater Cleveland Food Bank's Mobile Pantry program. Noble Youth Services librarians created a Digital Resources for Kids and Families webpage with stories, art projects, music, movement, homework help, and much more.

Appy Hour, a Facebook Live demo of free apps customers can download, was launched in the spring. All Appy Hour and virtual Tech Talks are available to customers 24-hours a day on the library's YouTube channel. The Library subscribed to Niche Academy, which allows users to take classes and tutorials on popular topics.

To help job seekers during the pandemic, the Continuing Education Department worked with the marketing department to create a Job Search and Unemployment Resources page for the library's website. The page includes the department's updated Resume Toolkit and Job Search Basics Brochure. It also contains links to the department's Microsoft Office class handouts and the Learning@Heights Libraries page. They published blogs on unemployment resources and resume writing tips and launched a Virtual Resume Review service for customers. This service allows customers to email a copy of their resume to the Library for a tech trainer to review. Trainers then discuss with the customer ways to help them stand out to employers.

A special handout on the Library's digital collections was produced for the school district during initial closure due to Covid-19. The handout gave step-by-step instructions to parents and teachers on how to access eBooks with Libby (OverDrive) and a computer.

A Personal Touch

During the summer, Coventry staff sent hand written notes to a significant number of regular customers indicating that we missed seeing them and hoped that they were well. Many customers responded with great appreciation. UH Adult Services and Circulation Staff had a total of 82 phone conversations with customers during the period the Library was closed. Staff members also reached out to check in with our regular customers who may not have had Internet access. The calls were well-received and customers appreciated hearing from their favorite staff members.

Technical Services Supervisor Jenny Greene also stayed in close contact with the Tuesday Night Knitting Group that she's led for many years. The Knitting Group was the first of our regular programs to meet outside during the summer. Through our longstanding support of the Board of Elections, we continued to serve as a poll worker training site, following strict COVID protocols, leading up to the November presidential election.

Borrowing Updates

In October, we sent 30 hotspots to the local school district for distribution to families. The hotspots are being used to assist families in need of Wi-Fi access at home during the 2020-2021 school year. Hotspots available to the general public circulated 519 times.

Adult outreach staff delivered 164 items to Judson Park and Council Gardens, (senior living facilities) in January and February. Also, homebound delivery staff sent out 1,050 items, a 33 percent increase from 2019, largely because of the pandemic.

Programming

Telling a People's Story: African American Children's Literature Lee Road Library Gallery 130
works by 33 artists from 95 books February through March, 2020

This exhibition from Miami University of Ohio contained a representation of events and milestones in African-American history. Featured were more than 30 artists, spanning nearly 50 years of creativity. Collectively, the many books created by authors and illustrators since the late 19th century contribute to better understand the cultural, historical and social makeup of African-American identity.

Palaces for the People: One Community Read Book Programs *August through December 2020*

All residents of Cuyahoga County were encouraged to read *Palaces for the People: How Social Infrastructure Can Help Fight Inequality, Polarization, and the Decline of Civic Life* by Eric Klinenberg. Community programs were held in locations throughout the county January – April 2020. One Community Reads hosted an evening with Eric Klinenberg at the Mimi Ohio Theatre in Playhouse Square at 7pm on March 9. Attendance was diminished due to pandemic fears.

1619 Project

Due to overwhelming public interest the 1619 discussion groups continued through the winter with topics on African Identity and Loss of Culture, Slavery Culture and Rebellion and Resistance. After nearly six months and handing out over 800 copies of the New York Times 1619 Magazine articles, that 78-page booklet was been retired. The new packets focused on one article from the New York Times magazine and a few smaller supplemental articles on the same topic.

Summer Reading Systemwide Registration

Children:	677
Teen:	92
Adult:	121

Coventry branch

	Programs/Events	Attendance/Participation
Children & Teen	57 programs	917
	33 outreach visits	531
Adult	123 programs	1,119
	9 deaf programs	90

Lee Road branch

	Programs/Events	Attendance/Participation
Children	292 programs	5,490
	21 outreach visits	834
Teen	94 programs	3,113
	2 outreach visits	167
Adult	52 programs	760

Noble branch

	Programs/Events	Attendance/Participation
Children	99 programs	1,503
	36 outreach visits	519
Teen	48 programs	486
	2 outreach visits	51
Adult	39 programs	225
	2 outreach visits	18

University Heights branch

	Programs/Events	Attendance/Participation
Children	63 programs	920
	15 outreach visits	422
Teen	5 programs	20
Adult	31 programs	2,749

Staff Development and Training

Every staff member has an annual learning goal. Nearly every staff member participated in development opportunities, including a variety of webinars, computer classes, CLEVNET Special Interest Groups, and NEO-Regional Library System trainings on library topics.

Several staff members also attended the American Library Association Midwinter Conference and Annual Conference (held virtually) and the Public Library Association Conference held in Nashville in February.

Facility Updates

At Lee Road, HKIC and University Heights Branches HVAC units were updated with bipolar ionization systems. These were planned before the pandemic.

We developed a continuous personal protection equipment supply chain for all locations.

At the Coventry branch, the basement waterproofing project concluded. Plexiglass barriers were installed at all public service desks in preparation for reopening in June.

Throughout the system, we upgraded all entry and exit doors to a computer controlled automatic lock/unlock system. Automated emergency locking systems were also installed.

The Black Excellence mural was painted on the Coventry parking lot.

At Noble, the public restrooms in the lower level were renovated. A concrete pad was installed in the front yard for a new bench to be donated by Future Heights and decorated by local art students.

At University Heights, cabinetry was installed for the Circulation, Adult, and Youth desks.

At Lee Road, Circulation redesigned their workspace, installed new carpet, cabinetry, eliminated out of date practices and removed out of date materials. They also redesigned their workflow to incorporate the new automated book sorter.

The large meeting rooms at Lee Road have been painted and fitted with a new audio-visual system that will be available to the public for use.

Major 2020 Community Partners

Asia Services in Action

Bhutanese Community of Greater Cleveland

City Fresh

City of University Heights

City Club of Cleveland

Cleveland Hearing and Speech

Cleveland Heights Historical Society

Cleveland Heights Landmarks Commission

Cleveland Heights Senior Center

Cleveland Heights-University Heights School District

Cleveland Institute of Music

Cleveland Museum of Art

Cleveland Orchestra

Coventry SID

Cuyahoga County Department of Adult & Senior Services

Dobama Theater

Family Connections

FRIENDS of Heights Libraries

Fund for the Future of Heights Libraries

Greater Cleveland Food Bank

Heights Arts

Heights Suburban Collaborative

Lake Erie Ink

Mac's Backs

Noble Neighbors

Reaching Heights

US Census Bureau

WIC

2020 Grants and Partnership Work

We received an LSTA CARES (Coronavirus Aid, Relief, and Economic Security) Grant for \$3,000. The funds were used to purchase tri-fold countertop barriers. We also received \$100,000 in CARES Act funds which allowed us to convert to touchless a number of doors, water fountains, and check out stations.

Noble Adult Services Librarian Steve Sanders helped the Noble Neighbors install a new Little Free Library in front of the Central Bible Baptist Church on Noble Road.

Noble Staff donated books courtesy of the Friends of the Library to local preschools, elementary schools and Barbershops

A very special thank you to the FRIENDS for sponsoring the Black Excellence mural at the Coventry Library parking lot.

Wayne Pollard, Jimmy Hayden and Heights Libraries board member Gabe Crenshaw, spread the words "Black Excellence" across the asphalt. Embedded in the words are images of Langston Hughes and Toni Morrison, Halle Berry, LeBron James, Jesse Owens and Rich Paul, scientist Garrett Morgan; and elected officials Carl Stokes, Louis Stokes, and Stephanie Tubbs-Jones. The mural also includes the words "Tiger Nation" and the logos for the City of Cleveland Heights and Safer Heights.



OTHER INFORMATION

Independent Audit

Included in this report is an unmodified audit opinion rendered on the Library's financial statements as of and for the year ended December 31, 2020, by our independent auditor, Auditor of State Keith Faber.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cleveland Heights-University Heights Public Library for its Comprehensive Annual Financial Report for the year ended December 31, 2019.

Acknowledgements

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

Respectfully submitted,



Nancy S. Levin
Director



Deborah Herrmann
Finance Manager

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS PUBLIC LIBRARY

LIST OF PRINCIPAL OFFICIALS as of December 31, 2020

BOARD OF LIBRARY TRUSTEES

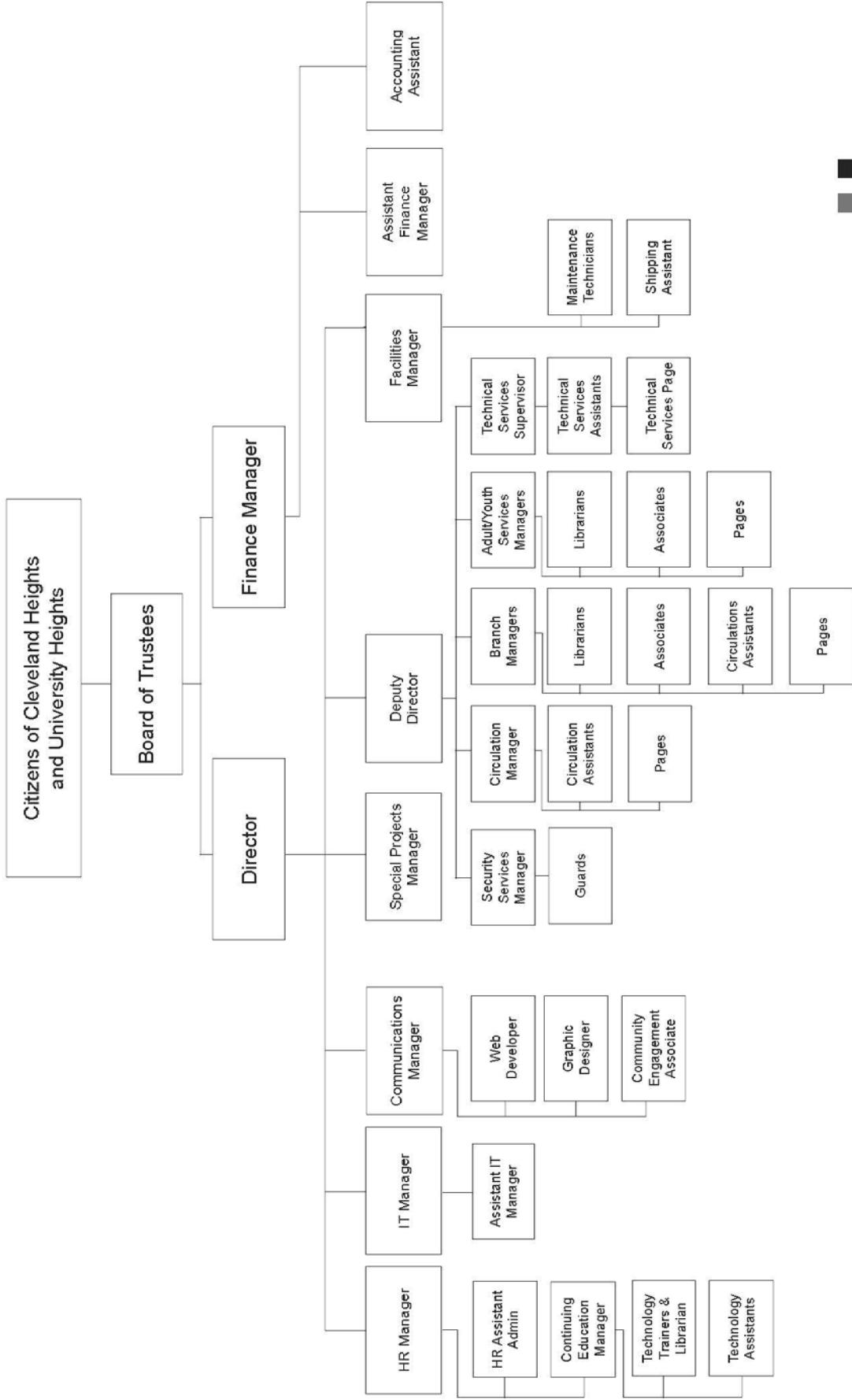
James Roosa	President
Max Gerboc	Secretary
Annette Iwamoto	Member
Dana Fluellen	Member
Patti Carlyle	Member
Gabe Crenshaw	Member
Vikas Turakhia	Member

ADMINISTRATIVE STAFF

Nancy S. Levin	Director
Kimberlee DeNero-Ackroyd	Deputy Director
Deborah Herrmann	Finance Manager
Charles Collins	Adult Services Manager
Maggie Kinney	Special Projects Coordinator
Sam Lapides	Youth Services Manager
Laurie Marotta	Human Resources Manager
Sheryl Banks	Communications Manager
Timothy Pasbrig	Buildings Manager
Heather Howiler	Continuing Education Manager
Matt Hoffman	IT Manager
Patricia Gray	Branch Manager, Coventry Village Library
Constance Dickerson	Branch Manager, Noble Neighborhood Library
Sara Phillips	Branch Manager, University Heights Library
Kevin Echols	Security Supervisor

2020 ORGANIZATION CHART

Cleveland Heights - University Heights Public Library



Opening Doors. Opening Minds



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Monell

Executive Director/CEO



Cleveland Heights-University Heights
Libraries

Cleveland Heights- University Heights Public Library

Main Library

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

Coventry Village Library

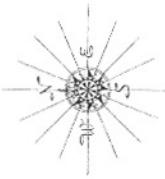
1925 Coventry Road
Cleveland Heights, OH 44118
216-321-3400; TTY 321-0739

Noble Neighborhood Library

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

University Heights Library

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



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

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Financial Section

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Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights Public Library, Cuyahoga County, Ohio (the Library), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library, as of December 31, 2020, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Library. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Cleveland Heights-University Heights Public Library
Cuyahoga County
Independent Auditor's Report
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated June 11, 2021, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 11, 2021

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Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2020

Unaudited

The management's discussion and analysis of the Cleveland Heights-University Heights Public Library's (the Library) financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2020. The intent of this management's discussion and analysis is to look at the Library's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Library's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- Total net position increased from 2019, primarily due to increases in cash and cash equivalents as the Library's general revenue sources remained fairly consistent and management continued to carefully monitor expenditures.
- Capital assets had additions to construction in progress, land improvements, building improvements equipment and furniture. The Library continues to make improvements to ensure that the residents using the Library will have current technology and updated facilities.
- Long-term liabilities decreased in 2020 as a result of decreases in capital leases payable and the net pension liability. Capital leases payable decreased due to annual lease payments. The net pension liability decreased due to various factors and changes effecting the pension retirement system.

Using This Annual Financial Report

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

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

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

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the Library to provide services to our citizens, the view of the Library as a whole considers all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2020

Unaudited

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

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

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

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

Fund Financial Statements

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

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

Cleveland Heights-University Heights Public Library

*Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited*

The Cleveland Heights-University Heights Public Library as a Whole

Recall that the Statement of Net Position pictures the Library as a whole. Table 1 provides a summary of the Library's net position for 2020 compared to 2019.

Table 1
Net Position

	Governmental Activities		
	2020	2019	Change
Assets			
Current and Other Assets	\$29,667,728	\$26,183,944	\$3,483,784
Noncurrent Assets:			
Net Pension Asset	119,166	65,814	53,352
Capital Assets, Net	<u>26,210,087</u>	<u>25,928,896</u>	<u>281,191</u>
<i>Total Assets</i>	<u>55,996,981</u>	<u>52,178,654</u>	<u>3,818,327</u>
Deferred Outflows of Resources			
Pension	831,516	2,459,850	(1,628,334)
OPEB	<u>702,402</u>	<u>386,782</u>	<u>315,620</u>
<i>Total Deferred Outflows of Resources</i>	<u>1,533,918</u>	<u>2,846,632</u>	<u>(1,312,714)</u>
Liabilities			
Current Liabilities	125,759	418,813	293,054
Long-Term Liabilities			
Due Within One Year	290,907	306,666	15,759
Due in More Than One Year			
Net Pension Liability	5,685,596	7,881,163	2,195,567
Net OPEB Liability	<u>4,171,266</u>	<u>3,947,405</u>	<u>(223,861)</u>
Other Amounts	<u>107,807</u>	<u>142,974</u>	<u>35,167</u>
<i>Total Liabilities</i>	<u>10,381,335</u>	<u>12,697,021</u>	<u>2,315,686</u>
Deferred Inflows of Resources			
Property Taxes	7,593,430	7,135,033	(458,397)
Pension	<u>1,254,271</u>	<u>174,229</u>	<u>(1,080,042)</u>
OPEB	<u>603,316</u>	<u>52,793</u>	<u>(550,523)</u>
<i>Total Deferred Inflows of Resources</i>	<u>9,451,017</u>	<u>7,362,055</u>	<u>(2,088,962)</u>
Net Position			
Investment in Capital Assets	26,100,791	25,741,443	359,348
Restricted for:			
Staff Development			
Nonexpendable	418,502	418,502	0
Expendable	104,375	107,105	(2,730)
Other Purposes	4,000	1,953	2,047
Capital Projects	10,977	0	10,977
Unrestricted	<u>11,059,902</u>	<u>8,697,207</u>	<u>2,362,695</u>
<i>Total Net Position</i>	<u>\$37,698,547</u>	<u>\$34,966,210</u>	<u>\$2,732,337</u>

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2020

Unaudited

The net pension liability (NPL) is the largest single liability reported by the Library at December 31, 2020. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, Library is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Cleveland Heights-University Heights Public Library, assets exceeded liabilities at year-end 2020. The increase in current and other assets is primarily due to an increase in cash and cash equivalents as the Library continues to find revenue sources and keep expenditures in check. The increase in capital assets from 2019 is attributable to asset additions to construction in progress, land improvements, building improvements and the purchase of furniture, fixtures and equipment exceeding current year depreciation. By comparing assets and liabilities, one can see the overall position of the Library is good. Total liabilities decreased due to decreases in capital leases payable and the net pension liability.

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

Cleveland Heights-University Heights Public Library

*Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited*

Table 2 shows the changes in net position for the years ended December 31, 2020 and 2019.

Table 2
Change in Net Position

	Governmental Activities		
	2020	2019	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$178,792	\$324,270	(\$145,478)
Operating Grants and Contributions	103,500	7,684	95,816
Capital Contributions	10,977	0	10,977
<i>Total Program Revenues</i>	<u>293,269</u>	<u>331,954</u>	<u>(38,685)</u>
<i>General Revenues</i>			
Property Taxes	7,884,962	7,456,988	427,974
Grants and Entitlements not Restricted to Specific Purposes	3,516,793	3,592,869	(76,076)
Investment Earnings	426,090	459,883	(33,793)
Unrestricted Contributions	20,023	52,432	(32,409)
Miscellaneous	247,918	102,353	145,565
<i>Total General Revenues</i>	<u>12,095,786</u>	<u>11,664,525</u>	<u>431,261</u>
<i>Total Revenues</i>	<u>12,389,055</u>	<u>11,996,479</u>	<u>392,576</u>
Program Expenses			
General Government:			
Public Service	7,530,403	9,455,590	1,925,187
Administration	2,125,255	2,494,637	369,382
Interest and Fiscal Charges	1,060	3,734	2,674
<i>Total Program Expenses</i>	<u>9,656,718</u>	<u>11,953,961</u>	<u>2,297,243</u>
<i>Change in Net Position</i>	<u>2,732,337</u>	<u>42,518</u>	<u>2,689,819</u>
Net Position Beginning of Year	<u>34,966,210</u>	<u>34,923,692</u>	<u>42,518</u>
Net Position End of Year	<u>\$37,698,547</u>	<u>\$34,966,210</u>	<u>\$2,732,337</u>

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

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 Finance Manager pay close attention to daily interest rates and have made the Library's money "work for us," even during these difficult economic times of dropping interest rates.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2020

Unaudited

Analysis of Overall Financial Positions and Results of Operations

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

Table 3
Governmental Activities

Programs	Total Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2020	Net Cost of Services 2019
General Government:				
Public Service	\$7,530,403	\$9,455,590	\$7,255,699	\$9,163,039
Administration	2,125,255	2,494,637	2,106,690	2,455,234
Interest and Fiscal Charges	1,060	3,734	1,060	3,734
Total Expenses	<u><u>\$9,656,718</u></u>	<u><u>\$11,953,961</u></u>	<u><u>\$9,363,449</u></u>	<u><u>\$11,622,007</u></u>

The difference in the total cost and net cost of services represents patron fines and fees, rentals, intergovernmental and donations. The dependence upon general tax revenues for governmental activities is apparent.

Governmental Activities

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

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

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

The majority of the Library's program expenses are for public services. The decrease in public service expenses was due mainly to a drop in materials and supplies expense as well as to a significant decrease in salaries and benefits resulting from a reduction in staff. Administration accounts for the majority of the remaining total expenses. The remaining program expense, amounting to less than one percent, represents interest and fiscal charges.

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2020

Unaudited

The Library's Funds

Information about the Library's governmental funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue of \$12,413,978 and expenditures of \$9,071,192. The Library's major funds are the general fund and building and repairs capital projects fund. The general fund balance had an increase in 2020 due to no transfers out needed to provide funding for the building and repairs fund. The building and repairs capital projects fund saw a decrease in fund balance due to no transfers being received during 2020. Instead, the building and repairs fund spent down a portion of its cash balance towards capital improvements in 2020.

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 2020, the Library amended its general fund budget. For the general fund, original and final budgeted revenues were \$11,068,578 and \$11,616,868, respectively. Actual revenues were \$296,141 higher than final budgeted resources due mainly to increases in property taxes and intergovernmental revenues. Original and final budgeted expenditures in the general fund were \$11,605,832 and \$10,502,771, respectively. Actual expenditures were \$2,095,089 lower than final budgeted expenditures due to careful monitoring of expenditures that resulted in decreases to all expenditure line items.

Capital Assets and Debt

Capital Assets

The Library is committed to a long-term goal of rebuilding and renovating facilities. For 2020, capital asset additions consisted of construction in progress, land and building improvements and the purchase of equipment and furniture. The current year additions were offset by the current year deletions and depreciation. See Note 9 for additional information on capital assets.

Long-Term Obligations

As of December 31, 2020, the Cleveland Heights-University Heights Public Library had outstanding balances in compensated absences and capital leases as well as reporting the net pension/OPEB liabilities. Compensated absences payable increased due to higher leave balances being carried at year end. Capital leases payable decreased due to annual lease payments. The net pension liability decreased while the net OPEB liability increased, both due to various factors effecting the pension retirement system. See Note 14 for additional information on the Library's debt.

Current Financial Related Activities

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

Cleveland Heights-University Heights Public Library

Management's Discussion and Analysis

For the Year Ended December 31, 2020

Unaudited

The Cleveland Heights-University Heights Public Library relies on its property taxpayers to support its operations, and the fiscal capacity and community support for the Library is quite strong. The Cleveland Heights-University Heights Public Library voters have passed additional operating levies in the years 1992, 2001, 2008 and 2014, which help the general operations and permanent improvements of the Library. In addition, the community overwhelmingly passed a bond issue in 2001 to support the renovation of the main library and cultural arts center. The Cleveland Heights-University Heights Public Library continues to communicate to the community that they rely upon their support for the majority of its operations and will continue to work diligently to plan expenses, staying carefully within the Library's budget and financial forecast. The community realizes the income generated by local levies remains constant, thereby forcing the Library to come back to the voters from time to time for additional support.

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

Contacting the Library's Finance Department

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

Basic Financial Statements

Cleveland Heights-University Heights Public Library

Statement of Net Position

December 31, 2020

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$18,628,991
Accounts Receivable	1,913
Intergovernmental Receivable	1,872,764
Prepaid Items	47,549
Property Taxes Receivable	9,116,511
Net Pension Asset (See Note 12)	119,166
Nondepreciable Capital Assets	1,031,108
Depreciable Capital Assets, Net	<u>25,178,979</u>
<i>Total Assets</i>	<u>55,996,981</u>
Deferred Outflows of Resources	
Pension	831,516
OPEB	<u>702,402</u>
<i>Total Deferred Outflows of Resources</i>	<u>1,533,918</u>
Liabilities	
Accounts Payable	56,302
Accrued Wages	58,357
Intergovernmental Payable	11,100
Long-Term Liabilities:	
Due Within One Year	290,907
Due In More Than One Year	
Net Pension Liability (See Note 12)	5,685,596
Net OPEB Liability (See Note 13)	4,171,266
Other Amounts	<u>107,807</u>
<i>Total Liabilities</i>	<u>10,381,335</u>
Deferred Inflows of Resources	
Property Taxes	7,593,430
Pension	1,254,271
OPEB	<u>603,316</u>
<i>Total Deferred Inflows of Resources</i>	<u>9,451,017</u>
Net Position	
Net Investment in Capital Assets	26,100,791
Restricted for:	
Staff Development	
Nonexpendable	418,502
Expendable	104,375
Other Purposes	4,000
Capital Projects	10,977
Unrestricted	<u>11,059,902</u>
<i>Total Net Position</i>	<u>\$37,698,547</u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library
Statement of Activities
For the Year Ended December 31, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Contributions	
Governmental Activities					
General Government					
Public Service	\$7,530,403	\$160,227	\$103,500	\$10,977	(\$7,255,699)
Administration	2,125,255	18,565	0	0	(2,106,690)
Interest and Fiscal Charges	1,060	0	0	0	(1,060)
<i>Total Governmental Activities</i>	<u>\$9,656,718</u>	<u>\$178,792</u>	<u>\$103,500</u>	<u>\$10,977</u>	<u>(9,363,449)</u>
General Revenues					
Property Taxes Levied for General Purposes					7,884,962
Grants and Entitlements not Restricted to Specific Programs					3,516,793
Investment Earnings					426,090
Unrestricted Contributions					20,023
Miscellaneous					247,918
<i>Total General Revenues</i>					<u>12,095,786</u>
Change in Net Position					2,732,337
<i>Net Position Beginning of Year</i>					<u>34,966,210</u>
<i>Net Position End of Year</i>					<u>\$37,698,547</u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library

*Balance Sheet
Governmental Funds
December 31, 2020*

	General	Building and Repairs	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$14,018,078	\$4,004,172	\$603,267	\$18,625,517
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	3,474	0	0	3,474
Receivables:				
Property Taxes	9,116,511	0	0	9,116,511
Accounts	1,913	0	0	1,913
Intergovernmental	1,872,764	0	0	1,872,764
Prepaid Items	<u>47,549</u>	<u>0</u>	<u>0</u>	<u>47,549</u>
<i>Total Assets</i>	<u>\$25,060,289</u>	<u>\$4,004,172</u>	<u>\$603,267</u>	<u>\$29,667,728</u>
Liabilities				
Accounts Payable	\$44,675	\$0	\$11,627	\$56,302
Accrued Wages	58,357	0	0	58,357
Intergovernmental Payable	<u>10,935</u>	<u>0</u>	<u>165</u>	<u>11,100</u>
<i>Total Liabilities</i>	<u>113,967</u>	<u>0</u>	<u>11,792</u>	<u>125,759</u>
Deferred Inflows of Resources				
Property Taxes	7,593,430	0	0	7,593,430
Unavailable Revenue	<u>3,067,460</u>	<u>0</u>	<u>0</u>	<u>3,067,460</u>
<i>Total Deferred Inflows of Resources</i>	<u>10,660,890</u>	<u>0</u>	<u>0</u>	<u>10,660,890</u>
Fund Balances				
Nonspendable	51,023	0	418,502	469,525
Restricted	0	0	115,878	115,878
Committed	94,437	325,264	57,095	476,796
Assigned	203,565	3,678,908	0	3,882,473
Unassigned	<u>13,936,407</u>	<u>0</u>	<u>0</u>	<u>13,936,407</u>
<i>Total Fund Balances</i>	<u>14,285,432</u>	<u>4,004,172</u>	<u>591,475</u>	<u>18,881,079</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$25,060,289</u></u>	<u><u>\$4,004,172</u></u>	<u><u>\$603,267</u></u>	<u><u>\$29,667,728</u></u>

See accompanying notes to the basic financial statements

Cleveland Heights-University Heights Public Library

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2020*

Total Governmental Fund Balances	\$18,881,079
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Amounts reported for governmental activities in the statement of net position are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	26,210,087
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:

Delinquent Property Taxes	1,523,081
Intergovernmental	<u>1,544,379</u>

Total	3,067,460
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The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Net Pension Asset	119,166
Deferred Outflows - Pension	831,516
Net Pension Liability	(5,685,596)
Deferred Inflows - Pension	(1,254,271)
Deferred Outflows - OPEB	702,402
Net OPEB Liability	(4,171,266)
Deferred Inflows - OPEB	<u>(603,316)</u>

Total	(10,061,365)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Compensated Absences	(289,418)
Capital Leases	<u>(109,296)</u>

Total	<u>(398,714)</u>
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<i>Net Position of Governmental Activities</i>	<u>\$37,698,547</u>
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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, 2020

	General	Building and Repairs	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$7,891,359	\$0	\$0	\$7,891,359
Patron Fines and Fees	27,149	0	0	27,149
Intergovernmental	3,535,319	0	103,000	3,638,319
Interest	386,174	29,271	10,645	426,090
Donations	20,023	0	11,477	31,500
Rentals	51,155	0	100,488	151,643
Miscellaneous	210,933	0	36,985	247,918
<i>Total Revenues</i>	<u>12,122,112</u>	<u>29,271</u>	<u>262,595</u>	<u>12,413,978</u>
Expenditures				
Current:				
General Government:				
Public Service	5,748,888	0	205,959	5,954,847
Administration	1,792,905	0	13,368	1,806,273
Capital Outlay	128,436	1,068,478	33,363	1,230,277
Debt Service:				
Principal Retirement	78,157	0	0	78,157
Interest and Fiscal Charges	1,638	0	0	1,638
<i>Total Expenditures</i>	<u>7,750,024</u>	<u>1,068,478</u>	<u>252,690</u>	<u>9,071,192</u>
<i>Net Change in Fund Balances</i>	<u>4,372,088</u>	<u>(1,039,207)</u>	<u>9,905</u>	<u>3,342,786</u>
<i>Fund Balances Beginning of Year</i>	<u>9,913,344</u>	<u>5,043,379</u>	<u>581,570</u>	<u>15,538,293</u>
<i>Fund Balances End of Year</i>	<u>\$14,285,432</u>	<u>\$4,004,172</u>	<u>\$591,475</u>	<u>\$18,881,079</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, 2020*

Net Change in Fund Balances - Total Governmental Funds	\$3,342,786
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Amounts reported for governmental activities in the statement of activities are different because

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

Capital Outlay	1,219,886
Depreciation	<u>(938,695)</u>
Total	281,191

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

Property Taxes	(6,397)
Intergovernmental	<u>(18,526)</u>
Total	(24,923)

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

Pension	478,862
OPEB	<u>8,131</u>
Total	486,993

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities are reported as pension/OPEB expense in the statement of activities:

Pension	(938,319)
OPEB	<u>(466,895)</u>
Total	(1,405,214)

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

78,157

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

578

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

(27,231)

Change in Net Position of Governmental Activities

\$2,732,337

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, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$7,375,075	\$7,697,444	\$7,891,359	\$193,915
Patron Fines and Fees	30,374	26,430	27,096	666
Intergovernmental	3,318,844	3,438,251	3,524,868	86,617
Interest	190,654	183,903	188,536	4,633
Donations	24,201	16,661	20,023	3,362
Rentals	11,360	49,898	51,155	1,257
Miscellaneous	118,070	204,281	209,972	5,691
<i>Total Revenues</i>	<u>11,068,578</u>	<u>11,616,868</u>	<u>11,913,009</u>	<u>296,141</u>
Expenditures				
Current:				
General Government:				
Public Service	8,512,252	7,692,042	6,279,304	1,412,738
Administration	2,730,977	2,476,529	1,940,372	536,157
Capital Outlay	362,603	334,200	188,006	146,194
<i>Total Expenditures</i>	<u>11,605,832</u>	<u>10,502,771</u>	<u>8,407,682</u>	<u>2,095,089</u>
<i>Net Change in Fund Balance</i>	<u>(537,254)</u>	<u>1,114,097</u>	<u>3,505,327</u>	<u>2,391,230</u>
<i>Fund Balance Beginning of Year</i>	<u>9,643,523</u>	<u>9,643,523</u>	<u>9,643,523</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>333,061</u>	<u>333,061</u>	<u>333,061</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,439,330</u></u>	<u><u>\$11,090,681</u></u>	<u><u>\$13,481,911</u></u>	<u><u>\$2,391,230</u></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, 2020*

Note 1 – Description of the Library and Reporting Entity

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

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

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board (GASB), “The Financial Reporting Entity,” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, The Financial Reporting Entity: Omnibus,” the Library is considered to be a related organization of the Cleveland Heights-University Heights City School District.

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

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

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

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

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

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

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

Measurement Focus

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, Library and Local Government Support Fund payments, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from Library and Local Government Support Fund payments, grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Library must provide local

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

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: federal and state grants and subsidies and state-levied locally shared taxes.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Library, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Library, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Library unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 12 and 13)

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Cash and Cash Equivalents

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

During 2020, investments were limited to STAR Ohio, first American government obligations funds, US Savings Bonds, US Treasury Notes, federal home loan mortgage corporation notes, federal national mortgage association notes, federal farm credit bank bonds, federal home loan bank bonds, commercial paper and negotiable certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost. The Library's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. The Library measures its investments in the first American government obligations funds at the net asset value (NAV) per share provided by First American Funds.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Library measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2020 amounted to \$386,174, which includes \$65,467 assigned from other funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Restricted Assets

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

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Library was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Donated capital assets are recorded at their acquisition values as of the date received. The Library maintains a capitalization threshold of five hundred dollars with the exception of land as land was listed regardless of cost. The Library does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Capital leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Fund Balance

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

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

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

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

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

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

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

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

Net Position

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

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

Internal Activity

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

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

Estimates

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

Budgetary Process

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

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

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

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

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

Note 3 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The constraints placed on fund balance for the major governmental fund and all other governmental funds are presented below:

Fund Balances	General	Building and Repairs	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$47,549	\$0	\$0	\$47,549
Unclaimed Monies	3,474	0	0	3,474
Staff Development Endowment	0	0	418,502	418,502
<i>Total Nonspendable</i>	<i>51,023</i>	<i>0</i>	<i>418,502</i>	<i>469,525</i>
<u>Restricted for:</u>				
Staff Development	0	0	104,375	104,375
Library Programs	0	0	526	526
Capital Improvements	0	0	10,977	10,977
<i>Total Restricted</i>	<i>0</i>	<i>0</i>	<i>115,878</i>	<i>115,878</i>
<u>Committed to:</u>				
Building Improvements and Repair	30,463	325,264	0	355,727
Washington Boulevard Operations	0	0	57,095	57,095
Purchased Services	17,480	0	0	17,480
Memorial Books and Society for Deaf	46,494	0	0	46,494
<i>Total Committed</i>	<i>\$94,437</i>	<i>\$325,264</i>	<i>\$57,095</i>	<i>\$476,796</i>

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Fund Balances	General	Building and Repairs	Other Governmental Funds	Total
Assigned to:				
Building Improvements and Repair	\$0	3,678,908	\$0	\$3,678,908
Purchases on Order:				
Public Service	189,661	0	0	189,661
Administration	7,179	0	0	7,179
Capital Outlay	6,725	0	0	6,725
<i>Total Assigned</i>	<i>203,565</i>	<i>3,678,908</i>	<i>0</i>	<i>3,882,473</i>
Unassigned	13,936,407	0	0	13,936,407
Total Fund Balances	\$14,285,432	\$4,004,172	\$591,475	\$18,881,079

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:

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

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

Net Change in Fund Balance	
GAAP Basis	\$4,372,088
Net Adjustment for Revenue Accruals	(11,465)
Net Adjustment for Expenditure Accruals	(376,475)
Beginning Fair Value Adjustment for Investments	60,820
Ending Fair Value Adjustment for Investments	(258,458)
Encumbrances	(281,183)
Budget Basis	\$3,505,327

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Note 5 - Deposits and Investments

State statutes classify public deposits held by the Library into three categories.

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. A list of permissible investments for interim deposits follows.

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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit or by savings or deposit accounts, including but not limited to, passbook accounts;

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

5. Bonds and other obligations of the State of Ohio, or political subdivisions of Ohio, provided that, with respect to bonds or other obligations of political subdivisions, (a) the bonds or other obligations are payable from general revenues of the political subdivision and backed by the full faith and credit of the political subdivision, (b) the bonds or other obligations are rated at the time of the purchase in the three highest classifications established by at least one nationally recognized standard rating service and purchased through a registered securities broker or dealer, (c) the aggregate value of the bonds or other obligations does not exceed twenty percent of interim monies available for investment at the time of purchase, and (d) the Library is not the sole purchaser of the bonds or other obligations at original issuance;
6. No-load money market mutual funds consisting exclusively of obligations described in divisions (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;
7. The State Treasurer's investment pool (STAR Ohio) and any other investment alternative offered to political subdivisions by the Treasurer of State;
8. Up to forty percent of interim monies available for investment in either commercial paper notes or bankers acceptances. Investments in commercial paper notes is limited to notes issued by an entity that is defined in section 1705.01(D) of the Ohio Revised Code and that has assets exceeding five hundred million dollars, and (a) the notes are rated at the time of purchase in the highest classification established by at least two nationally recognized rating services, (b) the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation, (c) the notes mature no later than two hundred seventy days after purchase, and (d) the investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim monies available for investment at the time of purchase. Investment in bankers acceptances is limited to acceptances of banks that are insured by the FDIC and that mature not later than one hundred eighty days after purchase; and
9. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 Finance Manager or, if the securities are not represented by certificate, upon receipt of confirmation of transfer from the custodian.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Investments

Investments are reported at fair value. As of December 31, 2020, the Library had the following investments:

Measurement/Investment	Measurement	Maturity	Standard & Poor's Rating	Percent of Total Investments
	Amount			
Net Asset Value Per Share				
STAR Ohio	\$3,491,686	Average 55.8 Days	AAAm	N/A
First American Government Obligations Fund	89,414	Less than one year	AAAm	N/A
Total Net asset Value Per Share	<u>3,581,100</u>			
Amortized Cost				
Commercial Paper	2,362,957	Less than one year	N/A	14.91%
Fair Value - Level One Inputs				
EE United States Savings Bonds	346,870	Less than five years	N/A	2.19
HH United States Savings Bonds	64,000	Less than three years	N/A	0.40
United States Treasury Notes	37,000	Less than one year	N/A	0.23
Total Fair Value - Level One Inputs	<u>447,870</u>			
Fair Value - Level Two Inputs				
Federal Home Loan Mortgage Corporation Notes	250,007	Less than three years	AAAm	1.58
Federal Home Loan Mortgage Corporation Notes	149,379	Less than five years	AAAm	0.94
Federal Home Loan Mortgage Corporation Notes	120,026	Less than five years	AAAm	0.76
Federal National Mortgage Association Notes	421,164	Less than four years	AAAm	2.66
Federal National Mortgage Association Notes	650,104	Less than five years	AAAm	4.10
Federal National Mortgage Association Notes	750,465	Less than five years	AAAm	4.73
Federal Farm Credit Bank Bonds	1,424,417	Less than five years	AAAm	8.99
Federal Home Loan Bank Bonds	495,134	Less than one year	AAAm	3.12
Negotiable Certificates of Deposit	1,854,982	Less than two years	N/A	11.70
Negotiable Certificates of Deposit	1,762,276	Less than three years	N/A	11.12
Negotiable Certificates of Deposit	1,319,905	Less than four years	N/A	8.33
Negotiable Certificates of Deposit	259,637	Less than five years	N/A	1.64
Total Fair Value - Level Two Inputs	<u>9,457,496</u>			
Total Investments	<u><u>\$15,849,423</u></u>			

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the Library's recurring fair value measurements as of December 31, 2020. STAR Ohio and first American government obligations funds are measured at net asset value per share. Commercial paper is measured at amortized cost. The United States Savings Bonds and United States Treasury Note are measured at fair value and are valued using quoted market prices (Level 1 inputs). The Library's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

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

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

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

Note 6 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Cleveland Heights-University Heights City School District. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes were levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised fair value. 2020 real property taxes are collected in and intended to finance 2021.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2020 was \$10.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

Category	Assessed Values
Real Estate	
Residential/Agricultural	\$925,678,150
Other Real Estate	156,747,420
Tangible Personal Property	
Public Utility	23,613,970
Total	\$1,106,039,540

The County Treasurer collects property tax on behalf of all taxing districts within the county, including the Library. The County Fiscal Officer periodically remits to the Library its portion of the taxes collected. Property taxes receivable represents real and public utility taxes which are measurable as of December 31, 2020, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2020 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Note 7 - Receivables

Receivables at December 31, 2020 consisted of taxes, accounts and intergovernmental. The intergovernmental receivables at December 31, 2020 were \$1,369,366 of Library and Local Government Support Fund revenues received through the State of Ohio, \$404,845 for homestead, rollback and \$480 for a premium refund from the Ohio Bureau of Workers' Compensation and \$98,073 for an unemployment credit from the Ohio Department of Job and Family Services. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Note 8 -Leases

Capital Leases

In 2019, the Library entered into a lease agreement for the acquisition of copiers. The Library's lease obligations meet the criteria of a capital lease and have been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book value as of December 31, 2020 follows:

Assets:

Equipment	\$149,040
Less: Accumulated Depreciation	<u>(59,616)</u>
Net Book Value	<u><u>\$89,424</u></u>

The following is a schedule of the future long-term minimum lease payments required on the capital leases and present value of the minimum lease payments as of December 31, 2020. All lease payments are made from the general fund.

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$29,808
2022	29,808
2023	29,808
2024	19,872
Total Minimum Lease Payments	<u>109,296</u>
Less: Amount Representing Interest	<u>0</u>
Present Value of Minimum Lease	<u><u>\$109,296</u></u>

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Operating Leases

The Library, as a lessor, has negotiated a lease with Coventry Peace Inc., a nonprofit organization, the tenant of the Library's Washington Boulevard property. The original term of the lease agreement is from October 1, 2020 through December 31, 2021, with options to renew the lease for a 9 year option term, and nine subsequent 10 year option terms, for up to a combined total of 99 years. The tenant will pay a monthly utilities estimate for the duration of the original term of the lease in the amount of \$10,000 to secure the reimbursement of the Library's payment of utilities, and the parties will true up any overage/shortage at the end of the original term as of December 31, 2021, at which time all utilities will be transferred to the tenant's name, if tenant exercises its option to extend the lease. The tenant will pay rent of \$500 a month over the original term of the lease. The following schedule provides an analysis of the leased property at December 31, 2020:

	Washington Boulevard Property
Buildings	\$5,584,323
Less: Accumulated Depreciation	<u>(279,217)</u>
Leased property, net of depreciation	<u><u>\$5,305,106</u></u>

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance 12/31/19	Additions	Reductions	Balance 12/31/20
Governmental activities:				
Capital assets, not being depreciated				
Land	\$934,657	\$0	\$0	\$934,657
Construction in progress	<u>42,088</u>	<u>143,735</u>	<u>(89,372)</u>	<u>96,451</u>
Total capital assets not being depreciated	<u>976,745</u>	<u>143,735</u>	<u>(89,372)</u>	<u>1,031,108</u>
Capital assets, being depreciated				
Land Improvements	686,274	25,547	0	711,821
Buildings and Improvements	29,567,325	688,656	0	30,255,981
Equipment	2,080,731	88,071	0	2,168,802
Furniture	1,244,639	363,249	0	1,607,888
Vehicles	39,752	0	0	39,752
Total capital assets being depreciated	<u>33,618,721</u>	<u>1,165,523</u>	<u>0</u>	<u>34,784,244</u>
Accumulated depreciation				
Land Improvements	(307,858)	(33,134)	0	(340,992)
Buildings and Improvements	(6,181,976)	(717,617)	0	(6,899,593)
Equipment	(1,393,538)	(123,455)	0	(1,516,993)
Furniture	(777,831)	(60,912)	0	(838,743)
Vehicles	(5,367)	(3,577)	0	(8,944)
Total accumulated depreciation	<u>(8,666,570)</u>	<u>(938,695) *</u>	<u>0</u>	<u>(9,605,265)</u>
Total Capital assets being depreciated, net	<u>24,952,151</u>	<u>226,828</u>	<u>0</u>	<u>25,178,979</u>
Governmental activities capital assets, net	<u><u>\$25,928,896</u></u>	<u><u>\$370,563</u></u>	<u><u>(\$89,372)</u></u>	<u><u>\$26,210,087</u></u>

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

* Depreciation expense was charged to governmental activities as follows:

General Government:	
Public Service	\$920,892
Administration	<u>17,803</u>
Total	<u><u>\$938,695</u></u>

Note 10 - Contingencies

Grants

The Library receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the Library at December 31, 2020.

Note 11 - Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the Library contracted with Love Insurance for various types of insurance coverage as follows:

Type of Coverage	Coverage
Commercial Property	\$57,015,208
Library Materials	8,000,000
Inland Marine:	
Electronic Equipment	542,140
Electronic Media and Extra Expense (per)	32,383
General Liability:	
Per Incident	2,000,000
Aggregate	4,000,000
Commercial Crime and Computer Fraud (per)	100,000
Public Employee Dishonesty and	
Funds Transfer Fraud (per)	100,000
Forgery and Alteration	10,000
Vehicle	2,000,000
Errors and Omissions:	
Per Incident	2,000,000
Aggregate	4,000,000
Library Officials	2,000,000

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

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

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Note 12 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset) /Net OPEB Liability

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OBEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Library employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law

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enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2020, the Library's contractually required contribution was \$446,267 for the traditional plan, \$32,595 for the combined plan and \$20,329 for the member-directed plan. Of these amounts, \$9,230 is reported as an intergovernmental payable for the traditional plan, \$674 for the combined plan, and \$421 for the member-directed plan.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability (asset) was based on the Library's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the Library's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.0287650%	0.0571480%	
Prior Measurement Date	<u>0.0287760%</u>	<u>0.0588550%</u>	
Change in Proportionate Share	<u>-0.0000110%</u>	<u>-0.0017070%</u>	
Proportionate Share of the:			
Net Pension Liability	\$5,685,596	\$0	\$5,685,596
Net Pension Asset	0	119,166	119,166
Pension Expense	924,346	13,973	938,319

2020 pension expense for the member-directed defined contribution plan was \$20,329. The aggregate pension expense for all pension plans was \$958,648 for 2020.

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At December 31, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Changes of assumptions	\$303,677	\$12,288	\$315,965
Changes in proportion and differences between Library contributions and proportionate share of contributions	30,018	6,671	36,689
Library contributions subsequent to the measurement date	446,267	32,595	478,862
Total Deferred Outflows of Resources	\$779,962	\$51,554	\$831,516
Deferred Inflows of Resources			
Differences between expected and actual experience	\$71,887	\$27,977	\$99,864
Net difference between projected and actual earnings on pension plan investments	1,134,149	15,456	1,149,605
Changes in proportion and differences between Library contributions and proportionate share of contributions	1,450	3,352	4,802
Total Deferred Inflows of Resources	\$1,207,486	\$46,785	\$1,254,271

\$478,862 reported as deferred outflows of resources related to pension resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Year Ending December 31:			
2021	(\$103,620)	(\$7,059)	(\$110,679)
2022	(366,803)	(6,769)	(373,572)
2023	46,963	(2,457)	44,506
2024	(450,331)	(8,119)	(458,450)
2025	0	(1,078)	(1,078)
Thereafter	0	(2,344)	(2,344)
Total	<u>(\$873,791)</u>	<u>(\$27,826)</u>	<u>(\$901,617)</u>

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Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	1.4 percent, simple through 2020, then 2.15 percent, simple	1.4 percent, simple through 2020, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 the 2.15 percent simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

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The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	<u>13.00</u>	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Library's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the Library's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the Library's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Library's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$9,377,390	\$5,685,596	\$2,366,784
OPERS Combined Plan	(72,006)	(119,166)	(153,157)

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Note 13 – Defined Benefit OPEB Plans

See Note 12 for a description of the net OPEB liability

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS Comprehensive Annual Financial Report referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4.0 percent.

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$8,131 for 2020. Of this amount, \$168 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Library's proportion of the net OPEB liability was based on the Library's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

		<u>OPERS</u>
Proportion of the Net OPEB Liability:		
Current Measurement Date	0.0301990%	
Prior Measurement Date	<u>0.0302770%</u>	
Change in Proportionate Share	<u>-0.0000780%</u>	
Proportionate Share of the Net OPEB Liability	\$4,171,266	
OPEB Expense	\$466,895	

At December 31, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		<u>OPERS</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$112	
Changes of assumptions	660,267	
Changes in proportion and differences between Library contributions and proportionate share of contributions	33,892	
Library contributions subsequent to the measurement date	<u>8,131</u>	
Total Deferred Outflows of Resources	<u>\$702,402</u>	
Deferred Inflows of Resources		
Differences between expected and actual experience	\$381,482	
Net difference between projected and actual earnings on OPEB plan investments	212,400	
Changes in proportion and differences between Library contributions and proportionate share of contributions	<u>9,434</u>	
Total Deferred Inflows of Resources	<u>\$603,316</u>	

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\$8,131 reported as deferred outflows of resources related to OPEB resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>
2021	\$132,848
2022	48,699
2023	169
2024	<u>(90,761)</u>
Total	<u><u>\$90,955</u></u>

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.50 percent, ultimate in 2030
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position

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is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Library's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Library's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the Library's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(2.16%)	(3.16%)	(4.16%)
Library's proportionate share of the net OPEB liability	\$5,458,771	\$4,171,266	\$3,140,394

Sensitivity of the Library's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
	(10.50%)	(10.50%)	(3.50%)
Library's proportionate share of the net OPEB liability	\$4,048,176	\$4,171,266	\$4,292,788

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Note 14 - Long-Term Obligations

A schedule of changes in long-term obligations of the Library during 2020 follows:

	Principal Outstanding 12/31/2019	Additions	Deletions	Principal Outstanding 12/31/2020	Amounts Due In One Year
<i>Governmental Activities</i>					
Net Pension Liability - OPERS	\$7,881,163	\$0	\$2,195,567	\$5,685,596	\$0
Net OPEB Liability - OPERS	3,947,405	223,861	0	4,171,266	0
Compensated Absences	262,187	272,176	244,945	289,418	261,099
Capital Lease Obligations	187,453	0	78,157	109,296	29,808
Total Governmental Activities	\$12,278,208	\$496,037	\$2,518,669	\$10,255,576	\$290,907

Compensated absences and capital leases will be paid from the general fund. The Library pays obligations related to employee compensation from the fund benefitting from their service. There are no repayment schedules for the net pension/OPEB liabilities. However, employer pension/OPEB contributions are made from the general fund. See Notes 12 and 13 for additional information related to the net pension/OPEB liabilities.

Note 15 – Other Employee Benefits

Compensated Absences

All full time, 30 hour and part time employees earn vacation by payroll period at different rates which are affected by length of service. As of 2020, vacation allowance is now capped at the following:

Exempt	Years of Service	Maximum Balance	Maximum Carryover
Full Time	0-3	152 hours	120 hours
	4-9	168 hours	140 hours
	10+	200 hours	160 hours
Non-Exempt			
Full Time	0-3	80 hours	80 hours
	4-9	120 hours	120 hours
	10+	160 hours	160 hours
Part Time 25+ Hours	0-3	50 hours	50 hours
	4-9	70 hours	70 hours
	10+	90 hours	90 hours
Part Time	0-3	40 hours*	40 hours
	4-9	60 hours*	60 hours
	10+	80 hours*	80 hours

*Part-time staff, working 20 hours per week earn ETO.

Cleveland Heights-University Heights Public Library

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

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

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

Insurance

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

Note 16 – Encumbrances

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

General Fund	\$281,183
Building and Repairs Fund	325,264
Other Governmental Funds	21,775
Total	<u>\$628,222</u>

Note 17 – Contractual Commitments

As of December 31, 2020, the Library had the following contractual construction commitments outstanding:

Vendor Name	Contract Amount	Amount Paid to Date	Remaining Contract
Tech Logic Corporation	\$299,633	\$284,651	\$14,982
Gardiner Service Co.	82,899	57,407	25,492
Messina Floor Covering, LLC	232,440	(8,545)	240,985
	<u>\$614,972</u>	<u>\$333,513</u>	<u>\$281,459</u>

Remaining commitment amounts were encumbered at year-end.

Note 18 – Change in Accounting Principle

For 2020, the Library implemented the Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations. GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. These changes were incorporated in the Library's 2020 financial statements; however, there was no effect on beginning net position.

Cleveland Heights-University Heights Public Library

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 19 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The Library's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Library's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Required Supplementary Information

Cleveland Heights-University Heights Public Library

Required Supplementary Information

Schedule of the Library's Proportionate Share of the

Net Pension Liability

Ohio Public Employees Retirement System - Traditional Plan

Last Seven Years (1)

	2020	2019	2018	2017
Library's Proportion of the Net Pension Liability	0.0287650%	0.0287760%	0.0282200%	0.0290030%
Library's Proportionate Share of the Net Pension Liability	\$5,685,596	\$7,881,163	\$4,427,171	\$6,586,088
Library's Covered Payroll	\$4,046,786	\$3,886,707	\$3,729,277	\$3,749,517
Library's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.50%	202.77%	118.71%	175.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0280330%	0.0278070%	0.0278070%
\$4,855,667	\$3,353,851	\$3,278,100
\$3,489,621	\$3,409,125	\$3,513,257
139.15%	98.38%	93.31%
81.08%	86.45%	86.36%

Cleveland Heights-University Heights Public Library

Required Supplementary Information

*Schedule of the Library's Proportionate Share of the
Net Pension Asset*

Ohio Public Employees Retirement System - Combined Plan

Last Three Years (1)

	2020	2019	2018
Library's Proportion of the Net Pension Asset	0.0571480%	0.0588550%	0.0538720%
Library's Proportionate Share of the Net Pension Asset	\$119,166	\$65,814	\$73,336
Library's Covered Payroll	\$254,400	\$251,714	\$220,631
Library's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-46.84%	-26.15%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	145.28%	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the Library's participation in this plan was considered immaterial in previous years.

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

See accompanying notes to the required supplementary information.

Cleveland Heights-University Heights Public Library*Required Supplementary Information**Schedule of the Library's Proportionate Share of the**Net OPEB Liability**Ohio Public Employees Retirement System**Last Four Years (1)*

	2020	2019	2018	2017
Library's Proportion of the Net OPEB Liability	0.0301990%	0.0302770%	0.0293600%	0.0305400%
Library's Proportionate Share of the Net OPEB Liability	\$4,171,266	\$3,947,405	\$3,188,280	\$3,084,644
Library's Covered Payroll	\$4,561,961	\$4,391,646	\$4,158,408	\$4,220,567
Library's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	91.44%	89.88%	76.67%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information.

Cleveland Heights-University Heights Public Library

*Required Supplementary Information
Schedule of the Library's Contributions
Ohio Public Employees Retirement System
Last Eight Years (1)*

	2020	2019	2018	2017
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$446,267	\$566,550	\$544,139	\$484,806
Contributions in Relation to the Contractually Required Contribution	(446,267)	(566,550)	(544,139)	(484,806)
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Library Covered Payroll	\$3,187,621	\$4,046,786	\$3,886,707	\$3,729,277
Pension Contributions as a Percentage of Covered Payroll	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>13.00%</u></u>
Net Pension Liability - Combined Plan				
Contractually Required Contribution	\$32,595	\$35,616	\$35,240	\$28,682
Contributions in Relation to the Contractually Required Contribution	(32,595)	(35,616)	(35,240)	(28,682)
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Library Covered Payroll	\$232,821	\$254,400	\$251,714	\$220,631
Pension Contributions as a Percentage of Covered Payroll	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>13.00%</u></u>
Net OPEB Liability - OPEB Plan (2)				
Contractually Required Contribution	\$8,131	\$10,431	\$10,129	\$47,839
Contributions in Relation to the Contractually Required Contribution	(8,131)	(10,431)	(10,129)	(47,839)
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Library Covered Payroll (3)	\$3,623,717	\$4,561,961	\$4,391,646	\$4,158,408
OPEB Contributions as a Percentage of Covered Payroll	<u><u>0.22%</u></u>	<u><u>0.23%</u></u>	<u><u>0.23%</u></u>	<u><u>1.15%</u></u>

(1) Information prior to 2013 is not available for the traditional and combined plans.

(2) Information prior to 2016 is not available for the OPEB plan.

(3) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$449,942	\$418,755	\$409,095	\$456,723
(449,942)	(418,755)	(409,095)	(456,723)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,749,517	\$3,489,621	\$3,409,125	\$3,513,257
<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
 \$31,407	 \$29,427	 \$25,565	 \$27,778
(31,407)	(29,427)	(25,565)	(27,778)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$261,725	\$245,225	\$213,042	\$213,677
<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
 <u>\$88,598</u>			
<u>(88,598)</u>			
<u><u>\$0</u></u>			
\$4,220,567			
<u><u>2.10%</u></u>			

Cleveland Heights University Heights Library

Notes to the Required Supplementary Information

For the year ended December 31, 2020

Changes in Assumptions – OPERS Pension– Traditional Plan

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Cleveland Heights University Heights Library

Notes to the Required Supplementary Information

For the year ended December 31, 2020

Changes in Assumptions – OPERS Pension – Combined Plan

For 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:

Beginning in 2019	6.00 percent
2018	6.50 percent

Municipal Bond Rate:

2020	2.75 percent
2019	3.71 percent
2018	3.31 percent

Single Discount Rate:

2020	3.16 percent
2019	3.96 percent
2018	3.85 percent

Health Care Cost Trend Rate:

2020	10.0 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

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Combining and Individual Fund Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

Local Grants Fund – To account for and report donations that are restricted for the local grant programs.

CARES Act Fund – To account for and report restricted federal monies used to assist local governments with the coronavirus pandemic.

Washington Boulevard Fund – To account for and report rental revenues that are committed to the operation of the Library's building asset located on Washington Boulevard.

Nonmajor Capital Projects Fund

Peace Park Playground Fund – To account for and report donations that are restricted for the replacement of playground equipment at Peace Park Campus.

Cleveland Heights-University Heights Public Library

*Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$592,290	\$10,977	\$603,267
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$11,627	\$0	\$11,627
Intergovernmental Payable	165	0	165
<i>Total Liabilities</i>	<u>11,792</u>	<u>0</u>	<u>11,792</u>
Fund Balances			
Nonspendable	418,502	0	418,502
Restricted	104,901	10,977	115,878
Committed	57,095	0	57,095
<i>Total Fund Balances</i>	<u>580,498</u>	<u>10,977</u>	<u>591,475</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$592,290</u></u>	<u><u>\$10,977</u></u>	<u><u>\$603,267</u></u>

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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$103,000	\$0	\$103,000
Interest	10,645	0	10,645
Donations	500	10,977	11,477
Rentals	100,488	0	100,488
Miscellaneous	<u>36,985</u>	<u>0</u>	<u>36,985</u>
<i>Total Revenues</i>	<u>251,618</u>	<u>10,977</u>	<u>262,595</u>
Expenditures			
Current:			
General Government:			
Public Service	205,959	0	205,959
Administration	13,368	0	13,368
Capital Outlay	<u>33,363</u>	<u>0</u>	<u>33,363</u>
<i>Total Expenditures</i>	<u>252,690</u>	<u>0</u>	<u>252,690</u>
<i>Net Change in Fund Balances</i>	(1,072)	10,977	9,905
<i>Fund Balances Beginning of Year</i>	<u>581,570</u>	<u>0</u>	<u>581,570</u>
<i>Fund Balances End of Year</i>	<u>\$580,498</u>	<u>\$10,977</u>	<u>\$591,475</u>

Cleveland Heights-University Heights Public Library

*Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020*

	Staff Development	Local Grants	CARES Act	Washington Boulevard	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$522,877	\$526	\$10,945	\$57,942	\$592,290
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$10,945	\$682	\$11,627
Intergovernmental Payable	0	0	0	165	165
<i>Total Liabilities</i>	0	0	10,945	847	11,792
Fund Balances					
Nonspendable	418,502	0	0	0	418,502
Restricted	104,375	526	0	0	104,901
Committed	0	0	0	57,095	57,095
<i>Total Fund Balances</i>	522,877	526	0	57,095	580,498
<i>Total Liabilities and Fund Balances</i>	\$522,877	\$526	\$10,945	\$57,942	\$592,290

Cleveland Heights-University Heights Public Library
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020

	Staff Development	LSTA Grant	Local Grants	CARES Act	Washington Boulevard	Total Nonmajor Special Revenue Funds
Revenues						
Intergovernmental	\$0	\$3,000	\$0	\$100,000	\$0	\$103,000
Interest	10,638	0	0	7	0	10,645
Donations	0	0	500	0	0	500
Rentals	0	0	0	0	100,488	100,488
Miscellaneous	0	0	0	0	36,985	36,985
<i>Total Revenues</i>	<i>10,638</i>	<i>3,000</i>	<i>500</i>	<i>100,007</i>	<i>137,473</i>	<i>251,618</i>
Expenditures						
Current:						
General Government:						
Public Service	0	3,000	0	66,644	136,315	205,959
Administration	13,368	0	0	0	0	13,368
Capital Outlay	0	0	0	33,363	0	33,363
<i>Total Expenditures</i>	<i>13,368</i>	<i>3,000</i>	<i>0</i>	<i>100,007</i>	<i>136,315</i>	<i>252,690</i>
<i>Net Change in Fund Balances</i>	<i>(2,730)</i>	<i>0</i>	<i>500</i>	<i>0</i>	<i>1,158</i>	<i>(1,072)</i>
<i>Fund Balances Beginning of Year</i>	<i>525,607</i>	<i>0</i>	<i>26</i>	<i>0</i>	<i>55,937</i>	<i>581,570</i>
<i>Fund Balances End of Year</i>	<i><u>\$522,877</u></i>	<i><u>\$0</u></i>	<i><u>\$526</u></i>	<i><u>\$0</u></i>	<i><u>\$57,095</u></i>	<i><u>\$580,498</u></i>

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

Cleveland Heights-University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$7,375,075	\$7,697,444	\$7,891,359	\$193,915
Patron Fines and Fees	30,374	26,430	27,096	666
Intergovernmental	3,318,844	3,438,251	3,524,868	86,617
Interest	190,654	183,903	188,536	4,633
Donations	24,201	16,661	20,023	3,362
Rentals	11,360	49,898	51,155	1,257
Miscellaneous	118,070	204,281	209,972	5,691
<i>Total Revenues</i>	<u>11,068,578</u>	<u>11,616,868</u>	<u>11,913,009</u>	<u>296,141</u>
Expenditures				
Current:				
General Government:				
Public Service				
Salaries and Benefits	5,021,600	4,549,454	3,663,199	886,255
Purchased Services	1,836,395	1,627,784	1,405,788	221,996
Materials and Supplies	1,598,681	1,464,446	1,173,324	291,122
Other	55,576	50,358	36,993	13,365
Total Public Service	<u>8,512,252</u>	<u>7,692,042</u>	<u>6,279,304</u>	<u>1,412,738</u>
Administration				
Salaries and Benefits	2,256,083	2,043,958	1,645,785	398,173
Purchased Services	86,969	79,604	45,504	34,100
Materials and Supplies	363,798	331,109	249,083	82,026
Other	24,127	21,858	0	21,858
Total Administration	<u>2,730,977</u>	<u>2,476,529</u>	<u>1,940,372</u>	<u>536,157</u>
Capital Outlay				
Land Improvements	37,095	34,500	12,000	22,500
Building Improvements	131,868	121,142	79,046	42,096
Furniture and Equipment	138,451	128,558	46,973	81,585
Other	55,189	50,000	49,987	13
Total Capital Outlay	<u>362,603</u>	<u>334,200</u>	<u>188,006</u>	<u>146,194</u>
<i>Total Expenditures</i>	<u>11,605,832</u>	<u>10,502,771</u>	<u>8,407,682</u>	<u>2,095,089</u>
<i>Net Change in Fund Balance</i>	(537,254)	1,114,097	3,505,327	2,391,230
<i>Fund Balance Beginning of Year</i>	9,643,523	9,643,523	9,643,523	0
Prior Year Encumbrances Appropriated	333,061	333,061	333,061	0
<i>Fund Balance End of Year</i>	<u>\$9,439,330</u>	<u>\$11,090,681</u>	<u>\$13,481,911</u>	<u>\$2,391,230</u>

Cleveland Heights-University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building and Repairs Fund
For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$30,000	\$30,900	\$29,271	(\$1,629)
Expenditures				
Capital Outlay				
Buildings and Improvements	1,950,972	1,950,972	1,343,645	607,327
Furniture and Equipment	41,321	41,321	38,097	3,224
Other	13,016	13,016	12,000	1,016
<i>Total Expenditures</i>	<i>2,005,309</i>	<i>2,005,309</i>	<i>1,393,742</i>	<i>611,567</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(1,975,309)</i>	<i>(1,974,409)</i>	<i>(1,364,471)</i>	<i>609,938</i>
Other Financing Sources (Uses)				
Transfers In	400,000	0	0	0
<i>Net Change in Fund Balance</i>	<i>(1,575,309)</i>	<i>(1,974,409)</i>	<i>(1,364,471)</i>	<i>609,938</i>
<i>Fund Balance Beginning of Year</i>	<i>4,196,970</i>	<i>4,196,970</i>	<i>4,196,970</i>	<i>0</i>
Prior Year Encumbrances Appropriated	846,409	846,409	846,409	0
<i>Fund Balance End of Year</i>	<i>\$3,468,070</i>	<i>\$3,068,970</i>	<i>\$3,678,908</i>	<i>\$609,938</i>

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, 2020*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$13,200	\$1,600	\$1,994	\$394
Expenditures				
Current:				
Administration				
Purchased Services	<u>35,699</u>	<u>16,699</u>	<u>13,951</u>	<u>2,748</u>
Net Change in Fund Balance	(22,499)	(15,099)	(11,957)	3,142
Fund Balance Beginning of Year	468,265	468,265	468,265	0
Prior Year Encumbrances Appropriated	<u>2,699</u>	<u>2,699</u>	<u>2,699</u>	<u>0</u>
Fund Balance End of Year	<u>\$448,465</u>	<u>\$455,865</u>	<u>\$459,007</u>	<u>\$3,142</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, 2020*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$5,000	\$3,000	\$3,000	\$0
Expenditures				
Current:				
General Government:				
Public Service				
Other	<u>5,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Cleveland Heights-University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Donations	\$20,000	\$500	\$500	\$0
Expenditures				
Current:				
General Government:				
Public Service				
Purchased Services	20,000	0	0	0
<i>Net Change in Fund Balance</i>	0	500	500	0
<i>Fund Balance Beginning of Year</i>	26	26	26	0
<i>Fund Balance End of Year</i>	<u>\$26</u>	<u>\$526</u>	<u>\$526</u>	<u>\$0</u>

Cleveland Heights-University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
CARES Act Fund*
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$99,993	\$99,993	\$100,000	\$7
Interest	7	7	7	0
<i>Total Revenues</i>	<i>100,000</i>	<i>100,000</i>	<i>100,007</i>	<i>7</i>
Expenditures				
Current:				
Public Service				
Purchased Services	16,451	16,451	16,451	0
Materials and Supplies	50,193	50,193	50,193	0
Total Public Service	66,644	66,644	66,644	0
Capital Outlay				
Furniture and Equipment	33,356	33,356	33,363	(7)
<i>Total Expenditures</i>	<i>100,000</i>	<i>100,000</i>	<i>100,007</i>	<i>(7)</i>
<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>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>

Cleveland Heights-University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Washington Boulevard Fund
For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Rentals	\$62,805	\$108,950	\$100,488	(\$8,462)
Miscellaneous	22,895	39,716	36,985	(2,731)
<i>Total Revenues</i>	85,700	148,666	137,473	(11,193)
Expenditures				
Current:				
General Government:				
Public Service				
Purchased Services	85,547	167,575	147,700	19,875
<i>Net Change in Fund Balance</i>	153	(18,909)	(10,227)	8,682
<i>Fund Balance Beginning of Year</i>	53,686	53,686	53,686	0
Prior Year Encumbrances Appropriated	3,653	3,653	3,653	0
<i>Fund Balance End of Year</i>	<u>\$57,492</u>	<u>\$38,430</u>	<u>\$47,112</u>	<u>\$8,682</u>

Cleveland Heights-University Heights Public Library

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Peace Park Playground Fund
For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Donations	\$10,977	\$10,977	\$10,977	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	10,977	10,977	10,977	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$10,977	\$10,977	\$10,977	\$0

Statistical Section

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Statistical Section

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

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

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

Cleveland Heights-University Heights Public Library

Net Position By Component

Last Ten Years

(Accrual Basis of Accounting)

	2020	2019	2018	2017	2016
Governmental Activities					
Net Investment in Capital Assets	\$26,100,791	\$25,741,443	\$26,162,515	\$20,462,276	\$16,928,082
Restricted for:					
Capital Projects	10,977	0	0	0	0
Staff Development					
Nonexpendable	418,502	418,502	418,502	418,502	418,502
Expendable	104,375	107,105	141,526	143,016	137,739
Other Purposes	4,000	1,953	2,045	2,915	2,940
Unrestricted	<u>11,059,902</u>	<u>8,697,207</u>	<u>8,199,104</u>	<u>6,670,870</u>	<u>12,271,062</u>
<i>Total Governmental Activities</i>					
Net Position	<u><u>\$37,698,547</u></u>	<u><u>\$34,966,210</u></u>	<u><u>\$34,923,692</u></u>	<u><u>\$27,697,579</u></u>	<u><u>\$29,758,325</u></u>

Note - In 2015, the Library implemented GASB 68 which affected Unrestricted Net Position for 2014.

Note - In 2018, the Library implemented GASB 75 which affected Unrestricted Net Position for 2017.

2015	2014	2013	2012	2011
\$16,644,656	\$16,322,853	\$16,675,019	\$16,419,092	\$16,340,379
0	0	0	0	0
418,502	418,502	418,502	418,502	418,502
128,352	143,936	107,581	89,643	73,448
2,108	8,724	0	0	0
<u>10,955,632</u>	<u>7,888,267</u>	<u>9,487,795</u>	<u>8,891,875</u>	<u>7,692,761</u>
<u>\$28,149,250</u>	<u>\$24,782,282</u>	<u>\$26,688,897</u>	<u>\$25,819,112</u>	<u>\$24,525,090</u>

Cleveland Heights-University Heights Public Library

*Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)*

	2020	2019	2018	2017	2016
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government:					
Public Service	\$160,227	\$284,867	\$204,415	\$119,225	\$133,444
Administration	18,565	39,403	31,935	40,275	34,192
Subtotal - Charges for Services	<u>178,792</u>	<u>324,270</u>	<u>236,350</u>	<u>159,500</u>	<u>167,636</u>
Operating Grants and Contributions:					
General Government:					
Public Service	103,500	7,684	5,685	0	0
Administration	0	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>103,500</u>	<u>7,684</u>	<u>5,685</u>	<u>0</u>	<u>0</u>
Capital Contributions:					
General Government					
Public Service	10,977	0	5,580,887	0	0
<i>Total Primary Government Program Revenues</i>	<u>293,269</u>	<u>331,954</u>	<u>5,822,922</u>	<u>159,500</u>	<u>167,636</u>
Expenses					
Governmental Activities:					
General Government:					
Public Service	7,530,403	9,455,590	8,212,301	8,069,559	7,544,227
Administration	2,125,255	2,494,637	2,197,833	2,390,597	2,250,759
Interest and Fiscal Charges	1,060	3,734	6,864	9,475	13,468
<i>Total Governmental Activities Expenses</i>	<u>9,656,718</u>	<u>11,953,961</u>	<u>10,416,998</u>	<u>10,469,631</u>	<u>9,808,454</u>
Net Expense					
Governmental Activities	<u>(9,363,449)</u>	<u>(11,622,007)</u>	<u>(4,594,076)</u>	<u>(10,310,131)</u>	<u>(9,640,818)</u>
General Revenues					
Governmental Activities					
Taxes:					
Property Taxes Levied For:					
General Purposes	7,884,962	7,456,988	7,936,135	7,680,582	7,908,118
Grants and Entitlements not Restricted to Specific Programs	3,516,793	3,592,869	3,497,649	3,307,074	3,351,830
Investment Earnings	426,090	459,883	257,435	157,363	111,228
Unrestricted Contributions	20,023	52,432	53,115	50,222	105,530
Miscellaneous	247,918	102,353	75,855	90,949	32,726
<i>Total Governmental Activities</i>	<u>12,095,786</u>	<u>11,664,525</u>	<u>11,820,189</u>	<u>11,286,190</u>	<u>11,509,432</u>
Change in Net Position					
Governmental Activities	<u>\$2,732,337</u>	<u>\$42,518</u>	<u>\$7,226,113</u>	<u>\$976,059</u>	<u>\$1,868,614</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018.

2015	2014	2013	2012	2011
\$122,313	\$80,535	\$125,135	\$106,441	\$119,666
30,557	53,156	2,554	29,911	34,030
<u>152,870</u>	<u>133,691</u>	<u>127,689</u>	<u>136,352</u>	<u>153,696</u>
0	9,000	18,091	26,908	86,813
0	0	369	0	5,425
0	9,000	18,460	26,908	92,238
0	0	0	0	0
<u>152,870</u>	<u>142,691</u>	<u>146,149</u>	<u>163,260</u>	<u>245,934</u>
6,991,889	6,471,499	6,603,614	6,032,580	6,334,670
1,620,757	2,028,001	1,609,684	1,571,627	1,553,407
<u>16,392</u>	<u>12,400</u>	<u>13,490</u>	<u>14,589</u>	<u>18,729</u>
8,629,038	8,511,900	8,226,788	7,618,796	7,906,806
(8,476,168)	(8,369,209)	(8,080,639)	(7,455,536)	(7,660,872)
8,191,307	5,570,878	5,698,149	5,528,009	5,658,014
3,526,072	3,144,750	3,131,633	3,149,291	3,177,827
40,732	61,291	32,243	24,330	26,913
33,567	517,995	0	0	0
<u>51,458</u>	<u>65,426</u>	<u>88,399</u>	<u>47,928</u>	<u>62,588</u>
11,843,136	9,360,340	8,950,424	8,749,558	8,925,342
<u>\$3,366,968</u>	<u>\$991,131</u>	<u>\$869,785</u>	<u>\$1,294,022</u>	<u>\$1,264,470</u>

Cleveland Heights-University Heights Public Library

Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2020	2019	2018	2017	2016
General Fund					
Nonspendable	\$51,023	\$73,357	\$77,639	\$69,937	\$37,924
Committed	94,437	77,228	105,709	37,497	60,112
Assigned	203,565	404,181	523,274	203,612	586,918
Unassigned	13,936,407	9,358,578	10,835,205	9,364,549	7,167,126
Total General Fund	14,285,432	9,913,344	11,541,827	9,675,595	7,852,080
All Other Governmental Funds					
Nonspendable	418,502	418,502	418,502	418,502	418,502
Restricted	115,878	107,131	141,536	143,870	139,086
Committed	382,359	902,346	71,502	337,721	3,657,138
Assigned	3,678,908	4,196,970	1,240,541	636,776	1,059,195
Unassigned (Deficit)	0	0	(9,822)	0	0
Total All Other Governmental Funds	4,595,647	5,624,949	1,862,259	1,536,869	5,273,921
Total Governmental Funds	\$18,881,079	\$15,538,293	\$13,404,086	\$11,212,464	\$13,126,001

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

2015	2014	2013	2012	2011
\$34,657	\$33,661	\$35,997	\$50,609	\$49,735
23,229	12,514	13,545	16,904	29,316
499,202	88,352	332,612	89,041	46,583
<u>7,839,302</u>	<u>7,571,065</u>	<u>6,385,108</u>	<u>5,925,424</u>	<u>5,096,806</u>
 8,396,390	 7,705,592	 6,767,262	 6,081,978	 5,222,440
 418,502	 418,502	 418,502	 418,502	 418,502
129,699	123,158	103,544	89,643	73,448
105,061	228,913	35,000	493,763	69,289
2,651,590	690,154	544,838	290,389	395,028
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 3,304,852	 1,460,727	 1,101,884	 1,292,297	 956,267
 <u>\$11,701,242</u>	 <u>\$9,166,319</u>	 <u>\$7,869,146</u>	 <u>\$7,374,275</u>	 <u>\$6,178,707</u>

Cleveland Heights-University Heights Public Library

Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2020	2019	2018	2017	2016
Revenues					
Property Taxes	\$7,891,359	\$7,616,600	\$7,779,714	\$7,632,973	\$7,764,622
Patron Fines and Fees	27,149	110,846	89,882	103,063	112,055
Intergovernmental	3,638,319	3,552,719	3,450,389	3,338,574	3,344,537
Interest	426,090	459,883	257,435	157,363	111,228
Donations	31,500	55,118	56,115	50,222	105,530
Rentals	151,643	213,424	146,468	56,437	55,581
Miscellaneous	247,918	102,353	75,855	90,949	32,726
<i>Total Revenues</i>	<i">12,413,978</i">	<i">12,110,943</i">	<i">11,855,858</i">	<i">11,429,581</i">	<i">11,526,279</i">
Expenditures					
Current:					
General Government:					
Public Service	5,954,847	7,446,454	7,030,886	6,411,745	6,592,494
Administration	1,806,273	2,059,316	2,008,689	2,366,945	2,048,078
Capital Outlay	1,230,277	532,990	545,117	4,484,885	1,381,405
Debt Service:					
Principal Retirement	78,157	82,721	72,061	69,009	66,086
Interest and Fiscal Charges	1,638	4,295	7,483	10,534	13,457
<i>Total Expenditures</i>	<i">9,071,192</i">	<i">10,125,776</i">	<i">9,664,236</i">	<i">13,343,118</i">	<i">10,101,520</i">
<i>Excess of Revenues Over (Under) Expenditures</i>	<i">3,342,786</i">	<i">1,985,167</i">	<i">2,191,622</i">	<i>(1,913,537)</i>	<i>1,424,759</i>
Other Financing Sources (Uses)					
Inception of Capital Lease	0	149,040	0	0	0
Transfers In	0	4,007,162	650,000	600,000	3,532,500
Transfers Out	0	(4,007,162)	(650,000)	(600,000)	(3,532,500)
<i>Total Other Financing Sources (Uses)</i>	<i">0</i">	<i>149,040</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Net Change in Fund Balances</i>	<i>\$3,342,786</i>	<i>\$2,134,207</i>	<i>\$2,191,622</i>	<i>(\$1,913,537)</i>	<i>\$1,424,759</i>
Debt Service as a Percentage of Noncapital Expenditures	1.0%	0.9%	0.9%	0.9%	0.9%

2015	2014	2013	2012	2011
\$7,835,201	\$5,590,586	\$5,535,659	\$5,550,237	\$5,510,252
104,755	80,535	78,225	98,859	111,050
3,410,401	3,123,787	3,166,062	3,125,516	3,372,113
40,732	61,291	32,243	24,330	26,913
33,567	526,995	18,460	20,293	31,852
48,115	53,156	49,464	37,493	42,646
51,458	65,426	88,399	47,928	62,588
<u>11,524,229</u>	<u>9,501,776</u>	<u>8,968,512</u>	<u>8,904,656</u>	<u>9,157,414</u>
6,324,940	5,707,937	5,837,385	5,630,208	5,580,315
1,612,857	2,020,620	1,592,004	1,565,815	1,534,769
976,117	507,946	958,362	421,536	1,233,446
61,806	60,238	72,400	76,940	82,173
13,586	12,400	13,490	14,589	18,729
<u>8,989,306</u>	<u>8,309,141</u>	<u>8,473,641</u>	<u>7,709,088</u>	<u>8,449,432</u>
<u>2,534,923</u>	<u>1,192,635</u>	<u>494,871</u>	<u>1,195,568</u>	<u>707,982</u>
0	133,279	0	0	0
2,600,000	550,000	560,000	658,500	563,015
(2,600,000)	(550,000)	(560,000)	(658,500)	(563,015)
<u>0</u>	<u>133,279</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$2,534,923</u>	<u>\$1,325,914</u>	<u>\$494,871</u>	<u>\$1,195,568</u>	<u>\$707,982</u>

0.9% 0.9% 1.1% 1.2% 1.4%

Cleveland Heights-University Heights Public Library

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2020	\$925,678,150	\$156,747,420	\$3,092,644,486	\$23,613,970	\$26,834,057
2019	927,173,650	165,123,440	3,120,848,829	21,381,610	24,297,284
2018	869,499,470	155,658,970	2,929,024,114	20,548,510	23,350,580
2017	877,006,480	160,657,950	2,964,755,514	18,981,440	21,569,818
2016	879,068,060	157,675,130	2,962,123,400	17,942,510	20,389,216
2015	886,426,760	171,565,400	3,022,834,743	17,518,250	19,907,102
2014	896,858,400	171,379,150	3,052,107,286	16,523,940	18,777,205
2013	900,875,670	167,529,470	3,052,586,114	15,110,130	17,170,602
2012	948,255,120	172,363,120	3,201,766,400	13,770,650	15,648,466
2011	958,818,960	174,565,760	3,238,242,057	13,289,430	15,101,625

Source: Cuyahoga County, Ohio; Fiscal Officer

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. House Bill 66 combined telecommunications and telephone company property into one classification - telephone company property - and, starting in tax year 2007, reclassified it as general business property rather than public utility property. Telephone company property will be phased out over five years beginning in 2007.

The tangible personal property values associated with each year were the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Assessed Value	Total		Weighted Average Tax Rate (per \$1,000 of Assessed Value)
	Estimated Actual Value	Ratio	
\$1,106,039,540	\$3,119,478,543	35.46 %	\$7.9415
1,113,678,700	3,145,146,113	35.41	7.9274
1,045,706,950	2,952,374,694	35.42	8.4224
1,056,645,870	2,986,325,332	35.38	8.3500
1,054,685,700	2,982,512,616	35.36	8.3351
1,075,510,410	3,042,741,845	35.35	8.2636
1,084,761,490	3,070,884,490	35.32	6.0140
1,083,515,270	3,069,756,717	35.30	5.9130
1,134,388,890	3,217,414,866	35.26	5.2635
1,146,674,150	3,253,343,682	35.25	5.2772

Cleveland Heights-University Heights Public Library

Property Tax Rates - Direct and Overlapping Governments

(Per \$1,000 of Assessed Valuation)

Last Ten Years

	2020	2019	2018	2017	2016
Voted Millage - by levy					
1992 Current Expense					
Residential/Agricultural Real	\$2.4668	\$2.4624	\$2.6274	\$2.5984	\$2.5904
Commercial/Industrial and Public Utility Real	3.1284	3.1185	3.2682	3.1219	3.1179
General Business and Public Utility Personal	4.0000	4.0000	4.0000	4.0000	4.0000
2000 Current Expense					
Residential/Agricultural Real	1.4403	1.4378	1.5341	1.5172	1.5125
Commercial/Industrial and Public Utility Real	1.6702	1.6649	1.7449	1.6667	1.6646
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000	1.9000
2008 Current Expense					
Residential/Agricultural Real	1.7839	1.7807	1.9000	1.9000	1.9000
Commercial/Industrial and Public Utility Real	1.8187	1.8129	1.9000	1.9000	1.9000
General Business and Public Utility Personal	1.9000	1.9000	1.9000	1.9000	1.9000
2014 Current Expense					
Residential/Agricultural Real	2.0656	2.0619	2.2000	2.2000	2.2000
Commercial/Industrial and Public Utility Real	2.1059	2.0992	2.2000	2.2000	2.2000
General Business and Public Utility Personal	2.2000	2.2000	2.2000	2.2000	2.2000
Total Millage					
Residential/Agricultural Real	\$7.7566	\$7.7428	\$8.2614	\$8.2156	\$8.2030
Commercial/Industrial and Public Utility Real	8.7232	8.6955	9.1131	8.8887	8.8825
General Business and Public Utility Personal	10.0000	10.0000	10.0000	10.0000	10.0000
Total Weighted Average Rate	\$7.9415	\$7.9274	\$8.4224	\$8.3500	\$8.3351

Overlapping Rates by Taxing District

Cleveland Heights City

Residential/Agricultural Real	\$12.4200	\$12.4200	\$12.4200	\$13.9200	\$13.9200
Commercial/Industrial and Public Utility Real	12.4200	12.4200	12.4200	13.9200	13.9200
General Business and Public Utility Personal	12.4200	12.4200	12.4200	13.9200	13.9200

University Heights City

Residential/Agricultural Real	13.2000	13.2000	13.2000	13.2000	13.2000
Commercial/Industrial and Public Utility Real	13.2000	13.2000	13.2000	13.2000	13.2000
General Business and Public Utility Personal	13.2000	13.2000	13.2000	13.2000	13.2000

2015	2014	2013	2012	2011
\$2.5904	\$2.5700	\$2.5401	\$2.5299	\$2.4060
3.1179	2.9100	2.8819	2.8874	2.7867
4.0000	4.0000	4.0000	4.0000	4.0000
1.5125	1.5000	1.4831	1.4772	1.4048
1.6646	1.5600	1.5386	1.5415	1.4878
1.9000	1.9000	1.9000	1.9000	1.9000
1.9000	1.9000	1.9000	1.9000	1.9000
1.9000	1.9000	1.8964	1.9000	1.9000
1.9000	1.9000	1.9000	1.9000	1.9000
2.2000	2.2000	0.0000	0.0000	0.0000
2.2000	2.2000	0.0000	0.0000	0.0000
2.2000	2.2000	0.0000	0.0000	0.0000
\$8.2030	\$8.1700	\$5.9232	\$5.9071	\$5.7108
8.8825	8.5700	6.3169	6.3289	6.1745
10.0000	10.0000	7.8000	7.8000	7.8000
\$8.2636	\$6.0140	\$5.9130	\$5.2635	\$5.2772

\$13.9200 \$13.9200 \$12.9000 \$13.0000 \$12.9000
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13.2000 13.2000 13.2000 13.2000 13.2000
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 13.2000 13.2000 13.2000 13.2000 13.2000

(continued)

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

	2020	2019	2018	2017	2016
South Euclid City					
Residential/Agricultural Real	\$18.0575	\$18.0411	\$18.8500	\$18.8500	\$16.3500
Commercial/Industrial and Public Utility Real	18.8264	18.8260	18.7744	18.7921	16.2817
General Business and Public Utility Personal	18.8500	18.8500	18.8500	18.8500	16.3500
Cleveland Heights/University Heights City School District					
Residential/Agricultural Real	81.3260	81.7993	88.4874	87.4552	81.3081
Commercial/Industrial and Public Utility Real	101.0339	101.3449	107.6137	104.2416	98.1577
General Business and Public Utility Personal	153.6000	154.2000	156.0900	155.5900	149.5900
Cuyahoga County					
Residential/Agricultural Real	12.8012	12.7973	13.9140	13.8802	13.8698
Commercial/Industrial and Public Utility Real	13.2303	13.0770	14.0061	14.0124	14.0500
General Business and Public Utility Personal	14.0500	14.0500	14.0500	14.0500	14.0500
Special Taxing Districts (1)					
Residential/Agricultural Real	7.0862	6.6879	7.2882	9.2408	9.2368
Commercial/Industrial and Public Utility Real	7.3244	6.8413	7.3435	9.3438	9.3676
General Business and Public Utility Personal	7.7800	7.3800	7.3800	9.3800	9.3800

Source: Cuyahoga County Fiscal Officer

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

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

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

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

(1) Metro Parks, Port Authority, Community College

2015	2014	2013	2012	2011
\$16.3500	\$16.0500	\$16.1215	\$13.1000	\$13.1000
16.2817	15.9600	16.3500	13.1000	13.1000
16.3500	16.0500	16.3500	13.1000	13.1000
81.3081	80.9500	92.7788	74.3049	71.7220
98.1577	93.5400	80.3810	87.0446	84.6791
149.5900	149.5900	149.5900	143.7000	143.7000
13.8698	14.0500	13.9495	13.2200	13.1182
14.0500	14.0200	14.0500	12.9968	12.7846
14.0500	14.0500	14.0500	13.2200	13.2200
9.2368	9.3600	5.9639	5.0635	5.0041
9.3676	9.3400	5.8843	4.9621	4.8649
9.3800	9.3800	5.9800	5.0800	5.0800

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

Year	Total Tax Levy(1)	Current Tax Collections(1)	Percent of Current Tax Collections To Current Tax Levy	Delinquent Tax Collection (3)	Total Tax Collections(2)(4)
2020	\$8,784,226	\$8,296,348	94.45%	\$404,700	\$8,701,048
2019	8,837,983	7,949,742	89.95	484,334	8,434,076
2018	8,841,741	8,189,405	92.62	424,292	8,613,697
2017	8,770,186	8,076,484	92.09	392,739	8,469,223
2016	8,823,676	8,262,552	93.64	349,735	8,612,287
2015	8,831,597	8,258,723	93.51	429,656	8,688,379
2014	6,530,159	6,016,335	92.13	336,860	6,353,195
2013	7,383,904	6,025,104	81.60	296,178	6,321,282
2012	7,370,086	6,095,982	82.71	314,701	6,410,683
2011	6,658,267	6,030,499	90.57	301,253	6,331,752

Source: Cuyahoga County, Ohio; Fiscal Officer

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

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

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Total Tax Levy</u>
99.05%	\$1,523,081	17.34 %
95.43	1,529,478	17.31
97.42	1,689,090	19.10
96.57	1,532,669	17.48
97.60	1,485,060	16.83
98.38	1,341,564	15.19
97.29	985,458	15.09
85.61	971,103	13.15
86.98	808,031	10.96
95.10	829,594	12.46

Cleveland Heights-University Heights Public Library

Personal Property Tax Levies And Collections

Last Ten Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (4)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections (2)(3)</u>	<u>Total Tax Collections</u>
2020	\$0	\$0	0.00 %	\$0	\$0
2019	0	0	0.00	0	0
2018	0	0	0.00	0	0
2017	0	0	0.00	0	0
2016	0	0	0.00	0	0
2015	0	0	0.00	0	0
2014	0	0	0.00	0	0
2013	34,234	0	0.00	182	182
2012	35,122	0	0.00	512	512
2011	0	0	0.00	344	344

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

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

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (1)	Percentage of Delinquent Taxes to Total Tax Levy
N/A %	\$0	N/A %
N/A	0	N/A
N/A	34,063	N/A
0.53	34,063	99.50
1.46	34,645	98.64
N/A	35,310	N/A

Cleveland Heights-University Heights Public Library

*Principal Real Property Taxpayers
2020 and 2011*

<hr/> <hr/> <hr/>		
2020		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Co.	\$14,412,330	1.33 %
Inland Cedar Center South LLC	10,805,970	1.00
East Ohio Gas Co.	7,605,120	0.71
American Transmission System	5,212,220	0.48
Oakwood Commons	4,962,340	0.46
Wal-Mart real Estate Business Trust	4,883,660	0.45
City Cleveland Heights	3,977,990	0.37
John Carroll University	3,362,000	0.31
Musicians Towers OH TC LP	2,855,200	0.26
Kensington LTD Partnership	2,852,290	0.26
Total	<u>\$60,929,120</u>	<u>5.63 %</u>
Total Assessed Valuation	<u><u>\$1,082,425,570</u></u>	
<hr/> <hr/> <hr/>		
2011		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Kaiser Foundation	\$11,621,820	1.03 %
Severance SPE Lease Company	10,429,720	0.92
Cleveland Electric Illuminating	10,397,690	0.89
Inland Western	6,377,040	0.56
Coral Cedar Center, LLC	6,093,970	0.54
Severance SPE FEECO, LLC	5,685,720	0.50
The May Department	2,607,500	0.44
Concord Park LLC	2,591,190	0.33
East Ohio Gas	2,575,330	0.23
Target	2,555,010	0.22
Total	<u>\$60,934,990</u>	<u>5.38 %</u>
Total Assessed Valuation	<u><u>\$1,133,384,720</u></u>	

Source: Cuyahoga County Fiscal Officer

Cleveland Heights-University Heights Public Library

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

Fiscal Year	Capital Leases	Total Personal Income (1)	Percentage Of Personal Income	Population (1)	Per Capita
2020	\$109,296	\$2,022,880,969	0.01 %	56,789	\$2
2019	187,453	1,916,517,840	0.01	59,660	3
2018	121,134	1,860,019,820	0.01	59,660	2
2017	193,195	1,902,378,420	0.01	59,660	3
2016	262,204	1,823,865,860	0.01	59,660	4
2015	328,290	1,822,702,490	0.02	59,660	6
2014	390,096	1,810,919,640	0.02	59,660	7
2013	317,055	1,769,694,580	0.02	59,660	5
2012	389,455	1,395,626,380	0.03	59,660	7
2011	466,395	1,745,532,280	0.03	59,660	8

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

Cleveland Heights-University Heights Public Library

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2020*

Jurisdiction	Governmental Activities Debt	Percentage Applicable to Library(1)	Amount Applicable to the Library
Direct			
Capital Leases	\$109,296	100.00 %	\$109,296
Overlapping			
Cuyahoga County			
General Obligation Bonds	279,060,534	4.19	11,692,636
Revenue Bonds	496,276,119	4.19	20,793,969
Certificates of Participation	210,750,127	4.19	8,830,430
Loans Payable	1,285,374	4.19	53,857
Capital Leases	279,007,697	4.19	11,690,423
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	127,504,434	4.19	5,342,436
City of Cleveland Heights			
General Obligation Bonds	13,408,560	95.00	12,738,132
Special Assessment Bonds	1,760,000	95.00	1,672,000
OPWC Loans	3,587,581	95.00	3,408,202
OWDA Loans	159,579	95.00	151,600
Notes	851,611	95.00	809,030
Loans Payable	116,555	95.00	110,727
Capital Leases	518,916	95.00	492,970
City of University Heights			
General Obligation Bonds	1,690,000	100.00	1,690,000
OPWC Loans	390,180	100.00	390,180
City of South Euclid			
General Obligation Bonds	13,378,609	6.51	870,947
Special Obligation Bonds	1,230,000	6.51	80,073
OPWC Loans	1,947,396	6.51	126,775
OWDA Loans	759,565	6.51	49,448
OAQDA Loans	359,189	6.51	23,383
Capital Leases	153,773	6.51	10,011
Cleveland Heights-University Heights City School District			
General Obligation Bonds	146,715,151	100.00	146,715,151
Certificates of Participation	18,030,987	100.00	18,030,987
Capital Lease	176,079	100.00	176,079
<i>Total Overlapping Debt</i>	<i>1,599,118,016</i>		<i>245,949,448</i>
<i>Total Direct and Overlapping Debt</i>	<i>\$1,599,227,312</i>		<i>\$246,058,744</i>

Source: Fiscal Office, Cuyahoga County, Ohio

- (1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2016 collection year. The Cleveland Heights-University Heights Public Library is a school district library and its boundaries follow those of the Cleveland Heights-University Heights City School District. These boundaries cover all of the community of University Heights; all but a small portion of Cleveland Heights (that which is within the boundaries of the East Cleveland City School District); and includes a small portion of the City of South Euclid. Despite this fact, the statistics given here, which represent those of the two cities of Cleveland Heights and University Heights, are considered representative of the service area covered by the Cleveland Heights-University Heights Public Library.

Cleveland Heights-University Heights Public Library

Principal Employers

2020 and 2011

2020

Employer	Nature of Activity	Employees
John Carroll University	Higher Education	2,256
Cleveland Heights-University Heights City School District	Public Education	933
Bellefaire Jewish Children's Center	Social Services	810
City of Cleveland Heights	Local Government	715
Minute Men Select Inc.	Retail Store	585
Metro Health System	Medical	566
Whole Foods	Grocery/Retail	470
Target	Retail Store	440
CAS Health Investors Inc/	Nursing Home	397
Hebrew Academy of Cleveland	Public Education	396
Total		<u>7,568</u>
Total Employment within the Library District		<u>N/A</u>

2011

Employer	Nature of Activity	Employees	Percentage of Total Library Employment
John Carroll University	Higher Education	2,313	7.57 %
Cleveland Heights-University Heights City School District	Public Education	1,480	4.84
City of Cleveland Heights	Local Government	780	2.55
Target	Retail Store	381	1.25
Ohio Permanente Medical Group	Healthcare	365	1.19
Wal-Mart, Inc.	Retail Store	350	1.14
Kaiser Foundation	Healthcare	310	1.01
Zagoras	Retail Store	278	0.91
Bellefaire Jewish Children's Center	Social Services	229	0.75
Just Like Familee III	Social Services	214	0.71
Total		<u>6,700</u>	<u>21.92 %</u>
Total Employment within the Library District		<u>30,572</u>	

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

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

NA Information not available.

Cleveland Heights-University Heights Public Library

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Total Personal Income (1)	Median	Per	Unemployment Rate (2)	
			Family Income (1)	Capita Income (1)	Cuyahoga County	State of Ohio
2020	56,789	\$2,022,880,969	\$67,512	\$35,621	8.3%	5.5%
2019	59,660	1,916,517,840	53,155	32,124	3.6	4.1
2018	59,660	1,860,019,820	57,652	31,177	5.0	4.8
2017	59,660	1,902,378,420	53,901	31,887	4.8	4.7
2016	59,660	1,823,865,860	56,664	30,571	5.3	4.9
2015	59,660	1,822,702,490	53,000	30,552	4.0	4.6
2014	59,660	1,810,919,640	58,968	30,354	6.5	4.8
2013	59,660	1,769,694,580	53,194	29,663	7.2	7.1
2012	59,660	1,395,626,380	62,240	23,393	6.6	6.7
2011	59,660	1,745,532,280	60,618	29,258	7.1	7.6

Sources:

(1) Estimates 2009-2018, U.S. Census Bureau. The Cleveland Heights-University Heights Public Library is a school district library and its boundaries follow those of the Cleveland Heights-University Heights City School District. These boundaries cover all of the community of University Heights; all but a small portion of Cleveland Heights (that which is within the boundaries of the East Cleveland City School District); and includes a small portion of the City of South Euclid. Despite this fact, the statistics given here, which represent combined totals for the two cities of Cleveland Heights and University Heights, are considered representative of the service area covered by the Cleveland Heights-University Heights Public Library.

(2) County and State Records

(3) Records of Cities of Cleveland Heights and University Heights.

*Note: Due to the pandemic, the Cities of Cleveland Heights and University Heights were unable to provide the building statistic information for 2020.

(4) Cuyahoga County, Ohio; County Fiscal Officer

Represents total real property assessed value for the Cities of Cleveland Heights and University Heights.

<u>City Square Miles (3)</u>	<u>Estimated Actual Property Value (4)</u>	<u>Number of Building Permits (3)</u>	<u>Dollar Value of Building Permits (3)</u>
10.11	\$3,119,478,543	0	\$0 *
10.11	3,145,146,113	3,784	41,100,948
10.11	2,952,374,694	3,315	78,553,800
10.11	2,986,325,332	1,221	35,290,927
10.11	2,982,512,616	948	43,874,916
10.11	3,042,741,845	6,092	40,840,680
10.11	3,070,884,490	3,550	33,086,052
10.11	3,069,756,717	2,373	14,847,219
10.11	3,217,414,866	1,433	21,208,864
10.11	3,253,343,682	1,397	29,625,288

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

Function/Program	2020	2019	2018	2017	2016
Public Service					
Adult Services	13.500	13.700	13.700	13.200	12.700
Young Adult Services	0.000	0.000	0.000	0.000	0.000
Children's Services	0.000	0.000	0.000	0.000	0.000
Youth Services	11.400	11.500	11.000	11.000	11.000
Circulation Services	10.000	10.000	10.900	10.900	11.200
Technical Services	3.000	3.000	3.000	3.000	3.000
Information Technology	2.000	2.000	2.000	2.000	2.000
Training	7.000	7.000	7.000	7.000	6.800
Building Services	7.500	10.500	10.500	11.500	11.500
Coventry Village Library	7.000	8.500	7.500	7.500	7.200
Noble Neighborhood Library	8.700	10.000	9.000	9.250	9.050
University Heights Library	9.000	10.300	9.300	9.300	8.000
Marketing and Communications	4.000	3.000	4.000	3.500	4.000
Administrative Support	2.500	2.625	2.630	1.625	1.500
Sub Reference Hours	0.000	1.850	1.850	1.550	1.550
Main Library Pages	2.500	9.600	10.000	10.000	10.500
Administration					
Main Library	3.000	6.000	6.000	6.000	6.000
Branch Library	0.000	3.000	3.000	3.000	3.000
Totals:	<u>97.100</u>	<u>112.575</u>	<u>111.380</u>	<u>110.325</u>	<u>109.000</u>

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

Source: Library Finance Department

2015	2014	2013	2012	2011
12.200	11.950	12.000	11.950	13.875
0.000	0.000	0.000	0.000	3.600
0.000	0.000	0.000	0.000	7.200
11.000	11.000	10.500	10.500	0.000
12.200	12.400	13.200	12.200	10.750
2.500	4.500	4.750	4.750	5.250
2.000	2.000	2.000	2.000	2.000
6.300	5.800	5.300	4.800	0.000
11.500	9.500	9.500	9.000	9.800
6.900	6.900	5.900	6.150	5.100
9.050	9.050	7.980	7.975	6.775
8.000	8.000	6.650	6.650	5.900
4.000	4.000	4.000	4.000	4.000
1.500	1.000	1.000	1.000	1.500
1.550	1.550	1.550	1.550	1.550
10.100	10.100	11.400	11.100	8.750
5.000	5.000	5.000	5.000	6.000
3.000	3.000	3.000	3.000	3.000
106.800	105.750	103.730	101.625	95.050

Cleveland Heights-University Heights Public Library

Capital Assets Statistics by Function/Program

Last Ten Years

Function/Program	2020	2019	2018	2017	2016
Public Service					
Number of Buildings	6	6	6	5	5
Public Meeting Rooms	10	10	10	10	10
Vehicles for Delivery	1	1	1	1	1
Bookmobile	0	0	0	1	1
Square Footage					
1920 Coventry Village Library	5,105	5,105	5,105	5,105	5,105
1937 Noble Neighborhood Library	11,160	11,160	11,160	11,160	11,160
1952 University Heights Library	17,593	17,593	17,593	17,593	11,160
1932 Lee Road (Main) Library	107,856	107,856	107,856	107,856	107,856
2013 Lee Road (HKIC) Library	4,000	4,000	4,000	4,000	4,000
2018 Washington Boulevard Property	55,336	55,336	55,336	0	0
Public Use Copy Machines	8	8	8	8	8
Public Use Fax Machines	6	6	6	6	6
Public Use PCs	160	160	160	160	160
ATMs	0	0	0	0	0
Cafes	0	0	0	0	0
Art Galleries	1	1	1	1	1
Technology Classrooms	1	1	1	1	1
Administration					
Square Footage (at Lee Road)	2,144	2,144	2,144	2,144	2,144
Administrative Copy Machine	1	1	1	1	1
Staff Use PCs	100	100	100	100	100

Source: Library Finance Department

2015	2014	2013	2012	2011
5	5	5	4	4
10	10	10	13	13
1	1	1	1	1
0	0	0	0	0
5,105	5,105	5,105	5,105	5,105
11,160	11,160	11,160	11,160	11,160
11,160	11,160	11,160	11,160	11,160
107,856	107,856	107,856	107,856	107,856
4,000	4,000	4,000	0	0
0	0	0	0	0
8	8	7	7	7
6	6	5	4	4
160	160	137	133	133
0	0	0	1	1
0	0	0	1	1
1	1	1	1	1
1	1	1	1	1
2,144	2,144	2,144	2,144	2,144
1	1	1	1	1
96	96	95	94	94

Cleveland Heights-University Heights Public Library
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2020	2019	2018	2017	2016
Public Service					
Circulation By Building					
Coventry Village Library	95,084	161,820	148,725	125,739	119,742
Lee Road Library	859,585	1,465,262	1,360,449	1,177,780	1,081,500
Noble Neighborhood Library	86,885	183,061	175,414	153,165	154,646
University Heights Library	160,299	262,690	218,748	74,774	125,998
Total Circulation, All Buildings	1,201,853	2,072,833	1,903,336	1,531,458	1,481,886
Circulation By Age Level					
Total Adult Circulation	870,874	1,425,705	1,392,052	1,146,237	1,023,477
Total Juvenile Circulation	330,979	647,128	511,284	385,221	458,319
Circulation By Type of Materials					
Books and Magazines	558,167	1,132,313	1,009,659	801,824	728,584
Videocassettes and DVDs	287,487	597,384	595,220	471,013	490,824
Recordings (Discs, Tapes, CDs)	84,130	139,306	144,678	145,306	153,159
Computer Software	24	129	152	173	244
E-media	269,193	198,084	148,123	109,721	106,205
Other Items	2,852	5,617	5,504	3,421	2,870
Library Collections Systemwide					
Books	240,213	255,948	256,826	251,876	232,113
E-books	246,139	249,698	286,038	191,805	373,194
Videocassettes and DVDs	37,331	37,940	39,029	35,810	34,467
Recordings (Discs, Tapes, CDs)	120,040	30,069	30,892	31,378	31,270
Computer Software	11	10	9	8	12
Magazine Subscriptions	357	700	700	709	327
Databases Provided	78	81	67	81	70
Electronic Resources					
Number of PCs Available for Public	153	175	173	169	125
Number of Weekly Users of Electronic Resources	853	4,330	4,545	3,823	4,882
Annual Number of Users of Electronic Resources	44,373	225,142	236,340	198,796	253,860
Public Service Transactions Systemwide					
Average Weekly Building Attendance	4,378	13,745	14,169	13,457	16,675
Annual Building Attendance	227,656	714,736	736,764	699,764	867,110
Average Weekly Reference Transactions	4,749	11,418	11,279	11,489	9,530
Annual Reference Transactions	246,948	593,736	586,508	597,428	495,560
Total Annual Library Programs	1,023	6,309	5,943	1,716	5,711
Total Annual Library Programs Attendance	19,934	74,279	69,710	43,659	67,662
Administration					
Purchase orders Issued	763	1,120	1,096	1,126	1,180
Accounts Payable Checks/Vouchers Issued	1,663	1,949	1,911	1,797	1,753
Payroll Checks/Direct Deposits Processed/Issued	3,784	4,040	3,973	3,828	4,254
W-2s and 1099s Issued	172	194	201	203	196
Board Resolutions	63	67	56	71	75

Source: Library Finance Department

	2015	2014	2013	2012	2011
116,683	117,100	123,945	125,497	120,281	
1,223,439	1,270,117	1,283,982	1,307,227	1,158,207	
164,954	179,990	182,587	187,101	106,594	
193,089	212,365	204,906	200,115	193,243	
1,698,165	1,779,572	1,795,420	1,819,940	1,578,325	
1,264,591	1,237,050	1,293,901	1,306,911	1,332,370	
433,574	542,522	448,082	473,437	465,583	
844,290	915,445	916,864	928,942	920,247	
532,565	592,621	613,227	638,680	665,329	
178,269	194,638	206,841	207,286	206,446	
522	622	485	319	528	
98,690	71,478	53,345	39,532	N/A	
3,829	4,768	4,658	5,181	5,574	
263,418	266,906	266,791	269,434	270,610	
215,490	124,395	115,779	79,089	34,073	
36,502	39,537	42,453	38,432	35,219	
31,568	68,825	60,769	55,613	50,423	
16	17	19	13	96	
577	362	362	729	795	
88	92	413	413	312	
144	137	137	133	133	
5,345	5,593	5,542	5,517	5,802	
277,940	290,836	288,184	286,884	301,744	
19,138	20,134	20,585	21,714	20,898	
995,176	1,046,968	1,070,404	1,129,152	1,086,696	
10,552	11,271	10,626	7,505	5,985	
548,704	586,092	552,552	390,260	311,220	
5,104	3,378	3,149	5,904	3,929	
70,776	70,025	33,773	66,342	32,728	
1,081	1,303	1,307	1,324	1,625	
1,710	1,765	1,899	188	2,343	
6,622	3,987	3,939	3,699	3,931	
204	184	208	195	187	
86	72	64	61	74	

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