



ALLEN COUNTY PUBLIC LIBRARY
Fort Wayne, Indiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended December 31, 2005

Prepared by:
David K. Sedestrom
Treasurer
Financial Manager

INTRODUCTORY SECTION



June 20, 2006

To the Citizens of Allen County and the Trustees of the ALLEN COUNTY PUBLIC LIBRARY:

As Treasurer of the Allen County Public Library (Library), I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Library for the fiscal year ended December 31, 2005. This CAFR is presented in conformity with generally accepted accounting principles (GAAP) as applicable to units of government.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Library. To the best of our knowledge the enclosed information is accurate in all material respects and will enable the citizens of Allen County to gain a fuller understanding of the financial affairs of the Library.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes the formal letter of transmittal, information about the organization of the Library, information useful in assessing the Library's economic condition, and awards and acknowledgments. The financial section presents the General-Purpose Financial Statements of the Library. Contained in this section is the independent auditor's opinion, MD&A (management discussion and analysis), the basic financial statements for the Library funds, notes to the financial statements disclosing additional information, required supplementary information, and other supplementary information including various combined and combining statements and schedules for the Library's funds and activities. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Library is required to undergo an annual single audit of its federal assistance programs in conformity with the provisions of the Single Audit Act of 1984 and the 1996 Amendments and the U.S. Office of Management and Budget Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit and the independent auditor's reports on the internal controls and compliance with applicable laws and regulations are presented in a separately issued document.

The Reporting Entity

This report includes all funds and account groups of the Library and its component units. The Library is established under the laws of the State of Indiana. It is governed by a seven-member Board of Trustees appointed by various bodies of elected officials. Two trustees

are appointed by the Allen County Commissioners. Two trustees are appointed by the Allen County Council. Two trustees are appointed by the Fort Wayne Community Schools. One trustee is appointed by three other school districts acting together. These three districts are: East Allen County Schools, Northwest Allen County Schools, and Southwest Allen County Schools. Each trustee is appointed to a four-year term. The appointments are non-authoritative in nature. That is, there is no continuing linkage between the various appointing authorities and the appointees. Terms are staggered so no more than two terms expire in any year. The Board levies its own taxes, adopts its own resolutions having the effect of local law governing library matters, and issues its own general obligation debt. The boundaries of the taxing district are effectively defined to include all of Allen County, Indiana.

For financial reporting purposes, under GASB 14 the Library is an "other stand-alone government". An entity of this type applies the provisions of GASB 14 as if it were a primary government. The financial data of two component units have been included based on criteria established by GAAP. The Allen County Public Library Building Corporation is reported as a component unit based on the existence of the special financing relationship with the Library. It was created solely to issue debt and construct facilities for the Library. The Allen County Public Library Foundation is included based on the ability of the Library trustees to appoint a voting majority of the Foundation board and create at least the appearance of control and financial benefit. The foundation exists for the benefit of the Library and is reported as a discrete component unit.

The Library system serves a population of approximately 344,000 residents of Allen County. In addition, many residents of neighboring communities as well as persons from throughout the United States and Canada visit our facilities each year. The Library operates a main library, thirteen branches and the Data Center which houses the Information Technology Services and Technical Services departments. The main library, seven branches, and the Data Center are located within the City of Fort Wayne, four branches are located in other cities and towns, and two are located in unincorporated suburban areas.

Economic Condition

The Library district is located in northeastern Indiana, approximately 125 miles northeast of Indianapolis. Fort Wayne is the second largest city in the state and serves as an economic hub for the area. The economy is diverse as exhibited by the lists of principal employers and principal taxpayers in the statistical section. Unemployment rates are in-line with national averages but the cost of living remains comparatively modest. Allen County is the largest county in the state in terms of area. The west central part of the county is dominated by the City of Fort Wayne with about 2/3 of the county's population. The eastern half of the county is largely agricultural with several small towns. General Motors located a state-of-the-art light truck plant in the southwestern part of the county in the mid-80's that generates considerable economic impetus from related activities. As with many mid-west communities that have had a traditional manufacturing base, there has been a steady movement towards more intellectual and service oriented industries and the outlook for the future looks to be stable with continued modest growth. For quite a few years, the

assessed valuation for the county grew consistently in the two to five percent range. New home construction is strong in suburban areas surrounding Fort Wayne within the Library district, thus, minor assessed valuation decreases in our urban areas were more than offset by robust increases in our suburban areas. In 2003, though, the State implemented a new valuation method that essentially reassessed all real property at a market based value. This resulted in a 42% jump in the assessed value for real property in Allen County. In 2004, further State legislation went into effect which removed personal property from the assessed value figures. The result of this change has been a 1.9% decrease in total Allen County assessed value from 2004 to 2005. It is still too early to determine what these changes to the assessed value will bring to the long-term growth and volatility of the total County property values. However, as long as economic and housing growth patterns continue to move upward, it is anticipated that similar increases in assessed values will likely occur.

Major Initiatives

The Library is a service institution. It seeks to inform, educate, and culturally enrich the entire community by providing books and other library materials, facilities, and professional services for free use by all residents. Meeting the information needs of our constituency is an ongoing challenge. An already busy library system continues to become progressively busier. In 2004, a milestone was achieved when total circulation surpassed the five-million mark. For 2005, total circulation grew by over 6% to 5.4 million with this growth again taking place while 3 of the 13 branches were closed during various times of the year for expansion and renovation work. The Allen County Public Library continues to rank in the top ten in system-wide circulation per capita and in 2005 again was rated as one of the top five public libraries in the nation by national public library rating groups. The Convention and Visitors Bureau continues to name the Allen County Public Library as one of the top tourist attractions in Northeast Indiana. In addition, in 2004, Family Tree Magazine awarded the Allen County Public Library's Fred J. Reynolds Historical Genealogy Department collection the top ranking for genealogical research. The collection, which is the largest of any public library, is the second largest genealogy library in the world.

Starting in the mid-1980s a number of initiatives and projects have greatly influenced the way we serve our public. 1986 marked the kickoff of a library automation project that placed all of our circulation activity and substantially all of our card catalog holdings on an automated system. In late 1990 we began using the circulation side of the system with staff use of the catalog. In August 1991, we took that step that will forever change the relationship between our public and the Library's holdings when we opened for public use the Online Public Access Catalog (OPAC) giving patrons access to more than 3.4 million computer-stored information items by end of 2005. Now a patron in any of our 14 buildings could know the availability of any item in any other facility. In April of 1992 we implemented dial-up access to the OPAC. Now from the comfort of home or office, or actually anywhere one can access the Internet, our worldwide patrons can search our catalog. In 1994 we established our own link with the Internet, and in 1995 we were an integral part of a cooperative effort to establish a Fort Wayne Area InfoNet. In October 1995 our first public access Internet workstations were installed at the Main Library and today Internet service is available to the public in all of our locations.

In 1989 we embarked on a capital improvement project that touched all of our fourteen facilities and took nearly three years to complete. We expanded into two fast-growing parts of the district by building two new branches, Aboite and Dupont. At that point, these quickly became our second and third busiest branches. We demolished and replaced our Tecumseh branch, doubled the size of our New Haven branch, relocated our Woodburn branch and renovated to some extent every building in the system. Wheelchair accessibility was a significant provision in each renovation.

In 1996, we expanded the size of Dupont Branch (new in 1990) by approximately 50% and added online service capacity.

In 1997, a space planning study began with the goal of ensuring that the Allen County Public Library facilities have adequate space to serve our community at the highest standard of excellence for at least the next twenty years. By the end of the year 2000, substantially all of the initial studies and preliminary engineering investigations were completed with the goal being to replace six existing branches with new buildings, renovate and expand five other branches and the main library, add a new data center to house all systems and technical services functions, and make appropriate improvements at all other branches to ensure that they are designed and equipped to provide optimal service.

The plans for this multi-million dollar project were unveiled to the public in April of 2001. This was followed by 15 public open-house meetings throughout the county over the next 6 weeks to gather public opinion and input on the proposed project. After successfully completing the Indiana State petition process used for public debt issues, the first bonds were issued in December of 2001 in the amount of \$11,445,000. A second series of bonds in the amount of \$34,000,000 was issued in May of 2002 and a third series was issued in December of 2003 in the amount of \$12,480,000. The final series of bonds were issued in June of 2004 in the amount of \$31,470,000. Taking advantage of the favorable interest rate environment, in 2005 the Library refinance \$31,040,000 of 2002 first mortgage bonds which resulted in a net savings of over \$1.4 million in bond debt service payments to the taxpayers of Allen County. The revenues and expenditures for this project are accounted for in the Capital Projects Funds under the title "2000+ Capital Improvements Project".

In regards to this capital expansion program, 2005 saw the completion and opening of the Grabill branch (which replaced the branch that had been located in Harlan) and the Tecumseh branch. With these two openings, the only branch project still to be completed is Little Turtle, scheduled to be finished in June of 2006. Work on the addition and renovation of the Main library facility continued throughout 2005 and by the end of the year was approximately 65% complete. Because of the size and scope of this project, the Main library is not slated for completion until late 2006.

As knowledge and information continue to grow exponentially, and more and more information is stored in remote, decentralized databanks, the average citizen is in danger of being cut off from many vital information sources. The Library is committed to giving our citizens access to knowledge and information in all forms, including sophisticated electronic media. In addition to its collection of more than 3.4 million books, 1.6 million government

documents, tens of thousands of magazines, sound recordings, books on tape, pamphlets, downloadable books, and more, the Library now offers a host of electronic information products. Our goal is to make sure that no one in Allen County becomes "information disadvantaged". An individual's access to needed resources should not be determined by his or her ability to pay.

1992 marked the adoption of a five-year strategic plan for the Library. Many hours of staff work resulted in the adoption of a document that continues to guide the Library and is reviewed and revised at least annually. 2004 marked the completion of a 10 year capital expenditure plan designed to guide the purchase, replacement, and repairs of the various capital assets of the Library. This plan is also reviewed and updated annually to ensure that all information and expenditure amounts are current and able to be funded with available resources.

Financial Information

Internal Controls. The management of the Library is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Library are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls. Budgetary controls are maintained in accordance with state statutes that require that funds be first appropriated before being expended. These controls relate to funds that receive tax revenue, currently the General Operating Fund, the Debt Service Fund, and Library Improvement Revolving Fund (LIRF). When there are capital projects funds, those are budgeted on a project-length basis rather than an annual basis. The Library Board has the authority to transfer appropriations between major categories, or between lines within major categories, in the budget without seeking the approval of the Department of Local Government Finance (formerly the State Board of Tax Commissioners). In the event additional appropriations are needed during the year, and the Library can demonstrate there are funds available to support additional appropriations, the Library can apply to the Department of Local Government Finance for additional appropriations. The annual budgetary process as prescribed by Indiana law is as follows: Management prepares a budget resolution for action by the Board of Trustees in July. The budget is legally advertised and a public hearing is held in mid-August. The Board approves the budget in late August. The budget is then submitted to the Department of Local Government Finance who subsequently holds a final budget hearing between September and the end of year. The final budget order is then issued by February 15.

Revenues. Libraries are heavily dependent on tax revenue. User fees, mainly from overdue fines, photocopying, and other miscellaneous revenues cannot be realistically expected to significantly reduce the tax dependency. The Library has been under the effect

of state-imposed property tax control mechanisms since 1973. Until 2002, the operative control was a standard five percent maximum increase on the property tax levy. However, in 2002, the Indiana General Assembly changed the maximum levy increase calculation to be based upon the 6-year average growth in state-wide non-farm personal income. While the legislature did include provisions allowing taxing entities in higher than average growth areas to apply for a special levy appeal, the effect of this change will likely cause the of maximum amount of property tax levy an entity can collect to fluctuate with the economic conditions of the state. The Library also receives funding from auto and commercial vehicle excise taxes that are distributed based on the Library's portion of property tax levy relative to other local units.

The Common Council of the City of Fort Wayne controls county income taxes because the City has more than half of the total population of Allen County. The County Option Income Tax (COIT) started at 0.2% of income in 1990. The rate is now capped at 0.6%. The revenue from this tax has played a significant role in providing the Library with additional funds to meet our increasing service demands. The County Economic Development Income Tax (CEDIT) went into effect for 1994, however, the Library receives nothing from CEDIT as only the County unit and the Cities and Towns share it.

Fund Balances. Because property tax revenues are received late in each six-month period while expenditures are spread more evenly over the period, it is usually necessary for entities to enter the short-term debt market in order to pay for current operating expenditures. However, the policy of the Library is to keep the fund balance of the General fund equivalent to about 150 days of its expenditures. This balance, combined with other miscellaneous revenue receipts and good cash and investment management practices, has allowed the library to avoid any short-term cash flow borrowings for a number of years.

The fund balance in the Debt Service fund at December 31st is adequate to service the payments that are due in January. Tax receipts during the first six months of the year are expected to be adequate to cover the July debt payments. The fund balance in the special revenue funds are related to the Cable Access Television fund and the library's Gift fund. The fund balance in the Capital Projects fund represents both the bond proceeds for the 2000+ Capital Improvement Project as well as the Library Improvement Reserve Fund (LIRF). The nature of the LIRF fund is that it serves as a reserve for expenditures of a capital nature not provided for in the general fund. Because there is no authority in state statute for a separate tax levy for this fund, the Library can only increase this fund by transferring money from the General fund.

Pensions. The Library does not manage any pension trust funds. Library employees participate in a statewide Public Employees Retirement Fund (PERF). Employees contribute three percent of gross wages and the Library contributes an actuarially determined amount (6.25% for 2005). Under state law, a governmental unit may choose to pay the employee portion, and the Library has elected to pay that portion. Both the employee and employer contributions are remitted to PERF quarterly.

Debt Administration. At December 31, 2005 the Library had four debt issues outstanding,

all of which are related to the 2000+ Capital Improvement Project. The first is the \$11,445,000 of General Obligation bonds that were issued in December of 2001 with annual debt service requirements varying from \$571,000 to \$4.6 million. The second, third, and fourth issues are First Mortgage bonds issued in December of 2003 for \$12,480,000, June of 2004 for \$31,470,000, and June of 2005 for \$31,040,000 respectively. The June 2005 issue was actually a refinancing of First Mortgage bonds originally issued in May of 2002 for \$34,000,000 and was done to take advantage of favorable interest rate environments. The annual lease rental payments for these issues range from \$602,000 to \$6.6 million.

Under state statute, the limitation on general obligation debt for the Library is two percent of the net adjusted assessed valuation, or approximately ninety-three million dollars. There are no limits on first mortgage instruments other than the value of the buildings and other collateral used to guarantee the issues. The twice-yearly payments on these issues are funded through a Debt Service fund supported by local taxes.

Cash Management. The Library's temporarily idle cash is invested in certificates of deposit, demand deposits, high dollar money market accounts, repurchase agreements, and obligations of the U.S. Treasury. The objective is to maximize the return by not allowing excess cash to be placed in an unproductive instrument. State statute limits the types of investment vehicles, which can be used and disallows investment in equity instruments. This statute effectively minimizes risk.

Investment Management. The above mentioned statute does not apply to the Allen County Public Library Foundation (a component unit). Three separate professional investment managers, in accordance with the investment policy of the Foundation, oversee significant portions of the Foundation assets.

Risk Management. The Library has various bonds and insurance policies in force. These are reviewed periodically by an independent insurance consultant. The Library handles unemployment compensation claims through a reimbursement for claims made program with the state. These claims have not been significant in recent years. The Library participates in a statewide plan for workers compensation insurance and carries insurance policies for property, liability, employee dishonesty, and officers and directors insurance.

Please refer to the Management Discussion and Analysis for further information about various aspects of the Library's financial activities for 2005 including analyses of assets, revenues, expenditures, capital projects, and debt administration.

Other Information

Independent Audit. The Library is audited annually by the Indiana State Board of Accounts. Their report is included in the financial section of this report. The Allen County Public Library Foundation (a discrete component unit) is audited by the accounting firm of Crowe Chizek and Company LLP. The State Board of Accounts relied on the work of the other

auditors in issuing their opinion.

The notes to the financial statements, which follow the combined financial statements, contain additional information and are an integral part of the statements.

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Allen County Public Library for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2004. This is the thirteenth consecutive year that the Allen County Public Library has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the staff of the financial services department and several other members of the ACPL staff. Each of these persons has our sincere appreciation for the contributions made in the preparation and publication of the report.

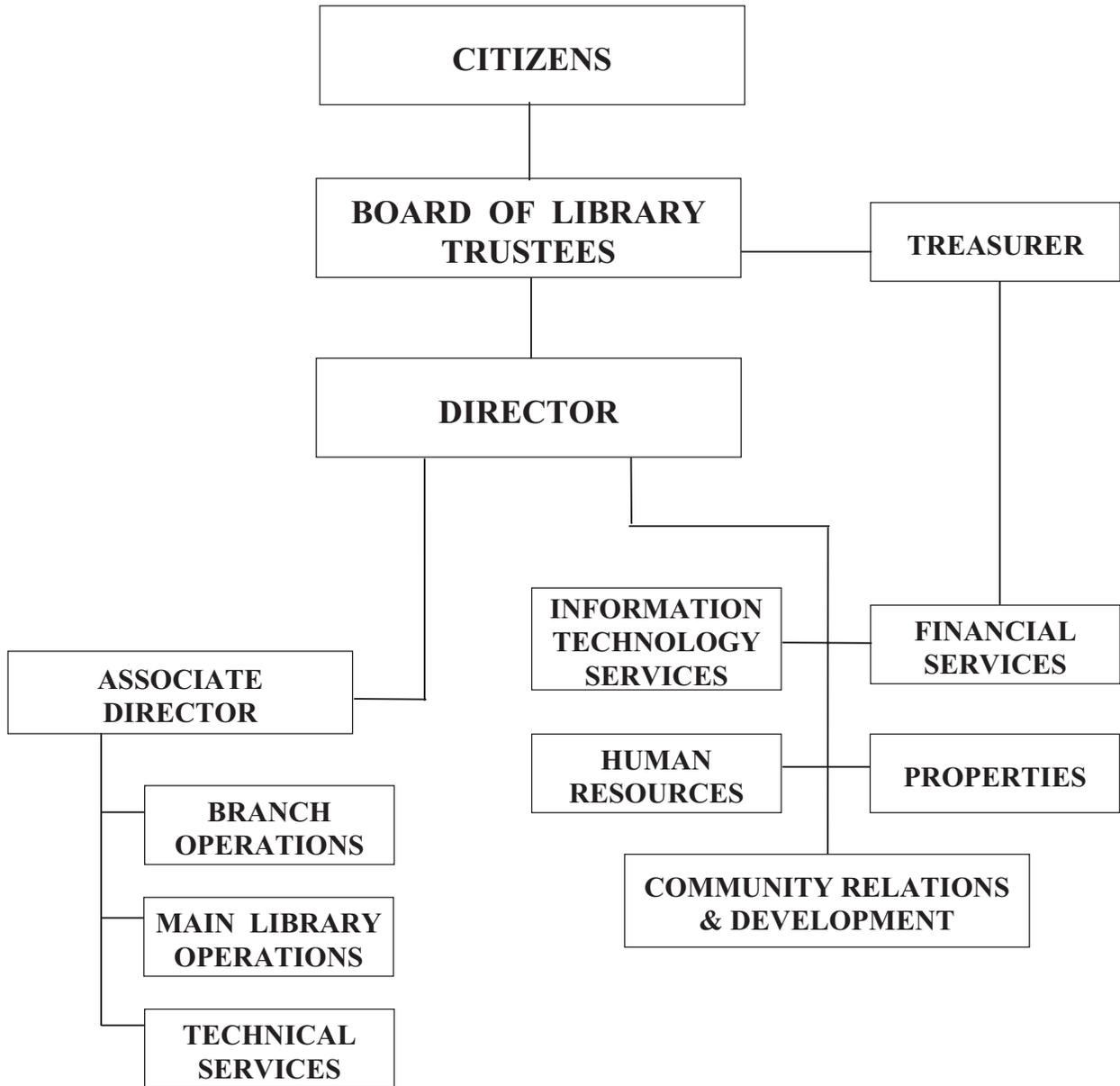
We would also like to thank the staff of the State Board of Accounts for their assistance in the preparation of the financial section of this report in a timely manner.

Special thanks are extended to Jeffrey R. Krull, Director of the Library and to the Board of Library Trustees for their support and encouragement.

Sincerely,

David K. Sedestrom
Treasurer/Financial Services Manager

**ALLEN COUNTY PUBLIC LIBRARY
Organizational Chart**



ALLEN COUNTY PUBLIC LIBRARY

Board of Library Trustees
December 31, 2005

	TERM EXPIRES
<i>President</i> Pamela A. Laux	December 31, 2009
<i>Vice-President</i> Gene G. Hoemig	December 31, 2009
<i>Secretary</i> Alan McMahan	December 31, 2007
<i>Member</i> Robert E. Armstrong	December 31, 2008
<i>Member</i> Kathie R. Fleck	December 31, 2008
<i>Member</i> Dolores J. Klocke	December 31, 2006
<i>Member</i> James E. Williams, Jr.	December 31, 2006

Administrative Staff

Jeffrey R. Krull	<i>Director</i>
Steven C. Fortriede	<i>Associate Director</i>
David K. Sedestrom	<i>Financial Manager and Treasurer</i>
Michael B. Clegg	<i>Branch Operations Manager</i>
Cheryl L. Ferverda	<i>Community Relations and Development Manager</i>
Sean Robinson	<i>Information Technology Manager</i>
James L. Gumbel	<i>Properties Manager</i>
Charlene P. Holly	<i>Human Resources Manager</i>
Lisa M. Bartusik	<i>Technical Services Manager</i>

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Allen County Public Library,
Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

**FINANCIAL
SECTION**



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE ALLEN COUNTY PUBLIC LIBRARY, ALLEN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Allen County Public Library (Library), as of and for the year ended December 31, 2005, which collectively comprise the Library's financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Allen County Public Library Foundation, which represent 100% of the assets and revenues of the discrete component unit. These financial statements were audited by other auditors whose report thereon has been furnished to us. Our opinion insofar as it relates to the amounts included for the Allen County Public Library Foundation is based solely upon the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditor, the respective financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Library as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, Schedule of Funding Progress, Schedules of Contributions From the Employer and Other Contributing Entities and Budgetary Comparison Schedules as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The introductory section, combining fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

June 15, 2006

Management's Discussion and Analysis

As management of the Allen County Public Library (the Library), we offer the following discussion as insight into the financial performance of the Library for the fiscal year ended December 31, 2005. To gain a fair understanding of the Library's financial position, this discussion and analysis should be read in conjunction with our letter of transmittal, the basic financial statements, and the notes to the basic financial statements.

Financial Highlights

- The assets of the Library exceeded its liabilities at the end of 2005 by \$42.5 million. This was made up of \$35 million in restricted assets plus \$8.7 million of unrestricted assets less \$1.2 million of net capital asset debt. Most of the restricted assets (85%) are related to the major capital expansion and renovation program that began in 2001 and is to be completed by the end of 2006. This \$84 million program involves the expansion and renovation of the main library facility, the replacement or renovation of eleven of the systems 13 branches, and the addition of a new offsite systems and technical service center. The unrestricted assets are used to support the Library's day-to-day operations.
- At the end of 2005, the Library's governmental funds reported a combined ending fund balance of \$41.2 million, a decrease of \$21.6 million in comparison with the prior year. This decrease in fund balance was primarily due to \$23.3 million in expenditures relating to the expansion program mentioned above that have not yet been capitalized. Of the \$41.2 million in fund balance, approximately 37% is considered reserved for various construction related contracts and other encumbrances relating to the expansion program with the balance considered unreserved at December 31, 2005.
- Taking advantage of the favorable interest rate environment, in May of 2005, the Library refinanced \$31 million of 1st mortgage bonds originally issued in 2002 and having maturity dates of 2017-2022. The refinancing netted the Library, an approximate \$1.4 million savings in bond payments. The Library's net total debt decreased by \$3.8 million during 2005 attributable to the scheduled payments on all existing bond issues.

Overview of the Financial Statements

This discussion and analysis is an introduction to the Library's basic financial statements which are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition to the basic financial statements this Comprehensive Annual Financial Report (CAFR) includes other supplementary information along with a statistical section.

Government-wide financial statements. The government-wide financial statements present the financial picture of the Library from the economic resources measurement focus using the accrual basis of accounting, in a manner similar to private-sector businesses. The government-wide financial statements are composed of two statements: the statement of net assets and the statement of activities.

The statement of net assets presents information on all of the Library's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets will show the fluctuation in the Library's financial position.

The statement of activities presents information on all of the Library's revenues and expenses, showing how the government's general expenses less the program revenues equal net expenses for the most recent fiscal year. General revenues are then subtracted from net expenses to get the change in net assets. All of the current year's revenues and expenses are taken into account

regardless of when the cash is received or paid. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In many governmental entities, both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). In the case of the Library, all of the functions are considered governmental activities and include Public Services, Administration, and Interest on long-term debt.

The government-wide financial statements include not only the Library itself (primary government) but also a legally separate unit, the Allen County Public Library Foundation, for which the Library is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The financial statements for this component unit can be found in their entirety on file in the Library Financial Manager's office at 200 East Berry Street, PO Box 2270, Fort Wayne, Indiana 46801. The Allen County Public Library Building Corporation is legally separate from the Library, but since its nature and relationship with the Library is significant, it is an integral part of the primary government. The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, with its related liabilities, and corresponding equity balances. Some funds are required to be established by State Law and by bond covenants, while others are adopted to help control monies set aside for a specific purpose. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Library can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for most of the Library's basic services. These funds generally do not provide enough revenue to completely cover their expenses; therefore, they need taxes, fees, interest or any other intergovernmental revenue to help support them. These funds use the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund financial statements focus on near-term inflows and outflows of unrestricted resources, as well as on balances of unrestricted resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement. The basic governmental fund financial statements can be found on pages 14-17 of this report.

Fiduciary funds. Fiduciary funds are funds held by a governmental unit as an agent or a trustee. They are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Library's own programs. The Library holds one type of fiduciary fund, referred to as an agency fund, which is used to account for monies held by the Library for an external party. The Library uses the agency fund to report the transactions of the Private Purpose Trust Fund. The basic fiduciary fund financial statements can be found on pages 18-19 of this report.

Notes to the financial statements. The notes are a required part of the basic financial statements that provide necessary information for the understanding of the Library's financial report. The notes to the financial statements can be found on pages 22-35 of this report.

Other information. The Library is also required to provide more detailed information about certain issues disclosed in required supplementary information (RSI) schedules. The Library's RSI schedules include the Budgetary Comparison Schedule for the General Fund and the Schedule of Funding Progress as well as notes to the RSI. The combining financial statements for the non-major governmental and non-major special revenue funds are found immediately following the RSI schedules and notes to the RSI listed above. The RSI schedules can be found on pages 38-40 of this report.

**Allen County Public Library
Net Assets**

	Governmental Activities		Component Unit	
	2005	2004	2005	2004
Current and other assets	\$ 46,007,750	\$ 66,881,661	\$ 5,026,636	\$ 4,678,668
Capital assets	76,745,090	53,682,956	-	-
Total assets	122,752,840	120,564,617	5,026,636	4,678,668
Long-term liabilities outstanding	72,661,848	76,494,008	-	-
Other liabilities	7,555,193	7,012,774	3,031	32,651
Total liabilities	80,217,041	83,506,782	3,031	32,651
Net assets	\$ 42,535,799	\$ 37,057,835	\$ 5,023,605	\$ 4,646,017
Invested in capital assets net of related debt	\$ (1,173,811)	\$ (25,473,880)	\$ -	\$ -
Restricted	34,974,959	54,767,921	1,203,646	1,203,612
Unrestricted	8,734,651	7,763,794	3,819,959	3,442,405
Total net assets	\$ 42,535,799	\$ 37,057,835	\$ 5,023,605	\$ 4,646,017

Government-wide Financial Analysis

The Library's (primary government) assets exceeded liabilities by \$42.5 million at the close of 2005 with the Library's net assets increasing by \$5.48 million during 2005. This shows that the Library has been able to make sound financial decisions over the past several years leaving them with a solid equity base to build upon.

The assets of the Library are divided between cash/other current assets and capital assets. Of the \$46 million in cash/other current assets, the largest portion (56%) reflects the remaining proceeds from the sale of bonds being used to fund the a major capital expansion and renovation program started in 2001 and slated to be completed by the end of 2006. The net decrease in current/other assets of \$20.9 million in 2005 was due primarily to \$23.3 million in expenditures against these bond proceeds on construction related expenses (\$22.3 million when netted against investment earnings) and an increase in General Fund revenues from an insurance settlement payment for damages sustained at the Main Library location.

The \$76.7 million in capital assets (-\$1.2 million when netted against related debt) of the Library represents land, buildings and improvements, machinery and equipment, construction in progress, and the library material collection. These assets are designated as invested in capital assets because they are used to provide the everyday services the patrons of the Library expect and are not liquid assets that are available for future spending. Capital assets increased by \$23.1 million in 2005, again due primarily to the expansion/construction program activities which brought about increases in construction in progress (\$21.6 million) and buildings (\$2.7 million). Decreases in other capital assets (Machinery and Equipment) and an increase in Depreciation account for the remainder of the net change.

Liabilities for the library equaled \$80.2 million at the end of 2005 with approximately 91% being classified as long-term. Total liabilities decreased by \$3.3 million in 2005 primarily due to the scheduled payments on all existing bond issues relating to the expansion program.

When examining the Library's net assets (total assets less total liabilities), the investment in capital assets must reflect the investment less any debt used to acquire these assets that is still outstanding. Because the capital expansion program was only partially completed at the end of 2005, the debt outstanding on the bonds issued to fund the program exceeds the capital assets by \$1.2 million. The debt associated with these capital assets must be paid from sources other than the capital assets themselves because, as stated before, they cannot be used as a liquid asset.

The remainder of the Library's net assets are designated as either restricted or unrestricted. The \$35.0 million in restricted assets are subject to external limitations and cannot be spent on everyday operations. The unrestricted portion, \$8.7 million, may be used by the Library for normal operations of providing services to the patrons.

The Library's component unit showed assets exceeding liabilities by \$5.0 million at the end of 2005. These net assets (total assets less total liabilities) reflect the cash and investments held by the Allen County Public Library Foundation (ACPLF) and are used to help support various programs and collections of the Library. The ACPLF has no capital assets or outstanding debt.

**Allen County Public Library
Changes in Net Assets**

	Governmental Activities		Component Unit	
	2005	2004	2005	2004
Revenues				
Program Revenues				
Charges for services	\$ 552,859	\$ 516,697	\$ -	\$ -
Operating grants and contributions	32,439	-	879,738	1,157,888
Capital grants and contributions	-	-	-	-
General Revenues				
Property taxes	21,510,694	20,968,605	-	-
Auto excise taxes	2,174,918	2,651,068	-	-
COIT and other taxes	3,486,731	2,978,533	-	-
Grants and contributions not restricted to specific programs	413,934	424,259	-	-
Unrealized loss on investments	-	(201,644)	-	-
Other	2,299,491	900,474	-	-
Total Revenues	30,471,066	28,237,992	879,738	1,157,888
Expenses				
Administration and support	6,158,584	6,189,851	-	-
Public services	15,994,028	17,893,675	-	-
Interest on long-term debt	2,840,490	2,814,429	-	-
ACPLF	-	-	502,150	521,613
Total Expenses	24,993,102	26,897,955	502,150	521,613
Increase in net assets	5,477,964	1,340,037	377,588	636,275
Net Assets--January 1, 2004	37,057,835	35,717,798	4,646,017	4,009,742
Net Assets--December 31, 2004	\$ 42,535,799	\$ 37,057,835	\$ 5,023,605	\$ 4,646,017

Governmental Activities. The main source of funding for Library operations are the various taxes that account for over 91% of the \$29.9 million in general revenues with property taxes being the primary tax source. Revenues for governmental activities increased by \$2.23 million in 2005. Primary reasons for the change include the state allowed increase in the property taxes levy (\$.5 million), increases in investment earnings on General Fund balances and expansion program bond proceeds (\$1 million) and an insurance settlement payment for damages sustained at the Main Library location (\$.7 million). These changes combined with normal variation in other revenue categories accounts for the change in total revenues.

Expenditures on governmental activities decreased by \$1.9 million in 2005. General Fund expenditure increase by \$.5 million over 2004 due to basic cost-of-living and inflationary affects. In addition, expenditures relating to the expansion program increased by \$5 million over 2004. Inversely, expenditures for other capital outlays, such as land purchases, decreased by \$2.8 million compared to 2004.

For the capital projects portion of the Library's governmental activities, bond issue proceeds are the primary source of revenue. Taking advantage of the favorable interest rate environment, in May of 2005, the Library refinanced \$31 million of 1st mortgage bonds originally issued in 2002 and having maturity dates of 2017-2022. The refinancing netted the Library, an approximate \$1.4 million savings in bond payments. The refinancing involved bond premium and defeasance costs as well as changes in the payment structure that account for the remainder of the decrease is expenditures on governmental activities.

Financial Analysis of the Government's Funds

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The Library's fund financial statements use modified accrual accounting providing information on near-term inflows, outflows, and balances of available resources. This provides the reader with useful information regarding the Library's financial position. The unreserved fund balance of the Library's governmental funds gives good insight into its ability to meet current obligations as well as meet the Library's ongoing service needs.

At the end of 2005, the Library's governmental funds reported combined ending fund balances of \$41.2 million, a decrease of \$21.6 million in comparison with the prior year. This decrease is primarily due to \$23.3 million in expenditures relating to the expansion program mentioned previously that have not yet been capitalized. Of the \$41.2 million in fund balance, approximately 37% is considered reserved for various construction related contracts and other encumbrances relating to the expansion program.

The largest portion of the Library's governmental fund totals is attributable to the Capital Projects fund, whose \$24.1 million balance accounts for 59% of the total ending fund balance. The General fund, the Library's chief operating fund, accounted for \$8.2 million (20%) of the ending fund balance while the remaining \$8.9 million (21%) was attributable to the other non-major governmental funds (including other non-major special revenue, debt service, and capital project funds).

As a measure of the major funds' liquidity, you can compare the total fund balance to the total fund expenditures. The General fund expenditures for fiscal year ended 2005 were \$20.2 million. Thus, the total fund balance represents 40.1% percent of General fund expenditures. As in the past years, this fund balance allows the Library to meet all of the cash flow requirements of the organization without having to utilize short-term borrowing instruments, such as tax anticipation warrants, required by many other entities that rely heavily on property taxes as a primary revenue

source. The Bond and Interest Redemption fund balance increased \$.7 million or 60% due to taxes exceeding expenditures and transfers and changes in the distribution of payments on general obligation versus 1st mortgage bonds. The increased fund balances will be used for future debt payments. ACPL Building Corporation fund balance decreased \$22.3 million as spending on the capital expansion program continued through 2005 utilizing the proceeds of the previously issued bonds.

General Fund Budgetary Highlights

There were no changes between the originally approved and final amended revenue budget of the General Fund. Comparing final amended revenue budget amounts to actual shows that revenues were \$1.36 million, or 6%, higher. \$.730 million of this increase was attributable to the unplanned insurance settlement payment for damages sustained at the Main Library location while the distribution of County Option Income Taxes (COIT) was \$.460 million larger than anticipated due to adjustments made by the State and County Auditor for previously withheld taxes. The remainder of the change is attributable to minor fluctuations in miscellaneous revenues, such as interest earnings.

The final amended General Fund expenditure budget was higher than the original adopted budget by \$505,244 or approximately 2.5%. Of this amount, \$378,207 was added to the capital outlays line to purchase a parcel of land adjacent to the Main Library location for use in the expansion/renovation program and to cover increased library material purchases made during the year. The remaining \$127,037 was added to the Supply (\$33,874) and Services (\$55,963) lines to cover a variety of increased costs.

The increases in the expenditure budgets were more than offset by actual expenditures coming in \$727,382, or 3.4%, lower than anticipated. \$226,435 of this difference was due to lower spending in the Personal Services category from that resulted from hiring freezes. Another \$217,441 of the difference was cost savings in various service lines, including lease and rental payments and computer services. The remainder of the savings was due to lower than anticipated spending in a variety of supply lines and the postponement of certain library material purchases until later in 2006.

Capital Asset and Debt Administration

Capital assets. The Library's Primary Government's capital assets as of December 31, 2005, were equal to \$93.9 million with an accumulated depreciation figure of \$17.2 million for a net book value of \$76.7 million. The amount includes \$44.5 million in construction in progress reflecting capital projects in various stages of completion. Capital assets include land, buildings and improvements, machinery and equipment, construction in progress, and Library Materials. Also included in the capital assets is the Library's rare book collection that is considered a non-depreciating asset. The total increase in the Library's capital assets for 2005 was \$23.4 million, or 33%, most of which is attributable buildings and construction in progress related to the major expansion/renovation program discussed earlier.

**Allen County Public Library
Capital Assets**

	2005	2004
Land	\$ 4,961,616	\$ 4,940,762
Buildings and improvements	27,340,268	25,065,978
Machinery and equipment	6,014,249	6,077,976
Library materials	10,145,476	10,497,183
Construction in progress	44,461,591	22,895,893
Rare book collection	994,827	994,827
Less: Accumulated depreciation	(17,172,937)	(16,789,663)
Total	\$ 76,745,090	\$ 53,682,956

Additional information regarding the Library's capital assets can be found on page 28 of this report.

Long-term debt. At the end of the 2005, the Library's Primary Government had total bonded debt outstanding of \$74,360,000. Of this total, \$1,845,000 is considered to be general obligation bonds while \$72,515,000 is considered first mortgage bonds. The Library is responsible to pay for this debt with general revenues. In 2005, the Library's net total debt decreased by \$3,153,600 which was the result of reductions in existing bond issues totaling \$3,220,000 from scheduled bond debt service payments and a net addition to Compensated Absences of \$66,400.

**Allen County Public Library
Long-Term Debt**

	2005	2004
General obligation bonds	\$ 1,845,000	\$ 2,330,000
First mortgage bonds	72,515,000	75,250,000
Compensated absences	645,006	578,606
Total	\$ 75,005,006	\$ 78,158,606

The Allen County Public Library and the associated Allen County Public Library Building Corporation currently maintains an Aa3 rating from Moody's for both general obligation debt and first mortgage debt.

Additional information on the Library's long-term debt can be found on pages 30-32 of this report.

Economic Factors and Subsequent Year's Budgets and Rates

- The unemployment rate for the Allen County in December 2005 was 5.0%, up from a rate of 4.8% for the same period a year ago. The Allen County unemployment rate is still lower than the State as a whole which had a December 2005 unemployment rate of 5.3%.
- The Library does not anticipate any increases in the 2006 General fund budget other than those necessary to cover cost of living increases and standard inflationary cost increases. As such, the Library General Fund property tax levy and rate should increase no greater than those permissible under current State regulations.
- In addition, as the capital expansion and renovation program comes to a completion by the end of 2006, the Library will be reviewing any possible increases in operating costs that may be necessary with the new facilities. It is planned that any additional costs will be offset by savings in leasing and rental expenses currently being paid for the use of the temporary Main Library building. Consequently, there are no additional increases to property tax rates and levies planned for the 2007 Generals Fund other than for normal cost of living and inflation increases.

These factors along with others were considered when preparing the Library's budget for the 2006 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the Library's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Library's Chief Financial Officer, 200 East Berry Street, P.O. Box 2270 Fort Wayne, Indiana, 46801-2270.

BASIC FINANCIAL STATEMENTS



ALLEN COUNTY PUBLIC LIBRARY
STATEMENT OF NET ASSETS
December 31, 2005

<u>Assets</u>	<u>Primary Governmental Activities</u>	<u>Component Unit</u>
Cash and cash equivalents	\$ 43,756,676	\$ 1,591,985
Investments	-	3,384,633
Receivables (net of allowances for uncollectibles):		
Interest	46,633	12,518
Taxes	1,191,444	-
Accounts Intergovernmental	-	37,500
Intergovernmental	58,162	-
Net pension asset	218,263	-
Deferred debits	736,572	-
Capital assets:		
Land, rare books and construction in progress	50,418,034	-
Other capital assets, net of depreciation	26,327,056	-
 Total assets	 <u>122,752,840</u>	 <u>5,026,636</u>
 <u>Liabilities</u>		
Current liabilities:		
Accounts payable	586,011	-
Accrued payroll and withholdings payable	330,551	3,031
Accrued interest payable	1,579,602	-
Contracts payable	1,731,528	-
First mortgage bonds - due within one year	2,715,000	-
General obligation bonds - due within one year	505,000	-
Compensated absences	107,501	-
Long term liabilities:		
First mortgage bonds payable (net of premium and deferral of loss on refunding)	70,784,343	-
General obligation bonds payable	1,340,000	-
Compensated absences	537,505	-
 Total liabilities	 <u>80,217,041</u>	 <u>3,031</u>
 <u>Net assets</u>		
Invested in capital assets, net of related debt	(1,173,811)	-
Restricted for:		
Capital projects	29,655,248	-
Debt service	5,216,570	-
Other purposes	103,141	1,203,646
Unrestricted	8,734,651	3,819,959
 Total net assets	 <u>\$ 42,535,799</u>	 <u>\$ 5,023,605</u>

The notes to the financial statements are an integral part of this statement.

ALLEN COUNTY PUBLIC LIBRARY
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2005

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Primary Governmental Activities	Component Unit
Primary government:					
Governmental activities:					
Administrative and support	\$ 6,158,584	\$ -	\$ -	\$ (6,158,584)	\$ -
Public services	15,994,028	552,859	32,439	(15,408,730)	-
Interest on long-term debt	<u>2,840,490</u>	<u>-</u>	<u>-</u>	<u>(2,840,490)</u>	<u>-</u>
Total governmental activities	<u>\$ 24,993,102</u>	<u>\$ 552,859</u>	<u>\$ 32,439</u>	<u>(24,407,804)</u>	<u>-</u>
Component unit:					
Allen County Public Library Foundation	<u>\$ 502,150</u>	<u>\$ -</u>	<u>\$ 879,738</u>	<u>-</u>	<u>377,588</u>
General revenues:					
Property taxes				21,510,694	-
Auto excise taxes				2,174,918	-
COIT and other taxes				3,486,731	-
Grants and contributions not restricted to specific programs				413,934	-
Other				<u>2,299,491</u>	<u>-</u>
Total general revenues				<u>29,885,768</u>	<u>-</u>
Change in net assets				5,477,964	377,588
Net assets - beginning				<u>37,057,835</u>	<u>4,646,017</u>
Net assets - ending				<u>\$ 42,535,799</u>	<u>\$ 5,023,605</u>

The notes to the financial statements are an integral part of this statement.

ALLEN COUNTY PUBLIC LIBRARY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2005

<u>Assets</u>	General	Bond and Interest Redemption	ACPL Bldg Corp	ACPL Bldg Corp Certificate	Other Non-major Governmental Funds	Totals
Cash and cash equivalents	\$ 9,124,457	\$ 1,857,277	\$ 25,826,313	\$ 3,034,389	\$ 3,914,240	\$ 43,756,676
Receivables (net of allowances for uncollectibles):						
Interest	-	-	46,633	-	-	46,633
Taxes	889,643	301,801	-	-	-	1,191,444
Intergovernmental	-	-	-	-	58,162	58,162
Interfund	-	23,103	-	-	-	23,103
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 10,014,100</u>	<u>\$ 2,182,181</u>	<u>\$ 25,872,946</u>	<u>\$ 3,034,389</u>	<u>\$ 3,972,402</u>	<u>\$ 45,076,018</u>
 <u>Liabilities and fund balances</u>						
Liabilities:						
Accounts payable	\$ 526,926	\$ -	\$ -	\$ -	\$ 59,085	\$ 586,011
Accrued payroll and withholdings payable	330,551	-	-	-	-	330,551
Contracts payable	-	-	1,731,528	-	-	1,731,528
Compensated absences	5,678	-	-	-	-	5,678
Interfund payable	23,103	-	-	-	-	23,103
Deferred revenue - unavailable	889,643	301,801	-	-	-	1,191,444
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,775,901</u>	<u>301,801</u>	<u>1,731,528</u>	<u>-</u>	<u>59,085</u>	<u>3,868,315</u>
Fund balances:						
Reserved for:						
Encumbrances	285,814	-	15,270,898	-	21,408	15,578,120
Unreserved, reported in:						
General fund	7,952,385	-	-	-	-	7,952,385
Special revenue funds	-	-	-	-	130,265	130,265
Capital projects funds	-	-	8,870,520	-	3,761,644	12,632,164
Debt service funds	-	1,880,380	-	3,034,389	-	4,914,769
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>8,238,199</u>	<u>1,880,380</u>	<u>24,141,418</u>	<u>3,034,389</u>	<u>3,913,317</u>	<u>41,207,703</u>
Total liabilities and fund balances	<u>\$ 10,014,100</u>	<u>\$ 2,182,181</u>	<u>\$ 25,872,946</u>	<u>\$ 3,034,389</u>	<u>\$ 3,972,402</u>	<u>\$ 45,076,018</u>

The notes to the financial statements are an integral part of this statement.

ALLEN COUNTY PUBLIC LIBRARY
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
December 31, 2005

Total fund balances for governmental funds		\$ 41,207,703
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p> <p>Those assets consist of :</p>		
Land		4,961,616
Rare book collection		994,827
Construction in progress		44,461,591
Buildings, net of \$7,951,691 accumulated depreciation		19,336,447
Improvements other than buildings, net of \$39,098 accumulated depreciation		13,032
Machinery and equipment, net of \$5,718,854 accumulated depreciation		295,395
Library materials, net of \$3,463,294 accumulated depreciation		<u>6,682,182</u>
Total capital assets		76,745,090
<p>Some of the Library's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore, are deferred in the funds.</p>		
		1,191,444
<p>A net pension asset is not accrued in the governmental funds, but rather is recognized as an expenditure when paid.</p>		
		218,263
<p>Bond issue costs associated with new debt issues are reported as expenditures in year of issue, whereas bond issue costs are deferred in the statement of net assets. Deferred bond issuance costs are amortized over the life of the debt issued.</p>		
		736,572
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.</p> <p>Balances at December 31, 2005 consisted of :</p>		
General obligation bonds payable		(1,845,000)
First mortgage bonds payable net of premium and deferral of loss on refunding		(73,499,343)
Compensated absences		<u>(639,328)</u>
Total long-term liabilities		(75,983,671)
<p>Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.</p>		
		<u>(1,579,602)</u>
Total net assets of governmental activities		<u>\$ 42,535,799</u>

The notes to the financial statements are an integral part of this statement.

ALLEN COUNTY PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

	General	Bond and Interest Redemption	ACPL Bldg Corp	ACPL Bldg Corp Certificate	Other Non-major Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 19,818,328	\$ 7,350,517	\$ -	\$ -	\$ -	\$ 27,168,845
Intergovernmental	66,295	-	-	-	380,078	446,373
Charges for services	552,859	-	-	-	-	552,859
Other	1,309,599	-	977,727	6,072	6,093	2,299,491
Total revenues	21,747,081	7,350,517	977,727	6,072	386,171	30,467,568
Expenditures:						
Current:						
Administration and support	5,824,778	-	-	-	312,298	6,137,076
Public services	10,751,980	-	-	-	890	10,752,870
Library materials	3,418,362	-	-	-	57	3,418,419
Capital outlay	192,278	-	23,295,109	-	1,539,357	25,026,744
Debt service:						
Principal	-	485,000	-	33,775,000	-	34,260,000
Interest	-	89,355	-	2,940,799	-	3,030,154
Bond issue costs	-	-	-	356,187	-	356,187
Total expenditures	20,187,398	574,355	23,295,109	37,071,986	1,852,602	82,981,450
Excess (deficiency) of revenues over (under) expenditures	1,559,683	6,776,162	(22,317,382)	(37,065,914)	(1,466,431)	(52,513,882)
Other financing sources (uses):						
Transfers in	-	-	17,721	6,082,126	800,000	6,899,847
Transfers out	(800,000)	(6,068,776)	(13,350)	(17,721)	-	(6,899,847)
Issuance of debt	-	-	-	31,040,000	-	31,040,000
Bond premium	-	-	-	1,940,288	-	1,940,288
Defeasance of bonds	-	-	-	(2,032,451)	-	(2,032,451)
Total other financing sources (uses)	(800,000)	(6,068,776)	4,371	37,012,242	800,000	30,947,837
Net change in fund balances	759,683	707,386	(22,313,011)	(53,672)	(666,431)	(21,566,045)
Fund balances - beginning	7,478,516	1,172,994	46,454,429	3,088,061	4,579,748	62,773,748
Fund balances - ending	<u>\$ 8,238,199</u>	<u>\$ 1,880,380</u>	<u>\$ 24,141,418</u>	<u>\$ 3,034,389</u>	<u>\$ 3,913,317</u>	<u>\$ 41,207,703</u>

The notes to the financial statements are an integral part of this statement.

ALLEN COUNTY 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, 2005

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

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures and Changes in Fund Balances). \$ (21,566,045)

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

These changes consist of:

Capital assets	23,971,537
Library materials	3,418,362
Depreciation expense	<u>(4,327,765)</u>

Net effect of capital assets 23,062,134

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In 2005 this consisted of deferred tax revenue unavailable. 3,498

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

During 2005 these consisted of:

Proceeds from first mortgage bond issue	(31,040,000)
Bond premium	(1,940,288)
Bond issue costs	356,187
Defeasance of bonds	2,032,451
Principal payment	34,260,000
Interest expense	189,664
Amortization of bond issue costs	<u>(37,178)</u>

Net effect of long-term debt 3,820,836

A net pension asset is not accrued in the governmental funds, but rather is recognized as an expenditure when paid. 218,263

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

During 2005 this consisted of change in compensated absences (60,722)

Change in net assets of governmental activities (Statement of Activities) \$ 5,477,964

The notes to the financial statements are an integral part of this statement.

ALLEN COUNTY PUBLIC LIBRARY
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 December 31, 2005

<u>Assets</u>	<u>Private-Purpose Trust Funds</u>
Cash and cash equivalents	\$ 13,074
<u>Liabilities</u>	
Accounts payable	3,008
<u>Net assets</u>	
Held in trust for:	
Employee activity	\$ 10,066

The notes to the financial statements are an integral part of this statement.

ALLEN COUNTY PUBLIC LIBRARY
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 For The Year Ended December 31, 2005

<u>Additions</u>	<u>Private-Purpose Trust Funds</u>
Contributions:	
Other	\$ <u>5,977</u>
<u>Deductions</u>	
Employee activities	-
Changes in net assets	5,977
Net assets - beginning	<u>4,089</u>
Net assets - ending	<u>\$ <u>10,066</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS



ALLEN COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Allen County Public Library (primary government) was established under the laws of the State of Indiana. The primary government operates under a Board of Trustees.

The accompanying financial statements present the activities of the primary government and its significant component units. The component units discussed below are included in the primary government's reporting entity because of the significance of their operational or financial relationships with the primary government. Blended component units, although legally separate entities, are in substance part of the government's operations and exist solely to provide services for the government; data from these units is combined with data of the primary government. Discretely presented component units are involved in activities of an operational nature independent from the government; their transactions are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Unit

ACLP Bldg Corp is legally separate from the Library. It was created by the Library for the sole purpose of financing library buildings and improvements. ACPL Bldg Corp is reported as if it were part of the Library because of the nature and significance of the relationship. To exclude the financial activities of this component unit would render the Library's financial statements incomplete or misleading. The operations of this organization are being reported as ACLP Bldg Corp fund (major capital projects fund) and as ACPL Bldg Corp Certificate fund (major debt service fund).

Discretely Presented Component Unit

The Allen County Public Library Foundation is a significant discretely presented component unit of the primary government. It was created for the purpose of accepting and administrating donations on behalf of the Library. To exclude the financial activities of this component unit would render the Library's financial statements incomplete or misleading.

The financial statements of the individual component units may be obtained from their respective offices as follows:

ACPL Bldg Corp
P.O. Box 2270
Fort Wayne, Indiana 46801-2270

Allen County Public Library Foundation
P.O. Box 2270
Fort Wayne, Indiana 46801-2270

B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for

support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the primary government receives cash.

The primary government reports the following major governmental funds:

The General fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Bond and Interest Redemption fund accounts for debt from funds borrowed or advanced for the purchase or lease of library buildings, improvements, equipment or capital construction.

The ACPL Bldg Corp fund accounts for disbursements for capital outlay from receipts derived from the sale of general obligation bonds or other outside sources.

The ACPL Bldg Corp Certificate fund accounts for the debt from funds borrowed for the purchase of library buildings, improvements, equipment or capital construction.

Additionally, the primary government reports the following fund type:

The private-purpose trust fund (fiduciary) reports a trust arrangement under which principal and income benefit employees. This fund was created to account for any revenue received from vending machines in the staff lounge that are provided by a vendor for the exclusive use of the ACPL employees and volunteers. These revenues are to be used for such purposes as a staff picnic or holiday party.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the primary government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

State statute (IC 5-13-9) authorizes the primary government to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Investments are stated at cost. Any changes in the fair value of the investments are reported as interest revenue in the year of the sale of the investment

2. Interfund Transactions and Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables (i.e., the current and non-current portion of interfund loans). All other outstanding balances between funds are reported as "interfund services provided/used." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statutes (IC 6-1.1-17-16) require the Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end, net of allowances for uncollectible accounts, are recorded as a receivable with an offset to deferred revenue unavailable since the amounts are not considered available.

4. Capital Assets

Capital assets, which include property, and equipment are reported in the governmental activities column in the government-wide financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	All	N/A	N/A
Buildings	\$ 5,000	Straight-Line	40 yrs.
Improvements Other Than Buildings	5,000	Straight-Line	20 yrs.
Machinery and Equipment	5,000	Straight-Line	5 yrs.
Library Materials	All	Composite	3 yrs.

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

5. Compensated Absences

- a. Sick Leave – primary government employees earn sick leave at the rate of sixty to eighty hours per year based on the number of hours worked per year. Unused sick leave may be accumulated to a maximum of five hundred twenty hours or sixty-five working days for full-time employees. For eligible part-time employees, unused sick leave may accumulate up to thirteen weeks of the appropriate current authorized hours. Accumulated sick leave is not paid to employees upon termination.
- b. Vacation Leave – primary government employees earn vacation leave at rates from ten days to twenty-five days per year based upon the length of service, degree qualifications, level of responsibility, and number of hours worked per year. Vacation leave may be accumulated to a maximum of one and one-half times the annual amount of vacation for which one is eligible. Accumulated vacation leave is paid to employees upon termination.
- c. Personal Leave – primary government employees earn personal leave at the rates of twelve to sixteen hours per year based on the number of hours worked per week. At the end of each year unused personal leave is added to accumulated sick leave.

Vacation leave is accrued when incurred and reported as a liability in the statement of net assets. Only amounts due and payable at year end are included in the fund statements. The general fund is primarily used to liquidate the liability for compensated absences.

6. Long –Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums, discounts, and loss on refunding, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount, and loss on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use

for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Stewardship, Compliance and Accountability

Budgetary Information

On or before August 31, the Director submits to the Board of Trustees a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Board of Trustees to obtain taxpayer comments. In August of each year, the Board of Trustees through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the Director receives approval of the Indiana Department of Local Government Finance.

The primary government's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Board of Trustees. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund. The legal level of budgetary control is by object for the General Fund and all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

Primary Government:

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2005, the Library had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-2	More Than 2
U.S. Treasuries and Securities	\$ 3,051,457	\$ 3,051,457	\$ -	\$ -
Government Sponsored Enterprises	11,511,500	11,511,500	-	-
Money Market Mutual Fund	102,862	102,862	-	-
Totals	<u>\$ 14,665,819</u>	<u>\$ 14,665,819</u>	<u>\$ -</u>	<u>\$ -</u>

Investment Policies

Indiana Code 5-13-9 authorizes the Library to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of or interest in an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed fifty percent (50%) of the funds held by the Library and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of or interest in an investment company or investment trust must be rated as AAAM, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the Library may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Library does not have a formal investment policy for custodial credit risk for investments that are uninsured and 1) uncollateralized, 2) collateralized with securities held by the pledging financial institution, or 3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name. At December 31, 2005, the Library held investments in The Bank of New York Trust Company, N.A. in the amount of \$14,665,819. Of these investments \$14,665,819 were held by the counterparty's trust department or agent but not in the Library's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library must follow state statute and limit the stated final maturities of the investments to no more than two years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

Standard and Poor's Rating	Moody's Rating	Library's Investments	
		Government Sponsored Enterprise	Money Market Mutual Fund
AAA	Aaa	<u>\$ 11,511,500</u>	<u>\$ 102,862</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Library does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Discretely Presented Component Unit:

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds; and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2005, the Library's discretely presented component unit had the following investments:

Investment Type	Unit Market Value	Investment Maturities (in Years)		
		Less Than 1	1-2	More Than 2
U.S Treasuries and Securities	\$ 326,303	\$ -	\$ 49,937	\$ 276,366
Government Sponsored Enterprise	153,306	-	-	153,306
Corporate Bonds	472,128	201,060	114,578	156,490
Corporate Stock	1,550,495	1,550,495	-	-
Mutual Funds	<u>692,401</u>	<u>692,401</u>	-	-
Totals	<u>\$ 3,194,633</u>	<u>\$ 2,443,956</u>	<u>\$ 164,515</u>	<u>\$ 586,162</u>

Investment Policies

The Library's discretely presented component unit has an "Investment Policy Statement" approved by the unit's Board of Trustees May 2004. This policy sets the standards for the selection of the

unit's portfolio. The policy sets the asset allocation as follows: cash and cash equivalents 5% to 40%; fixed income 30% to 70%; equities 30% to 70%.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Library's discretely presented component unit will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Library's discretely present component unit's Investment Policy Statement includes an investment policy for custodial credit risk for investments of A or better. At December 31, 2005, the Library's discretely presented component unit held investments in Cozad Asset Management, Inc., Monarch Capital Management, Inc. and Lincoln Financial Advisors in the amount of \$3,194,633.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

Standard and Poor's Rating	Morningstar Risk Profile	Discretely Presented Component Uinit's Investments		
		Government Sponsored Enterprise	Corporate Bonds	Mutual Funds
AAA		\$ 153,306	\$ 62,323	\$ -
AA		-	31,317	-
A+		-	76,104	-
A		-	187,710	-
BBB		-	33,910	-
BBB-		-	50,239	-
BB+		-	30,525	-
	High	-	-	117,150
	Above Average	-	-	228,054
	Average	-	-	101,564
	Low	-	-	245,633
Totals		<u>\$ 153,306</u>	<u>\$ 472,128</u>	<u>\$ 692,401</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. The Library's discretely presented component unit's Investment Policy Statement includes a policy in regards to concentration of credit risk. The policy states no more than 5% invested in one company; no more than 20% invested in any one industry/market sector; no more than 10% of the total equity investments in international equities.

Foreign Currency Risk

The Library's discretely presented component unit's Investment Policy Statement includes a formal policy in regards to foreign currency risk. The foreign currency related to this investment is in international and global mutual funds and has a fair value of \$150,324.

B. Capital Assets

Capital asset activity for the year ended December 31, 2005, was as follows:

<u>Primary government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,940,762	\$ 20,854	\$ -	\$ 4,961,616
Rare book collection	994,827	-	-	994,827
Construction in progress	<u>22,895,893</u>	<u>24,154,471</u>	<u>2,588,773</u>	<u>44,461,591</u>
Total capital assets, not being depreciated	<u>28,831,482</u>	<u>24,175,325</u>	<u>2,588,773</u>	<u>50,418,034</u>
Capital assets, being depreciated:				
Buildings	25,013,848	2,274,290	-	27,288,138
Improvements other than buildings	52,130	-	-	52,130
Machinery and equipment	6,077,976	110,695	174,422	6,014,249
Library materials	<u>10,497,183</u>	<u>3,418,362</u>	<u>3,770,069</u>	<u>10,145,476</u>
Totals	<u>41,641,137</u>	<u>5,803,347</u>	<u>3,944,491</u>	<u>43,499,993</u>
Less accumulated depreciation for:				
Buildings	7,283,567	668,124	-	7,951,691
Improvements other than buildings	36,491	2,607	-	39,098
Machinery and equipment	5,735,303	157,973	174,422	5,718,854
Library materials	<u>3,734,302</u>	<u>3,499,061</u>	<u>3,770,069</u>	<u>3,463,294</u>
Totals	<u>16,789,663</u>	<u>4,327,765</u>	<u>3,944,491</u>	<u>17,172,937</u>
Total capital assets, being depreciated, net	<u>24,851,474</u>	<u>1,475,582</u>	<u>-</u>	<u>26,327,056</u>
Total governmental activity capital assets, net	<u>\$ 53,682,956</u>	<u>\$ 25,650,907</u>	<u>\$ 2,588,773</u>	<u>\$ 76,745,090</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Public service

\$ 4,327,765

C. Construction Commitments

Construction work in progress is composed of the following:

<u>Project</u>	<u>Total Project Authorized</u>	<u>Expended to December 31, 2005</u>	<u>Committed</u>
Main Library	\$ 65,358,000	\$ 41,942,705	\$ 23,415,295
Aboite Branch	6,407	6,407	-
Little Turtle Branch	1,806,633	819,898	986,735
System-Wide Improvements	<u>1,692,581</u>	<u>1,692,581</u>	<u>-</u>
Totals	<u>\$ 68,863,621</u>	<u>\$ 44,461,591</u>	<u>\$ 24,402,030</u>

D. Interfund Balances and Activity

Interfund Transfers

Interfund transfers at December 31, 2005, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>			<u>Total</u>
	<u>ACPL Bldg Corp</u>	<u>ACPL Bldg Corp Certificate</u>	<u>Other Non-major Governmental</u>	
General Fund	\$ -	\$ -	\$ 800,000	\$ 800,000
Bond and Interest Redemption	-	6,068,776	-	6,068,776
ACPL Bldg Corp	-	13,350	-	13,350
ACPL Bldg Corp Certificate	<u>17,721</u>	<u>-</u>	<u>-</u>	<u>17,721</u>
Total	<u>\$ 17,721</u>	<u>\$ 6,082,126</u>	<u>\$ 800,000</u>	<u>\$ 6,899,847</u>

The primary government typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the general fund to the debt service fund for current-year debt service requirements.

E. Long-Term Liabilities

1. General Obligation Bonds

The primary government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the primary government. General obligation bonds currently outstanding at year end are as follows:

<u>Purpose</u>	<u>Amount</u>
\$11,445,000 General Obligation Bonds, Series 2001 Due in Installments of \$250,000 to \$280,000, Plus Interest Through January 1, 2009; Interest at 3.5% to 4.5%	<u>\$1,845,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ended December 31</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2006	\$ 505,000	\$ 71,580	\$ 576,580
2007	520,000	51,913	571,913
2008	540,000	30,122	570,122
2009	<u>280,000</u>	<u>6,300</u>	<u>286,300</u>
Total	<u>\$ 1,845,000</u>	<u>\$ 159,915</u>	<u>\$ 2,004,915</u>

2. First Mortgage Bonds

The ACPL Bldg Corp issued first mortgage bonds to provide funds for the acquisition and renovation of the Library's major capital facilities. First mortgage bonds are not backed by the full faith and credit of the Allen County Public Library, these bonds are secured by the pledge of mortgaged property.

<u>Purpose</u>	<u>Amount</u>
\$12,480,000 First Mortgage Bonds, Series 2003 Due In Installments of \$725,000 to \$2,385,000, Plus Interest Through January 1, 2017; Interest at 3% to 5%	\$ 11,150,000
\$31,470,000 First Mortgage Bonds, Series 2004 Due In Installments of \$60,000 to \$2,205,000, Plus Interest Through January 1, 2017; Interest at 3% to 5%	30,835,000
\$31,040,000 First Mortgage Refunding Bonds, Series 2005 Due In Installments of \$30,000 to \$2,55,000, Plus Interest Through January 1, 2022; Interest at 3% to 5%	<u>30,530,000</u>
Total	<u>\$ 72,515,000</u>

First mortgage bonds debt service requirements to maturity are as follows:

Year Ended December 31	First Mortgage Bonds		
	Principal	Interest	Totals
2006	\$ 2,715,000	\$ 3,337,880	\$ 6,052,880
2007	2,795,000	3,255,830	6,050,830
2008	2,895,000	3,164,280	6,059,280
2009	3,285,000	3,057,071	6,342,071
2010	3,735,000	2,894,165	6,629,165
2011-2015	21,650,000	11,478,119	33,128,119
2016-2020	27,275,000	5,902,965	33,177,965
2021-2025	8,165,000	394,250	8,559,250
Total	<u>\$ 72,515,000</u>	<u>\$ 33,484,560</u>	<u>\$ 105,999,560</u>

Unamortized Amounts of First Mortgage Bonds

First mortgage bonds at year end include the following amounts of unamortized bond premium and loss on refunding:

	Balance at December 31	Unamortized Premium/ (Loss on Refunding)	Net Balance at December 31
First Mortgage Bonds, Series 2003	\$ 11,150,000	\$ 24,006	\$ 11,174,006
First Mortgage Bonds, Series 2004	30,835,000	1,431,366	32,266,366
First Mortgage Refunding Bonds, Series 2005	30,530,000	(471,029)	30,058,971
Total	<u>\$ 72,515,000</u>	<u>\$ 984,343</u>	<u>\$ 73,499,343</u>

3. Advance Refunding

On May 10, 2005 the Allen County Public Library issued \$31,040,000 in refunding first mortgage bonds with an average interest rate of 4.17% to advance refund \$30,605,000 of outstanding 2002 series bonds with an average interest rate of 5.19%. The net proceeds of \$32,624,101 (after payment of \$356,187 in issuance costs, \$1,940,288 in bond premium) and local contributions of \$13,350 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2002 series bonds. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets. The refunding resulted in the accounting loss of \$2,411,317, which has been recognized on the Statement of Net Assets as Deferral of loss on refunding. This amount will be amortized using the straight line method and charged to interest expense over the next seventeen years. The Allen County Public Library in effect reduced its aggregate debt service payment by \$1,474,310 over the next seventeen years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$744,436.

4. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2005, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 2,330,000	\$ -	\$ 485,000	\$ 1,845,000	\$ 505,000
First Mortgage Bonds Series 2002	30,605,000	-	30,605,000	-	-
First Mortgage Refunding Bonds Series 2002	1,300,000	-	1,300,000	-	-
First Mortgage Bonds Series 2003	11,875,000	-	725,000	11,150,000	-
First Mortgage Bonds Series 2004	31,470,000	-	635,000	30,835,000	2,655,000
First Mortgage Refunding Bonds Series 2005	-	31,040,000	510,000	30,530,000	60,000
Compensated Absences	578,606	686,629	620,229	645,006	107,501
Totals	\$ 78,158,606	\$ 31,726,629	\$ 34,880,229	\$ 75,005,006	\$ 3,327,501

These general obligation and first mortgage bonds are payable from governmental funds.

IV. Other Information

A. Risk Management

The primary government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Pension Plan

Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The primary government contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the primary government authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	<u>PERF</u>
Annual required contribution	\$ 481,526
Interest on net pension obligation	(14,055)
Adjustment to annual required contribution	<u>16,016</u>
Annual pension cost	483,487
Contributions made	<u>507,893</u>
Decrease in net pension obligation	(24,406)
Net pension obligation, beginning of year	<u>(193,857)</u>
Net pension obligation, end of year	<u>\$ (218,263)</u>

	<u>PERF</u>
Contribution rates:	
Government	6.25%
Plan Members	3%
Actuarial valuation date	07-01-05
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97

Asset valuation method 75% of expected
actuarial value
plus 25% of
market value

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

Year Ending	PERF		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06-30-03	\$ 537,217	74%	\$ (173,428)
06-30-04	430,714	105%	(193,857)
06-30-05	483,487	118%	(218,263)

**REQUIRED SUPPLEMENTARY
INFORMATION**



ALLEN COUNTY PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2005

	General Fund			Variance With Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes	\$ 19,355,200	\$ 19,355,200	\$ 19,818,328	\$ 463,128
Intergovernmental	50,000	50,000	66,295	16,295
Charges for services	485,000	485,000	552,859	67,859
Other	495,000	495,000	1,309,599	814,599
Total revenues	<u>20,385,200</u>	<u>20,385,200</u>	<u>21,747,081</u>	<u>1,361,881</u>
Expenditures:				
Current:				
Personal services	12,194,286	12,231,486	12,005,051	226,435
Supplies	701,000	734,874	718,934	15,940
Other services and charges	4,014,250	4,070,213	3,852,772	217,441
Capital outlay	3,500,000	3,878,207	3,610,641	267,566
Total expenditures	<u>20,409,536</u>	<u>20,914,780</u>	<u>20,187,398</u>	<u>727,382</u>
Other financing sources (uses):				
Transfers out	<u>(800,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Net change in fund balances	(824,336)	(1,329,580)	759,683	634,499
Fund balances - beginning	<u>7,478,516</u>	<u>7,478,516</u>	<u>7,478,516</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,654,180</u>	<u>\$ 6,148,936</u>	<u>\$ 8,238,199</u>	<u>\$ 634,499</u>

The notes to RSI are an integral part of RSI.

ALLEN COUNTY PUBLIC LIBRARY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	7,394,193	8,502,880	(1,108,687)	87%	7,362,844	(15%)
07-01-04	7,561,223	9,062,762	(1,501,539)	83%	7,682,779	(20%)
07-01-05	7,963,656	10,324,901	(2,361,245)	77%	7,866,714	(30%)

The notes to RSI are an integral part of RSI.

ALLEN COUNTY PUBLIC LIBRARY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2005

Note 1. Budgets and Budgetary Accounting

The Library follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

- A. The Director submits to the Library Board of Trustees (the Board) a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. The Library advertises the budget prior to adoption and the Board holds public hearings to obtain taxpayer comments.
- C. The budget is approved in August of each year by the Board through passage of an ordinance.
- D. Copies of the budget ordinance and advertisements are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the Board receives approval from the Indiana Department of Local Government Finance. The budget ordinance as approved by the Indiana Department of Local Government Finance becomes the Library's expenditures budget. The Library's maximum tax levy is restricted by Indiana Law, with certain adjustments and exceptions. If the advertised budget exceeds the spending and tax limits of the state control laws, an excess levy can be granted by the Indiana Department of Local Government Finance, upon appeal by the Library.
- E. The legal level of budgetary control (the level at which expenditures may not exceed appropriations without the governing body's approval) is by object classification for all funds. The Library's management cannot transfer budgeted appropriations between object classifications of a budget, without approval of the Board. Any revisions that alter the total appropriations for any fund must be approved by the Board and, in some instances, by the Indiana Department of Local Government Finance.
- F. Formal budgetary integration is required by State statute and employed as a management control device. An annual budget was legally adopted for the following funds:

Major Funds:
 General Fund
 Debt Service Fund
 Bond and Interest Redemption

Non Major Fund:
 Capital Project Fund
 Library Improvement Reserve Fund (LIRF)
- G. The Library's budgetary process is based upon GAAP. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order or contract. Encumbered appropriations are carried over and added to the subsequent year's budget.
- H. Budgeted amounts are as originally adopted, or as amended by the Board and approved by the Department of Local Government Finance in the regular legal manner.

**SUPPLEMENTARY
INFORMATION**



Major Governmental Funds

General Fund – The General Fund is the general operating fund of the Library. Tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures of the library are paid from the General Fund.

Debt Service Funds – Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

BOND AND INTEREST REDEPTION FUND – Indiana Code 20—14-3-9 (a)(3) provides that all money derived from the taxes levied for the purpose of retiring bonds or other evidence of indebtedness, together with any premium or accrued interest that may be received, shall be receipted into the Bond and Interest Redemption Fund. This fund shall be used for not other purpose than the payment of indebtedness.

ACPL BUILDING CORPORATION CERTIFICATE FUND – This fund accounts for the activities of a component unit which receives capital lease payments from the Bond and Interest Redemption Fund for the purpose of paying the principal and interest on First Mortgage bonds and participation certificates.

Capital Projects Funds – Capital Projects Funds are used to account for major capital acquisition or construction activities, particularly if these are financed through long-term debt issues or contributions.

ACPL BUILDING CORPORATION – This fund is used to account for the First Mortgage bond proceeds and other receipts related to the planned expansion and renovation of the Library's Main facility and its 13 branches. Three series of First Mortgage bonds were issued in December of 2003, June of 2004, and June of 2005.

ALLEN COUNTY PUBLIC LIBRARY
 BUDGETARY COMPARISON SCHEDULE
 OTHER BUDGETED MAJOR GOVERNMENTAL FUND
 For The Year Ended December 31, 2005

	Bond and Interest Redemption			Variance With Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes	\$ 7,377,162	\$ 7,377,162	\$ 7,350,517	\$ (26,645)
Expenditures:				
Debt Service:				
Principal	485,000	485,000	485,000	-
Interest	89,355	89,355	89,355	-
Total expenditures	574,355	574,355	574,355	-
Other financing uses:				
Transfers out	(6,068,776)	(6,068,776)	(6,068,776)	-
Net change in fund balances	734,031	734,031	707,386	(26,645)
Fund balances - beginning	1,172,994	1,172,994	1,172,994	-
Fund balances - ending	<u>\$ 1,907,025</u>	<u>\$ 1,907,025</u>	<u>\$ 1,880,380</u>	<u>\$ (26,645)</u>

Non-major Governmental Funds

Special Revenue Funds – Special Revenue Funds area used to account for the proceeds of specific revenue sources that are legally restricted, or donor designated, to be expended for a specific purpose.

GIFT FUND – The Gift Fund receives donations to various departments and programs of the Library.

CABLE TV FUND – This fund accounts for revenue and expenditures related to operating the public access channels and government access channels on the local cable television system.

Capital Projects Funds – Capital Projects Funds are used to account for major capital acquisition or construction activities, particularly if these are financed through long-term debt issues or contributions.

LIBRARY IMPROVEMENT RESERVE FUND (LIRF) – Indiana Code 20-14-3-9-(a)(4) provides that money may be accumulated for the purpose of anticipated necessary future capital expenditures such as the purchase of land, the purchase and construction of buildings or structures, the construction of additions or improvements to existing structures, the purchase of equipment, and all repairs or replacement of buildings or equipment and shall be deposited into the Library Improvement Reserve Fund. The money so received shall be appropriated and expended solely for the purposes stated above.

2000+ CAPITAL IMPROVEMENTS PROJECT – This fund is used to account for the General Obligation bond proceeds and other receipts related to the planned expansion and renovation of the Library's Main facility and its 13 branches. The only General Obligation bond relating to this project was issued in December of 2001.

ALLEN COUNTY PUBLIC LIBRARY
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 December 31, 2005

<u>Assets</u>	Non-major Special Revenue Funds	Non-major Capital Projects Funds	<u>Totals</u>
Cash and cash equivalents	\$ 78,342	\$ 3,835,898	\$ 3,914,240
Intergovernmental receivable	<u>58,162</u>	<u>-</u>	<u>58,162</u>
	<u>\$ 136,504</u>	<u>\$ 3,835,898</u>	<u>\$ 3,972,402</u>
 <u>Liabilities and fund balances</u>			
Liabilities:			
Accounts payable	<u>\$ 5,489</u>	<u>\$ 53,596</u>	<u>\$ 59,085</u>
Fund balances:			
Reserved for:			
Encumbrances	750	20,658	21,408
Unreserved, reported in:			
Special revenue funds	130,265	-	130,265
Capital projects funds	<u>-</u>	<u>3,761,644</u>	<u>3,761,644</u>
Total fund balances	<u>131,015</u>	<u>3,782,302</u>	<u>3,913,317</u>
Total liabilities and fund balances	<u>\$ 136,504</u>	<u>\$ 3,835,898</u>	<u>\$ 3,972,402</u>

ALLEN COUNTY PUBLIC LIBRARY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	<u>Non-major Special Revenue Funds</u>	<u>Non-major Capital Projects Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Intergovernmental	\$ 380,078	\$ -	\$ 380,078
Other	<u>6,093</u>	<u>-</u>	<u>6,093</u>
Total revenues	<u>386,171</u>	<u>-</u>	<u>386,171</u>
Expenditures:			
Current:			
Administrative support	312,298	-	312,298
Public services	890	-	890
Library materials	57	-	57
Capital outlay	<u>36,041</u>	<u>1,503,316</u>	<u>1,539,357</u>
Total expenditures	<u>349,286</u>	<u>1,503,316</u>	<u>1,852,602</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,885</u>	<u>(1,503,316)</u>	<u>(1,466,431)</u>
Other financing uses:			
Transfers in	<u>-</u>	<u>800,000</u>	<u>800,000</u>
Net change in fund balances	36,885	(703,316)	(666,431)
Fund balances - beginning	<u>94,130</u>	<u>4,485,618</u>	<u>4,579,748</u>
Fund balances - ending	<u>\$ 131,015</u>	<u>\$ 3,782,302</u>	<u>\$ 3,913,317</u>

ALLEN COUNTY PUBLIC LIBRARY
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 December 31, 2005

	<u>LIRF</u>	<u>2000+Capital Improvements Project</u>	<u>Totals</u>
<u>Assets</u>			
Cash and cash equivalents	<u>\$ 3,835,898</u>	<u>\$ -</u>	<u>\$ 3,835,898</u>
 <u>Liabilities and fund balances</u>			
Liabilities:			
Accounts payable	<u>\$ 53,596</u>	<u>\$ -</u>	<u>\$ 53,596</u>
Fund balances:			
Reserved for:			
Encumbrances	20,658	-	20,658
Unreserved, reported in:			
Capital project funds	<u>3,761,644</u>	<u>-</u>	<u>3,761,644</u>
Total fund balances	<u>3,782,302</u>	<u>-</u>	<u>3,782,302</u>
Total liabilities and fund balances	<u>\$ 3,835,898</u>	<u>\$ -</u>	<u>\$ 3,835,898</u>

ALLEN COUNTY PUBLIC LIBRARY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 2005

	LIRF	2000+Capital Improvements Project	Totals
Revenues:			
Other	\$ -	\$ -	\$ -
Expenditures:			
Capital outlay	473,289	1,030,027	1,503,316
Deficiency of revenues under expenditures	(473,289)	(1,030,027)	(1,503,316)
Other financing sources:			
Transfers in	800,000	-	800,000
Net change in fund balances	326,711	(1,030,027)	(703,316)
Fund balances - beginning	3,455,591	1,030,027	4,485,618
Fund balances - ending	\$ 3,782,302	\$ -	\$ 3,782,302

ALLEN COUNTY PUBLIC LIBRARY
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 December 31, 2005

	Gift	Cable TV	Totals
<u>Assets</u>			
Cash and cash equivalents	\$ 28,306	\$ 50,036	\$ 78,342
Intergovernmental receivable	-	58,162	58,162
Total assets	\$ 28,306	\$ 108,198	\$ 136,504
 <u>Liabilities and fund balances</u>			
Liabilities:			
Accounts payable	\$ 432	\$ 5,057	\$ 5,489
Fund balances:			
Reserved for:			
Encumbrances	750	-	750
Unreserved, reported in:			
Special revenue funds	27,124	103,141	130,265
Total fund balances	27,874	103,141	131,015
Total liabilities and fund balances	\$ 28,306	\$ 108,198	\$ 136,504

ALLEN COUNTY PUBLIC LIBRARY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

	<u>Gift</u>	<u>Cable TV</u>	<u>Totals</u>
Revenues:			
Intergovernmental	\$ -	\$ 380,078	\$ 380,078
Other	<u>5,928</u>	<u>165</u>	<u>6,093</u>
Total revenues	<u>5,928</u>	<u>380,243</u>	<u>386,171</u>
Expenditures:			
Current:			
Administrative support	-	312,298	312,298
Public service	890	-	890
Library materials	57	-	57
Capital outlay	<u>698</u>	<u>35,343</u>	<u>36,041</u>
Total expenditures	<u>1,645</u>	<u>347,641</u>	<u>349,286</u>
Excess of revenues over expenditures	<u>4,283</u>	<u>32,602</u>	<u>36,885</u>
Net change in fund balances	4,283	32,602	36,885
Fund balances - beginning	<u>23,591</u>	<u>70,539</u>	<u>94,130</u>
Fund balances - ending	<u>\$ 27,874</u>	<u>\$ 103,141</u>	<u>\$ 131,015</u>

ALLEN COUNTY PUBLIC LIBRARY
 BUDGETARY COMPARISON SCHEDULE
 OTHER BUDGETED NON-MAJOR GOVERNMENTAL FUND
 For The Year Ended December 31, 2005

	LIRF			Variance With Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Other	-	-	-	-
Expenditures:				
Current:				
Capital outlay	500,000	500,000	473,289	26,711
Deficiency of revenues under expenditures	(500,000)	(500,000)	(473,289)	26,711
Other financing uses:				
Transfers in	800,000	800,000	800,000	-
Net change in fund balances	300,000	300,000	326,711	(26,711)
Fund balances - beginning	3,455,591	3,455,591	3,455,591	-
Fund balances - ending	<u>\$ 3,755,591</u>	<u>\$ 3,755,591</u>	<u>\$ 3,782,302</u>	<u>\$ (26,711)</u>

**STATISTICAL
SECTION**



ALLEN COUNTY PUBLIC LIBRARY
Location of Public Service Facilities
with population (2000 census) by township

CODE	BRANCH NAME	ADDRESS (Commonly Location Reference)
MAI	Main Library	200 East Berry Street, Fort Wayne
ABT	Aboite	5630 Coventry Ln., (Village of Coventry Shopping Ctr.), Fort Wayne
DPT	Dupont	536 East Dupont Rd., (West of Coldwater Rd.), Fort Wayne
GEO	Georgetown	6600 East State Blvd. (Georgetown Sq.), Fort Wayne
HAR	Harlan	State Road 37, Harlan
HSC	Hessen Cassel	3030 East Paulding Rd. (West of Hessen Cassel Rd.), Fort Wayne
LTL	Little Turtle	2201 Sherman Blvd. (South of State Blvd.), Fort Wayne
MON	Monroeville	115 Main Street, Monroeville
NWH	New Haven	648 Green Street., New Haven
PON	Pontiac	2215 South Hanna, Fort Wayne
SHW	Shawnee	5600 Noll Ave. (South Calhoun near Paulding Rd.), Fort Wayne
TEC	Tecumseh	1411 E. State Blvd., Fort Wayne
WAY	Waynedale	2200 Lower Huntington Rd., Fort Wayne
WDB	Woodburn	4701 State Road 101 North., Woodburn

	Eel River 3,004	Perry 18,170	Cedar Creek 10,288	Springfield 3,697 HAR *	Scipio 414
Lake 1,985	Washington 33,105 TEC LTL *	DPT * MAI * PON * SHW * WAY *	St. Joseph 68,276 GEO *	Milan 3,503	Maumee 2,619 WDB *
Aboite 28,338 ABT *	Wayne 111,117	Adams 31,394 * HSC	NWH *	Jefferson 1,958	Jackson 498
Lafayette 2,707	Pleasant 3,362	Marion 3,655	Madison 1,796	Monroe 1,963 * MON	

ALLEN COUNTY PUBLIC LIBRARY

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (A) (B) Last Ten Years

<u>Year</u>	<u>Public Library Service and Administration</u>	<u>Special Revenues</u>	<u>Capital Outlays</u>	<u>Debt Service</u>	<u>Total</u>
2005	\$ 19,995,120	\$ 313,245	\$25,026,744	\$ 6,643,131	\$ 51,978,240
2004	18,888,186	334,089	21,414,870	6,705,652	47,342,797
2003	19,544,134	317,069	15,496,081	6,918,177	42,275,461
2002	19,237,599	328,709	3,199,016	7,365,005	30,130,329
2001	17,753,382	286,828	2,199,524	1,183,050	21,422,784
2000	15,899,231	252,312	1,195,438	1,185,423	18,532,404
1999	14,985,868	236,621	1,118,821	1,184,086	17,525,396
1998	13,895,993	376,105	2,145,186	1,268,562	17,685,846
1997	13,194,797	172,980	928,791	1,239,368	15,535,936
1996	13,197,040	404,373	1,748,357	1,206,557	16,556,327

NOTES:

- (A) Blended Component Units are included in the applicable years.
Discrete Component Units are not included.

- (B) All expenditures from governmental fund-type funds are included. Fiduciary funds are excluded.

ALLEN COUNTY PUBLIC LIBRARY
Location of Public Service Facilities
with population (2000 census) by township

CODE	BRANCH NAME	ADDRESS (Commonly Location Reference)
MAI	Main Library	200 East Berry Street, Fort Wayne
ABT	Aboite	5630 Coventry Ln., (Village of Coventry Shopping Ctr.), Fort Wayne
DPT	Dupont	536 East Dupont Rd., (West of Coldwater Rd.), Fort Wayne
GEO	Georgetown	6600 East State Blvd. (Georgetown Sq.), Fort Wayne
GRB	Grabill	13521 State Street, Grabill
HSC	Hessen Cassel	3030 East Paulding Rd. (West of Hessen Cassel Rd.), Fort Wayne
LTL	Little Turtle	2201 Sherman Blvd. (South of State Blvd.), Fort Wayne
MON	Monroeville	115 Main Street, Monroeville
NWH	New Haven	648 Green Street., New Haven
PON	Pontiac	2215 South Hanna, Fort Wayne
SHW	Shawnee	5600 Noll Ave. (South Calhoun near Paulding Rd.), Fort Wayne
TEC	Tecumseh	1411 E. State Blvd., Fort Wayne
WAY	Waynedale	2200 Lower Huntington Rd., Fort Wayne
WDB	Woodburn	4701 State Road 101 North., Woodburn

	Eel River 3,004	Perry 18,170	Cedar Creek 10,288	GRB *	Springfield 3,697	Scipio 414
Lake 1,985	Washington 33,105	DPT *	St. Joseph 68,276	Milan 3,503	Maumee 2,619	WDB *
	LTL *	TEC *	GEO *			
Aboite 28,338	Wayne 111,117	MAI *	Adams 31,394	NWH *	Jefferson 1,958	Jackson 498
ABT *	PON *	SHW *	HSC *			
	WAY *					
Lafayette 2,707	Pleasant 3,362	Marion 3,655	Madison 1,796		Monroe 1,963 * MON	

ALLEN COUNTY PUBLIC LIBRARY
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

<u>Year</u>	<u>General Fund</u>			<u>Debt Service Fund</u>		
	<u>Tax Levied</u>	<u>Tax Collected (A)</u>	<u>% (A)</u>	<u>Tax Levied</u>	<u>Tax Collected (A)</u>	<u>% (A)</u>
2005	\$15,256,563	\$15,063,614	98.74%	\$ 6,743,540	\$ 6,659,087	98.75%
2004	14,623,627	14,279,669	97.65%	5,485,636	5,356,611	97.65%
2003	13,975,405	13,964,743	99.92%	6,745,766	6,741,598	99.94%
2002	13,270,028	13,218,709	99.61%	6,170,713	6,147,423	99.62%
2001	12,738,836	12,988,289	101.96%	1,034,079	1,054,394	101.96%
2000	12,244,995	12,583,852	102.77%	1,048,520	1,078,139	102.82%
1999	11,915,103	11,779,093	98.86%	1,402,500	1,386,500	98.86%
1998	11,332,677	11,554,773	101.96%	1,095,677	1,117,223	101.97%
1997	10,576,579	10,701,147	101.18%	1,102,852	1,116,082	101.20%
1996	10,067,034	9,842,634	97.77%	1,100,284	1,075,758	97.77%

NOTE:

(A) Property taxes collected include the portion of prior year delinquencies collected in the current year. Property taxes for all units of local government are collected by the County Treasurer and distributed to the units by the County Auditor.

Source: Allen County Auditor's Office

ALLEN COUNTY PUBLIC LIBRARY

ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY [A] Last Ten years

<u>Tax Year Payable</u>	<u>Net Assessed Value</u>	<u>Estimated Actual Value</u>
2005	\$ 13,932,934,665	\$ 13,932,934,665
2004	14,211,493,429	14,211,493,429
2003 [B]	14,231,573,124	14,231,573,124
2002 [C]	3,328,324,088	9,984,972,264
2001	3,172,021,007	9,516,063,021
2000	3,067,624,274	9,202,872,822
1999	3,007,390,136	9,022,170,408
1998	2,935,243,905	8,805,731,715
1997	2,842,393,179	8,527,179,537
1996 [C]	2,835,784,332	8,507,352,996

NOTE:

(A) Prior to 2003, all assessed Value is defined as one-third of true tax values.

(B) For 2003 and forward, assessed valuation reflects actual market value.

(C) All property reassessed

Source: Allen County Auditor's Office

ALLEN COUNTY PUBLIC LIBRARY

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION DEBT (1) TO TOTAL GENERAL GOVERNMENT EXPENDITURES Last Ten Fiscal Years

<u>Year</u>	<u>Principal</u> (1)	<u>Interest & Fiscal Charges</u> (1)	<u>Total Debt Service</u> (1)	<u>Total General Governmental Expenditures</u> (2)	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2005	\$2,980,000	\$ 3,663,131	6,643,131	\$ 52,334,427	12.69%
2004	4,585,000	2,120,652	6,705,652	47,342,797	14.16%
2003	4,605,000	2,313,177	6,918,177	47,342,797	14.61%
2002	6,855,000	510,005	7,365,005	42,275,461	17.42%
2001	935,000	248,050	1,183,050	21,422,784	5.52%
2000	895,000	290,423	1,185,423	18,523,404	6.40%
1999	855,000	331,565	1,186,565	17,525,396	6.77%
1998	855,000	368,115	1,223,115	17,685,846	6.92%
1997	805,000	400,614	1,205,614	15,535,936	7.76%
1996	775,000	431,557	1,206,557	16,556,327	7.29%

(1) General Obligation Bonds and Capital Lease Payments to the building corporation are included.
There are no Revenue Bonds.
Temporary borrowing is not included.
Issuance costs are not included.

(2) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

ALLEN COUNTY PUBLIC LIBRARY

Property Tax Rates Direct and Overlapping Governments Last Ten Fiscal Years

Rates Per \$100 Net Assessed Valuation

	2004 Payable 2005 N.A.V.	2004 pay 2005	2003 pay 2004	2002 pay 2003
County-wide units:				
Allen County Public Library	\$ 13,932,934,665	\$ 0.1579	\$ 0.1415	\$ 0.1456
Ft. Wayne-Allen Co. Airport	13,932,934,665	0.0237	0.0225	0.0217
County of Allen	13,932,934,665	0.5452	0.4746	0.4229
State of Indiana	13,932,934,665	0.2325	0.0223	0.0224
Cities and Towns:				
City of Fort Wayne	7,479,525,039	1.046	0.9421	0.8846
City of New Haven	475,180,910	0.7340	0.5957	0.5372
City of Woodburn	30,248,150	0.5104	0.4454	0.4469
Town of Grabill	36,762,386	0.6219	0.5766	0.4785
Town of Monroeville	24,578,779	0.7003	0.6123	0.5521
Town of Hometown	140,955,730	0.1337	0.1444	0.1857
Town of Zanesville	3,018,900	0.3061	0.2930	0.2803
Town of Leo-Cedarville	113,830,910	0.2965	0.2912	0.2803
School Districts:				
East Allen County	2,327,100,124	1.492	1.5005	1.3088
Ft. Wayne Community	7,563,850,649	1.4920	1.4306	1.2566
Northwest Allen County	1,518,265,180	1.4726	1.4693	1.2078
Southwest Allen County	2,523,718,712	1.6842	1.6085	1.541
Other special districts:				
Public Transport. Corp	8,126,254,989	0.039	0.0367	0.0353
S.W. Allen Fire District	689,310,675	0.1296	0.1169	0.1093
New Haven-Adams Twp Parks	676,410,828	0.0712	0.1067	0.0993
Townships:				
Aboite	2,208,994,862	0.0660	0.0490	0.0565
Adams	934,173,378	0.2186	0.2231	0.2228
Cedar Creek	502,016,606	0.0458	0.0462	0.0444
Eel River	163,316,410	0.0181	0.0178	0.0175
Jackson	43,117,030	0.0442	0.0424	0.0410
Jefferson	133,588,903	0.0843	0.0816	0.0773
Lafayette	314,723,850	0.0018	0.0018	0.0023
Lake	93,079,620	0.0643	0.0631	0.0612
Madison	83,188,840	0.0706	0.0790	0.0762
Marion	133,751,280	0.0642	0.0648	0.0253
Maumee	85,264,470	0.1459	0.0814	0.1092
Milan	199,633,958	0.0467	0.0446	0.0429
Monroe	64,152,759	0.0832	0.0836	0.0769
Perry	1,261,869,150	0.0366	0.0380	0.0337
Pleasant	197,160,470	0.0102	0.0091	0.0075
Scipio	23,033,990	0.0425	0.0441	0.0431
Springfield	143,791,720	0.0892	0.1109	0.0717
Saint Joseph	2,294,138,094	0.0985	0.0885	0.0713
Washington	2,288,428,568	0.0804	0.0489	0.0448
Wayne	2,765,510,707	0.1267	0.0747	0.0757

Source: Allen County Auditor's Office

	2001 pay 2002	2000 pay 2001	1999 pay 2000	1998 pay 1999	1997 pay 1998	1996 pay 1997	1995 pay 1996
\$	0.5841	\$ 0.4342	\$ 0.4334	\$ 0.4330	\$ 0.4265	\$ 0.4109	\$ 0.3938
	0.0801	0.0803	0.0803	0.0818	0.0886	0.0884	0.0878
	1.7055	1.7948	1.6881	1.7122	1.6130	1.1501	1.0833
	0.0876	0.0881	0.0879	0.1600	0.1577	0.6113	0.6117
	3.33	3.3301	3.3303	3.3459	3.3484	3.2898	2.9798
	2.3178	2.4598	2.4144	2.4144	2.4144	2.4500	2.1184
	1.8069	1.7195	1.6456	1.6183	1.6986	2.0433	2.0439
	1.9116	1.8598	1.5956	1.3327	1.3775	1.3593	1.3208
	1.755	2.2383	2.5	2.3933	2.3447	2.3303	2.2498
	0.9963	1.0577	1.0691	1.5319	1.1933	0.6459	0.6122
	1.0719	1.144	1.0871	1.3525	1.4470	1.4459	1.2367
	1.2795	1.2573	1.3431	1.2609	1.3373	1.3581	--
	5.58	5.1417	5.2761	5.0673	5.6155	5.5062	5.0770
	4.8192	4.7796	4.7739	4.7493	4.8661	5.0260	5.0107
	59583	5.8003	5.8257	5.3017	5.5456	5.1336	4.8143
	6.3246	6.0445	6.1829	6.3221	6.5081	6.1933	6.1001
	0.1332	0.1358	0.1328	0.1281	0.1302	0.1205	0.1148
	0.3783	0.3886	0.3787	0.4280	0.4155	0.4133	0.2665
	0.33	0.33	0.3212	0.3056	0.3399	0.3512	0.2916
	0.2517	0.2560	0.1015	0.0866	0.1427	0.1430	0.1616
	0.7119	0.6269	0.7544	0.7407	0.6646	0.6902	0.7132
	0.2298	0.2293	0.1712	0.1539	0.1736	0.1593	0.1410
	0.0963	0.0983	0.0971	0.0871	0.0836	0.1051	0.0863
	0.1956	0.1594	0.2464	0.1674	0.1079	0.1571	0.1353
	0.2304	0.2215	0.1678	0.1556	0.1537	0.1628	0.1420
	0.0078	0.0097	0.0100	0.0196	0.0230	0.0238	0.0216
	0.3171	0.3162	0.3046	0.3079	0.3044	0.3013	0.2900
	0.3996	0.3060	0.2888	0.3060	0.2981	0.2911	0.2829
	0.1041	0.1031	0.1022	0.1036	0.0998	0.0920	0.1038
	0.5046	0.4636	0.5693	0.2956	0.2851	0.2667	0.5864
	0.1683	0.1676	0.1686	0.1285	0.1638	0.1608	0.1558
	0.3819	0.3717	0.3733	0.2907	0.1313	0.3285	0.3043
	0.1485	0.1602	0.1595	0.1591	0.1616	0.1619	0.1612
	0.0141	0.0180	0.0200	0.0150	0.0123	0.0194	0.0169
	0.2400	0.1738	0.1755	0.2260	0.2092	0.2072	0.1609
	0.4338	0.5589	0.4817	0.2167	0.2145	0.2334	0.2369
	0.3207	0.3524	0.3751	0.3957	0.3133	0.3132	0.3539
	0.1473	0.1349	0.1393	0.1472	0.1745	0.1368	0.2348
	0.2898	0.3192	0.3393	0.3014	0.2461	0.2317	0.2196

ALLEN COUNTY PUBLIC LIBRARY

**DIRECT AND OVERLAPPING BONDED DEBT AND BONDING LIMIT
12/31/2005 (1)**

Governmental Unit	Pay 2005 Net Assessed Valuation (5)	Pay 2005 Net Adjusted Value (7)	General Obligation Bonding Limit		Bonds & Lease Debt Outstanding	
			%	Amount		
<u>DIRECT DEBT:</u>						
Allen County Public Library	\$ 13,932,934,665	\$ 4,644,311,555	(4)	2%	\$ 168,441,231	\$ 73,010,000
<u>OVERLAPPING DEBT:</u>						
Allen County	\$ 13,932,934,665	\$ 4,644,311,555	(4)	2%	\$ 176,969,871	\$ 100,449,640
CITIES, TOWNS, & MUNICIPAL CORPORATIONS:						
Fort Wayne-Allen County Airport Authority	\$ 13,932,934,665	\$ 4,644,311,555		2%	\$ 92,886,231	
City of Fort Wayne	\$ 7,479,525,039	\$ 2,493,175,013	(3)(4)	2%	\$ 55,378,500	\$ 5,515,000
Park District (FW)	7,345,576,671	2,448,525,557		2%	48,970,511	3,670,000
Fire District (FW)	7,336,567,529	2,445,522,510		2%	48,910,450	
Public Transportation	8,126,254,989	2,708,751,663		2%	54,175,033	
Redevelopment Commission	7,479,525,039	2,493,175,013	(6)	2%	49,863,500	
General						4,055,000
Tax Increment			(3)			
OTHER INDEPENDENT MUNICIPAL CORPORATIONS:						
Southwest Fire District	\$ 689,310,675	\$ 229,770,225		2%	\$ 4,595,405	
Convention and Tourism Authority	13,932,934,665	4,644,311,555	(2)			
New Haven Park District	676,410,828	225,470,276		2%	4,509,406	
OTHER CITIES & TOWNS:						
City of New Haven	\$ 475,180,910	\$ 158,393,637	(4)	2%	\$ 7,032,876	\$ 3,865,000
City of Woodburn	30,248,150	10,082,717		2%	201,654	
Town of Grabill	36,762,386	12,254,129		2%	245,083	
Town of Huntertown	140,955,730	46,985,243		2%	939,705	
Town of Leo/Cedarville	113,830,910	37,943,637		2%	758,873	
Town of Monroeville	24,578,779	8,192,926		2%	163,859	
Town of Zanesville	3,018,900	1,006,300		2%	20,126	
Total Cities, Towns, & Municipal Corporations						\$ 17,105,000
SCHOOL DISTRICTS:						
East Allen County Schools	\$ 2,327,100,124	\$ 775,700,041	(4)	2%	\$ 71,664,001	\$ 56,150,000
Ft Wayne Community Schools	7,563,850,649	2,521,283,550	(4)	2%	159,890,671	109,465,000
Northwest Allen County Schools	1,518,265,180	506,088,393	(4)	2%	113,796,768	103,675,000
Southwest Allen County Schools	2,523,718,712	841,239,571	(4)	2%	117,459,791	100,635,000
School Totals	\$ 13,932,934,665	\$ 4,644,311,555				\$ 369,925,000

Governmental Unit	Pay 2005	Pay 2005	General Obligation		Bonds & Lease Debt Outstanding
	Net Assessed Valuation (5)	Net Adjusted Value (7)	%	Bonding Limit Amount	
TOWNSHIPS:					
Aboite	\$ 2,208,994,862	\$ 736,331,621	2%	\$ 14,726,632	\$ 1,302,459
Adams	934,173,378	311,391,126	2%	6,227,823	
Cedar Creek	502,016,606	167,338,869	2%	3,346,777	
Eel River	163,316,410	54,438,803	2%	1,088,776	
Jackson	43,117,030	14,372,343	2%	287,447	
Jefferson	133,588,903	44,529,634	2%	890,593	
Lafayette	314,723,850	104,907,950	2%	2,098,159	
Lake	93,079,620	31,026,540	2%	620,531	
Madison	83,188,840	27,729,613	2%	554,592	46,920
Marion	133,751,280	44,583,760	2%	891,675	
Maumee	85,264,470	28,421,490	2%	568,430	109,322
Milan	199,633,958	66,544,653	2%	1,330,893	
Monroe	64,152,759	21,384,253	2%	427,685	
Perry	1,261,869,150	420,623,050	2%	8,412,461	
Pleasant	197,160,470	65,720,157	2%	1,314,403	
Scipio	23,033,990	7,677,997	2%	153,560	
Springfield	143,791,720	47,930,573	2%	958,611	475,000
St. Joseph	2,294,138,094	764,712,698	2%	15,294,254	
Washington	2,288,428,568	762,809,523	2%	15,256,190	
Wayne	2,765,510,707	921,836,902	2%	18,436,738	466,668
Township Totals	13,932,934,665	4,644,311,555		92,886,231	\$ 2,400,369
TOTAL OVERLAPPING DEBT					\$ 489,880,009
TOTAL DIRECT AND OVERLAPPING DEBT					\$ 562,890,009

- (1) Excludes all revenue bonds not payable from ad valorem property taxes
- (2) No bonding authority
- (3) 2% statutory limit on debt for Park Districts (included in the City of Fort Wayne). No limit on Redevelopment Districts for tax increment bonds.
- (4) The statutory 2% limit on the debt of a municipal corporation does not apply to any debt that is incurred by a building corporation for constructing facilities to be leased to a municipal corporation at a payment level that will at least cover the corporation's annual debt service requirement. The bonding limit shown is the sum of statutory limit plus the outstanding building corporation debt.
- (5) The assessed valuation numbers represent amounts certified do the Department of Local Government Finance as of January 1, 2005.
- (6) Tax increment bonds are not payable from the full faith and credit of the Redevelopment District.
- (7) Adjusted value is determined by dividing the net assessed value by 3. Bonding limit is calculated by multiplying adjusted value by 2%.

Source: Allen County Auditor and specific taxing units.

ALLEN COUNTY PUBLIC LIBRARY

Principal Taxpayers and Employers

December 31, 2005

<u>Principal Taxpayers (A)</u>	<u>Type of Business</u>	<u>2005 Net Assessed Valuation (B)</u>	<u>Percent of Total Assessed Valuation</u>
General Motors	Manufacturing	\$ 194,414,910	1.40%
Verizon North, Inc.	Utility	163,608,060	1.17%
GGP-Glenbrook-LLC	Retail Sales	114,744,010	0.82%
American Electric Power Co. (formerly Indiana Michigan Power Co.)	Utility	111,161,850	0.80%
IOM Health Systems	Insurance	70,286,400	0.50%
Uniroyal B F Goodrich	Manufacturing	62,658,518	0.45%
Regency Canterbury	Rental Property	54,235,460	0.39%
Verizon Data Services	Utility	51,617,550	0.37%
Northern Indiana Public Service Company	Utility	49,800,170	0.36%
St. Joseph Health System LLC	Medical	49,184,450	0.35%
Totals		<u>\$ 921,711,378</u>	<u>6.62%</u>
Total Assessed Valuation of Allen County		<u>\$ 13,932,934,665</u>	

<u>Principal Employers (C)</u>	<u>Type of Business</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Parkview Health Systems	Health Care	4,254	2.4%
Fort Wayne Community Schools	Education	3,445	1.9%
Lutheran Health Network	Health Care	2,889	1.6%
General Motors Truck & Bus Group	Manufacturing	2,847	1.6%
Allen County Government	County Government	1,993	1.1%
The City of Fort Wayne	City Government	1,671	0.9%
ITT Aerospace-Communications Division	Manufacturing	1,634	0.9%
Shambaugh & Sons	Construction	1,500	0.8%
SIRVA	Transportation	1,500	0.8%
Lincoln National Corporation	Insurance	1,500	0.8%
			<u>12.8%</u>

(A) Source: Allen County Auditor's Office

(B) Represents assessed valuations for taxes due and payable in 2005

(C) Source: the Community Research Institute of IPFW and the Indiana Workforce Development.

ALLEN COUNTY PUBLIC LIBRARY

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (000's)	Gross Bonded Debt (000's)	Amount Available in Debt Service Fund (000's)	Net Bonded Debt (000's)	Ratio of Bonded Debt to Assessed Value (2)	Net Bonded Debt per Capita
2005	344,006	\$ 13,932,935	\$ 72,575	\$ 2,182	\$ 70,393	1.56%	\$ 204.63
2004	342,168	14,211,493	75,555	1,497	74,058	1.59%	216.44
2003	331,937	14,231,573	49,295	3,222	46,073	1.04%	138.80
2002	337,512	3,328,324	42,820	4,177	38,643	1.29%	114.49
2001	335,107	3,172,021	15,675	1,227	14,448	0.49%	43.11
2000	331,849	3,067,624	5,165	1,242	3,923	0.17%	11.82
1999	316,471	3,007,390	6,060	1,209	4,851	0.20%	15.33
1998	314,218	2,935,244	6,915	825	6,090	0.24%	19.38
1997	312,091	2,842,393	7,770	783	6,987	0.27%	22.39
1996	310,073	2,835,784	8,575	723	7,852	0.30%	25.32

Note: All Bonded Debt is Paid from the Debt Service Fund.

(1) Source: 2000 population is actual U.S. Census count. All other years are July 1 intercensal estimates.

(2) For 2003 and beyond, ratio is calculated by using 1/3rd of the Assessed value figure.

ALLEN COUNTY PUBLIC LIBRARY

ALLEN COUNTY PROPERTY VALUES AND CONSTRUCTION Last Ten Fiscal Years

Year	Building Permits (1)			Net Assessed Value (000's)	Estimated Property Value (2) (000's)
	Number of Permits Issued	Value of Buildings (000's)	Average Building Cost		
2005	1,742	\$ 310,650	\$ 178,329	\$ 13,932,935	\$ 13,932,935
2004	1,799	306,494	170,369	14,211,493	14,211,493
2003	1,972	324,607	164,608	14,231,573	14,231,573
2002	2,070	315,471	152,401	3,328,324	9,984,972
2001	1,810	288,855	159,588	3,172,021	9,516,063
2000	1,651	267,202	161,843	3,067,624	9,202,872
1999	2,022	303,303	150,001	3,007,390	9,022,170
1998	1,936	295,367	152,566	2,935,244	8,805,732
1997	1,623	245,030	150,974	2,842,393	8,527,179
1996	1,772	249,646	140,884	2,835,784	8,507,353

(1) New single family residences and duplexes.

(2) For years prior to 2003, the Estimated Property Value is Net Assessed Valuation times three.

Source: Allen County Building Department & Allen County Auditor's Office

ALLEN COUNTY PUBLIC LIBRARY

Miscellaneous 2000 Census Data (1)

	<u>Allen County</u>		<u>City of Fort Wayne</u>		<u>City as % of Co</u>
<u>2000 Population:</u>	331,849		205,727		62.0%
By Sex:					
Male	162,425	48.9%	99,659	48.4%	61.4%
Female	169,424	51.1%	106,068	51.6%	62.6%
By Race:					
White	275,697	83.1%	155,231	75.5%	56.3%
Black	37,527	11.3%	35,752	17.4%	95.3%
American Indian, Eskimo, or Aleut	1,187	0.4%	806	0.4%	67.9%
Asian or Pacific Islander	4,776	1.4%	3,291	1.6%	68.9%
Other race	6,716	2.0%	5,993	2.9%	89.2%
Two or more races	5,946	1.8%	4,654	2.3%	78.3%
By Hispanic Origin:					
Mexican	9,874	3.0%	8,619	4.2%	87.3%
Puerto Rican	665	0.2%	533	0.3%	80.2%
Cuban	182	0.1%	136	0.1%	74.7%
Other Hispanic	3,156	1.0%	2,596	1.3%	82.3%
Not of Hispanic Origin	317,972	95.8%	193,843	94.2%	61.0%
<u>2000 Income Data</u>					
Median family income in 1999	\$52,708		\$45,040		
Per Capita income in 1999	\$21,544		\$18,517		
Family Income in 1999:					
Less than \$10,000	3,678	4.3%	3,125	6.1%	85.0%
\$10,000 to \$14,999	2,505	2.9%	2,017	4.0%	80.5%
\$15,000 to \$24,999	8,246	9.5%	6,198	12.2%	75.2%
\$25,000 to \$34,999	9,948	11.5%	6,933	13.6%	69.7%
\$35,000 to \$49,999	15,789	18.2%	10,271	20.2%	65.1%
\$50,000 to \$74,999	22,726	26.3%	12,665	24.9%	55.7%
\$75,000 to \$99,999	11,841	13.7%	5,380	10.6%	45.4%
\$100,000 to \$149,999	8,189	9.5%	3,152	6.2%	38.5%
\$150,000 to \$199,999	1,546	1.8%	497	1.0%	32.1%
\$200,000 or more	2,058	2.4%	618	1.2%	30.0%

(1) The City of Fort Wayne data is a subset of Allen County data.

Source: Allen County Public Library as extracted from the 2000 US Census

ALLEN COUNTY PUBLIC LIBRARY

Age Distribution by Township for Allen County, Indiana Ages as of 2000 Census

Age ranges:	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>
<u>Townships</u>								
Aboite	1,996	2,322	2,502	2,082	941	3,135	5,243	5,163
Adams	2,468	2,524	2,436	2,311	2,091	4,056	4,715	4,066
Cedar Creek	845	1,003	1,015	826	396	1,195	1,861	1,459
Eel River	193	228	291	238	146	300	542	519
Jackson	29	28	41	37	26	62	77	82
Jefferson	142	149	161	146	87	243	306	297
Lafayette	135	192	228	214	143	237	483	502
Lake	116	153	179	152	72	204	366	275
Madison	143	164	154	136	91	223	292	262
Marion	223	256	290	300	205	365	632	569
Maumee	210	198	258	231	141	294	439	333
Milan	267	352	374	319	192	398	499	458
Monroe	139	167	148	149	110	275	310	209
Perry	1,412	1,653	1,639	1,306	630	2,117	3,474	2,971
Pleasant	226	265	290	266	183	350	591	549
St. Joseph	4,950	4,905	4,962	4,720	4,536	9,933	10,019	9,507
Scipio	30	33	36	35	27	40	71	61
Springfield	363	379	371	329	224	479	519	440
Washington	2,527	2,398	2,130	1,942	2,477	5,438	5,129	4,470
Wayne	9,026	8,826	7,982	8,380	9,185	17,667	16,928	12,996
TOTAL	25,440	26,195	25,487	24,119	21,903	47,011	52,496	45,188
Above data presented as percents for each township								
Aboite	7.04%	8.19%	8.83%	7.35%	3.32%	11.06%	18.50%	18.22%
Adams	7.86%	8.04%	7.76%	7.36%	6.66%	12.92%	15.02%	12.95%
Cedar Creek	8.21%	9.75%	9.87%	8.03%	3.85%	11.62%	18.09%	14.18%
Eel River	6.42%	7.59%	9.69%	7.92%	4.86%	9.99%	18.04%	17.28%
Jackson	5.82%	5.62%	8.23%	7.43%	5.22%	12.45%	15.46%	16.47%
Jefferson	7.25%	7.61%	8.22%	7.46%	4.44%	12.41%	15.63%	15.17%
Lafayette	4.99%	7.09%	8.42%	7.91%	5.28%	8.76%	17.84%	18.54%
Lake	5.84%	7.71%	9.02%	7.66%	3.63%	10.28%	18.44%	13.85%
Madison	7.96%	9.13%	8.57%	7.57%	5.07%	12.42%	16.26%	14.59%
Marion	6.10%	7.00%	7.93%	8.21%	5.61%	9.99%	17.29%	15.57%
Maumee	8.02%	7.56%	9.85%	8.82%	5.38%	11.23%	16.76%	12.71%
Milan	7.62%	10.05%	10.68%	9.11%	5.48%	11.36%	14.24%	13.07%
Monroe	7.08%	8.51%	7.54%	7.59%	5.60%	14.01%	15.79%	10.65%
Perry	7.77%	9.10%	9.02%	7.19%	3.47%	11.65%	19.12%	16.35%
Pleasant	6.72%	7.88%	8.63%	7.91%	5.44%	10.41%	17.58%	16.33%
St. Joseph	7.25%	7.18%	7.27%	6.91%	6.64%	14.55%	14.67%	13.92%
Scipio	7.25%	7.97%	8.70%	8.45%	6.52%	9.66%	17.15%	14.73%
Springfield	9.82%	10.25%	10.04%	8.90%	6.06%	12.96%	14.04%	11.90%
Washington	7.63%	7.24%	6.43%	5.87%	7.48%	16.43%	15.49%	13.50%
Wayne	8.12%	7.94%	7.18%	7.54%	8.27%	15.90%	15.23%	11.70%
TOTAL	7.67%	7.89%	7.68%	7.27%	6.60%	14.17%	15.82%	13.62%

Source: Allen County Public Library as extracted from 2000 US Census

<u>55-59</u>	<u>60-64</u>	<u>65-74</u>	<u>75-84</u>	<u>85+</u>	<u>Total</u>	<u>% of County</u>
1,490	997	1,495	801	171	28,338	8.5%
1,494	1,230	2,060	1,351	592	31,394	9.5%
474	337	499	281	97	10,288	3.1%
154	102	182	83	26	3,004	0.9%
30	29	28	17	12	498	0.2%
106	73	146	82	20	1,958	0.6%
175	143	142	91	22	2,707	0.8%
102	109	150	84	23	1,985	0.6%
72	52	104	75	28	1,796	0.5%
207	181	269	138	20	3,655	1.1%
141	108	154	89	23	2,619	0.8%
179	136	190	116	23	3,503	1.1%
111	92	123	101	29	1,963	0.6%
1,021	542	869	450	86	18,170	5.5%
175	157	183	97	30	3,362	1.0%
3,129	2,365	4,432	3,465	1,353	68,276	20.6%
8	11	33	24	5	414	0.1%
198	114	147	116	18	3,697	1.1%
1,506	1,230	2,207	1,270	381	33,105	10.0%
4,202	3,268	6,218	4,652	1,787	111,117	33.5%
14,974	11,276	19,631	13,383	4,746	331,849	100.0%
5.26%	3.52%	5.28%	2.83%	0.60%	100.00%	
4.76%	3.92%	6.56%	4.30%	1.89%	100.00%	
4.61%	3.28%	4.85%	2.73%	0.94%	100.00%	
5.13%	3.40%	6.06%	2.76%	0.87%	100.00%	
6.02%	5.82%	5.62%	3.41%	2.41%	100.00%	
5.41%	3.73%	7.46%	4.19%	1.02%	100.00%	
6.46%	5.28%	5.25%	3.36%	0.81%	100.00%	
5.14%	5.49%	7.56%	4.23%	1.16%	100.00%	
4.01%	2.90%	5.79%	4.18%	1.56%	100.00%	
5.66%	4.95%	7.36%	3.78%	0.55%	100.00%	
5.38%	4.12%	5.88%	3.40%	0.88%	100.00%	
5.11%	3.88%	5.42%	3.31%	0.66%	100.00%	
5.65%	4.69%	6.27%	5.15%	1.48%	100.00%	
5.62%	2.98%	4.78%	2.48%	0.47%	100.00%	
5.21%	4.67%	5.44%	2.89%	0.89%	100.00%	
4.58%	3.46%	6.49%	5.07%	1.98%	100.00%	
1.93%	2.66%	7.97%	5.80%	1.21%	100.00%	
5.36%	3.08%	3.98%	3.14%	0.49%	100.00%	
4.55%	3.72%	6.67%	3.84%	1.15%	100.00%	
3.78%	2.94%	5.60%	4.19%	1.61%	100.00%	
4.51%	3.40%	5.92%	4.03%	1.43%	100.00%	