



ALLEN COUNTY PUBLIC LIBRARY  
Fort Wayne, Indiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For The Fiscal Year Ended December 31, 2006

Prepared by:  
David K. Sedestrom  
Treasurer  
Financial Manager

# INTRODUCTORY SECTION



June 18, 2007

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, 2006. 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 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 347,000 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, nine branches, and the Data Center are located within the City of Fort Wayne while four branches are located in other cities and towns.

### **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 was a 1.9% decrease in total Allen County assessed value from 2004 to 2005. However, in 2006 economic and housing growth patterns returned to upward movement with the result being an approximate 1% increase in assessed values.

## 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, technology connectivity, 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 2006, total circulation grew by over 4.8% to 5.7 million with this growth again taking place while one of the 13 branches and the Main Library 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 2006 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 3.5 million computer-stored information items by end of 2006. Now a patron in any of our 14 buildings could know the availability of any item in any other facility and have it delivered to the location of their choice. 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 over 500 workstations are available to the public for internet and other technology services throughout the library system. Finally, in 2006 we implemented wireless connectivity throughout our library system.

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 under the title "ACPL Building Corporation" fund.

In regards to this capital expansion program, 2006 saw the completion and opening of the last of branch project, Little Turtle, in June and the completion of the expansion and renovation of the Main library facility in December (official grand opening ceremonies took place in January of 2007). While there will still be miscellaneous items to be finished up in 2007, the completion of the Main Library brings to a conclusion this multi-year expansion program that has dramatically enhanced the library facilities, as well as, the offerings and experiences for our patrons.

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 3.5 million books, 1.7 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 31<sup>st</sup> 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 (6.5% for 2006). 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, 2006 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-four 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 2006 including analysis 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, 2005. This is the fourteenth

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.

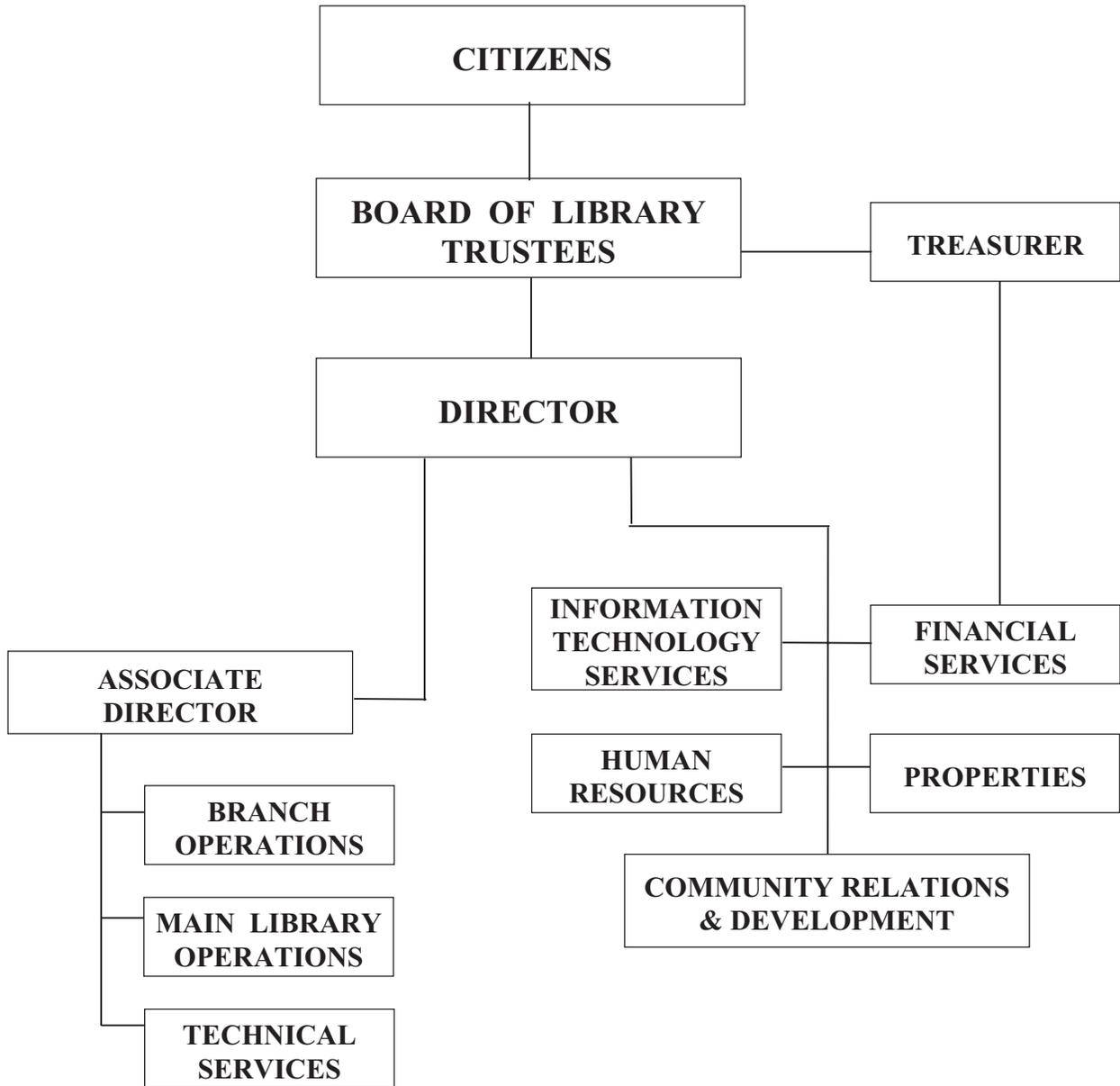
We would also like to thank the staff of the State Board of Accounts for their assistance in the preparation of the financial section of this report in a timely manner.

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, 2006

	TERM EXPIRES
<i>President</i>	
GeneG.Hoemig	December 31, 2009
<i>Vice-President</i>	
AlanMcMahan	December 31, 2007
<i>Secretary</i>	
KathieR.Fleck	December 31, 2008
<i>Member</i>	
Robert E. Armstrong	December 31, 2008
<i>Member</i>	
Dolores J. Klocke	December 31, 2010
<i>Member</i>	
Pamela A. Laux	December 31, 2009
<i>Member</i>	
James E. Williams, Jr.	December 31, 2010

### 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, 2005

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



President

Executive Director

**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, 2006, 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, 2006, 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.

May 31, 2007

STATE BOARD OF ACCOUNTS

## 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, 2006. 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 2006 by \$40.6 million. This was made up of \$12.4 million in restricted assets, \$7 million of unrestricted assets, and \$21.2 million of capital asset net of related debt. Of the restricted assets, \$3.5 million (28%) are related to the major capital expansion and renovation program that began in 2001 and was substantially completed by the end of 2006. This \$84 million program involved the expansion and renovation of the main library facility, the replacement or renovation of eleven of the systems thirteen 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 2006, the Library's governmental funds reported a combined ending fund balance of \$21 million, a decrease of \$20.2 million in comparison with the prior year. Expenditures of \$21.4 million relating to the capital expansion program mentioned above were the primary reason for this decrease in fund balance but these same expenditures also resulted in capital assets increasing \$15.3 million by the end of 2006. Of the \$21 million in the Library's governmental fund balance total, the largest portion is attributable to the General Fund, whose \$8.5 million balance accounts for 40% of the total ending fund balance. \$5.6 million (27%) represents amounts relating to the debt service on the outstanding expansion program bonds while \$3.4 million (16%) is considered reserved for various construction related contracts and other encumbrances relating to the expansion program which will be paid out in 2007.

### 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 900 Library Plaza, 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 13-14 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 15-18 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 19-20 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	
	2006	2005	2006	2005
Current and other assets	\$ 26,202,694	\$ 46,007,750	\$ 5,279,425	\$ 5,026,636
Capital assets	92,051,112	76,745,090	-	-
<b>Total assets</b>	<b>118,253,806</b>	<b>122,752,840</b>	<b>5,279,425</b>	<b>5,026,636</b>
Long-term liabilities outstanding	69,252,423	72,661,848	-	-
Other liabilities	8,433,852	7,555,193	153,821	3,031
<b>Total liabilities</b>	<b>77,686,275</b>	<b>80,217,041</b>	<b>153,821</b>	<b>3,031</b>
<b>Net assets</b>	<b>\$ 40,567,531</b>	<b>\$ 42,535,799</b>	<b>\$ 5,125,604</b>	<b>\$ 5,023,605</b>
Invested in capital assets net of related debt	\$ 21,158,025	\$ ( 1,173,811)	\$ -	\$ -
Restricted	12,453,263	34,974,959	1,203,744	1,203,646
Unrestricted	6,956,243	8,734,651	3,921,860	3,819,959
<b>Total net assets</b>	<b>\$ 40,567,531</b>	<b>\$ 42,535,799</b>	<b>\$ 5,125,604</b>	<b>\$ 5,023,605</b>

**Government-wide Financial Analysis**

The Library's (primary government) assets exceeded liabilities by \$40.6 million at the close of 2006 leaving a solid equity base to build upon. The Library's net assets decreasing by \$1.97 million during 2006 as the major expansion and renovation program, which started in 2001, came to a close and maintenance spending on the completed projects increased.

From a Government-wide statements perspective, the assets of the Library are divided between cash/other current assets and capital assets. Of the \$26 million in cash/other current assets, \$8.3 million (32%) represents unreserved funds in the General Fund, \$5.8 million (22%) reflects remaining bond proceeds which were used to fund the 2001 capital expansion and renovation program, and \$5.6 million (22%) represents amounts relating to the debt service on the outstanding expansion program bonds. The net decrease in current/other assets of \$19.8 million in 2006 was due almost exclusively from the expenditure of \$21.4 million in construction program bond proceeds as the expansion project was completed.

The \$92 million in capital assets (\$21.1 million when netted against related debt) of the Library represents land, buildings and improvements, machinery and equipment, 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 \$15.3 million in 2006, again due primarily to the expansion/construction program activities which brought about increases in buildings of \$59.4 million while construction in progress decreased by \$44.5 million. Increases in other capital assets (Improvements and Machinery/Equipment) and an increase in Depreciation account for the remainder of the net change.

Liabilities for the library equaled \$77.7 million at the end of 2006 with approximately 89% being classified as long-term. These long-term liabilities decreased by \$3.4 million in 2006 due to the scheduled payments on existing bond issues relating to the expansion program. Other liabilities

increased by \$878,659 due primarily to increases in end-of-year accounts payable and amounts associated with contractor retainage held by the Library at year-end. Thus, the net decrease in total liabilities for 2006 amounted to \$2.5 million.

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. 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. At the end of 2006, the investment in capital assets net of related debt amounted to \$21.1 million, an increase of \$22.3 million. This increase occurred because in 2005, since the capital expansion program was only partially completed, the debt outstanding on the bonds issued to fund the program exceeded the capital assets by \$1.2 million.

The remainders of the Library's net assets are designated as either restricted or unrestricted. The \$12.4 million in restricted assets are subject to external limitations and cannot be spent on everyday operations. The unrestricted portion, \$7.0 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 \$5.1 million at the end of 2006. 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	
	2006	2005	2006	2005
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 574,706	\$ 552,859	\$ -	\$ -
Operating grants and contributions	16,389	32,439	902,481	879,738
General Revenues				
Property taxes	22,459,900	21,510,694	-	-
Auto excise taxes	2,041,398	2,174,918	-	-
COIT and other taxes	3,645,823	3,486,731	-	-
Grants and contributions not restricted to specific programs	5,244	413,934	-	-
Interest on investments	1,276,698	1,156,993	-	-
Other	402,724	1,142,498	-	-
<b>Total Revenues</b>	<b>30,422,882</b>	<b>30,471,066</b>	<b>902,481</b>	<b>879,738</b>
<b>Expenses</b>				
Administration and support	5,855,032	6,158,584	-	-
Public services	23,257,725	15,994,028	-	-
Interest on long-term debt	3,278,393	2,840,490	-	-
ACPLF	-	-	800,482	502,150
<b>Total Expenses</b>	<b>32,391,150</b>	<b>24,993,102</b>	<b>800,482</b>	<b>502,150</b>
Increase/(Decrease) in net assets	(1,968,268)	5,477,964	101,999	377,588
Net Assets—January 1, 2006	42,535,799	37,057,835	5,023,605	4,646,017
Net Assets--December 31, 2006	<b>\$ 40,567,531</b>	<b>\$ 42,535,799</b>	<b>\$ 5,125,604</b>	<b>\$ 5,023,605</b>

**Governmental Activities.** The main source of funding for Library operations are the various taxes that account for over 94.3% of the \$29.8 million in general revenues with property taxes being the primary tax source. Revenues for governmental activities stayed relatively stable in 2006 showing a modest decrease of \$48,184. Property Tax collections grew by the state allowed increase of approximately 4.4% while Interest Earnings increased by 10.3% as a result of higher investment rates present in the market. These increases were offset by decreases in the Grants and Contributions category where grant payments shifted to reimbursements within the Public Services expense category and a decrease in Other Revenues that was a result of a 2005 insurance settlement which caused that number to be higher than usual in 2006. These changes combined with normal variation in other revenue categories accounts for the change in total revenues.

The governmental activities' expenditures increased by \$7.4 million in 2006 with \$7.3 million of the increase occurring in the Public Services expense category. The reason for this dramatic increase is due to the fact that, as the capital expansion program was completed, there were significant capital expenditures incurred that fell under the capitalization thresholds. These expenditures would have been for items such as furniture, fixtures, equipment, etc. They are considered a capital outlay in the Government Funds statements, but because they are not capitalized, must be classified as Public Services in the Government Wide statements.

### **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 provides good insight into its ability to meet current obligations as well as meet the Library's ongoing service needs.

At the end of 2006, the Library's governmental funds reported combined ending fund balances of \$21 million, a decrease of \$20.2 million in comparison with the prior year. This decrease is primarily due to \$21.4 million in expenditures relating to the capital expansion program mentioned previously. The largest portion of Library's governmental fund balance total is attributable to the General Fund whose \$8.5 million balance accounts for 41% of the total. \$5.6 million (27%) represents amounts relating to the debt service on the outstanding expansion program bonds while \$3.5 million (17%) is considered reserved for various construction related contracts and other encumbrances relating to the expansion program which will be paid out in 2007. The remaining \$3.4 million (16%) is attributable to the Library Improvement Reserve Fund (LIRF) and other non-major governmental funds, which in 2006 only include the non-major special revenue 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 2006 were \$21.2 million. Thus, the total fund balance represents 40% 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 37.5% due to taxes exceeding expenditures. The increased fund balances will be used for future debt payments. ACPL Building Corporation fund balance decreased \$20.6 million as spending on the capital expansion program continued through 2006 utilizing the proceeds of the previously issued bonds. The Library Improvement Reserve Fund balance decreased by \$.60 million as

maintenance spending on completed expansion projects and other expenditures relating to the Library's Capital Improvement Plan were incurred.

### **General Fund Budgetary Highlights**

There were no changes between the originally approved and final amended total revenue budget of the General Fund. One item of note is there has been a shift in the 2006 budgetary comparison schedule on how County Option Income Taxes (COIT) is classified. COIT was included under the "Taxes" category for budgeting but is included under the "Intergovernmental" category for the actual figures. When comparing the totals of these two categories, the result is actual collections greater than budget of \$644k. \$631k of this overage was the result of larger than anticipated adjustments made by the State and County Auditor on COIT distributions. Variations in Property and Excise Taxes, as well as, State Distributions account for the remaining differences in these revenue categories. Actual collections of "Other" revenues were \$552k higher than budgeted due to greater than expected interest earnings (\$393k), summer reading program donations (\$94k), and the sale of the former Harlan Branch property (\$51k).

The final amended General Fund expenditure budget was higher than the original adopted budget by \$817,427 or approximately 3.9%. \$300,000 was added to the Personal Services budget to cover anticipated increases in compensation and employee benefits as staffing plans for the newly expanded and renovated main library were implemented in the last quarter of 2006. \$347,965 was added to the Other Services and Charges budget mainly to cover professional services related to the relocation of the main library from its' temporary facility to the new facility (\$210,000) and to cover increased utility costs that resulted from higher than expected energy costs (\$138,000). The remaining \$169,462 of the \$817k expense budget increase was added to the Library Materials budget (\$102,492) to cover increased purchases and to the Supply budget (\$66,960) lines to cover a variety of increased costs.

The increases in the expenditure budgets were offset somewhat by actual expenditures coming in \$332,750 (1.5%) lower than anticipated. These savings were a direct result of expenditures in Personal Services, Supplies and Professional Services relating to the relocation of the main library facility that were anticipated to be made in late 2006 being delayed until early 2007.

### **Capital Asset and Debt Administration**

**Capital assets.** The Library's Primary Government's capital assets as of December 31, 2006, were equal to \$109.8 million with an accumulated depreciation figure of \$17.8 million for a net book value of \$92.1 million. 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 2006 was \$15.3 million, or 20%, most of which is directly attributable to the completion of the expansion and renovation program discussed earlier. With this completion, building and improvement assets increased by \$59.4 million while construction in progress decreased by \$44.5 million to account for the growth.

**Allen County Public Library  
Capital Assets**

	2006	2005
Land	\$ 4,960,142	\$ 4,961,616
Buildings and improvements	87,101,503	27,340,268
Machinery and equipment	6,768,370	6,014,249
Library materials	10,023,913	10,145,476
Construction in progress	-	44,461,591
Rare book collection	994,827	994,827
Less: Accumulated depreciation	(17,797,643)	(17,172,937)
<b>Total</b>	<b>\$ 92,051,112</b>	<b>\$ 76,745,090</b>

Additional information regarding the Library's capital assets can be found on page 30 of this report.

**Long-term debt.** At the end of 2006, the Library's Primary Government had total bonded debt outstanding of \$71,140,000. Of this total, \$1,340,000 is considered to be general obligation bonds while \$69,800,000 is considered first mortgage bonds. The Library is responsible to pay for this debt with general revenues. In 2006, the Library's net total debt decreased by \$3,220,802 which was the result of reductions in existing bond issues totaling \$3,220,000 from scheduled bond debt service payments and a net deduction to Compensated Absences of \$802.

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

	2006	2005
General obligation bonds	\$ 1,340,000	\$ 1,845,000
First mortgage bonds	69,800,000	72,515,000
Compensated absences	644,204	645,006
<b>Total</b>	<b>\$ 71,784,204</b>	<b>\$ 75,005,006</b>

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 31-33 of this report.

### **Economic Factors and Subsequent Year's Budgets and Rates**

- The unemployment rate for the Allen County in December 2006 was 4.6%, down from a rate of 5.2% 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 2006 unemployment rate of 4.7%. Both the Indiana State and Allen County unemployment rates were higher than the U.S. rate of 4.3%.
- Throughout 2006, as the capital expansion and renovation program was coming to completion, the Library continued to examine and review any possible increases in operating costs that might be necessary with the new facilities. As these reviews continued to confirm, any additional costs will be offset by savings in leasing and rental expenses which were paid for the use of the temporary Main Library building. As such, the Library does not anticipate any increases in the 2007 General Fund budget other than those necessary to cover cost of living increases and standard inflationary cost increases. Thus, the property tax levy and rate for 2007 should increase no greater than those permissible under current State regulations.

These factors along with others were considered when preparing the Library's budget for the 2007 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, 900 Library Plaza, P.O Box 2270 Fort Wayne, Indiana, 46801-2270.

# **BASIC FINANCIAL STATEMENTS**



ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF NET ASSETS  
December 31, 2006

<u>Assets</u>	<u>Primary Governmental Activities</u>	<u>Component Unit</u>
Cash and cash equivalents	\$ 24,374,604	\$ 839,416
Investments	-	4,391,411
Receivables (net of allowances for uncollectibles):		
Interest	-	11,098
Taxes	878,725	-
Accounts	-	37,500
Intergovernmental	81,740	-
Net pension asset	189,183	-
Deferred debits	678,442	-
Capital assets:		
Land and rare books	5,954,969	-
Other capital assets, net of depreciation	<u>86,096,143</u>	<u>-</u>
 Total assets	 <u>118,253,806</u>	 <u>5,279,425</u>
 <u>Liabilities</u>		
Accounts payable	1,191,579	150,000
Accrued payroll and withholdings payable	411,824	3,821
Accrued interest payable	1,542,214	-
Contracts payable	1,161,299	-
Retainage payable	704,569	-
Noncurrent Liabilities:		
Due within one year:		
First mortgage bonds	2,795,000	-
General obligation bonds	520,000	-
Compensated absences	107,367	-
Due in more than one year:		
First mortgage bonds payable (net of premium and deferral of loss on refunding)	67,895,586	-
General obligation bonds payable	820,000	-
Compensated absences	<u>536,837</u>	<u>-</u>
 Total liabilities	 <u>77,686,275</u>	 <u>153,821</u>
 <u>Net assets</u>		
Invested in capital assets, net of related debt	21,158,025	-
Restricted for:		
Capital projects	6,669,109	-
Debt service	5,621,985	-
Other purposes	162,169	1,203,744
Unrestricted	<u>6,956,243</u>	<u>3,921,860</u>
 Total net assets	 <u>\$ 40,567,531</u>	 <u>\$ 5,125,604</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, 2006

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary	Component
				Governmental Activities	Unit
Primary government:					
Governmental activities:					
Administrative and support	\$ 5,855,032	\$ -	\$ -	\$ (5,855,032)	\$ -
Public services	23,257,725	574,706	16,389	(22,666,630)	-
Interest on long-term debt	3,278,393	-	-	(3,278,393)	-
Total governmental activities	\$ 32,391,150	\$ 574,706	\$ 16,389	\$ (31,800,055)	-
Component unit:					
Allen County Public Library Foundation	\$ 800,482	\$ -	\$ 902,481	-	101,999
General revenues:					
Property taxes				22,459,900	-
Auto excise taxes				2,041,398	-
COIT and other taxes				3,645,823	-
Grants and contributions not restricted to specific programs				5,244	-
Interest on investments				1,276,698	-
Other				402,724	-
Total general revenues				29,831,787	-
Change in net assets				(1,968,268)	101,999
Net assets - beginning				42,535,799	5,023,605
Net assets - ending				\$ 40,567,531	\$ 5,125,604

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

ALLEN COUNTY PUBLIC LIBRARY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2006

<u>Assets</u>	General	Bond and Interest Redemption	LIRF	ACPL Bldg Corp	ACPL Bldg Corp Certificate	Other Non-major Governmental Funds	Totals
Cash and cash equivalents	\$ 9,572,599	\$ 2,586,845	\$ 3,230,297	\$ 5,837,330	\$ 3,035,140	\$ 112,393	\$ 24,374,604
Receivables (net of allowances for uncollectibles):							
Taxes	619,995	258,730	-	-	-	-	878,725
Intergovernmental	-	-	-	-	-	81,740	81,740
<b>Total assets</b>	<b><u>\$ 10,192,594</u></b>	<b><u>\$ 2,845,575</u></b>	<b><u>\$ 3,230,297</u></b>	<b><u>\$ 5,837,330</u></b>	<b><u>\$ 3,035,140</u></b>	<b><u>\$ 194,133</u></b>	<b><u>\$ 25,335,069</u></b>
 <u>Liabilities and fund balances</u>							
Liabilities:							
Accounts payable	\$ 658,329	\$ -	\$ 48,604	\$ 484,046	\$ -	\$ 600	\$ 1,191,579
Accrued payroll and withholdings payable	411,824	-	-	-	-	-	411,824
Contracts payable	-	-	-	1,161,299	-	-	1,161,299
Retainage payable	-	-	-	704,569	-	-	704,569
Compensated absences	334	-	-	-	-	-	334
Deferred revenue - unavailable	619,995	258,730	-	-	-	-	878,725
<b>Total liabilities</b>	<b><u>1,690,482</u></b>	<b><u>258,730</u></b>	<b><u>48,604</u></b>	<b><u>2,349,914</u></b>	<b><u>-</u></b>	<b><u>600</u></b>	<b><u>4,348,330</u></b>
Fund balances:							
Reserved for:							
Encumbrances	193,387	-	75,655	3,487,416	-	16,862	3,773,320
Unreserved, reported in:							
General fund	8,308,725	-	-	-	-	-	8,308,725
Special revenue funds	-	-	-	-	-	176,671	176,671
Capital projects funds	-	-	3,106,038	-	-	-	3,106,038
Debt service funds	-	2,586,845	-	-	3,035,140	-	5,621,985
<b>Total fund balances</b>	<b><u>8,502,112</u></b>	<b><u>2,586,845</u></b>	<b><u>3,181,693</u></b>	<b><u>3,487,416</u></b>	<b><u>3,035,140</u></b>	<b><u>193,533</u></b>	<b><u>20,986,739</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 10,192,594</u></b>	<b><u>\$ 2,845,575</u></b>	<b><u>\$ 3,230,297</u></b>	<b><u>\$ 5,837,330</u></b>	<b><u>\$ 3,035,140</u></b>	<b><u>\$ 194,133</u></b>	<b><u>\$ 25,335,069</u></b>

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, 2006

Total fund balances for governmental funds \$ 20,986,739

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

Those assets consist of :

Land	4,960,142
Rare book collection	994,827
Buildings, net of \$8,607,517 accumulated depreciation	78,094,973
Improvements other than buildings, net of \$41,704 accumulated depreciation	357,309
Machinery and equipment, net of \$5,966,072 accumulated depreciation	802,298
Library materials, net of \$3,182,350 accumulated depreciation	<u>6,841,563</u>

Total capital assets 92,051,112

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. 878,725

A net pension asset is not accrued in the governmental funds, but rather is recognized as an expenditure when paid. 189,183

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. 678,442

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Balances at December 31, 2006, consisted of :

General obligation bonds payable	(1,340,000)
First mortgage bonds payable net of premium and deferral of loss on refunding	(70,690,586)
Compensated absences	<u>(643,870)</u>

Total long-term liabilities (72,674,456)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (1,542,214)

Total net assets of governmental activities \$ 40,567,531

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, 2006

	General	Bond and Interest Redemption	LIRF	ACPL Bldg Corp	ACPL Bldg Corp Certificate	Other Non-major Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 17,265,568	\$ 7,354,400	\$ -	\$ -	\$ -	\$ -	\$ 24,619,968
Intergovernmental	3,441,507	-	-	-	-	398,365	3,839,872
Charges for services	574,706	-	-	-	-	-	574,706
Other	988,091	-	-	754,063	11,584	5,519	1,759,257
Total revenues	<u>22,269,872</u>	<u>7,354,400</u>	<u>-</u>	<u>754,063</u>	<u>11,584</u>	<u>403,884</u>	<u>30,793,803</u>
Expenditures:							
Current:							
Administration and support	5,767,822	-	-	-	-	-	5,767,822
Public services	11,896,931	-	-	-	-	339,653	12,236,584
Library materials	3,541,206	-	-	-	-	222	3,541,428
Capital outlay	-	-	1,400,609	21,436,095	-	1,491	22,838,195
Debt service:							
Principal	-	506,200	-	-	2,715,000	-	3,221,200
Interest	-	71,580	-	-	3,337,958	-	3,409,538
Total expenditures	<u>21,205,959</u>	<u>577,780</u>	<u>1,400,609</u>	<u>21,436,095</u>	<u>6,052,958</u>	<u>341,366</u>	<u>51,014,767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,063,913</u>	<u>6,776,620</u>	<u>(1,400,609)</u>	<u>(20,682,032)</u>	<u>(6,041,374)</u>	<u>62,518</u>	<u>(20,220,964)</u>
Other financing sources (uses):							
Transfers in	-	-	800,000	28,030	6,070,155	-	6,898,185
Transfers out	(800,000)	(6,070,155)	-	-	(28,030)	-	(6,898,185)
Total other financing sources (uses)	<u>(800,000)</u>	<u>(6,070,155)</u>	<u>800,000</u>	<u>28,030</u>	<u>6,042,125</u>	<u>-</u>	<u>-</u>
Net change in fund balances	263,913	706,465	(600,609)	(20,654,002)	751	62,518	(20,220,964)
Fund balances - beginning	<u>8,238,199</u>	<u>1,880,380</u>	<u>3,782,302</u>	<u>24,141,418</u>	<u>3,034,389</u>	<u>131,015</u>	<u>41,207,703</u>
Fund balances - ending	<u>\$ 8,502,112</u>	<u>\$ 2,586,845</u>	<u>\$ 3,181,693</u>	<u>\$ 3,487,416</u>	<u>\$ 3,035,140</u>	<u>\$ 193,533</u>	<u>\$ 20,986,739</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, 2006

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) \$ (20,220,964)

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	16,258,922
Library materials	3,541,206
Depreciation expense	<u>(4,402,981)</u>

Net effect of capital assets	15,397,147
------------------------------	------------

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (97,335)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In 2006 this consisted of deferred tax revenue unavailable. (312,719)

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 2006 these consisted of:

Principal payment	3,221,200
Interest expense	131,145
Amortization of bond issue costs	<u>(58,130)</u>

Net effect of long-term debt	3,294,215
------------------------------	-----------

A net pension asset is not accrued in the governmental funds, but rather is recognized as an expenditure when paid. (29,080)

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 2006 this consisted of change in compensated absences 468

Change in net assets of governmental activities (Statement of Activities) \$ (1,968,268)

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, 2006

	Private-Purpose Trust Funds
<u>Assets</u>	
Cash and cash equivalents	\$ 25,726
<u>Liabilities</u>	
Accounts payable	11,072
<u>Net assets</u>	
Held in trust for:	
Employee activity	\$ 14,654

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, 2006

<u>Additions</u>	<u>Private-Purpose Trust Funds</u>
Contributions:	
Employees	\$ <u>4,588</u>
<u>Deductions</u>	
Employee activities	<u>-</u>
Changes in net assets	4,588
Net assets - beginning	<u>10,066</u>
Net assets - ending	<u>\$ 14,654</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 administering 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  
900 Library Plaza  
P.O. Box 2270  
Fort Wayne, Indiana 46801-2270

Allen County Public Library Foundation  
900 Library Plaza  
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 Library Improvement Reserve fund (LIRF) accounts for receipts accumulated for the purpose of anticipating necessary future capital expenditures for the purchase of library building 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 purposes such 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 and (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 fair value. 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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
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, 2006, 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	\$ 3,080,134	\$ 3,080,134	\$ -	\$ -

### 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, 2006, the Library held investments in The Bank of New York Trust Company, N.A. in the amount of \$3,080,134.

### 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.

### 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, 2006, the Library's discretely presented component unit had the following investments:

Investment Type	Unit Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-2	More Than 2
U.S Treasuries and Securities	\$ 271,250	\$ 99,969	\$ 40,212	\$ 131,069
Government Sponsored Enterprise	331,245	-	105,784	225,461
Corporate Bonds	255,762	110,667	25,160	119,935
Corporate Stock	1,510,567	1,510,567	-	-
Mutual Funds	1,540,387	1,540,387	-	-
Totals	<u>\$ 3,909,211</u>	<u>\$ 3,261,590</u>	<u>\$ 171,156</u>	<u>\$ 476,465</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 presented component unit's Investment Policy Statement includes an investment policy for custodial credit risk for investments of A or better. At December 31, 2006, the Library's discretely presented component unit held investments in Cozad Asset Management, Inc., Monarch Capital Management, Inc. and A. G. Edwards in the amount of \$3,909,211.

### 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's discretely presented component unit's Investment Policy Statement does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

### 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 Unit's Investments		
		Government Sponsored Enterprise	Corporate Bonds	Mutual Funds
AAA		\$ 331,245	\$ 56,297	\$ -
AA		-	30,125	-
A+		-	25,160	-
A		-	112,331	-
BBB		-	31,849	-
BB				22,147
B		-	-	44,294
Unrated		-	-	7,383
	High	-	-	233,880
	Above Average	-	-	255,090
	Average	-	-	437,926
	Below Average	-	-	181,339
	Low	-	-	358,328
Totals		<u>\$ 331,245</u>	<u>\$ 255,762</u>	<u>\$ 1,540,387</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

Foreign Currency risk relates to adverse affects on the fair values of an investment from changes in exchange rates. The Library's discretely presented component unit does not have a formal investment policy for foreign currency risk for investments. The 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 \$216,384.

#### B. Capital Assets

Capital asset activity for the year ended December 31, 2006, 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	\$ 4,961,616	\$ -	\$ 1,474	\$ 4,960,142
Rare book collection	994,827	-	-	994,827
Construction in progress	<u>44,461,591</u>	<u>16,676,477</u>	<u>61,138,068</u>	<u>-</u>
Total capital assets, not being depreciated	<u>50,418,034</u>	<u>16,676,477</u>	<u>61,139,542</u>	<u>5,954,969</u>
Capital assets, being depreciated:				
Buildings	27,288,138	59,560,500	146,148	86,702,490
Improvements other than buildings	52,130	346,883	-	399,013
Machinery and equipment	6,014,249	813,130	59,009	6,768,370
Library materials	<u>10,145,476</u>	<u>3,541,206</u>	<u>3,662,769</u>	<u>10,023,913</u>
Totals	<u>43,499,993</u>	<u>64,261,719</u>	<u>3,867,926</u>	<u>103,893,786</u>
Less accumulated depreciation for:				
Buildings	7,951,691	712,323	56,497	8,607,517
Improvements other than buildings	39,098	2,606	-	41,704
Machinery and equipment	5,718,854	306,227	59,009	5,966,072
Library materials	<u>3,463,294</u>	<u>3,381,825</u>	<u>3,662,769</u>	<u>3,182,350</u>
Totals	<u>17,172,937</u>	<u>4,402,981</u>	<u>3,778,275</u>	<u>17,797,643</u>
Total capital assets, being depreciated, net	<u>26,327,056</u>	<u>59,858,738</u>	<u>89,651</u>	<u>86,096,143</u>
Total governmental activity capital assets, net	<u>\$ 76,745,090</u>	<u>\$ 76,535,215</u>	<u>\$ 61,229,193</u>	<u>\$ 92,051,112</u>

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

Governmental activities:	
Public service	<u>\$ 4,402,981</u>

### C. Interfund Balances and Activity

#### Interfund Transfers

Interfund transfers at December 31, 2006, were as follows:

Transfer From	Transfer To			Total
	ACPL Bldg Corp	ACPL Bldg Corp Certificate	LIRF	
General Fund	\$ -	\$ -	\$ 800,000	\$ 800,000
Bond and Interest Redemption	-	6,070,155	-	6,070,155
ACPL Bldg Corp Certificate	28,030	-	-	28,030
<b>Total</b>	<b>\$ 28,030</b>	<b>\$ 6,070,155</b>	<b>\$ 800,000</b>	<b>\$ 6,898,185</b>

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.

#### D. 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:

Purpose	Amount
\$11,445,000 General Obligation Bonds, Series 2001 Due in Installments of \$255,000 to \$280,000, Plus Interest Through January 1, 2009: Interest at 3.5% to 4.5%	<u>\$1,340,000</u>

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

Year Ended December 31	General Obligation Bonds		
	Principal	Interest	Totals
2007	\$ 520,000	\$ 51,913	\$ 571,913
2008	540,000	30,122	570,122
2009	280,000	6,300	286,300
<b>Total</b>	<b>\$ 1,340,000</b>	<b>\$ 88,335</b>	<b>\$ 1,428,335</b>

##### 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.

Purpose	Amount
\$12,480,000 First Mortgage Bonds, Series 2003 Due In Installments of \$690,000 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%	28,180,000
\$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>30,470,000</u>
<b>Total</b>	<b><u>\$ 69,800,000</u></b>

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

Year Ended December 31	First Mortgage Bonds		
	Principal	Interest	Totals
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	3,915,000	2,706,320	6,621,320
2012-2016	22,680,000	10,457,611	33,137,611
2017-2021	27,940,000	4,547,825	32,487,825
2022-2026	<u>2,555,000</u>	<u>63,875</u>	<u>2,618,875</u>
<b>Total</b>	<b><u>\$ 69,800,000</u></b>	<b><u>\$ 30,146,977</u></b>	<b><u>\$ 99,946,977</u></b>

#### 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	\$ 21,823	\$ 11,171,823
First Mortgage Bonds, Series 2004	28,180,000	1,312,085	29,492,085
First Mortgage Refunding Bonds, Series 2005	<u>30,470,000</u>	<u>(443,322)</u>	<u>30,026,678</u>
<b>Total</b>	<b><u>\$ 69,800,000</u></b>	<b><u>\$ 890,586</u></b>	<b><u>\$ 70,690,586</u></b>

### 3. Advance Refunding

In prior years, the Library defeased certain bonds by placing the proceeds of new bonds in a irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Library's financial statements. The following outstanding bonds, at December 31, 2006, were considered defeased:

Primary Government	\$ 30,605,000
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### 4. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2006, 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	\$ 1,845,000	\$ -	\$ 505,000	\$ 1,340,000	\$ 520,000
First Mortgage Bonds Series 2003	11,150,000	-	-	11,150,000	-
First Mortgage Bonds Series 2004	30,835,000	-	2,655,000	28,180,000	2,735,000
First Mortgage Refunding Bonds Series 2005	30,530,000	-	60,000	30,470,000	60,000
Compensated Absences	645,006	700,845	701,647	644,204	107,367
Totals	<u>\$ 75,005,006</u>	<u>\$ 700,845</u>	<u>\$ 3,921,647</u>	<u>\$ 71,784,204</u>	<u>\$ 3,422,367</u>

These general obligation and first mortgage bonds are payable from governmental funds. Compensated absences are paid from the general fund.

## 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. Contributions and benefits of this pension plan are recognized when due and payable in accordance with the terms of the plan.

#### Actuarial Information for the Above Plan

	<u>PERF</u>
Annual required contribution	\$ 579,905
Interest on net pension obligation	(15,824)
Adjustment to annual required contribution	<u>18,033</u>
Annual pension cost	582,114
Contributions made	<u>553,034</u>
Decrease in net pension obligation	29,080
Net pension obligation, beginning of year	<u>(218,263)</u>
Net pension obligation, end of year	<u>\$ (189,183)</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

<u>Actuarial Assumptions</u>	<u>PERF</u>
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

PERF

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06-30-04	\$ 430,714	105%	\$ (193,857)
06-30-05	483,487	118%	(218,263)
06-30-06	582,114	114%	(189,183)

**REQUIRED SUPPLEMENTARY  
INFORMATION**



ALLEN COUNTY PUBLIC LIBRARY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For The Year Ended December 31, 2006

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Taxes	\$ 20,027,593	\$ 20,027,593	\$ 17,265,568	\$ (2,762,025)
Intergovernmental	35,000	35,000	3,441,507	3,406,507
Charges for services	515,000	515,000	574,706	59,706
Other	<u>436,500</u>	<u>436,500</u>	<u>988,091</u>	<u>551,591</u>
Total revenues	<u>21,014,093</u>	<u>21,014,093</u>	<u>22,269,872</u>	<u>1,255,779</u>
Expenditures:				
Current:				
Personal services	12,648,254	12,948,254	12,753,205	(195,049)
Supplies	692,778	759,758	709,672	(50,086)
Other services and charges	3,935,250	4,283,215	4,201,875	(81,340)
Capital outlay	<u>3,445,000</u>	<u>3,547,482</u>	<u>3,541,207</u>	<u>(6,275)</u>
Total expenditures	20,721,282	21,538,709	21,205,959	(332,750)
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	(507,189)	(1,324,616)	263,913	1,588,529
Fund balances - beginning	<u>8,238,199</u>	<u>8,238,199</u>	<u>8,238,199</u>	<u>-</u>
Fund balances - ending	<u>\$ 7,731,010</u>	<u>\$ 6,913,583</u>	<u>\$ 8,502,112</u>	<u>\$ 1,588,529</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)
07-01-04	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%)
07-01-06	8,904,953	11,194,636	(2,289,683)	80%	8,679,790	(26%)

The notes to RSI are an integral part of RSI.

ALLEN COUNTY PUBLIC LIBRARY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2006

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 Funds

Bond and Interest Redemption

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.

**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.

ALLEN COUNTY PUBLIC LIBRARY  
 BUDGETARY COMPARISON SCHEDULE  
 OTHER BUDGETED MAJOR GOVERNMENTAL FUND  
 For The Year Ended December 31, 2006

	LIRF				Bond and Interest Redemption			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Over (Under)	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 7,368,185	\$ 7,368,185	\$ 7,354,400	\$ (13,785)
Other	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	7,368,185	7,368,185	7,354,400	(13,785)
Expenditures:								
Current:								
Capital outlay	500,000	1,900,000	1,400,609	(499,391)	-	-	-	-
Debt Service:								
Principal	-	-	-	-	503,200	506,200	506,200	-
Interest	-	-	-	-	71,580	71,580	71,580	-
Total expenditures	500,000	1,900,000	1,400,609	(499,391)	574,780	577,780	577,780	-
Excess (deficiency) of revenues over (under) expenditures	(500,000)	(1,900,000)	(1,400,609)	499,391	6,793,405	6,790,405	6,776,620	(13,785)
Other financing uses:								
Transfers in (out)	800,000	800,000	800,000	-	(6,070,155)	(6,070,155)	(6,070,155)	-
Net change in fund balances	300,000	(1,100,000)	(600,609)	(499,391)	723,250	720,250	706,465	(13,785)
Fund balances - beginning	3,782,302	3,782,302	3,782,302	-	1,880,380	1,880,380	1,880,380	-
Fund balances - ending	\$ 4,082,302	\$ 2,682,302	\$ 3,181,693	\$ (499,391)	\$ 2,603,630	\$ 2,600,630	\$ 2,586,845	\$ (13,785)

# 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.

**STATE TECHNOLOGY FUND** – This fund accounts for revenue and expenditures related to internet connectivity being funded through State library grants.

ALLEN COUNTY PUBLIC LIBRARY  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 December 31, 2006

	<u>Gift</u>	<u>Cable TV</u>	<u>State Technology</u>	<u>Totals</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 31,364	\$ 74,029	\$ 7,000	\$ 112,393
Intergovernmental receivable	<u>-</u>	<u>81,740</u>	<u>-</u>	<u>81,740</u>
Total assets	<u>\$ 31,364</u>	<u>\$ 155,769</u>	<u>\$ 7,000</u>	<u>\$ 194,133</u>
<u>Liabilities and fund balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ 600	\$ -	\$ 600
Fund balances:				
Reserved for:				
Encumbrances	1,030	15,832	-	16,862
Unreserved, reported in:				
Special revenue funds	<u>30,334</u>	<u>139,337</u>	<u>7,000</u>	<u>176,671</u>
Total fund balances	<u>31,364</u>	<u>155,169</u>	<u>7,000</u>	<u>193,533</u>
Total liabilities and fund balances	<u>\$ 31,364</u>	<u>\$ 155,769</u>	<u>\$ 7,000</u>	<u>\$ 194,133</u>

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, 2006

	<u>Gift</u>	<u>Cable TV</u>	<u>State Technology</u>	<u>Totals</u>
Revenues:				
Intergovernmental	\$ -	\$ 386,365	\$ 12,000	\$ 398,365
Other	<u>5,244</u>	<u>275</u>	<u>-</u>	<u>5,519</u>
Total revenues	<u>5,244</u>	<u>386,640</u>	<u>12,000</u>	<u>403,884</u>
Expenditures:				
Current:				
Public service	1,357	333,296	5,000	339,653
Library materials	222	-	-	222
Capital outlay	<u>175</u>	<u>1,316</u>	<u>-</u>	<u>1,491</u>
Total expenditures	<u>1,754</u>	<u>334,612</u>	<u>5,000</u>	<u>341,366</u>
Excess of revenues over expenditures	<u>3,490</u>	<u>52,028</u>	<u>7,000</u>	<u>62,518</u>
Net change in fund balances	3,490	52,028	7,000	62,518
Fund balances - beginning	<u>27,874</u>	<u>103,141</u>	<u>-</u>	<u>131,015</u>
Fund balances - ending	<u>\$ 31,364</u>	<u>\$ 155,169</u>	<u>\$ 7,000</u>	<u>\$ 193,533</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

## Statistical Section

### (Unaudited)

The statistical section of the Allen County Public Library’s comprehensive annual financial report presents detailed information as a context for understanding the financial statements, note disclosures, and supplemental information. This information has not been audited.

#### **Contents**

	<u>Page</u>
<b>Financial Trends</b>	<b>S-1</b>
These tables contain trend information that may assist the reader in assessing the Library’s current financial performance by placing it in historical perspective.	
<b>Revenue Capacity</b>	<b>S-5</b>
These tables contain information that may assist the reader in assessing the viability of the Library’s most significant revenue source-property taxes.	
<b>Debt Capacity</b>	<b>S-10</b>
These tables present information that may assist the reader in analyzing the affordability of the Library’s current level of outstanding debt and the Library’s ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	<b>S-13</b>
These tables offer economic and demographic indicators that are commonly used for financial analysis and can help in understanding the Library’s present and ongoing financial status.	
<b>Operating Information</b>	<b>S-18</b>
These tables contain service indicators that can help in understanding how the Library’s financial status relates to the services the Library provides and the activities it performs.	

#### Source:

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year. The Library implemented GASB Statement No. 34 in the fiscal year 2003 therefore tables presenting government-wide information include only years 2003 and beyond.

**Allen County Public Library**  
**Net Assets by Component**  
**Last Four Years<sup>(A)</sup>**  
 (accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Primary Government (Governmental Activities) <sup>(B)</sup>				
Invested in capital assets, net of related debt	\$ (14,557,113)	\$ (25,473,880)	\$ (1,173,811)	\$ 21,158,025
Restricted	\$ 40,638,396	\$ 54,767,921	\$ 34,974,959	\$ 12,453,263
Unrestricted	\$ 9,636,515	\$ 7,763,794	\$ 8,734,651	\$ 6,956,243
<b>Total Primary Government Net Assets</b>	<b>\$ 35,717,798</b>	<b>\$ 37,057,835</b>	<b>\$ 42,535,799</b>	<b>\$ 40,567,531</b>

NOTE:

(A) The Allen County Public Library implemented GASB 34 in fiscal year 2003, therefore, only four years of government-wide financial data is presented

(B) The Allen County Public Library has no business-type activities. All activities of the Library (Primary Government) are considered governmental-type activities.

**Allen County Public Library**  
**Changes in Net Assets**  
**Last Four Years<sup>(A)</sup>**  
(accrual basis of accounting)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>				
Primary Government (Governmental Activities) <sup>(B)</sup>				
Administration and support	\$ 6,111,920	\$ 6,189,851	\$ 6,158,584	\$ 5,855,032
Public Service	\$ 15,765,842	\$ 17,893,675	\$ 15,994,028	\$ 23,257,725
Interest on long-term debt	\$ 1,876,330	\$ 2,814,429	\$ 2,840,490	\$ 3,278,393
Total primary government expenses	<u>\$ 23,754,092</u>	<u>\$ 26,897,955</u>	<u>\$ 24,993,102</u>	<u>\$ 32,391,150</u>
<b>Program Revenues</b>				
Primary Government (Governmental Activities) <sup>(B)</sup>				
Charges for services	\$ 496,781	\$ 516,697	\$ 552,859	\$ 574,706
Operating Grants and Contributions	\$ -	\$ -	\$ 32,439	\$ 16,389
Total primary government program revenues	<u>\$ 496,781</u>	<u>\$ 516,697</u>	<u>\$ 585,298</u>	<u>\$ 591,095</u>
<b>Total primary government net expense</b>	<u>\$ (23,257,311)</u>	<u>\$ (26,381,258)</u>	<u>\$ (24,407,804)</u>	<u>\$ (31,800,055)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Primary Government (Governmental Activities) <sup>(B)</sup>				
Taxes				
Property Taxes	\$ 18,374,201	\$ 20,968,605	\$ 21,510,694	\$ 22,459,900
Auto Excise Taxes	\$ 1,210,402	\$ 2,651,068	\$ 2,174,918	\$ 2,041,398
COIT and other Taxes	\$ 5,165,187	\$ 2,978,533	\$ 3,486,731	\$ 3,645,823
Unrestricted grants and contributions	\$ 406,995	\$ 424,259	\$ 413,934	\$ 5,244
Unrealized loss on investments	\$ -	\$ (201,644)	\$ -	\$ -
Interest on investments	\$ -	\$ -	\$ -	\$ 1,276,698
Other	\$ 1,040,633	\$ 900,474	\$ 2,299,491	\$ 402,724
Total primary government general revenues	<u>\$ 26,197,418</u>	<u>\$ 27,721,295</u>	<u>\$ 29,885,768</u>	<u>\$ 29,831,787</u>
<b>Total Change in Primary Government Net Assets</b>	<u>\$ 2,940,107</u>	<u>\$ 1,340,037</u>	<u>\$ 5,477,964</u>	<u>\$ (1,968,268)</u>

NOTE:

(A) The Allen County Public Library implemented GASB 34 in fiscal year 2003, therefore, only four years of government-wide financial data is presented

(B) The Allen County Public Library has no business-type activities. All activities of the Library (Primary Government) are considered governmental-type activities.

**Allen County Public Library**  
**Fund Balances of Governmental Funds**  
**Last Ten Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund										
Reserved	\$ 3,848	\$ 4,860	\$ 5,150	\$ 5,441	\$ 8,584	\$ 8,200	\$ 3,337	\$ 7,479	\$ 8,238	\$ 8,502
Unreserved	\$ 3,848	\$ 4,860	\$ 5,150	\$ 5,441	\$ 8,584	\$ 8,200	\$ 3,337	\$ 7,479	\$ 8,238	\$ 8,502
Total General Fund										
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Capital projects funds	\$ 1,284	\$ 826	\$ 1,378	\$ 2,008	\$ 10,987	\$ 39,560	\$ 37,530	\$ 50,940	\$ 27,924	\$ 6,669
Special revenue funds	\$ 120	\$ 140	\$ 97	\$ 137	\$ 121	\$ 84	\$ 84	\$ 94	\$ 131	\$ 194
Debt service funds	\$ 783	\$ 825	\$ 1,209	\$ 1,241	\$ 1,269	\$ 4,177	\$ 3,073	\$ 4,261	\$ 4,915	\$ 5,622
Total all other governmental funds	\$ 2,187	\$ 1,791	\$ 2,684	\$ 3,386	\$ 12,377	\$ 43,821	\$ 40,687	\$ 55,295	\$ 32,970	\$ 12,485

**Allen County Public Library**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Revenues</b>										
Taxes	\$ 15,504	\$ 16,587	\$ 17,325	\$ 18,072	\$ 20,003	\$ 25,140	\$ 19,947	\$ 31,558	\$ 27,169	\$ 24,620
Intergovernmental	\$ 335	\$ 367	\$ 353	\$ 363	\$ 402	\$ 374	\$ 407	\$ 424	\$ 446	\$ 3,840
Charges for services other	\$ 486	\$ 474	\$ 366	\$ 444	\$ 523	\$ 540	\$ 497	\$ 517	\$ 553	\$ 575
	\$ 518	\$ 874	\$ 665	\$ 646	\$ 646	\$ 1,137	\$ 1,041	\$ 843	\$ 2,300	\$ 1,759
Total Revenues	\$ 16,843	\$ 18,302	\$ 18,709	\$ 19,525	\$ 21,574	\$ 27,191	\$ 21,892	\$ 33,342	\$ 30,468	\$ 30,794
<b>Expenditures</b>										
Administration and support	\$ 3,271	\$ 3,326	\$ 4,501	\$ 3,615	\$ 4,048	\$ 4,775	\$ 6,121	\$ 6,034	\$ 6,137	\$ 5,768
Public Services	\$ 7,339	\$ 7,727	\$ 7,762	\$ 9,556	\$ 9,863	\$ 10,580	\$ 10,078	\$ 10,152	\$ 10,753	\$ 12,237
Library Materials	\$ 2,758	\$ 3,219	\$ 2,960	\$ 2,981	\$ 4,073	\$ 3,790	\$ 3,663	\$ 3,036	\$ 3,418	\$ 3,541
Capital Outlays	\$ 929	\$ 2,145	\$ 1,119	\$ 1,195	\$ 2,200	\$ 3,199	\$ 15,496	\$ 21,415	\$ 25,027	\$ 22,838
Debt Service										
Principal	\$ 805	\$ 855	\$ 855	\$ 895	\$ 935	\$ 6,855	\$ 4,605	\$ 4,585	\$ 34,260	\$ 3,221
Interest	\$ 434	\$ 414	\$ 329	\$ 290	\$ 248	\$ 510	\$ 2,313	\$ 2,121	\$ 3,030	\$ 3,410
Bond issue costs					\$ 56	\$ 421		\$ 270	\$ 356	
Total Expenditures	\$ 15,536	\$ 17,686	\$ 17,526	\$ 18,532	\$ 21,423	\$ 30,130	\$ 42,276	\$ 47,613	\$ 82,981	\$ 51,015
Excess of revenues over (under) expenditures	\$ 1,306	\$ 616	\$ 1,183	\$ 993	\$ 151	\$ (2,939)	\$ (20,384)	\$ (14,271)	\$ (52,513)	\$ (20,221)
<b>Other Financing Source (Uses)</b>										
Transfers in	\$ 1,256	\$ 1,282	\$ 1,787	\$ 1,838	\$ 1,836	\$ 4,514	\$ 4,331	\$ 6,115	\$ 6,900	\$ 6,898
Transfers out	\$ (1,256)	\$ (1,282)	\$ (1,787)	\$ (1,838)	\$ (1,836)	\$ (4,514)	\$ (4,331)	\$ (6,115)	\$ (6,900)	\$ (6,898)
Issuance of debt					\$ 11,445	\$ 34,000	\$ 12,386	\$ 31,470	\$ 31,040	
Bond premium								\$ 1,551	\$ 1,940	
Accrued interest at bond sale					\$ 25					
Defeasance of bonds									\$ (2,032)	
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ 11,470	\$ 34,000	\$ 12,386	\$ 33,021	\$ 30,948	\$ -
Net Change in fund balances	\$ 1,306	\$ 616	\$ 1,183	\$ 993	\$ 11,621	\$ 31,061	\$ (7,998)	\$ 18,750	\$ (21,565)	\$ (20,221)
Debt Service as a percentage of noncapital expenditures	8.5%	8.2%	7.2%	6.8%	6.4%	28.9%	25.8%	26.6%	24.5% <sup>A</sup>	23.5%

**NOTE:**

A) In 2005, \$31,470,000 of debt issued in 2002 was refinanced. The payoff of the principal on this debt is reflected in the "Expenditures" for this year. However, in order to have more accurate calculations relating to Debt Service percentages, the expenditures have been adjusted to reflect true on-going debt service principal payments of \$3,221,000.

**ALLEN COUNTY PUBLIC LIBRARY**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY [A]**  
**Last Ten years**

<b><u>Tax Year Payable</u></b>	<b><u>Net Assessed Value</u></b>	<b><u>Estimated Actual Value</u></b>	<b><u>Total Direct Tax Rate</u></b>
2006	\$ 14,061,977,670	\$ 14,061,977,670	\$ 0.1607
2005	13,932,934,665	13,932,934,665	0.1579
2004	14,211,493,429	14,211,493,429	0.1415
2003 [B]	14,231,573,124	14,231,573,124	0.1456
2002 [C]	3,328,324,088	9,984,972,264	0.5841
2001	3,172,021,007	9,516,063,021	0.4342
2000	3,067,624,274	9,202,872,822	0.4334
1999	3,007,390,136	9,022,170,408	0.4330
1998	2,935,243,905	8,805,731,715	0.4265
1997	2,842,393,179	8,527,179,537	0.4109

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**

**Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

	2005 pay 2006	2004 pay 2005	2003 pay 2004	2002 pay 2003	2001 pay 2002	2000 pay 2001	1999 pay 2000	1998 pay 1999	1997 pay 1998	1996 pay 1997
<b>Library Direct Rates</b>										
General	\$ 0.1127	\$ 0.1095	\$ 0.1029	\$ 0.0982	\$ 0.1329	\$ 0.4016	\$ 0.3992	\$ 0.3874	\$ 0.3889	\$ 0.3721
Debt Service	0.0480	0.0484	0.0386	0.0474	0.0618	0.0326	0.0342	0.0456	0.0376	0.0388
Total direct rates	0.1607	0.1579	0.1415	0.1456	0.1947	0.4342	0.4334	0.4330	0.4265	0.4109
<b>County-wide units:</b>										
Ft. Wayne-Allen Co. Airport	0.0243	0.0237	0.0225	0.0217	0.0801	0.0803	0.0803	0.0818	0.0886	0.0884
County of Allen	0.5675	0.5452	0.4746	0.4229	1.7055	1.7948	1.6881	1.7122	1.6130	1.1501
State of Indiana	0.0239	0.2325	0.0223	0.0224	0.0876	0.0881	0.0879	0.1600	0.1577	0.6113
<b>Cities and Towns:</b>										
City of Fort Wayne	1.0869	1.046	0.9421	0.8846	3.33	3.3301	3.3303	3.3459	3.3484	3.2898
City of New Haven	0.8399	0.7340	0.5957	0.5372	2.3178	2.4598	2.4144	2.4144	2.4144	2.4500
City of Woodburn	0.5026	0.5104	0.4454	0.4469	1.8069	1.7195	1.6456	1.6183	1.6986	2.0433
Town of Grabill	0.6596	0.6219	0.5766	0.4785	1.9116	1.8598	1.5956	1.3327	1.3775	1.3593
Town of Monroeville	0.688	0.7003	0.6123	0.5521	1.755	2.2383	2.5	2.3933	2.3447	2.3303
Town of Huntertown	0.1169	0.1337	0.1444	0.1857	0.9963	1.0577	1.0691	1.5319	1.1933	0.6459
Town of Zanesville	0.2825	0.3061	0.2930	0.2803	1.0719	1.144	1.0871	1.3525	1.4470	1.4459
Town of Leo-Cedarville	0.2961	0.2965	0.2912	0.2803	1.2795	1.2573	1.3431	1.2609	1.3373	1.3581
<b>School Districts:</b>										
East Allen County	1.5491	1.492	1.5005	1.3088	5.58	5.1417	5.2761	5.0673	5.6155	5.5062
Ft. Wayne Community	1.4743	1.4078	1.4306	1.2566	4.8192	4.7796	4.7739	4.7493	4.8661	5.0260
Northwest Allen County	1.6085	1.4726	1.4693	1.2078	5.9583	5.8003	5.8257	5.3017	5.5456	5.1336
Southwest Allen County	1.6102	1.6842	1.6085	1.541	6.3246	6.0445	6.1829	6.3221	6.5081	6.1933
<b>Other special districts:</b>										
Public Transport. Corp	0.0393	0.039	0.0367	0.0353	0.1332	0.1358	0.1328	0.1281	0.1302	0.1205
S.W. Allen Fire District	0.1235	0.1296	0.1169	0.1093	0.3783	0.3886	0.3787	0.4280	0.4155	0.4133
New Haven-Adams Twp Parks	0.1018	0.0712	0.1067	0.0993	0.33	0.33	0.3212	0.3056	0.3399	0.3512
<b>Townships:</b>										
Aboite	0.0537	0.0660	0.0490	0.0565	0.2517	0.2560	0.1015	0.0866	0.1427	0.1430
Adams	0.2293	0.2186	0.2231	0.2228	0.7119	0.6269	0.7544	0.7407	0.6646	0.6902
Cedar Creek	0.0463	0.0458	0.0462	0.0444	0.2298	0.2293	0.1712	0.1539	0.1736	0.1593
Eel River	0.0186	0.0181	0.0178	0.0175	0.0963	0.0983	0.0971	0.0871	0.0836	0.1051
Jackson	0.0375	0.0442	0.0424	0.0410	0.1956	0.1594	0.2464	0.1674	0.1079	0.1571
Jefferson	0.0920	0.0843	0.0816	0.0773	0.2304	0.2215	0.1678	0.1556	0.1537	0.1628
Lafayette	0.0017	0.0018	0.0018	0.0023	0.0078	0.0097	0.0100	0.0196	0.0230	0.0238
Lake	0.0791	0.0643	0.0631	0.0612	0.3171	0.3162	0.3046	0.3079	0.3044	0.3013
Madison	0.0834	0.0706	0.0790	0.0762	0.3996	0.3060	0.2888	0.3060	0.2981	0.2911
Marion	0.0649	0.0642	0.0648	0.0253	0.1041	0.1031	0.1022	0.1036	0.0998	0.0920
Maumee	0.1312	0.1459	0.0814	0.1092	0.1459	0.4636	0.5693	0.2956	0.2851	0.2667
Milan	0.0474	0.0467	0.0446	0.0429	0.1683	0.1676	0.1686	0.1285	0.1638	0.1608
Monroe	0.0869	0.0832	0.0836	0.0769	0.3819	0.3717	0.3733	0.2907	0.1313	0.3285
Perry	0.0356	0.0366	0.0380	0.0337	0.1485	0.1602	0.1595	0.1591	0.1616	0.1619
Pleasant	0.0111	0.0102	0.0091	0.0075	0.0141	0.0180	0.0200	0.0150	0.0123	0.0194
Scipio	0.0425	0.0425	0.0441	0.0431	0.2400	0.1738	0.1755	0.2260	0.2092	0.2072
Springfield	0.0723	0.0892	0.1109	0.0717	0.4338	0.5589	0.4817	0.2167	0.2145	0.2334
Saint Joseph	0.2388	0.0985	0.0885	0.0713	0.3207	0.3524	0.3751	0.3957	0.3133	0.3132
Washington	0.0812	0.0804	0.0489	0.0448	0.1473	0.1349	0.1393	0.1472	0.1745	0.1368
Wayne	0.0893	0.1267	0.0747	0.0757	0.2898	0.3192	0.3393	0.3014	0.2461	0.2317

Source: Allen County Auditor's Office

**Allen County Public Library  
Principal Taxpayers  
Current Year and Nine Years Ago**

Principal Taxpayers - Name	2006			1997		
	Taxable Assessed Valuation (1)	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation (2)	Rank	Percent of Total Taxable Assessed Valuation
General Motors Corp.	\$ 217,876,859	1	1.5 %	\$ 243,249,480	1	2.9 %
Verizon North Inc	171,249,300	2	1.2	125,053,140	2	1.5
GGP-Glenbrook-LLC	114,784,990	3	0.8			0.0
Indiana Michigan Power	111,673,000	4	0.8	99,720,480	3	1.2
IOM Health Systems	70,214,820	5	0.5	55,383,420	8	0.6
Uniroyal BF Goodrich	62,884,260	6	0.4	74,915,640	5	0.9
Regency Canterbury	53,563,100	7	0.4			0.0
St Joseph Health System LLC	50,375,850	8	0.4			0.0
Sommerfeld Nicholas U Etal	48,964,800	9	0.3			0.0
Northern Indiana Public Service Co.	47,818,550	10	0.3	42,764,400	10	0.5
Dana Corporation				98,132,760	4	1.2
General Electric Company				65,238,036	6	0.8
Lake County Trust/Landau & Hayden				55,929,150	7	0.7
Ohio Cubco/Super Value Holding Inc.				46,813,380	9	0.5
<b>Total of Ten Largest Taxpayers</b>	<b>\$ 949,405,529</b>		<b>6.8 %</b>	<b>\$ 907,199,886</b>		<b>10.6 %</b>

(1) Represents assessed valuations for taxes due and payable in 2006.

(2) Represents assessed valuations for taxes due and payable in 1997.

Source: Allen County Auditor's Office.

**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>
2006	\$ 15,847,160	\$ 15,761,401	99.46%	\$ 6,749,456	\$ 6,713,738	99.47%
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%

**NOTE:**

(A) Property taxes collected include the portion of prior year delinquencies collected in the current year. GASB Statement #44 has called for a new report on collections that breaks down the collection figures between current and prior years. At the time of CAFR production, this information was unavailable from the County Auditor's Office and will not be available until late 2007.

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

## Ratios of Outstanding Debt by Type Last Ten Years

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<u>Primary Government (Governmental Activities)<sup>A</sup></u>						
<u>Year</u>	<u>General Obligation Bonds</u>	<u>First Mortgage (Lease) Bonds</u>	<u>Participation Certificates</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income<sup>B</sup></u>	<u>Per Capita<sup>B</sup></u>
2006	\$ 1,340,000	\$ 69,800,000	-	\$ 71,140,000	N/A	\$ 204.83
2005	1,845,000	72,515,000	-	74,360,000	6.82%	216.12
2004	2,330,000	75,250,000	-	77,580,000	7.22%	226.73
2003	4,515,000	46,180,000	-	50,695,000	5.03%	152.72
2002	8,820,000	34,000,000	-	42,820,000	4.25%	126.87
2001	11,445,000	-	4,230,000	15,675,000	1.61%	46.78
2000	-	-	5,165,000	5,165,000	0.53%	15.56
1999	-	-	6,060,000	6,060,000	0.66%	19.15
1998	-	-	6,915,000	6,915,000	0.78%	22.01
1997	500,000	-	7,270,000	7,770,000	0.95%	24.90

NOTE:

(A) The Allen County Public Library has no business-type activities. All activities of the Library (Primary Government) are considered governmental-type activities.

(B) See Schedule S-13 for personal income and population data. Personal income data for the year 2006 was not available at the time of production.

**Ratios of General Bonded Debt Outstanding  
Last Ten Years**  
(amounts expressed in thousands, except per capita)

<u>Year</u>	<u>General Bonded Debt</u> <sup>A</sup>	<u>Less: Amounts Available in Debt Service Funds</u> <sup>B</sup>	<u>Total Primary Government</u>	<u>Percentage of Actual Taxable Value</u> <sup>C</sup> <u>of Property</u>	<u>Per Capita</u> <sup>D</sup>
2006	\$ 71,140	\$ 5,622	\$ 65,518	0.466%	\$ 188.64
2005	74,360	5,217	69,143	0.496%	\$ 200.96
2004	77,580	3,734	73,846	0.520%	\$ 215.82
2003	50,695	3,071	47,624	0.335%	\$ 143.47
2002	42,820	4,521	38,299	0.384%	\$ 113.47
2001	15,675	1,321	14,354	0.151%	\$ 42.83
2000	5,165	1,292	3,873	0.042%	\$ 11.67
1999	6,060	1,278	4,782	0.053%	\$ 15.11
1998	6,915	873	6,042	0.069%	\$ 19.23
1997	7,770	821	6,949	0.081%	\$ 22.27

NOTE:

- (A) General bonded debt includes all general obligation debt as well as other bonded debt financed with any general governmental resources. For this schedule, it includes all general obligation bonds, first mortgage bonds, and participation certificates.
- (B) This includes resources that are restricted to repaying debt principal.
- (C) See Schedule S-5 for property value data.
- (D) See Schedule S-13 for population data.

**Allen County Public Library  
Legal Debt Margin Information  
Last Ten Years  
(amounts expressed in thousands)**

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit <sup>A</sup>	\$ 56,848	\$ 58,705	\$ 60,148	\$ 61,352	\$ 63,440	\$ 66,566	\$ 94,877	\$ 94,743	\$ 92,886	\$ 93,747
Total net debt applicable to limit	\$ 447	-	-	-	\$ 10,480	\$ 7,889	\$ 4,241	\$ 2,218	\$ 1,716	\$ 1,234
Legal debt margin	<u>\$ 56,401</u>	<u>\$ 58,705</u>	<u>\$ 60,148</u>	<u>\$ 61,352</u>	<u>\$ 52,960</u>	<u>\$ 58,677</u>	<u>\$ 90,636</u>	<u>\$ 92,525</u>	<u>\$ 91,170</u>	<u>\$ 92,513</u>
Total net debt applicable to the limit as a percentage of debt limit	0.79%	N/A	N/A	N/A	16.52%	11.85%	4.47%	2.34%	1.85%	1.32%

**Legal Debt Margin Calculation for Fiscal Year 2006**

Market value	\$ 14,061,978
Assessed value for debt calculation <sup>B</sup>	\$ 4,687,326
Debt limit (2%)	\$ 93,747
Debt applicable to limit:	
General obligation bonds	\$ 1,340
Less: Amount set aside for repayment of general obligation debt <sup>C</sup>	<u>\$ (106)</u>
Total net debt applicable to limit	<u>\$ 1,234</u>
Legal debt margin	<u>\$ 92,513</u>

NOTE:

(A) The statutory debt limit for a municipal corporation is 2% of the assessed value. The 2% limit 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 requirements. Consequently, for this report, only General Obligation Bonds are subject to the debt limitations.

(B) The assessed value for debt limit calculations is 1/3rd of market value.

(C) The applicable portion of the debt service amounts attributable to General Obligation Bonds.

# ALLEN COUNTY PUBLIC LIBRARY

## Demographic and Economic Statistics Last Ten Years

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<u>Year</u>	<u>Population <sup>A</sup></u>	<u>Personal Income (Thousands) <sup>B</sup></u>	<u>Per Capita Personal Income <sup>C</sup></u>	<u>Unemployment Rate</u>
2006	347,316	N/A	N/A	4.9 %
2005	344,066	\$ 10,910,601	\$ 31,722	5.2
2004	342,168	10,741,515	30,664	5.2
2003	331,937	10,077,558	29,645	5.3
2002	337,513	10,065,472	29,829	5.0
2001	335,107	9,762,808	29,133	4.1
2000	331,849	9,677,492	29,082	2.6
1999	316,471	9,171,663	27,903	2.8
1998	314,218	8,854,201	27,203	2.6
1997	312,091	8,199,015	25,500	2.7

**NOTE:**

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

(B) 2006 Personal Income data was unavailable at the time of production. Source: U.S. Department of Commerce, Bureau of Economic Analysis.

(C) Source: U.S. Department of Labor, Bureau of Labor Statistics.

**Allen County Public Library  
Principal Employers  
Current Year and Nine Years Ago**

Principal Employers - Name	2006			1997		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Parkview Memorial Hospital	4,254	1	2.4 %	3,512	3	1.3 %
Fort Wayne Community Schools	3,445	2	1.9	4,101	1	1.5
Lutheran Health Network	2,889	3	1.6	2,000	8	0.8
General Motors - Truck & Bus Group	2,847	4	1.6	3,194	4	1.2
Allen County Government	1,993	5	1.1			
The City of Fort Wayne	1,671	6	0.9	1,638	10	0.6
ITT Aerospace - Communications Div.	1,634	7	0.9	2,250	7	0.8
Shambaugh and Sons, Inc.	1,500	8	0.8			
SIRVA	1,500	9	0.8			
Lincoln Financial Group	1,500	10	0.8	3,672	2	1.4
Dana Corporation, Spicer Axle Division				2,500	5	0.9
Scott's Food Store's, Inc.				2,268	6	0.9
General Telephone Operations				1,802	9	0.7
<b>Total of Ten Largest Taxpayers</b>	<b>23,233</b>		<b>12.9 %</b>	<b>26,937</b>		<b>10.1 %</b>

Source: Community Research Institute of IPFW and the Indiana Work Force Development.

# 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>
<b><u>2000 Population:</u></b>	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%
<b><u>2000 Income Data</u></b>					
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

<b>Age ranges:</b>	<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
<b>TOTAL</b>	<b>25,440</b>	<b>26,195</b>	<b>25,487</b>	<b>24,119</b>	<b>21,903</b>	<b>47,011</b>	<b>52,496</b>	<b>45,188</b>
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%
<b>TOTAL</b>	<b>7.67%</b>	<b>7.89%</b>	<b>7.68%</b>	<b>7.27%</b>	<b>6.60%</b>	<b>14.17%</b>	<b>15.82%</b>	<b>13.62%</b>

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%	

# ALLEN COUNTY PUBLIC LIBRARY

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

<b>Age ranges:</b>	<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
<b>TOTAL</b>	<b>25,440</b>	<b>26,195</b>	<b>25,487</b>	<b>24,119</b>	<b>21,903</b>	<b>47,011</b>	<b>52,496</b>	<b>45,188</b>
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%
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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%
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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%
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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%
<b>TOTAL</b>	<b>7.67%</b>	<b>7.89%</b>	<b>7.68%</b>	<b>7.27%</b>	<b>6.60%</b>	<b>14.17%</b>	<b>15.82%</b>	<b>13.62%</b>

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

**Allen County Public Library  
Key Operating Indicators  
Last Ten Years**

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Circulation <sup>A</sup></b>										
Total circulation	4,272,117	4,070,872	3,734,358	4,108,387	4,650,258	4,966,143	4,884,801	5,092,027	5,405,090	5,667,564
Per capita	14.2	13.5	12.4	13.7	13.9	14.8	14.6	15.2	16.1	16.9
<b>Patron Visits</b>										
Total patron visits	2,059,937	2,070,592	1,962,529	1,974,663	2,161,374	2,196,735	1,965,533	2,119,622	2,506,718	2,747,102
Per capita	6.9	6.9	6.5	6.6	6.5	6.6	5.9	6.3	7.5	8.2
<b>Patron Service Units <sup>B</sup></b>										
Total patron service units	8,259,452	8,551,050	9,529,062	11,914,678	8,233,262	8,413,015	8,365,563	8,924,556	9,729,064	9,939,109
Per capita	27.5	28.4	31.7	39.6	24.6	25.1	25.0	26.6	29.0	29.7
Patron service units/hour	2,600	2,852	3,249	3,586	2,626	2,772	2,908	2,800	2,994	2,995
Cost per patron service unit	\$ 1.80	\$ 1.84	\$ 1.76	\$ 1.41	\$ 2.19	\$ 2.35	\$ 2.36	\$ 2.33	\$ 2.16	\$ 2.11

NOTE:

- (A) Circulation includes all materials that have been check-out to patrons throughout the Library system. It would include, but not be limited to, books, periodicals, audio materials, visual materials, computer software, and support equipment.
- (B) The Patron Service Unit is an output measure developed by the Allen County Public Library in the 1980's that weights each kind of interaction the library has with patrons and combines them to get a sense of the overall impact on the community. They measure not only what the impact is on the patron, but also the amount of work it takes to get that output. The formula includes factors such as materials circulated, non-circulating material usage, data base usage, reference questions answered and research performed, library program attendance, non-library program attendance (i.e. meeting room use), and other relevant factors.