

**ALLEN COUNTY PUBLIC LIBRARY**  
**A COMPONENT UNIT OF ALLEN COUNTY**  
**Fort Wayne, Indiana**



**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**

**For The Fiscal Year Ended**  
**December 31, 2013**

**FILED**  
07/25/2014



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A COMPONENT UNIT OF ALLEN COUNTY  
Fort Wayne, Indiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For The Fiscal Year Ended December 31, 2013

Prepared by:  
David K. Sedestrom  
Treasurer  
Chief Financial Officer

ALLEN COUNTY PUBLIC LIBRARY  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2013  
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# INTRODUCTORY SECTION



**The Allen County  
Public Library  
is a service  
institution.  
It seeks to  
inform, educate  
and culturally  
enrich the entire  
community by providing  
books and  
other library materials,  
facilities, and  
professional services  
for free use by  
all residents.**



June 12, 2014

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, a component unit of Allen County, for the fiscal year ended December 31, 2013. 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 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 and the 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 appointments are non-authoritative in nature with no continuing linkage between the various appointing authorities and the appointees. However, changes in legislation now require that if the percentage increase of a subsequent year expense budget is greater than the State determined amount property tax assessment



may increase over the previous year, the budget must be reviewed and approved by the appropriate fiscal body. In the library's case, this fiscal body is the Allen County Council and, as such, the library is considered a component unit of Allen County. 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 by the Library Board of Trustees for the sole purpose of financing library buildings and improvements. 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 363,000 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 north-east 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 has traditionally been strong enough in the suburban areas surrounding Fort Wayne to more than offset assessed valuation decreases in our urban 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. For the years 2005 through 2008, economic and housing growth patterns returned to an upward movement with 2008 showing an approximate increase in assessed values of 3.8%. However, by the start of 2009, the economic recession hit the region hard resulting in record high unemployment rates, income losses, and an approximate 16.1% decrease in assessed values. 2013 continued to show encouraging signs of the economic recovery that began in 2011 and, as such, the total assessed value of the County increase by .3%.

## **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. However, growth keeps accelerating with the six-million circulation mark reached by the end of 2007, seven-million reached in 2009, and eight-million by 2011. By the end of 2013, almost 10 and three-quarter million total circulations had been attained. The Allen County Public Library continues to rank in the top ten in system-wide circulation per capita and is consistently rated as one of the top five public libraries in the nation by numerous 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. The Library's Fred J. Reynolds Historical Genealogy Department collection continues to garner top rankings 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 800 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. Again in 2012, the favorable interest rates allowed the Library to refinance a portion (\$9,375,000) of the 2003 first mortgage bonds and save the taxpayers an additional \$283,000 over the next (final) three years of bond payments.

After nearly ten years from start to finish, the grand opening ceremonies for Main Library were held in January 2007 and brought 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.

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.

As knowledge and information continue to grow exponentially, 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 over 4.9 million books, 1.8 million government documents, tens of thousands of magazines, sound recordings, books on tape, pamphlets, downloadable audio and e-books, and more, the Library now offers a host of electronic information products. Our goal is to ensure that all residents of Allen County have access to needed information resources regardless of his or her ability to pay.

In 2009, the Lincoln Financial Foundation gave the collection from the Lincoln Museum of Fort Wayne, valued at over \$20 million, to the State of Indiana. In turn, the State selected the Allen County Public Library for the two dimensional objects and the Indiana State Museum for the three dimensional objects. The research collection, entitled the "Lincoln Collection in Indiana", is now housed at the Allen County Public Library. The collection is considered an incomparable repository and resource for information on the life and legacy of Abraham Lincoln and is extensively used by authors, scholars, TV producers, educators, students, Lincoln enthusiasts, and the general public. In addition, the more than twenty thousand books and pamphlets, thousands of photographs, the extensive genealogical collections on the Hanks and Lincoln families, and other Lincoln-related documents, including many written or signed by Lincoln, are being digitized. While this digitization project will take a number of years to complete, many items have already been made available for on-line access.

The Allen County Public Library is constantly striving to identify the ever changing needs of our patrons and evolve our services to meet those needs. Libraries have traditionally been the repository of all forms of knowledge items such as books, magazines, databases, etc and have been compared to a "supermarket" of knowledge. However, in recent years, we have adopted the view that perhaps the library should also contain aspects of a "kitchen" where not only are there ingredients, but also access to tools and other resources which can be utilized to create something with all this knowledge.

To that end, for the past few years the Library has collaborated with Tek Venture, a local "maker space" provider, to offer our patrons access to, and demonstrations of, high-tech sophisticated tools and software which would typically be too costly for an individual to afford. In 2013 the development of two "maker labs" to be constructed at the Main Library and the Georgetown branch began and are set to open in the spring of 2014. These labs will contain a sampling of maker equipment such as 3-D printers, vinyl cutters, sewing apparatuses, audio and visual recording and editing equipment which patrons can use to turn their ideas into tangible items.

## **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), and the Rainy Day Fund. 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 August. The budget is legally advertised and a public hearing is held in mid-September. The Board approves the budget in late October and it is then submitted to the Department of Local Government Finance who subsequently holds a final budget hearing between November and the end of year. The final budget order is then issued by February 15. As mentioned previously, only if a requested budget exceeds the allowable State determined growth factor in property taxes over the previous year does this process then incorporate a review and approval by the Allen County Council which serves as the county fiscal body to the library.

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 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. However, property taxes are the main funding source for the Library representing approximately 75% of the total revenue budget in 2013. 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 causes the of maximum amount of property tax levy an entity can collect to fluctuate with the economic conditions of the state. In 2007 the General Assembly passed legislation, which subsequently became an amendment to the Indiana Constitution in 2010, placing further restrictions on property tax collections by incorporating caps on the total amount of property tax that can be collected from property owners based on a percentage of their assessed property values. As mentioned in the Economic Conditions section, the recession has caused a significant



decrease in the assessed values of real property in the library taxing district. The result is that as property values decrease, the caps on how much tax can be collected become more and more significant. The amount of uncollectible property tax revenue due to the caps was approximately \$2.7 million in 2013. That figure is currently estimated to rise to approximately \$2.8 million in 2014 and then to \$2.9 million in 2015. While the Library has taken adequate steps to ensure a balanced budget for the upcoming years, until property values start to rebound, the effects of these caps will continue to restrict the programs and services delivered.

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 maintain sufficient balances in the combined General and Library Improvement Reserve (LIRF) funds to meet the expenditure needs during these six-month periods. This balance, combined with other miscellaneous revenue receipts and good cash and investment management practices, has allowed the library to avoid any short-term cash flow borrowings for a number of years.

The fund balance in the Debt Service fund at December 31st is adequate to service the payments that are due in January. Tax receipts during the first six months of the year are expected to be adequate to cover the July debt payments. The fund balance in the special revenue funds are related to the Cable Access Television fund, the Gift fund, the Rainy Day fund, and the Levy Excess fund. The fund balance in the Capital Projects fund represents 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. In addition, because recent changes in State legislation makes the issuance of debt more difficult for taxing entities, future construction will likely use advance funding within LIRF rather than bonding. 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 (11% for 2013). 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, 2013 the Library had four debt issues outstanding, all of which are related to the 2000+ Capital Improvement Project. When this project was first financed, there were four original bond issues with the first being \$11,445,000 in General Obligation bonds which was issued in December of 2001. This bond issue was paid off in early 2009. 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. In 2012, a portion of the 2003 first mortgage bonds were also refinanced to also take advantage of interest rates. 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 eighty-five 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.

Risk Management. In 2010, it was decided that (beginning in 2011) for cost savings and control purposes, the Library would fund its group health costs and related services, such as reinsurance, administrative fees, etc. through a self-funding process. With this type of structure, instead of purchasing a group health insurance policy from an insurance provider and paying monthly premiums, the Library sets aside revenues generated from both employer and employee assessments into a separate fund and pays for the related costs directly from those funds. This fund was established in 2011 as an internal service fund (proprietary) and the fund balance in this fund represents the net revenues over expenses at the end of the year. The long-term goal of this self-insurance fund is to increase the fund balance to a point where sufficient available funds exist to allow stable employee premium assessments rather than having those assessments subject to the volatility inherent with health care cost.

Please refer to the Management Discussion and Analysis for further information about various aspects of the Library's financial activities for 2013 including analysis of assets, revenues, expenditures, capital projects, debt administration, and risk management. In addition, the notes to the financial statements, which follow the combined financial statements, contain additional information and are an integral part of the statements.

## **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 Dulin, Ward, & DeWald, Inc. The State Board of Accounts relied on the work of the other auditors in issuing their opinion.

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, 2012. This is the twenty first 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.

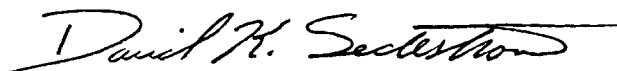
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,

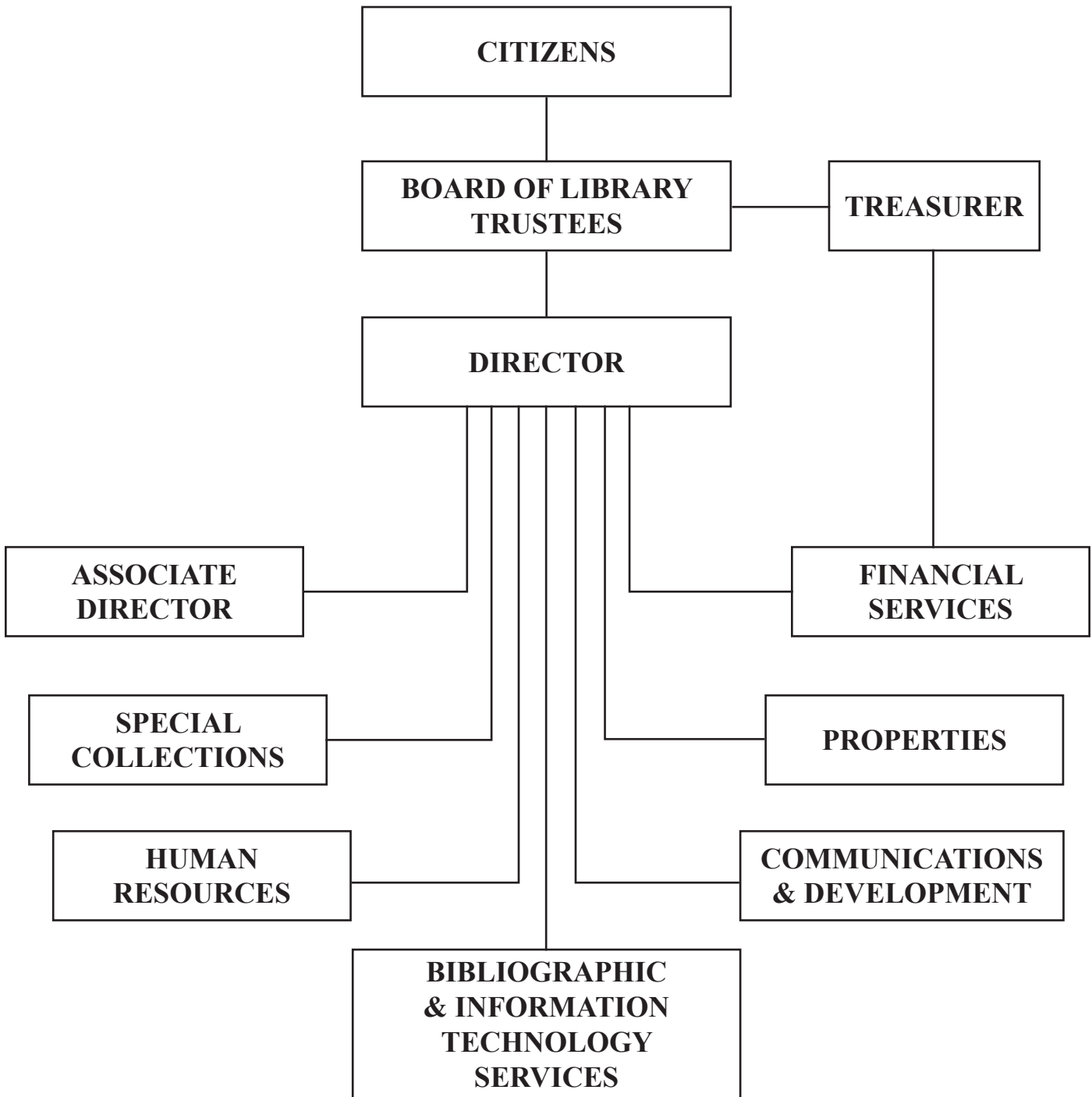
A handwritten signature in cursive script that reads "David K. Sedestrom". The signature is written in black ink and is positioned above the printed name and title.

David K. Sedestrom  
Chief Financial Officer/Treasurer



# ALLEN COUNTY PUBLIC LIBRARY

## Organizational Chart



# ALLEN COUNTY PUBLIC LIBRARY

## Board of Library Trustees December 31, 2013

	TERM EXPIRES
President Martin E. Seifert	December 31, 2014
Vice-President Alan McMahan	December 31, 2015
Secretary Paul G. Moss	December 31, 2014
Member William E. Brown	December 31, 2016
Member John P. Gerni	December 31, 2016
Member Gloria Shamanoff	December 31, 2017
Member James E. Williams, Jr.	December 31, 2017

## Administrative Staff

Jeffrey R. Krull	<i>Director</i>
David K. Sedestrom	<i>Chief Financial Office and Treasurer</i>
Michael B. Clegg	<i>Associate Director</i>
Cheryl L. Ferwerda	<i>Communications and Development Manager</i>
Kimberly A. Quintrell	<i>Bibliographic and Information Technology Services Manager</i>
James L. Gumbel	<i>Properties Manager</i>
Kendra S. Samulak	<i>Human Resources Manager</i>
Curt B. Witcher	<i>Special Collections Manager</i>



Government Finance Officers Association

**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, 2012**

Executive Director/CEO

# FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Allen County Public Library (Library), a component unit of Allen County, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Allen County Public Library Foundation, which represents 100 percent, 100 percent, and 100 percent, respectively, of the total assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Allen County Public Library Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Library as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*


Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress, and Budgetary Comparison Schedules, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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, Budgetary Comparison Schedule – Other Major Governmental Funds, Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

*The Budgetary Comparison Schedule – Other Major Governmental Funds, Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds*, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Budgetary Comparison Schedule – Other Major Governmental Funds, Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

  
Paul D. Joyce, CPA  
State Examiner

June 2, 2014

# 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, 2013. 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 and deferred outflows of the Library exceeded its liabilities at the end of 2013 by \$54.9 million (total net position), an increase of \$2.2 million over the 2012 amount of \$52.7million. This was made up of \$9.1 million in restricted position, \$11.5 million of unrestricted position, and \$34.3 million of net investment in capital assets. The restricted position amounts are primarily \$5.3 million designated for debt service on the bonds issued to fund an \$84 million capital expansion (completed in 2007) and \$3.6 million in the Library Improvement Reserve Fund (LIRF) which is used to ensure the proper upkeep and maintenance of all library facilities. The unrestricted position is used to support the Library's day-to-day operations.
- The net \$2.2 million increase in total net position is the result of total liabilities decreasing by \$2 million and total assets plus deferred outflows increasing by \$200k. With the implementation of GASB 65, the remaining \$1.7 million in unamortized loss on bond refunding is no longer netted against the First Mortgage bonds and bond premiums outstanding listed under liabilities, but rather it is listed separately after the total assets of the library. The result is that net liabilities relating to debt decreased by \$2.8 as \$4.5 million in debt payments was offset by this \$1.7 reclassification. This \$2.8 million decrease when netted against increases in unearned revenue, pension obligations, and other miscellaneous liabilities resulted in the decrease in total liabilities of \$2 million. The decrease in total assets of \$1.5 million was primarily due to capital asset reductions (from depreciation charges) of \$2.7 million being offset by a \$1.2 million increase in cash and other current assets. When this \$1.5 decrease in total assets is combined with the \$1.7 million in unamortized refunding loss mentioned above, the net total is an increase of \$200k. Thus, the \$2 million decrease in liabilities and the \$200k increase in assets and deferred losses translates to the \$2.2 million increase in total net position of the Library.
- At the end of 2013, the Library's governmental funds reported a combined ending fund balance of \$21 million, a \$1.1 million increase over 2012's balance of \$19.9 million. The total General Fund balance increased by \$1.45 million due as cost containment measures and increase use of outside support revenues continue to allow revenues to exceed expenses. The Debt Service fund balances (Bond and Interest Redemption Fund and the ACPL Building Corporation Fund) decreased \$332k as the State legislatively enacted property tax caps resulted in lower overall property tax collections.
- Of the \$21 million dollar fund balance in the governmental funds, \$11 million is attributable to the General Fund while \$5.2 million is attributable to the debt service funds used on the outstanding expansion program bonds. The Library Improvement Reserve Fund (LIRF) balance represents \$3.6 million of the total while the Other Non-Major Governmental Funds (predominantly the Rainy Day Fund) accounts for the remaining \$1.2 million.

## 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 Position and the Statement of Activities.

The Statement of Net Position presents information on all of the Library's assets and liabilities, with the difference between the two reported as total net position. Over time, increases or decreases in net position 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 position. 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, Administrative and support, 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 three categories: governmental funds, proprietary 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.



**Proprietary funds.** Proprietary funds are used by a governmental unit when fees or charges are assessed, either to outside customers or departments within the governmental unit, in order to cover the entire cost of an operation. There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for business-type activities, such as utilities, and are reported in the government-wide financial statements. Internal service funds are used to report activities that provide services and supplies to other departments of the governmental unit and are reported within the governmental activities section of the government-wide financial statements. The Library does not report any enterprise funds but does utilize an internal service fund to account for its group health insurance services. The basic proprietary fund financial statements can be found on pages 19-21 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 22-23 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 26-42 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 44-46 of this report.

**Allen County Public Library  
Net Position**

	Governmental Activities		Component Unit	
	2013	2012	2013	2012
Current and other assets	\$ 24,853,213	\$ 23,629,449	\$ 12,900,015	\$10,740,749
Capital assets	79,175,387	81,938,456	-	-
<b>Total assets</b>	<b>104,028,600</b>	<b>105,567,905</b>	<b>12,900,015</b>	<b>10,740,749</b>
Deferred outflows of resources	\$ 1,744,414	\$ -	\$ -	\$ -
Long-term liabilities outstanding	44,059,829	46,222,607	-	-
Other liabilities	6,723,130	6,570,693	13,612	2,821
<b>Total liabilities</b>	<b>50,782,959</b>	<b>52,793,300</b>	<b>13,612</b>	<b>2,821</b>
<b>Net position</b>	<b>\$ 54,990,055</b>	<b>\$ 52,774,605</b>	<b>\$ 12,886,403</b>	<b>\$10,737,928</b>
Net invested in capital assets	\$ 34,346,291	\$ 32,522,449	\$ -	\$ -
Restricted	9,176,220	9,524,538	7,468,886	5,940,801
Unrestricted	11,467,544	10,727,618	5,417,517	4,797,127
<b>Total net position</b>	<b>\$ 54,990,055</b>	<b>\$ 52,774,605</b>	<b>\$ 12,886,403</b>	<b>\$10,737,928</b>

## Government-wide Financial Analysis

The Library's (primary government) assets and deferred outflows of resources exceeded liabilities by \$54.9 million at the close of 2013, an increase over 2012's figure of \$52.7 million, which continues to provide a solid equity base to build upon. The Library's overall 2013 net position increased by \$2.2 million from 2012 as an increase in total assets and deferred outflows of \$200k was combined with a decrease in total liabilities of \$2 million. With the implementation of GASB 65, \$1.7 million of remaining unamortized loss on bond refunding was reclassified as a Deferred Outflow of Resources and no longer netted with First Mortgage bonds and bond premiums outstanding under liabilities. The result is that net liabilities relating to debt decreased by \$2.8 as \$4.5 million in debt payments was offset by this \$1.7 reclassification. This \$2.8 million decrease when netted against increases in unearned revenue, pension obligations, and other miscellaneous liabilities resulted in the decrease in total liabilities of \$2 million.

The decrease in total assets of \$1.5 million was primarily due to capital asset reductions (from depreciation charges) of \$2.7 million being offset by a \$1.2 million increase in cash and other current assets. Cash and cash equivalents increased \$1.3 million primarily from continued cost containment measures allowing revenues to exceed expenses and increases in outside sources of revenues from endowments and grants. Receivables increased by \$403k due to additional income tax funds held by the State at year end. This increase was offset by the \$474k elimination of Deferred Debits from the implementation of GASB 65. Deferred debits formerly represented bond issuance costs which were amortized over the life of the bonds. However, the rule change eliminated this deferral and instead requires these costs be expensed in the year of issue. For the Library, this resulted in a prior period adjustment on the Statement of Activities to account for the elimination of this balance from the assets. The increases in cash and receivables being offset by the reduction in deferred debits accounts for the \$1.2 million net increase in current assets.

When the net \$1.5 million decrease in total assets is combined with the \$1.7 million in unamortized refunding loss mentioned above, the net total is an increase of \$200k. Thus, the \$2 million decrease in liabilities and the \$200k increase in assets and deferred losses results in the \$2.2 million increase in total net position of the Library.

From a Government-wide statements perspective, the assets of the Library are divided between cash/ other current assets and capital assets. The cash/other current assets of the Library increased by \$1,223,764 over 2012 due primarily to the cash and receivable items mentioned in the above paragraphs. Of the \$23.9 million in total assets of the governmental funds, \$13.5 million (56%) reflects the current assets of the General Fund (unassigned funds of \$10.9 million), \$3.6 million (15%) reflects the current assets of the Library Improvement Reserve Fund (LIRF) (all restricted funds), \$5.5 million (23%) represent the amounts relating to the debt service on the capital expansion and renovation program bonds (also all restricted), and the remaining \$1.3 million (6%) are the current assets in the Other Non-Major Governmental Funds (primarily the Rainy Day fund).

The \$79.2 million in capital assets (\$34.3 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 decreased by \$2.76 million in 2013 as \$2.98 million in Library Material and Equipment purchases were offset by \$5.74 million increases in depreciation on these and other capitalized assets such as buildings and equipment.

Liabilities for the library equaled \$50.8 million at the end of 2013 of which approximately 87% of them are classified as long-term. As mentioned above, total liabilities decreased by \$2 million from 2012 due to \$4.5 million in scheduled payments on existing bond issues being partially offset by reclassifying \$1.7 of losses on bond refinancing. This combined with increases in unearned revenue (\$609k) and other current and non-current liabilities account for the total net change in liabilities.

When examining the Library's net position (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 2013, the net investment in capital assets amounted to \$34.3 million, an increase of \$1.8 million. This increase is due to the reductions in the debt associated with these assets being greater than the reductions in the values of the assets themselves via depreciation.

The remaining amounts making up the net position of the Library are designated as either restricted or unrestricted. The \$9.2 million in restricted position are subject to external limitations and cannot be spent on everyday operations. The unrestricted portion, \$11.5 million, may be used by the Library for normal operations of providing services to the patrons.

The Library's component unit showed a total net position (assets exceeding liabilities) of \$12.9 million at the end of 2013. This total position reflects 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.

<b>Allen County Public Library</b>				
<b>Changes in Net Position</b>				
	<b>Governmental Activities</b>		<b>Component Unit</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 704,301	\$ 751,451	\$ -	\$ -
Operating grants and contributions	743,083	385,282	2,863,147	1,969,461
General Revenues				
Property taxes	23,437,158	23,613,528	-	-
County Option income Tax	3,258,802	3,336,173	-	-
Shared Revenue	2,135,966	2,147,389	-	-
Interest on investments	20,399	20,320	-	-
Other	1,139,112	877,089	-	-
<b>Total Revenues</b>	<b>31,438,821</b>	<b>31,131,232</b>	<b>2,863,147</b>	<b>1,969,461</b>
<b>Expenses</b>				
Administrative and support	4,762,744	4,964,641	-	-
Public services	21,973,207	21,181,650	-	-
Interest on long-term debt	2,012,431	2,165,115	-	-
ACPLF	-	-	714,672	717,905
<b>Total Expenses</b>	<b>28,748,382</b>	<b>28,311,406</b>	<b>714,672</b>	<b>717,905</b>
Change in net position	2,690,439	2,819,826	2,148,475	1,251,556
Net Position --January 1, 2013	52,774,605	49,954,779	12,886,403	9,486,372
Prior Period Adjustment	(474,989)	-	-	-
Net Position --December 31, 2013	<b>\$ 54,990,055</b>	<b>\$ 52,774,605</b>	<b>\$ 12,886,403</b>	<b>\$ 10,737,928</b>

**Governmental Activities.** The main source of funding for Library operations continues to be the various taxes that account for over 96% of the \$30 million in general revenues with property taxes being the primary tax source. Total revenues for governmental activities stayed stable in 2013 increasing by

\$308k (less than 1%). Tax collection decreases totaled \$265k with Property Tax (\$176k), Income Tax (\$77k), and Shared Revenues (I.E. Excise and Financial Institution Tax) (\$12k) making up this total. These decreases were offset by increases in Grants and Contributions of \$358k and Other Revenues of \$262k as the Library continues to attract and utilize outside resources. The Library continues developing other outside resources to help support programs and operations and the increases reflect these efforts as endowment payments and grant programs continue to be employed. Decreases in Charges for Services (fines and fees, facility charges, interest earnings, etc.) totaled \$47k and account for the remainder of the change in total revenues.

Expenses for governmental activities showed a net increase of \$437k (1.5%) in 2013. Normal cost of living adjustments and increases in capital expenditures for the Public Services areas resulted in those expenses increasing \$792k while cost containment efforts resulted in Administrative/Support area expense decreases of \$202k. As outstanding construction bonds continue to mature, the Interest on Long-term Debt expense showed a \$153k decrease from 2013. These three changes account for the total decrease in expenses for 2013.

### **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 2013, the Library's governmental funds reported combined ending fund balances of \$21 million, an increase of \$1.1 million from 2012's \$19.9 million figure. The largest portion, \$11 million (52%), of Library's governmental fund balance total is attributable to the General Fund. Funds restricted for the debt service on the outstanding expansion program bonds account for another \$5.2 million (25%) while the Library Improvement Reserve Fund (LIRF) fund balance of \$3.6 million accounts for 17%. The remaining \$1.2 million (6%) of the total fund balance is attributable to the Other Non-Major Governmental Funds (primarily the Rainy Day fund), which in 2013 continue to include only 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 2013 were \$22.3 million. Thus, the total fund balance represents 49% percent of General fund expenditures, an increase of 5% from 2012. Much of this increase is attributable to continued cost containment efforts keeping the growth in expenses less than the growth in revenues. When examining both the General and LIRF fund, the fund balances represents 65% (2012 equaled 57%) of the total expenditures of the two funds. Available fund balances in both of these funds 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, often required by many other entities that rely heavily on property taxes as a primary revenue source. The combined fund balance of the two funds responsible for paying the debt service on the capital expansion bonds, the Bond and Interest Redemption fund and the ACPL Bldg Corp Certificate fund balance decreased \$332,024 or 5.9%. As in prior years, this change is the result of decreased tax collections from property tax caps restrictions and the subsequent need to use reserves to meet mandated debt service payments. It is worthy to note that starting in 2014, legislative action by the Indiana General Assembly will remove debt service funds from being allocated a portion of the tax cap deductions. Thus, all tax cap related collection shortfalls will only be assessed against other non-debt service type property tax supported funds.

## General Fund Budgetary Highlights

There were no changes between the originally approved and final amended total revenue budget of the General Fund. Actual collections of revenues were lower than budgeted in 2013 by \$2.1 million or 8%. This reduction is almost entirely attributable to reduced property tax collections resulting from the impact of the property tax cap legislation. Charges for Services, primarily reflecting user fines and fees, came in \$59.6k lower than anticipated as the poor economy made patrons more diligent about avoiding overdue fees and using pay-for-use services less. Actual miscellaneous other revenues such as parking revenues, grants and interest earnings came in only \$29k more than budgeted.

As with prior years, the total final amended General Fund expenditure budget (not including Other Financing Sources/Uses – Transfers Out), was virtually unchanged from the original adopted \$25,853,640 budget. The \$6k difference was due to the changes in carry-over encumbrances (purchase commitments). Minor transfers between the Supplies, Services and Capital (includes library materials) budget lines were employed to accommodate different spending patterns for the year. Personal Services budget amounts remained unchanged.

Expenditure budgets came in \$3.55 million (13.7%) lower than anticipated. As has been discussed in previous year's reports, the impact of the property tax cap legislation reached the full effect starting in 2010. The library has been aggressively containing costs across the board in anticipation of these impacts for the past few years and as such, the final actual expenditures in all budget categories reflect these measures. In addition, as has been mentioned in other sections of this report, the Library has been utilizing increased endowment and gift earnings to help offset operating costs. The library's objective has been to lower actual expenditures to a level necessary to meet this decrease and, to that end, the reduced actual spending reflects this action. The \$1.26 million variance in Personal Service expenses is a result of leaving vacant positions unfilled and having salary and benefit expenses paid by the above mentioned grant and gift earnings. The \$1.88 million variance in the Capital Outlays, as well as the \$167k and \$246k variances in the Supplies and Other Services lines, respectively, reflect the spending reductions implemented in order to match expense spending to actual revenues collected. As mentioned above, tax caps have reduced actual revenue collections significantly so, consequently, actual expense spending must be similarly reduced. Reductions in controllable costs such as programming supplies, computer services, capital spending, and library material purchases are all utilized in this balancing effort.

## Capital Asset and Debt Administration

**Capital assets.** The Library's Primary Government's capital assets as of December 31, 2013, were equal to \$113.4 million with an accumulated depreciation figure of \$34.2 million for a net book value of \$79.2 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 decrease in the Library's capital assets for 2013 was \$2.76 million (3%), attributable to increases in library materials and other assets of \$2.98 million being offset by increases in depreciation expense on these assets of \$5.74 million.

### Allen County Public Library Capital Assets

	2013	2012
Land	\$ 4,960,142	\$ 4,960,142
Buildings and improvements	91,102,956	91,102,956
Machinery and equipment	6,929,529	6,996,287
Library materials	9,434,018	10,007,953
Rare book collection	994,827	994,827
Less: Accumulated depreciation	(34,246,085)	(32,123,709)
<b>Total</b>	<b>\$ 79,175,387</b>	<b>\$ 81,938,456</b>

Additional information regarding the Library's capital assets can be found on page 36 of this report.

**Long-Term debt.** At the end of 2013 the Library's Primary Government had total bonded debt outstanding of \$44,580,000. All of this debt is now considered first mortgage bonds as the final payment on the General Obligation portion of this debt was paid off in early 2009. The Library is responsible to pay for this debt with general revenues. In 2013, the Library's net total debt decreased by \$4,358,152. Scheduled bond debt service payments reduced the outstanding existing bond total by \$4,490,000 while increases to Compensated Absences and Pension Obligations totaled \$37,551 and \$94,297, respectively, accounted for the remaining change.

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

	2013		2012
First mortgage bonds	\$ 44,580,000	\$	49,070,000
Compensated absences	748,836		711,285
Net pension obligations	648,238		553,941
<b>Total</b>	<b>\$ 45,977,074</b>	<b>\$</b>	<b>50,335,226</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 37-39 of this report.

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

- Signs of economic improvement for Allen County continued throughout most of 2013. The unemployment rate for Allen County in December 2013 dropped to 6.0% from the 8.2% in 2012. The Allen County unemployment rate was lower than the 6.5% rate present at December 31, 2013 for both the State of Indiana the United States as a whole. Elastic economic factors, such as income taxes, continue to rebound slightly as the unemployment rates have dropped from their 10+% rates a few years ago. In addition, housing activities, such as sales and new construction in the region continue to show upward movement. Because of these key indicators of the health of the local economy, it is anticipated that revenues, especially tax based, as well as collection limitations from property tax caps be more favorable in 2014.
- As mentioned earlier in this report (and in prior year reports), because of the State mandated limitations on property tax collections, the library has made concerted efforts in examining and taking action to reduce operating costs, especially with controllable costs such as salaries, benefits, and library materials, in order to meet the projected losses in property tax collections (estimated to be \$2.9 million in 2014). The 2014 General Fund budget has been developed with these revenue losses and cost reductions in place and the library anticipates that the final approved property tax levy and rate will 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 2014 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.

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# **BASIC FINANCIAL STATEMENTS**



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ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF NET POSITION  
December 31, 2013

<u>Assets</u>	<u>Primary Governmental Activities</u>	<u>Component Unit</u>
Cash and cash equivalents	\$ 22,826,523	\$ 1,031,981
Investments	-	11,825,621
Receivables (net of allowances for uncollectibles):		
Interest	-	42,413
Taxes	1,066,037	-
Accounts	-	-
Intergovernmental	865,612	-
Other	11,625	-
Prepaid expenses	83,416	-
Capital assets:		
Land and rare books	5,954,969	-
Other capital assets, net of depreciation	<u>73,220,418</u>	<u>-</u>
 Total assets	 <u>104,028,600</u>	 <u>12,900,015</u>
 Deferred outflows of resources:		
Unamortized loss on refunding	<u>1,744,414</u>	<u>-</u>
 <u>Liabilities</u>		
Accounts payable	315,784	11,462
Accrued payroll and withholdings payable	801,711	2,150
Accrued interest payable	935,829	-
Noncurrent Liabilities:		
Due within one year:		
First mortgage bonds	4,545,000	-
Compensated absences	124,806	-
Due in more than one year:		
First mortgage bonds payable (net of premium)	42,028,510	-
Compensated absences	624,030	-
Net pension obligation	648,238	-
Unearned revenue	<u>759,051</u>	<u>-</u>
 Total liabilities	 <u>50,782,959</u>	 <u>13,612</u>
 <u>Net position</u>		
Net investment in capital assets	34,346,291	-
Restricted for:		
Capital projects	3,643,391	-
Debt service	5,272,243	-
Perpetual endowment subject to donor stipulations	-	5,000,000
Perpetual endowment subject to time restrictions	-	1,165,594
Other purposes	260,586	1,303,292
Unrestricted	<u>11,467,544</u>	<u>5,417,517</u>
 Total net position	 <u>\$ 54,990,055</u>	 <u>\$ 12,886,403</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, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities	Component Unit
Primary government:					
Governmental activities:					
Administrative and support	\$ 4,762,744	\$ -	-	(4,762,744)	\$ -
Public services	21,973,207	704,301	743,083	(20,525,823)	-
Interest on long-term debt	2,012,431	-	-	(2,012,431)	-
Total governmental activities	\$ 28,748,382	\$ 704,301	\$ 743,083	(27,300,998)	-
Component unit:					
Allen County Public Library Foundation	\$ 7,14,672	\$ -	\$ 2,863,147	-	2,148,475
General revenues:					
Property taxes				23,437,158	-
Shared revenue				2,135,966	-
County Option Income Tax				3,258,802	-
Interest on investments				20,399	-
Other				1,139,112	-
Total general revenues				29,991,437	-
Change in net position				2,690,439	2,148,475
Net position - beginning (restated)				52,299,616	10,737,928
Net position - ending				\$ 54,990,055	\$ 12,886,403

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

ALLEN COUNTY PUBLIC LIBRARY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013

	General	Bond and Interest Redemption	LIRF	ACPL Bldg Corp Certificate	Other Non-major Governmental Funds	Totals
<u>Assets</u>						
Cash and cash equivalents	\$ 11,900,731	\$ 1,977,331	\$ 3,643,391	\$ 3,294,912	\$ 1,177,052	\$ 21,993,417
Receivables (net of allowances for uncollectibles):						
Taxes	807,135	258,902	-	-	-	1,066,037
Intergovernmental	759,051	-	-	-	106,561	865,612
Other	11,625	-	-	-	-	11,625
Total assets	\$ 13,478,542	\$ 2,236,233	\$ 3,643,391	\$ 3,294,912	\$ 1,283,613	\$ 23,936,691
<u>Liabilities</u>						
Accounts payable	\$ 122,064	\$ -	\$ -	\$ -	\$ 2,000	\$ 124,064
Accrued payroll and withholdings payable	801,711	-	-	-	-	801,711
Unearned revenue - other	759,051	-	-	-	-	759,051
Total Liabilities	1,682,826	-	-	-	2,000	1,684,826
<u>Deferred inflows of resources</u>						
Unavailable revenue - property taxes	765,478	245,540	-	-	-	1,011,018
Unavailable revenue - license excise taxes	41,657	13,362	-	-	-	55,019
Unavailable revenue - Other	-	-	-	-	106,561	106,561
Total deferred inflows of resources	807,135	258,902	-	-	106,561	1,172,598
<u>Fund balances</u>						
Restricted	-	1,977,331	3,643,391	3,294,912	1,175,052	10,090,686
Assigned	87,562	-	-	-	-	87,562
Unassigned	10,901,019	-	-	-	-	10,901,019
Total fund balances	10,988,581	1,977,331	3,643,391	3,294,912	1,175,052	21,079,267
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,478,542	\$ 2,236,233	\$ 3,643,391	\$ 3,294,912	\$ 1,283,613	\$ 23,936,691

ALLEN COUNTY PUBLIC LIBRARY  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2013

Total fund balances for governmental funds \$ 21,079,267

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 \$24,128,484 accumulated depreciation	66,339,600
Improvements other than buildings, net of \$239,486 accumulated depreciation	395,386
Machinery and equipment, net of \$6,475,628 accumulated depreciation	453,901
Library materials, net of \$3,402,487 accumulated depreciation	<u>6,031,531</u>

Total capital assets 79,175,387

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. 1,172,598

Some expenses were deferred as assets in the statement of net position and therefore were not reported in the statement of activities, but were reported as expenditures in the governmental funds. 83,416

A net pension obligation is not accrued in the governmental funds, but rather is recognized as an expenditure when paid. (648,238)

An internal service fund is used by the Library to account for the funding and payment of services associated with group health insurance. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. Internal service fund net position are: 641,386

Unamortized losses associated with bond refundings are reported as other financing uses in the year of issue but are deferred in the statement of net position and amortized over the life of the debt issues. They are included as Deferred outflows of resources. 1,744,414

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, 2013, consisted of :

First mortgage bonds payable net of premium	(46,573,510)
Compensated absences	<u>(748,836)</u>

Total long-term liabilities (47,322,346)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (935,829)

Total net position of governmental activities \$ 54,990,055

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

ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2013

	General	Bond and Interest Redemption	LIRF	ACPL Bldg Corp Certificate	Other Non-major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 19,492,854	\$ 6,253,372	\$ -	\$ -	\$ -	\$ 25,746,226
Intergovernmental	3,258,802	-	-	-	489,906	3,748,708
Charges for services	704,301	-	-	-	-	704,301
Other	291,103	-	-	-	720,259	1,011,362
<b>Total revenues</b>	<b>23,747,060</b>	<b>6,253,372</b>	<b>-</b>	<b>-</b>	<b>1,210,165</b>	<b>31,210,597</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Administration and support	4,668,447	-	-	-	-	4,668,447
Public services	14,337,728	-	-	-	1,096,063	15,433,791
Library materials	2,852,872	-	-	-	-	2,852,872
Capital outlay	433,362	-	-	-	92,311	525,673
Debt service:						
Principal	-	-	-	4,490,000	-	4,490,000
Interest	-	-	-	2,095,396	-	2,095,396
<b>Total expenditures</b>	<b>22,292,409</b>	<b>-</b>	<b>-</b>	<b>6,585,396</b>	<b>1,188,374</b>	<b>30,066,179</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,454,651</b>	<b>6,253,372</b>	<b>-</b>	<b>(6,585,396)</b>	<b>21,791</b>	<b>1,144,418</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	6,535,950	-	6,535,950
Transfers out	-	(6,535,950)	-	-	-	(6,535,950)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(6,535,950)</b>	<b>-</b>	<b>6,535,950</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,454,651</b>	<b>(282,578)</b>	<b>-</b>	<b>(49,446)</b>	<b>21,791</b>	<b>1,144,418</b>
<b>Fund balances - beginning</b>	<b>9,533,930</b>	<b>2,259,909</b>	<b>3,643,391</b>	<b>3,344,358</b>	<b>1,153,261</b>	<b>19,934,849</b>
<b>Fund balances - ending</b>	<b>\$ 10,988,581</b>	<b>\$ 1,977,331</b>	<b>\$ 3,643,391</b>	<b>\$ 3,294,912</b>	<b>\$ 1,175,052</b>	<b>\$ 21,079,267</b>

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, 2013

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) \$ 1,144,418

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	127,809	
Library materials	2,852,872	
Depreciation expense	<u>(5,743,750)</u>	
 Net effect of capital assets		 (2,763,069)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In 2013 this consisted of deferred tax revenue unavailable. (176,048)

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 position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas certain 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 2013 these consisted of:

Principal payment	4,490,000	
Interest expense	<u>82,965</u>	
 Net effect of long-term debt		 4,572,965

Some expenses were deferred as assets in the statement of net position and therefore were not reported in the statement of activities, but were reported as expenditures in the governmental funds. 1,306

A net pension obligation is not accrued in the governmental funds, but rather is recognized as an expenditure when paid. (94,297)

An internal service fund is used by the Library to account for the funding and payment of services associated with group health insurance. The net revenue (expense) of the internal service fund is reported with governmental activities 42,715

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 2013 this consisted of the change in compensated absences (37,551)

Change in net position of governmental activities (Statement of Activities) \$ 2,690,439

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



ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
December 31, 2013

	<u>Governmental Activities - Internal Service Fund Group Insurance</u>
<u>Assets</u>	
Current assets	
Cash and cash equivalents	\$ <u>833,106</u>
<u>Liabilities</u>	
Current liabilities	
Accrued group insurance claims payable	<u>191,720</u>
<u>Net position</u>	
Unrestricted	<u>\$ <u>641,386</u></u>

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

ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
For The Year Ended December 31, 2013

	Governmental Activities - Internal Service Fund <u>Group Insurance</u>
<u>Operating Revenues</u>	
Employer contributions	\$ 2,544,000
Employee contributions	<u>404,272</u>
Total operating revenues	<u>2,948,272</u>
<u>Operating Expenses</u>	
Contractual services	85,620
Insurance premiums	265,212
Medical claims	<u>2,554,725</u>
Total operating expenses	<u>2,905,557</u>
Operating income	42,715
Net position - beginning	<u>598,671</u>
Net position - ending	<u>\$ 641,386</u>

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

ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For The Year Ended December 31, 2013

	<u>Governmental Activities - Internal Service Fund Group Insurance</u>
Cash flows from operating activities:	
Receipts from users	\$ 2,954,762
Payments to suppliers	<u>(2,865,191)</u>
Net cash provided by operating activities	<u>89,571</u>
Net increase in cash and cash equivalents	89,571
Cash and cash equivalents, January 1	<u>743,535</u>
Cash and cash equivalents, December 31	<u><u>\$ 833,106</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 42,715
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in assets:	
Accounts receivable	6,490
Increase in liabilities:	
Accrued group insurance benefit payable	<u>40,366</u>
Total adjustments	<u>46,856</u>
Net cash provided by operating activities	<u><u>\$ 89,571</u></u>

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

ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
December 31, 2013

<u>Assets</u>	<u>Private-Purpose Trust Funds</u>
Cash and cash equivalents	\$ 8,654
Accounts Receivable	<u>9,000</u>
Total current assets	<u>17,654</u>
<u>Liabilities</u>	
Accounts payable	<u>5,868</u>
<u>Net position</u>	
Net Position held in trust for:	
Employee activity	<u>\$ 11,786</u>

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

ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
For The Year Ended December 31, 2013

<u>Additions</u>	<u>Private-Purpose Trust Funds</u>
Contributions:	
Affiliate organizations	\$ 9,000
Employees	<u>3,008</u>
Total additions	12,008
 <u>Deductions</u>	
Employee activities	<u>11,253</u>
Changes in net position	755
Net position - beginning	<u>11,031</u>
Net position - ending	<u><u>\$ 11,786</u></u>

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

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# 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) is a component unit of Allen County. The primary government was established under the laws of the State of Indiana and operates under a Board of Trustees.

Although Allen County officials do not appoint a majority of the Library's Board and no financial benefit or burden relationship exists, Allen County is financially accountable based upon fiscal dependency as follows:

IC 36-12-14 requires the Library to submit its proposed budget and tax levy to the Allen County Council if their proposed budget is greater than the six-year average of non-farm personal income growth. The Allen County Council may reduce or modify but not increase the proposed budget or tax levy.

Since the Library does not have the ability to complete the above essential events without substantive approval by Allen County Council, it is fiscally dependent upon Allen County and Allen County is financially accountable for the Library. The Library is therefore a component unit of Allen County.

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

ACPL Bldg Corp is a legally separate non-profit corporation and is a significant blended component unit of the primary government. It was created by the Library for the sole purpose of financing library buildings and improvements. The ACPL Bldg Corp board members are appointed by the Library Board of Trustees. The debt of the ACPL Bldg Corp is repaid through lease payments from the Library. The operations of this organization are being reported as ACPL Bldg Corp Certificate fund (major debt service fund).

Discretely Presented Component Unit

The Allen County Public Library Foundation, a legally separate non-profit entity, is a significant discretely presented component unit of the primary government. It was created for the purpose of accepting and administrating donations on behalf of the Library and to support the programs and services of the Library. A majority of the Allen County Public Library Foundation's board members are appointed by the Library Board of Trustees.

The financial statements of the Allen County Public Library Foundation are presented as of and for the year ended June 30, 2013.



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 position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements except for interfund services provided and used. 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, proprietary 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 the proprietary fund and 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 and reports all financial resources not accounted for and reported 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 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 types:

The internal service (proprietary) fund accounts for receipts and expenditures related to the partially self-funded health insurance provided on a cost-reimbursement basis.

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, holiday parties, or charitable donations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary fund functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues

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.

Proprietary funds distinguish operating revenues from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 Position or Equity

##### 1. Restricted Net Position

Primary Government:

All restricted net position, as presented in the accompanying financial statements, are restricted due to enabling legislation.

Discretely Presented Component Unit:

The restricted net position portion of Perpetual endowment subject to donor stipulations is required to be retained permanently either by explicit donor stipulation or by the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The restricted net position portion of Perpetual endowment subject to time restrictions is subject to a time restriction under the Uniform Prudent Management of Institutions Funds Act (UPMIFA).

2. Deposits and Investments

The Library's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

3. Interfund Transactions and Balances

Activities 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."

4. 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 Indiana 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 inflows of resources since the amounts are not considered available.

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements, but are reported as expenditures in the governmental fund financial statements.

## 6. 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. Also, included in the capital assets is the Library's rare book collection that is considered a non-depreciating asset.

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

## 7. 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 position. 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.

## 8. 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 position. Bond premiums, discounts, and loss on refunding 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

#### 9. Deferred Inflows/Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to future periods. Deferred outflows of resources represent a consumption of net assets that applies to future periods.

#### 10. Fund Balances

In the fund financial statements, governmental funds report fund balances to describe the difference between financial assets and liabilities, focusing on current financial resources. This is considered more of a measure of liquidity rather than net worth (which would include all asset and liabilities). Many of these resources will have varying degrees of limitations which impose restrictions on these resources. The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) which established a new set of categories state and local governments use to report the balances in its governmental funds. Previously, fund balances were categorized as Reserved, Designated, or Undesignated depending upon the degree of the fund's availability. The new GASB statement classifies fund balances into different components based upon the extent to which the government is bound to honor the constraints placed upon the resources. To that end, governmental funds report up to five components of fund balance within the governmental financial statements. Those components are:

- 1) Nonspendable fund balances are those assets that are not likely to convert to a spendable form because of their form (I.E. inventory supplies) or because legal or contractual requirements dictate the assets remain intact (I.E. endowment principal amounts). The Library fund financial statements contain no fund balances that are nonspendable.
- 2) Restricted fund balances are those fund balances that are subject to externally enforceable legal restrictions or imposed by law through constitutional provisions or enabling legislation. These restrictions are typically imposed by outside parties, such as creditors through debt covenants or when the authorization to raise revenues is conditioned upon those revenues being used for a particular purpose, often through enabling legislation. Other than the Library General Fund, all of the other funds of the Library are considered to fall into this restricted category. These include the Bond and Interest Redemption fund and the ACPL Building Corporation fund since they are the primary debt service funds, the Library Improvement Reserve Fund (LIRF), and the Special Revenue funds for Gifts, Cable Television, State Technology grants, and the Rainy Day fund. All of these funds were established by enabling legislation at the State level.
- 3) Committed fund balances are those portions of the fund balance that are constrained by limitations placed upon them by the highest level of decision making, normally the governing body. These constraints remain binding unless removed by action of the same body and typically must occur before the close of reporting period. The Library fund financial statements contain no fund balances falling within the committed classification.
- 4) Assigned fund balances include those portions of the fund balance that reflect the governments "intended" use of resources that can be established by the highest level of decision making or by some other body who has been delegated authority for such

decisions. In addition, no formal action is required to designate assigned portions of the fund balance. Only those amounts representing encumbrances in the General fund are classified under the Assigned classification in the Library fund financial statements. The Board of Library Trustees, as authorized by State law, has delegated authority to the Library Director to act as their agent in all purchasing and contracting activities.

- 5) Unassigned fund balances will only be reported in the Library General Fund. Because the General Fund is the principal operating fund, there will often be resources in excess of what can be classified in one of the other four classifications. Those excess resources are presented as the unassigned portion of the fund balance.

Funds on the Library's accounting system are assigned one of the five fund balance classifications. If a fund has resources that are both restricted and unrestricted, then expenditures are applied first to restricted fund balance and then unrestricted amounts. The Library does not have a formal policy for its use of unrestricted fund balance amounts; therefore, it considers committed amounts used first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

## 11. Significant Encumbrances

The Library utilizes encumbrances in the budgetary accounting and reporting system to represent legal commitments with an outside party and amounts are reported as a separate classification within the fund balance to be compatible with the focus on purpose limitations established in the restricted/committed/assigned hierarchy. As such, encumbered amounts are listed separately in the fund financial statements as assigned portions of the fund balance of the General Fund. At December 31, 2013, the following funds included encumbered amounts:

General Fund - \$87,562

None of these are considered significant encumbrances but rather miscellaneous amounts still outstanding on various supply, services, or equipment purchases.

## II. Stewardship, Compliance and Accountability

### A. 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 September 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.

### B. Fund Balances

The fund balances have been classified to reflect the limitations and restrictions placed on the respective funds. The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement significantly changed the fund balance presentation of the Library's governmental funds by

requiring fund balances to be classified into different categories according to the level of their restricted use. (See Note 1, section D10 for category definitions).

Fund balances at December 31, 2013 are composed of the following:

	<u>General Fund</u>	<u>Bond and Interest Redemption</u>	<u>LIRF</u>	<u>ACPL Bldg Corp Certificate</u>	<u>Other Non- Major Funds</u>
Restricted To:					
First mortgage bonds	\$ -	\$ 1,977,331	\$ -	\$ 3,294,912	\$ -
Capital projects & equipment	-	-	3,643,391	-	-
Donor designated gifts	-	-	-	-	77,722
Cable TV access	-	-	-	-	257,502
Internet connectivity	-	-	-	-	3,084
Library programs and facilities	-	-	-	-	836,744
Total restricted	-	1,977,331	3,643,391	3,294,912	1,175,052
Assigned To:					
Encumbrances	<u>87,562</u>	-	-	-	-
Unassigned	<u>10,901,019</u>	-	-	-	-
Total fund balance	<u>\$ 10,988,581</u>	<u>\$ 1,977,331</u>	<u>\$ 3,643,391</u>	<u>\$ 3,294,912</u>	<u>\$ 1,175,052</u>

### III. Detailed Notes on All Funds

#### A. Deposits and Investments

##### Primary Government:

##### 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 Library does not have a deposit policy for custodial credit risk. At December 31, 2013, the Library had deposit balances in the amount of \$22,835,177. 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.



### 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. The Library's discretely presented component unit maintains cash accounts at local banks and in investment accounts. The cash accounts in the banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. The Library's discretely presented component unit does not have a deposit policy for custodial credit risk. At June 30, 2013 there was \$451,619 of deposits in excess of the insured amount. At June 30, 2013, the Library's discretely presented component unit also had \$333,508 in investment accounts that are uninsured.

#### 2. Investments

As of June 30, 2013, the Library's discretely presented component unit had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-2	More Than 2
Government sponsored enterprise	\$ 2,119,531	\$ 50,474	\$ 192,798	\$ 1,876,259
Corporate bonds	382,977	17,395	62,718	302,864
Corporate stock	6,407,137	6,407,137	-	-
Mutual funds	2,915,976	2,915,976	-	-
Totals	<u>\$ 11,825,621</u>	<u>\$ 9,390,982</u>	<u>\$ 255,516</u>	<u>\$ 2,179,123</u>

### Investment Policies

The Library's discretely presented component unit has an "Investment Policy Statement" approved by the unit's Board of Directors in May 2004 with revisions in November 2010 and November 2012. 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 0% to 15% with a target of 0%; fixed income 25% to 50% with a target of 35%; equities 45% to 70% with a target of 65%.

### 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 does not have a formal investment policy for custodial credit risk for investments that are uninsured and uncollateralized. At June 30, 2013, the Library's discretely presented component unit held investments in Cozad Asset Management, Inc., Monarch Capital Management, Inc. and Wells Fargo Advisors, LLC in the amount of \$11,825,621.

### 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 Library's discretely presented component unit's Investment Policy Statement includes an investment policy for credit risk for investments of A or better. The distribution of securities with credit ratings is summarized below.

<u>Standard and Poor's Rating</u>	<u>Morningstar Risk Profile</u>	<u>Government Sponsored Enterprise</u>	<u>Corporate Bonds</u>	<u>Mutual Funds</u>
AAA		\$ 15,830	\$ -	\$ -
AA+		931,630	50,177	-
AA		117,820	35,144	-
AA-		301,216	21,560	-
AA2		98,761	-	-
AA3		104,545	-	-
A+		246,275	-	-
A		99,128	167,274	-
A-		31,311	91,428	-
A1		129,407	-	-
A2		16,896	-	-
BBB+		-	17,394	-
Unrated		26,712	-	193,913
	Low	-	-	440,998
	Below Average	-	-	779,772
	Average	-	-	935,017
	Above Average	-	-	356,646
	High	-	-	209,630
Totals		<u>\$ 2,119,531</u>	<u>\$ 382,977</u>	<u>\$ 2,915,976</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; international investment concentration is governed by the policy that investments in U.S. Stocks will be at least as great as the percentage of U.S. equities comprising the MSCI All Country World Index as of the end of the preceding calendar year; investment in high yield and unrated bonds may be no higher than 10% of the entire portfolio.

### Foreign Currency Risk

Foreign currency risk relates to adverse affects on the fair values of an investment from changes in exchange rates. The Investment Policy Statement includes a formal policy in

regards to foreign currency risk. The foreign currency related to this investment is in international mutual funds and fixed income instruments and has a fair market value of \$345,955.

B. Capital Assets

Capital asset activity for the year ended December 31, 2013, 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	\$ 4,960,142	\$ -	\$ -	\$ 4,960,142
Rare book collection	<u>994,827</u>	<u>-</u>	<u>-</u>	<u>994,827</u>
Total capital assets, not being depreciated	<u>5,954,969</u>	<u>-</u>	<u>-</u>	<u>5,954,969</u>
Capital assets, being depreciated:				
Buildings	90,468,084	-	-	90,468,084
Improvements other than buildings	634,872	-	-	634,872
Machinery and equipment	6,996,287	127,809	194,567	6,929,529
Library materials	<u>10,007,953</u>	<u>2,852,872</u>	<u>3,426,807</u>	<u>9,434,018</u>
Totals	<u>108,107,196</u>	<u>2,980,681</u>	<u>3,621,374</u>	<u>107,466,503</u>
Less accumulated depreciation for:				
Buildings	21,945,133	2,183,351	-	24,128,484
Improvements other than buildings	213,081	26,405	-	239,486
Machinery and equipment	6,472,185	198,010	194,567	6,475,628
Library materials	<u>3,493,310</u>	<u>3,335,984</u>	<u>3,426,807</u>	<u>3,402,487</u>
Totals	<u>32,123,709</u>	<u>5,743,750</u>	<u>3,621,374</u>	<u>34,246,085</u>
Total capital assets, being depreciated, net	<u>75,983,487</u>	<u>(2,763,069)</u>	<u>-</u>	<u>73,220,418</u>
Total governmental activity capital assets, net	<u>\$ 81,938,456</u>	<u>\$ (2,763,069)</u>	<u>\$ -</u>	<u>\$ 79,175,387</u>

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

Governmental activities:	
Public service	<u>\$ 5,743,750</u>

C. Interfund Balances and Activity

Interfund Transfers

Interfund transfers at December 31, 2013, were as follows:

<u>Transfer From</u>	<u>ACPL Bldg Corp Certificate</u>
Bond and Interest Redemption	<u>\$ 6,535,950</u>

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

D. Long-Term Liabilities

1. 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.

\$12,480,000 First Mortgage Bonds, Series 2003 due in installments of \$585,000 to \$1,190,000, plus interest through January 1, 2015; Interest at 4%	\$ 1,775,000
\$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 4.375% to 5%	\$ 3,595,000
\$31,040,000 First Mortgage Refunding Bonds, Series 2005 due in installments of \$40,000 to \$3,115,000, plus interest through January 1, 2022; Interest at 4% to 5%	\$ 29,985,000
\$9,385,000 First Mortgage Refunding Bonds, Series 2012 due in installments of \$635,000 to \$2,350,000, plus interest through January 1, 2017; Interest at 2% to 4%	<u>\$ 9,225,000</u>
Total	<u>\$ 44,580,000</u>

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

Year Ended December 31	First Mortgage Bonds		
	Principal	Interest	Totals
2014	\$ 4,545,000	\$ 1,982,845	\$ 6,527,845
2015	4,710,000	1,785,658	6,495,658
2016	4,885,000	1,614,815	6,499,815
2017	5,120,000	1,449,800	6,569,800
2018	5,440,000	1,198,875	6,638,875
2019-2022	<u>19,880,000</u>	<u>1,952,125</u>	<u>21,832,125</u>
Total	<u>\$ 44,580,000</u>	<u>\$ 9,984,118</u>	<u>\$ 54,564,118</u>

#### Unamortized Amounts of First Mortgage Bonds

First mortgage bonds at year end include the following amounts of unamortized bond premium:

	Balance at December 31	Unamortized Premium	Net Balance at December 31
First Mortgage Bonds, Series 2003	\$ 1,775,000	\$ 1,117	\$ 1,776,117
First Mortgage Bonds, Series 2004	3,595,000	477,122	4,072,122
First Mortgage Refunding Bonds, Series 2005	29,985,000	1,027,208	31,012,208
First Mortgage Refunding Bonds, Series 2012	<u>9,225,000</u>	<u>488,063</u>	<u>9,713,063</u>
Total	<u>\$ 44,580,000</u>	<u>\$ 1,993,510</u>	<u>\$ 46,573,510</u>

#### 2. Advance Refunding

In prior years, the Library defeased certain bonds by placing the proceeds of new bonds in an 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, 2013, were considered defeased:

	Amount
Primary Government	<u>\$ 9,375,000</u>

### 3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013, was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
First Mortgage Bonds Series 2003	\$ 1,775,000	\$ -	\$ -	\$ 1,775,000	\$ 1,190,000
First Mortgage Bonds Series 2004	7,845,000	-	4,250,000	3,595,000	3,275,000
First Mortgage Rfndg Bonds Series 2005	30,065,000	-	80,000	29,985,000	80,000
First Mortgage Rfndg Bonds Series 2012	9,385,000	-	160,000	9,225,000	-
Compensated Absences	711,285	794,105	756,554	748,836	124,806
Net pension obligation	553,941	94,297	-	648,238	-
<b>Totals</b>	<b>\$ 50,335,226</b>	<b>\$ 888,402</b>	<b>\$ 5,246,554</b>	<b>\$ 45,977,074</b>	<b>\$ 4,669,806</b>

These first mortgage bonds are payable from governmental funds.  
Compensated absences are paid from the general fund.  
Net pension obligation is liquidated through the general fund.

#### E. Restatements and Reclassifications

The Implementation of GASB 65 required the elimination of deferred charges which affected the beginning net position of governmental activities in 2013. The following schedule presents a summary of the restated beginning balance.

	Balance as Reported December 31, 2012	Prior Period Adjustment	Balance as Restated January 1, 2013
Governmental Activities - net position	\$ 52,774,605	\$ -	\$ -
GASB 65 - eliminate deferred charges		474,989	52,299,616

#### 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; medical benefits to employees, retirees, and dependents; 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.

## Medical Benefits

The primary government has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Group Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$150,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage for the past three years. A premium is charged to each fund that accounts for payroll. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses included an estimate of claims that were incurred by December 31, 2013, but not submitted for processing.

At December 31, 2013, the total of these liabilities for claims was \$191,720. This liability (Accrued group insurance claims payable) is the Library's best estimate based on available information. An analysis of claims activities is presented below:

<u>Year</u>	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2012	480,524	2,099,324	2,428,494	151,354
2013	151,354	2,640,112	2,599,746	191,720

## 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 Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System  
 1 North Capital Street, suite 001  
 Indianapolis, IN 46204  
 Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

PERF members are required to contribute 3 percent of their annual covered salary. The Library is required to contribute at an actuarially determined rate; the current rate is 10 percent of annual covered payroll. The contribution requirements of the plan members and the Library are established and may be amended by the Board of Trustees of INPRS.

Annual Pension Cost

For 2013, the Library's annual pension cost of \$996,407 for PERF was equal to the Library's required contributions.

Actuarial Information for the Above Plan

	<u>PERF</u>
Annual required contribution	\$ 1,002,539
Interest on net pension obligation	37,391
Adjustment to annual required contribution	<u>(43,523)</u>
Annual pension cost	996,407
Contributions made	<u>902,110</u>
Increase in net pension obligation	94,297
Net pension obligation, beginning of year	<u>553,941</u>
Net pension obligation, end of year	<u><u>\$ 648,238</u></u>

	<u>PERF</u>
Contribution rates:	
Government	10%
Plan Members	3%
Actuarial valuation date	07-01-13
Actuarial cost method	Entry age normal
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-13
Asset valuation method	4-year smoothing of gains/losses on market value with a 20% corridor

Actuarial Assumptions	PERF
Investment rate of return	6.75%
Projected future salary increases:	
Total	3.25% to 4.5%
Attributed to inflation	3%
Attributed to merit/seniority	.25% to 1.5%
Cost-of-living adjustments	1%

Three Year Trend Information

Year Ending	PERF			
	Annual Pension Cost (APC)	Employer Contribution	Percentage of APC Contributed	Net Pension Obligation
06-30-11	\$ 1,010,930	\$ 759,068	75%	\$ 322,828
06-30-12	1,075,992	844,879	79%	553,941
06-30-13	996,407	902,110	91%	648,238

Funded status and Funding Progress for the Above Plan

The funded status of the plan as of June 30, 2013, the most recent actuarial valuation date is as follows:

Retirement Plan	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
PERF	\$8,762,696	\$15,580,709	\$(6,818,013)	56%	\$9,363,661	(73%)

The schedule of funding progress, presented as RSI for the above plans following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.



# **REQUIRED SUPPLEMENTARY INFORMATION**



ALLEN COUNTY PUBLIC LIBRARY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For The Year Ended December 31, 2013

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Taxes	\$ 21,591,488	\$ 21,591,488	\$ 19,492,854	\$ (2,098,634)
Intergovernmental	3,260,003	3,260,003	3,258,802	(1,201)
Charges for services	764,000	764,000	704,301	(59,699)
Other	262,100	262,100	291,103	29,003
Total revenues	<u>25,877,591</u>	<u>25,877,591</u>	<u>23,747,060</u>	<u>(2,130,531)</u>
Expenditures:				
Current:				
Personal services	15,868,558	15,868,558	14,604,292	(1,264,266)
Supplies	690,000	696,126	529,304	(166,822)
Other services and charges	4,120,082	4,118,733	3,872,579	(246,154)
Capital outlay	5,175,000	5,164,062	3,286,234	(1,877,828)
Total expenditures	<u>25,853,640</u>	<u>25,847,479</u>	<u>22,292,409</u>	<u>(3,555,070)</u>
Net change in fund balances	23,951	30,112	1,454,651	1,424,539
Fund balances - beginning	<u>9,533,930</u>	<u>9,533,930</u>	<u>9,533,930</u>	<u>-</u>
Fund balances - ending	<u>\$ 9,557,881</u>	<u>\$ 9,564,042</u>	<u>\$ 10,988,581</u>	<u>\$ 1,424,539</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)
07/01/11	8,096,838	14,245,527	(6,148,689)	57%	9,204,556	(67%)
07/01/12	7,580,296	15,340,176	(7,759,880)	49%	9,444,049	(82%)
07/01/13	8,762,696	15,580,709	(6,818,013)	56%	9,363,661	(73%)

The notes to RSI are an integral part of RSI.

ALLEN COUNTY PUBLIC LIBRARY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2013

Note 1. Budgets and Budgetary Accounting

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

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

Major Funds

General Fund

Debt Service Fund:

Bond and Interest Redemption

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 REDEMPTION 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 no 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 Project Funds** — Capital Project Funds are used to account for major capital acquisition or construction activities, particularly if these are financed through long-term debt issues or contributions.

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

ALLEN COUNTY PUBLIC LIBRARY  
 BUDGETARY COMPARISON SCHEDULE  
 OTHER BUDGETED MAJOR GOVERNMENTAL FUND  
 For The Year Ended December 31, 2013

	LIRF				Bond and Interest Redemption				
	Budgeted Amounts		Actual Budgetary Basis Amounts		Budgeted Amounts		Actual Budgetary Basis Amounts		Variance With Final Budget Over (Under)
	Original	Final	Original	Final	Original	Final	Original	Final	
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,925,831	\$ 6,925,831	\$ 6,253,372	\$ 6,253,372	\$ (672,459)
Expenditures:									
Current:									
Capital outlay	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	6,925,831	6,925,831	6,253,372	6,253,372	(672,459)
Other financing uses:									
Transfers in (out)	-	-	-	-	(6,535,000)	(6,535,000)	(6,535,950)	(6,535,950)	(950)
Net change in fund balances	-	-	-	-	390,831	390,831	(282,578)	(282,578)	(673,409)
Fund balances - beginning	3,643,391	3,643,391	3,643,391	3,643,391	2,259,909	2,259,909	2,259,909	2,259,909	-
Fund balances - ending	\$ 3,643,391	\$ 3,643,391	\$ 3,643,391	\$ 3,643,391	\$ 2,650,740	\$ 2,650,740	\$ 1,977,331	\$ 1,977,331	\$ (673,409)

# Non-major Governmental Funds

**Special Revenue Funds** — Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capitl projects.

**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.

**RAINY DAY FUND** — This fund accounts for revenues and expenditures relating to the transfers of unused and unencumbered funds allowed under appropriate State statutes.



ALLEN COUNTY PUBLIC LIBRARY  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 December 31, 2013

	<u>Gift</u>	<u>Cable TV</u>	<u>State Technology</u>	<u>Rainy Day</u>	<u>Totals</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 77,722	\$ 259,502	\$ 3,084	\$ 836,744	\$ 1,177,052
Intergovernmental receivable	-	106,561	-	-	106,561
Total assets	<u>\$ 77,722</u>	<u>\$ 366,063</u>	<u>\$ 3,084</u>	<u>\$ 836,744</u>	<u>\$ 1,283,613</u>
<u>Liabilities</u>					
Accounts payable	-	2,000	-	-	2,000
<u>Deferred inflows of resources</u>					
Unavailable revenue - other	-	106,561	-	-	106,561
<u>Fund balances</u>					
Restricted	77,722	257,502	3,084	836,744	1,175,052
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 77,722</u>	<u>\$ 366,063</u>	<u>\$ 3,084</u>	<u>\$ 836,744</u>	<u>\$ 1,283,613</u>

ALLEN COUNTY PUBLIC LIBRARY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 For The Year Ended December 31, 2013

	Gift	Cable TV	State Technology	Rainy Day	Totals
Revenues:					
Intergovernmental	\$ -	\$ 466,527	\$ 23,379	\$ -	\$ 489,906
Other	720,204	55	-	-	720,259
Total revenues	720,204	466,582	23,379	-	1,210,165
Expenditures:					
Current:					
Public services	652,765	421,907	21,391	-	1,096,063
Capital outlay	29,354	62,957	-	-	92,311
Total expenditures	682,119	484,864	21,391	-	1,188,374
Excess (deficiency) of revenues over (under) expenditures	38,085	(18,282)	1,988	-	21,791
Net change in fund balances	38,085	(18,282)	1,988	-	21,791
Fund balances - beginning	39,637	275,784	1,096	836,744	1,153,261
Fund balances - ending	\$ 77,722	\$ 257,502	\$ 3,084	\$ 836,744	\$ 1,175,052

**STATISTICAL  
SECTION**



**ALLEN COUNTY PUBLIC LIBRARY**  
**Location of Public Service Facilities**  
**with population (2010 census) by township**

CODE	BRANCH NAME	ADDRESS (Common Location Reference)
MAI	Main Library	900 Library Plaza, Fort Wayne
ABT	Aboite	5630 Coventry Ln., (Village of Coventry Shopping Ctr.), Fort Wayne
DPT	Dupont	536 East Dupont Rd., (West of Coldwater Rd.), Fort Wayne
GEO	Georgetown	6600 East State Blvd. (Georgetown Sq.), Fort Wayne
GRB	Grabill	13521 State Street, Grabill
HSC	Hessen Cassel	3030 East Paulding Rd. (West of Hessen Cassel Rd.), Fort Wayne
LTL	Little Turtle	2201 Sherman Blvd. (South of State Blvd.), Fort Wayne
MON	Monroeville	115 Main Street, Monroeville
NWH	New Haven	648 Green Street, New Haven
PON	Pontiac	2215 South Hanna, Fort Wayne
SHW	Shawnee	5600 Noll Ave. (South Calhoun near Paulding Rd.), Fort Wayne
TEC	Tecumseh	1411 E. State Blvd., Fort Wayne
WAY	Waynedale	2200 Lower Huntington Rd., Fort Wayne
WDB	Woodburn	4701 State Road 101 North, Woodburn

	Eel River 3,965	Perry 19,643	Cedar Creek 11,329  * GRB	Springfield 4,761	Scipio 584
Lake 2,807	Washington 33,859  LTL *	DPT *  TEC *	St. Joseph 71,832  GEO *	Milan 4,656	Maumee 3,318  WDB *
Aboite 30,000  ABT *	Wayne 108,119  SHW * WAY *	MAI *  PON *	Adams 32,050  * HSC	NWH * Jefferson 2,821	Jackson 1,041
Lafayette 3,533	Pleasant 4,323	Marion 4,495	Madison 2,722	Monroe 2,785 * 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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</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>S-1</b>
<b>Revenue Capacity</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>S-5</b>
<b>Debt Capacity</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>S-10</b>
<b>Economic and Demographic Information</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>S-13</b>
<b>Operating Information</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.	<b>S-18</b>

Source:

Unless otherwise noted, the information in these table is derived from the annual financial reports for the relevant year.

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**Allen County Public Library**

**Net Position  
Last Ten Years**  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Primary Government (Governmental Activities) <sup>(A)</sup>										
Invested in capital assets, net of related debt	\$ (25,474) \$	\$ (1,174) \$	\$ 21,158 \$	\$ 24,932 \$	\$ 26,630 \$	\$ 27,796 \$	\$ 29,091 \$	\$ 30,885 \$	\$ 32,522 \$	\$ 34,346 \$
Restricted	\$ 54,768 \$	\$ 34,975 \$	\$ 12,453 \$	\$ 12,365 \$	\$ 11,890 \$	\$ 11,248 \$	\$ 10,593 \$	\$ 10,135 \$	\$ 9,525 \$	\$ 9,176 \$
Unrestricted	\$ 7,764 \$	\$ 8,735 \$	\$ 6,956 \$	\$ 4,847 \$	\$ 4,983 \$	\$ 7,243 \$	\$ 6,743 \$	\$ 8,935 \$	\$ 10,728 \$	\$ 11,468 \$
Total Primary Government Net Assets	\$ 37,058 \$	\$ 42,536 \$	\$ 40,567 \$	\$ 42,144 \$	\$ 43,503 \$	\$ 46,287 \$	\$ 46,427 \$	\$ 49,955 \$	\$ 52,775 \$	\$ 54,990 \$

NOTE:

(A) 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 Position**  
**Last Ten Years**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Expenses</b>										
Primary Government (Governmental Activities) <sup>(A)</sup>	\$ 6,190	\$ 6,159	\$ 5,855	\$ 5,370	\$ 4,888	\$ 4,739	\$ 4,774	\$ 4,806	\$ 4,964	\$ 4,763
Administration and support	\$ 17,894	\$ 15,994	\$ 23,258	\$ 21,295	\$ 21,107	\$ 20,787	\$ 20,728	\$ 21,152	\$ 21,182	\$ 21,973
Public Service	\$ 2,814	\$ 2,840	\$ 3,278	\$ 3,156	\$ 3,040	\$ 2,898	\$ 2,724	\$ 2,526	\$ 2,165	\$ 2,012
Interest on long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government expenses	\$ 26,898	\$ 24,993	\$ 32,391	\$ 29,821	\$ 29,035	\$ 28,424	\$ 28,226	\$ 28,484	\$ 28,311	\$ 28,748
<b>Program Revenues</b>										
Primary Government (Governmental Activities) <sup>(A)</sup>	\$ 517	\$ 553	\$ 575	\$ 615	\$ 712	\$ 846	\$ 780	\$ 762	\$ 751	\$ 704
Charges for services - Public Services	\$ -	\$ 32	\$ 16	\$ 16	\$ 18	\$ 85	\$ 376	\$ 364	\$ 385	\$ 743
Operating Grants and Contributions	\$ 517	\$ 585	\$ 591	\$ 631	\$ 730	\$ 931	\$ 1,156	\$ 1,126	\$ 1,136	\$ 1,447
Total primary government program revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total primary government net expense</b>	\$ (26,381)	\$ (24,408)	\$ (31,800)	\$ (29,190)	\$ (28,305)	\$ (27,493)	\$ (27,070)	\$ (27,358)	\$ (27,175)	\$ (27,301)
<b>General Revenues and Other Changes in Net Assets</b>										
Primary Government (Governmental Activities) <sup>(A)</sup>	\$ 20,969	\$ 21,511	\$ 22,460	\$ 23,717	\$ 22,885	\$ 23,648	\$ 22,414	\$ 23,171	\$ 23,614	\$ 23,437
Taxes	\$ 2,651	\$ 2,175	\$ 2,041	\$ 2,145	\$ 2,042	\$ 1,911	\$ 2,124	\$ 2,081	\$ 2,148	\$ 2,136
Property Taxes	\$ 2,979	\$ 3,487	\$ 3,646	\$ 3,480	\$ 4,106	\$ 4,314	\$ 1,927	\$ 4,531	\$ 3,336	\$ 3,259
Auto Excise Taxes	\$ 424	\$ 414	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COIT and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted grants and contributions	\$ (202)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrealized loss on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on investments	\$ 900	\$ 2,299	\$ 1,277	\$ 509	\$ 197	\$ 30	\$ 27	\$ 34	\$ 20	\$ 20
Other	\$ 27,721	\$ 29,886	\$ 29,832	\$ 30,767	\$ 29,664	\$ 30,277	\$ 27,210	\$ 30,886	\$ 29,995	\$ 29,991
Total primary government general revenues	\$ 1,340	\$ 5,478	\$ (1,968)	\$ 1,577	\$ 1,359	\$ 2,784	\$ 140	\$ 3,528	\$ 2,820	\$ 2,690
<b>Total Change in Primary Government Net Assets</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE:  
 (A) 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund	\$ 245	\$ 286	\$ 193	\$ 76	\$ 114	\$ 27	\$ 106	\$ 32	\$ 81	\$ 87
Assigned	\$ 7,234	\$ 7,952	\$ 8,309	\$ 4,194	\$ 4,757	\$ 5,987	\$ 5,647	\$ 7,935	\$ 9,453	\$ 10,901
Unassigned	\$ 7,479	\$ 8,238	\$ 8,502	\$ 4,270	\$ 4,871	\$ 6,014	\$ 5,753	\$ 7,967	\$ 9,534	\$ 10,988
<b>Total General Fund</b>										
<b>All Other Governmental Funds</b>										
Restricted	\$ 55,295	\$ 32,969	\$ 12,485	\$ 12,589	\$ 12,290	\$ 12,105	\$ 11,527	\$ 11,016	\$ 10,401	\$ 10,091
Committed										
Assigned										
Unassigned										
<b>Total all other governmental funds</b>										
	\$ 55,295	\$ 32,969	\$ 12,485	\$ 12,589	\$ 12,290	\$ 12,105	\$ 11,527	\$ 11,016	\$ 10,401	\$ 10,091

**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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 31,558	\$ 27,169	\$ 24,620	\$ 25,377	\$ 25,425	\$ 25,048	\$ 24,773	\$ 25,282	\$ 25,756	\$ 25,746
Intergovernmental	\$ 424	\$ 446	\$ 3,840	\$ 3,741	\$ 4,006	\$ 4,108	\$ 2,413	\$ 4,589	\$ 3,815	\$ 3,749
Charges for services	\$ 517	\$ 553	\$ 575	\$ 615	\$ 712	\$ 846	\$ 779	\$ 762	\$ 751	\$ 704
Other	\$ 843	\$ 2,300	\$ 1,759	\$ 927	\$ 650	\$ 603	\$ 693	\$ 737	\$ 817	\$ 1,011
<b>Total Revenues</b>	\$ 33,342	\$ 30,468	\$ 30,794	\$ 30,660	\$ 30,793	\$ 30,605	\$ 28,658	\$ 31,370	\$ 31,139	\$ 31,210
<b>Expenditures</b>										
Administration and support	\$ 6,034	\$ 6,137	\$ 5,768	\$ 5,198	\$ 4,791	\$ 4,681	\$ 4,625	\$ 4,504	\$ 4,682	\$ 4,668
Public Services	\$ 10,152	\$ 10,753	\$ 12,237	\$ 13,295	\$ 13,617	\$ 13,530	\$ 13,548	\$ 13,858	\$ 14,558	\$ 15,434
Library Materials	\$ 3,036	\$ 3,418	\$ 3,541	\$ 3,585	\$ 3,933	\$ 3,288	\$ 3,427	\$ 3,626	\$ 2,955	\$ 2,853
Capital Outlays	\$ 21,415	\$ 25,027	\$ 22,838	\$ 6,087	\$ 1,518	\$ 1,519	\$ 1,259	\$ 1,055	\$ 1,269	\$ 526
Debt Service										
Principal	\$ 4,585	\$ 34,260	\$ 3,221	\$ 3,315	\$ 3,435	\$ 3,565	\$ 3,735	\$ 3,915	\$ 13,490	\$ 4,490 <sup>B</sup>
Interest	\$ 2,121	\$ 3,030	\$ 3,410	\$ 3,309	\$ 3,196	\$ 3,064	\$ 2,903	\$ 2,709	\$ 2,512	\$ 2,095
Bond issue costs	\$ 270	\$ 356							\$ 156	\$ -
<b>Total Expenditures</b>	\$ 47,613	\$ 82,981	\$ 51,015	\$ 34,789	\$ 30,490	\$ 29,647	\$ 29,497	\$ 29,667	\$ 39,622	\$ 30,066
Excess of revenues over (under) expenditures	\$ (14,271)	\$ (52,513)	\$ (20,221)	\$ (4,129)	\$ 303	\$ 958	\$ (839)	\$ 1,703	\$ (8,483)	\$ 1,144
<b>Other Financing Source (Uses)</b>										
Transfers in	\$ 6,115	\$ 6,900	\$ 6,898	\$ 11,287	\$ 6,877	\$ 7,448	\$ 7,444	\$ 7,442	\$ 7,445	\$ 6,536
Transfers out	\$ (6,115)	\$ (6,900)	\$ (6,898)	\$ (11,287)	\$ (6,877)	\$ (7,448)	\$ (7,444)	\$ (7,442)	\$ (7,445)	\$ (6,536)
Issuance of debt	\$ 31,470	\$ 31,040							\$ 9,385	\$ -
Bond premium	\$ 1,551	\$ 1,940							\$ 610	\$ -
Accrued interest at bond sale										
Defeasance of bonds		\$ (2,032)							\$ (561)	\$ -
Total other financing sources (uses)	\$ 33,021	\$ 30,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,434	\$ -
<b>Net Change in fund balances</b>	\$ 18,750	\$ (21,565)	\$ (20,221)	\$ (4,129)	\$ 303	\$ 958	\$ (839)	\$ 1,703	\$ 951	\$ 1,144
<b>Debt Service as a percentage of noncapital expenditures<sup>C</sup></b>	28.6%	26.9% <sup>A</sup>	21.2%	24.4%	25.2%	25.6%	25.9%	25.6%	25.2%	24.3% <sup>B</sup>

**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.
- B) In 2012, \$9,375,000 of debt issued in 2003 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 \$4,115,000.
- C) Noncapital expenditures are calculated by subtracting the following from total expenditures: (a) capital outlay (to the extent capitalized for the government-wide statement of net assets) and (b) expenditures for capitalized assets contained within the functional expenditure categories.

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

Tax Year Payable	Agricultural	Commercial / Industrial	Residential	Utility	Exempt <sup>±</sup>	Adjustments/ Credits	Total Net Assessed Value	Total Direct Tax Rate
2013	\$ 696,536,102	\$ 4,532,997,743	\$ 6,009,828,844	\$ 27,953,300	\$ 25,326,445	\$ 1,487,770,463	\$ 12,780,412,897	\$ 0.2067
2012	675,869,296	4,654,357,451	6,008,478,077	25,965,165	40,327,846	1,336,706,243	12,741,704,078	0.2042
2011	627,968,031	4,784,009,561	5,978,042,386	26,208,970	21,246,631	1,237,482,381	12,674,957,960	0.1985
2010	625,544,019	5,024,668,242	6,138,454,236	31,345,280	43,785,585	1,249,146,876	13,112,944,238	0.1871
2009	617,131,949	4,975,436,016	6,398,480,910	31,064,200	60,288,823	1,215,214,076	13,297,615,974	0.1800
2008	706,445,440	4,839,775,510	9,205,464,110	43,384,400	40,374,790	1,015,023,885	15,850,468,135	0.1480
2007	668,758,845	4,633,856,486	8,935,489,645	44,869,010	26,482,296	961,413,827	15,270,870,109	0.1521
2006	658,699,790	4,079,444,155	7,877,361,571	43,499,570	15,708,790	1,387,263,794	14,061,977,670	0.1607
2005	645,081,060	4,102,584,555	7,656,558,235	42,855,120	18,767,215	1,467,088,480	13,932,934,665	0.1579
2004	639,363,833	4,182,999,107	7,806,634,046	44,510,878	18,038,412	1,519,947,153	14,211,493,429 <b>B</b>	0.1415

NOTE:

- (A) Exempt properties include parcels owned by organizations such as:  
 Governmental agencies at the federal, state, municipal, and township levels.  
 Religious and other charitable organizations  
 Park districts  
 Miscellaneous other properties granted exemption
- (B) For the year 2004 and prior, complete reporting of the breakdown of assessed value into major components was unavailable. The Total Net Assessed Value figure for 2004 is actual. Major component values for 2004 are both actuals and estimates from best information available.

Source: Allen County Auditor's Office  
 Allen County Assessor's Office

# ALLEN COUNTY PUBLIC LIBRARY

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

	2012 pay 2013	2011 pay 2012	2010 pay 2011	2009 pay 2010	2008 pay 2009
<b>Library Direct Rates</b>					
General	\$ 0.1565	\$ 0.1527	\$ 0.1486	\$ 0.1396	\$ 0.1337
Debt Service	0.0502	0.0515	0.0499	0.0475	0.0463
Total direct rates	0.2067	0.2042	0.1985	0.1871	0.1800
<b>County-wide units:</b>					
Ft. Wayne-Allen Co. Airport	0.0471	0.0468	0.0447	0.0440	0.0489
County of Allen	0.5404	0.5279	0.5155	0.5187	0.4631
State of Indiana	-	-	-	-	-
<b>Cities and Towns:</b>					
City of Fort Wayne	1.3411	1.3274	1.3149	1.2238	1.1515
City of New Haven	1.2297	1.1811	1.0055	0.9617	0.9095
City of Woodburn	0.6873	0.6579	0.6577	0.6367	0.5847
Town of Grabill	0.8685	0.8436	0.7837	0.7783	0.7466
Town of Monroeville	1.2002	1.1551	1.0156	1.0075	0.9848
Town of Huntertown	0.2779	0.255	0.2802	0.3297	0.2485
Town of Zanesville	0.3348	0.3216	0.3199	0.3509	0.3967
Town of Leo-Cedarville	0.3788	0.3731	0.3655	0.3636	0.3438
<b>School Districts:</b>					
East Allen County	0.8833	0.8379	0.8871	0.8443	0.8236
Ft. Wayne Community	0.9766	0.8527	0.9000	0.8271	0.8294
Northwest Allen County	1.5437	1.4358	1.5043	1.3317	1.2827
Southwest Allen County	1.0196	1.0282	1.0170	1.0170	0.9464
<b>Other special districts:</b>					
Public Transport. Corp	0.0603	0.0582	0.0552	0.0521	0.0492
S.W. Allen Fire District	0.1635	0.1645	0.1623	0.1716	0.1669
N.W. Allen Fire District	0.0780	0.0572	0.0569	0.0569	0.0553
New Haven-Adams Twp Parks	0.1769	0.1734	0.1229	0.1113	0.1103
<b>Townships:</b>					
Aboite	0.0497	0.0501	0.0526	0.0565	0.0643
Adams	0.0364	0.3064	0.3007	0.2644	0.2511
Cedar Creek	0.0505	0.0508	0.0489	0.0488	0.0541
Eel River	0.0092	0.0091	0.0083	0.0091	0.0088
Jackson	0.0377	0.0379	0.0384	0.0379	0.0376
Jefferson	0.1059	0.1043	0.1041	0.1024	0.1004
Lafayette	0.0133	0.0149	0.0018	0.0018	0.0019
Lake	0.0808	0.0829	0.0881	0.0846	0.0854
Madison	0.1200	0.1182	0.1225	0.1573	0.0745
Marion	0.0722	0.0687	0.0721	0.0712	0.0694
Maumee	0.1418	0.1597	0.1378	0.1513	0.0924
Milan	0.0500	0.0498	0.0501	0.0496	0.0483
Monroe	0.0941	0.0978	0.0990	0.0985	0.0972
Perry	0.0057	0.0025	0.0055	0.0055	0.0053
Pleasant	0.0128	0.0133	0.0139	0.0133	0.0125
Scipio	0.0513	0.0505	0.0518	0.0518	0.0514
Springfield	0.1499	0.1246	0.1477	0.1233	0.1157
Saint Joseph	0.1084	0.1137	0.1413	0.1341	0.1256
Washington	0.1311	0.1355	0.1190	0.1440	0.1285
Wayne	0.1402	0.1365	0.1302	0.1175	0.1344

	2007 pay 2008	2006 pay 2007	2005 pay 2006	2004 pay 2005	2003 pay 2004
\$	0.1078	\$ 0.1079	\$ 0.1127	\$ 0.1095	\$ 0.1029
	0.0402	0.0442	0.0480	0.0484	0.0386
	0.1480	0.1521	0.1607	0.1579	0.1415
	0.0233	0.0233	0.0243	0.0237	0.0225
	0.5789	0.5331	0.5675	0.5452	0.4746
	0.0229	0.0230	0.0239	0.2325	0.0223
	0.9985	1.027	1.0869	1.046	0.9421
	0.7387	0.7371	0.8399	0.7340	0.5957
	0.4498	0.4376	0.5026	0.5104	0.4454
	0.6361	0.6169	0.6596	0.6219	0.5766
	0.7493	0.7154	0.688	0.7003	0.6123
	0.2355	0.1497	0.1169	0.1337	0.1444
	0.3116	0.2957	0.2825	0.3061	0.2930
	0.2461	0.2538	0.2961	0.2965	0.2912
	1.3893	1.3957	1.5491	1.492	1.5005
	1.3540	1.3812	1.4743	1.4078	1.4306
	1.6429	1.5594	1.6085	1.4726	1.4693
	1.5939	1.6428	1.6102	1.6842	1.6085
	0.0375	0.0324	0.0393	0.039	0.0367
	0.1491	0.1210	0.1235	0.1296	0.1169
	0.0362	0.0320			
	0.0971	0.0964	0.1018	0.0712	0.1067
	0.0478	0.0645	0.0537	0.0660	0.0490
	0.2127	0.2105	0.2293	0.2186	0.2231
	0.0390	0.0397	0.0463	0.0458	0.0462
	0.0065	0.0066	0.0186	0.0181	0.0178
	0.0360	0.0378	0.0375	0.0442	0.0424
	0.0895	0.0897	0.0920	0.0843	0.0816
	0.0016	0.0017	0.0017	0.0018	0.0018
	0.0690	0.0780	0.0791	0.0643	0.0631
	0.0713	0.0762	0.0834	0.0706	0.0790
	0.0571	0.0572	0.0649	0.0642	0.0648
	0.0964	0.1064	0.1312	0.1459	0.0814
	0.0448	0.0456	0.0474	0.0467	0.0446
	0.0816	0.0846	0.0869	0.0832	0.0836
	0.0038	0.0040	0.0356	0.0366	0.0380
	0.0105	0.0109	0.0111	0.0102	0.0091
	0.0435	0.0427	0.0425	0.0425	0.0441
	0.0673	0.0787	0.0723	0.0892	0.1109
	0.0361	0.1945	0.2388	0.0985	0.0885
	0.1018	0.0932	0.0812	0.0804	0.0489
	0.1020	0.0880	0.0893	0.1267	0.0747

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

Principal Taxpayers - Name	2013			2004		
	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.	\$ 236,238,040	1	1.8 %	\$ 187,835,480	1	1.3 %
GGP-Glenbrook-LLC	177,681,300	2	1.4	114,700,800	3	0.8
IOM Health Systems	143,186,140	3	1.1	69,007,150	6	0.5
Indiana Michigan Power	139,773,380	4	1.1	110,710,969	4	0.8
Frontier North Inc.	107,617,210	5	0.8	161,388,790	2	1.1
Parkview Health Systems, Inc	78,350,726	6	0.6			
Walmart Stores East LP/RE Bus	76,470,720	7	0.6			
Frontier Communications Online & LD	75,963,810	8	0.6	56,553,910	8	0.4
Uniroyal BF Goodrich	61,657,700	9	0.5	70,159,470	5	0.5
St Joseph Health System LLC	61,593,490	10	0.5			
Meijer				57,625,260	7	0.4
Regency Canterbury LP				54,224,130	9	0.4
ITT Corporation				50,256,380	10	0.4
<b>Total of Ten Largest Taxpayers</b>	<b>\$ 1,158,532,516</b>		<b>9.1 %</b>	<b>\$ 932,462,339</b>		<b>6.6 %</b>

(1) Represents assessed valuations for taxes due and payable in 2013.

(2) Represents assessed valuations for taxes due and payable in 2004.

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>
2013	\$ 20,001,346	\$ 17,874,776	89.37%	\$ 6,415,767	\$ 5,734,347	89.38%
2012	19,456,582	17,615,996	90.54%	6,561,978	5,941,956	90.55%
2011	18,834,988	17,362,672	92.18%	6,324,804	5,807,823	91.83%
2010	18,305,670	16,916,627	92.41%	6,228,649	5,756,678	92.42%
2009	17,778,913	17,073,666	96.03%	6,156,796	5,913,291	96.04%
2008	17,086,805	16,964,977	99.29%	6,371,888	6,327,164	99.30%
2007	16,477,252	16,464,677	99.92%	6,749,718	6,745,265	99.93%
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%

**NOTE:**

(A) Property taxes collected include the portion of prior year delinquencies collected in the current year and will account for why some years collections are greater than levied. No penalties or interest are included. 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.

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

<u>Primary Government (Governmental Activities)</u> <sup>A</sup>						
<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>
2013	\$ -	\$ 44,580,000	-	\$ 44,580,000	N/A	\$ 122.81
2012	0	49,070,000	-	49,070,000	3.64%	136.15
2011	0	53,175,000	-	53,175,000	4.22%	148.40
2010	0	57,090,000	-	57,090,000	4.71%	160.67
2009	0	60,825,000	-	60,825,000	5.04%	171.88
2008	280,000	64,110,000	-	64,390,000	5.29%	183.70
2007	820,000	67,005,000	-	67,825,000	5.77%	194.07
2006	1,340,000	69,800,000	-	71,140,000	6.29%	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

**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 2013 was not available at the time of production.



# ALLEN COUNTY PUBLIC LIBRARY

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

<u>Year</u>	<u>General Bonded Debt <sup>A</sup></u>	<u>Less: Amounts Available in Debt Service Funds <sup>B</sup></u>	<u>Total Primary Government</u>	<u>Percentage of Actual Taxable Value <sup>C</sup> of Property</u>	<u>Per Capita <sup>D</sup></u>
2013	\$ 44,580	\$ 5,272	\$ 39,308	0.308%	\$ 108.28
2012	49,070	5,604	43,466	0.341%	120.60
2011	53,175	5,831	47,344	0.374%	132.13
2010	57,090	6,116	50,974	0.389%	143.46
2009	60,825	6,924	53,901	0.405%	152.31
2008	64,390	6,669	57,721	0.364%	164.67
2007	67,825	6,387	61,438	0.402%	175.79
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

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit <sup>A</sup>	\$ 94,743	\$ 92,886	\$ 93,747	\$ 101,806	\$ 105,670	\$ 88,651	\$ 87,420	\$ 84,500	\$ 84,945	\$ 85,203
Total net debt applicable to limit	\$ 2,218	\$ 1,716	\$ 1,234	\$ 743	\$ 251	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 92,525	\$ 91,171	\$ 92,511	\$ 101,064	\$ 105,419	\$ 88,651	\$ 87,420	\$ 84,500	\$ 84,945	\$ 85,203

Total net debt applicable to the limit as a percentage of debt limit	2.34%	1.85%	1.32%	0.73%	0.24%	0.00%	0.00%	0.00%	0.00%	0.00%
----------------------------------------------------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

**Legal Debt Margin Calculation for Fiscal Year 2012**

Market value	\$ 12,780,413
Assessed value for debt calculation <sup>B</sup>	\$ 4,260,138
Debt limit (2%)	\$ 85,203
Debt applicable to limit:	
General obligation bonds	\$ -
Less: Amount set aside for repayment of general obligation debt <sup>C</sup>	\$ -
Total net debt applicable to limit	\$ -
Legal debt margin	\$ 85,203

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>
2013	363,014	N/A	N/A	6.0 %
2012	360,412	\$ 13,469,114	\$ 37,371	8.2
2011	358,327	12,612,682	35,689	8.6
2010	355,329	12,128,139	34,088	9.4
2009	353,888	12,059,652	34,078	10.2
2008	350,523	12,167,830	34,652	8.1
2007	349,488	11,752,526	33,698	4.6
2006	347,316	11,304,246	32,658	4.9
2005	344,066	10,910,601	31,722	5.2
2004	342,168	10,741,515	30,664	5.2

**NOTE:**

(A) 2010 population is actual U.S. Census count. All other years are July 1 intercensal estimates. Source: U.S. Census Bureau.

(B) 2013 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	2013			2004		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Parkview Health Systems	4,710	1	2.7 %	4,254	1	2.3 %
Lutheran Health Network	4,301	2	2.5	2,889	3	1.6
Fort Wayne Community Schools	4,230	3	2.4	3,445	2	1.9
General Motors - Truck & Bus Group	3,909	4	2.2	2,847	4	1.6
Lincoln Financial Group	1,970	5	1.1	2,000	5	1.1
The City of Fort Wayne	1,814	6	1.0	1,671	7	0.9
Allen County Government	1,605	7	0.9	1,993	6	1.1
BF Goodrich	1,580	8	0.9			
IPFW	1,255	9	0.7			
ITT Exelis	1,165	10	0.7	1,634	8	
Shambaugh & Sons				1,500	9	0.8
SIRVA				1,500	10	0.8
<b>Total of Ten Largest Taxpayers</b>	<b>26,539</b>		<b>15.1 %</b>	<b>23,733</b>		<b>12.2 %</b>

Frontier Communications Corp.

Source: Community Research Institute of IPFW and the Bureau of Labor Statistics.

# ALLEN COUNTY PUBLIC LIBRARY

## Miscellaneous 2010 Census Data <sup>A</sup>

	<u>Allen County</u>		<u>City of Fort Wayne</u>		<u>City as % of Co</u>
<b><u>2010 Population:</u></b>	355,329		253,691		71.4%
By Sex:					
Male	173,221	48.7%	122,783	48.4%	70.9%
Female	182,108	51.3%	130,908	51.6%	71.9%
By Race:					
White	281,653	79.3%	186,763	73.6%	66.3%
Black	41,618	11.7%	39,085	15.4%	93.9%
American Indian, Eskimo, or Aleut	1,246	0.4%	939	0.4%	75.4%
Asian or Pacific Islander	9,910	2.8%	8,533	3.4%	86.1%
Other race	10,455	2.9%	9,441	3.7%	90.3%
Two or more races	10,447	2.9%	8,930	3.5%	85.5%
By Hispanic Origin:					
Mexican	17,596	5.0%	15,545	6.1%	88.3%
Puerto Rican	1,119	0.3%	939	0.4%	83.9%
Cuban	226	0.1%	174	0.1%	77.0%
Other Hispanic	4,152	1.2%	3,542	1.4%	85.3%
Not of Hispanic Origin	332,236	93.5%	233,491	92.0%	70.3%
<b><u>2010 Income Data</u></b>					
Family Income in 2009:					
Less than \$10,000	3,694	4.1%	3,517	4.9%	95.2%
\$10,000 to \$14,999	2,913	3.2%	2,757	3.8%	94.6%
\$15,000 to \$24,999	7,183	8.0%	6,209	8.6%	86.4%
\$25,000 to \$34,999	9,132	10.2%	8,134	11.2%	89.1%
\$35,000 to \$49,999	13,066	14.6%	10,953	15.1%	83.8%
\$50,000 to \$74,999	21,846	24.3%	17,192	23.8%	78.7%
\$75,000 to \$99,999	14,424	16.1%	10,777	14.9%	74.7%
\$100,000 to \$149,999	12,023	13.4%	8,844	12.2%	73.6%
\$150,000 to \$199,999	2,813	3.1%	1,982	2.7%	70.5%
\$200,000 or more	2,685	3.0%	2,000	2.8%	74.5%

### NOTE

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

Source: Allen County Public Library as extracted from the 2010 US Census

# ALLEN COUNTY PUBLIC LIBRARY

## Age Distribution by Township for Allen County, Indiana

<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>
<b>Townships</b>							
Aboite	2,175	2,853	3,117	2,669	1,356	3,601	5,038
Adams	2,604	2,424	2,445	2,576	1,936	3,763	4,086
Cedar Creek	796	1,122	1,238	1,203	518	1,006	1,817
Eel River	198	233	294	291	188	333	486
Jackson	32	41	39	30	17	59	65
Jefferson	104	158	162	147	95	194	245
Lafayette	202	266	277	239	157	317	459
Lake	126	142	150	158	127	229	296
Madison	103	140	144	155	94	161	234
Marion	207	233	258	287	232	330	430
Maumee	204	196	216	184	177	313	307
Milan	358	399	339	325	242	366	445
Monroe	114	111	130	130	115	196	253
Perry	2,252	2,625	2,638	2,125	1,064	3,352	4,537
Pleasant	215	226	259	243	138	369	417
St. Joseph	4,992	4,752	4,819	5,215	5,764	10,029	8,613
Scipio	24	17	32	37	27	35	38
Springfield	436	451	433	365	250	527	523
Washington	2,731	2,270	2,145	2,215	2,753	5,470	4,531
Wayne	8,651	8,146	7,349	7,662	8,130	16,159	12,980
<b>TOTAL</b>	<b>26,524</b>	<b>26,805</b>	<b>26,484</b>	<b>26,256</b>	<b>23,380</b>	<b>46,809</b>	<b>45,800</b>
Above data presented as percents for each township							
Aboite	6.08%	7.98%	8.72%	7.46%	3.79%	10.07%	14.09%
Adams	8.18%	7.62%	7.68%	8.10%	6.08%	11.83%	12.84%
Cedar Creek	6.33%	8.93%	9.85%	9.57%	4.12%	8.00%	14.46%
Eel River	5.48%	6.45%	8.14%	8.06%	5.20%	9.22%	13.46%
Jackson	6.35%	8.13%	7.74%	5.95%	3.37%	11.71%	12.90%
Jefferson	4.93%	7.49%	7.68%	6.97%	4.50%	9.20%	11.62%
Lafayette	6.02%	7.93%	8.26%	7.13%	4.68%	9.45%	13.69%
Lake	5.48%	6.17%	6.52%	6.87%	5.52%	9.95%	12.86%
Madison	5.82%	7.91%	8.13%	8.75%	5.31%	9.09%	13.21%
Marion	5.37%	6.04%	6.69%	7.44%	6.01%	8.55%	11.15%
Maumee	7.79%	7.48%	8.24%	7.02%	6.76%	11.95%	11.72%
Milan	9.55%	10.64%	9.04%	8.67%	6.46%	9.76%	11.87%
Monroe	5.92%	5.76%	6.75%	6.75%	5.97%	10.17%	13.13%
Perry	7.72%	9.00%	9.05%	7.29%	3.65%	11.50%	15.56%
Pleasant	6.49%	6.82%	7.82%	7.34%	4.17%	11.14%	12.59%
St. Joseph	6.91%	6.58%	6.67%	7.22%	7.98%	13.88%	11.92%
Scipio	5.80%	4.11%	7.73%	8.94%	6.52%	8.45%	9.18%
Springfield	10.03%	10.37%	9.96%	8.39%	5.75%	12.12%	12.03%
Washington	7.57%	6.29%	5.94%	6.14%	7.63%	15.16%	12.55%
Wayne	8.33%	7.85%	7.08%	7.38%	7.83%	15.57%	12.50%
<b>TOTAL</b>	<b>7.46%</b>	<b>7.54%</b>	<b>7.45%</b>	<b>7.39%</b>	<b>6.58%</b>	<b>13.17%</b>	<b>12.89%</b>

Source: Allen County Public Library as extracted from 2010 American Community Survey.

<u>45-54</u>	<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>
5,790	2,646	2,174	2,358	1,422	566	35,765	10.1%
4,336	1,990	1,563	2,122	1,378	593	31,816	9.0%
2,079	861	628	761	375	166	12,570	3.5%
644	298	245	236	122	44	3,612	1.0%
73	43	33	51	15	6	504	0.1%
341	152	136	200	137	38	2,109	0.6%
597	285	203	239	83	30	3,354	0.9%
430	190	134	167	115	37	2,301	0.6%
278	144	109	95	81	33	1,771	0.5%
722	312	290	321	185	51	3,858	1.1%
394	172	128	197	97	35	2,620	0.7%
461	212	174	266	121	41	3,749	1.1%
288	123	102	181	102	82	1,927	0.5%
4,385	1,836	1,541	1,747	806	250	29,158	8.2%
527	256	207	286	120	49	3,312	0.9%
9,303	4,584	3,915	4,802	3,559	1,898	72,245	20.3%
80	36	33	16	29	10	414	0.1%
518	218	208	259	116	45	4,349	1.2%
5,008	2,433	1,941	2,346	1,625	624	36,092	10.2%
13,960	5,857	4,508	5,246	3,510	1,645	103,803	29.2%
50,214	22,648	18,272	21,896	13,998	6,243	355,329	100.0%
16.19%	7.40%	6.08%	6.59%	3.98%	1.58%	100.00%	
13.63%	6.25%	4.91%	6.67%	4.33%	1.86%	100.00%	
16.54%	6.85%	5.00%	6.05%	2.98%	1.32%	100.00%	
17.83%	8.25%	6.78%	6.53%	3.38%	1.22%	100.00%	
14.48%	8.53%	6.55%	10.12%	2.98%	1.19%	100.00%	
16.17%	7.21%	6.45%	9.48%	6.50%	1.80%	100.00%	
17.80%	8.50%	6.05%	7.13%	2.47%	0.89%	100.00%	
18.69%	8.26%	5.82%	7.26%	5.00%	1.61%	100.00%	
15.70%	8.13%	6.15%	5.36%	4.57%	1.86%	100.00%	
18.71%	8.09%	7.52%	8.32%	4.80%	1.32%	100.00%	
15.04%	6.56%	4.89%	7.52%	3.70%	1.34%	100.00%	
12.30%	5.65%	4.64%	7.10%	3.23%	1.09%	100.00%	
14.95%	6.38%	5.29%	9.39%	5.29%	4.26%	100.00%	
15.04%	6.30%	5.28%	5.99%	2.76%	0.86%	100.00%	
15.91%	7.73%	6.25%	8.64%	3.62%	1.48%	100.00%	
12.88%	6.35%	5.42%	6.65%	4.93%	2.63%	100.00%	
19.32%	8.70%	7.97%	3.86%	7.00%	2.42%	100.00%	
11.91%	5.01%	4.78%	5.96%	2.67%	1.03%	100.00%	
13.88%	6.74%	5.38%	6.50%	4.50%	1.73%	100.00%	
13.45%	5.64%	4.34%	5.05%	3.38%	1.58%	100.00%	
14.13%	6.37%	5.14%	6.16%	3.94%	1.76%	100.00%	

**Allen County Public Library**  
**Full-Time Equivalent Employees by Function/Division**  
**Last Ten Years**

	Full-Time Equivalent Employees as of December 31									
Function/Division	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Public Services</b>										
Main Library Operations	110,375	113	116,325	116,225	106.15	111.2	110.9	112.6	108.3	108,263
Branch Library Operations	82,475	87,025	87,825	88,95	85	78,925	79,525	78,675	76.85	77,125
Circulation Services	20.3	20.3	20.3	20.3	18	18	18	17.5	15.025	14,925
Total Public Services	213,15	220,325	224,45	225,475	209.15	208,125	208,425	208,775	200,175	200,313
<b>Administration and Support</b>										
Administration	18.75	18.75	18.75	18.75	17.25	17.25	17.25	17.25	16.5	16
Properties	48.65	50.9	59,475	60	52,125	51.75	52,125	51,125	50.95	50,95
Technical Services	25,575	25,575	25,575	26,175	22,675	21,675	21,675	23.6	21,675	21,675
Information Technology	15.5	15.5	15.5	16.5	15	15	14	14	14	14
Total Administration and Support	108,475	110,725	119.3	121,425	107.05	105,675	105.05	105,975	103,125	102,625
<b>Total</b>	<u>321,625</u>	<u>331,05</u>	<u>343,75</u>	<u>346.9</u>	<u>316.2</u>	<u>313.8</u>	<u>313,475</u>	<u>314,75</u>	<u>303.3</u>	<u>302,938</u>



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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Circulation <sup>A</sup></b>										
Total circulation	5,092,027	5,405,090	5,667,564	6,057,823	6,438,274	7,413,746	7,831,650	8,968,049	9,470,669	10,746,406
Per capita	15.2	16.1	16.9	18.1	18.9	21.8	23.0	26.4	27.8	31.6
<b>Patron Visits</b>										
Total patron visits	2,119,622	2,506,718	2,747,102	3,037,980	3,114,620	3,166,688	2,992,197	2,838,486	2,768,804	2,615,890
Per capita	6.3	7.5	8.2	9.1	9.2	9.3	8.8	8.3	8.1	7.7
<b>Patron Service Units <sup>B</sup></b>										
Total patron service units	8,924,556	9,729,064	9,939,109	11,230,362	13,742,439	23,074,824	24,638,651	28,993,215	29,707,480	26,313,256
Per capita	26.6	29.0	29.7	33.5	40.4	67.8	72.4	85.2	87.3	77.4
Patron service units/hour	2,800	2,994	2,995	2,995	4,119	6,793	7,284	8,518	8,708	7,723
Cost per patron service unit	\$ 2.33	\$ 2.16	\$ 2.11	\$ 1.97	\$ 1.61	\$ 0.96	\$ 0.95	\$ 0.81	\$ 0.79	\$ 0.89
<b>Library Material Holdings <sup>C</sup></b>										
Total Material holdings	5,506,651	5,739,835	6,037,670	6,505,783	6,729,174	6,913,428	7,215,192	7,289,984	7,981,831	7,981,831
Per capita	16.1	16.7	17.4	18.6	19.2	19.7	20.3	20.3	22.1	22.1

**NOTE:**

(A) Circulation includes all materials that have been checked-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. In 2009, the formula was adjusted to expand the definition and measurement of reference questions and to include the expanding use of our continually growing digitized collections.

(C) Library material holdings include all print and non-print (i.e. microfilms, microfiche, maps, etc.) items and include all items whether cataloged and/or non-circulating (reference) in nature.

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