

The  
INDIANAPOLIS PUBLIC  
Library

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
2013 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013



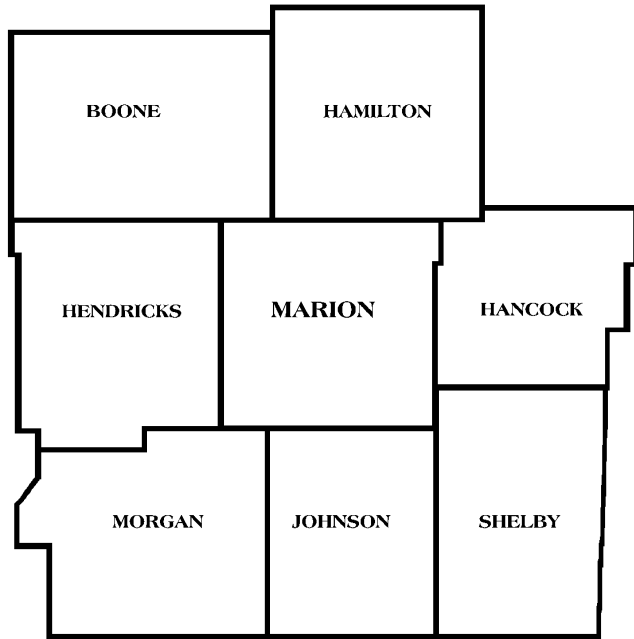
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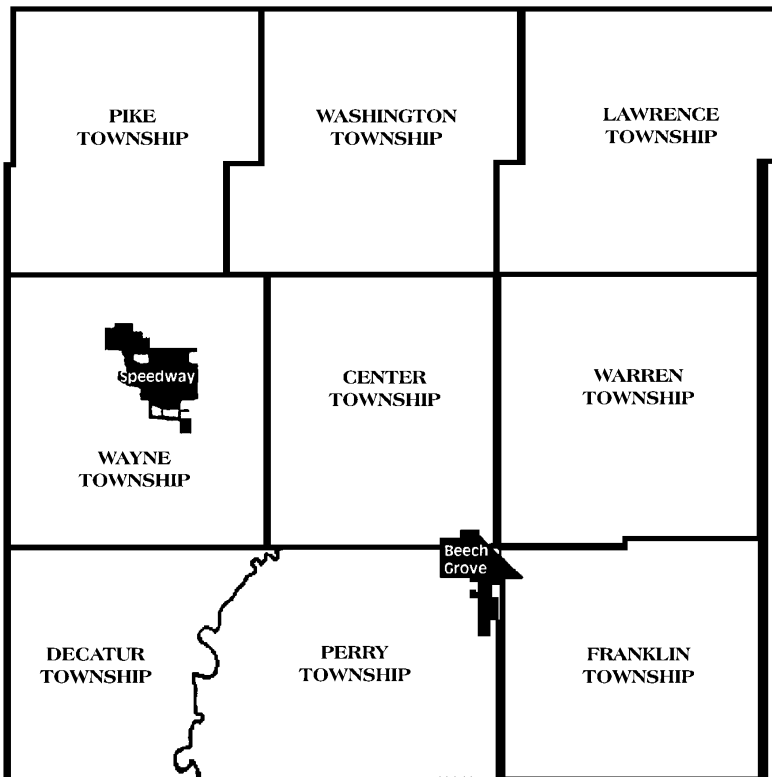
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**INDIANAPOLIS, INDIANA  
METROPOLITAN STATISTICAL AREA**



**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
MARION COUNTY, INDIANA**



# **2013 Comprehensive Annual Financial Report**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**Indianapolis-Marion County  
Public Library**

**Indianapolis, Indiana**

**Prepared by:**

**Rebecca L. Dixon, CGFM  
Treasurer of the Board and Chief Financial Officer**

**Carolyn Adams, CPA  
Accounting Manager**

	<u>Page</u>
Title Page.....	1
Table of Contents.....	2 - 3
 <b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	5 - 10
List of Appointed Officials.....	11
Organization Chart.....	12
GFOA Certificate of Achievement.....	13
Mission and Vision Statements.....	14
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report.....	15 - 16
Management's Discussion and Analysis.....	17 - 26
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	28 - 29
Statement of Activities.....	30
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	31
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities...	33
Statement of Fiduciary Net Position – Fiduciary Funds.....	34
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	35
Notes to Financial Statements.....	36 – 61
Required Supplementary Information:	
Schedules of Funding Progress.....	62
Budgetary Comparison Schedule – General Fund.....	63
Budget/GAAP Reconciliation – General Fund .....	64
Budgetary Comparison Schedule – Rainy Day Fund.....	65
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds.....	66
Combining Balance Sheet – Nonmajor Governmental Funds.....	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	68
Budgetary Comparison Schedule – Bond and Interest Redemption Fund.....	69
Budgetary Comparison Schedule – Capital Projects Fund.....	70
Schedule of Changes in Assets and Liabilities – Agency Funds.....	71
 <b>STATISTICAL SECTION</b>	
Statistical Section Contents.....	73
Government-Wide Net Position by Component.....	74
Government-Wide Changes in Net Position.....	75
Fund Balances of Governmental Funds.....	76
Changes in Fund Balances of Governmental Funds.....	77
Assessed and Estimated Actual Value of Taxable Property .....	78
Property Tax Rates – Direct and Overlapping Governments.....	79
Principal Property Taxpayers.....	80
Property Tax Levies and Collections.....	81

	<u>Page</u>
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita.....	82
Direct and Overlapping Debt and Bonded Debt Limit.....	83 – 84
Legal Debt Margin Information.....	85
Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures.....	86
Demographic and Economic Information.....	87
Principal Employers.....	88
District Employees by Function.....	89
Library Materials Purchased and Circulated.....	90
Circulation by Location.....	91
Service Location Information .....	92 - 93





# INTRODUCTORY

June 30, 2014

To: Citizens of the Library District  
Board Members of the Indianapolis-Marion County Public Library  
and their appointing authorities:  
The City-County Council  
The County Commissioners  
Board of School Commissioners of the Indianapolis Public Schools

We are pleased to present the Comprehensive Annual Financial Report of the Indianapolis-Marion County Public Library (Library) for the fiscal year ended December 31, 2013.

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

The Indiana State Board of Accounts has issued an unqualified ("clean") opinion on the Indianapolis-Marion County Public Library's financial statements for the year ended December 31, 2013. The independent auditor's report is located at the front of the financial section of this report. When federal funds are received, 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. This does not apply for 2013, as the amount of federal assistance received did not require a single audit.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of Reporting Entity**

The Indianapolis-Marion County Public Library is an independent municipal corporation pursuant to Indiana Code 36-12. The Library district includes all of Marion County (including the city of Indianapolis) except for the city of Beech Grove and the town of Speedway, each having their own library district. The Library system services a population of approximately 891,284 residents of Marion County. In addition, many residents of neighboring communities, as well as persons throughout the United States, visit our facilities each year. The Library was formed in 1968 by the merger of the Indianapolis Public Library, a division of the Indianapolis Public Schools, organized in 1873, and the Marion County Public Library, formed in 1966. Cooperative agreements are in place with the Beech Grove Library.

The Library is governed by a seven member Board appointed by the Indianapolis Public Schools Board of Commissioners (2), Commissioners of Marion County (3), and City-County Council (2) to serve staggered terms of four years each. The Library operates as a separate, financially independent unit with its appointed officials being directly and separately (from City and County officials) responsible for the financial management, operations, and accountability of fiscal matters. Therefore, the Library is a separate entity for financial reporting purposes in accordance with standards promulgated by the Government Accounting Standards Board. The present Board Members are listed on page eleven (11).



The Indianapolis-Marion County Public Library provides library services to all individuals in order to meet the educational, informational, and recreational interests and needs of the public. Library service includes collecting and organizing books and other library materials including electronic resources, and providing reference, loan, and related services to Library patrons. These library services are supported by public funds.

The Board adopts its own resolutions, having the effect of local law governing Library matters, and issues its own general obligation bonds subject to approval of the public by referendum. The Library Board has the authority to adopt the budget and recommend a tax levy. Final budget approval and tax levy must be approved by the City County Council. The budget serves as the foundation for the Library's financial planning and control. Under Indiana State guidelines, the Board is responsible for adopting a budget for the general fund (Operating Fund), the Capital Projects Fund, the debt service fund (Bond and Interest Redemption Fund) and the Rainy Day Fund by August 31 for the next fiscal year. The Library is also financially accountable for a legally separate Foundation which is reported separately as a discrete component unit within the Library's financial statements. The Indianapolis Public Library Foundation, Inc. has been included based upon criteria established by GAAP. Additional information on the Foundation (component unit) can be found in the notes to the financial statements (See note 1.A).

### **Local Economy**

The Indianapolis-Marion County Public Library falls within the boundaries of the City of Indianapolis which is the capital of the State of Indiana. Indianapolis is the 13<sup>th</sup> largest city in the U.S., the second largest city in the Midwest (behind Chicago), and the second most populous state capital. The unemployment rate for the Indianapolis Metropolitan area was 5.8% compared to 6.8% for the state of Indiana in 2013. Indianapolis has a strong service sector including tourism, convention, hospital, logistics, insurance and computer related industries. Manufacturing and research industries are also prevalent in the Indianapolis area with Eli Lilly and Company, Allison Transmissions, Rolls-Royce, Roche Diagnostics Corporation, and Dow Agro-Sciences located in the City.

Indiana is one of the nation's top life science markets based on the number and concentration of life-science related jobs. The Indianapolis MSA ranks second in the United States for employment concentration in drugs and pharmaceuticals, fourth in the agricultural feedstock and chemical subsector and 15<sup>th</sup> in the medical devices and equipment category. Indiana continues to grow in the life science market with the first industry-led Biosciences Research Institute. The Indiana Biosciences Research Institute is a statewide public-private partnership advanced by Bio Crossroads and led by Indiana's life sciences industry, with support from the State of Indiana and partnerships with Indiana's research universities to discover, develop and deliver biosciences innovations in Indiana. Since 2002, nearly \$2.5 billion has been invested in life sciences projects in Indiana.

The City of Indianapolis is a low-cost area in which to live and do business. Indianapolis does not have the higher living costs exhibited by other large metropolitan areas. The Indianapolis metropolitan area's ranking from the Milken Institute moved from 51 to 33 in the list of best performing large cities. The ranking is based on creating and sustaining jobs and economic growth. The components include job, wage and salary, and technology growth. *Kiplinger.com* ranked Indianapolis one of the top 10 cities to start a business. *Kiplinger* noted the cost of living for the self-employed is the second lowest of any city on their list and office rents are the cheapest of their choice cities. With four interstate highways intersecting in Indianapolis, the region ranks first among metro areas in interstate access. The railroad system in the state ranks ninth in the nation for total mileage (4,178). Indianapolis International Airport is home to

the second-largest FedEx hub in the world and is the eighth-largest cargo airport in North America. These strategic advantages, along with the collaboration of the government and the private sector, make the Indianapolis region a great place to do business.

Downtown Indianapolis has been transformed into a vibrant 24-hours-a-day, seven-days-a-week urban center over the past two decades. Even in a tough economy, downtown development momentum continues with \$3 billion of new construction and renovation efforts to be completed by 2017. The return on these investments benefits the entire region with diverse employment options, a larger tax base, enhanced quality of life, and increased visitation. Currently there are 51 projects valued at \$2.6 billion taking place in downtown Indianapolis. Of these projects, 21 are residential valued at \$518.1 million representing an economy on the rebound and a new surge in the demand for housing in the downtown area. In addition, work continues on The Deep Rock Tunnel Connector project that will improve the quality of life in Indianapolis neighborhoods by reducing the amount and frequency of sewage overflows. This project is expected to be completed in May of 2016 at an estimated cost of \$257 million.

Indianapolis continues to establish itself as a mecca of major sporting events. The city plays host to two of the biggest single-day sporting events in the world – the Indianapolis 500 and the All-State 400 at the Brickyard – which pour hundreds of millions of dollars into the local economy each year. In addition, Indianapolis is home to the Indianapolis Colts and the Indiana Pacers. Indianapolis hosted the Super Bowl in 2012 and received great reviews by the NFL and all the fans that attended.

The City of Indianapolis provides a wide variety of cultural offerings including the Indianapolis Symphony Orchestra, Indianapolis City Ballet, the Indianapolis Children's Choir, the Indianapolis Museum of Art, the Indiana State Museum, the Eiteljorg Museum of American Indian and Western Art, the Indiana Repertory Theater, the International Violin Competition, and the American Pianist Association's Jazz and Classical Competition, among many other well-known cultural activities.

There is an extensive system of greenways that includes rivers, rail corridors, a historic canal towpath, and trails providing 175 miles of activity for residents of the Indianapolis area. The Indianapolis Cultural Trail is a world class urban bike and pedestrian path that connects neighborhoods, cultural districts, and entertainment amenities and serves as the downtown hub for the entire Indiana Greenway system. Completed in 2012, the Trail encompasses eight miles of public art displays, restaurants, shops, and culture. Several of the Library branch locations are included along the bike trail allowing patrons the opportunity to ride their bike to the Library.

The Library is an important factor in the community's quality of life, providing spaces to gather, to learn, and to share at any age.

### **Long-term Financial Planning**

The Finance Department is responsible for financial planning and preparation of the budget for the Library. A five-year financial projection is prepared to assist management in aligning finances with service levels, meet the goals of the Library's strategic plan, and serve as a guide for long-range financial stability. The five-year plan includes estimates of anticipated revenues and expenditures for the ensuing five fiscal years. The plan is updated on a regular basis to reflect any changes that may impact the estimated revenue and/or expenditures.

Circuit Breaker legislation passed by the State Legislature and signed into law limits property tax liability based upon the class of property. This limitation is 1% of the gross assessed value for homestead property, 2% for rental property, and 3% for all other property. For 2013, the reduction of property taxes was \$5.6 million.

The Library took a pro-active approach and began planning for the financial impact of this legislation in 2009. The Library worked with its fiscal body to change the law allowing a portion of the County Option Income Tax to be allocated to the Library, In addition, the Library restructured staffing levels and found ways to increase efficiency and reduce costs. The Library has more actively managed its budget and spending since the enactment of the property tax caps. The Library continues the refinancing of debt to reduce annual debt payments in an effort to mitigate the adverse effects of the property tax caps.

### Major Initiatives for the Library

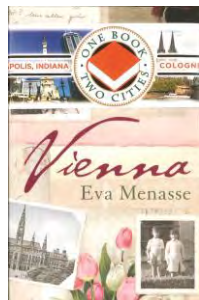
In 2013, the Library began a citizen-led effort to move the Library into the future with redefined roles and priorities. This effort aligns the Library's resources, services, and programming to meet important community needs in education, workforce readiness, neighborhood improvements and more. Once finalized, the 2015-2020 Strategic Plan will be the Library's answer for expanding its outreach to serve diverse populations and giving the Library the flexibility to serve in areas of greatest need.

The Library launched this effort with a community event including a keynote address by Brian Payne, President and CEO of the Central Indiana Community Foundation. Hope Hampton, Director of Community Relations at the Christian Theological Seminary, and Carey Lykins, President and CEO of Citizens Energy Group, co-chaired a Steering Committee made up of community members to identify how library services impact the quality of life in the city. Task forces conducted studies and made recommendations to the steering committee which developed a final report to the boards of the Library and Library Foundation. A final five-year action plan has been presented to the community for feedback in early 2014, with initial implementation reflected in the Library's 2015 budget and operations plan.



As a proud partner in our dynamic community, the Library developed online digital products to help preserve the history of Indianapolis, and participated in the Sister City program through staff exchanges with China and Germany.

In May, IMCPL welcomed Cordula Noetzelmann, head librarian of the eleven branches of the Cologne Public Library. Ms. Noetzelmann visited Indianapolis for two weeks as part of the Sister City staff exchange program. The exchange allowed for conversations of shared problems, comparisons of library policies, and presentations on various library topics. It is valued as a way to obtain real insights into other approaches to organize, fund and provide services, as well as deepen an appreciation for diversity.



Residents of Indianapolis were able to further engage in this cultural exchange by participating in the "One Book, Two Cities" program launched in December, 2013. Readers were able to pick up free copies of Eva Menasse's book *Vienna*. In addition to participating in the Library's planned book discussions, residents were encouraged to organize book groups of their own as well as participate in the Sister City blog, posting thoughts and pictures of their discussion experiences.

The Library surpassed 2012 measurements in circulation, patron visits, and computer use. Particularly noteworthy in 2013 was the fact that circulation of the Library's downloadable collection exceeded circulation of physical materials at any of IMCPL's individual locations. Supporting these efforts has been the development of public service priorities and standards. These serve to strengthen the Library's mission statement and give equal weight to: creating community; literacy; popular materials and hot topics; information and workforce literacy; lifelong learning; and accountability, reporting, and assessment.

Not just a place to check out one's favorite books, today's Library is integrated with the community in developing programs to help children become readers and comfortable using technology and individuals improve their quality of life. As a community place, the Library is where individuals can learn new computer skills, research the job market, enjoy a classical concert, meet their favorite authors, or develop new skills, all free with the use of a library card.

Library locations played host to the Healthcare Navigator sessions which provided opportunities for citizens to learn about the new Healthcare Marketplace. The library series benefited 542 individuals at 80 sessions.

In 2013, patrons logged 1.12 million hours on our computers in pursuit of their own interests. This was an 8.5% increase over 2012. In 2013, IMCPL offered 732 free computer training classes that were attended by 8,896 individuals. These classes helped individuals discover online resources for job search help and market research, as well as learn new computer skills.

In partnership with local employment specialists WorkOne and EmployIndy, the Job Center at seven Library locations provided the unemployed or underemployed with one-on-one technical training and specialized resources to enhance job skills. In 2013, IMCPL received a gift of \$15,000 from the TCU Foundation to continue to provide this service.

The Library Foundation provided \$223,845 in support of the Library's annual Summer Reading Program. In 2013, 59,836 children and families participated by reading during the summer. The theme, "Read Together, Right Now!" allowed children to donate books earned from their reading activity to Christel House Learning Centers for distribution to students in India, South Africa, and Mexico.



The Library not only serves as a bridge between individuals and information, but it successfully partners with many community organizations, acts as an economic stimulus in neighborhoods, and provides a welcoming place for newly-arrived immigrants. Its free and accessible spaces foster a learning community.

In 2013, the Library hosted 3,244 community meetings tying the Library into the fabric of the community and connecting it with what is important to our public.



The 36th annual Marian McFadden Memorial Lecture featured award winning author Ann Patchett. Ms. Patchett received the Orange Prize for Fiction and the PEN/Faulkner Award in 2002 for her novel *Bel Canto*.

Michael Martone was honored as the national Award Winner for the 2013 Eugene & Marilyn Glick Indiana Authors Award, a program of the Library Foundation that recognizes the contributions of Indiana authors to the literary landscape in Indiana and across the nation. Prior to the award dinner, Central Library hosted the Indy Author Fair, during which more than 350 patrons met with 38 of their favorite local authors and attended workshops on writing and publishing.



### Awards and Acknowledgements

The Indy Library received the Leadership in Diversity Award during the Mayor's Celebration of Diversity Awards in 2013 for excelling in strategies that support diversity and foster a culture of inclusiveness.

For its efforts to provide ongoing, innovative and diverse programming designed to meet community needs, the Library received the prestigious ILF Programming Award in 2013 from the Indiana Library Federation.

The Haughville Branch, located at 2121 W. Michigan Street, received the Spirit of Philanthropy Award from IUPUI for its sustained commitment to improve the lives of IUPUI students and residents of the near westside. Since opening as a new branch in 2003, the Haughville Branch has served as an experiential learning site for many IUPUI students engaged in service learning and volunteering, including such activities as tutoring, community computer training, and presenting English language classes. Each year since 1989, IUPUI's Spirit of Philanthropy Awards have honored the individuals, corporations and foundations that contribute to school's programs through gifts and voluntary services.



The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Library for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the 23rd consecutive year that the Library has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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 report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

We wish to express our appreciation to the Indiana State Board of Accounts for the timely and professional manner in which they have conducted their audit. The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Library's Office. We would also like to express our appreciation to the staff in various city and county offices that provided us with updated information for some of the tables.

Respectfully submitted,

A handwritten signature in black ink that reads "Rebecca L Dixon".

Rebecca Dixon, CGFM  
Treasurer of the Board  
Chief Financial Officer

A handwritten signature in blue ink that reads "Carolyn J Adams".

Carolyn Adams, CPA  
Accounting Manager



**James Lingenfelter**  
President



**Vanessa López Aguilera**  
Trustee Member



**Dorothy R. Crenshaw**  
Vice President



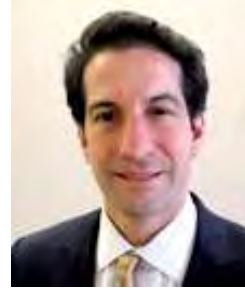
**Camille D. Blunt**  
Trustee Member



**Lillian L. Charleston**  
Secretary



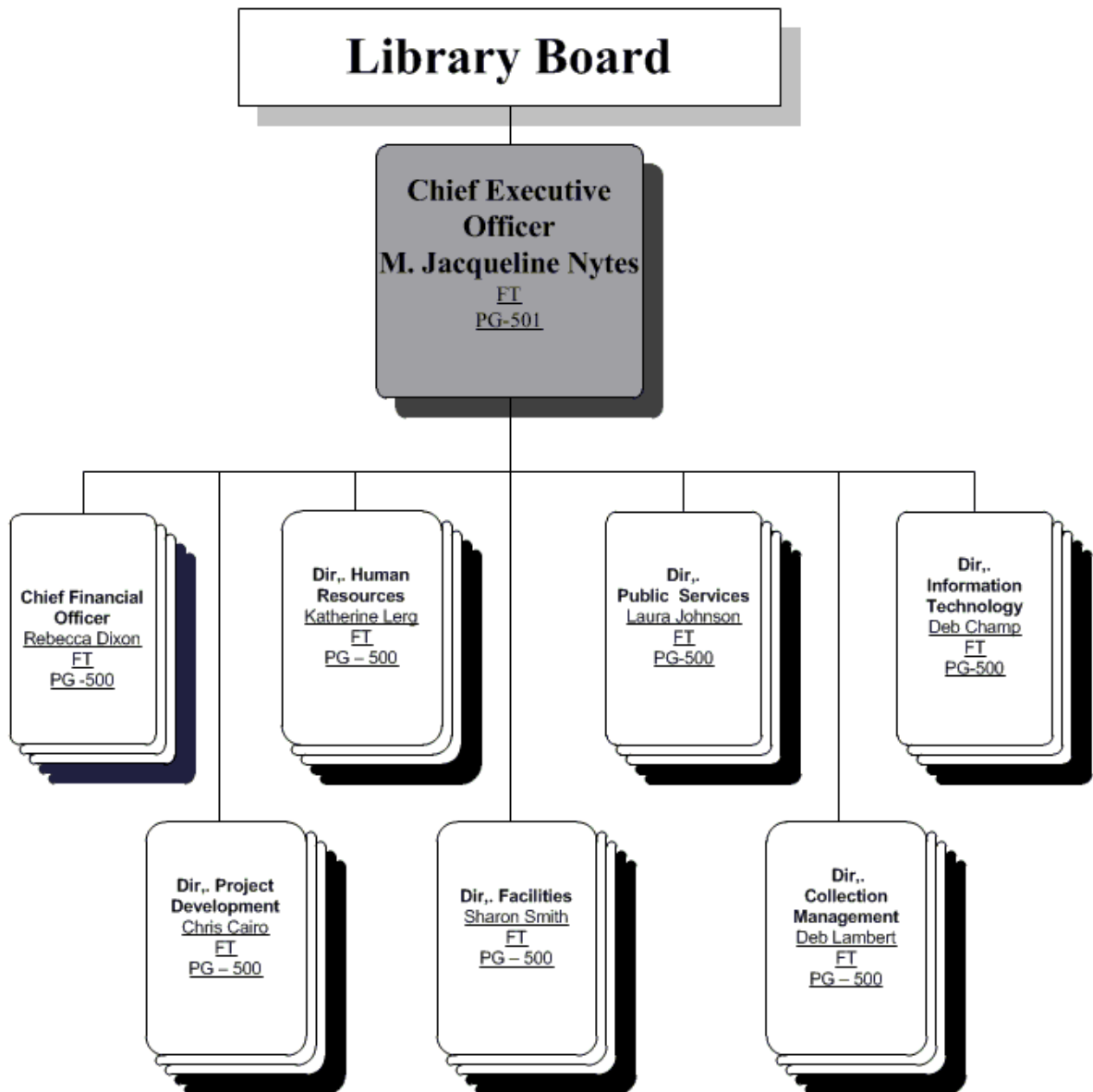
**Kostas A. Poulakidas**  
Trustee Member



**Dr. David W. Wantz**  
Trustee Member



**Indianapolis - Marion County Public Library**  
**Indianapolis, IN**  
**December 31, 2013**





Government Finance Officers Association

Certificate of  
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Reporting

Presented to

**Indianapolis-Marion County  
Public Library, Indiana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

### **Our Mission**

The Indianapolis-Marion County Public Library is the community's place to access essential information resources, technology, programs and services; foster reading and learning and promote the social, economic, recreational and lifelong learning interests of its diverse population.

### **Our Vision**

The Indianapolis-Marion County Public Library will continue to be one of the best library systems in the United States as measured by its responsiveness and relevance to the community's information and learning needs; the excellent stewardship of its resources and the high-quality service it delivers to the public.



# FINANCIAL





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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE INDIANAPOLIS-MARION COUNTY  
PUBLIC LIBRARY, MARION COUNTY, INDIANA

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Indianapolis-Marion County Public Library (Library), 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 the Indianapolis-Marion County Public Library Foundation, Inc., a component unit, which statements reflect total assets constituting 100 percent of the discrete totals. 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 the Indianapolis-Marion County Public Library Foundation, Inc., 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. 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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**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 aggregate 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 cash flows, where applicable, 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*

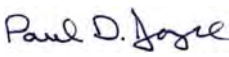
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Funding Progress, and Budgetary Comparison Schedules, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, 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 basic financial statements. The introductory section, combining fund financial statements, other budgetary comparison schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements and other budgetary comparison schedules 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, the combining fund financial statements and other budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

  
Paul D. Joyce, CPA  
State Examiner

June 4, 2014

As management of Indianapolis-Marion County Public Library, Indiana (the Library), we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-10 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### **Financial Highlights**

- The assets and deferred outflows of resources of the Library exceeded its liabilities at the close of the most recent fiscal year by \$91,912 (net position). Of this amount, \$17,067 represents unrestricted net position, which may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position decreased by \$5 in comparison with the prior year.
- At the close of the current fiscal year, the Library's governmental funds reported combined fund balances of \$25,368, a decrease of \$3,925 in comparison with the prior year. Approximately 48% of this amount, \$12,246, is available for spending at the library's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of committed, assigned, and unassigned components of fund balance) for the general fund was \$13,749, or approximately 38% of total general fund expenditures. This decrease of \$765 compared with the prior year is the result of implementing salary adjustments from a compensation study completed in late 2012. The study identified positions being paid below the current market value which resulted in 61% of staff receiving a salary adjustment.
- The Library's total bond related debt decreased by \$11,304 during the current fiscal year. The decrease relates to current and advance refunding of the 2005, 2006 and 2007 Series Bonds in 2013 and the regularly scheduled debt payments made in 2013.

### **Overview of the Financial Statements**

This discussion and analysis provided here is intended to serve as an introduction to the Library's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Library's assets, liabilities, and deferred outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The statement of activities presents information showing how the library's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Library 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). The governmental activities of the Library are culture and recreation.

The government-wide financial statements include not only the Library itself (known as the primary government), but also a legally separate 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 government-wide financial statements can be found on pages 28-30 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Library can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Bond and Interest Redemption Fund, Construction Fund, and Rainy Day Fund, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statement and schedules section of this report.

The Library adopts an annual appropriated budget for its General Fund, Capital Projects Fund, Bond and Interest Redemption Fund, and Rainy Day Fund. Budgetary comparison schedules have been provided for the General Fund and the Rainy Day Fund in the required supplementary information and for the Capital Projects Fund and Bond and Interest Redemption Fund subsequent to the combining nonmajor fund information, as other information, to demonstrate compliance with the budget.

The governmental fund financial statements can be found in pages 31-33 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statement because the resources of those funds are not available to support the Library's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-61 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's budget for its major General Fund as well as reconciliation between the budget schedules and fund financial statements. In addition, the Library's progress in funding its obligation to provide post-employment benefits and pension benefits to certain employees is included as supplementary information. Required supplementary information can be found on pages 62-65 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found on pages 66-68 of this report.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the Library's financial position. In the case of the Library, assets and deferred outflows of resources exceeded liabilities by \$91,912 at the close of the most recent fiscal year with the Library's net position decreasing by \$5 during 2013. This shows that the Library has been able to make sound financial decisions over the past few years leaving them with a solid equity base to build upon.

The largest portion, \$66,000 (72%), of the Library's net position reflects the investment in capital assets (e.g., land, buildings, equipment, and collections); less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



The following table reflects the condensed statement of Library net position at 2013 and 2012:

<b>Indianapolis-Marion County Public Library, Indiana</b>		
<b>Net Position</b>		
<b>Description</b>	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012 (restated)*</b>
Current and other assets	\$ 25,474	\$ 25,778
Restricted assets	5,579	11,601
Capital assets	<u>145,797</u>	<u>151,790</u>
<b>Total assets</b>	<u>176,850</u>	<u>189,169</u>
<b>Total deferred outflows of resources</b>	<u>551</u>	<u>-</u>
Other liabilities	3,659	3,427
Liabilities payable from restricted assets	8,174	8,178
Long-term liabilities outstanding	<u>73,656</u>	<u>85,647</u>
<b>Total Liabilities</b>	<u>85,489</u>	<u>97,252</u>
<b>Net position</b>		
Net investment in capital assets	66,000	60,689
Restricted	8,845	13,389
Unrestricted	<u>17,067</u>	<u>17,839</u>
<b>Total net position</b>	<u>\$ 91,912</u>	<u>\$ 91,917</u>

\*In compliance with GASB Statement No.65, 2012 is restated to reflect debt issuance costs expensed in the period incurred.

An additional portion of the Library's net position, \$8,845 (10%), is restricted for capital projects, debt service, and other purposes. These assets are subject to external restrictions on how they may be used. The remaining balance of \$17,067 (19%) is unrestricted and may be used to meet the Library's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Library is able to report a positive balance in net position. The same situation held true for the prior fiscal year.

**Governmental Activities**

Governmental activities decreased the Library's net position by \$5 during 2013. In 2013, the Library's property taxes increased by 1% offset by a decrease in intergovernmental taxes resulting in an overall reduction of 2% in 2013 compared to 2012. The impact from Circuit Breaker (Property Tax Caps) was higher in 2013 compared with 2012, however the overall collection rate was higher than the prior year resulting in a higher property tax distribution.

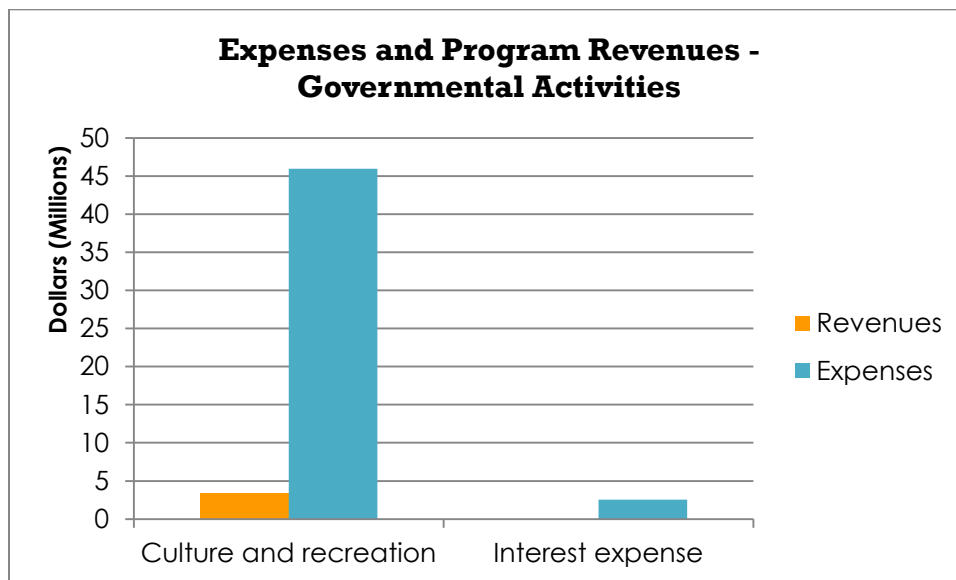
The cost of governmental activities increased by \$773 in 2013. Expenses increased slightly over the prior year due to the implementation of the compensation/classification study in 2013. Salaries of 61% of staff were adjusted based on the results of the study.

<b>Indianapolis-Marion County Public Library, Indiana</b>		
<b>Changes in Net Position</b>		
<b>Description</b>	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012 (restated)*</b>
<b>Revenues:</b>		
<b>Program revenues</b>		
Charges for services	\$ 1,993	\$ 2,769
Operating grants and contributions	1,414	1,363
<b>General revenues</b>		
Property and other taxes	44,840	45,411
Other	223	439
<b>Total revenues</b>	<u>48,470</u>	<u>49,982</u>
<b>Expenses:</b>		
Culture and recreation	45,058	43,982
Interest expense	3,417	3,725
<b>Total expenses</b>	<u>48,475</u>	<u>47,707</u>
Increase (Decrease) in net position	(5)	2,275
Net position at January 1	91,917	89,642
<b>Net position at December 31</b>	<u>\$ 91,912</u>	<u>\$ 91,917</u>

\*In compliance with GASB Statement No.65, 2012 is restated to reflect debt issuance costs expensed in the period incurred.

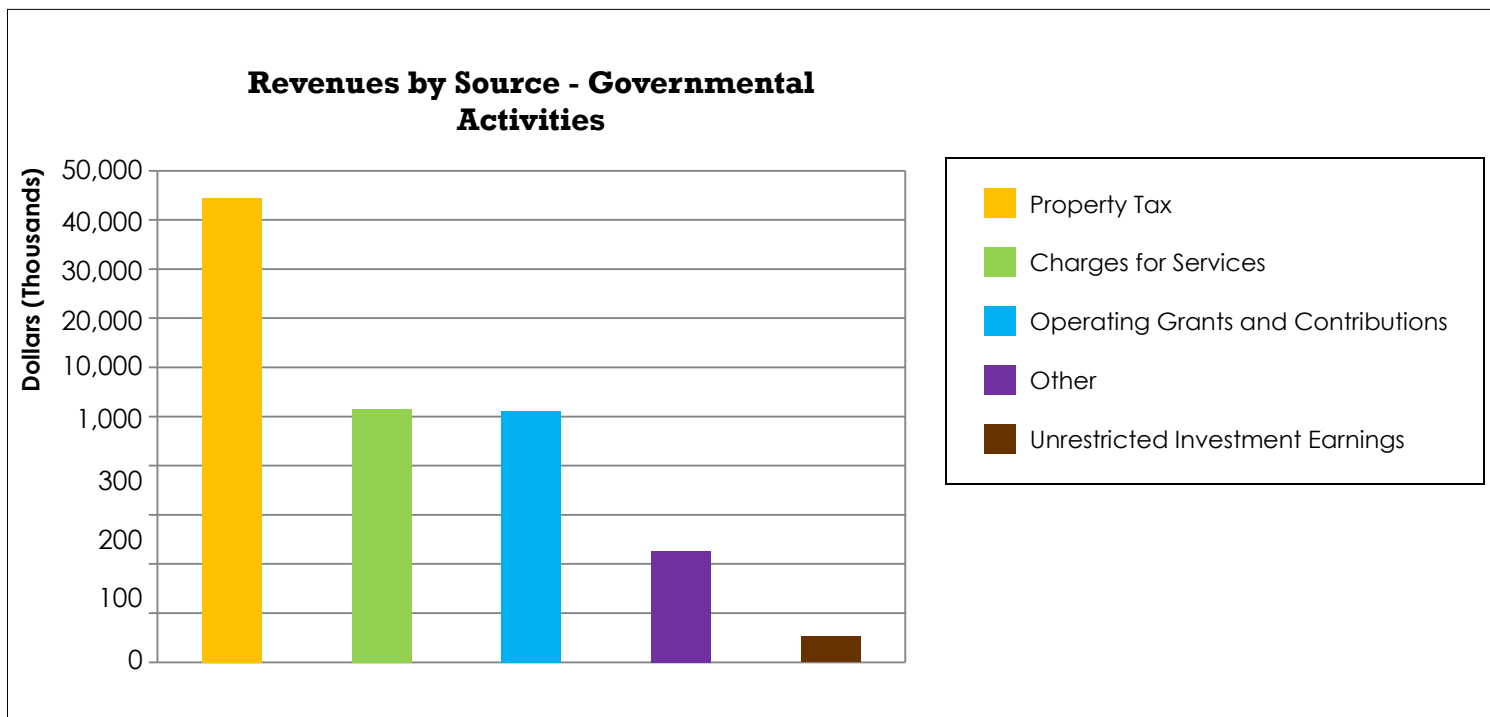
The Library's overall cash and cash equivalents position and investments, \$29,364, remained very strong in the current economic environment, which posed many challenges.

The following displays the Expenses and Program Revenues of the Library's governmental activities:



Taxes, as in prior years, were the Library's major source of revenue supporting its activities. Other sources of revenue consisted primarily of user fees and grants and contributions.

The following displays the Revenues by Source of the Library's governmental activities:



**Financial Analysis of the Government's Funds**

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

**Governmental Funds.** The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Library itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Library's Board of Trustees. At December 31, 2013, the Library's governmental funds reported combined fund balances of \$25,368 a decrease of \$3,925 in comparison with the prior year. Approximately 48% of this total amount, \$12,246, constitutes unassigned fund balance, which is available for spending at the Library's discretion. The remainder of the fund balance is either restricted, committed, or assigned to indicate that it is 1) restricted for particular purposes, \$6,590, 2) committed for particular purposes, \$5,148, or 3) assigned for particular purposes, \$1,385. For more information on the components of fund balance see Note III B. on page 45 of this report.

The General Fund is the chief operating fund of the Library. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,363 while total fund balance dropped slightly compared with last year to \$13,749. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures of \$35,967, excluding transfers. Unassigned fund balance represents 34% of total General Fund expenditures, while total fund balance represents 38% of that same amount.

The fund balance of the Library's General Fund decreased by \$765 during the current fiscal year. Key factors in this decrease are as follows:

- The increase in salaries due to the classification/compensation study implemented in 2013.
- Reduction in intergovernmental taxes compared to past year collections.

The Library also has three other governmental funds which it considers major funds. These are the Bond and Interest Redemption Fund, the Construction Fund, and the Rainy Day Fund.

The fund balance of the Library Bond and Interest Redemption Fund moved from being negative in 2012 to a positive balance in 2013. Primary reason for this is as follows:

- In 2013 the Library refunded three bond issues which assisted the Library is restructuring future payments and moving from a negative fund balance to a positive fund balance.

The fund balance of the Library Construction Fund decreased \$698 during the current fiscal year. The reason for this decrease is as follows:

- This decrease is a result of a new capital project awarded during 2013.

The fund balance of the Rainy Day Fund decreased by \$5,678 during the current fiscal year. The reason for this decrease is as follows:

- The Library expended the remaining balance of settlement funds for the refinancing of debt during 2013.

### **General Fund Budgetary Highlights**

The final budget for the Library's general fund represents the original budget plus any adjustments to appropriations during the year, plus prior year encumbrances carried over, less current year encumbrances carried over to 2014. During 2013, there were no additional appropriations to the original budget for the general fund. Adjustments were made from one budget category to another to accommodate spending patterns during the year.

Actual expenditures, excluding other financing sources, were \$1,287 (3%) less than the amended final budget for 2013. The majority of the difference (64%) was due to lower spending in personal services (salaries and fringe benefits) due to retirements and attrition. In addition, 31% of the difference was due to lower spending on services and charges - utilities and repairs and maintenance.

During the year, revenues exceeded expenditures, excluding other financing uses, by \$740. In 2013 the Library transferred \$2.3 million to the Library's Capital Improvement Fund for future capital projects, therefore the net result was a reduction in the fund balance for 2013.

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

**Capital Assets.** The Library's investment in capital assets for its governmental activities as of December 31, 2013 amounts to \$145,797 (net of accumulated depreciation). This investment in capital assets includes land, buildings, artwork, rare books & other special collections, improvements, machinery and equipment, and collections.

During 2013 the Library began the preliminary work to consider an additional elevator in the garage of our Central Library. Once completed in 2014 the elevator will provide access to the street level allowing the garage to be more accessible for residential/business parking. The Library continues to invest in early learner computers – both English and Spanish. These

computers offer preschool age children educational games that are fun and include basic learning fundamentals in math and reading. Additional investments for 2013 included replacing two box trucks for the delivery of materials, upgrading A/V equipment, and the purchase of a Magic Planet used for programming.

The following table displays the Library's capital assets:

<b>Indianapolis-Marion County Public Library, Indiana</b>		
<b>Capital Assets</b>		
	<u>Governmental-type Activities 2013</u>	<u>Governmental-type Activities 2012</u>
Land	\$ 6,120	\$ 6,120
Construction Work In Progress	37	-
Artwork	2,210	2,213
Rare Books & Other Special Collections	990	989
Buildings	153,125	153,125
Improvements	2,849	2,849
Collections	28,566	26,523
Machinery and Equipment	7,956	7,864
<b>Total Assets</b>	<u>201,853</u>	<u>199,683</u>
Depreciation	<u>(56,056)</u>	<u>(47,893)</u>
<b>Net Capital Assets</b>	<u>\$ 145,797</u>	<u>\$ 151,790</u>

Additional information on the Library's capital assets can be found in Note IV C. on page 51 of this report.

**Noncurrent Liabilities.** At the end of the current fiscal year, the Library had total noncurrent liabilities of \$82,487. General obligation bonds represent \$79,798 or the majority of total noncurrent liabilities. The remainder of the Library's noncurrent liabilities of \$2,689 is net pension obligation of \$526, compensated absences of \$1,487, and other post-employment benefits of \$676.

The following table reflects the Library's noncurrent liabilities:

<b>Indianapolis-Marion County Public Library, Indiana</b>		
<b>Noncurrent Liabilities</b>		
Description	<u>Governmental-type Activities 2013</u>	<u>Governmental-type Activities 2012</u>
General obligation debt	\$ 79,798	\$ 91,101
Deferred amount on refunding	n/a*	(490)
Net pension obligation	526	317
Compensated absences	1,487	1,538
Other post-employment benefits	676	631
subtotal	<u>82,487</u>	<u>93,097</u>
less:		
Short term portion	<u>(8,059)</u>	<u>(7,133)</u>
<b>Total noncurrent liabilities</b>	<u>\$ 74,428</u>	<u>\$ 85,964</u>

\*In compliance with GASB Statement No.65, this item is reported as a deferred charge on refunding under deferred outflows of resources on the statement of net position at December 31, 2013.



The Library's total noncurrent liabilities decreased by \$11,536 during the current fiscal year. The key factor for this decrease was current year debt payments along with the current/advanced refunding of three general obligation bonds in 2013 in the amount of \$39,010 with new bonds issued at \$30,725 and \$3,661 of premium proceeds. The Library used \$5.7 million of settlement proceeds in the refinancing of this debt.

The Library maintains an "AA+" rating from Fitch IBCA and an "Aa2" rating from Moody's Investor Service for underlying general obligation debt. Both ratings indicate high quality and strong capacity to pay the Library's bonds.

State statutes limit the amount of general obligation debt that a government entity may issue to 2% of one-third of the total assessed valuation. The current debt limitation for the Indianapolis-Marion County Public Library is \$233,089 which is significantly in excess of the Indianapolis-Marion County Public Library's outstanding general obligation debt.

Additional information of the Library's noncurrent liabilities can be found in Note IV G pages 53-54 in Notes to the Financial Statements of this report.

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

- The tax rate for 2014 for the Library increased from \$0.1301 per \$100 in assessed value in 2013 to \$0.1373 per \$100 in assessed value in 2014. This increase is due to the allowable growth for 2014.
- The Library continues to receive a share of the County Option Income Taxes for budget year 2014. This revenue allows us to continue with the service hours restored in May of 2012.

All of the above factors were considered in preparing the Library's budget for the 2014 fiscal year.

#### **Requests for Information**

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Indianapolis-Marion County Public Library, Administrative Services, at P.O. Box 211, Indianapolis, Indiana 46206-0211.



# **BASIC FINANCIAL STATEMENTS**

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
STATEMENT OF NET POSITION  
December 31, 2013

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Unit</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 17,749,736	\$ 59,077
Investments	6,035,099	5,379,173
Receivables (net of allowances for uncollectibles):		
Accounts	10,453	1,328
Intergovernmental	520,456	-
Miscellaneous	804,554	-
Inventories	-	47,987
Prepaid expense	168,044	4,197
Beneficial interest in assets held by others	-	73,194
Restricted assets:		
Cash and cash equivalents	4,445,477	638,855
Investments	1,133,628	4,776,496
Receivables (net of allowances for uncollectibles):		
Contributions from assets held by others	-	7,018,314
Pledges	-	2,283,085
Contract advance receivable	185,704	-
Capital assets:		
Land, construction in progress, artwork, rare books, and other special collections	9,357,115	-
Other capital assets, net of depreciation	<u>136,439,934</u>	<u>46,865</u>
 Total assets	 <u>176,850,200</u>	 <u>20,328,571</u>
<u>Deferred Outflows of Resources</u>		
Deferred charge on refunding	<u>551,238</u>	-
Total deferred outflows of resources	<u>551,238</u>	-

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
STATEMENT OF NET POSITION  
December 31, 2013  
(Continued)

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Unit</u>
<u>Liabilities</u>		
Accounts payable	\$ 1,236,239	\$ 22,784
Accrued payroll and withholdings payable	881,864	-
Unearned revenue	55,544	-
Other current payables	-	31,233
Liabilities payable from restricted assets:		
Interest payable	823,323	-
Retainage payable	5,615	-
Noncurrent liabilities:		
Net pension obligation	526,554	-
Due within one year		
General obligation bonds payable	7,345,000	-
Compensated absences	713,523	-
Due beyond one year		
General obligation bonds payable	72,452,504	-
Compensated absences	772,984	-
Other postemployment benefits	<u>676,285</u>	-
 Total liabilities	 <u>85,489,435</u>	 <u>54,017</u>
 <u>Net Position</u>		
Net investment in capital assets	65,999,545	46,865
Restricted for:		
Capital projects	5,351,992	-
Debt service	3,348,918	-
Other purposes	144,872	
Foundation:		
Expendable	-	7,951,449
Nonexpendable	-	6,765,301
Unrestricted	<u>17,066,676</u>	<u>5,510,939</u>
 Total net position	 <u>\$ 91,912,003</u>	 <u>\$ 20,274,554</u>

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Library Foundation
<b>Primary government:</b>						
<b>Governmental activities:</b>						
Culture and recreation	\$ 45,058,288	\$ 1,992,691	\$ 1,413,940	\$ -	\$ (41,651,657)	\$ -
Interest on long-term debt	<u>3,416,780</u>	-	-	-	<u>(3,416,780)</u>	-
Total governmental activities	<u>48,475,068</u>	<u>1,992,691</u>	<u>1,413,940</u>	-	<u>(45,068,437)</u>	-
Total primary government	<u>\$ 48,475,068</u>	<u>\$ 1,992,691</u>	<u>\$ 1,413,940</u>	<u>\$ -</u>	<u>(45,068,437)</u>	-
<b>Component unit:</b>						
Indianapolis-Marion County Public Library Foundation, Inc.	<u>\$ 3,047,976</u>	<u>\$ 239,617</u>	<u>\$ -</u>	<u>\$ 2,659,743</u>	-	<u>(148,616)</u>
<b>General revenues:</b>						
Property taxes					37,895,520	-
Intergovernmental taxes					6,944,387	-
Grants and contributions - not restricted					-	1,108,134
Other general revenues					181,201	-
Unrestricted investment earnings					<u>42,238</u>	<u>560,538</u>
Total general revenues					<u>45,063,346</u>	<u>1,668,672</u>
Change in net position					<u>(5,091)</u>	<u>1,520,056</u>
Net position - beginning, as restated					<u>91,917,094</u>	<u>18,754,498</u>
Net position - ending					<u>\$ 91,912,003</u>	<u>\$ 20,274,554</u>

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



**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013**

<u>Assets</u>	<u>General</u>	<u>Bond and Interest Redemption</u>	<u>Construction</u>	<u>Rainy Day</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 13,395,617	\$ -	\$ -	\$ 1,832,548	\$ 2,521,571	\$ 17,749,736
Investments	1,244,245	-	-	2,675,637	2,115,217	6,035,099
Receivables (net of allowances for uncollectibles):						
Intergovernmental	472,831	-	-	-	3,143	475,974
Accounts	-	-	-	-	10,453	10,453
Miscellaneous	211,731	-	-	-	-	211,731
Interfund receivable:						
Interfund loans	120,853	-	-	-	-	120,853
Restricted assets:						
Cash and cash equivalents	-	3,646,323	799,154	-	-	4,445,477
Investments	-	-	1,133,628	-	-	1,133,628
<b>Total assets</b>	<b><u>\$ 15,445,277</u></b>	<b><u>\$ 3,646,323</u></b>	<b><u>\$ 1,932,782</u></b>	<b><u>\$ 4,508,185</u></b>	<b><u>\$ 4,650,384</u></b>	<b><u>\$ 30,182,951</u></b>
 <b><u>Liabilities and Fund Balances</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ 759,301	\$ 25,320	\$ 101,599	\$ -	\$ 336,458	\$ 1,222,678
Accrued payroll and withholdings payable	881,864	-	-	-	-	881,864
Interest payable	-	823,323	-	-	-	823,323
Retainage payable	-	-	5,615	-	-	5,615
Interfund payable:						
Interfund loans	-	-	-	-	120,853	120,853
General obligation bonds payable	-	1,705,000	-	-	-	1,705,000
Unearned revenue	55,544	-	-	-	-	55,544
<b>Total liabilities</b>	<b><u>1,696,709</u></b>	<b><u>2,553,643</u></b>	<b><u>107,214</u></b>	<b><u>-</u></b>	<b><u>457,311</u></b>	<b><u>4,814,877</u></b>
 <b>Fund balances:</b>						
Restricted	-	1,092,680	1,825,568	-	3,671,296	6,589,544
Committed	-	-	-	4,508,185	639,337	5,147,522
Assigned	1,385,475	-	-	-	-	1,385,475
Unassigned	12,363,093	-	-	-	(117,560)	12,245,533
<b>Total fund balances</b>	<b><u>13,748,568</u></b>	<b><u>1,092,680</u></b>	<b><u>1,825,568</u></b>	<b><u>4,508,185</u></b>	<b><u>4,193,073</u></b>	<b><u>25,368,074</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 15,445,277</u></b>	<b><u>\$ 3,646,323</u></b>	<b><u>\$ 1,932,782</u></b>	<b><u>\$ 4,508,185</u></b>	<b><u>\$ 4,650,384</u></b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (see Note IV C).	145,797,049
The pension obligation resulting from contributions in deficiency of the annual required contribution are not financial resources and, therefore, are not reported in the funds (see Note V C).	(526,554)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds (see Note II A).	991,053
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds (see Note II A).	<u>(79,717,619)</u>

**Net position of governmental activities** **\$ 91,912,003**

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

**INDIANAPOLIS-MARION 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	Construction	Rainy Day	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 29,301,051	\$ 8,011,793	\$ -	\$ -	\$ 582,676	\$ 37,895,520
Intergovernmental	6,247,731	692,135	-	-	52,664	6,992,530
Charges for services	399,336	-	-	-	192,712	592,048
Fines and forfeits	1,045,876	-	-	-	-	1,045,876
Other	507,527	514	3,687	21,974	1,166,674	1,700,376
<b>Total revenues</b>	<u>37,501,521</u>	<u>8,704,442</u>	<u>3,687</u>	<u>21,974</u>	<u>1,994,726</u>	<u>48,226,350</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Culture and recreation	31,111,253	-	382,723	-	2,293,120	33,787,096
<b>Debt service:</b>						
Principal	25,000	4,925,000	-	5,700,000	-	10,650,000
Interest and fiscal charges	120,486	2,420,046	-	-	-	2,540,532
Bond issuance costs	-	197,072	-	-	-	197,072
Capital outlay	4,710,130	-	140,968	-	324,924	5,176,022
<b>Total expenditures</b>	<u>35,966,869</u>	<u>7,542,118</u>	<u>523,691</u>	<u>5,700,000</u>	<u>2,618,044</u>	<u>52,350,722</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,534,652</u>	<u>1,162,324</u>	<u>(520,004)</u>	<u>(5,678,026)</u>	<u>(623,318)</u>	<u>(4,124,372)</u>
<b>Other financing sources (uses):</b>						
Refunding bonds issued	-	30,725,000	-	-	-	30,725,000
Payment to refunded bond escrow agent	-	(34,186,248)	-	-	-	(34,186,248)
Premium on sale of bond	-	3,660,522	-	-	-	3,660,522
Transfers in	-	177,879	-	-	2,300,000	2,477,879
Transfers out	(2,300,000)	-	(177,879)	-	-	(2,477,879)
<b>Total other financing sources and uses</b>	<u>(2,300,000)</u>	<u>377,153</u>	<u>(177,879)</u>	<u>-</u>	<u>2,300,000</u>	<u>199,274</u>
<b>Net change in fund balances</b>	<u>(765,348)</u>	<u>1,539,477</u>	<u>(697,883)</u>	<u>(5,678,026)</u>	<u>1,676,682</u>	<u>(3,925,098)</u>
<b>Fund balances - beginning</b>	<u>14,513,916</u>	<u>(446,797)</u>	<u>2,523,451</u>	<u>10,186,211</u>	<u>2,516,391</u>	<u>29,293,172</u>
<b>Fund balances - ending</b>	<u>\$ 13,748,568</u>	<u>\$ 1,092,680</u>	<u>\$ 1,825,568</u>	<u>\$ 4,508,185</u>	<u>\$ 4,193,073</u>	<u>\$ 25,368,074</u>

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

**INDIANAPOLIS-MARION 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)	\$ (3,925,098)
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. (see Note II B).	(5,992,981)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds (see Note II B).	306,624
The issuance of long-term debt (e.g., bonds, leases) provide 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 premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items (see Note II B).	9,919,654
Net pension obligations and other postemployment benefits, including the Public Employees' Retirement Plan and Postemployment Healthcare Plan, are considered obligations of the general government and, therefore, are not reported as current expenditures in the funds (see Note II B).	(254,371)
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 (see Note II B).	<u>(58,919)</u>
Change in net position of governmental activities (Statement of Activities)	<u>\$ (5,091)</u>

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2013

	<u>Private-Purpose Trust Fund</u>	<u>Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 801,390	\$ 167,947
Receivables (net of allowance for uncollectibles):		
Accounts	<u>6,515</u>	<u>48,841</u>
Total assets	<u>807,905</u>	<u>\$ 216,788</u>
 <u>Liabilities</u>		
Accounts payable	45,104	\$ 11,750
Payroll withholdings payable	<u>-</u>	<u>205,038</u>
Total liabilities	<u>45,104</u>	<u>\$ 216,788</u>
 <u>Net Position</u>		
Net position held in trust for the Indianapolis-Marion Public Library Foundation, Inc.	<u>\$ 762,801</u>	

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2013

	<u>Private-Purpose Trust Fund</u>
<u>Additions</u>	
Contributions:	
Private donations	\$ 801,450
Investment income:	
Interest	<u>42</u>
Total additions	<u>801,492</u>
 <u>Deductions</u>	
Educational outreach	<u>803,047</u>
Change in net position	(1,555)
Net position - beginning	<u>764,356</u>
Net position - ending	<u>\$ 762,801</u>

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

## I. Summary of Significant Accounting Policies

### A. Reporting Entity

The Indianapolis-Marion County Public Library (primary government) was established under the laws of the State of Indiana. The primary government operates under a Library Board and provides culture and recreation services.

The accompanying financial statements present the activities of the primary government and its significant component unit. The component unit discussed below is included in the primary government's reporting entity because of the significance of its operational or financial relationship with 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.

#### **Discretely Presented Component Units**

The Indianapolis-Marion County Public Library Foundation, Inc. (Foundation) is a significant discretely presented component unit of the primary government. It would be misleading to exclude the Foundation from the primary government's financial statements because of its relationship with the primary government. The Foundation's program service activities provide support for the primary government. The primary program service areas include: children's initiatives, lectures, library materials and branch projects, cultural and community, lifelong learning and awards, events, and recognition.

The financial statements of the component unit may be obtained from its administrative office as follows:

Indianapolis-Marion County Public Library Foundation, Inc.  
d/b/a The Indianapolis Public Library Foundation  
2450 North Meridian Street  
Indianapolis, IN 46208

The effect of interfund activity has been eliminated from the government-wide statement of activities.

### 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or



privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Agency funds, however, report only assets and liabilities. 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 60 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 considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the primary government receives cash.

The primary government reports the following major governmental funds:

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

The bond and interest redemption fund accounts for all money derived from the taxes levied for the purpose of retiring bonds.

The construction fund accounts for all the money received from the sale of bonds for the purpose of construction, reconstruction or alteration of library buildings.

The rainy day fund accounts for the funds received through a subsequent transfer of unused and unencumbered operating fund balance. The funds may be used to pay for any or all of the costs incurred in connection with the acquisition of land, the construction, renovation, expansion or equipping of any building or structure to be

operated by the Library and/or any improvement of any land operated or occupied by the Library.

Additionally, the primary government reports the following fund types:

Agency funds account for the collection and payment of assets held by the primary government for other entities.

The private-purpose trust fund is used to account for the resources legally held in trust for use by a not-for-profit organization devoted to fundraising for the support of educational programs for the public. All resources of the fund, including any earnings on invested resources, may be used to support the organization's activities. There is no requirement that any portion of these resources be preserved as capital.

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

The discretely presented component unit has adopted Statement of Financial Accounting Standards No. 117, "Financial Statements for Not-For-Profit Organizations." Under this provision, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

#### **D. Assets, Liabilities and Net Position or Equity**

##### **1. Deposits and Investments**

The primary government'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.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

Investments of the discretely presented component unit having a readily determinable market value are carried at fair value. Assets held in investment partnerships (alternative investments) are recorded based on estimated fair values provided by external investment managers. Because such investments are not readily marketable, their estimated values are subject to uncertainty (including the use of valuation assumptions) and, therefore, may differ from the value that would have been recorded had a ready market for the investments existed. Realized gains or losses upon the sale of investments are based on the cost of specifically identified securities. Changes in unrealized appreciation or depreciation of investments are reflected in the Statement of Activities as gains or losses in market valuation in the period in which such changes occur. Interest and dividend income is recorded when earned.

The Foundation maintains an investment pool for its endowments and other invested funds. Interest and dividends, and realized and unrealized gains and losses from securities are allocated to the individual endowments or other funds based on the relationship of the market value of each endowment or fund to the total market value of the investment pool, as adjusted for additions or deductions from those accounts.

## **2. 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 noncurrent portion of interfund loans).

## **3. Pledges Receivable - Component Unit**

Unconditional promises to give are carried at net realizable value, discounted to present value using United States Treasury Bill rates with maturities commensurate to the time period of expected collection of the pledges. During the year ended December 31, 2013, the discount rates used ranged from 0.1% to 1.8%. Amortization of the discount is included in contribution revenue.

## **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 statute (IC 6-1.1-17-16) requires 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 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana 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. Delinquent property taxes outstanding at year end for governmental funds, net of allowances for uncollectible accounts, are recorded as a receivable with an offset to unearned revenue 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 statements.

#### **6. Beneficial Interest in Assets Held by Others – Component Unit**

The Foundation has established seven designated endowment funds with Central Indiana Community Foundation (CICF) and is the beneficiary of the funds holding those assets. The purpose of such funds is to provide support to the Foundation. If the Foundation ceases to exist, the funds will be used to provide support to the Library and its successors in interest.

Annual earnings are allocated to the fund and a portion of the fund balance is available for distribution during the succeeding year in accordance with the spending policy adopted by the CICF Board of Directors. At the time of execution of the agreements, the spending policy provided for 5% of the December 31 fund balance as the portion available for distribution, in addition to any unspent distributable amounts from prior years. At December 31, 2013, the fair values of the designated funds were \$1,883,743 for the Operating Endowment Fund, \$2,483,382 for the Humanities Fund, \$1,329,925 for the Lifelong Learning Fund, \$1,158,831 for the Childhood Literacy Endowment Fund, \$138,069 for the Professional Development Fund, \$45,195 for the Donna D. Talley Story Theatre Fund and \$52,363 for the Dr. Michael R. Twyman Endowment Fund.

#### **7. Restricted Assets**

Certain proceeds of the general obligation bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants and enabling legislation.

#### **8. Contract Advance Receivable**

The Library entered into contractual management agreements for the operation of the café, catering services, and parking garage at Central Library. The agreements require the contractors to directly pay all invoices associated with the operations. An advance in the amount of \$185,704 was given to the contractors to fund operating expenses. The agreements provide for the return of the advance upon termination of the contract.

#### **9. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), 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 and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
<b>Buildings</b>	\$ 5,000	Straight-line	50 years
<b>Improvements other than buildings</b>	5,000	Straight-line	15 years
<b>Machinery and equipment</b>	2,000	Straight-line	5 to 20 years
<b>Computers</b>	2,000	Straight-line	3 years
<b>Collections</b>	All	Composite	4 years
<b>Land</b>	All	N/A	N/A
<b>Artwork</b>	All	N/A	N/A

N/A = Not applicable

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

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

#### 10. Deferred Outflows of Resources

In addition to assets, in the government-wide statement of net position, a separate section for deferred outflows of resources is reported. This represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The deferred charge on refunding, reported in the deferred outflows of resources, results from the difference in the carrying value of refunded debt and its reacquisition price. The resulting accounting loss is deferred and amortized using the straight-line method over the remaining life of the old debt or the new debt, whichever is shorter.

#### 11. Compensated Absences

- a. Annual Leave – primary government employees earn leave at the rate of 10 to 30 days per year, based on the length of service, degree qualifications, level of responsibility, and number of hours worked per year. Annual leave may be accumulated up to 480 hours. Unused leave is paid upon separation from service.
- b. Sick Leave – primary government employees earn 10 days of sick leave per year. Unused sick leave may be accumulated on an unlimited basis. Employees who retire are paid accumulated sick leave at a rate of 1 hour for every 2 hours accumulated in excess of 160 hours.

Annual and sick leave is accrued when incurred. The general fund is typically used to liquidate the liability for compensated absences.

## 12. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts 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. Bond issuance costs are expensed in the fund financial statements.

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

## 13. Fund Balance

The Library adopted the provisions of Governmental Accounting Standards Board Statement No. 54 (GASB 54). The intention of GASB 54 is to provide more structured classification of fund balance reporting. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. The classifications are as follows:

### Restricted

The restricted fund balance consists of amounts that can be spent only for the specific purpose stipulated by external parties (e.g., grantors, creditors, or other governments), constitutional provisions, or enabling legislation.

### Committed

The committed fund balance consists of amounts that can only be used for specific purposes pursuant to formal action of the government's highest level of decision-making authority, which for the Library is a resolution by the Library Board. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit these amounts.

### Assigned

The assigned fund balance consists of amounts constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. Assigned balances are a result of encumbrances of fund balances for purchases or assignments made by the Library Board of Trustees or their designee, the Treasurer. The assigned fund balance for the general fund consists of encumbrances of \$1,385,475. This amount has been assigned to cover future purchases.

### Unassigned

The unassigned fund balance includes positive fund balance within the General Fund which has not otherwise been classified as restricted, committed or assigned to specific purposes within the General Fund. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance due to overspending amounts that are restricted or committed.



The Library's policy is to apply expenditures to restricted resources first, then committed, then assigned, and unassigned, respectively, as applicable.

**14. Net Position Restricted by Enabling Legislation**

The government-wide Statement of Net Position reports \$8,845,782 of restricted net position, of which \$3,348,918 is restricted due to enabling legislation. Other new assets have been restricted due to bond covenants.

**15. Other Revenue**

Other revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balances (Governmental Funds) are as follows:

	<u>Governmental Funds</u>					<u>Nonmajor Governmental Funds</u>
	<u>General</u>	<u>Bond and Interest Redemption</u>	<u>Construction</u>	<u>Rainy Day</u>		
Interest and dividends	\$ 13,328	\$ 514	\$ 3,687	\$ 21,974		\$ 2,735
Donations and grants	250,000	-	-	-		1,163,939
Noncurrent period:						
Recurrent/reimbursements	256,696	-	-	-		-
Other	<u>(12,497)</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
<b>Totals</b>	<u>\$ 507,527</u>	<u>\$ 514</u>	<u>\$ 3,687</u>	<u>\$ 21,974</u>		<u>\$ 1,166,674</u>

**II. Reconciliation of Government-Wide and Fund Financial Statements**

**A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position:**

<b>Other long-term assets:</b>	
Prepaid expense	\$ 168,044
Intergovernmental receivables	44,482
Miscellaneous receivables	592,823
Contract advance receivable	<u>185,704</u>
<b>Total</b>	<u>\$ 991,053</u>
<b>Noncurrent liabilities:</b>	
Due within one year:	
General obligation bonds payable	\$ (5,640,000)
Compensated absences	(713,523)
Due beyond one year:	
General obligation bonds payable	(66,360,000)
Deferred charge on refunding	551,238
Deferred premium	(6,092,504)
Compensated absences	(772,984)
Other postemployment benefits	(676,285)
Accounts payable	<u>(13,561)</u>
<b>Total</b>	<u>\$ (79,717,619)</u>

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities:

<b>Capital outlay, net of depreciation:</b>	
Capital outlay	\$ 5,006,683
Depreciation	(10,968,114)
Loss on disposal of asset	<u>(31,550)</u>
<b>Total</b>	<b><u>\$ (5,992,981)</u></b>
<b>Revenues not current financial resources:</b>	
Receivables	<u>\$ 306,624</u>
<b>Total</b>	<b><u>\$ 306,624</u></b>
<b>Issuance of long-term debt:</b>	
Bonds payable	\$ 43,960,000
Bonds issued	(30,725,000)
Bond premium, net	(3,376,325)
Deferred charge on refunding	<u>60,979</u>
<b>Total</b>	<b><u>\$ 9,919,654</u></b>
<b>Benefit obligations:</b>	
Net pension obligation	\$ (209,220)
Other postemployment benefit	<u>(45,151)</u>
<b>Total</b>	<b><u>\$ (254,371)</u></b>
<b>Other expenses:</b>	
Compensated absences payable	\$ 51,375
Prepaid expense	16,563
Contract advance receivable	(113,296)
Accounts payable	<u>(13,561)</u>
<b>Total</b>	<b><u>\$ (58,919)</u></b>

III. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted for the General Fund, the Bond and Interest Redemption Fund, the Rainy Day Fund and Capital Projects Fund, on the cash basis which is not consistent with accounting principles generally accepted in the United States. The Construction Fund has a legally adopted project-length budget. The Library Improvement Reserve Fund (Capital Projects Fund) is required to have a legally adopted budget; however no budget was established for fiscal year 2013. All annual appropriations lapse at fiscal year end.

On or before August 31, the Treasurer submits to the Library Board 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 Library Board and the City/County

Council (Fiscal Body) to obtain taxpayer comments. In August of each year, the Library Board through the passage of a resolution approves the budget for the next year. Copies of the budget resolution 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 Treasurer 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 Library Board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object within the fund for all budgeted funds.

**B. Fund Balance**

The constraints placed on the fund balances of the major funds and the Nonmajor governmental funds as of December 31, 2013 are presented below:

	Major				Nonmajor Governmental Funds	Total
	General Fund	Bond & Interest Redemption	Construction Fund	Rainy Day Fund		
<b>Restricted for:</b>						
Capital outlay	\$ -	\$ -	\$ 1,825,568	\$ -	\$ 3,526,424	\$ 5,351,992
Debt Service	-	1,092,680	-	-	-	1,092,680
Education	-	-	-	-	144,872	144,872
<b>Total Restricted</b>	<u>-</u>	<u>1,092,680</u>	<u>1,825,568</u>	<u>-</u>	<u>3,671,296</u>	<u>6,589,544</u>
<b>Committed to:</b>						
Capital investment	-	-	-	4,508,185	-	4,508,185
Education	-	-	-	-	586,026	586,026
Other purposes	-	-	-	-	53,311	53,311
<b>Total Committed</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,508,185</u>	<u>639,337</u>	<u>5,147,522</u>
<b>Assigned to:</b>						
Employee benefits	13,000	-	-	-	-	13,000
Bond expense	25,000	-	-	-	-	25,000
Interest expense	120,236	-	-	-	-	120,236
Collections materials	262,167	-	-	-	-	262,167
Electronic collections materials	155,000	-	-	-	-	155,000
Capital and computer equipment	15,819	-	-	-	-	15,819
General operations	794,253	-	-	-	-	794,253
<b>Total Assigned</b>	<u>1,385,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385,475</u>
<b>Unassigned</b>	<u>12,363,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(117,560)</u>	<u>12,245,533</u>
<b>Total fund balances</b>	<u>\$ 13,748,568</u>	<u>\$ 1,092,680</u>	<u>\$ 1,825,568</u>	<u>\$ 4,508,185</u>	<u>\$ 4,193,073</u>	<u>\$ 25,368,074</u>

#### IV. Detailed Notes on All Funds

##### A. Deposits and Investments

###### 1. Deposits - Primary Government

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 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's deposit policy does not specify custodial credit risk criteria. At December 31, 2013, the Library had deposit balances in the amount of \$30,149,808. The Library had deposit balances in high yield savings accounts, money market, and two external investment pools at December 31, 2013, reported as cash and cash equivalents.

The balances held in external investment pools are reported as deposit balances instead of investments due to the high level of liquidity of these investment pools. The interest rates available in these savings accounts and investment pools were higher than the other investment options available as a result of the current economic market. 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. The investment pools are completely liquid and are considered a depository with the organizations following the investment criteria set forth in Indiana Code 5-13-9.

###### 2. Investments – Primary Government

###### Statutory Authorization for Investments

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

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of or interest in an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. The investments shall be made through depositories designated by the state board of finance as depositories for state deposits under IC 5-13-9.5. The money market mutual fund must be rated as AAA, or its equivalent, by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Services, Inc. or its successor. The investment is considered to have a stated final maturity of one day.

Additionally, the Library may enter into repurchase agreements (including standing repurchase agreements commonly known as sweep accounts) with depositories designated by the State Board of Finance as depositories for state investments involving the Library's purchase and guaranteed resale of any interest-bearing

obligations issued or fully insured or guaranteed by the United States, a United States government agency, an instrumentality of the United States, or federal government-sponsored enterprise. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value. The repurchase agreement is considered to have a final maturity of one day.

**Credit Risk and Custodial Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The custodial risk for investments is the risk that, in the event of the failure of the counter-party to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At December 31, 2013, the Library's investments, along with their respective ratings from Moody's Investment Services and maturity in years were as follows:

Investment Type	Fair Value	Less			Credit Rating
		Than 1 Year	1-2 Years	3 Years	
Certificates of Deposit	\$ 2,245,595	\$ 499,442	\$ 1,496,613	\$ 249,540	Unrated AAA
Fixed Income Treasuries	<u>4,923,133</u>	<u>3,469,290</u>	<u>\$ 1,453,843</u>	<u>-</u>	
Totals	<u>\$ 7,168,728</u>	<u>\$ 3,968,732</u>	<u>\$ 2,950,456</u>	<u>\$ 249,540</u>	

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investment. The Library must follow state statute and limit the stated final maturities of the investments per Indiana Code. The Library's formal investment policy requires the Treasurer to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and investing operating funds primarily in shorter-term securities.

**Foreign Currency Risk**

The Library's formal investment policy prohibits the purchase of foreign investments.

**3. Deposits and Investments – Component Unit**

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, Financial Reporting for Non-Profit Organizations. As such, certain reporting criteria and presentation features are different from GASB reporting criteria and presentation features. No modifications have been made to the Foundation's financial in the Library's financial reporting entity for these differences.

The Foundation considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents, but excludes cash equivalents held by various fund managers and included in investments. Cash equivalents are carried at cost, which approximates market value, and primarily consist of bank savings accounts. The Foundation maintains its cash and cash equivalents in accounts which generally exceed federally insured limits. The

Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Foundation's investments and the beneficial interest in assets held by others are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with these assets and the level of uncertainty related to changes in their value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

Investments consist of the following at December 31, 2013:

Money market funds	\$	812,807
Certificates of deposit		1,059,057
Bonds		1,060,259
Exchange traded funds		233,407
Mutual funds		4,568,509
Common stock		<u>2,421,630</u>
<b>Total</b>	<b>\$</b>	<b><u>10,155,669</u></b>

Investment returns consist of the following for the year ended December 31, 2013:

Dividends and interest	\$	251,834
Less investment fees		<u>(36,807)</u>
		215,027
Realized gains (losses) on investments		702,184
Unrealized gains (losses) on investments		<u>105,989</u>
		<u>808,173</u>
<b>Total</b>	<b>\$</b>	<b><u>1,023,200</u></b>

#### 4. Disclosure About Fair Value of Financial Instruments – Component Unit

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.



Level 3: Inputs to the valuations methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013.

- *Money market funds:* Generally transact subscription and redemption activity at a \$1 stable net asset value (NAV) however, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund.
- *Bonds (corporate, municipal, and U.S. government):* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- *Exchange traded funds and common stocks:* Valued at the closing price reported on the active market on which the individual securities are traded.
- *Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.
- *Alternative investments:* The funds are valued based on the Foundation's percentage of ownership of the NAV as reported to the Foundation on a periodic basis (quarterly or monthly). The NAV, as provided by the respective investment manager, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by each fund less its liabilities. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the Foundations' interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the Foundation were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

Alternative investments are classified as Level 2 based on the Foundation's ability to redeem its investments at the net asset value per share as of the date of the financial statements. The Foundation considers alternative investments that are redeemable at net asset value at least quarterly to be Level 2 investments.

- *Beneficial interest in assets held by others:* Valued at fair value as reported by CICF, which represents the Foundation's pro rata interest in CICF's pooled investments funds, substantially all of which are valued on a mark-to-market basis.

The following table set forth by level, within the hierarchy, the Foundation's assets, measured at fair value on a recurring basis as of December 31, 2013:

	2013			
	Carrying Amount at December 31	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
Investments	\$ 9,096,612	\$ 7,223,546	\$ 1,873,066	\$ -
Certificates of Deposit	1,059,057	-	-	-
Beneficial interest in assets held by others	7,091,508	-	-	7,091,508

The following table sets forth the change in beneficial interest in assets held by others measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended December 31, 2013:

	Beneficial Interest in Assets Held by Others
Beginning balance:	\$ 6,325,267
Deposits	82,570
Interest and dividends, net of investment management fees	267,899
Realized gains	204,722
Unrealized gains	401,485
Operating support fees	(52,812)
Distributions	(137,623)
Ending balance	\$ 7,091,508

#### B. Receivables – Component Unit

The following receivable accounts have timing and credit characteristics different from typical accounts receivable.

Pledges receivable at December 31, 2013, are as follows:

Past due	\$ 12,019
Due within 1 year	488,779
Due in 1-5 years	1,825,952
	2,326,750
Less present value discount	(40,665)
Less allowance for uncollectible pledges	(3,000)
Total	\$ 2,283,085

Of the pledges receivable classified as "past due" at December 31, 2013, approximately \$6,392 were collected as of March 18, 2014.

Management estimates an allowance for uncollectible pledges based on an evaluation of historical losses, current economic conditions, and other factors unique to its donor base. Periodically, management reviews pledges receivable, records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the Foundation's collection policy. Management has estimated and recorded an allowance for doubtful accounts of \$3,000 at December 31, 2013.

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2013, was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 6,119,939	\$ -	\$ -	\$ 6,119,939
Construction Work in Progress	-	37,121	-	37,121
Artwork	2,213,296	200	3,000	2,210,496
Rare Books & Other Special Collections	989,559	-	-	989,559
<b>Total capital assets, not being depreciated:</b>	<u>9,322,794</u>	<u>37,321</u>	<u>3,000</u>	<u>9,357,115</u>
<b>Capital Assets, being depreciated:</b>				
Buildings	153,125,099	-	-	153,125,099
Improvements	2,848,631	-	-	2,848,631
Machinery and equipment	7,863,795	438,235	346,212	7,955,818
Collections	26,522,642	4,531,127	2,487,437	28,566,332
<b>Totals</b>	<u>190,360,167</u>	<u>4,969,362</u>	<u>2,833,649</u>	<u>192,495,880</u>
<b>Less accumulated depreciation for:</b>				
Buildings	22,582,305	3,030,863	-	25,613,168
Improvements	1,131,819	171,239	-	1,303,058
Machinery and equipment	5,271,081	624,429	317,662	5,577,848
Collections	18,907,726	7,141,583	2,487,437	23,561,872
<b>Totals</b>	<u>47,892,931</u>	<u>10,968,114</u>	<u>2,805,099</u>	<u>56,055,946</u>
<b>Total capital assets, being depreciated, net</b>	<u>142,467,236</u>	<u>(5,998,752)</u>	<u>28,550</u>	<u>136,439,934</u>
<b>Total governmental activities capital assets, net</b>	<u>\$ 151,790,030</u>	<u>\$ (5,961,431)</u>	<u>\$ 31,550</u>	<u>\$ 145,797,049</u>

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

<b>Governmental activities:</b>	
Culture and recreation	\$ <u>10,968,114</u>

**D. Construction Commitments**

Construction work in progress is composed of the following:

<u>Project</u>	<u>Total Project Authorized</u>	<u>Expended to December 31, 2013</u>	<u>Committed</u>	<u>Required Future Funding</u>
Central Library elevator expansion	\$ 108,721	\$ 37,121	\$ 71,600	\$ -

**E. Interfund Balances and Activity**

**1. Interfund Receivables and Payables**

The composition of the Interfund balances for the year ended December 31, 2013, was as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable Nonmajor Governmental</u>
General Fund	\$ 120,853

Interfund balances resulted from the time lag between the dates that (1) interfund loans are repaid, (2) interfund goods and services are provided or reimbursable expenditures occur, (3) transactions are recorded in the accounting system, and (4) payments between funds are made.

**2. Interfund Transfers**

The composition of interfund transfers for the year ended December 31, 2013 were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Total</u>
General fund	Nonmajor governmental fund	\$2,300,000
Construction fund	Bond and interest redemption fund	177,879
Total		<u>\$2,477,879</u>

The Library made the following one-time transfers:

1. A transfer of \$2,300,000 from the General Fund to the Library's Improvement Reserve Fund in accordance with Indiana state law. These funds have no dedicated revenue sources but are comprised of transferred surplus fund balances from other funds. The purpose of the transfer is to fund future capital needs.
2. A transfer of \$177,879 from the Construction Fund to the Debt Service Fund was made to comply with a bond covenant.

**F. Operating Leases**

The primary government has entered into various operating leases having initial or remaining noncancelable terms exceeding one year for a parking lot, buildings, copiers, and postage meters. Rental expenditures for these leases were \$486,633. The following is a schedule by years of future minimum rental payments as of December 31, 2013:

2014	\$	494,456
2015		444,800
2016		331,932
2017		70,040
2018		55,917
2019-2023		59,933
2024-2028		60,500
2029		<u>8,067</u>
<b>Total</b>	<b>\$</b>	<b><u>1,525,645</u></b>

**G. Noncurrent Liabilities**

**1. General Obligation Bonds**

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

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

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Amount</u>
2009 Library branch improvements - refunding	9,155,000	2.0% to 5.0%	8,410,000
2010 Central library project - refunding	23,630,000	2.0% to 5.0%	19,155,000
2011 Central library project - refunding	8,310,000	1.55% to 3.0%	8,240,000
2012 Library branch improvement - refunding	9,100,000	2.0% to 4.0%	7,175,000
2013 Central library project - refunding	30,725,000	1.5% to 5.0%	<u>30,725,000</u>
<b>Total</b>			<b>\$ <u>73,705,000</u></b>

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

<u>Year Ended December 31</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 7,345,000	\$ 3,009,901	\$ 10,354,901
2015	8,195,000	2,627,571	10,822,571
2016	7,495,000	2,386,240	9,881,240
2017	8,085,000	2,066,586	10,151,586
2018	8,535,000	1,711,536	10,246,536
2019-2023	<u>34,050,000</u>	<u>2,964,181</u>	<u>37,014,181</u>
<b>Totals</b>	<b>\$ <u>73,705,000</u></b>	<b>\$ <u>14,766,015</u></b>	<b>\$ <u>88,471,015</u></b>

## 2. Current and Advance Refundings

On November 27, 2013, the Indianapolis-Marion County Public Library issued \$30,725,000 in refunding revenue bonds with an average interest rate of 4.59% to advance refund \$2,875,000 of outstanding 2005 series bonds and current refund \$25,000,000 of outstanding 2006 series bonds and \$11,135,000 of outstanding 2007 series bonds with an average interest rate of 4.39%. The net proceeds of \$34,188,450 (after payment of \$190,072 in issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payment on the 2005, 2006 and 2007 series bonds. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position. The refunding resulted in the accounting loss of \$124,706, which has been recognized on the Statement of Net Position as Deferred Charge on Refunding. This amount will be amortized using the straight line method and charged to interest expense over the next 9 years. The Indianapolis-Marion County Public Library in effect reduced its aggregate debt service payment by \$5,601,988 over the next 5 years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$3,717,041.

## 3. Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended December 31, 2013, was as follows:

<u>Primary Government</u>	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due</u>
<u>Governmental activities</u>	<u>Balance</u>			<u>Balance</u>	<u>Within</u>
					<u>One Year</u>
<b>Bonds payable:</b>					
General obligation	\$ 88,385,000	\$ 30,725,000	\$ 45,405,000	\$ 73,705,000	\$ 7,345,000
Add deferred amount for premiums (discounts)	<u>2,716,179</u>	<u>3,660,522</u>	<u>284,197</u>	<u>6,092,504</u>	<u>-</u>
<b>Total bonds payable</b>	91,101,179	34,385,522	45,689,197	79,797,504	7,345,000
Net pension obligation	317,334	209,220	-	526,554	-
Compensated absences	1,537,882	1,044,084	1,095,459	1,486,507	713,523
Other postemployment benefits	<u>631,134</u>	<u>45,151</u>	<u>-</u>	<u>676,285</u>	<u>-</u>
<b>Total governmental activities noncurrent liabilities</b>	<u>\$ 93,587,529</u>	<u>\$ 35,683,977</u>	<u>\$ 46,784,656</u>	<u>\$ 82,486,850</u>	<u>\$ 8,058,523</u>

Compensated absences and other Postemployment benefits for governmental activities typically have been liquidated from the general fund. Claims and judgments typically have been liquidated from the general fund.

## H. Endowment Composition Disclosure – Component Unit

The Foundation's endowment consists of twelve individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

A portion of the Foundation's endowment consists of seven funds held at CICF, which total \$7,091,508 at December 31, 2013. The Board of Directors follows the CICF suggested spending policy of no more than 5 percent of the balance annually, in addition to any unspent distributable amounts from prior years. The funds held by CICF are invested according to CICF's pooled investment fund strategies.

The Foundation also has other restricted funds totaling \$1,829,599 that are classified as part of the endowment at December 31, 2013. These include cash, investments, and pledges receivable. Funds held by the Foundation are invested according to the Foundation's investment policy statements, and are appropriated subject to approval by the Board of Directors.

The composition of endowment net assets is as follows at December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board designated endowment funds	\$ 73,194	\$ -	\$ -	\$ 73,194
Donor restricted endowment funds	-	2,082,612	6,765,301	8,847,913
	<u>\$ 73,194</u>	<u>\$ 2,082,612</u>	<u>\$ 6,765,301</u>	<u>\$ 8,921,107</u>

The change in endowment net assets is as follows for year ended December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 63,712	\$ 1,330,493	\$ 6,665,697	\$ 8,059,902
Contributions	-	-	99,604	99,604
Investment return, net	9,482	889,742	-	899,224
Distributions	-	(137,623)	-	(137,623)
Totals	<u>\$ 73,194</u>	<u>\$ 2,082,612</u>	<u>\$ 6,765,301</u>	<u>\$ 8,921,107</u>

#### Interpretation of Relevant Law

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of the interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment (including irrevocable transfers of unrestricted funds to the permanent endowment to obtain donor matching), (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulations are added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:



- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

**I. Restatements**

**1. Change in Accounting Principle**

GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities" establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources, or deferred inflows of resources, certain items that were previously reported as asset and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. For debt refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt was reclassified from liabilities to deferred outflows of resources in the statements of net position. Additionally, the adoption of this Statement required that debt issuance costs be expensed in the period incurred, resulting in a restatement of net positions.

The December 31, 2012 beginning net position was restated as follows due to the implementation of GASB Statement No. 65:

	<u>December 31, 2012</u>
Net position, as previously stated	\$ 92,538,031
Restatement due to the write off of deferred bond issuance costs pursuant to the implementation of GASB Statement No. 65	<u>(620,937)</u>
Net position, as restated	\$ 91,917,094

**2. Prior Period Adjustment – Component Unit**

The Foundation's statement of financial position at December 31, 2012 has been restated to correct an error in the Foundation's recording of its beneficial interest in charitable remainder unitrusts in years prior to 2012. The effect of the restatement on the fiscal 2012 financial statement was to decrease both the beginning of year beneficial interest in charitable remainder unitrusts and the beginning of year permanently restricted net assets by \$375,785. The error had no effect on the change in net assets for the years ended December 31, 2013 and 2012.

**V. 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; natural disasters; and medical benefits to employees, retirees, and dependents.

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

## B. Postemployment Benefits

### Single Employer Defined Benefit Healthcare Plan

#### Plan Description

The Library's Health Care Plan is a single-employer defined benefit healthcare plan administered by Anthem Insurance Company. The Plan provides comprehensive major medical benefits to eligible retirees, their spouses, and dependents. The Library also provides a dental component to the Plan which is administered by Guardian to eligible retirees, their spouses, and dependents. Indiana Code 5-10-8 assigns the authority to establish and amend benefit provisions to the Library's Plan. A separate financial report is not issued for the Plan. The Plan is not accounted for as a trust fund because an irrevocable trust has not been established to account for the Plan.

Coverage terminates when the retiree becomes eligible for Medicare. Spouses are offered COBRA coverage upon termination of retiree coverage.

Eligible retirees must meet the following criteria:

1. At age 50 with at least 10 years of services to the Library and have been a member of the Public Employees' Retirement Fund for 15 years.

#### Funding Policy

The contribution requirements of plan members are established and can be amended by the Library Board of Trustees and negotiated between the Library and union representatives. The required contribution is based on projected pay-as-you-go financing requirements as determined annually by the Library Board of Trustees.

For the year ended December 31, 2013, the Library contributed \$159,305 to the plan for current premiums (90% of the cost of the current year premiums for participants and 60% for their spouses and dependents if retirement occurred prior to October 1, 2005). Plan members receiving benefits contributed \$32,908 to the plan for current premiums (10% of the current year premium for individual participants and 40% for spouses and dependents). Eligible employees retiring on or after October 1, 2005 may choose to continue their healthcare and dental coverage until the age of 65 but are required to contribute 100% of their annual premium costs. These members contributed \$30,109 in 2013 for their coverage.

By providing retirees with access to the Library's healthcare plan based on the same rates it charges to active employees, the Library is in effect providing a subsidy to retirees.

**Annual OPEB Cost and Net OPEB Obligation**

The Library's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. In accordance with GASB Statement No. 45, the Library has elected to perform an actuarial valuation of the OPEB on a biennial basis. The last actuarial valuation performed by the Library was as of December 31, 2012. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Library's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Library's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$ 298,746
Interest on net OPEB obligation	22,090
Adjustment to ARC	<u>(33,155)</u>
<b>Annual OPEB cost</b>	<b>287,681</b>
Actual employer contributions	<u>159,305</u>
<b>Increase (Decrease) in net OPEB obligation</b>	<b>128,376</b>
Net OPEB obligation – beginning of year	<u>547,909</u>
<b>Net OPEB obligation – end of year</b>	<b>\$ <u>676,285</u></b>

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013 and prior two years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage Of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12-31-11	345,710	178,383	51.6%	363,796
12-31-12	343,099	158,986 *	46.3%	547,909
12-31-13	287,681	159,305	55.4%	676,285

\* Employer contributions for 12-31-12 have been updated.

**Funded Status and Funding Progress**

As of December 31, 2012, the most recent actuarial date, the funded status of the plan was as follows:

Actuarial accrued liability	\$ 2,993,274
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	\$ 2,993,274
Funded ratio	0%
Covered payroll	\$ 13,484,381
Unfunded actuarial accrued liability as a percentage of covered payroll	22%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the

future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information 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 liabilities for benefits.

#### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan was understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liability and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 3.5% investment rate of return, an inflation rate of 2%, and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% over 11 years. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012, was 30 years.

### **C. Pension Plan**

#### **Public Employees' Retirement Fund**

##### **Plan Description**

The Library 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 Library 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 3 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**

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 plan members and the Library are established and may be amended by the INPRS Board.

The liability for Net Pension Obligation (NPO) is considered an obligation of the Library as a whole and is reflected in the Statement of Net Position.

**Annual Pension Cost**

For 2013, the Library's annual pension cost of \$1,356,416 for PERF was equal to the Library's required and actual contributions.

**Actuarial Information for the Above Plan**

	<u>PERF</u>
Annual required contribution	\$ 1,569,150
Interest on net pension obligation	21,420
Adjustment to annual required contribution	<u>(24,934)</u>
Annual pension cost	1,565,636
Contributions made	<u>1,356,416</u>
Increase in net pension obligation	209,220
Net pension obligation, beginning of year	<u>317,334</u>
Net pension obligation, end of year	<u>\$ 526,554</u>
Contribution rates:	
Library	10%
Plan members	3.00%
Actuarial valuation date	12-31-13
Actuarial cost method	Entry age normal cost
Amortization method	Level dollar, closed amortization period
Amortization period	30 years
Amortization period (from date)	07-01-07
Asset valuation method	4-year smoothing of gains/losses on market value with a 20% corridor

**Actuarial Assumptions**

Investment rate of return	6.75%
Projected future salary increases:	
Total	3.25% - 4.5%
Inflation	3% per year
Cost-of-living adjustments	1.00%

<u>Three Year Trend Information</u>				
	<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	12-31-11	1,655,899	72%	(214,912)
	12-31-12	1,761,339	70%	317,334
	12-31-13	1,565,636	87%	526,554

**Funded Status and Funding Progress for the Above Plan**

The funded status of each plan as of December 31, 2013, the most recent actuarial valuation date is as follows:

Retirement Plan	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Entry Age (b)	AVA Excess/(Shortfall) (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	AVA Excess/Shortfall as a Percentage of Covered Payroll
						(b-a) (c)
PERF	\$ 15,463,574	\$ 27,555,001	\$ (12,091,423)	56%	\$ 14,035,736	86%

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.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Postemployment Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability UAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
12-31-11	\$ -	\$ 3,780,730	\$ 3,780,730	0.00%	12,955,583	29%
12-31-12	-	2,993,274	2,993,274	0.00%	13,484,381	22%
12-31-13	-	2,993,274	2,993,274	0.00%	14,035,736	21%

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	AVA Excess(Shortfall) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	AVA Excess/(Shortfall) as a Percentage of Covered Payroll ((b-a)/c)
12-31-11	\$ 16,298,758	\$ 27,299,311	\$ (11,000,553)	60%	\$ 12,955,583	85%
12-31-12	14,094,747	28,121,700	(14,026,953)	50%	13,484,381	104%
12-31-13	15,463,579	27,555,001	(12,091,422)	56%	14,035,736	86%



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

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 33,457,237	\$ 29,024,316	\$ 29,301,051	\$ 276,735
Intergovernmental	6,835,997	6,651,472	6,258,707	(392,765)
Charges for services	230,000	230,000	454,880	224,880
Fines and forfeits	1,094,604	1,094,604	1,082,244	(12,360)
Other	534,000	534,000	572,965	38,965
<b>Total revenues</b>	<u>42,151,838</u>	<u>37,534,392</u>	<u>37,669,847</u>	<u>135,455</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Culture and recreation:</b>				
Personal services	23,025,178	22,434,490	21,610,297	824,193
Supplies	900,022	812,801	757,746	55,055
Other services and charges	10,516,612	9,547,819	9,147,586	400,233
Capital outlay	5,155,296	4,722,672	4,715,139	7,533
Debt service				
Principal	-	25,000	25,000	-
Interest and fiscal charges	803,755	674,242	674,241	1
<b>Total culture and recreation</b>	<u>40,400,863</u>	<u>38,217,024</u>	<u>36,930,009</u>	<u>1,287,015</u>
<b>Total expenditures</b>	<u>40,400,863</u>	<u>38,217,024</u>	<u>36,930,009</u>	<u>1,287,015</u>
<b>Other financing sources (uses):</b>				
Transfer out	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(549,025)</u>	<u>(2,982,632)</u>	<u>(1,560,162)</u>	<u>1,422,470</u>
<b>Fund balances - beginning</b>	<u>16,260,320</u>	<u>16,260,320</u>	<u>16,260,320</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 15,711,295</u>	<u>\$ 13,277,688</u>	<u>\$ 14,700,158</u>	<u>\$ 1,422,470</u>

**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET/GAAP RECONCILIATION  
GENERAL FUND  
For The Year Ended December 31, 2013**

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	<u>General</u>
Excess of revenues over expenditures (budgetary basis)	\$ (1,560,162)
Adjustments:	
To adjust revenues for accruals	(168,326)
To adjust expenditures for accruals	963,140
Excess of revenues over expenditures (GAAP basis)	\$ (765,348)

**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
RAINY DAY FUND  
For The Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 27,221	\$ 27,221
Total revenues	-	-	27,221	27,221
Expenditures:				
Debt service:				
Principal	-	5,700,000	5,700,000	-
Total expenditures	-	5,700,000	5,700,000	-
Net change in fund balances	-	(5,700,000)	(5,672,779)	27,221
Fund balances - beginning	10,186,211	10,186,211	10,186,211	-
Fund balances - ending	<u>\$ 10,186,211</u>	<u>\$ 4,486,211</u>	<u>\$ 4,513,432</u>	<u>\$ 27,221</u>

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

Deficiency of revenues under expenditures (budgetary basis)	\$ (5,672,779)
Adjustments:	
To adjust revenues for accruals	(5,247)
To adjust expenditures for accruals	<u>-</u>
Deficiency of revenues under expenditures (GAAP basis)	<u>\$ (5,678,026)</u>

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Shared System Fund (Previously Co-op Projects Fund) – This fund is used to account for money received from participating Indianapolis high schools for computerizing, cataloging and processing library materials.

Grant Fund – This fund is used to account for money received from grants.

Café/Catering Fund – This fund is used to account for money received from the Library's café and catering operations.

Parking Garage Fund – This fund is used to account for money received from the Central Library's parking garage.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Library Improvement Reserve Fund – This fund is used to accumulate money for the purpose of anticipating 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 replacements of buildings or equipment.

Capital Projects Fund – This fund is tax supported and can be used for the construction, repair, remodeling or replacement of library facilities, site acquisition or development, and the repair, lease, or purchase of equipment to be used by the library district. Also, this fund can be used to pay for the purchase, lease, upgrading, maintenance, or repair of computer hardware or software.

### **AGENCY FUNDS**

Agency funds are used to account for resources held by the reporting government in a purely custodial capacity.

Payroll Deductions Fund – This fund was established to account for the transactions and accumulations of certain payroll withholdings. These withholdings accumulate in this fund until the due date of the obligation for which the monies were withheld from employees' gross pay. The monies so received are disbursed from this fund without appropriation and may be disbursed solely for the purpose for which these obligations create.

Foundation Fund – This fund was established to account for donations and/or sales of merchandise belonging to a private foundation. The funds are collected at each public library branch and then disbursed back to the foundation on a monthly basis.

Staff Association Fund – This fund was established to account for sales of "Bunny Book Bags" belonging to the staff association. The funds are collected at each public library branch and then disbursed back to the staff association on a monthly basis.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2013

	Special Revenue				Capital Projects		Total Nonmajor Governmental Funds
	Shared System Fund	Grant Fund	Café/Catering Fund	Parking Garage Fund	Library Improvement Reserve Fund	Capital Projects Fund	
<b>Assets</b>							
Cash and cash equivalents	\$ 644,727	\$ 170,940	\$ -	\$ 60,773	\$ 1,174,006	\$ 471,125	\$ 2,521,571
Investments	-	-	-	-	1,804,156	311,061	2,115,217
Receivables (net of allowances for uncollectibles):							
Intergovernmental	3,143	-	-	-	-	-	3,143
Accounts	1,265	9,000	-	188	-	-	10,453
<b>Total assets</b>	<u>\$ 649,135</u>	<u>\$ 179,940</u>	<u>\$ -</u>	<u>\$ 60,961</u>	<u>\$ 2,978,162</u>	<u>\$ 782,186</u>	<u>\$ 4,650,384</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 112	\$ 35,068	\$ 59,704	\$ 7,650	\$ -	\$ 233,924	\$ 336,458
Interfund payable:							
Interfund loans	62,997	-	57,856	-	-	-	120,853
<b>Total liabilities</b>	<u>63,109</u>	<u>35,068</u>	<u>117,560</u>	<u>7,650</u>	<u>-</u>	<u>233,924</u>	<u>457,311</u>
<b>Fund balances:</b>							
Restricted	-	144,872	-	-	2,978,162	548,262	3,671,296
Committed	586,026	-	-	53,311	-	-	639,337
Unassigned	-	-	(117,560)	-	-	-	(117,560)
<b>Total fund balances</b>	<u>586,026</u>	<u>144,872</u>	<u>(117,560)</u>	<u>53,311</u>	<u>2,978,162</u>	<u>548,262</u>	<u>4,193,073</u>
<b>Total liabilities and fund balances</b>	<u>\$ 649,135</u>	<u>\$ 179,940</u>	<u>\$ -</u>	<u>\$ 60,961</u>	<u>\$ 2,978,162</u>	<u>\$ 782,186</u>	<u>\$ 4,650,384</u>

**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year Ended December 31, 2013**

	Special Revenue				Capital Projects		Total Nonmajor Governmental Funds
	Shared System Fund	Grant Fund	Café/ Catering Fund	Parking Garage Fund	Library Improvement Reserve Fund	Capital Projects Fund	
<b>Revenues:</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 582,676	\$ 582,676
Intergovernmental	2,327	-	-	-	-	50,337	52,664
Charges for services	60,983	-	38,980	92,749	-	-	192,712
Other	784	1,163,987	-	83	918	902	1,166,674
<b>Total revenues</b>	<u>64,094</u>	<u>1,163,987</u>	<u>38,980</u>	<u>92,832</u>	<u>918</u>	<u>633,915</u>	<u>1,994,726</u>
<b>Expenditures:</b>							
<b>Current:</b>							
Culture and recreation	128,160	995,478	3,380	108,300	-	1,057,802	2,293,120
Capital outlay	-	155,822	-	-	-	169,102	324,924
<b>Total expenditures</b>	<u>128,160</u>	<u>1,151,300</u>	<u>3,380</u>	<u>108,300</u>	<u>-</u>	<u>1,226,904</u>	<u>2,618,044</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	2,300,000	-	2,300,000
<b>Net change in fund balances</b>	<u>(64,066)</u>	<u>12,687</u>	<u>35,600</u>	<u>(15,468)</u>	<u>2,300,918</u>	<u>(592,989)</u>	<u>1,676,682</u>
<b>Fund balances - beginning</b>	<u>650,092</u>	<u>132,185</u>	<u>(153,160)</u>	<u>68,779</u>	<u>677,244</u>	<u>1,141,251</u>	<u>2,516,391</u>
<b>Fund balances - ending</b>	<u>\$ 586,026</u>	<u>\$ 144,872</u>	<u>\$ (117,560)</u>	<u>\$ 53,311</u>	<u>\$ 2,978,162</u>	<u>\$ 548,262</u>	<u>\$ 4,193,073</u>

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
BUDGETARY COMPARISON SCHEDULE  
BOND AND INTEREST REDEMPTION FUND  
For The Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 9,325,386	\$ 7,934,094	\$ 8,011,793	\$ 77,699
Intergovernmental	738,068	742,896	692,135	(50,761)
Other	300	300	514	214
<b>Total revenues</b>	<u>10,063,754</u>	<u>8,677,290</u>	<u>8,704,442</u>	<u>27,152</u>
<b>Expenditures:</b>				
<b>Debt service:</b>				
Principal	6,395,000	6,395,000	6,370,000	25,000
Interest and fiscal charges	3,500,510	3,500,510	2,824,969	675,541
Bonds issuance cost	-	172,152	172,152	-
<b>Total expenditures</b>	<u>9,895,510</u>	<u>10,067,662</u>	<u>9,367,121</u>	<u>700,541</u>
<b>Other financing sources (uses):</b>				
Refunding bonds issued	-	30,725,000	30,725,000	-
Payment to escrow agent	-	(34,186,248)	(34,186,248)	-
Premium on sales of bonds	-	3,660,522	3,660,522	-
Transfer in	-	177,879	177,879	-
<b>Net change in fund balances</b>	168,244	(1,013,219)	(285,526)	727,693
<b>Fund balances - beginning</b>	<u>3,931,849</u>	<u>3,931,849</u>	<u>3,931,849</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 4,100,093</u>	<u>\$ 2,918,630</u>	<u>\$ 3,646,323</u>	<u>\$ 727,693</u>

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

Deficiency of revenues under expenditures (budgetary basis)	\$ (285,526)
Adjustments:	
To adjust revenues for accruals	-
To adjust expenditures for accruals	<u>1,825,003</u>
Deficiency of revenues under expenditures (GAAP basis)	<u>\$ 1,539,477</u>



**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECT FUND  
For The Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>Revenues:</b>				
Taxes	\$ 661,255	\$ 577,074	\$ 582,676	\$ 5,602
Intergovernmental	51,986	54,343	50,337	(4,006)
Other	1,000	1,000	1,513	513
<b>Total revenues</b>	<u>714,241</u>	<u>632,417</u>	<u>634,526</u>	<u>2,109</u>
<b>Expenditures:</b>				
Supplies	535,000	354,807	265,679	89,128
Other services and charges	825,000	613,550	558,434	55,116
Capital outlay	495,000	546,019	169,102	376,917
<b>Total expenditures</b>	<u>1,855,000</u>	<u>1,514,376</u>	<u>993,215</u>	<u>521,161</u>
<b>Net change in fund balances</b>	(1,140,759)	(881,959)	(358,689)	523,270
<b>Fund balances - beginning</b>	<u>1,141,486</u>	<u>1,141,486</u>	<u>1,141,486</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 727</u>	<u>\$ 259,527</u>	<u>\$ 782,797</u>	<u>\$ 523,270</u>

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

Excess of revenues over expenditures (budgetary basis)	\$ (358,689)
Adjustments:	
To adjust revenues for accruals	(611)
To adjust expenditures for accruals	<u>(233,689)</u>
Excess of revenues over expenditures (GAAP basis)	<u>\$ (592,989)</u>

**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
For The Year December 31, 2013**

	Payroll Deductions	Foundation Fund	Staff Association	Sales Tax	Public Library Access Card	Total Agency Funds
<b>Assets:</b>						
Cash and cash equivalents, January 1	\$ 111,663	\$ 2,480	\$ -	\$ -	\$ -	\$ 114,143
Additions	4,890,054	15,174	21	9,613	43,251	4,958,113
Deductions	<u>(4,845,520)</u>	<u>(16,590)</u>	<u>(21)</u>	<u>(9,377)</u>	<u>(32,801)</u>	<u>(4,904,309)</u>
Cash and cash equivalents, December 31	<u>156,197</u>	<u>1,064</u>	<u>-</u>	<u>236</u>	<u>10,450</u>	<u>167,947</u>
Accounts receivable, January 1	4,314	-	-	-	-	4,314
Additions	48,841	-	-	-	-	48,841
Deductions	<u>(4,314)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,314)</u>
Accounts receivable, December 31	<u>48,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,841</u>
<b>Total assets, December 31</b>	<b><u>\$ 205,038</u></b>	<b><u>\$ 1,064</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 236</u></b>	<b><u>\$ 10,450</u></b>	<b><u>\$ 216,788</u></b>
<b>Liabilities:</b>						
Accounts payable, January 1	\$ -	\$ 2,480	\$ -	\$ -	\$ -	\$ 2,480
Additions	-	1,064	21	9,613	43,251	53,949
Deductions	<u>-</u>	<u>(2,480)</u>	<u>(21)</u>	<u>(9,377)</u>	<u>(32,801)</u>	<u>(44,679)</u>
Accounts payable, December 31	<u>-</u>	<u>1,064</u>	<u>-</u>	<u>236</u>	<u>10,450</u>	<u>11,750</u>
Payroll withholdings payable, January 1	115,977	-	-	-	-	115,977
Additions	4,934,581	-	-	-	-	4,934,581
Deductions	<u>(4,845,520)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,845,520)</u>
Payroll withholdings payable, December 31	<u>205,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,038</u>
<b>Total liabilities, December 31</b>	<b><u>\$ 205,038</u></b>	<b><u>\$ 1,064</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 236</u></b>	<b><u>\$ 10,450</u></b>	<b><u>\$ 216,788</u></b>

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# STATISTICAL

This part of the Indianapolis-Marion County Public Library's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Library's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	<b>74</b>
These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>78</b>
These schedules contain information to help the reader assess the Library's most significant local revenue source, property taxes.	
<b>Debt Capacity</b>	<b>82</b>
These schedules present information to help the reader assess the affordability of the Library's current levels of outstanding debt and the Library's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>87</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Library's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>89</b>
These schedules contain information about the Library's operations and resources to help the reader understand how the Library's financial information relates to the services the Library provides and the activities it performs.	

Source:

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

**Indianapolis-Marion County Public Library  
Government-Wide Net Position by Component  
Last Ten Fiscal Years<sup>1</sup>  
(accrual basis of accounting)  
(amounts expressed in thousands)**

	<b>Fiscal Year</b>									
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ (1,385)	\$ 7,361	\$ 26,734	\$ 49,529	\$ 51,297	\$ 59,043	\$ 59,277	\$ 59,011	\$ 60,689	\$ 65,999
Restricted	22,581	23,321	23,564	19,737	12,036	10,441	9,842	8,804	13,389	8,846
Unrestricted	8,158	9,180	12,434	14,657	28,681	19,397	21,248	21,827	17,839	17,067
<b>Total primary government net position</b>	<b>\$ 29,354</b>	<b>\$ 39,862</b>	<b>\$ 62,732</b>	<b>\$ 83,923</b>	<b>\$ 92,014</b>	<b>\$ 88,881</b>	<b>\$ 90,367</b>	<b>\$ 89,642</b>	<b>\$ 91,917</b>	<b>\$ 91,912</b>

<sup>1</sup> Effective 2013 GASB 65 was implemented. Prior years have been restated to comply with GASB 65.

Indianapolis-Marion County Public Library  
Government-Wide Changes in Net Position  
Last Ten Fiscal Years<sup>1</sup>  
(accrual basis of accounting)  
(amounts expressed in thousands)

Expenses	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities:</b>										
Culture and recreation	\$ 35,180	\$ 38,602	\$ 35,190	\$ 40,266	\$ 37,830	\$ 47,709	\$ 42,581	\$ 43,172	\$ 43,982	\$ 45,058
Interest on long-term debt	3,726	3,527	3,826	4,557	5,413	5,317	4,945	4,675	3,725	3,417
<b>Total primary government expenses</b>	<b>\$ 38,906</b>	<b>\$ 42,129</b>	<b>\$ 39,016</b>	<b>\$ 44,823</b>	<b>\$ 43,243</b>	<b>\$ 53,026</b>	<b>\$ 47,526</b>	<b>\$ 47,847</b>	<b>\$ 47,707</b>	<b>\$ 48,475</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services	\$ 1,908	\$ 2,353	\$ 2,151	\$ 1,882	\$ 3,059	\$ 2,908	\$ 2,607	\$ 2,344	\$ 2,769	\$ 1,993
Operating Grants and Contributions	292	24	1,114	1,164	1,069	975	932	1,709	1,363	1,414
Capital Grants and Contributions	-	9,002	15,200	18,312	492	-	-	-	-	-
<b>Total primary government program revenues</b>	<b>\$ 2,200</b>	<b>\$ 11,379</b>	<b>\$ 18,465</b>	<b>\$ 21,358</b>	<b>\$ 4,620</b>	<b>\$ 3,883</b>	<b>\$ 3,539</b>	<b>\$ 4,053</b>	<b>\$ 4,132</b>	<b>\$ 3,407</b>
<b>Net (expense)/revenue</b>										
Primary government	<u>\$ (36,706)</u>	<u>\$ (30,750)</u>	<u>\$ (20,551)</u>	<u>\$ (23,465)</u>	<u>\$ (38,623)</u>	<u>\$ (49,143)</u>	<u>\$ (43,987)</u>	<u>\$ (43,794)</u>	<u>\$ (43,575)</u>	<u>\$ (45,068)</u>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property taxes	\$ 33,371	\$ 35,564	\$ 35,933	\$ 36,693	\$ 38,756	\$ 36,997	\$ 35,407	\$ 34,671	\$ 37,647	\$ 37,896
Other local sources	3,571	3,965	3,784	3,795	5,192	7,106	8,668	7,929	7,764	6,944
State aid	89	83	83	-	-	-	-	-	-	-
Unrestricted grants and contributions	683	695	-	-	-	-	-	-	-	-
Other	496	749	2,046	2,407	565	490	421	386	378	181
Investment earnings	622	771	1,576	1,760	804	179	180	83	61	42
Donated capital assets	-	-	-	-	-	1,120	797	-	-	-
Gain on sale of capital assets	-	-	-	-	498	119	-	-	-	-
Loss on sale of investment held for resale	-	-	-	-	(885)	-	-	-	-	-
Special item - legal fees	-	-	-	-	(18,068)	-	-	-	-	-
Special item - court settlements	-	-	-	-	19,853	-	-	-	-	-
<b>Total primary government</b>	<b>\$ 38,832</b>	<b>\$ 41,827</b>	<b>\$ 43,422</b>	<b>\$ 44,655</b>	<b>\$ 46,715</b>	<b>\$ 46,011</b>	<b>\$ 45,473</b>	<b>\$ 43,069</b>	<b>\$ 45,850</b>	<b>\$ 45,063</b>
<b>Changes in Net Position</b>										
Primary government	<u>\$ 2,126</u>	<u>\$ 11,077</u>	<u>\$ 22,871</u>	<u>\$ 21,190</u>	<u>\$ 8,092</u>	<u>\$ (3,132)</u>	<u>\$ 1,486</u>	<u>\$ (725)</u>	<u>\$ 2,275</u>	<u>\$ (5)</u>

**Note:**

<sup>1</sup> Effective 2013 GASB 65 was implemented. Prior years have been restated to comply with GASB 65.



Indianapolis-Marion County Public Library  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>							
Reserved	\$ 1,876	\$ 1,875	\$ 1,350	\$ 1,895	\$ 2,485	\$ 2,875	\$ 1,518
Unreserved	4,035	5,547	10,230	7,564	(248)	5,602	12,808
<b>Total general fund</b>	<u>\$ 5,911</u>	<u>\$ 7,422</u>	<u>\$ 11,580</u>	<u>\$ 9,459</u>	<u>\$ 2,237</u>	<u>\$ 8,477</u>	<u>\$ 14,326</u>
<b>All other governmental funds</b>							
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 6,848	\$ 7,684
Unreserved, reported in:							
Special revenue funds	962	1,115	1,112	1,294	16,009	973	1,271
Debt service	(421)	(162)	(383)	(528)	16	(5)	83
Capital projects fund	23,278	20,195	21,072	16,020	8,294	7,135	5,161
<b>Total all other governmental funds</b>	<u>\$ 23,819</u>	<u>\$ 21,148</u>	<u>\$ 21,801</u>	<u>\$ 16,786</u>	<u>\$ 24,324</u>	<u>\$ 14,951</u>	<u>\$ 14,199</u>
	<b>2011*</b>	<b>2012</b>	<b>2013</b>				
<b>General Fund</b>							
Assigned to:							
Employee benefits	\$ -	\$ 587	\$ 13				
Bond expense	-	-	25				
Interest expense	-	554	120				
Collections materials	627	423	262				
Electronic collections materials	-	179	155				
Capital and computer equipment	-	108	16				
General operations	297	1,214	794				
Total assigned	<u>924</u>	<u>3,065</u>	<u>1,385</u>				
Unassigned	11,168	11,449	12,363				
<b>Total general fund</b>	<u>\$ 12,092</u>	<u>\$ 14,514</u>	<u>\$ 13,748</u>				
<b>All other governmental funds</b>							
Restricted for:							
Capital outlay	\$ 4,706	\$ 4,342	\$ 5,352				
Debt service	-	5,100	1,093				
Education	213	132	145				
Erate	184	-	-				
Total restricted	<u>5,103</u>	<u>9,574</u>	<u>6,590</u>				
Committed to:							
Debt service	10,152	5,086	-				
Capital investment	-	-	4,508				
Education	670	650	586				
Other purposes	82	69	54				
Total committed	<u>10,904</u>	<u>5,805</u>	<u>5,148</u>				
Assigned to:							
Capital and computer equipment	3	-	-				
General operations	33	-	-				
Total assigned	<u>36</u>	<u>-</u>	<u>-</u>				
Unassigned	(218)	(600)	(118)				
<b>Total all other governmental funds</b>	<u>\$ 15,825</u>	<u>\$ 14,779</u>	<u>\$ 11,620</u>				

\* Effective in 2011, GASB Statement No. 54 was implemented; the new fund balance classifications are disclosed above.

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

	<b>Fiscal Year</b>									
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Revenues</b>										
Taxes	\$ 33,849	\$ 36,332	\$ 37,024	\$ 31,218	\$ 32,697	\$ 45,314	\$ 39,557	\$ 34,671	\$ 37,647	\$ 37,895
Intergovernmental	3,661	4,057	3,867	3,795	4,543	7,057	8,544	8,005	7,768	6,993
Charges for services	370	486	382	364	1,299	1,337	1,289	1,270	1,590	592
Fines and forfeits	1,018	1,656	1,684	1,646	1,673	1,602	1,398	1,147	1,160	1,046
Other	2,392	11,144	19,880	23,125	21,845	1,644	1,533	2,329	1,889	1,700
<b>Total revenues</b>	<b>41,290</b>	<b>53,675</b>	<b>62,837</b>	<b>60,148</b>	<b>62,057</b>	<b>56,954</b>	<b>52,321</b>	<b>47,422</b>	<b>50,054</b>	<b>48,226</b>
<b>Expenditures</b>										
Culture and recreation	28,532	28,485	26,152	28,102	35,221	35,378	32,678	33,274	33,286	33,787
Capital outlay	20,323	28,908	48,751	50,657	13,850	8,331	4,501	4,782	5,422	5,176
Debt service										
Principal	5,281	5,517	4,159	4,396	7,865	11,475	5,875	5,835	6,265	10,650
Interest	3,725	3,527	3,826	4,557	5,413	5,047	4,171	4,139	3,706	2,541
Other charges	-	-	-	-	-	131	192	132	111	197
<b>Total expenditures</b>	<b>57,861</b>	<b>66,437</b>	<b>82,888</b>	<b>87,712</b>	<b>62,349</b>	<b>60,362</b>	<b>47,417</b>	<b>48,162</b>	<b>48,790</b>	<b>52,351</b>
Excess of revenues over (under) expenditures	(16,571)	(12,762)	(20,051)	(27,564)	(292)	(3,408)	4,904	(740)	1,264	(4,124)
<b>Other financing sources (uses)</b>										
Transfers in	105	198	-	100	176	-	-	3,900	-	2,478
Transfers out	(105)	(198)	-	(100)	(176)	-	-	(3,900)	-	(2,478)
Refunding bonds issued	-	-	-	-	-	9,155	23,630	8,310	9,100	30,725
Payment to refunded bond escrow agent	-	-	-	-	-	(9,985)	(25,049)	(8,535)	(9,599)	(34,186)
General obligation bonds issued	-	12,000	25,000	20,000	-	-	-	-	-	-
Premium on general obligation debt	-	-	-	62	-	961	1,612	357	611	3,660
Discount on general obligation debt	-	(41)	(138)	(55)	-	-	-	-	-	-
Insurance Proceeds	-	-	-	421	-	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	608	145	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>11,959</b>	<b>24,862</b>	<b>20,428</b>	<b>608</b>	<b>276</b>	<b>193</b>	<b>132</b>	<b>112</b>	<b>199</b>
<b>Net changes in fund balances</b>	<b>\$ (16,571)</b>	<b>\$ (803)</b>	<b>\$ 4,811</b>	<b>\$ (7,136)</b>	<b>\$ 316</b>	<b>\$ (3,132)</b>	<b>\$ 5,097</b>	<b>\$ (608)</b>	<b>\$ 1,376</b>	<b>\$ (3,925)</b>
Debt service as a percentage of noncapital expenditures	24.0%	24.1%	23.4%	24.2%	27.4%	31.8%	23.4%	23.0%	23.0%	28.0%

Indianapolis-Marion County Public Library  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

Tax Year <sup>1</sup>	Taxable Real Property		Taxable Personal Property		Total Taxable Property		Percentage of Taxable Assessed value to Estimated Actual Taxable Value	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2004	34,606,376	34,606,376	5,323,745	5,323,754	39,930,121	39,930,130	100	0.0904
2005	32,400,972	32,400,972	7,229,661	7,229,661	39,630,633	39,630,633	100	0.0982
2006	33,030,628	33,030,628	8,695,944	8,695,944	41,726,572	41,726,572	100	0.0979
2007	43,888,737	43,888,737	5,255,541	5,255,541	49,144,278	49,144,278	100	0.0895
2008	42,605,722	42,605,722	5,264,221	5,264,221	47,869,943	47,869,943	100	0.0903
2009	33,099,166	33,099,166	5,158,800	5,158,800	38,257,966	38,257,966	100	0.1085
2010	31,997,750	31,997,750	5,141,085	5,141,085	37,138,835	37,138,835	100	0.1077
2011	31,340,323	31,340,323	4,931,529	4,931,529	36,271,852	36,271,852	100	0.1184
2012	30,767,450	30,767,450	4,966,628	4,966,628	35,734,078	35,734,078	100	0.1281
2013	30,387,646	30,387,646	5,305,621	5,305,621	35,693,267	35,693,267	100	0.1301

**Source:** Marion County Auditor's Office, Marion County Treasurer's Office

**Note:**

<sup>1</sup> Assessed values for a given fiscal year are from the prior calendar year's tax roll.

This table includes information for all of Marion County. Since other public library districts exist in Marion County, a portion of the property values do not relate to the Indianapolis-Marion County Public Library. Information by individual library districts within Marion County is not available.

Indianapolis-Marion County Public Library  
Property Tax Rates  
Direct and Overlapping<sup>1</sup> Governments  
Last Ten Fiscal Years

<u>Indianapolis-Marion County Public Library</u>					<u>Overlapping Rates</u>						<u>Total Direct &amp; Overlapping Rates</u>
<u>Fiscal Year</u>	<u>Operating Service</u>	<u>Debt Service</u>	<u>Capital Projects<sup>2</sup></u>	<u>Total Library</u>	<u>Total State</u>	<u>Total City</u>	<u>Total County</u>	<u>Total School</u>	<u>Total Municipal Corporations</u>	<u>Total Other</u>	
2004	0.0723	0.0181	N/A	0.0904	0.0024	0.9485	0.4129	1.7827	0.3442	0.0607	3.6418
2005	0.0755	0.0227	N/A	0.0982	0.0024	0.9532	0.4163	1.6744	0.3650	0.0637	3.5732
2006	0.0767	0.0186	0.0026	0.0979	0.1538	0.9425	0.3555	1.7172	0.2772	0.0523	3.5964
2007	0.0716	0.0179	N/A	0.0895	0.0024	0.8746	0.3358	1.6472	0.2525	0.3594	3.5614
2008	0.0732	0.0157	0.0014	0.0903	0.0024	0.8920	0.3262	1.7668	0.2618	0.2095	3.5490
2009	0.0897	0.0155	0.0033	0.1085	<sup>3</sup>	0.8634	0.3513	1.1569 <sup>3</sup>	0.2169	0.0578	2.7548
2010	0.0863	0.0197	0.0017	0.1077	<sup>3</sup>	0.8673	0.3534	1.3692	0.2205	0.0615	2.9796
2011	0.0947	0.0220	0.0017	0.1184	<sup>3</sup>	0.9525	0.3665	1.4065	0.2501	0.0615	3.1555
2012	0.1003	0.0278	N/A	0.1281	<sup>3</sup>	1.0034	0.4007	1.2711	0.2677	0.0670	3.1380
2013	0.1006	0.0275	0.0020	0.1301	<sup>3</sup>	0.9802	0.3932	1.5149	0.3013	0.0607	3.3804

**Notes:**

<sup>1</sup>Overlapping rates are those of local and county governments that apply to property owners within Marion County. Not all overlapping rates apply to all Marion County property owners.

<sup>2</sup>Capital Projects Fund was established in 2006.

<sup>3</sup>The State of Indiana took over payment of some services previously paid for by property taxes.

Overlapping rates listed are for District 101 (Indianapolis-Center Township) which is the only rate that includes all major services.

For Marion County, tax rates are calculated at \$100 of assessed property value.

**Source:** Indianapolis, Controller's office and Marion County Auditor

Indianapolis-Marion County Public Library  
Principal Property Taxpayers  
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2013</u>		<u>2004</u>	
		<u>Taxable Assessed Value</u>	<u>Percentage of Total Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Eli Lilly and Company	Pharmaceuticals research	\$ 1,226,690,915	3.53%	\$ 790,468,000	1.98%
Citizens Gas & Coke Utility	Gas utility	485,283,290	1.39	-	0.00
Indianapolis Power & Light Co.	Electric utility	457,692,160	1.32	361,426,000	0.91
Duke Realty/Dugan Realty	Commercial real estate developer	300,489,100	0.86	-	0.00
AT&T/Indiana Bell Telephone Co.	Telephone utility	224,785,020	0.65	397,080,000	0.99
Federal Express Corp.	Courier services	181,943,650	0.52	194,385,000	0.49
Convention Headquarters Hotels	Hotels & restaurant	175,237,700	0.50	-	0.00
Macquarie Office Monument Center	Chase Tower office building	142,726,400	0.41	-	0.00
The Dow Chemical Company	Chemical company	127,445,980	0.37	-	0.00
American United Life Insurance Co.	Insurance/office building	113,049,680	0.32	118,127,000	0.30
Target Corporation	Real estate investment	-	0.00	-	0.00
Indianapolis Water Company	Water utility	-	0.00	-	0.00
Simon Property Group, Inc.	Real Estate - Shopping Malls	-	0.00	275,553,000	0.69
AIMCo	Real Estate - Apartment Complexes	-	0.00	263,419,000	0.66
General Motors Corp.	Mfg. automatic transmissions	-	0.00	199,030,000	0.50
International Truck and Engine	Manufacturing - automotive	-	0.00	178,911,000	0.45
Visteon Corporation	Manufacturing - automotive	-	0.00	152,576,000	0.38
Total Top Ten Principal Taxpayers		\$ 3,435,343,895	9.87%	\$ 2,930,975,000	7.34%
Total Assessed Valuation		\$ 34,789,454,220	100.00%	\$ 39,930,121,000	100.00%

Source: Township Assessors in Marion County

Indianapolis-Marion County Public Library  
Property Tax Levies and Collections<sup>1</sup>  
Last Ten Fiscal Years  
(amounts expressed in thousands)

<b>Year Ended December 31</b>	<b>Total Tax Levy for the Year</b>	<b>Collected within the the Year of the Levy</b>		<b>Collections of of Taxes Levied in Prior Years</b>	<b>Total Collections to Date<sup>2</sup> Percentage of Levy</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2004	34,601,188	33,848,850	97.8	1,256,023	33,848,850	97.8
2005	37,529,591	36,331,990	96.8	1,374,328	36,331,990	96.8
2006	38,255,619	37,023,927	96.8	2,061,978	37,023,927	96.8
2007 <sup>2</sup>	38,932,720	31,217,956	80.2	2,098,474	31,217,956	80.2
2008 <sup>2</sup>	38,426,227	32,697,352	85.1	2,071,174	32,697,352	85.1
2009	38,727,435	35,718,158	92.2	2,087,409	37,805,567	97.6
2010 <sup>4</sup>	34,889,046	31,996,050	91.7	3,883,514	35,879,564	102.8 <sup>3</sup>
2011 <sup>4</sup>	34,947,859	32,947,750	94.3	1,723,091	34,670,841	99.2
2012 <sup>4</sup>	38,143,534	36,075,533	94.6	1,571,569	37,647,102	98.7
2013 <sup>4</sup>	37,535,447	36,105,357	96.2	1,514,376	37,619,733	100.2

<sup>1</sup>Includes General, Debt Service and Capital Projects

<sup>2</sup>In 2007 and 2008 tax payments were delayed due to levy freeze and reassessment.

<sup>3</sup>In 2010 there was an excess levy which was applied towards the 2011 tax distribution. In 2010 tax distributions were caught up on past due property tax collections.

<sup>4</sup>Total tax levy for the year includes the impact of the circuit breaker legislation.

Source: Marion County Auditor

Indianapolis-Marion County Public Library  
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years

<u>Year</u> <sup>1</sup>	<u>Service Area Population</u> <sup>2</sup>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u> <sup>3</sup>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Ratio of Net Bonded Debt to Personal Income</u>	<u>Net Bonded Debt Per Capita</u>
2004	836,790	38,275,649,835	81,362,823	-	81,362,823	.21 : 1	2.73 : 1	97
2005	836,341	38,217,505,811	90,453,683	-	90,453,683	.23 : 1	2.91 : 1	108
2006	838,603	39,076,218,596	110,497,629	-	110,497,629	.28 : 1	3.38 : 1	132
2007	849,180	43,500,245,280	126,142,688	-	126,142,688	.29 : 1	3.80 : 1	149
2008	853,554	42,553,962,335	117,719,452	20,338	117,699,114	.28 : 1	3.48 : 1	138
2009	862,844	35,693,488,773	107,835,921	-	107,835,921	.30 : 1	3.19 : 1	125
2010	877,389	34,794,821,192	102,547,158	83,341	102,463,817	.29 : 1	3.04 : 1	117
2011	887,337	33,240,892,643	97,280,448	-	97,280,448	.29 : 1	2.79 : 1	110
2012	891,284	33,005,181,323	91,101,179	-	91,101,179	.28 : 1	2.61 : 1	102
2013	889,910	33,168,703,752	79,797,504	-	79,797,504	.24 : 1	2.16 : 1	90

**Notes:**

<sup>1</sup> Year indicates when taxes are due and payable for assessments as of March 1 of the prior year.

<sup>2</sup> The Indianapolis-Marion County Public Library service area is all of Marion County except for the City of Beech Grove and the Town of Speedway.

<sup>3</sup> Bonding limit is 2% of assessed value.

Indianapolis-Marion County Public Library  
Direct and Overlapping Debt and Bonded Debt Limit<sup>1</sup>  
December 31, 2013  
(amounts expressed in thousands)

<u>Government Unit</u>	<u>Assessed Value<sup>2</sup></u>	<u>%</u>	<u>Bonding Limit</u>		<u>Bonds Outstanding</u>
			<u>Dollar Amount</u>		
<b>Overlapping debt</b>					
City of Indianapolis:					
Civil City	\$ 33,385,304	0.67%	\$ 223,682		\$ 64,885
Park District	35,693,267	0.67%	239,145		14,647
Redevelopment District	33,385,304	<sup>3</sup>	-		525
Flood Control District	35,693,267	0.67%	239,145		7,170
Metropolitan Thoroughfare District	35,693,267	1.33%	474,720		27,488
Sanitary District	32,921,017	4.00%	1,316,841		35,425
Solid Waste Disposal District	33,428,589	2.00%	668,572		-
Pub Safety Command Comp Facilities District	35,693,267	0.67%	239,145		30,660
Total City of Indianapolis general obligation debt			<u>3,401,250</u>		<u>180,800</u>
Other direct debt					
Tax increment revenue bonds					626,551
Net revenue bonds					260,150
Note payable and certificate of participations					28,732
Capital leases					7,490
Total City of Indianapolis debt					<u>1,103,723</u>
Marion County	35,693,267	0.67%	<u>239,145</u>		<u>-</u>
Municipal corporations:					
Airport Authority	35,693,267	0.67%	239,145		-
Health & Hospital Corporation	35,693,267	0.67%	239,145		208,865
Capital Improvement Board	35,693,267	0.67%	239,145		-
Indpls-Marion Co. Building Authority	35,693,267	<sup>4</sup>	-		10,740
Indianapolis Public Transportation Corp.	33,779,081	0.67%	<u>226,320</u>		<u>4,675</u>
Total municipal corporations	-		<u>943,755</u>		<u>224,280</u>
School districts:					
Beech Grove	371,520	<sup>5</sup>	63,063		4,402
Decatur	1,080,729	<sup>5</sup>	161,460		3,224
Franklin	1,754,835	<sup>5</sup>	268,823		-
Indianapolis Public Schools	9,494,872	<sup>5</sup>	600,032		23,047
Lawrence	4,722,452	<sup>5</sup>	244,362		25,245
Perry	3,066,711	<sup>5</sup>	178,537		15,950
Pike	4,561,987	<sup>5</sup>	110,925		28,600
Speedway	532,292	<sup>5</sup>	10,646		900
Warren	2,290,026	<sup>5</sup>	45,801		2,428
Washington	5,503,911	<sup>5</sup>	151,698		4,000
Wayne	2,374,326	<sup>5</sup>	292,167		20,345
Total school districts	<u>35,753,661</u>		<u>2,127,514</u>		<u>128,141</u>
Other cities and towns:					
Beech Grove	393,777	0.67%	2,638		1,865
Lawrence	1,338,609	0.67%	8,969		4,790
Southport	43,285	0.67%	290		285
Speedway	532,292	0.67%	3,566		4,185
Total other cities and towns	<u>2,307,963</u>		<u>15,463</u>		<u>11,125</u>



Indianapolis-Marion County Public Library  
Direct and Overlapping Debt and Bonded Debt Limit<sup>1</sup>  
December 31, 2013  
(amounts expressed in thousands)  
(Continued)

<b>Government Unit</b>	<b>Assessed Value<sup>2</sup></b>	<b>Bonding Limit</b>	<b>Bonds Outstanding</b>
		%      Dollar Amount	
<b>Townships:</b>			
Center	5,329,872	0.67%	35,710
Decatur	1,085,891	0.67%	7,275
Franklin	1,889,008	0.67%	12,656
Lawrence	5,059,333	0.67%	33,898
Perry	3,333,302	0.67%	22,333
Pike	4,335,892	0.67%	29,050
Warren	3,095,239	0.67%	20,738
Washington	7,678,792	0.67%	51,448
Wayne	3,640,990	0.67%	24,395
<b>Total townships</b>	<b>35,448,319</b>		<b>237,503</b>
<b>Excluded library districts:</b>			
Beech Grove	371,520	0.67%	2,489
Speedway	532,292	0.67%	3,566
<b>Total excluded library districts</b>	<b>903,812</b>		<b>6,055</b>
<b>Ben Davis Conservancy District</b>	<b>898</b>	<sup>6</sup>	<b>-</b>
<b>Total overlapping debt</b>			<b>1,475,844</b>
<b>Direct debt:</b>			
Indianapolis-Marion County Public Library	34,789,454	0.67%	233,089
<b>Total direct debt</b>			<b>79,798</b>
<b>Total direct and overlapping debt</b>			<b>\$ 1,555,642</b>

Source: City of Indianapolis

**Notes:**

<sup>1</sup> Excludes revenue bonds not payable from ad valorem taxes.

<sup>2</sup> Represents the March 1, 2012 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2013. The Library's assessed value is the actual assessed value for the Library for taxes due and payable in 2013.

<sup>3</sup> There is no statutory constitutional debt limitation to the Redevelopment Districts.

<sup>4</sup> There is no debt limit for the Building Authority. Its debt service requirements are funded by rentals paid by the City of Indianapolis and Marion County from ad valorem taxes mandated by the Authority's enabling legislation.

<sup>5</sup> A Statutory 2% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to the school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.

<sup>6</sup> Ben Davis Conservancy District has no bonding limit. Bonds are payable from either collection of special benefit taxes or revenues produced from the project per Indiana Code 13-3-3-81.

Indianapolis-Marion County Public Library  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts expressed in thousands)

	<b>Fiscal Year</b>									
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Debt limit	\$254,783	\$257,581	\$260,508	\$290,002	\$283,693	\$ 237,957	\$231,965	\$236,410	\$231,942	\$233,089
Total net debt applicable to limit	<u>81,363</u>	<u>90,454</u>	<u>110,498</u>	<u>126,143</u>	<u>117,719</u>	<u>107,836</u>	<u>102,547</u>	<u>97,280</u>	<u>91,101</u>	<u>79,798</u>
Legal debt margin	<u>\$173,420</u>	<u>\$167,127</u>	<u>\$150,010</u>	<u>\$163,859</u>	<u>\$165,974</u>	<u>\$ 130,121</u>	<u>\$129,418</u>	<u>\$139,130</u>	<u>\$140,841</u>	<u>\$153,291</u>
Total net debt applicable to the limit as the percentage of debt limit	31.93%	35.12%	42.42%	43.50%	41.50%	45.32%	44.21%	41.15%	39.28%	34.23%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value	\$34,789,454
Debt Limit (2% of one third of assessed value)	233,089
Debt applicable to limit:	
General obligation bonds	<u>79,798</u>
Legal debt margin	<u>\$ 153,291</u>

**Note:** Under state finance law, the Indianapolis-Marion County Public Library's outstanding general obligation debt should not exceed 2 percent of one third of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Indianapolis-Marion County Public Library  
Annual Debt Service Expenditures for  
Last Ten Fiscal Years  
(Continued)

<u>Year</u>	<u>Debt Service Requirements</u> <sup>1</sup>			<u>Total General Expenditures</u> <sup>2</sup>	<u>Ratio of Debt Service To General Expenditures</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2004	5,281,000	3,725,484	9,006,484	57,860,824	.156 : 1
2005	5,517,000	3,526,937	9,043,937	66,436,970	.136 : 1
2006	4,159,000	3,826,003	7,985,003	82,887,909	.096 : 1
2007	4,396,000	4,557,397	8,953,397	87,712,520	.102 : 1
2008 <sup>3</sup>	7,865,000	5,413,007	13,278,007	62,349,283	.213 : 1
2009 <sup>4</sup>	11,475,000	5,046,961	16,521,961	60,361,382	.274 : 1
2010 <sup>5</sup>	5,875,000	4,171,157	10,046,157	47,416,798	.212 : 1
2011 <sup>6</sup>	5,835,000	4,139,508	9,974,508	48,162,202	.207 : 1
2012 <sup>7</sup>	6,265,000	3,706,102	9,971,102	48,790,291	.204 : 1
2013 <sup>8</sup>	10,650,000	2,540,532	13,190,532	52,350,722	.252 : 1

<sup>1</sup> Source: Indianapolis-Marion County Public Library Annual Audit

<sup>2</sup> Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

<sup>3</sup> The 2008 principal amount includes an early extinguishment of the Library's 1998 bonds.

<sup>4</sup> The 2009 principal amount includes an early partial extinguishment of the Library's 2001 bonds and current of 2001 bonds.

<sup>5</sup> The 2010 principal amount includes a current refunding of 2002A bonds.

<sup>6</sup> The 2011 principal amount includes a current refunding of 2003 bonds.

<sup>7</sup> The 2012 principal amount includes a current refunding of 2002 bonds.

<sup>8</sup> The 2013 principal amount includes current and advance refundings of 2005, 2006, and 2007 bonds. The principal amount includes a one-time cash payment of \$5,700,000 towards the refunding.

Indianapolis-Marion County Public Library  
Demographic and Economic Information  
Last Ten Fiscal Years

Calendar Year	Population <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita	Unemployment Rate	Households		Median Age	School Enrollment
			Personal Income		Total	Average Size		
2004	836,790	29,811,381	35,617	4.7	355,400	2.39	34.4	159,595
2005	836,341	31,052,935	37,145	4.9	356,400	2.34	34.8	157,665
2006	838,603	32,651,992	37,403	4.9	353,622	2.41	35	158,087
2007	849,180	33,237,274	37,936	4.5	356,238	2.42	35.5	167,350
2008	853,554	33,798,139	38,272	5.6	357,647	2.40	35.7	165,263
2009	862,844	33,774,144	37,911	9.1	356,311	2.43	36.1	159,728
2010	877,389	33,687,344	37,232	10.0	366,176	2.42	36.4	157,223
2011	887,337	34,910,486	38,309	8.9	358,552	2.5	34.2	153,690
2012	891,284	36,880,841	40,132	8.3	363,157	2.49	34	153,027
2013	889,910	36,880,841 <sup>3</sup>	40,132 <sup>3</sup>	8.0	363,157 <sup>3</sup>	2.49 <sup>3</sup>	34	154,945

<sup>1</sup>Estimated population of I-MCPL service area which is all of Marion County except for the City of Beech Grove and Speedway.

<sup>2</sup>Amounts expressed in thousands

<sup>3</sup>Amounts used are from 2012, since 2013 data is not yet available.

**Source:** U.S. Bureau of Economic Analysis, U.S. Census Bureau, Demographics U.S.A. and U.S. Department of Labor, Bureau of Labor Statistics

Indianapolis-Marion County Public Library  
Principal Employers  
Current Year and Nine Years Ago

Employer	2013		2004	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Indiana University Health	20,292	4.33%	9,013	1.96%
St. Vincent Hospitals and Health Care Centers	11,075	2.36%	-	0.00%
Eli Lilly and Company	10,500	2.24%	3,200	0.70%
Wal-Mart	9,000	1.92%	-	0.00%
Marsh Supermarkets	8,890	1.89%	-	0.00%
Community Health Network	8,100	1.73%	3,000	0.65%
Federal Express	6,000	1.28%	3,000	0.65%
Fanciscan St. Francis Health	5,576	1.19%	-	0.00%
Indiana University-Purdue University at Indianapolis	5,100	1.09%	-	0.00%
Wishard Health Services	4,825	1.03%	3,000	0.65%
Rolls-Royce Corp	-	0.00%	4,700	1.02%
Allison Transmission Power	-	0.00%	3,100	0.68%
International Truck & Engine	-	0.00%	3,000	0.65%
Dow Agrosiences LLC	-	0.00%	2,500	0.54%
Riley Children's Hospital	-	0.00%	2,500	0.54%
	<u>89,358</u>	<u>19.05%</u>	<u>37,013</u>	<u>8.07%</u>

Source: The Indy Partnership

Indianapolis-Marion County Public Library  
District Employees by Function  
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010 <sup>1</sup>	2011	2012	2013
<b>Public Services</b>										
Brightwood Library	4	4	3	4	4	4	3	3	4	4
Central Library	64.5	59.3	47.3	71.3	81.2	78.5	68.2	74.3	76.7	76.5
College Avenue Library	8.6	8	6.5	6	10	8.5	6	6	7	6.1
Decatur Library	6.5	6.5	6.5	6.5	7.5	7.5	6.5	6	6.5	6.5
Eagle Library	10.5	10.5	8	7.5	9	8.5	6	7	7.5	8.5
East 38th Street Library	9	8	6.5	5.5	6	6.5	7	7	6.5	6
East Washington Library	4	3	4	4	5	4.5	4	4	4.5	4.5
Flanner House Library	2.1	2.6	2.6	2	3	3	3	3	3	3
Fountain Square Library	4	4	4.5	4.5	4.8	4.8	3.5	5	4	4
Franklin Road Library	9.5	10	9.5	7.5	9.2	9.2	8.1	9.1	9.1	9.6
Garfield Park Library (Formerly Shelby)	6	7	6.5	6.5	6.5	6	6	6	6	7
Glendale Library	19.5	18.5	14.5	11.5	15.1	14.6	10.6	11.5	12.5	12.5
Haughville Library	7	6	5	5.5	6	5.5	5.5	5.5	5	6
InfoZone (at The Children's Museum)	3.5	3	3.5	3.5	3.5	5.5	4.5	4.5	5	5
Irvington Branch Library	12	11.5	9	6.5	10.3	9.8	9.3	9.3	9.5	9.5
Lawrence Library	15.5	15.5	15.5	12.5	14.6	15.6	13.6	14.1	14.1	14.1
Nora Library	16.5	14.5	13.5	11	13.6	14.6	10.2	11.7	11.7	12.7
Outreach Service Section	12.5	11.5	13	7	8	8	8.5	11	10	9
Pike Library	13	12	11.5	10.5	13.6	13.6	12.6	11.6	12.1	14.6
Southport Library	17.5	16	15	14	17	14.5	13	12.5	14	12.5
Spades Park Library	4.2	3.6	3.6	4.1	4.1	4.1	4.1	4.1	4	4
Warren Library	14	13	10.5	11.2	12.6	12.6	10.6	11.1	12.1	12.1
Wayne Library	12.5	11	9.5	10	11.5	12	10	10.5	9	10
West Indianapolis Library	4.7	4.7	4.2	4.1	4.1	4.1	3.6	3.1	3.7	3.7
<b>Administrative Services</b>	15	13	12	12	11	10	13	13	13	13
<b>Information Technology Services</b>	20	20	18.5	16.5	18	17	14	15	15	15
<b>Collection Management Services</b>	55	49.25	42.25	36.25	37.25	37	36	36	35.5	35.5
<b>Project Development Services</b>	10.6	10.6	10	9	7	7	9	8.5	9	9
<b>Public Services</b>							4	6	4	4
<b>Community Engagement</b>							4	2	-	-
<b>Community Relations Services</b>	18	17.5	16	9	9.5	10	-	-	-	-
<b>Human Resources</b>	10	8	6	5	5	5	5	5	6.6	5.6
<b>Facility Services</b>	43.5	40	30.1	34.1	34.5	35.1	24.5	25.5	25.5	24.5
<b>Total</b>	<b>453.2</b>	<b>422.05</b>	<b>368.05</b>	<b>358.55</b>	<b>402.45</b>	<b>396.6</b>	<b>346.9</b>	<b>361.9</b>	<b>366.1</b>	<b>368</b>

**Notes:**

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employee is calculated by dividing total labor hours by 2,080.

<sup>1</sup>In 2010 there was an administrative reorganization.

Indianapolis-Marion County Public Library  
Library Materials Purchased and Circulated  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Number of Volumes Owned</u>	<u>Acquisition Cost of Collections</u>	<u>Cost of new Acquisitions</u>	<u>Net Book Value of Collections</u>	<u>Number of Items Circulated<sup>1</sup></u>	<u>Turnover Rate<sup>2</sup></u>
2004	1,989,026	30,612,355	4,549,187	14,076,389	11,693,669	5.88
2005	1,987,043	37,197,889	6,585,534	12,562,038	12,201,665	6.14
2006	1,813,697	43,737,166	6,539,277	14,401,776	13,799,846	7.61
2007	1,793,709	48,817,922	5,080,756	14,261,358	14,183,909	7.91
2008	1,863,892 <sup>3</sup>	54,084,274	5,266,352	13,660,310	15,904,690	8.53
2009	1,895,458 <sup>3</sup>	60,568,139	6,483,865	13,639,746	17,186,739	9.07
2010	1,829,436	64,698,476	4,130,337	11,324,553	16,578,849	9.06
2011	1,756,058	69,023,585	4,325,109	9,282,687	14,638,562	8.34
2012	1,797,433	73,986,474	4,962,889	7,614,915	15,501,611	8.62
2013	1,908,605	78,517,601	4,531,127	5,004,459	15,977,141	8.37

**Notes:**

- <sup>1</sup> Number of items circulated includes online web renewals.
- <sup>2</sup> Turnover rate is the number of times an item is checked out. This is an average of all publicly circulating items in the total collection.
- <sup>3</sup> 2008 & 2009 Restated Number of Volumes Owned

Indianapolis-Marion County Public Library  
Circulation by Location  
Last Ten Fiscal Years

Location	2004	2005	2006	2007	2008	2009	2010	2011 <sup>3</sup>	2012 <sup>4</sup>	2013 <sup>5</sup>
Brightwood Library	31,783	44,691	60,295	64,596	65,458	66,286	53,798	51,617	64,149	126,708
Central Library	423,339	476,356	436,076	311,176 <sup>1</sup>	732,522	810,259	717,782	622,794	581,372	1,279,402
College Avenue Library (Formerly Broadway Library)	171,015	198,390	215,982	238,519	239,047	245,512	235,382	214,155	220,585	509,940
Decatur Library	186,249	237,595	257,881	268,258	264,386	278,494	249,343	221,958	221,672	437,977
Eagle Library	235,437	306,753	328,867	297,268	274,597	284,071	232,618	177,128	181,353	307,047
East 38th Street Library (Formerly Emerson Library)	111,800	151,574	147,443	143,900	130,851	142,668	127,073	109,458	119,716	184,665
East Washington Library	47,255	80,011	83,221	96,423	99,132	104,261	96,911	89,243	96,869	124,878
Flanner House Library	32,435	53,976	62,827	64,970	65,111	60,012	51,167	46,486	53,038	86,671
Fountain Square Library	60,092	85,112	97,515	98,677	103,426	102,039	88,144	86,975	83,123	156,128
Franklin Road Library (Formerly Wanamaker Library)	377,378	435,930	476,547	479,648	485,000	489,949	479,377	426,604	432,716	881,481
Garfield Park Library (Formerly Shelby Library)	142,446	198,398	221,174	197,114 <sup>2</sup>	197,895	223,200	182,424	108,704	171,004	297,868
Glendale Library (Formerly Broad Ripple Library)	625,978	662,538	646,219	504,073	525,884	569,593	502,703	445,821	445,566	945,546
Haughville Library	97,681	138,101	151,875	160,973	178,231	162,633	135,900	129,001	134,147	228,615
InfoZone (at The Children's Museum)	38,165	45,675	51,481	46,295	49,025	36,122	51,394	59,100	57,922	104,753
Irvington Branch Library (Formerly Brown Library)	343,607	424,246	443,059	431,690	436,700	457,049	425,162	370,715	378,195	760,746
Lawrence Library	671,571	775,244	794,169	764,340	771,429	786,818	733,731	621,398	584,143	1,389,870
Nora Library	501,970	564,522	593,965	605,922	608,063	636,401	593,169	516,091	494,832	1,204,064
Outreach Service Section	117,368	153,631	188,055	238,216	276,450	306,869	361,396	368,281	396,831	452,194
Pike Library	502,021	563,445	562,561	534,367	532,218	563,773	521,175	456,806	448,462	1,156,041
Southport Library	676,079	683,429	764,213	772,578	771,581	789,218	722,702	630,675	613,734	1,215,595
Spades Park Library	48,097	65,232	69,048	70,709	68,769	72,008	61,921	49,255	56,280	143,251
Warren Library	479,227	551,207	573,544	536,500	513,671	515,557	438,853	385,170	396,273	849,838
Wayne Library	374,474	455,973	488,492	467,610	449,271	479,687	430,937	378,921	373,641	755,430
West Indianapolis Library	60,657	90,017	93,590	94,317	112,164	101,708	83,040	71,634	84,292	143,159
<b>Total</b>	<b>6,356,124</b>	<b>7,442,046</b>	<b>7,808,099</b>	<b>7,488,139</b>	<b>7,950,881</b>	<b>8,284,187</b>	<b>7,576,102</b>	<b>6,637,990</b>	<b>6,689,915</b>	<b>13,741,867</b>

**Notes:**

<sup>1</sup> Central Library was closed for 3 months during 2007 due to the Renovation Project.

<sup>2</sup> Garfield Park Library was closed for 4 months during 2011 due to the Renovation Project.

<sup>3</sup> In 2011 there was a 26% reduction in hours of operation from 2010.

<sup>4</sup> In 2012 the Library restored 20% of the 26% reduced in 2011.

<sup>5</sup> Web renewals were included in branch circulation beginning in 2013.



Indianapolis-Marion County Public Library  
Service Location Information  
Last Ten Fiscal Years

	Current Address	Current Status	Current									
			2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>LIBRARIES</b>												
Brightwood Library	2435 N. Sherman Dr. Indianapolis, IN 46218	L	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
College Avenue Library (Formerly Broadway Library)	4180 N. College Ave. Indianapolis, IN 46205	O	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970
Decatur Library	5301 Kentucky Ave. Indianapolis, IN 46221	O	11,300	11,300	11,300	11,300	11,300	11,300	11,300	11,300	11,300	11,300
Eagle Library	3325 Lowry Rd. Indianapolis, IN 46222	O	12,215	12,215	12,215	12,215	12,215	12,215	12,215	12,215	12,215	12,215
East 38th Street Library (Formerly Emerson Library)	5420 E. 38th St. Indianapolis, IN 46218	O	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900
East Washington Library	2822 E. Washington St. Indianapolis, IN 46201	O	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810
Flanner House Library	2424 Dr. M.L. King Jr. St. Indianapolis, IN 46208	L	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Fountain Square Library	1066 Virginia Ave. Indianapolis, IN 46203	L	5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145
Franklin Road Library (Formerly Wanamaker Library)	5550 S. Franklin Rd. Indianapolis, IN 46239	O	18,345	18,345	18,345	18,345	18,345	18,345	18,345	18,345	18,345	18,345
Garfield Park Library (Formerly Shelby Library)	2502 Shelby St. Indianapolis, IN 46203	O	6,435	6,435	6,435	6,435	6,435	6,435	6,435	6,435	6,435	6,435
Glendale Library (Formerly Broad Ripple Library)	6101 N. Keystone Ave. Indianapolis, IN 46220	L	29,338	29,338	29,338	29,338	29,338	29,338	29,338	29,338	29,338	29,338
Haughville Library	2121 W. Michigan St. Indianapolis, IN 46222	O	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600
InfoZone (at The Children's Museum) <sup>1</sup>	3000 N. Meridian St. Indianapolis, IN 46208	L	3,000	3,000	3,000	3,000	3,000	4,133	4,133	4,133	4,133	4,133
Central Library <sup>2</sup>	40 E. Saint Clair St. Indianapolis, IN 46204	O	98,000	98,000	98,000	292,183	292,183	292,183	292,183	292,183	292,183	292,183
Irvington Branch Library (Formerly Brown Library)	5625 E. Washington St. Indianapolis, IN 46219	O	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050
Lawrence Library	7898 N. Hague Rd. Indianapolis, IN 46256	O	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Nora Library	8625 Guilford Ave. Indianapolis, IN 46240	O	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500
Outreach Service Section	2450 N. Meridian St. Indianapolis, IN 46208	O	8,540	8,540	8,540	8,540	5,970	5,970	5,970	5,970	5,970	5,970

Indianapolis-Marion County Public Library  
Service Location Information  
Last Ten Fiscal Years  
(Continued)

	Current Address	Current Status	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>LIBRARIES</b>												
Pike Library	6525 Zionsville Rd. Indianapolis, IN 46268	O	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Southport Library	2630 East Stop 11 Rd. Indianapolis, In 46227	O	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740
Spades Park Library	1801 Nowland Ave. Indianapolis, IN 46201	O	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560
Warren Library	9701 E. 21st St. Indianapolis, IN 46229	O	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740
Wayne Library	198 S. Girls School Rd. Indianapolis, IN 46231	O	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
West Indianapolis Library	1216 S. Kappes St. Indianapolis, In 46221	O	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010
<b>SUPPORT SERVICES</b>												
Library Service Center	2450 N. Meridian St. Indianapolis, IN 46208	O	79,920	79,920	79,920	79,920	79,920	79,920	79,920	79,920	79,920	79,920

O = Owned. L = Leased.

**Notes:**

<sup>1</sup> In 2009, InfoZone moved to a new space within The Children's Museum.

<sup>2</sup> In 2002, Central Library moved to a temporary location to allow for the renovation and expansion of it's current building. The new Central Library was completed in 2007. The 292,183 square footage listed for Central Library does not include the 183,000 square footage for the parking garage.

# Indianapolis-Marion County Public Libraries

## **Central Library**

40 East St. Clair Street  
Indianapolis, Indiana 46204  
317-275-4100

## **Brightwood Branch Library**

2435 North Sherman Drive  
Indianapolis, Indiana 46218  
317-275-4310

## **College Avenue Branch Library**

4180 North College Avenue  
Indianapolis, Indiana 46205  
317-275-4320

## **Decatur Branch Library**

5301 Kentucky Avenue  
Indianapolis, Indiana 46221  
317-275-4330

## **Eagle Branch Library**

3325 Lowry Road  
Indianapolis, Indiana 46222  
317-275-4340

## **East Thirty-Eighth Street Branch Library**

5420 East 38<sup>th</sup> Street  
Indianapolis, Indiana 46218  
317-275-4350

## **East Washington Branch Library**

2822 East Washington Street  
Indianapolis, Indiana 46201  
317-275-4360

## **Flanner House Branch Library**

2424 Dr. Martin Luther King Jr. Street  
Indianapolis, Indiana 46208  
317-275-4370

## **Fountain Square Branch Library**

1066 Virginia Avenue  
Indianapolis, Indiana 46203  
317-275-4390

## **Franklin Road Branch Library**

5550 South Franklin Road  
Indianapolis, Indiana 46239  
317-275-4380

## **Garfield Park Branch Library**

2502 Shelby Street  
Indianapolis, Indiana 46203  
317-275-4490

## **Glendale Branch Library**

6101 North Keystone Avenue  
Indianapolis, Indiana 46220  
317-275-4410

## **Haughville Branch Library**

2121 West Michigan Street  
Indianapolis, Indiana 46222  
317-275-4420

## **Irvington Branch Library**

5625 East Washington Street  
Indianapolis, Indiana 46219  
317-275-4450

## **Lawrence Branch Library**

7898 North Hague Road  
Indianapolis, Indiana 46256  
317-275-4460

## **Nora Branch Library**

8625 Guilford Avenue  
Indianapolis, Indiana 46240  
317-275-4470

## **Pike Branch Library**

6525 Zionsville Road  
Indianapolis, Indiana 46268  
317-275-4480

## **Southport Branch Library**

2630 East Stop 11 Road  
Indianapolis, Indiana 46227  
317-275-4510

## **Spades Park Branch Library**

1801 Nowland Avenue  
Indianapolis, Indiana 46201  
317-275-4520

## **Warren Branch Library**

9701 East 21<sup>st</sup> Street  
Indianapolis, Indiana 46229  
317-275-4550

## **Wayne Branch Library**

198 South Girls School Road  
Indianapolis, Indiana 46231  
317-275-4530

## **West Indianapolis Branch Library**

1216 South Kappes Street  
Indianapolis, Indiana 46221  
317-275-4540

## **InfoZone**

at The Children's Museum  
3000 North Meridian Street  
Indianapolis, Indiana 46208  
317-275-4430



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