

# ALLEN COUNTY PUBLIC LIBRARY

A Component  
Unit of  
Allen County  
Fort Wayne,  
Indiana



Comprehensive Annual  
Financial Report  
*for the Fiscal Year Ended  
December 31, 2019*

**FILED**  
08/04/2020





**ALLEN COUNTY PUBLIC LIBRARY**

A Component Unit of Allen County  
Fort Wayne, Indiana

Comprehensive Annual Financial Report  
*for the Fiscal Year Ended December 31, 2019*

*Prepared by:*  
**David K. Sedestrom**  
*Treasurer*  
*Chief Financial Officer*

# ALLEN COUNTY PUBLIC LIBRARY

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended December 31, 2019*

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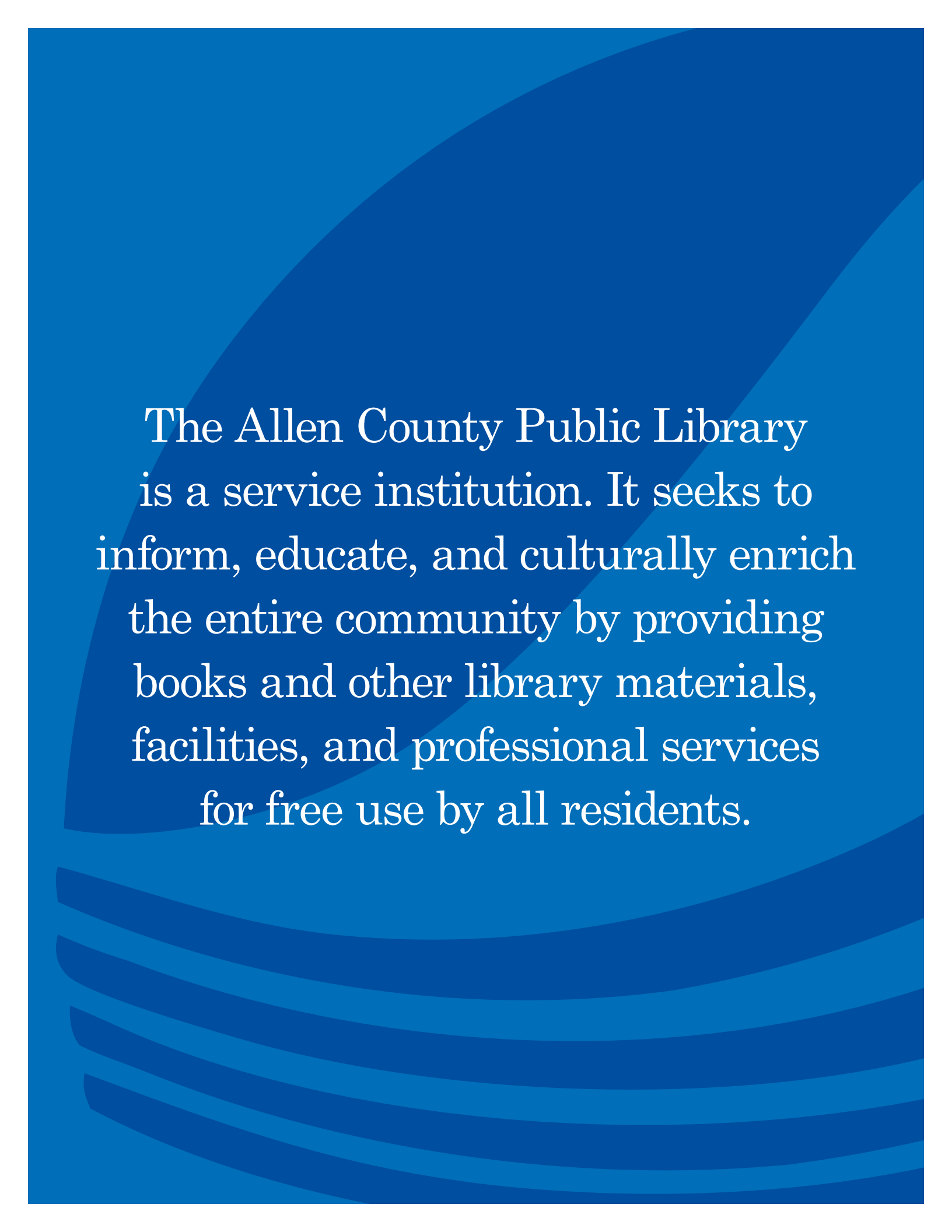
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# INTRODUCTORY SECTION



The background is a solid blue color with several large, overlapping, curved shapes in varying shades of blue, creating a dynamic, abstract design. The text is centered and reads:

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



July 22, 2020

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

As Treasurer of the Allen County Public Library (Library), I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Library, a component unit of Allen County, for the fiscal year ended December 31, 2019. This CAFR is presented in conformity with generally accepted accounting principles (GAAP) as applicable to units of government.

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

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

**THE REPORTING ENTITY**

This report includes all funds of the Library and its component units. The Library is established under the laws of the State of Indiana. It is governed by a seven-member Board of Trustees appointed by various bodies of elected officials. Two trustees are appointed by the Allen County Commissioners. Two trustees are appointed by the Allen County Council. Two trustees are appointed by the Fort Wayne Community Schools. One trustee is appointed by three other school districts acting together. These three districts are: East Allen County Schools, Northwest Allen County Schools, and Southwest Allen County Schools. Each trustee is appointed to a four-year term and the terms are staggered so

no more than two terms expire in any year. The Board levies its own taxes, adopts its own resolutions having the effect of local law governing library matters, and issues its own general obligation debt. The appointments are non-authoritative in nature with no continuing linkage between the various appointing authorities and the appointees. However, changes in legislation now require that if the percentage increase of a subsequent year expense budget is greater than the State determined amount property tax assessment may increase over the previous year, the budget must be reviewed and approved by the appropriate fiscal body. In the library's case, this fiscal body is the Allen County Council and, as such, the library is considered a component unit of Allen County. The boundaries of the taxing district are effectively defined to include all of Allen County, Indiana.

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

The Library system serves a population of approximately 379,000 residents of Allen County. In addition, many residents of neighboring communities as well as persons from throughout the United States and Canada visit our facilities each year. The Library operates a main library, thirteen branches and the Data Center which houses the Information Technology Services and Technical Services departments. The main library, nine branches, and the Data Center are located within the City of Fort Wayne while four branches are located in other cities and towns.

## **ECONOMIC CONDITION**

The Library district is located in northeastern Indiana, approximately 125 miles northeast of Indianapolis. Fort Wayne is the second largest city in the state and serves as an economic hub for the area. The economy is diverse as exhibited by the lists of principal employers and principal taxpayers in the statistical section. Unemployment rates are in-line with national averages but the cost of living remains comparatively modest. Allen County is the largest county in the state in terms of area. The

west central part of the county is dominated by the City of Fort Wayne with about 2/3 of the county's population. The eastern half of the county is largely agricultural with several small towns. General Motors located a state-of-the-art light truck plant in the southwestern part of the county in the mid-80's that generates considerable economic impetus from related activities. As with many mid-west communities that have had a traditional manufacturing base, there has been a steady movement towards more intellectual and service oriented industries and the outlook for the future looks to be stable with continued modest growth. For quite a few years, the assessed valuation for the county grew consistently in the two to five percent range. New home construction has traditionally been strong enough in the suburban areas surrounding Fort Wayne to more than offset assessed valuation decreases in our urban areas. In 2003, though, the State implemented a new valuation method that essentially reassessed all real property at a market based value. This resulted in a 42% jump in the assessed value for real property in Allen County. In 2004, further State legislation went into effect which removed personal property from the assessed value figures. The result of this change was a 1.9% decrease in total Allen County assessed value from 2004 to 2005. For the years 2005 through 2008, economic and housing growth patterns returned to an upward movement with 2008 showing an approximate increase in assessed values of 3.8%. However, by the start of 2009, the economic recession hit the region hard resulting in record high unemployment rates, income losses, and an approximate 16.1% decrease in assessed values. 2019 continues an nine-year trend of showing encouraging signs of continued economic recovery that began in 2010 and, as such, the total assessed valued of the County in 2019 increase by a robust 6.9%.

## **MAJOR INITIATIVES**

The Library is a service institution. It seeks to inform, educate, and culturally enrich the entire community by providing books and other library materials, facilities, technology connectivity, and professional services for free use by all residents. Meeting the information needs of our constituency is an ongoing challenge. An already busy library system continues to become progressively busier. In 2004, a milestone was achieved when total circulation surpassed the five-million mark. However, growth keeps accelerating with the six-million circulation mark reached by the end of 2007, seven-million reached in 2009, and eight-million by 2011. By the end of 2013, 10 million circulations and 2015 brought the highest circulation number of over 13.7 million. Since 2015, the impact of digital format borrowing, such as e-books and video/music downloads, continues to alter how the library customers use the materials by reducing the actual borrowings of materials and increasing the accessing of electronic sources. As such, 2019 showed a total circulation of over 10.3 million. The Allen

County Public Library continues to rank in the top ten in system-wide circulation per capita and is consistently rated as one of the premier public libraries in the nation by numerous national public library rating groups. The Convention and Visitors Bureau continues to name the Allen County Public Library as one of the top tourist attractions in Northeast Indiana. The Library's Fred J. Reynolds Historical Genealogy Department collection continues to garner top rankings for genealogical research. The collection, which is the largest of any public library, is the second largest genealogy library in the world.

Starting in the mid-1980s a number of initiatives and projects have greatly influenced the way we serve our public. 1986 marked the kickoff of a library automation project that placed all of our circulation activity and substantially all of our card catalog holdings on an automated system. In late 1990 we began using the circulation side of the system with staff use of the catalog. In August 1991, we took that step that will forever change the relationship between our public and the Library's holdings when we opened for public use the Online Public Access Catalog (OPAC) giving patrons access to more than 3.5 million computer-stored information items by end of 2006. Now a patron in any of our 14 buildings could know the availability of any item in any other facility and have it delivered to the location of their choice. In April of 1992 we implemented dial-up access to the OPAC. Now from the comfort of home or office, or actually anywhere one can access the Internet, our worldwide patrons can search our catalog. In 1994 we established our own link with the Internet, and in 1995 we were an integral part of a cooperative effort to establish a Fort Wayne Area InfoNet. In October 1995 our first public access Internet workstations were installed at the Main Library and today over 800 workstations are available to the public for internet and other technology services throughout the library system and in 2006 we implemented wireless connectivity throughout our library system. Finally, in 2018, the Library began the conversion process to a new automated integrated library system (OCLC-WISE) to replace the current system from the 1990's. The new WISE system integrates a comprehensive set of library management tools, from collection management to marketing, and offers the library customer greater capabilities to enhance their library experience. The conversion to the new WISE system was completed by late 2019.

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

system. Wheelchair accessibility was a significant provision in each renovation.

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

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

The plans for this multi-million dollar project were unveiled to the public in April of 2001. This was followed by 15 public open-house meetings throughout the county over the next 6 weeks to gather public opinion and input on the proposed project. After successfully completing the Indiana State petition process used for public debt issues, the first bonds were issued in December of 2001 in the amount of \$11,445,000. A second series of bonds in the amount of \$34,000,000 was issued in May of 2002 and a third series was issued in December of 2003 in the amount of \$12,480,000. The final series of bonds were issued in June of 2004 in the amount of \$31,470,000.

The Library has taken advantage of favorable interest rates three times since the expansion related bonds were issued in order to lower the total outstanding debt. The first refinancing took place in 2005 when the Library refinance \$31,040,000 of 2002 first mortgage bonds which resulted in a net savings of over \$1.4 million in bond debt service payments to the taxpayers of Allen County. In 2012, favorable interest rates allowed the Library to refinance a portion (\$9,375,000) of the 2003 first mortgage bonds and save the taxpayers an additional \$283,000 over the next (final) three years of bond payments. Finally, in 2016 the Library refinanced \$29,375,000 of 2005 first mortgage bonds which resulted in saving the taxpayers over \$2.7 million on the remaining six years of bond payments.

After nearly ten years from start to finish, the grand opening ceremonies for Main Library were held in January 2007 and brought to a conclusion this multi-year expansion program that has dramatically enhanced the library facilities, as well as, the offerings and experiences for our patrons.

1992 marked the adoption of the first formal strategic plan for the Library. Many hours of staff work resulted in the adoption of a document that helped guide the Library for the next 25 years as it was reviewed and revised annually. In 2017 the Library embarked on the development of a new strategic plan that will guide decision making well into the 21st century. The plan is designed to be more of a living document, rather than a static model, allowing modifications and enhancements as demographic, economic, and social changes occur in our service area. The four main focus areas of the plan center around (1) promoting a culture of collaboration, leadership, and learning (2) enhancing community awareness and engagement (3) focusing on the library as a place that is welcoming with easy-to-use environments (4) providing innovative and adaptable content and services. 2004 marked the completion of a 10 year capital expenditure plan designed to guide the purchase, replacement, and repairs of the various capital assets of the Library. This plan is also reviewed and updated annually to ensure that all information and expenditure amounts are current and able to be funded with available resources.

As knowledge and information continue to grow exponentially, and more information is stored in remote, decentralized databanks, the average citizen is in danger of being cut off from many vital information sources. The Library is committed to giving our citizens access to knowledge and information in all forms, including sophisticated electronic media. The library collection not only includes the collection of books, government documents, magazines, sound recordings, books on tape, pamphlets, downloadable audio and e-books, and more, but also offers a host of electronic information data bases and other similar products. Our goal is to ensure that all residents of Allen County have access to needed information resources regardless of his or her ability to pay.

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

take a number of years to complete, many items have already been made available for on-line access.

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

To that end, since 2012 the Library has been a leading local “maker space” provider, offering our patrons access to, and demonstrations of, high-tech sophisticated tools and software which would typically be too costly for an individual to afford. In 2014 the library completed constructing two “maker labs”, one at the Main Library and one at the Georgetown branch. These labs contain a sampling of maker equipment such as 3-D printers, vinyl cutters, sewing apparatuses, audio and visual recording and editing equipment which patrons can use to turn their ideas into tangible items.

## **FINANCIAL INFORMATION**

***Internal Controls.*** The management of the Library is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Library are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. In compliance with State directives, in 2016 the entire staff of the Library received training on internal controls and all new employees are required to complete this same training as part of their onboarding process.

***Budgetary Controls.*** Budgetary controls are maintained in accordance with state statutes that require that funds be first appropriated before being expended. These controls relate to funds that receive tax revenue, currently the General Operating Fund, the Debt Service Fund, and Library Improvement Revolving Fund (LIRF), the Rainy Day Fund, and the Levy Excess Fund. When there are capital projects funds, those are budgeted on a project-length basis rather than an annual basis.

The Library Board has the authority to transfer appropriations between major categories, or between lines within major categories, in the budget without seeking the approval of the Department of Local Government Finance (formerly the State Board of Tax Commissioners). In the event additional appropriations are needed during the year, and the Library can demonstrate there are funds available to support additional appropriations, the Library can apply to the Department of Local Government Finance for additional appropriations. The annual budgetary process as prescribed by Indiana law is as follows: Management prepares a budget resolution for action by the Board of Trustees in August. The budget is legally advertised and a public hearing is held in mid-September. The Board approves the budget in late September and it is then submitted to the Department of Local Government Finance who subsequently holds a final budget hearing between November and the end of year. The final budget order is then issued by December 31st. As mentioned previously, only if a requested budget exceeds the allowable State determined growth factor in property taxes over the previous year does this process then incorporate a review and approval by the Allen County Council which serves as the county fiscal body to the library.

**Revenues.** Libraries are heavily dependent on tax revenue. User fees, mainly from overdue fines, photocopying, and other miscellaneous revenues cannot be realistically expected to significantly reduce the tax dependency. The Library receives funding from auto and commercial vehicle excise taxes that are distributed based on the Library's portion of property tax levy relative to other local units. However, property taxes are the main funding source for the Library representing over 79% of the total general fund revenue budget in 2019. The Library has been under the effect of state-imposed property tax control mechanisms since 1973. Until 2002, the operative control was a standard five percent maximum increase on the property tax levy. However, in 2002, the Indiana General Assembly changed the maximum levy increase calculation to be based upon the 6-year average growth in state-wide non-farm personal income. While the legislature did include provisions allowing taxing entities in higher than average growth areas to apply for a special levy appeal, the effect of this change causes the of maximum amount of property tax levy an entity can collect to fluctuate with the economic conditions of the state. In 2007 the General Assembly passed legislation, which subsequently became an amendment to the Indiana Constitution in 2010, placing further restrictions on property tax collections by incorporating caps on the total amount of property tax that can be collected from property owners based on a percentage of their assessed property values. As mentioned in the Economic Conditions section, the recession has caused a significant decrease in the assessed values of real property in the library taxing district. The result is that as property values decrease, the caps on how much tax can be collected become more and more significant. The amount of uncollectible

property tax revenue due to the caps was approximately \$2.89 million in 2019. That figure is currently estimated to slightly increase to approximately \$2.96 million in 2020 and then to decrease in 2021 to approximately \$2.8 million as strong property values in the county offset budget growths. While property values continue to grow, the Library must continue to take adequate steps to ensure a balanced budget for the upcoming years. As such, the effects of these caps will continue to restrict the delivery of programs and services.

The Common Council of the City of Fort Wayne controls local county income tax decisions because the City has more than half of the total population of Allen County. In 2016, the total local income tax rate of 1.35% was distributed as 0.6% for general certified shares (where the Library's portion of the income tax collection comes from), 0.4% for economic development initiatives, 0.25% for property tax relief, and 0.1% dedicated to funding public safety operations and initiatives.

***Fund Balances.*** Because property tax revenues are received late in each six-month period while expenditures are spread more evenly over the period, it is usually necessary for entities to enter the short-term debt market in order to pay for current operating expenditures. However, the policy of the Library is to maintain sufficient balances in the combined General, Rainy Day, and Library Improvement Reserve (LIRF) funds to meet the expenditure needs during these six-month periods. This balance, combined with other miscellaneous revenue receipts and good cash and investment management practices, has allowed the library to avoid any short-term cash flow borrowings for over 20 years.

The fund balance in the Debt Service fund at December 31st is adequate to service the payments that are due in January. Tax receipts during the first six months of the year are expected to be adequate to cover the July debt payments. The fund balance in the special revenue funds are related to the Cable Access Television fund, the Gift fund, the Rainy Day fund, and the Levy Excess fund. The fund balance in the Capital Projects fund represents the Library Improvement Reserve Fund (LIRF). The nature of the LIRF fund is that it serves as a reserve for expenditures of a capital nature not provided for in the general fund. In addition, because recent changes in State legislation makes the issuance of debt more difficult for taxing entities, maintenance and reasonable construction will likely use funding within LIRF rather than bonding. No authority in state statute exists for a separate tax levy for this fund, so this fund may only increase by transferring money from the General fund.

**Pensions.** The Library does not manage any pension trust funds. Library employees participate in the Public Employees Retirement Fund (PERF), part of the statewide Indiana Public Employee Retirement System (INPRS). Employees contribute three percent of gross wages and the Library contributes an actuarially determined amount (11.2% for 2019). Under state law, a governmental unit may choose to pay the employee portion, and the Library has elected to pay that portion. Both the employee and employer contributions are remitted to INPRS on a per-payroll basis.

**Risk Management.** In 2010, it was decided that (beginning in 2011) for cost savings and control purposes, the Library would fund its group health costs and related services, such as reinsurance, administrative fees, etc. through a self-funding process. With this type of structure, instead of purchasing a group health insurance policy from an insurance provider and paying monthly premiums, the Library sets aside revenues generated from both employer and employee assessments into a separate fund and pays for the related costs directly from those funds. This fund was established in 2011 as an internal service fund (proprietary) and the net position in this fund represents the net revenues over expenses at the end of the year. The long-term goal of this self-insurance fund is to increase the fund balance to a point where sufficient available funds exist to allow stable employee premium assessments rather than having those assessments subject to the volatility inherent with health care cost. To that end, at the end of 2019, the library is maintaining that goal by having a net position of the fund equaling approximately 103% of expected operating costs.

Please refer to the Management Discussion and Analysis for further information about various aspects of the Library's financial activities for 2019 including analysis of assets, revenues, expenditures, capital projects, debt administration, and risk management. In addition, the notes to the financial statements, which follow the combined financial statements, contain additional information and are an integral part of the statements.

## **OTHER INFORMATION**

**Independent Audit.** The Library is audited annually by the Indiana State Board of Accounts. Their report is included in the financial section of this report. The Allen County Public Library Foundation (a discrete component unit) is audited by the accounting firm of Dulin, Ward, & DeWald, Inc. The State Board of Accounts relied on the work of the other auditors in issuing their opinion.

**Certificate of Achievement.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Allen County Public Library for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This is the twenty seventh consecutive year that the Allen County Public Library has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Special thanks are extended to Greta K. Southard, Director of the Library, and to the Board of Library Trustees for their continued support and encouragement.

Sincerely,

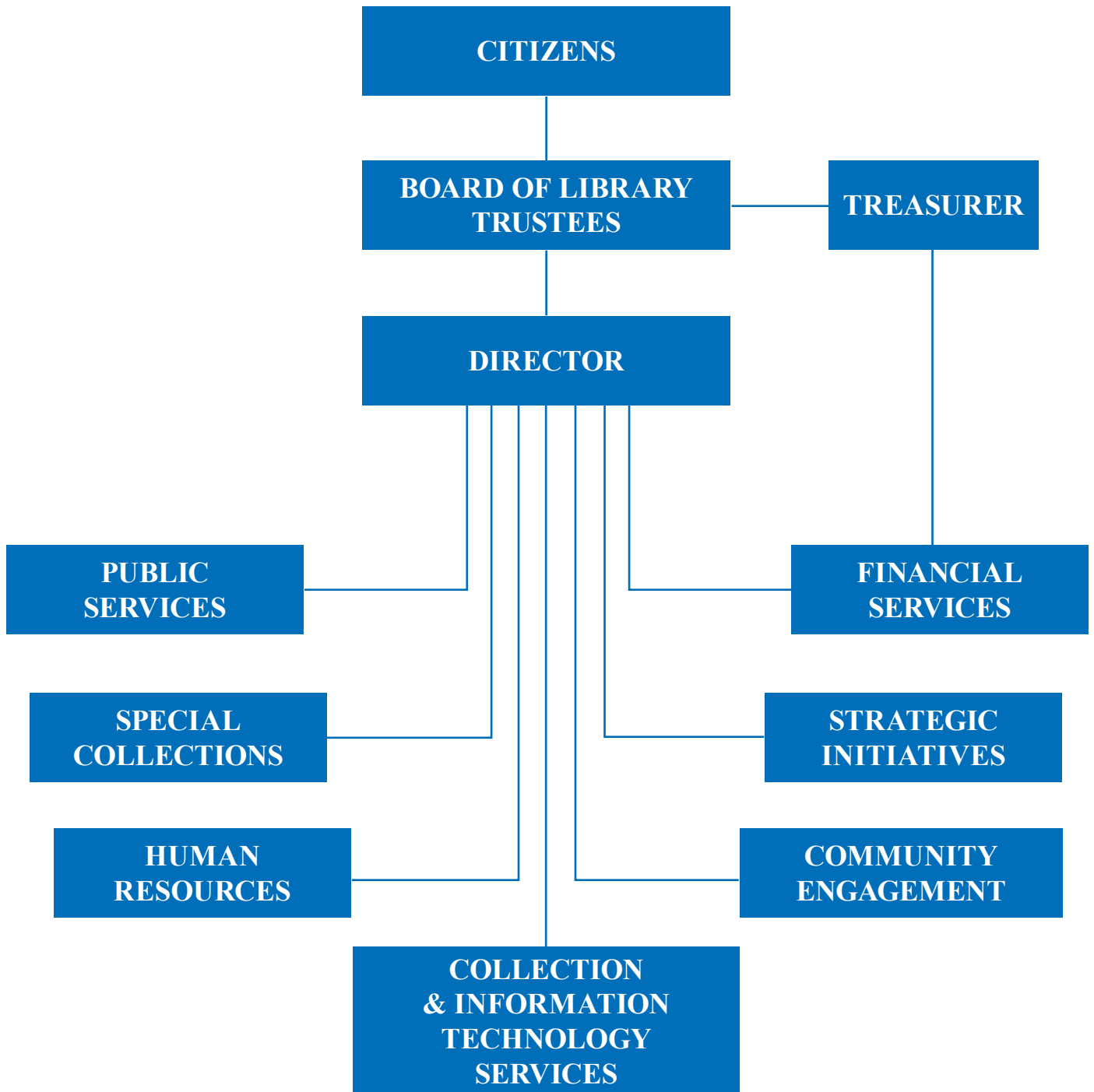


**David K. Sedestrom**

*Chief Financial Officer/Treasurer*

# ALLEN COUNTY PUBLIC LIBRARY

## ORGANIZATIONAL CHART



# ALLEN COUNTY PUBLIC LIBRARY

## BOARD OF LIBRARY TRUSTEES

*December 31, 2018*

*President*

**KENT CASTLEMAN**

**TERM EXPIRES:**

*December 31, 2023*

*Vice-President*

**BENJAMIN A. EISBART**

*December 31, 2023*

*Secretary*

**SHARON TUCKER**

*December 31, 2020*

*Member*

**PAUL G. MOSS**

*December 31, 2022*

*Member*

**GLORIA SHAMANOFF**

*December 31, 2021*

*Member*

**MARTIN E. SEIFERT**

*December 31, 2022*

*Member*

**JAMES E. WILLIAMS, JR.**

*December 31, 2021*

## ADMINISTRATIVE STAFF

*Director*

**GRETA K. SOUTHARD**

*Chief Financial Officer and Treasurer*

**DAVID K. SEDESTROM**

*Public Services Manager*

**KIMBERLY BOLAN**

*Community Engagement Manager*

**STEPHANNY L. SMITH**

*Collection and Information  
Technology Services Manager*

**KIMBERLY A. QUINTRELL**

*Strategic Initiatives Manager*

**DENISE M. DAVIS**

*Human Resources Manager*

**KENDRA S. SAMULAK**

*Special Collections Manager*

**CURT B. WITCHER**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Allen County Public Library  
Indiana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrill*

Executive Director/CEO

# FINANCIAL SECTION



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**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET  
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INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Allen County Public Library (Library), a component unit of Allen County, as of and for the year ended December 31, 2019, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Allen County Public Library Foundation, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Allen County Public Library Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Library'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 also 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 the 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Library, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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


*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The accompanying Introductory Section, Combining Balance Sheet, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Budgetary Comparison Schedule - Other Budgeted Major Governmental Funds, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

  
Paul D. Joyce, CPA  
State Examiner

July 22, 2020

# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Allen County Public Library (the Library), we offer the following discussion as insight into the financial performance of the Library for the fiscal year ended December 31, 2019. To gain a fair understanding of the Library's financial position, this discussion and analysis should be read in conjunction with our letter of transmittal, the basic financial statements, and the notes to the basic financial statements.

## FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Library exceeded its liabilities and deferred inflows at the end of 2019 by \$82.5 million (total net position), an increase of \$8.2 million over the 2018 amount of \$74.3 million. This was made up of \$12.6 million in restricted position, \$18.7 million of unrestricted position, and \$51.2 million of net investment in capital assets. The restricted position amounts are primarily \$6.29 million designated for debt service, \$3.64 million in the Library Improvement Reserve Fund (LIRF) which is used to ensure the proper upkeep and maintenance of all library facilities, and \$2.63 million in various Special Revenue funds. The unrestricted position is used to support the Library's day-to-day operations.
- The net \$8.2 million increase in total net position is the result of total liabilities and deferred inflows decreasing by \$6.3 million while total assets plus deferred outflows increased by \$1.9 million. The \$6.3 million decrease is due primarily from total liabilities decreasing by \$6.03 million and deferred inflows decreasing by \$255k. The \$6.03 million decrease in total liabilities was almost entirely due to liabilities related to the first mortgage debt decreasing \$5.87 million as a result of scheduled payments and amortizations on first mortgage bonds. The actuarially determined pension liability provided by the State showed a slight decrease of \$225k while unearned revenues, relating to undistributed income taxes held by the State at year-end, also showed a decrease of \$118k. In addition, accrued interest payable showed a decrease of \$29k also relates to the decreasing first mortgage bond debt. Increases to total liabilities included trade and payroll related payables increasing \$195k while liabilities relating to compensated absences also increased by \$22k. The net \$255k decrease in deferred inflows of resources is the result of both State pension related inflows (State determined) and gains on bond refunding from normal amortization adjustments decreasing \$178k and \$77k, respectively. The above items account for the total change in of \$6.3 million in total liabilities and deferred inflows

- As mentioned above, total assets and deferred outflows had an overall increase of \$1.9 million that is a result of total assets increasing by \$2.07 million while deferred outflow decreasing by \$125k. The change in total assets is a result of many significant changes of the various components that make it up. Cash and cash equivalents increased by \$4.5 million primarily from revenues exceeding expenses in the General fund (\$3.1 million), Self-Insurance funds (\$1.2 million), and the Debt Service related and other funds (\$233k). The General fund excess was due to supplemental local income tax revenues and interest earnings revenues being higher than anticipated as well as savings in the salary and benefits lines. As in prior years, the Self- Insurance fund excess was due to claims for services being much lower than anticipated. Finally, capital assets decreased by \$2.4 million from depreciation charges. Deferred outflows of resources showed a decrease of \$126k from pension related deferrals from the State. The remaining changes were the result of decreases to the intergovernmental receivable for undistributed income taxes and other miscellaneous receivables totaling \$203k while receivables for property and excises taxes, as well as, prepaid expenses increased a total of \$72k.
- At the end of 2019, the Library’s governmental funds reported a combined ending fund balance of \$32.9, a \$3.1 million increase over 2018’s balance of \$29.8 million. This was almost totally due to the General Fund balance increasing by \$2.9 million due to a combination of higher than expected income tax revenues and interest earnings as well as significant cost savings in both compensation and health insurance costs. The Debt Service fund balances (Bond and Interest Redemption Fund and the ACPL Building Corporation Fund) showed a slight increase of \$155k and the other non-major governmental funds showed an increase of \$26k to account for the total \$3.1 million increase.
- Of the \$32.9 million dollar fund balance in the governmental funds, \$20.4 million is attributable to the General Fund while \$6.29 million is attributable to the debt service funds used for outstanding bonds payments. The Library Improvement Reserve Fund (LIRF) balance represents \$3.64 million of the total while the Other Non-Major Governmental Funds, predominantly the Rainy Day (\$2 million), Cable TV (\$383k), and Gift (\$196k) funds accounts for the remaining \$2.63 million.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the Library’s basic financial statements which are comprised of three components: government-wide financial statements, fund financial

statements, and notes to the financial statements. In addition to the basic financial statements this Comprehensive Annual Financial Report (CAFR) includes other supplementary information along with a statistical section.

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

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

The Statement of Activities presents information on all of the Library's revenues and expenses, showing how the government's general expenses less the program revenues equal net expenses for the most recent fiscal year. General revenues are then subtracted from net expenses to get the change in net position. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include not only the Library itself (primary government) but also a legally separate unit, the Allen County Public Library Foundation, for which the Library is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The financial statements for this component unit can be found in their entirety on file in the

Library Financial Manager's office at 900 Library Plaza, PO Box 2270, Fort Wayne, Indiana 46801. The Allen County Public Library Building Corporation is legally separate from the Library, but since its nature and relationship with the Library is significant, it is an integral part of the primary government. The government-wide financial statements can be found on pages 21-22 of this report.

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

***Governmental funds.*** Governmental funds are used to account for most of the Library's basic services. These funds generally do not provide enough revenue to completely cover their expenses; therefore, they need taxes, fees, interest or any other intergovernmental revenue to help support them. These funds use the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund financial statements focus on near-term inflows and outflows of unrestricted resources, as well as on balances of unrestricted resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement. The basic governmental fund financial statements can be found on pages 23-26 of this report.

***Proprietary funds.*** Proprietary funds are used by a governmental unit when fees or charges are assessed, either to outside customers or departments within the governmental unit, in order to cover the entire cost of an operation. There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for business-type activities, such as utilities, and are reported in the government-wide financial statements. Internal service funds are used to report activities that provide services and supplies to other departments of the governmental unit and are reported within the governmental activities section of the government-wide financial statements. The Library does not report any enterprise funds but does utilize an internal service fund to account for

its group health insurance services. The basic proprietary fund financial statements can be found on pages 27-29 of this report.

***Fiduciary funds.*** Fiduciary funds are funds held by a governmental unit as an agent or a trustee. They are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Library's own programs. The Library holds one type of fiduciary fund, referred to as an agency fund, which is used to account for monies held by the Library for an external party. The Library uses the agency fund to report the transactions of the Private Purpose Trust Fund. The basic fiduciary fund financial statements can be found on pages 30-31 of this report.

***Notes to the financial statements.*** The notes are a required part of the basic financial statements that provide necessary information for the understanding of the Library's financial report. The notes to the financial statements can be found on pages 35-64 of this report.

***Other information.*** The Library is also required to provide more detailed information about certain issues disclosed in required supplementary information (RSI) schedules. The Library's RSI schedule includes the Budgetary Comparison Schedule for the General Fund as well as notes to the RSI. The combining financial statements for the non-major governmental and non-major special revenue funds are found immediately following the RSI schedule and notes to the RSI listed above. The RSI schedule can be found on pages 66-68 of this report.

<b>Allen County Public Library</b>				
<b>Net Position</b>				
	<b>Governmental Activities</b>		<b>Component Unit</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Current and other assets	\$ 41,499,994	\$ 37,070,995	\$ 21,614,084	\$ 21,188,325
Capital assets	65,024,185	67,386,932	-	-
<b>Total Assets</b>	<b>106,524,179</b>	<b>104,457,927</b>	<b>\$ 21,614,084</b>	<b>\$ 21,188,325</b>
Deferred outflows of resources	\$ 728,391	\$ 854,069	\$ -	\$ -
Long-term liabilities outstanding	\$ 15,949,570	\$ 22,215,014	\$ -	\$ -
Other Liabilities	7,405,585	7,166,383	-	-
<b>Total Liabilities</b>	<b>23,355,155</b>	<b>29,381,397</b>	<b>\$ -</b>	<b>\$ -</b>
Deferred inflows of resources	\$ 1,346,606	\$ 1,601,329	\$ -	\$ -
<b>Net position</b>	<b>\$ 82,550,809</b>	<b>\$ 74,329,270</b>	<b>\$ 21,614,084</b>	<b>\$ 21,188,325</b>
Net invested in capital assets	\$ 51,235,770	\$ 47,595,426	\$ -	\$ -
Restricted	12,568,235	12,386,605	14,986,236	14,677,081
Unrestricted	18,746,804	14,347,239	6,627,848	6,511,244
<b>Total net position</b>	<b>\$ 82,550,809</b>	<b>\$ 74,329,270</b>	<b>\$ 21,614,084</b>	<b>\$ 21,188,325</b>

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Library's (primary government) assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$82.5 million at the close of 2019, an increase over 2018's figure of \$74.3 million, providing a solid equity base to build upon. The Library's overall 2019 total net position increased by \$8.2 million from 2018 as total liabilities and deferred inflows decreased by \$6.3 million while total assets plus deferred outflows increased by \$1.9 million. Long-term liabilities decreased \$6.3 million as \$5.94 million in scheduled debt payments on outstanding first mortgage bonds combined with decreases of \$225k in the net pension liability and \$118k in unearned revenue (income taxes held by the State at year-end) were slightly offset by a \$19k increase in compensated absences to account for the total change. Other liabilities increased by \$239k overall as trade and payroll related payables increased by \$194k were combined with increases of \$70k in the current portions of bonds payable and \$4k in the current portion of compensated absences. These increases were offset by a decrease of \$29k in accrued interest payable due to the outstanding first mortgage debt to continuing to decrease. Deferred inflows showed a total

decrease of \$255k from pension related deferred inflows decreasing by \$178k and unamortized gains on bonds decreasing by \$77k due to normal amortization.

As mentioned above, total assets plus deferred outflows had a combined increase of \$1.9 million with total assets increasing by \$2.07 million while deferred outflows decreased by \$125k.

Cash and other assets showed the largest increase of \$4.4 million as cash increased \$4.56 million while receivables and prepaid expenses had a net decreased of \$131k. The increase in cash was primarily due to revenues exceeding expenses in the General fund to the amount of \$3.11 million due to higher than expected revenues from local income taxes and interest earnings combined with strong cost controls, particularly in the salary and benefits areas. In addition, the Self-Insurance fund incurred less medical claims than anticipated allowing revenues to exceed expenses by \$1.21 million. Cash in the Debt Service and other funds increased a total \$233k due to normal fluctuations in revenues and spending and account for the total \$4.5 million increase. Capital assets showed a reduction of \$2.4 million as \$5.1 million in depreciation increases were netted against \$2.7 million in library material and machinery additions. Thus, the \$2.4 million reduction in capital assets combined with the \$4.4 million increase in current and other assets resulted in the total asset change of \$2 million from 2018 to 2019. Deferred outflows of resources decreased by \$125k solely from changes in pension related deferrals amounts supplied by the State on pension funds they administer and control. This decrease of \$125k combined with the \$2.07 million increase in total assets accounts for the \$1.9 million net increase.

From a Government-wide statements perspective, the assets of the Library are divided between cash/ other current assets and capital assets. The cash/other current assets of the Library totaled \$41.5 million, an increase of \$4.4 million over 2018 primarily from the cash and receivable items mentioned in the above paragraphs. Total assets of the governmental funds amount to \$36.5 million where \$23.7 million (65%) reflects the current assets of the General Fund (unassigned funds of \$19.9 million), \$3.6 million (10%) reflects the current assets of the Library Improvement Reserve Fund (LIRF) (all restricted funds), \$6.6 million (18%) represent the amounts relating to the debt service on the capital expansion and renovation program bonds (also all restricted), and the remaining \$2.6 million (7%) are the current assets in the Other Non-Major Governmental Funds (primarily the Rainy Day and Cable TV funds).

The \$65 million in capital assets (\$51.2 million when netted against related debt) of the Library represents land, buildings and improvements, machinery and equipment, and the library material collection. These assets are designated as invested in capital assets because they are used to provide the everyday services the patrons of the Library expect and are not liquid assets that are available for future spending. Capital assets decreased by \$2.4 million in 2019 as \$2.7 million in library material and equipment purchases were offset by \$5.1 million increases in depreciation on these and other capitalized assets such as buildings and equipment.

Liabilities for the library equaled \$23.4 million at the end of 2019 of which approximately 68% of them are classified as long-term. As discussed above, total liabilities decreased by \$6.03 million from 2018 as long-term liabilities decreased \$6.3 million due primarily from \$5.94 million in schedule debt service payments on first mortgage bonds and decreases both long-term pension liability (\$225k) and unearned revenue (\$118k) and miscellaneous minor changes in the other liability amounts accounting for the total \$6.03 million change.

When examining the Library's total net position (total assets less total liabilities), the investment in capital assets must reflect the investment less any debt used to acquire these assets that is still outstanding. The debt associated with these capital assets must be paid from sources other than the capital assets themselves because, as stated before, they cannot be used as a liquid asset. At the end of 2019, that net investment in capital assets amounted to \$51.2 million, an increase of \$3.6 million over 2018's amount of \$47.6 million. This increase is due to the reductions in the debt associated with these assets being greater than the reductions in the values of the assets themselves from depreciation.

The remaining amounts making up the total net position of the Library are designated as either restricted or unrestricted. The \$12.6 million in restricted position are subject to external limitations and cannot be spent on everyday operations. The unrestricted \$18.7 million portion may be used by the Library for normal operations of providing services to the patrons.

The Library's component unit showed a total net position (assets exceeding liabilities) of \$21.6 million at the end of 2019. This total position reflects the cash and investments held by the Allen County Public Library Foundation (ACPLF) and are used to help support various programs and collections of the Library. The ACPLF has no capital assets or outstanding debt.

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

	Governmental Activities		Component Unit	
	2019	2018	2019	2018
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 432,468	\$ 496,339	\$ -	\$ -
Operating grants and contributions	1,626,443	1,451,163	1,714,121	2,872,851
General Revenues				
Property taxes	27,724,811	25,734,440	-	-
Local income tax	3,893,083	4,816,523	-	-
Shared revenues	2,602,088	2,340,420	-	-
Interest on investments	597,795	386,756	-	-
Other	1,205,563	788,366	-	-
<b>Total Revenues</b>	<b>38,082,251</b>	<b>36,014,007</b>	<b>1,714,121</b>	<b>2,872,851</b>
<b>Expenses</b>				
Administraion and support	9,171,842	8,873,567	-	-
Public services	20,592,490	20,836,776	-	-
Interest on long-term debt	96,380	162,393	-	-
ACPLF	-	-	1,288,362	1,186,931
<b>Total Expenses</b>	<b>29,860,712</b>	<b>29,872,736</b>	<b>1,288,362</b>	<b>1,186,931</b>
Changes in total net position	8,221,539	6,141,271	425,759	1,685,920
Total net position - beginning	74,329,270	68,187,999	21,188,325	19,502,405
<b>Total net position - ending</b>	<b>\$ 82,550,809</b>	<b>\$ 74,329,270</b>	<b>\$ 21,614,084</b>	<b>\$ 21,188,325</b>

**Governmental Activities.** The main source of funding for Library operations continues to be the various taxes that account over 95% of the \$36 million in general revenues with property taxes being the primary tax source. Total revenues for governmental activities increased by \$2.1 million over 2018 (5.7%) due to a variety of increases and decreases in numerous revenue sources. First examining the increases, which totaled \$3.1 million for 2019, the largest was in Property tax which grew by \$2 million. This was due to a combination of strong economic conditions translating to higher property values and collection rates in the General fund. In 2018, the Debt Service fund property tax levy was incorrectly lowered by the State and was corrected in 2019. This correction combined with levy required by the 2016 bond amortization schedule resulted in the debt service related property taxes increasing by \$1.1 million. The strong economy also impacted Shared revenue, primarily vehicle excise taxes, which also increased by \$262k. Interest on Investments continue to increase resulting in a \$211k increase over 2018 (55%) as yields on deposit accounts and investments continued to rise for most of 2019. Other revenues increased by \$417k (53%) primarily from increases in Self-Insurance funds revenues (\$132k) and increases in miscellaneous revenues \$285k. Finally, Operating grants increased by \$175k (12.1%) as additional support grants for the summer learning (reading) programs, staff development, and genealogy activities were acquired.

Decreases in total revenues for 2019 amounted to \$987k, with almost all of the decrease attributable to reductions in Local Income taxes of \$923k (19.2%). As was noted in the 2018 report, the strong economy in 2018 translated to a dramatic increase in local income tax collections. This effect resulted in the State paying a one-time Supplemental Income Tax distribution to localities, which is triggered when the amounts collected exceed the budgeted balance in the State accounts by 15% or more. As a result, 2019's distribution returned to the normal level for this revenue source. Charges for Services decreased by \$64k (12.8%) as the increased use of digital resources (such as e-books, streaming videos and music, etc.) result in less overdue fines and collection fees from customers.

Overall, the expenses for governmental activities remained almost unchanged showing a net decrease of \$12k in 2019. Administrative expense increased by \$298k (3.4%) as normal cost of living increases of \$271k and expenses relating building systems and maintenance increased by \$304k and were partially offset by applicable pension related decreases of \$277k. Public Service expenses showed a net decrease of \$244k (1.2%) as cost of living increases of \$482k were offset by \$726 decreases staffing and benefit related costs. Interest on long-term debt decreased by \$66k (40.1%) due to interest charges decreasing as the 2016 bond debt is reduced through normal amortization amounts. The changes in Public Services (\$244k decrease), Administrative (\$298k increase), and Interest (\$66k decrease) account for the total decrease in governmental activities of \$12k.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

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

At the end of 2019, the Library's governmental funds reported combined ending fund balances of \$32.9 million, an increase of \$3.1 million from 2018's \$29.8 million figure. The largest portion, \$20.4 million (61.8%), of Library's governmental fund balance total is attributable to the General Fund. Funds

restricted for debt service on outstanding bonds account for another \$6.29 million (19.1%) while the Library Improvement Reserve Fund (LIRF) accounts for \$3.64 million (11.1%). The remaining \$2.63 million (8.0%) of the total fund balance is attributable to the Other Non-Major Governmental Funds (primarily the Rainy Day and Cable TV funds), which in 2019 continue to include only non-major special revenue funds.

As a measure of the major funds' liquidity, you can compare the total fund balance to the total fund expenditures. The General fund expenditures for fiscal year ended 2019 were \$26.4 million. Thus, the total fund balance represents 77% percent of General fund expenditures, an increase of 10% over 2018. When examining both the General and LIRF fund, the fund balances represents 91% (2018 equaled 81%) of the total expenditures of the two funds. Available fund balances in both of these funds allows the Library to meet all of the cash flow requirements of the organization without having to utilize short-term borrowing instruments, such as tax anticipation warrants, often required by many other entities that rely heavily on property taxes as a primary revenue source. In 2019, the General fund balance increased by \$2.91 million (16.7%) which can be attributable to continued restrictions on spending, especially personnel and other controllable costs as well as improving property values which raise property tax circuit breaker limits and allows increased collections of property tax which would otherwise have been restricted to a lower amount.

The fund balance of the LIRF fund remained unchanged from 2018 as no major capital projects were initiated during the year that would have required use of the funds. The combined fund balance of the two funds responsible for paying the debt service on the capital expansion bonds, the Bond and Interest Redemption fund and the ACPL Bldg Corp Certificate fund balance remained almost unchanged, showing a slight increase of \$155k (.25%) due to variations in property and other tax collections. Other Non-major governmental (all special revenue funds) fund balances also remained virtually unchanged with a net increase of \$26k.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no changes between the originally approved and final amended total revenue budget of the General Fund. Actual collections of revenues were lower than officially budgeted in 2019 by \$1.14 million or 3.7%. Taxes (which include Property, Excise, and Financial Institutions taxes) came in \$1.7 million (6.7%) below budget and is nearly entirely attributable to reduced property

tax collections resulting from the impact of the property tax cap limitations. Intergovernmental revenues, which represent income tax revenues, came in \$322k (8.7%) more than the State estimated budgeted amount reflecting the one-time supplemental distribution of taxes discussed earlier due to the strong economy in 2018 resulting increase collections. Charges for Services came in \$75k (14.7%) lower than anticipated as the trend over the past few years of increased use of electronic media and storage methods continues to reduce the amount of overdue fines and collection fees and copier revenues. Actual miscellaneous other revenues came in \$335k (65.2%) above budget due primarily to interest earnings on investments increasing by \$211k over the original budget amount as rates on deposit amounts continued to be strong throughout 2019. Increases in grants and other donations for programs account for the other \$124k of this budget line total increase.

The total final amended General Fund expenditure budget was slightly lower by \$91,395 than the originally adopted \$31,379,188 budget and, like prior years, was due to the difference between purchase commitments outstanding at the end of 2018 versus those existing at the end of 2019. Other variations were the result of transfers between the Services and Capital (includes library materials) budget lines to accommodate different spending patterns for the year. Personal Services and Supply budget amounts remained unchanged.

Actual expenditures came in \$4.91 million (15.7%) lower than the final budget. As has been discussed in previous year's reports, in order to accommodate the impacts of the property tax cap legislation, the library works aggressively at containing costs across the board and as such, the final actual expenditures in all budget categories reflect these measures. The library's objective has been to lower actual expenditures to a level necessary to meet these decreases and, to that end, the reduced actual spending reflects this action. The \$2.9 million (14.3%) variance in Personal Service expense is a result of the increased use of funding salary and benefit expenses from grant and gift revenues as well as, a reduction in the budgeted compensation increases that were to be implemented in 2019 now planned to be spread over a three year period. The \$1.1 million variance in the Capital Outlays, as well as the \$337k and \$631k variances in the Supplies and Other Services lines, respectively, reflect the spending reductions implemented in order to match expense spending to actual revenues collected. As mentioned above, tax caps have reduced actual revenue collections significantly so, actual expense spending must be similarly reduced in order to achieve a balanced budget. Historically, the average reduction from property tax caps has been 11.2% for the Library. Reductions in controllable costs such as programming supplies, computer services, capital spending, and library material purchases are all utilized in this balancing effort.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** The Library’s Primary Government’s capital assets as of December 31, 2019, were equal to \$110.5 million with an accumulated depreciation figure of \$45.5 million for a net book value of \$65 million. Capital assets include land, buildings and improvements, machinery and equipment, construction in progress, and library materials. Also included in the capital assets is the Library’s rare book collection that is considered a non-depreciating asset. The total decrease in the Library’s capital assets for 2019 was \$2.4 million (3.5%), attributable to increases in library materials and other assets of \$2.7 million being offset by increases in depreciation expense on these assets of \$5.1 million.

### Allen County Public Library Capital Assets

	2019	2018
Land	\$ 4,960,142	\$ 4,960,142
Buildings and improvements	91,160,256	91,160,256
Machinery and equipment	5,803,065	5,728,222
Library materials	7,632,507	8,126,284
Rare book collection	994,827	994,827
Less: Accumulated depreciation	(45,526,612)	(43,582,799)
<b>Total</b>	<b>\$ 65,024,185</b>	<b>\$ 67,386,932</b>

Additional information regarding the Library’s capital assets can be found on page 52 of this report.

**Long-Term liabilities.** In 2019, the Library’s net total long term liabilities decreased by \$6,087,618. At the end of 2019 the Library’s Primary Government had total bonded debt outstanding of \$13,600,000 which was all in the form of first mortgage bonds. The Library is responsible to pay for this debt with general revenues. Scheduled bond debt service payments reduced the outstanding existing bond liability total by \$5,885,000. The pension liability on the State cost-sharing multiple employer defined benefit plan is included in long-term liabilities and decreased to \$6,392,654 (a \$224,790 decrease from 2018). Finally, Compensated Absences is the last component of long-term liabilities included and showed a slight increase of \$22,472. These three adjustments account for the total change in long-term liabilities.

## Allen County Public Library Long-Term Liabilities

	2019	2018
First mortgage bonds	\$ 13,600,000	\$ 19,485,000
Net Pension Liability	6,392,654	6,617,444
Compensated absences	805,018	782,546
<b>Total</b>	<b>\$ 20,797,672</b>	<b>\$ 26,884,990</b>

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

Additional information on the Library's long-term debt can be found on pages [53-54](#) of this report.

### ECONOMIC FACTORS AND SUBSEQUENT YEAR'S BUDGETS AND RATES

- Signs of economic improvement for Allen County continued throughout most of 2019. The unemployment rate for Allen County in December 2019 dropped to 3.1% from the 3.2% in December 2018. The Allen County unemployment rate was lower than the 3.2% rate present at December 31, 2019 for the State of Indiana and both were lower than the 3.5% rate for the United States of as a whole. Per capita income in Allen County for 2018 was \$46,288, a 3.96 growth over 2018's \$44,525 figure. With this growth, elastic economic factors, such as income taxes, continue to rebound as the unemployment rates have dropped from their 10+% rates during the peak of the 2008 recession. In addition, housing activities, such as sales and new construction remain strong in the region. Because of these key indicators of the health of the local economy, it is anticipated that revenues, especially tax based, as well as collection limitations from property tax caps will continue to improve in 2020.
  
- As mentioned in prior reports, because of the State mandated limitations on property tax collections, the library has made concerted efforts in examining and taking action to reduce operating costs, especially with controllable costs such as salaries, benefits, and library materials, in order to meet the projected losses in property tax collections (estimated to be \$2.94 million in

2020). The 2020 General Fund budget has been developed with these revenue losses and cost reductions in place and the library anticipates that the final approved property tax levy and rate will increase no greater than permissible under current State regulations. For 2020, this growth factor is 3.9%.

These factors along with others were considered when preparing the Library's budget for the 2020 fiscal year.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Library's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Library's Chief Financial Officer, 900 Library Plaza, P.O Box 2270, Fort Wayne, Indiana, 46801-2270.

# BASIC FINANCIAL STATEMENTS

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ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF NET POSITION  
December 31, 2019

<u>Assets</u>	<u>Primary Governmental Activities</u>	<u>Component Unit</u>
Cash and cash equivalents	\$ 38,481,198	\$ 1,021,716
Investments	-	20,504,740
Receivables (net of allowances for uncollectibles):		
Interest	-	87,628
Taxes	1,375,783	-
Accounts	-	-
Intergovernmental	1,385,442	-
Other	101,644	-
Prepaid expenses	155,927	-
Capital assets:		
Land and rare books	5,954,969	-
Other capital assets, net of depreciation	<u>59,069,216</u>	<u>-</u>
 Total assets	 <u>106,524,179</u>	 <u>21,614,084</u>
 Deferred outflows of resources		
Pension related	<u>728,391</u>	<u>-</u>
 <u>Liabilities</u>		
Accounts payable	739,260	-
Accrued payroll and withholdings payable	509,735	-
Accrued interest payable	67,420	-
Noncurrent Liabilities:		
Due within one year:		
First mortgage bonds	5,955,000	-
Compensated absences	134,170	-
Due in more than one year:		
First mortgage bonds payable (net of discount)	7,603,535	-
Compensated absences	670,848	-
Unearned revenue	1,282,533	-
Net pension liability	<u>6,392,654</u>	<u>-</u>
 Total liabilities	 <u>23,355,155</u>	 <u>-</u>
 Deferred inflows of resources:		
Unamortized gain on refunding	229,880	
Pension related	<u>1,116,726</u>	<u>-</u>
 Total deferred inflows of resources	 <u>1,346,606</u>	 <u>-</u>
 <u>Net position</u>		
Net investment in capital assets	51,235,770	-
Restricted for:		
Capital projects	3,643,391	-
Debt service	6,291,879	-
Perpetual endowment subject to donor stipulations	-	10,000,713
Perpetual endowment subject to time restrictions		3,264,392
Other purposes	2,632,965	1,721,131
Unrestricted	<u>18,746,804</u>	<u>6,627,848</u>
 Total net position	 <u>\$ 82,550,809</u>	 <u>\$ 21,614,084</u>

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

ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities	Component Unit
Primary government:					
Governmental activities:					
Administrative and support	\$ 9,171,842	\$ -	\$ -	\$ (9,171,842)	\$ -
Public services	20,592,490	432,468	1,626,443	(18,533,579)	-
Interest on long-term debt	96,380	-	-	(96,380)	-
Total governmental activities	\$ 29,860,712	\$ 432,468	\$ 1,626,443	(27,801,801)	-
Component unit:					
Allen County Public Library Foundation	\$ 1,288,362	\$ -	\$ 1,714,121	-	425,759
General revenues:					
Property taxes				27,724,811	-
Shared revenue				2,602,088	-
Local Income Tax				3,893,083	-
Interest on investments				597,795	-
Other				1,205,563	-
Total general revenues				36,023,340	-
Change in net position				8,221,539	425,759
Net position - beginning				74,329,270	21,188,325
Net position - ending				\$ 82,550,809	\$ 21,614,084

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

ALLEN COUNTY PUBLIC LIBRARY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2019

<u>Assets</u>	General	Bond and Interest Redemption	LIRF	ACPL Bldg Corp Certificate	Other Non-major Governmental Funds	Totals
Cash and cash equivalents	\$ 21,315,090	\$ 3,215,241	\$ 3,643,391	\$ 3,076,638	\$ 2,474,877	\$ 33,725,237
Receivables (net of allowances for uncollectibles):						
Taxes	1,112,702	263,081	-	-	-	1,375,783
Intergovernmental	1,282,533	-	-	-	102,909	1,385,442
Other	11,585	-	-	-	60,129	71,714
Total assets	<u>\$ 23,721,910</u>	<u>\$ 3,478,322</u>	<u>\$ 3,643,391</u>	<u>\$ 3,076,638</u>	<u>\$ 2,637,915</u>	<u>\$ 36,558,176</u>
<u>Liabilities</u>						
Accounts payable	440,702	-	-	-	4,950	445,652
Accrued payroll and withholdings payable	509,735	-	-	-	-	509,735
Unearned revenue - other	1,282,533	-	-	-	-	1,282,533
Total Liabilities	<u>2,232,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,950</u>	<u>2,237,920</u>
<u>Deferred inflows of resources</u>						
Unavailable revenue - property taxes	803,325	189,934	-	-	-	993,259
Unavailable revenue - license excise taxes	309,377	73,147	-	-	-	382,524
Total deferred inflows of resources	<u>1,112,702</u>	<u>263,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,375,783</u>
<u>Fund balances</u>						
Restricted	-	3,215,241	3,643,391	3,076,638	2,632,965	12,568,235
Assigned	470,350	-	-	-	-	470,350
Unassigned	19,905,888	-	-	-	-	19,905,888
Total fund balances	<u>20,376,238</u>	<u>3,215,241</u>	<u>3,643,391</u>	<u>3,076,638</u>	<u>2,632,965</u>	<u>32,944,473</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,721,910</u>	<u>\$ 3,478,322</u>	<u>\$ 3,643,391</u>	<u>\$ 3,076,638</u>	<u>\$ 2,637,915</u>	<u>\$ 36,558,176</u>

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

ALLEN COUNTY PUBLIC LIBRARY  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2019

Total fund balances for governmental funds \$ 32,944,473

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

Those assets consist of :

Land	4,960,142
Rare book collection	994,827
Buildings, net of \$37,100,765 accumulated depreciation	53,424,619
Improvements other than buildings, net of \$414,309 accumulated depreciation	220,563
Machinery and equipment, net of \$5,426,769 accumulated depreciation	376,296
Library materials, net of \$2,584,769 accumulated depreciation	<u>5,047,738</u>

Total capital assets 65,024,185

Some of the Library's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore, are deferred in the funds. 1,375,783

Some expenses were deferred as assets in the statement of net position and therefore were not reported in the statement of activities, but were reported as expenditures in the governmental funds. 155,927

Net pension liability is not paid from current resources and, therefore, is not shown in the governmental funds. It is recognized as an expenditure when paid. (6,392,654)

Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position. 728,391

Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position. (1,116,726)

An internal service fund is used by the Library to account for the funding and payment of services associated with group health insurance. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. Internal service fund net position is: 4,492,283

Unamortized gains associated with bond refundings are reported as other financing resources in the year of issue but are deferred in the statement of net position and amortized over the life of the debt issues. They are included as Deferred inflows of resources. (229,880)

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

Balances at December 31, 2019, consisted of :

First mortgage bonds payable net of premium and discounts	(13,558,535)
Compensated absences	<u>(805,018)</u>

Total long-term liabilities (14,363,553)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (67,420)

Total net position of governmental activities \$ 82,550,809

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

ALLEN COUNTY PUBLIC LIBRARY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2019

	General	Bond and Interest Redemption	LIRF	ACPL Bldg Corp Certificate	Other Non-major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 24,000,306	\$ 6,228,595	\$ -	\$ -	\$ 23,597	\$ 30,252,498
Intergovernmental	4,011,285	-	-	-	436,862	4,448,147
Charges for services	432,468	-	-	-	-	432,468
Other	849,337	-	-	-	1,568,053	2,417,390
<b>Total revenues</b>	<u>29,293,396</u>	<u>6,228,595</u>	<u>-</u>	<u>-</u>	<u>2,028,512</u>	<u>37,550,503</u>
<b>Expenditures:</b>						
Current:						
Administration and support	9,449,050	-	-	-	-	9,449,050
Public services	14,166,445	-	-	-	1,704,763	15,871,208
Library materials	2,257,716	-	-	-	295,605	2,553,321
Capital outlay	507,704	-	-	-	1,750	509,454
Debt service:						
Principal	-	-	-	5,885,000	-	5,885,000
Interest	-	-	-	188,359	-	188,359
<b>Total expenditures</b>	<u>26,380,915</u>	<u>-</u>	<u>-</u>	<u>6,073,359</u>	<u>2,002,118</u>	<u>34,456,392</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>2,912,481</u>	<u>6,228,595</u>	<u>-</u>	<u>(6,073,359)</u>	<u>26,394</u>	<u>3,094,111</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	6,086,000	-	6,086,000
Transfer out	-	(6,086,000)	-	-	-	(6,086,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(6,086,000)</u>	<u>-</u>	<u>6,086,000</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>2,912,481</u>	<u>142,595</u>	<u>-</u>	<u>12,641</u>	<u>26,394</u>	<u>3,094,111</u>
<b>Fund balances - beginning</b>	<u>17,463,757</u>	<u>3,072,646</u>	<u>3,643,391</u>	<u>3,063,997</u>	<u>2,606,571</u>	<u>29,850,362</u>
<b>Fund balances - ending</b>	<u>\$ 20,376,238</u>	<u>\$ 3,215,241</u>	<u>\$ 3,643,391</u>	<u>\$ 3,076,638</u>	<u>\$ 2,632,965</u>	<u>\$ 32,944,473</u>

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

ALLEN COUNTY PUBLIC LIBRARY  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 For The Year Ended December 31, 2019

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).		\$ 3,094,111
<p>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.</p>		
<p>These changes consist of:</p>		
Capital assets	135,295	
Library materials	2,553,321	
Depreciation expense	<u>(5,051,363)</u>	
Net effect of capital assets		(2,362,747)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In 2019 this consisted of deferred tax revenue unavailable.		50,805
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas certain amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
<p>During 2019 these consisted of:</p>		
Principal payment	5,885,000	
Interest expense	<u>91,979</u>	
Net effect of long-term debt		5,976,979
Some expenses were deferred as assets in the statement of net position and therefore were not reported in the statement of activities, but were reported as expenditures in the governmental funds.		21,628
A net pension obligation is not accrued in the governmental funds, but rather is recognized as an expenditure when paid.		277,209
An internal service fund is used by the Library to account for the funding and payment of services associated with group health insurance. The net revenue (expense) of the internal service fund is reported with governmental activities		1,186,026
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. During 2019 this consisted of the change in compensated absences		<u>(22,472)</u>
Change in net position of governmental activities (Statement of Activities)		<u>\$ 8,221,539</u>

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

ALLEN COUNTY PUBLIC LIBRARY  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 December 31, 2019

	<u>Governmental Activities - Internal Service Fund Group Insurance</u>
<u>Assets</u>	
Current assets	
Cash and cash equivalents	\$ 4,755,960
Other receivables	<u>29,930</u>
Total current assets	<u>4,785,890</u>
 <u>Liabilities</u>	
Current liabilities	
Accrued group insurance claims payable	<u>293,608</u>
 <u>Net position</u>	
Unrestricted	<u><u>\$ 4,492,282</u></u>

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

ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
For The Year Ended December 31, 2019

	<u>Governmental Activities - Internal Service Fund Group Insurance</u>
<u>Operating Revenues</u>	
Employer contributions	\$ 3,732,000
Employee contributions	480,942
Insurance claims & settlements	-
Total operating revenues	4,212,942
<u>Operating Expenses</u>	
Contractual services	100,769
Insurance premiums	204,040
Medical claims	2,722,107
Total operating expenses	3,026,916
Operating income	1,186,026
Net position - beginning	3,306,256
Net postion - ending	\$ 4,492,282

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

ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For The Year Ended December 31, 2019

	Governmental Activities - Internal Service Fund <u>Group Insurance</u>
Cash flows from operating activities:	
Receipts from users	\$ 4,246,919
Payments to suppliers	<u>(3,033,183)</u>
Net cash provided by operating activities	<u>1,213,736</u>
Net increase in cash and cash equivalents	1,213,736
Cash and cash equivalents, January 1	<u>3,542,224</u>
Cash and cash equivalents, December 31	<u><u>\$ 4,755,960</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,186,026
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in assets:	
Other receivables	33,977
Increase in liabilities:	
Accrued group insurance benefit payable	<u>(6,267)</u>
Total adjustments	<u>27,710</u>
Net cash provided by operating activities	<u><u>\$ 1,213,736</u></u>

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

ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
December 31, 2019

<u>Assets</u>	<u>Private-Purpose Trust Funds</u>
Cash and cash equivalents	\$ 20,138
Accounts Receivable	<u>6,044</u>
Total current assets	<u>26,182</u>
<u>Liabilities</u>	
Accounts payable	<u>19,110</u>
<u>Net position</u>	
Net Position held in trust for:	
Employee activity	<u>\$ 7,072</u>

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

ALLEN COUNTY PUBLIC LIBRARY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
For The Year Ended December 31, 2019

<u>Additions</u>	<u>Private-Purpose Trust Funds</u>
Contributions:	
Affiliate organizations	\$ 10,000
Employees	<u>3,066</u>
Total additions	13,066
 <u>Deductions</u>	
Employee Activities	<u>12,836</u>
Changes in net position	230
Net position - beginning	<u>6,842</u>
Net position - ending	<u><u>\$ 7,072</u></u>

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



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# NOTES TO THE FINANCIAL STATEMENTS



# ALLEN COUNTY PUBLIC LIBRARY NOTES TO FINANCIAL STATEMENTS

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *A. Reporting Entity*

The Allen County Public Library (Library) (primary government) is a component unit of Allen County. The primary government was established under the laws of the State of Indiana and is governed by a seven-member Board of Trustees appointed from various bodies of elected officials. Two trustees are appointed by the Allen County Commissioners, two are appointed by the Allen County Council, and two are appointed by Fort Wayne Community Schools. The final trustee is appointed by the remaining school districts within the Allen County. Those districts are the East Allen County Schools, Northwest Allen County Schools, and Southwest Allen County Schools.

Besides Allen County officials appointing a majority of the Library's Board (4 appointments), Allen County is financially accountable for the Library based upon fiscal dependency as follows:

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

Since the Library does not have the ability to complete the above essential events without substantive approval by Allen County Council, it is fiscally dependent upon Allen County and Allen County is financially accountable for the Library. Thus, because of the number of trustee appointments and the fiscal accountability aspects, the Library is considered a component unit of Allen County.

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

### Blended Component Unit

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

### Discretely Presented Component Unit

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

The financial statements of the Allen County Public Library Foundation are presented as of and for the year ended June 30, 2019.

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

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

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

## ***B. Government-Wide and Fund Financial Statements***

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are

collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

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

The primary government reports the following major governmental funds:

The General fund is the primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

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

The Library Improvement Reserve fund (LIRF) accounts for receipts accumulated for the purpose of anticipating necessary future capital expenditures for the purchase of library building improvements, equipment or capital construction.

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

Additionally, the primary government reports the following fund types:

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

The private-purpose trust fund (fiduciary) reports a trust arrangement under which principal and income benefit employees. This fund was created to account for any revenue received from vending

machines in the staff lounge that are provided by a vendor for the exclusive use of the ACPL employees and volunteers. These revenues are to be used for purposes such as a staff picnic, holiday parties, or charitable donations.

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

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

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

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

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

##### **1. Restricted Net Position**

###### Primary Government:

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

### Discretely Presented Component Unit:

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

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

## **2. Deposits and Investments**

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

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

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

## **3. Interfund Transactions and Balances**

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

## **4. Property Taxes**

Property taxes levied are collected by the County Treasurer and are distributed to the primary

government in June and in December. State statutes (IC 6-1.1-17-16) require the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31. These rates were based upon the preceding year’s lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year after December 31, 2015). Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end, net of allowances for uncollectible accounts, are recorded as a receivable with an offset to deferred inflows of resources since the amounts are not considered available.

**5. Prepaid Items**

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

**6. Capital Assets**

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

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

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

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

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Also, included in the capital assets is the Library's rare book collection that is considered a non-depreciating asset.

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

## **7. Compensated Absences**

a. Sick Leave – primary government employees earn sick leave at the rate of sixty to eighty hours per year based on the number of hours worked per year. Unused sick leave may be accumulated to a maximum of five hundred twenty hours or sixty-five working days for full-time employees. For eligible part-time employees, unused sick leave may accumulate up to thirteen weeks of the appropriate current authorized hours. Accumulated sick leave is not paid to employees upon termination.

b. Vacation Leave – primary government employees earn vacation leave at rates from ten days to twenty-five days per year based upon the length of service, degree qualifications, level of responsibility, and number of hours worked per year. Vacation leave may be accumulated to a maximum of one and one-half times the annual amount of vacation for which one is eligible. Accumulated vacation leave is paid to employees upon termination.

c. Personal Leave – primary government employees earn personal leave at the rates of twelve to sixteen hours per year based on the number of hours worked per week. At the end of each year unused personal leave is added to accumulated sick leave.

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

## **8. Long -Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums 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.

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

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

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

## **10. Fund Balances**

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:

- 1) Nonspendable fund balances are those assets that are not likely to convert to a spendable form because of their form (I.E. inventory supplies) or because legal or contractual requirements dictate the assets remain intact (I.E. endowment principal amounts). The Library fund financial statements contain no fund balances that are nonspendable.
  
- 2) Restricted fund balances are those fund balances that are subject to externally enforceable legal restrictions or imposed by law through constitutional provisions or enabling legislation. These restrictions are typically imposed by outside parties, such as creditors through debt covenants or when the authorization to raise revenues is conditioned upon those revenues being used for a particular purpose, often through enabling legislation. Other than the Library General Fund, all of the other funds of the Library are considered to fall into this restricted category. These include the Bond and Interest Redemption fund and the ACPL Building Corp Certificate fund since they are the primary debt service funds, the Library Improvement Reserve Fund (LIRF), and the Special Revenue funds for Gift, Cable Television, Levy Excess, State Technology grants, and the Rainy Day fund. All of these funds were established by enabling legislation at the State level.

3) Committed fund balances are those portions of the fund balance that are constrained by limitations placed upon them by the highest level of decision making, normally the governing body. These constraints remain binding unless removed by action of the same body and typically must occur before the close of reporting period. The Library fund financial statements contain no fund balances falling within the committed classification.

4) Assigned fund balances include those portions of the fund balance that reflect the governments “intended” use of resources that can be established by the highest level of decision making or by some other body who has been delegated authority for such decisions. In addition, no formal action is required to designate assigned portions of the fund balance. Only those amounts representing encumbrances and commitments relating to library programs in the General fund are classified under the Assigned classification in the Library fund financial statements. The Board of Library Trustees, as authorized by State law, has delegated authority to the Library Director to act as their agent in all purchasing and contracting activities.

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

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

## **11. Significant Encumbrances**

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

2019, the following fund included encumbered amounts:

General fund - \$470,350

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

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### ***A. Budgetary Information***

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

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

### ***B. Fund Balances***

The constraints placed on the fund balances of the major funds and the nonmajor governmental funds as of December 31, 2019 are presented below:

	General Fund	Bond and Interest Redemption	LIRF	ACPL Bldg Corp Certificate	Other Non- Major Funds
Restricted To:					
First mortgage bonds	\$ -	\$ 3,215,241	\$ -	\$ 3,076,638	\$ -
Capital projects & equipment	-	-	3,643,391	-	-
Donor designated gifts	-	-	-	-	196,088
Cable TV access	-	-	-	-	383,378
Internet connectivity	-	-	-	-	13,639
Levy Excess	-	-	-	-	23,597
Library programs and facilities	-	-	-	-	<u>2,016,263</u>
Total restricted	-	3,215,241	3,643,391	3,076,638	2,632,965
Assigned To:					
Library programs	<u>470,350</u>	-	-	-	-
Unassigned	<u>19,905,888</u>	-	-	-	-
Total fund balance	<u>\$ 20,376,238</u>	<u>\$ 3,215,241</u>	<u>\$ 3,643,391</u>	<u>\$ 3,076,638</u>	<u>\$ 2,632,965</u>

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

##### Primary Government:

##### Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Library does not have a deposit policy for custodial credit risk. At December 31, 2019, the Library had deposit balances in the amount of \$38,501,335. The bank balances were insured by the Federal Deposit Insurance Corporation (FDIC) or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

## Discretely Presented Component Unit:

### 1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Library's discretely presented component unit maintains cash accounts at local banks and in investment accounts. The cash accounts in the banks are insured by the FDIC up to \$250,000 per bank. The Library's discretely presented component unit does not have a deposit policy for custodial credit risk. At June 30, 2019 there was \$632,370 of deposits in excess of the insured amount. At June 30, 2019, the Library's discretely presented component unit also had \$139,143 in investment accounts that are uninsured.

### 2. Investments

As of June 30, 2019, the Library's discretely presented component unit had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-2	More Than 2
Government sponsored enterprise	\$ 4,104,606	\$ 242,213	\$ 368,523	\$ 3,493,870
Corporate bonds	296,613	5,000	-	291,613
Corporate stock	11,373,555	11,373,555	-	-
Mutual funds	4,729,966	4,729,966	-	-
Totals	<u>\$ 20,504,740</u>	<u>\$ 16,350,734</u>	<u>\$ 368,523</u>	<u>\$ 3,785,483</u>

## Fair Value Disclosure of Financial Instruments

Assets and liabilities recorded at fair value in the Statement of Net Position of the component unit are categorized based upon a hierarchy of the level of judgment associated with the inputs used to measure their fair value. The three levels of fair value hierarchy are described below:

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

Level 2 – Inputs to the fair 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 fair valuation 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Investments – Value determined by reference to quoted market prices and other relevant information generated by market transactions.

Beneficial Interest in assets held by others – Values are based upon the component units’ proportionate share of the Community Foundation of Greater Fort Wayne’s pooled investment portfolio.

The following table shows is the fair value, within the hierarchy, of assets and liabilities of the component unit measured on a recurring basis as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:			
Corporate Stock	\$ 11,373,555		
Mutual Funds	4,729,966		
Governmental sponsored enterprises		4,104,606	
Bonds		296,613	
Beneficial interest			14,962
	<u>\$ 16,103,521</u>	<u>\$ 4,401,219</u>	<u>\$ 14,962</u>

The following is a reconciliation of activity for beneficial interest in assets held by others measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ending June 30, 2019:

**Changes in Beneficial Interest in  
Assets Held By Others**

Beginning Balance - July 1, 2018	\$	14,604
Total Gains and losses included in earnings:		
Investment and interest income		555
Net gains (losses) on investments		
Unrealized		(78)
Realized		8
Investment fees		(127)
Distributions		-
Ending Balance - June 30, 2019	<u>\$</u>	<u>14,962</u>

Investment Policies

The Library’s discretely presented component unit has an “Investment Policy Statement” approved by the unit’s Board of Directors in May 2004 with revisions in November 2010, November 2012, September 2017, and June 2019. This policy sets the standards for the selection of the unit’s portfolio. The policy sets the asset allocation as follows: cash and cash equivalents 0% to 5% with a target of 0%; fixed income 20% to 40% with a target of 30%; alternative investments 0% to 10% with a target of 5%; and equities 40% to 90% with a target of 65%.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Library’s discretely presented component unit will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Library’s discretely presented component unit does not have a formal investment policy for custodial credit risk for investments that are uninsured and uncollateralized. At June 30, 2019, the Library’s discretely presented component unit held investments in Cozad Asset Management, Inc., Monarch Capital Management, Inc. and Wells Fargo Advisors, LLC in the amount of \$20,519,702.

## Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's discretely presented component unit's Investment Policy Statement does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

## Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Library's discretely presented component unit's Investment Policy Statement includes an investment policy for credit risk for investments of A or better. The distribution of securities with credit ratings is summarized below.

<u>Standard and Poor's Rating</u>	<u>Morningstar Risk Profile</u>	<u>Government Sponsored Enterprise</u>	<u>Corporate Bonds</u>	<u>Mutual Funds</u>
AAA		\$ 392,314	\$ -	\$ -
AA+		1,616,486	-	-
AA		465,855	-	-
AA-		407,115	-	-
AA1		35,325	-	-
AA2		35,047	-	-
AA3		264,986	-	-
A+		277,693	-	-
A		206,242	28,425	-
A-		77,095	135,057	-
A1		70,738	-	-
A2		50,603	-	-
BBB+		-	51,386	-
BBB		-	81,745	-
Not Rated		205,107	-	74,689
	Low	-	-	642,575
	Below Average	-	-	1,199,258
	Average	-	-	1,636,174
	Above Average	-	-	800,150
	High	-	-	377,120
Totals		<u>\$ 4,104,606</u>	<u>\$ 296,613</u>	<u>\$ 4,729,966</u>

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. The Allen County Public Library has an investment policy statement (IPS) in place that provides a framework for the implementation and oversight of the Foundation's investment strategy. These guidelines set forth what is viewed as the best strategy to successfully accomplish the Foundation's investment objective, with the least amount of risk taken. The IPS is specific enough to be meaningful, though flexible for the Foundation to invest through different market environments.

Although not specifically stated within the IPS, it is best practice that there is no more than 5% invested in one company, no more than 20% invested in any one industry/market sector, proper diversification between U.S. and international equities, and that investment in high yield and unrated bonds should be no higher than 10% of the entire portfolio. These guidelines are continually monitored by the investment committee of the Allen Country Public Library Foundation. In the event were one of these to occur within the Foundation's investment portfolio, proper action would be implemented to resolve the matter.

### Foreign Currency Risk

Foreign currency risk relates to adverse effects on the fair values of an investment from changes in exchange rates. The Investment Policy Statement includes a formal policy in regards to foreign currency risk. The foreign currency related to this investment is in international mutual funds and fixed income instruments and has a fair market value of \$427,328.

## B. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

<u>Primary government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,960,142	\$ -	\$ -	\$ 4,960,142
Rare book collection	994,827	-	-	994,827
Total capital assets, not being depreciated	<u>5,954,969</u>	<u>-</u>	<u>-</u>	<u>5,954,969</u>
Capital assets, being depreciated:				
Buildings	90,525,384	-	-	90,525,384
Improvements other than buildings	634,872	-	-	634,872
Machinery and equipment	5,728,222	135,295	60,452	5,803,065
Library materials	8,126,284	2,553,321	3,047,098	7,632,507
Totals	<u>105,014,762</u>	<u>2,688,616</u>	<u>3,107,550</u>	<u>104,595,828</u>
Less accumulated depreciation for:				
Buildings	34,945,723	2,155,042	-	37,100,765
Improvements other than buildings	385,173	29,136	-	414,309
Machinery and equipment	5,328,797	158,424	60,452	5,426,769
Library materials	2,923,106	2,708,761	3,047,098	2,584,769
Totals	<u>43,582,799</u>	<u>5,051,363</u>	<u>3,107,550</u>	<u>45,526,612</u>
Total capital assets, being depreciated, net	<u>61,431,963</u>	<u>(2,362,747)</u>	<u>-</u>	<u>59,069,216</u>
Total governmental activity capital assets, net	<u>\$ 67,386,932</u>	<u>\$ (2,362,747)</u>	<u>\$ -</u>	<u>\$ 65,024,185</u>

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

Governmental activities:	
Public services	<u>\$ 5,051,363</u>

### C. Interfund Balances and Activity

#### Interfund Transfers

The primary government typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the general fund to the debt service fund for current-year debt service requirements. Interfund transfers at December 31, 2019, were as follows:

<u>Transfer From</u>	<u>ACPL Bldg Corp Certificate</u>
Bond and Interest Redemption	<u>\$ 6,086,000</u>

### D. Long-Term Liabilities

#### 1. First Mortgage Bonds

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

\$30,655,000 First Mortgage Refunding Bonds, Series 2016 due in installments of \$2,330,000 to \$3,000,000, plus interest through January 1, 2022; Interest at 1.08%	\$ 13,600,000
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First mortgage bonds debt service requirements to maturity are as follows:

<u>Year Ended December 31</u>	<u>First Mortgage Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	5,955,000	130,842	6,085,842
2021	5,315,000	66,366	5,381,366
2022	<u>2,330,000</u>	<u>12,582</u>	<u>2,342,582</u>
Total	<u>\$ 13,600,000</u>	<u>\$ 209,790</u>	<u>\$ 13,809,790</u>

## Unamortized Amounts of First Mortgage Bonds

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

	<u>Balance at December 31</u>	<u>Unamortized Premium (Discount)</u>	<u>Net Balance at December 31</u>
First Mortgage Refunding Bonds, Series 2016	\$ 13,600,000	\$ (41,465)	\$ 13,558,535

## **2. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2019, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
1st Mortgage Rfndg Bonds Ser 2016	\$ 19,485,000	\$ -	\$ 5,885,000	\$ 13,600,000	\$ 5,955,000
Compensated Absences	782,546	829,899	807,427	805,018	134,170
Net Pension Liability	<u>6,617,444</u>	<u>1,380,518</u>	<u>1,605,308</u>	<u>6,392,654</u>	<u>-</u>
Totals	<u>\$ 26,884,990</u>	<u>\$ 2,210,417</u>	<u>\$ 8,297,735</u>	<u>\$ 20,797,672</u>	<u>\$ 6,089,170</u>

These first mortgage bonds are payable from governmental funds. Compensated absences are paid from the General fund.

## **IV. OTHER INFORMATION**

### ***A. Risk Management***

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

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

Medical Benefits

The primary government has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Group Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$200,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage for the past three years. A premium is charged to each fund that accounts for payroll. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses included an estimate of claims that were incurred by December 31, 2019, but not submitted for processing.

At December 31, 2019, the total of these liabilities for claims was \$293,608. This liability (Accrued group insurance claims payable) is the Library’s best estimate based on available information. An analysis of claims activities is presented below:

Year	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2018	569,397	2,663,429	2,932,951	299,875
2019	299,875	2,891,309	2,897,576	293,608

## *B. Pension Plan*

### Cost Sharing Multiple-Employer Defined Benefit Pension Plan

#### Public Employees' Retirement Fund

##### Plan Description

The Allen County Public Library (primary government) contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is part of the Indiana Public Retirement System (INPRS) and is a cost sharing multiple-employer public employee retirement system, which provides retirement, disability, and survivor benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (35 IAC 21-1-1, 35 IAC21-1-2 and IC 5-10.2-2-11 and 5-10.3) govern through the INPRS Board, most requirements of the system and give the primary government authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report is available online at <http://www.inprs.in.gov> or may be obtained by contacting:

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

## Benefits Provided

The PERF retirement benefit consists of the sum of a defined pension benefit provided by Library contributions plus the amount credited to the member's annuity savings account. Pension benefits vest after 10 years of creditable service. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the pension benefit.

A member who has reached age 50 and has at least 15 years of creditable service is eligible for early retirement with reduced pension benefits. A member retiring early receives a percentage of the normal pension benefit, which remains the same for the member's lifetime.

The PERF plan also provides disability benefits to members. A member who has at least 5 years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer provided disability insurance benefits may retire for the duration of the disability if they have qualified for social security disability benefits and furnish proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. Also, under certain circumstances, upon the death in service of a member, a survivor benefit may be paid to a surviving spouse or surviving dependent children under the age of 18.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA), however, such increases are not guaranteed by statute and have historically been provided on an “ad hoc” basis. These increases can only be granted by the Indiana General Assembly.

### Contributions

The contribution requirements of the plan members and the Library are established and may be amended by the INPRS Board of Trustees. The required contributions are based on actuarial investigation and valuation in accordance with IC 5-10.2. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. PERF members are required to contribute 3 percent of their annual covered salary. The Library has elected to make these contributions on behalf of the employee members. For 2019, the Library was required to contribute an actuarially determined rate of 11.2 percent of annual covered payroll. The Library’s contribution to the plan for the year ending December 31, 2019 was \$1,124,349.

### Actuarial Assumptions

The actuarial assumptions used in the June 30, 2019 valuation of the Public Employee’s Pension Fund were adopted by the INPRS Board in April, 2015. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.25%
- Salary increases 2.5% to 4.25%
- Cost-of-living increases 1.00%

Actuarial assumptions include two mortality tables (healthy and disabled), rather than healthy only. Mortality rates were based on the RP-2014 Total Data Set Mortality Tables, with Social Security generational improvements from 2006 based on the Social Security Administration’s 2014 Trustee Report. Disabled member assumes the RP-2014 Disabled Mortality Tables, with Social Security generational improvements from 2006 based on the Social Security Administration’s 2014 Trustee Report.

The actuarial assumptions used are based on plan experience from July 1, 2010 through June 30, 2014 and were first used in the June 30, 2015 valuation. The actuarial cost method used for computing the total pension liability is the Entry Age Normal - Level Percent of Payroll method. Additionally, a load on final average salary of \$400 to reflect unused sick leave accumulated at termination of employment for active and inactive vested members was added.

The actuarial assumptions and methods are used in the June, 30, 2019 valuation of the Public Employees' Retirement Fund resulted in the following assumption changes:

- The inflation assumption stayed the same at 2.25% per year.
- The future salary increase assumption stayed the same at a range of 2.5% to 4.25%.
- The mortality table for healthy members assumes the RP-2014 Total Data Set Mortality Tables, with Social Security generational improvements from 2006 based on the Social Security Administration's 2014 Trustee Report. Disabled members assumes the RP-2014 Disabled Mortality Tables, with Social Security generational improvements from 2006 based on the Social Security Administration's 2014 Trustee Report.
- The retirement, termination, and disability assumptions were updated based on recent experience.
- The ASA annuitization assumption was that 60% of members are assumed to annuitize their ASA balance prior to January 1, 2019.

The long term return expectation for the INPRS defined benefit retirement plans has been determined by using a building block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized below:

	Long Term Target Allocation (%)	Long Term Expected Real Rate of Return (%)
Public Equity	22.0	4.9
Private Equity	14.0	7.0
Fixed Income – Ex Inflation Linked	20.0	2.5
Fixed Income – Inflation Linked	7.0	1.3
Commodities	8.0	2.0
Real Estate	7.0	6.7
Absolute Return	10.0	2.9
Risk Parity	12.0	5.3
Total	<u>100.0</u>	

### Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed the contributions from employers would be, at a minimum, made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board. Projected inflows from investment earnings were calculated using the long term assumed investment rate of 6.75%. Based on those assumptions, each defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

### Sensitivity of the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability of the Library calculated using the discount rate of 6.75%, as well as what their respected net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75 percent) or 1-percentage point higher (7.75 percent) than the current rate:

	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
Library's proportionate share of net pension liability	\$ 10,266,687	\$ 6,392,654	\$ 3,161,414

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

As of December 31, 2019, the Library reported a liability of \$6,392,654 for their proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportionate share of the net pension liability was based on wages reported by employers relative to the collective wages of the plan. At June 30, 2019, the Library's portion was .0019342 percent, which was a decrease of .0000138 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the Library recognized pension expense of \$1,011,758. At June 30, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 169,275	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	302,165
Changes of assumptions	1,423	694,929
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	119,632
Employer contributions subsequent to the measurement date	557,693	-
	<u>\$ 728,391</u>	<u>\$ 1,116,726</u>

\$557,693 reported as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of their net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2020	\$	(304,935)
2021		(506,325)
2022		(111,305)
2023		(23,463)
2024		-
Thereafter		-
Total	\$	<u>(946,028)</u>

Pension Plan Fiduciary Net Position

The pension plan’s fiduciary net position has been determined on the same basis of accounting used by the pension plan. Detailed information about the pension plan’s fiduciary net position is available in the separately issued INPRS financial report, which is available online at <http://www.inprs.in.gov> or may be obtained by contacting:

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

Benefit Payment Policies

Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest are distributions from inactive, non-vested members’ annuity savings accounts. These distributions may be requested by members or automatically distributed by the fund when certain criteria are met.

## Valuation of Pension Plan Investments

The pooled and non-pooled investments are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Short-term investments consist primarily of cash, money market funds, certificates of deposits and fixed income instruments with maturities of less than one year. Short-term investments are reported at cost, which approximates fair value or, for fixed income instruments, valued using similar methodologies as other fixed income securities described below.

Fixed income securities consist primarily of the U.S. government, U.S. government-sponsored agencies, publicly traded debt and commingled investment debt instruments. Equity securities consist primarily of domestic and international stocks in addition to commingled equity instruments. Fixed income and equity securities are generally valued based on published market prices and quotations from national security exchanges and securities pricing services. Securities that are not traded on a national security exchange are valued using modeling techniques that included market observable inputs required to develop a fair value. Commingled funds are valued using the net asset value (NAV) of the entity.

Alternative investments include limited partnership interests in private equity, absolute return, private real estate and risk parity investment strategies. Publicly traded alternative investments are valued based on quoted market prices. In the absence of readily determinable public market values, alternative investments are valued using current estimates of fair value obtained from the general partner or investment manager on a quarterly or semi-annual basis. Valuation assumptions are based upon the nature of the investment and the underlying business. Additionally, valuation techniques will vary by investment type and involve a certain degree of expert judgment. Alternative investments, such as investments in private equity or real estate, are generally considered to be illiquid long-term investments. Due to the inherent uncertainty that exists in the valuation of alternative investments, the realized value upon the sale of an asset may differ from the fair value.

Derivative instruments are marked to market daily with changes in fair value recognized as part of investments and investment income.

***C. Tax Abatements***

The Allen County Public Library has not entered into any tax abatement agreements. However, other local governmental units have entered into tax abatement agreements that have reduced the Library’s revenues during 2019. The table below summarizes the taxes that have been abated.

<b>Governmental Unit</b>	<b>Real Property Tax</b>	<b>Personal Property Tax</b>	<b>Total Abated</b>
Allen County	\$ 545,424	\$ 414,032	\$ 959,456
Fort Wayne	290,330	190,869	481,199
Grabill	22	957	979
Hunertown	1,474	628	2,102
Leo-Cedarville	301	-	301
Monroeville	1,159	528	1,687
New Haven	16,804	32,016	48,820
<b>Total - All Units</b>	<b>\$ 855,514</b>	<b>\$ 639,030</b>	<b>\$ 1,494,544</b>

No amounts have been received and no amounts are receivable from other governments in association with the forgone tax revenue.

# REQUIRED SUPPLEMENTARY INFORMATION



ALLEN COUNTY PUBLIC LIBRARY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For The Year Ended December 31, 2019

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Taxes	\$ 25,721,768	\$ 25,721,768	\$ 24,000,307	\$ (1,721,461)
Intergovernmental	3,689,569	3,689,569	4,011,285	321,716
Charges for services	507,000	507,000	432,468	(74,532)
Other	514,000	514,000	849,337	335,337
Total revenues	<u>30,432,337</u>	<u>30,432,337</u>	<u>29,293,396</u>	<u>(1,138,941)</u>
Expenditures:				
Current:				
Personal services	20,146,188	20,146,188	17,261,075	(2,885,113)
Supplies	866,300	866,300	529,229	(337,071)
Other services and charges	6,280,400	6,455,875	5,825,191	(630,684)
Capital outlay	4,086,300	3,819,430	2,765,420	(1,054,010)
Total expenditures	<u>31,379,188</u>	<u>31,287,793</u>	<u>26,380,915</u>	<u>(4,906,878)</u>
Net change in fund balances	(946,851)	(855,456)	2,912,481	3,767,937
Fund balances - beginning	<u>17,463,757</u>	<u>17,463,757</u>	<u>17,463,757</u>	<u>-</u>
Fund balances - ending	<u>\$ 16,516,906</u>	<u>\$ 16,608,301</u>	<u>\$ 20,376,238</u>	<u>\$ 3,767,937</u>

The notes to RSI are an integral part of RSI.

ALLEN COUNTY PUBLIC LIBRARY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE NET PENSION LIABILITIES AND RELATED RATIOS  
 Last 10 years<sup>1</sup>

	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.19342%	0.19480%	0.19747%	0.20826%	0.19836%	0.18982%
Proportionate share of the net pension liability (asset)	\$ 6,392,654	\$ 6,617,444	\$ 8,810,210	\$ 9,451,765	\$ 8,079,009	\$ 4,988,346
Covered Payroll	\$ 10,077,123	\$ 9,939,793	\$ 9,796,738	\$ 9,980,845	\$ 9,500,921	\$ 9,267,446
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	63.44%	66.58%	89.93%	94.70%	85.03%	53.83%
Plan fiduciary net position as a percentage of the total pension liability	80.06%	78.89%	76.60%	75.30%	77.30%	84.30%

<sup>1</sup> GASB 68 requires that information be shown for 10 years. The financial information was not available for years prior to 2014.

The notes to RSI are an integral part of RSI.

ALLEN COUNTY PUBLIC LIBRARY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 Last 10 years<sup>1</sup>

	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,124,349	\$ 1,099,321	\$ 1,069,059	\$ 1,068,599	\$ 1,096,575	\$ 1,037,519
Contributions in relation to the contractually required contribution	1,124,349	1,099,321	1,069,059	1,068,599	1,096,575	1,037,519
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,236,454	\$ 9,998,601	\$ 9,692,628	\$ 9,880,142	\$ 9,888,859	\$ 9,378,736
Contributions as a percentage of covered payroll	10.98%	10.99%	11.03%	10.82%	11.09%	11.06%

<sup>1</sup> GASB 68 requires that information be shown for 10 years. The financial information was not available for years prior to 2014.

The notes to RSI are an integral part of RSI.

# ALLEN COUNTY PUBLIC LIBRARY

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

### NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

- A. The Director submits to the Library Board of Trustees (the Board) a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. The Library advertises the budget prior to adoption and the Board holds public hearings to obtain taxpayer comments.
- C. The budget is approved of each year by the Board through passage of a resolution.
- D. Copies of the budget forms, resolutions and advertisements are published on the Indiana Department of Local Government Finance Gateway website. The budget becomes legally enacted after the Board receives approval from the Indiana Department of Local Government Finance. The budget resolution as approved by the Indiana Department of Local Government Finance becomes the Library's expenditures budget. The Library's maximum tax levy is restricted by Indiana Law, with certain adjustments and exceptions. If the advertised budget exceeds the spending and tax limits of the state control laws, an excess levy can be granted by the Indiana Department of Local Government Finance, upon appeal by the Library.
- E. The legal level of budgetary control (the level at which expenditures may not exceed appropriations without the governing body's approval) is by object classification for all funds. The Library's management cannot transfer budgeted appropriations between object classifications of a budget, without approval of the Board. Any revisions that alter the total appropriations for any fund must be approved by the Board and, in some instances, by the Indiana Department of Local Government Finance and the County Fiscal body (Allen County Council)
- F. Formal budgetary integration is required by State statute and employed as a management control device. For 2019, an annual budget was legally adopted for the following funds:
  - Major Funds
    - General Fund
    - Debt Service Fund:
      - Bond and Interest Redemption
- G. The Library's budgetary process is based upon GAAP. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order or contract. Encumbered appropriations are carried over and added to the subsequent year's budget.
- H. Budgeted amounts are as originally adopted, or as amended by the Board and approved by the Department of Local Government Finance in the regular legal manner.

# SUPPLEMENTARY INFORMATION



## MAJOR GOVERNMENTAL FUNDS

### GENERAL FUND

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

### DEBT SERVICE FUNDS

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

*BOND AND INTEREST REDEMPTION* – Indiana Code 20-14-3-9 (a)(3) provides that all money derived from the taxes levied for the purpose of retiring bonds or other evidence of indebtedness, together with any premium or accrued interest that may be received, shall be receipted into the Bond and Interest Redemption fund. This fund shall be used for no other purpose than the payment of indebtedness.

*ACPL BUILDING CORPORATION CERTIFICATE* – This fund accounts for the activities of a component unit which receives capital lease payments from the Bond and Interest Redemption fund for the purpose of paying the principal and interest on First Mortgage bonds and participation certificates. This fund does not have an annual budget. It is disclosed here to provide the reader additional information.

### CAPITAL PROJECTS FUNDS

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

*LIRF (LIBRARY IMPROVEMENT RESERVE FUND)* – Indiana Code 20-14-3-9-(a)(4) provides that money may be accumulated for the purpose of anticipated necessary future capital expenditures such as the purchase of land, the purchase and construction of buildings or structures, the construction of additions or improvements to existing structures, the purchase of equipment, and all repairs or replacement of buildings or equipment and shall be deposited into the Library Improvement Reserve fund. The money so received shall be appropriated and expended solely for the purposes stated above. The fund is budgeted only when necessary capital expenditures are required to be paid from the fund. For 2019, the fund was not budgeted because there were no capital expenditures that were required to be paid from the fund.

ALLEN COUNTY PUBLIC LIBRARY  
 BUDGETARY COMPARISON SCHEDULE  
 OTHER BUDGETED MAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2019

	Bond and Interest Redemption			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Taxes	\$ 6,081,503	\$ 6,081,503	\$ 6,228,595	\$ 147,092
Expenditures:				
Capital outlay	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	6,081,503	6,081,503	6,228,595	147,092
Other financing uses:				
Transfers in (out)	(6,086,000)	(6,086,000)	(6,086,000)	-
Net change in fund balances	(4,497)	(4,497)	142,595	147,092
Fund balances - beginning	3,072,646	3,072,646	3,072,646	(27,745)
Fund balances - ending	\$ 3,068,149	\$ 3,068,149	\$ 3,215,241	\$ 119,347

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

*GIFT* – This fund accounts for revenue and expenditures related to donations and grants received by various departments and programs of the Library.

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

*LEVY EXCESS* – This fund accounts for property tax collections for a particular year which exceed more than 100% of the approved levy.

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

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

ALLEN COUNTY PUBLIC LIBRARY  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 December 31, 2019

	Gift	Cable TV	Levy Excess	State Technology	Rainy Day	Totals
<u>Assets</u>						
Cash and cash equivalents	\$ 139,924	\$ 289,362	\$ 23,597	\$ 5,731	\$ 2,016,263	\$ 2,474,877
Intergovernmental receivable	-	94,282	-	8,627	-	102,909
Other receivable	60,129	-	-	-	-	60,129
Total assets	200,053	383,644	23,597	14,358	2,016,263	2,637,915
<u>Liabilities</u>						
Accounts payable	3,965	266	-	719	-	4,950
Total Liabilities	3,965	266	-	719	-	4,950
<u>Fund balances</u>						
Restricted	196,088	383,378	23,597	13,639	2,016,263	2,632,965
Total liabilities and fund balances	\$ 200,053	\$ 383,644	\$ 23,597	\$ 14,358	\$ 2,016,263	\$ 2,637,915

ALLEN COUNTY PUBLIC LIBRARY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 For The Year Ended December 31, 2019

	Gift	Cable TV	Levy Excess	State Technology	Rainy Day	Totals
Revenues:						
Taxes	\$ -	\$ -	\$ 23,597	\$ -	\$ -	\$ 23,597
Intergovernmental		428,235		8,627		436,862
Other	1,568,053	-	-	-	-	1,568,053
Total revenues	1,568,053	428,235	23,597	8,627	-	2,028,512
Expenditures:						
Current:						
Public services	1,212,950	483,186	-	8,627	-	1,704,763
Library materials	295,605	-	-	-	-	295,605
Capital outlay	198	1,552	-	-	-	1,750
Total expenditures	1,508,753	484,738	-	8,627	-	2,002,118
Excess (deficiency) of revenues over (under) expenditures	59,300	(56,503)	23,597	-	-	26,394
Net change in fund balances	59,300	(56,503)	23,597	-	-	26,394
Fund balances - beginning	136,788	439,881	-	13,639	2,016,263	2,606,571
Fund balances - ending	\$ 196,088	\$ 383,378	\$ 23,597	\$ 13,639	\$ 2,016,263	\$ 2,632,965



# STATISTICAL SECTION



# ALLEN COUNTY PUBLIC LIBRARY

## LOCATION OF PUBLIC SERVICE FACILITIES

*with population (2010 census) by township*

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

<b>EEL RIVER</b> <i>3,965</i>	<b>PERRY</b> <i>19,643</i>	<b>CEDAR CREEK</b> <i>11,329</i> ● GRB	<b>SPRINGFIELD</b> <i>4,761</i>	<b>SCIPIO</b> <i>584</i>
<b>LAKE</b> <i>2,807</i>	<b>WASHINGTON</b> <i>33,859</i> DPT ● LTL ●      TEC ●	<b>ST. JOSEPH</b> <i>71,832</i> ● GEO	<b>MILAN</b> <i>4,656</i>	<b>MAUMEE</b> <i>3,318</i> ● WDB
<b>ABOITE</b> <i>30,000</i> ● ABT	<b>WAYNE</b> <i>108,119</i> MAI ● PON ● SHW ● WAY ●	<b>ADAMS</b> <i>32,050</i> ● NWH ● HSC	<b>JEFFERSON</b> <i>2,821</i>	<b>JACKSON</b> <i>1,041</i>
<b>LAFAYETTE</b> <i>3,533</i>	<b>PLEASANT</b> <i>4,323</i>	<b>MARION</b> <i>4,495</i>	<b>MADISON</b> <i>2,722</i>	<b>MONROE</b> <i>2,785</i> ● MON

# ALLEN COUNTY PUBLIC LIBRARY

## STATISTICAL SECTION

*(Unaudited)*

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

<b>CONTENTS</b>	<b>PAGE</b>
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<b>FINANCIAL TRENDS</b>	<b>S-1</b>
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These tables contain trend information that may assist the reader in assessing the Library's current financial performance by placing it in historical perspective.

<b>REVENUE CAPACITY</b>	<b>S-5</b>
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These tables contain information that may assist the reader in assessing the viability of the Library's most significant revenue source-property taxes.

<b>DEBT CAPACITY</b>	<b>S-10</b>
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These tables present information that may assist the reader in analyzing the affordability of the Library's current level of outstanding debt and the Library's ability to issue additional debt in the future.

<b>ECONOMIC AND DEMOGRAPHIC INFORMATION</b>	<b>S-13</b>
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These tables offer economic and demographic indicators that are commonly used for financial analysis and can help in understanding the Library's present and ongoing financial status.

<b>OPERATING INFORMATION</b>	<b>S-18</b>
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These tables contain service indicators that can help in understanding how the Library's financial status relates to the services the Library provides and the activities it performs.

**SOURCE:**

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



**Allen County Public Library**  
**Total Net Position**  
**Last Ten Years**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Primary Government (Governmental Activities) <sup>(A)</sup>										
Net investment in capital assets	\$ 29,091	\$ 30,885	\$ 32,522	\$ 34,346	\$ 36,647	\$ 39,317	\$ 40,635	\$ 44,262	\$ 47,595	\$ 51,236
Restricted	\$ 10,593	\$ 10,135	\$ 9,525	\$ 9,176	\$ 9,947	\$ 10,722	\$ 10,776	\$ 13,385	\$ 12,387	\$ 12,568
Unrestricted	\$ 6,743	\$ 8,935	\$ 10,728	\$ 11,468	\$ 13,301	\$ 8,001	\$ 10,016	\$ 10,541	\$ 14,347	\$ 18,747
<b>Total Primary Government Net Position</b>	<b>\$ 46,427</b>	<b>\$ 49,955</b>	<b>\$ 52,775</b>	<b>\$ 54,990</b>	<b>\$ 59,895</b>	<b>\$ 58,040</b>	<b>\$ 61,427</b>	<b>\$ 68,188</b>	<b>\$ 74,329</b>	<b>\$ 82,551</b>

Primary Government (Governmental Activities)<sup>(A)</sup>  
 Net investment in capital assets  
 Restricted  
 Unrestricted  
 Total Primary Government Net Position

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

**Allen County Public Library**  
**Changes in Total Net Position**  
**Last Ten Years**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Primary Government (Governmental Activities) <sup>(A)</sup>										
Administration and support	\$ 4,774	\$ 4,806	\$ 4,964	\$ 4,763	\$ 7,738	\$ 8,466	\$ 8,889	\$ 9,065	\$ 8,873	\$ 9,172
Public Service	\$ 20,728	\$ 21,152	\$ 21,182	\$ 21,973	\$ 19,646	\$ 20,797	\$ 21,697	\$ 19,958	\$ 20,837	\$ 20,593
Interest on long-term debt	\$ 2,724	\$ 2,526	\$ 2,165	\$ 2,012	\$ 1,792	\$ 1,613	\$ 1,373	\$ 106	\$ 162	\$ 96
Total primary government expenses	\$ 28,226	\$ 28,484	\$ 28,311	\$ 28,748	\$ 29,176	\$ 30,876	\$ 31,959	\$ 29,129	\$ 29,872	\$ 29,866
<b>Program Revenues</b>										
Primary Government (Governmental Activities) <sup>(A)</sup>										
Charges for services - Public Services	\$ 780	\$ 762	\$ 751	\$ 704	\$ 634	\$ 642	\$ 594	\$ 520	\$ 496	\$ 433
Operating Grants and Contributions	\$ 376	\$ 364	\$ 385	\$ 743	\$ 866	\$ 1,244	\$ 1,739	\$ 1,286	\$ 1,451	\$ 1,626
Total primary government program revenues	\$ 1,156	\$ 1,126	\$ 1,136	\$ 1,447	\$ 1,500	\$ 1,886	\$ 2,333	\$ 1,806	\$ 1,947	\$ 2,059
<b>Total primary government net expense</b>	\$ (27,070)	\$ (27,356)	\$ (27,175)	\$ (27,301)	\$ (27,676)	\$ (28,990)	\$ (29,626)	\$ (27,323)	\$ (27,925)	\$ (27,802)
<b>General Revenues and Other Changes in Net Position</b>										
Primary Government (Governmental Activities) <sup>(A)</sup>										
Taxes										
Property Taxes	\$ 22,414	\$ 23,171	\$ 23,614	\$ 23,437	\$ 24,540	\$ 25,105	\$ 25,103	\$ 26,173	\$ 25,734	\$ 27,725
Auto Excise Taxes	\$ 2,124	\$ 2,081	\$ 2,148	\$ 2,136	\$ 2,212	\$ 2,158	\$ 2,189	\$ 2,337	\$ 2,340	\$ 2,602
COIT and other Taxes	\$ 1,927	\$ 4,531	\$ 3,336	\$ 3,259	\$ 3,185	\$ 4,454	\$ 4,904	\$ 4,307	\$ 4,817	\$ 3,893
Unrestricted grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrealized loss on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on investments	\$ 27	\$ 34	\$ 20	\$ 20	\$ 19	\$ 23	\$ 65	\$ 152	\$ 387	\$ 598
Other	\$ 718	\$ 1,069	\$ 877	\$ 1,139	\$ 1,977	\$ 867	\$ 752	\$ 1,115	\$ 788	\$ 1,206
Total primary government general revenues	\$ 27,210	\$ 30,886	\$ 29,985	\$ 29,991	\$ 31,933	\$ 32,607	\$ 33,013	\$ 34,084	\$ 34,066	\$ 36,024
<b>Total Change in Primary Government Net Position</b>	\$ 140	\$ 3,528	\$ 2,820	\$ 2,690	\$ 4,257	\$ 3,617	\$ 3,387	\$ 6,761	\$ 6,141	\$ 8,222

NOTE:

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

(B) In 2014 a decision was made to reclassify \$2.7 million of insurance premiums relating to the self-insurance fund which were formerly included as Public Service expenses to Administration and Support expense.

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

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>
General Fund										
Assigned	\$ 106	\$ 32	\$ 81	\$ 87	\$ 446	\$ 246	\$ 270	\$ 428	\$ 379	\$ 470
Unassigned	\$ 5,647	\$ 7,935	\$ 9,453	\$ 10,901	\$ 10,987	\$ 11,456	\$ 12,586	\$ 14,599	\$ 17,085	\$ 19,906
Total General Fund	\$ 5,753	\$ 7,967	\$ 9,534	\$ 10,988	\$ 11,433	\$ 11,702	\$ 12,856	\$ 15,027	\$ 17,464	\$ 20,376
All Other Governmental Funds										
Restricted	\$ 11,527	\$ 11,016	\$ 10,401	\$ 10,091	\$ 10,896	\$ 11,656	\$ 12,929	\$ 13,385	\$ 12,386	\$ 12,568
Committed										
Assigned										
Unassigned										
Total all other governmental funds	\$ 11,527	\$ 11,016	\$ 10,401	\$ 10,091	\$ 10,896	\$ 11,656	\$ 12,929	\$ 13,385	\$ 12,386	\$ 12,568

**Allen County Public Library**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Years**

(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>										
Taxes	\$ 24,773	\$ 25,282	\$ 25,756	\$ 25,746	\$ 26,613	\$ 27,273	\$ 27,298	\$ 28,477	\$ 27,972	\$ 30,253
Intergovernmental	\$ 2,413	\$ 4,589	\$ 3,815	\$ 3,749	\$ 4,318	\$ 4,201	\$ 5,547	\$ 4,644	\$ 4,887	\$ 4,448
Charges for services	\$ 779	\$ 762	\$ 751	\$ 704	\$ 634	\$ 642	\$ 595	\$ 520	\$ 496	\$ 432
Other	\$ 693	\$ 737	\$ 817	\$ 1,011	\$ 1,305	\$ 1,599	\$ 1,984	\$ 1,659	\$ 2,075	\$ 2,417
<b>Total Revenues</b>	\$ 28,658	\$ 31,370	\$ 31,139	\$ 31,210	\$ 32,870	\$ 33,715	\$ 35,424	\$ 35,300	\$ 35,430	\$ 37,550
<b>Expenditures</b>										
Administration and support	\$ 4,625	\$ 4,504	\$ 4,682	\$ 4,668	\$ 7,738	\$ 8,212	\$ 8,467	\$ 8,446	\$ 9,025	\$ 9,449
Public Services	\$ 13,548	\$ 13,858	\$ 14,558	\$ 15,434	\$ 13,740	\$ 14,382	\$ 14,503	\$ 14,837	\$ 16,067	\$ 15,871
Library Materials	\$ 3,427	\$ 3,626	\$ 2,955	\$ 2,853	\$ 2,958	\$ 3,059	\$ 3,047	\$ 2,675	\$ 2,404	\$ 2,553
Capital Outlays	\$ 1,259	\$ 1,055	\$ 1,269	\$ 526	\$ 652	\$ 534	\$ 448	\$ 425	\$ 417	\$ 510
Debt Service										
Principal	\$ 3,735	\$ 3,915	\$ 13,490 <sup>(A)</sup>	\$ 4,490	\$ 4,545	\$ 4,710	\$ 4,885	\$ 6,050	\$ 5,825	\$ 5,885
Interest	\$ 2,903	\$ 2,709	\$ 2,512	\$ 2,095	\$ 1,987	\$ 1,789	\$ 1,613	\$ 240	\$ 254	\$ 188
Bond issue costs		\$ 156	\$ -	\$ -	\$ -	\$ -	\$ 138	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	\$ 29,497	\$ 29,667	\$ 39,622	\$ 30,066	\$ 31,620	\$ 32,686	\$ 33,101	\$ 32,673	\$ 33,992	\$ 34,456
Excess of revenues over (under) expenditures	\$ (839)	\$ 1,703	\$ (8,483)	\$ 1,144	\$ 1,250	\$ 1,029	\$ 2,323	\$ 2,627	\$ 1,438	\$ 3,094
<b>Other Financing Source (Uses)</b>										
Transfers in	\$ 7,444	\$ 7,442	\$ 7,445	\$ 6,536	\$ 6,518	\$ 6,507	\$ 6,510	\$ 6,082	\$ 6,085	\$ 6,086
Transfers out	\$ (7,444)	\$ (7,442)	\$ (7,445)	\$ (6,536)	\$ (6,518)	\$ (6,507)	\$ (6,510)	\$ (6,082)	\$ (6,085)	\$ (6,086)
Issuance of debt		\$ 9,385	\$ -	\$ -	\$ -	\$ -	\$ 30,655	\$ -	\$ -	\$ -
Bond premium (discount)		\$ 610	\$ -	\$ -	\$ -	\$ -	\$ (83)	\$ -	\$ -	\$ -
Accrued interest at bond sale										
Payment to bond escrow agent							\$ (30,468)	\$ -	\$ -	\$ -
Defeasance of bonds										
Total other financing sources (uses)	\$ -	\$ -	\$ 9,434	\$ -	\$ -	\$ -	\$ 104	\$ -	\$ -	\$ -
<b>Net Change in Fund Balance</b>	\$ (839)	\$ 1,703	\$ 951	\$ 1,144	\$ 1,250	\$ 1,029	\$ 2,427	\$ 2,627	\$ 1,438	\$ 3,094
Debt Service as a percentage of noncapital expenditures <sup>(B)</sup>	25.9%	25.6%	25.2%	24.3%	23.0%	22.0%	21.5%	21.1%	19.4%	19.1%

**NOTE:**

A) In 2012, \$9,375,000 of debt issued in 2003 was refinanced. The payoff of the principal on this debt is reflected in the "Expenditures" for this year. However, in order to have more accurate calculations relating to Debt Service percentages, the expenditures have been adjusted to reflect true on-going debt service principal payments of \$4,115,000.

B) Noncapital expenditures are calculated by subtracting the following from total expenditures: (a) capital outlay (to the extent capitalized for the government-wide statement of net position) and (b) expenditures for capitalized assets contained within the functional expenditure categories.

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

Tax Year Payable	Agricultural	Commercial / Industrial	Residential	Utility	Exempt <sup>A</sup>	Adjustments/ Credits	Total Net Assessed Value	Total Direct Tax Rate
2019	\$ 808,548,513	\$ 4,998,298,816	\$ 8,257,957,735	\$ 35,799,300	\$ 14,027,952	\$ 1,477,105,388	\$ 15,591,737,704	\$ 0.1914
2018	814,055,822	4,870,032,302	7,487,906,022	27,299,800	13,122,971	1,374,579,991	14,586,996,908	0.1923
2017	827,257,871	4,724,312,392	7,061,447,547	27,292,000	47,089,953	1,387,620,672	14,075,020,435	0.2041
2016	832,817,997	4,624,518,860	6,776,434,362	26,035,800	38,754,205	1,351,983,543	13,650,544,767	0.2031
2015	816,272,152	4,579,808,731	6,486,081,875	25,879,700	34,400,696	1,352,898,517	13,295,341,671	0.2090
2014	743,191,398	4,564,353,083	6,201,026,726	33,052,793	27,665,700	1,343,972,582	12,913,262,282	0.2100
2013	696,536,102	4,532,997,743	6,009,828,844	27,953,300	25,326,445	1,487,770,463	12,780,412,897	0.2067
2012	675,869,296	4,654,357,451	6,008,478,077	25,965,165	40,327,846	1,336,706,243	12,741,704,078	0.2042
2011	627,988,031	4,784,009,561	5,978,042,386	26,208,970	21,246,631	1,237,482,381	12,674,957,960	0.1985
2010	625,544,019	5,024,668,242	6,138,454,236	31,345,280	43,785,585	1,249,146,876	13,112,944,238	0.1871

NOTE:  
 (A) Exempt properties include parcels owned by organizations such as:  
 Governmental agencies at the federal, state, municipal, and township levels.  
 Religious and other charitable organizations  
 Park districts  
 Miscellaneous other properties granted exemption

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



# ALLEN COUNTY PUBLIC LIBRARY

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

	2018 pay 2019	2017 pay 2018	2016 pay 2017	2015 pay 2016	2014 pay 2015
<b>Library Direct Rates</b>					
General	\$ 0.1548	\$ 0.1600	\$ 0.1594	\$ 0.1584	\$ 0.1585
Debt Service	0.0366	0.0323	0.0447	0.0447	0.0505
Total direct rates	0.1914	0.1923	0.2041	0.2031	0.2090
<b>County-wide units:</b>					
Ft. Wayne-Allen Co. Airport	0.0407	0.0456	0.0461	0.0464	0.0471
County of Allen	0.5087	0.5370	0.5414	0.5403	0.5447
<b>Cities and Towns:</b>					
City of Fort Wayne	1.5277	1.5674	1.5565	1.5312	1.5106
City of New Haven	1.1630	1.1721	1.1581	1.0893	1.0633
City of Woodburn	0.6617	0.6776	0.6979	0.7193	0.7224
Town of Grabill	0.9216	0.9228	0.9146	0.9061	0.906
Town of Monroeville	1.4099	1.4806	1.4313	1.3993	1.2939
Town of Hometown	0.1448	0.1566	0.1882	0.2588	0.2821
Town of Zanesville	0.3142	0.3328	0.3808	0.4060	0.3439
Town of Leo-Cedarville	0.3877	0.3779	0.3741	0.3767	0.3737
<b>School Districts:</b>					
East Allen County	0.8943	0.9318	0.9172	0.8698	0.8851
Ft. Wayne Community	0.9527	0.9925	1.0113	0.9772	1.0123
Northwest Allen County	1.0473	1.1195	1.1636	1.3124	1.3453
Southwest Allen County	0.8214	0.8912	0.9283	0.9190	0.9418
<b>Other special districts:</b>					
Public Transport. Corp	0.0629	0.0646	0.0640	0.0630	0.0628
S.W. Allen Fire District	0.1661	0.1666	0.1675	0.1726	0.1769
N.W. Allen Fire District	0.0641	0.0682	0.0691	0.0708	0.0719
New Haven-Adams Twp Parks	0.1871	0.1982	0.1987	0.2052	0.1833
<b>Townships:</b>					
Aboite	0.0584	0.0645	0.0497	0.0506	0.0504
Adams	0.3592	0.3462	0.3460	0.3463	0.3466
Cedar Creek	0.0451	0.0471	0.0480	0.0490	0.0497
Eel River	0.0001	0.0088	0.0085	0.0084	0.0077
Jackson	0.0410	0.0391	0.0371	0.0359	0.0361
Jefferson	0.1077	0.1118	0.1067	0.1012	0.1034
Lafayette	0.0065	0.0069	0.0071	0.0131	0.0141
Lake	0.0721	0.0728	0.0735	0.0746	0.0749
Madison	0.1192	0.1053	0.1195	0.0671	0.0873
Marion	0.0672	0.0708	0.0704	0.0706	0.0698
Maumee	0.1190	0.1097	0.1221	0.0876	0.1298
Milan	0.0961	0.0976	0.0986	0.0974	0.1151
Monroe	0.1057	0.1020	0.0985	0.0944	0.0917
Perry	0.0047	0.0050	0.0051	0.0052	0.0054
Pleasant	0.0122	0.0138	0.0136	0.0138	0.0133
Scipio	0.0545	0.0501	0.0480	0.0472	0.0436
Springfield	0.0694	0.0734	0.0991	0.1199	0.1483
Saint Joseph	0.1207	0.1278	0.1314	0.1351	0.1163
Washington	0.1385	0.1507	0.1293	0.1260	0.1169
Wayne	0.1442	0.1485	0.1487	0.1433	0.1464

Source: Allen County Auditor's Office

	2013 pay 2014	2012 pay 2013	2011 pay 2012	2010 pay 2011	2009 pay 2010
\$	0.1589	\$ 0.1565	\$ 0.1527	\$ 0.1486	\$ 0.1396
	0.0511	0.0502	0.0515	0.0499	0.0475
	0.2100	0.2067	0.2042	0.1985	0.1871
	0.0477	0.0471	0.0468	0.0447	0.0440
	0.5477	0.5404	0.5279	0.5155	0.5187
	1.4716	1.3411	1.3274	1.3149	1.2238
	1.0633	1.0528	1.0077	1.0055	0.9617
	0.7006	0.6873	0.6579	0.6577	0.6367
	0.8702	0.8685	0.8436	0.7837	0.7783
	1.2203	1.2002	1.1551	1.0156	1.0075
	0.2787	0.2779	0.255	0.2802	0.3297
	0.3491	0.3348	0.3216	0.3199	0.3509
	0.376	0.3788	0.3731	0.3655	0.3636
	0.9309	0.8833	0.8379	0.8871	0.8443
	1.0177	0.9766	0.8527	0.9000	0.8271
	1.5042	1.5437	1.4358	1.5043	1.3317
	1.0371	1.0196	1.0282	1.0170	1.0170
	0.0618	0.0603	0.0582	0.0552	0.0521
	0.1749	0.1635	0.1645	0.1623	0.1716
	0.0759	0.0780	0.0572	0.0569	0.0569
	0.1842	0.1769	0.1734	0.1229	0.1113
	0.0511	0.0497	0.0501	0.0526	0.0565
	0.3377	0.0364	0.3064	0.3007	0.2644
	0.0504	0.0505	0.0508	0.0489	0.0488
	0.0086	0.0092	0.0091	0.0083	0.0091
	0.0387	0.0377	0.0379	0.0384	0.0379
	0.1079	0.1059	0.1043	0.1041	0.1024
	0.0148	0.0133	0.0149	0.0018	0.0018
	0.0786	0.0808	0.0829	0.0881	0.0846
	0.1185	0.1200	0.1182	0.1225	0.1573
	0.0729	0.0722	0.0687	0.0721	0.0712
	0.1261	0.1418	0.1597	0.1378	0.1513
	0.0509	0.0500	0.0498	0.0501	0.0496
	0.0962	0.0941	0.0978	0.0990	0.0985
	0.0055	0.0057	0.0025	0.0055	0.0055
	0.0119	0.0128	0.0133	0.0139	0.0133
	0.0482	0.0513	0.0505	0.0518	0.0518
	0.1121	0.1499	0.1246	0.1477	0.1233
	0.0941	0.1084	0.1137	0.1413	0.1341
	0.1256	0.1311	0.1355	0.1190	0.1440
	0.1260	0.1402	0.1365	0.1302	0.1175

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

Principal Taxpayers - Name	2019			2010		
	Taxable Assessed Valuation (1)	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation (2)	Rank	Percent of Total Taxable Assessed Valuation
Indiana Michigan Power	\$ 281,304,650	1	1.8 %	\$ 143,566,840	4	1.1 %
General Motors Corp.	245,573,617	2	1.6	159,649,180	3	1.2
IOM Health Systems	184,942,364	3	1.2	133,036,420	5	1.0
Frontier North Inc. <sup>A</sup>	172,624,370	4	1.1	183,280,190	2	1.4
GGP-Glenbrook-LLC	155,664,660	5	1.0	199,625,930	1	1.5
Parkview Health Systems, Inc	151,287,187	6	1.0	89,452,740	6	0.7
Uniroyal BF Goodrich	79,735,680	7	0.5			
St Joseph Health System LLC	73,123,190	8	0.5	58,184,970	10	0.4
Canterbury Green Apartments, LLC	69,328,500	9	0.4	58,562,100	9	0.4
Nothern Indiana Public Service Co	65,139,730	10	0.4			
Walmart Stores East LP/RE Bus				79,651,790	7	0.6
IMI Jefferson Pointe LLC				65,376,560	8	0.5
<b>Total of Ten Largest Taxpayers</b>	<b>\$ 1,478,723,948</b>		<b>9.5 %</b>	<b>\$1,170,386,720</b>		<b>8.9 %</b>

<sup>A</sup> Formerly Verizon North, Inc. Includes Frontier Communications Online & LD services..

- (1) Represents assessed valuations for taxes due and payable in 2019 and includes both real estate and personal property.
- (2) Represents assessed valuations for taxes due and payable in 2010 and includes both real estate and personal property.

Source: Allen County Auditor's Office.

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

<u>Year</u>	<u>General Fund</u>			<u>Debt Service Fund</u>		
	<u>Tax Levied</u>	<u>Tax Collected (A)</u>	<u>% (A)</u>	<u>Tax Levied</u>	<u>Tax Collected (A)</u>	<u>% (A)</u>
2019	\$24,136,010	\$21,941,267	90.91%	\$ 5,706,576	\$ 5,741,767	100.62% (B)
2018	23,339,195	20,994,578	89.95%	4,711,600	4,727,561	100.34%
2017	22,435,583	19,894,753	88.67%	6,291,534	6,289,381	99.97%
2016	21,622,463	19,020,007	87.96%	6,101,794	6,100,006	99.97%
2015	21,073,117	18,413,212	87.38%	6,714,148	6,711,176	99.96%
2014	20,519,174	17,952,579	87.49%	6,598,677	6,586,322	99.81%
2013	20,001,346	17,874,776	89.37%	6,415,767	5,734,347	89.38%
2012	19,456,582	17,615,996	90.54%	6,561,978	5,941,956	90.55%
2011	18,834,988	17,362,672	92.18%	6,324,804	5,807,823	91.83%
2010	18,305,670	16,916,627	92.41%	6,228,649	5,756,678	92.42%

NOTE:

(A) Property taxes collected include the portion of prior year delinquencies collected in the current year and will account for why some years collections are greater than levied. No penalties or interest are included. GASB Statement #44 has called for a new report on collections that breaks down the collection figure between current and prior years. At the time of CAFR production, this information was unavailable from the County Auditor's Office.

Property taxes for all units of local government are collected by the County Treasurer and distributed to the units by the County Auditor.

(B) Starting in 2008, property tax collection limitations were enacted that capped the total amount a property owner would pay in property taxes to 1% to 3% of the assessed value depending on the type of property. These "cap" reductions applied to all property tax supported funds. However, starting in 2014, the State legislature removed debt service funds from being subject to any property tax cap loss allocation in order to ensure that all debt commitments could be paid for within those funds. Those amounts previously incurred by the debt service funds are redistributed over the remaining property tax supported funds. In the case of the Library, the only other property tax supported fund is the General Fund,

Source: Allen County Auditor's Office

# ALLEN COUNTY PUBLIC LIBRARY

## Ratios of Outstanding Debt by Type Last Ten Years

### Primary Government (Governmental Activities) <sup>A</sup>

<u>Year</u>	<u>General Obligation Bonds</u>	<u>First Mortgage (Lease) Bonds</u>	<u>Premiums</u>	<u>(Discounts)</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income<sup>B</sup></u>	<u>Per Capita<sup>B</sup></u>
2019	\$ -	\$ 13,600,000	\$ -	\$ (41,465)	\$ 13,558,535	N/A	\$ 35.75
2018	-	19,485,000	-	(55,287)	19,429,713	1.12%	51.76
2017	-	25,310,000	-	(69,109)	25,240,891	1.52%	67.69
2016	-	31,360,000	241,576	(\$82,930)	31,518,646	2.00%	85.09
2015	-	35,325,000	1,282,090	-	36,607,090	2.39%	99.35
2014	-	40,035,000	1,637,800	-	41,672,800	2.87%	113.95
2013	-	44,580,000	1,993,510	-	46,573,510	3.42%	128.30
2012	-	49,070,000	623,088	(\$277,080)	49,416,008	3.67%	137.11
2011	-	53,175,000	726,595	(\$304,787)	53,596,808	4.25%	149.58
2010	-	57,090,000	848,058	(\$332,494)	57,605,564	4.75%	162.12

NOTE:

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

(B) See Schedule S-13 for personal income and population data. Personal income data for the year 2019 was not available at the time of production.

# ALLEN COUNTY PUBLIC LIBRARY

## Ratios of General Bonded Debt Outstanding Last Ten Years

(amounts expressed in thousands, except per capita)

<u>Year</u>	<u>General Bonded Debt</u> <sup>A</sup>	<u>Less: Amounts Available in Debt Service Funds</u> <sup>B</sup>	<u>Total Primary Government</u>	<u>Percentage of Actual Taxable Value</u> <sup>C</sup> <u>of Property</u>	<u>Per Capita</u> <sup>D</sup>
2019	\$ 13,559	\$ 6,292	\$ 7,267	0.047%	\$ 19.16
2018	19,430	6,137	13,293	0.091%	35.41
2017	25,241	7,110	18,131	0.129%	48.62
2016	31,519	6,609	24,910	0.182%	67.25
2015	36,607	6,562	30,045	0.226%	81.54
2014	41,673	5,830	35,843	0.278%	98.01
2013	46,574	5,272	41,302	0.323%	113.78
2012	49,416	5,604	43,812	0.344%	121.56
2011	53,597	5,831	47,766	0.377%	133.30
2010	57,606	6,116	51,490	0.393%	144.91

NOTE:

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

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

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>
Debt limit <sup>A</sup>	\$ 87,420	\$ 84,500	\$ 84,945	\$ 85,203	\$ 86,088	\$ 88,636	\$ 91,004	\$ 93,833	\$ 97,247	\$ 103,945
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 87,420	\$ 84,500	\$ 84,945	\$ 85,203	\$ 86,088	\$ 88,636	\$ 91,004	\$ 93,833	\$ 97,247	\$ 103,945

Total net debt applicable to the limit as a percentage of debt limit

0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

**Legal Debt Margin Calculation for Fiscal Year 2019**

Market value	\$ 15,591,738
Assessed value for debt calculation <sup>B</sup>	\$ 5,197,246
Debt limit (2%)	\$ 103,945
Debt applicable to limit:	
General obligation bonds	\$ -
Less: Amount set aside for repayment of general obligation debt <sup>C</sup>	\$ -
Total net debt applicable to limit	\$ -
Legal debt margin	\$ 103,945

NOTE:

(A) The statutory debt limit for a municipal corporation is 2% of the assessed value. The 2% limit does not apply to any debt that is incurred by a building corporation for constructing facilities to be leased to a municipal corporation at a payment level that will at least cover the corporation's annual debt service requirements. Consequently, for this report, only General Obligation Bonds are subject to the debt limitations.

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

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

# ALLEN COUNTY PUBLIC LIBRARY

## Demographic and Economic Statistics Last Ten Years

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<u>Year</u>	<u>Population <sup>A</sup></u>	<u>Personal Income (Thousands) <sup>B</sup></u>	<u>Per Capita Personal Income <sup>C</sup></u>	<u>Unemployment Rate</u>
2019	379,299	N/A	N/A	3.1 %
2018	375,351	\$ 17,374,174	\$ 46,288	3.2
2017	372,877	16,602,299	44,525	3.3
2016	370,404	15,791,276	42,633	4.3
2015	368,450	15,301,020	41,528	4.3
2014	365,701	14,531,265	39,712	5.5
2013	363,014	13,634,727	37,560	6.0
2012	360,412	13,469,114	37,371	8.2
2011	358,327	12,612,682	35,689	8.6
2010	355,329	12,128,139	34,088	9.4

**NOTE:**

- (A) 2010 population is actual U.S. Census count. All other years are intercensal estimates. Source: U.S. Census Bureau and Indiana Business Research Center.
- (B) 2019 Personal Income data was unavailable at the time of production. Source: U.S. Department of Commerce, Bureau of Economic Analysis.
- (C) Source: U.S. Department of Labor, Bureau of Labor Statistics.& StatsAmerica

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

Principal Employers - Name	2019			2010		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Parkview Health Systems	6,684	1	3.6 %	3,210	4	1.9 %
Lutheran Health Network	4,763	2	2.5	3,756	2	2.2
General Motors - Truck & Bus Group	4,340	3	2.3	3,341	3	1.9
Fort Wayne Community Schools	3,600	4	1.9	4,159	1	2.4
Shambaugh & Sons, LP	2,000	5	1.1			
Lincoln Financial Group	1,954	6	1.0	1,750	6	1.0
The City of Fort Wayne	1,869	7	1.0	2,003	5	1.2
BF Goodrich	1,580	8	0.8	1,584	8	0.9
Frontier Communications <sup>A</sup>	1,355	9	0.7			
Allen County Government	1,305	10	0.7	1,605	7	0.9
ITT Aerospace-Communications Div				1,581	9	0.9
East Allen County Schools				1,307	10	0.8
<b>Total of Ten Largest Taxpayers</b>	<b>29,450</b>		<b>15.8 %</b>	<b>24,296</b>		<b>14.1 %</b>

(A) Formerly Verizon North, Inc.

Source: Greater Fort Wayne Chamber of Commerce, the Bureau of Labor Statistics, and StatsAmerica.

# ALLEN COUNTY PUBLIC LIBRARY

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

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

### NOTE

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

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

# ALLEN COUNTY PUBLIC LIBRARY

## Age Distribution by Township for Allen County, Indiana

<b>Age ranges:</b>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>
<b>Townships</b>								
Aboite	2,175	2,853	3,117	2,669	1,356	3,601	5,038	5,790
Adams	2,604	2,424	2,445	2,576	1,936	3,763	4,086	4,336
Cedar Creek	796	1,122	1,238	1,203	518	1,006	1,817	2,079
Eel River	198	233	294	291	188	333	486	644
Jackson	32	41	39	30	17	59	65	73
Jefferson	104	158	162	147	95	194	245	341
Lafayette	202	266	277	239	157	317	459	597
Lake	126	142	150	158	127	229	296	430
Madison	103	140	144	155	94	161	234	278
Marion	207	233	258	287	232	330	430	722
Maumee	204	196	216	184	177	313	307	394
Milan	358	399	339	325	242	366	445	461
Monroe	114	111	130	130	115	196	253	288
Perry	2,252	2,625	2,638	2,125	1,064	3,352	4,537	4,385
Pleasant	215	226	259	243	138	369	417	527
St. Joseph	4,992	4,752	4,819	5,215	5,764	10,029	8,613	9,303
Scipio	24	17	32	37	27	35	38	80
Springfield	436	451	433	365	250	527	523	518
Washington	2,731	2,270	2,145	2,215	2,753	5,470	4,531	5,008
Wayne	8,651	8,146	7,349	7,662	8,130	16,159	12,980	13,960
<b>TOTAL</b>	<b>26,524</b>	<b>26,805</b>	<b>26,484</b>	<b>26,256</b>	<b>23,380</b>	<b>46,809</b>	<b>45,800</b>	<b>50,214</b>
Above data presented as percents for each township								
Aboite	6.08%	7.98%	8.72%	7.46%	3.79%	10.07%	14.09%	16.19%
Adams	8.18%	7.62%	7.68%	8.10%	6.08%	11.83%	12.84%	13.63%
Cedar Creek	6.33%	8.93%	9.85%	9.57%	4.12%	8.00%	14.46%	16.54%
Eel River	5.48%	6.45%	8.14%	8.06%	5.20%	9.22%	13.46%	17.83%
Jackson	6.35%	8.13%	7.74%	5.95%	3.37%	11.71%	12.90%	14.48%
Jefferson	4.93%	7.49%	7.68%	6.97%	4.50%	9.20%	11.62%	16.17%
Lafayette	6.02%	7.93%	8.26%	7.13%	4.68%	9.45%	13.69%	17.80%
Lake	5.48%	6.17%	6.52%	6.87%	5.52%	9.95%	12.86%	18.69%
Madison	5.82%	7.91%	8.13%	8.75%	5.31%	9.09%	13.21%	15.70%
Marion	5.37%	6.04%	6.69%	7.44%	6.01%	8.55%	11.15%	18.71%
Maumee	7.79%	7.48%	8.24%	7.02%	6.76%	11.95%	11.72%	15.04%
Milan	9.55%	10.64%	9.04%	8.67%	6.46%	9.76%	11.87%	12.30%
Monroe	5.92%	5.76%	6.75%	6.75%	5.97%	10.17%	13.13%	14.95%
Perry	7.72%	9.00%	9.05%	7.29%	3.65%	11.50%	15.56%	15.04%
Pleasant	6.49%	6.82%	7.82%	7.34%	4.17%	11.14%	12.59%	15.91%
St. Joseph	6.91%	6.58%	6.67%	7.22%	7.98%	13.88%	11.92%	12.88%
Scipio	5.80%	4.11%	7.73%	8.94%	6.52%	8.45%	9.18%	19.32%
Springfield	10.03%	10.37%	9.96%	8.39%	5.75%	12.12%	12.03%	11.91%
Washington	7.57%	6.29%	5.94%	6.14%	7.63%	15.16%	12.55%	13.88%
Wayne	8.33%	7.85%	7.08%	7.38%	7.83%	15.57%	12.50%	13.45%
<b>TOTAL</b>	<b>7.46%</b>	<b>7.54%</b>	<b>7.45%</b>	<b>7.39%</b>	<b>6.58%</b>	<b>13.17%</b>	<b>12.89%</b>	<b>14.13%</b>

Source: U.S. Census Bureau and American Community Survey

<u>45-54</u>	<u>55-59</u>	<u>60-64</u>	<u>65-74</u>	<u>75-84</u>	<u>85+</u>	<u>Total</u>	<u>% of County</u>
5,790	2,646	2,174	2,358	1,422	566	35,765	10.1%
4,336	1,990	1,563	2,122	1,378	593	31,816	9.0%
2,079	861	628	761	375	166	12,570	3.5%
644	298	245	236	122	44	3,612	1.0%
73	43	33	51	15	6	504	0.1%
341	152	136	200	137	38	2,109	0.6%
597	285	203	239	83	30	3,354	0.9%
430	190	134	167	115	37	2,301	0.6%
278	144	109	95	81	33	1,771	0.5%
722	312	290	321	185	51	3,858	1.1%
394	172	128	197	97	35	2,620	0.7%
461	212	174	266	121	41	3,749	1.1%
288	123	102	181	102	82	1,927	0.5%
4,385	1,836	1,541	1,747	806	250	29,158	8.2%
527	256	207	286	120	49	3,312	0.9%
9,303	4,584	3,915	4,802	3,559	1,898	72,245	20.3%
80	36	33	16	29	10	414	0.1%
518	218	208	259	116	45	4,349	1.2%
5,008	2,433	1,941	2,346	1,625	624	36,092	10.2%
13,960	5,857	4,508	5,246	3,510	1,645	103,803	29.2%
50,214	22,648	18,272	21,896	13,998	6,243	355,329	100.0%
16.19%	7.40%	6.08%	6.59%	3.98%	1.58%	100.00%	
13.63%	6.25%	4.91%	6.67%	4.33%	1.86%	100.00%	
16.54%	6.85%	5.00%	6.05%	2.98%	1.32%	100.00%	
17.83%	8.25%	6.78%	6.53%	3.38%	1.22%	100.00%	
14.48%	8.53%	6.55%	10.12%	2.98%	1.19%	100.00%	
16.17%	7.21%	6.45%	9.48%	6.50%	1.80%	100.00%	
17.80%	8.50%	6.05%	7.13%	2.47%	0.89%	100.00%	
18.69%	8.26%	5.82%	7.26%	5.00%	1.61%	100.00%	
15.70%	8.13%	6.15%	5.36%	4.57%	1.86%	100.00%	
18.71%	8.09%	7.52%	8.32%	4.80%	1.32%	100.00%	
15.04%	6.56%	4.89%	7.52%	3.70%	1.34%	100.00%	
12.30%	5.65%	4.64%	7.10%	3.23%	1.09%	100.00%	
14.95%	6.38%	5.29%	9.39%	5.29%	4.26%	100.00%	
15.04%	6.30%	5.28%	5.99%	2.76%	0.86%	100.00%	
15.91%	7.73%	6.25%	8.64%	3.62%	1.48%	100.00%	
12.88%	6.35%	5.42%	6.65%	4.93%	2.63%	100.00%	
19.32%	8.70%	7.97%	3.86%	7.00%	2.42%	100.00%	
11.91%	5.01%	4.78%	5.96%	2.67%	1.03%	100.00%	
13.88%	6.74%	5.38%	6.50%	4.50%	1.73%	100.00%	
13.45%	5.64%	4.34%	5.05%	3.38%	1.58%	100.00%	
14.13%	6.37%	5.14%	6.16%	3.94%	1.76%	100.00%	

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

Full-Time Equivalent Employees as of December 31

Function/Division	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Public Services</b>										
Main Library Operations	110.9	112.6	108.3	108.763	108.763	108.913	104.838	97.576	97.888	98.75
Branch Library Operations	79.525	78.675	76.85	77.125	77.125	78.113	82.488	82.588	84.588	84.588
Circulation Services	18	17.5	15.025	14.925	14.925	15.275	14.6	14.35	14.35	15.35
Total Public Services	208.425	208.775	200.175	200.813	200.813	202.301	201.926	194.514	196.826	198.688
<b>Administration and Support</b>										
Administration	17.25	17.25	16.5	16	17	18	18	23	23.5	24
Facilities	52.125	51.125	50.95	50.95	50.95	49.2	48.625	46.625	46.55	46.2
Technical Services	21.675	23.6	21.675	21.675	21.675	22.125	21.3	23.275	23.275	24.275
Information Technology	14	14	14	14	14	13	12.5	11.5	11.5	10.5
Total Administration and Support	105.05	105.975	103.125	102.625	103.625	102.325	100.425	104.4	104.825	104.975
<b>Total</b>	<b>313.475</b>	<b>314.75</b>	<b>303.3</b>	<b>303.438</b>	<b>304.438</b>	<b>304.626</b>	<b>302.351</b>	<b>298.914</b>	<b>301.651</b>	<b>303.663</b>

Source: Human Resources Department - Allen County Public Library

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

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Circulation <sup>A</sup></b>										
Total circulation	7,831,650	8,968,049	9,470,669	10,746,406	12,443,146	13,776,392	13,311,490	11,425,308	12,491,863	10,235,366
Per capita	22.0	25.0	26.3	29.6	34.0	37.4	35.9	30.6	33.3	27.0
<b>Customer Visits</b>										
Total customer visits	2,992,197	2,838,486	2,768,804	2,615,890	2,382,417	2,440,918	2,512,375	2,372,740	2,299,177	2,180,419
Per capita	8.4	7.9	7.7	7.2	6.5	6.6	6.8	6.4	6.1	5.7
<b>Library Material Holdings <sup>B</sup></b>										
Total material holdings	6,565,075	6,616,986	6,536,947	6,615,901	7,530,179	6,885,815	7,012,750	5,863,604	6,043,051	6,902,444
Per capita	18.5	18.5	18.1	18.2	20.6	18.7	18.9	15.7	16.1	18.2
<b>Reference Transactions <sup>C</sup></b>										
Total reference transactions	347,821	314,091	319,478	319,660	287,145	286,022	383,316	279,517	183,028	115,522
Per capita	1.0	0.9	0.9	0.9	0.8	0.8	1.0	0.7	0.5	0.3
<b>In-House Use of Materials <sup>D</sup></b>										
Total in-house usage	403,363	385,700	398,615	403,510	430,057	456,464	567,335	565,007	1,153,534	502,914
Per capita	1.1	1.1	1.1	1.1	1.2	1.2	1.5	1.5	3.1	1.3
<b>Public Computer Use <sup>E</sup></b>										
Total computer use	649,535	630,041	446,390	512,018	480,940	506,279	470,269	509,939	385,482	302,034
Per capita	1.8	1.8	1.2	1.4	1.3	1.4	1.3	1.4	1.0	0.8
<b>Wireless Internet Use <sup>F</sup></b>										
Total wireless use	178,850	339,837	292,281	892,042	1,212,045	1,464,362	1,642,006	1,927,586	1,847,215	1,634,762
Per capita	0.5	0.9	0.8	2.5	3.3	4.0	4.4	5.2	4.9	4.3
<b>Program Attendance <sup>G</sup></b>										
Total program attendance	169,869	180,757	171,658	178,606	164,117	202,178	181,456	188,109	144,531	180,463
Per capita	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.4	0.5

**NOTE:**

(A) Circulation is the total lending of print and non-print (i.e. audio, video, ebook, software, equipment, etc.) materials from the library's collection. In 2017, the State of Indiana changed the definition regarding circulation. This number represents the new counting method.

(B) Library material holdings include all print and non-print (i.e. audiobooks, ebooks, microfilms, microfiche, maps, etc.) items and include all items whether cataloged and/or non-circulating (reference) in nature. In 2017, changes were made to the acquisition and cataloging system that resulted in a large decrease in reported material holdings.

(C) Reference transactions include requests from all sources (i.e. in-person, phone, FAX, mail, email, etc.) and from all customers (adult, young adults, and children) which require knowledge, use recommendations, instructions in use of one or more information sources by a member of the library staff or interpretation by library staff of the library or its materials.

(D) In-house use of materials counts all materials used in the library but not checked out and includes requested items from both circulating and non-circulating collections. It does not include computer usage or equipment circulation. In 2018, due to changes in the integrated library system, all branches were able to report in-house use. This resulted in a significant increase in reported use.

(E) Use of public internet computers includes the total number of individuals that have used internet computers in the library regardless of purpose.

(F) This is the total number of users of wireless connections in buildings (or outside) per year. Wireless internet service began in 2010.

(G) Program attendance includes the count of the audience at all programs sponsored by the library, held at or away from the library, and includes all age groups.

Source: Extracted from various statistical reports of the Allen County Public Library