



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

August 17, 2021

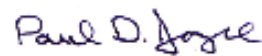
To: The Officials of the Allen County Public Library
Allen County Public Library
900 Webster St
Fort Wayne, IN 46802

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Allen County Public Library. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Allen County Public Library as of December 31, 2020, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Report for the Allen County Public Library was prepared for the period January 1, 2020 to December 31, 2020, in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.


Paul D. Joyce, CPA
State Examiner

ALLEN COUNTY PUBLIC LIBRARY

A Component
Unit of
Allen County
Fort Wayne,
Indiana



Comprehensive Annual
Financial Report
*for the Fiscal Year Ended
December 31, 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, 2020

Prepared by:
David K. Sedestrom
Treasurer
Chief Financial Officer

ALLEN COUNTY PUBLIC LIBRARY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2020

TABLE OF CONTENTS

	PAGE NUMBER
INTRODUCTORY SECTION	
LETTER OF TRANSMITTAL	i-xii
ORGANIZATIONAL CHART	xiv
LIST OF PRINCIPAL OFFICIALS	xv
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING (FISCAL YEAR ENDED DECEMBER 31, 2019)	xvi
 FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	6
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
<i>Statement of Net Position</i>	23
<i>Statement of Activities</i>	24
Fund Financial Statements:	
<i>Balance Sheet – Governmental Funds</i>	25
<i>Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds</i>	26
<i>Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds</i>	27
<i>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds to the Statement of Activities</i>	28
<i>Statement of Net Position - Proprietary Fund</i>	29
<i>Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund</i>	30
<i>Statement of Cash Flows - Proprietary Fund</i>	31
<i>Statement of Fiduciary Net Position - Fiduciary Fund</i>	32
<i>Statement of Changes in Fiduciary Net Position - Fiduciary Fund</i>	33
NOTES TO THE FINANCIAL STATEMENTS	
(AN INTEGRAL PART OF THE BASIC FINANCIAL STATEMENTS):	
Summary of Significant Accounting Policies	37
<i>Reporting Entity</i>	37
<i>Government-Wide and Fund Financial Statements</i>	39
<i>Measurement Focus, Basis of Accounting and Financial Statement Presentation</i>	39
<i>Assets, Liabilities and Net Position or Equity</i>	41
Stewardship, Compliance and Accountability	47
Detailed Notes on All Funds	48
<i>Deposits and Investments</i>	48
<i>Capital Assets</i>	54
<i>Interfund Balances and Activity</i>	55
<i>Long-Term Liabilities</i>	55
Other Information:	
<i>Risk Management</i>	58
<i>Pension Plan</i>	59
<i>Tax Abatements</i>	67
<i>Deferred Compensation Plans</i>	68

REQUIRED SUPPLEMENTARY INFORMATION:

Budgetary Comparison Schedule – General Fund..... 70
Schedule of Proportionate Share Net Pension Liabilities and Related Ratios 71
Schedule of Employer Contributions 72
Notes to Required Supplemental Information 73

SUPPLEMENTARY INFORMATION:

Major Governmental Funds 75
 Budgetary Comparison Schedule – Other Budgeted Major Governmental Funds 76
Non-Major Governmental Funds 77
Non-Major Special Revenue Funds
 Combining Balance Sheet 78
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances 79

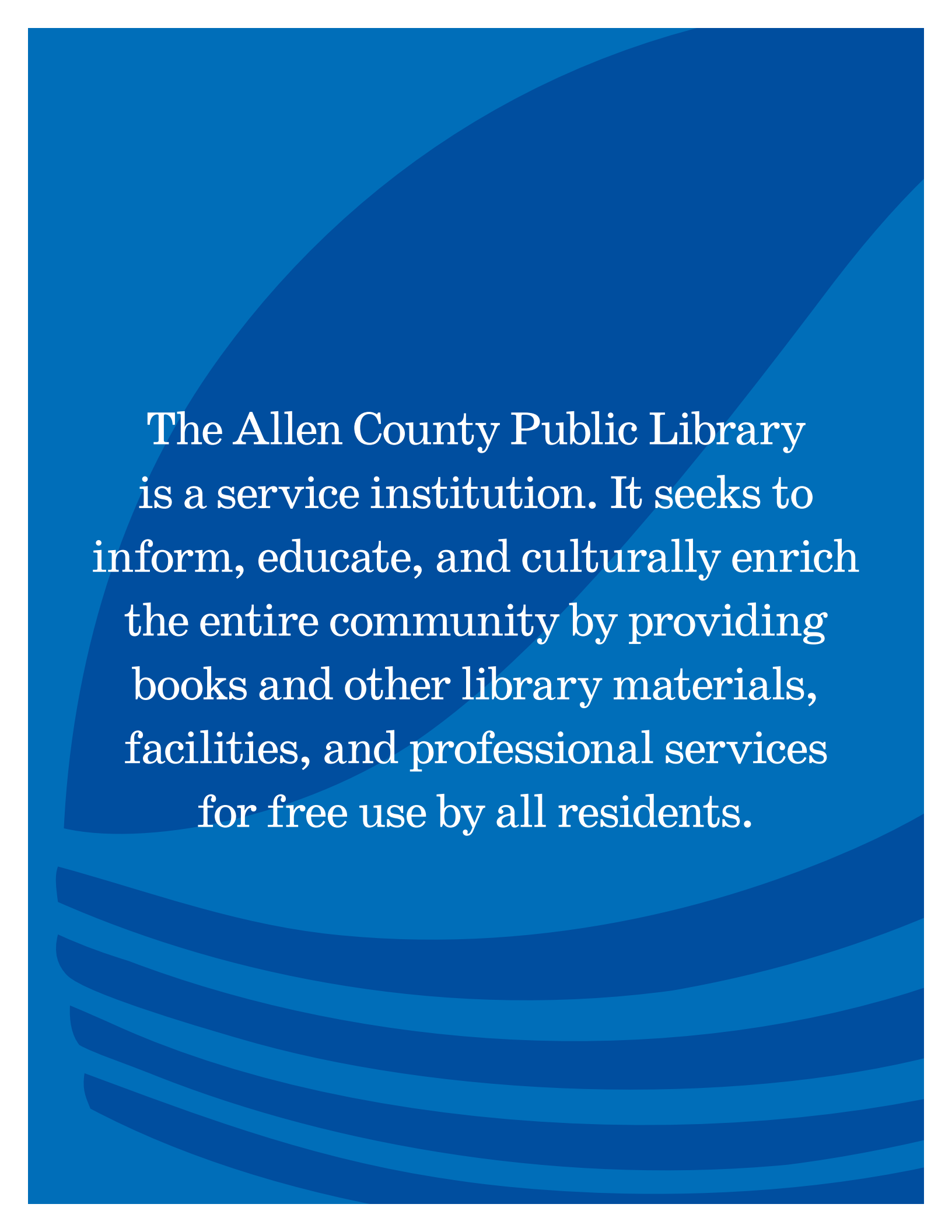
STATISTICAL SECTION

TOTAL NET POSITION S1
CHANGES IN TOTAL NET POSITION S2
FUND BALANCES OF GOVERNMENTAL FUNDS S3
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS S4
ASSESSED VALUE OF PROPERTY S5
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS S6-S7
PRINCIPAL TAXPAYERS S8
PROPERTY TAX LEVIES AND COLLECTIONS S9
RATIOS OF OUTSTANDING DEBT BY TYPE S10
RATIOS OF GENERAL BONDED DEBT OUTSTANDING S11
LEGAL DEBT MARGIN INFORMATION S12
DEMOGRAPHIC AND ECONOMIC STATISTICS S13
PRINCIPAL EMPLOYERS S14
MISCELLANEOUS 2010 CENSUS DATA S15
AGE DISTRIBUTION BY TOWNSHIP FOR ALLEN COUNTY, INDIANA S16-S17
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/DIVISION S18
KEY OPERATING INDICATORS S19
LIBRARY BUILDINGS INFORMATION S20-S21

This page intentionally left blank.

INTRODUCTORY SECTION



The background is a solid blue color with several large, overlapping, curved shapes in various 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 19, 2021

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, 2020. 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. Current legislation now requires 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. Because of this fiscal dependency and accountability, as well as the fact that the County appoints the majority of the trustees, 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 blended 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 discretely presented component unit.

The Library system serves a population of approximately 382,000 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%. During the heart of the 2009 economic recession the region was hit hard resulting in record high unemployment rates, income losses, and an approximate 16.1% decrease in assessed values. However, starting in 2010 and continuing for a nine-year stretch thru 2019, the economy and the assessed values had steady upward growth. As with all of the United States, the 2020 COVID-19 pandemic brought a dramatic downturn to the economy of Indiana and the Allen County region with peak unemployment rates hitting close to 20% in April of that year. However, Indiana, being a predominantly manufacturing based State was able to rebound from this recession very quickly with current State and regional forecasts showing Indiana will, by December of 2021, be back to the financial position it was at the end of 2019. In fact, total assessed values for the County in 2020 increased by a robust 6.8%.

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. During 2020, the COVID-19 pandemic impacts resulted in dramatic changes to the library operations. The Library was forced to close to all patrons for approximately 3 months and then to operate under restricted access and service levels for the remainder of the year. As such, circulation totals that in 2019 were over 10.3 million items dropped to just 3.15 million items in 2020. 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.

In 2020, the Allen County Public Library, along with the Friends of the Lincoln Collection of Indiana, began work to create the Rolland Center for Lincoln Research. The Center is scheduled to open July 2021 in the Main Library and will highlight the thousands of amazing items in the Lincoln Collection through a combination of physical displays of the collection as well as digital interactive displays. This will not be a typical museum experience. Instead, technology will be used in such a way that individuals of varying abilities, ages, and knowledge levels will be able to fully engage with the Collection. In addition, the Center will also incorporate an expert-in-residence program. That expert may be a scholar, artist, or someone else who works with the materials in the Collection to further an understanding of Lincoln.

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 74% of the total general fund revenue budget in 2020. 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 \$2.38 million in 2020. That figure is currently estimated to decrease to approximately \$2.099 million in 2021 and then to continue to decrease in 2022 to approximately \$1.9 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 2020). 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 2020, the library is maintaining that goal by having a net position of the fund equaling approximately 168% 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 2020 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. In 2020, the Library was audited by Crowe LLP. Their report is included in the financial section of this report. The Allen County Public Library Foundation (a discretely presented component unit) is audited by the accounting firm of Dulin, Ward, & DeWald, Inc. Crowe LLP 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, 2019. This is the twenty eighth 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.

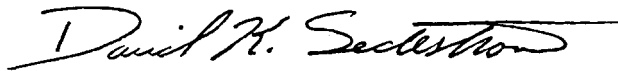
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 Crowe LLP for their invaluable assistance in the preparation of this report in a timely manner.

Special thanks are extended to the Board of Library Trustees for their continued support and encouragement.

Sincerely,

A handwritten signature in black ink that reads "David K. Sedestrom". The signature is written in a cursive style with a long horizontal flourish extending to the right.

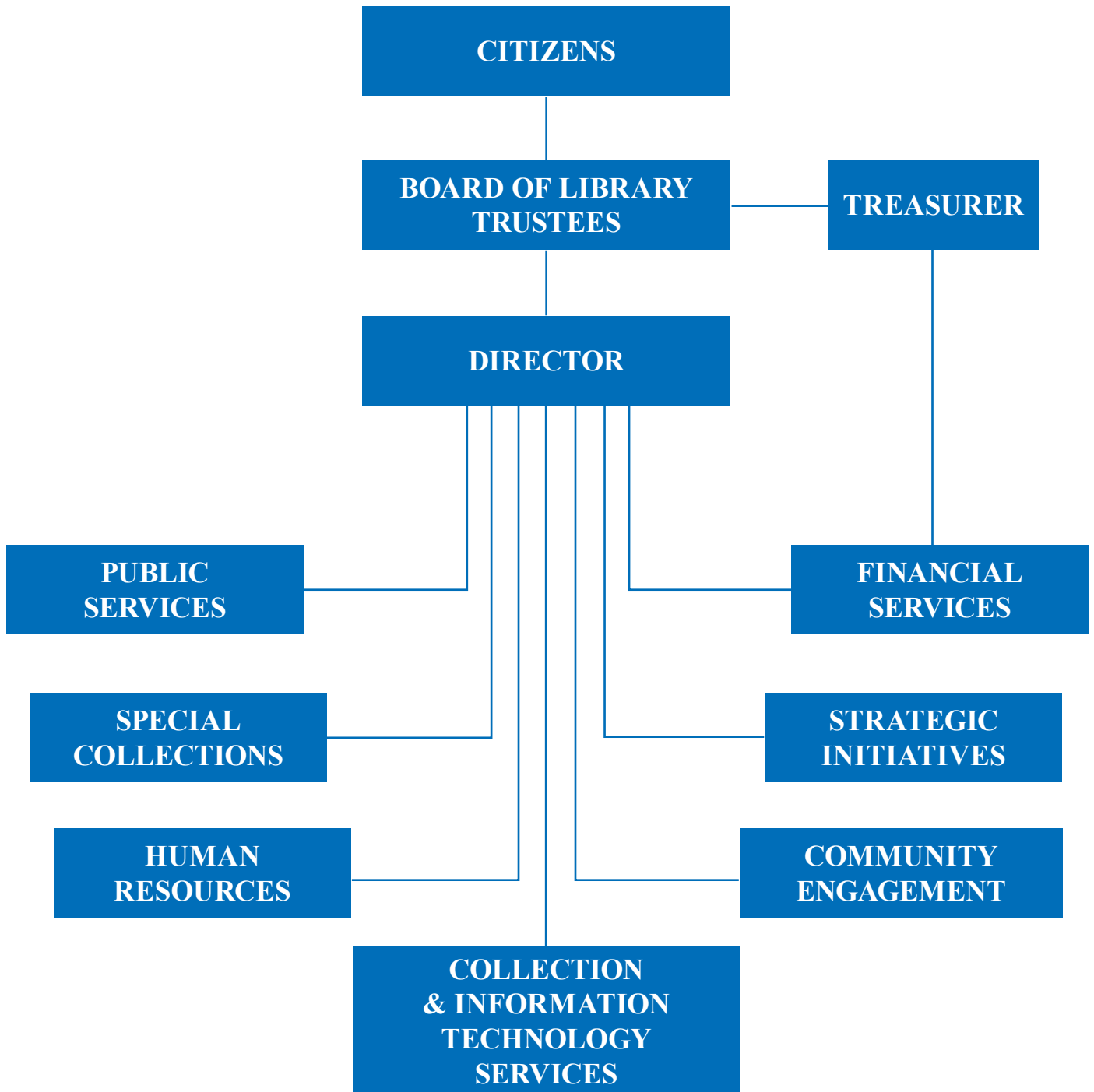
David K. Sedestrom

Chief Financial Officer/Treasurer

This page intentionally left blank.

ALLEN COUNTY PUBLIC LIBRARY

ORGANIZATIONAL CHART



ALLEN COUNTY PUBLIC LIBRARY

BOARD OF LIBRARY TRUSTEES

December 31, 2019

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, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
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, Indiana, as of and for the year ended December 31, 2020, 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 the Allen County Public Library Foundation which represents the entire 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 the 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 opinion.

Opinions

In our opinion, based on our audit and the report of 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, 2020, 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.

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 by us and other auditors.

In our opinion, and the report of other auditors, 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.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
July 19, 2021

This page intentionally left blank.

This page intentionally left blank.

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, 2020. To obtain a better 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, the notes to the basic financial statements, as well as required supplementary and other supplementary information.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Library exceeded its liabilities and deferred inflows at the end of 2020 by \$92.7 million (total net position), an increase of \$10.2 million over the 2019 amount of \$82.5 million. This was made up of \$11.8 million in restricted position, \$26.1 million of unrestricted position, and \$54.8 million of net investment in capital assets. The restricted position amounts are primarily \$5.7 million designated for debt service, \$3.6 million in the Library Improvement Reserve Fund (LIRF) which is used to ensure the proper upkeep and maintenance of all library facilities, and \$2.5 million in various Special Revenue funds. The unrestricted position is used to support the Library's day-to-day operations.
- The net \$10.2 million increase in total net position is the result of total liabilities and deferred inflows decreasing by \$6 million while total assets plus deferred outflows increased by \$4.2 million. The \$6 million decrease is due primarily from total liabilities decreasing by \$6.2 million being offset by deferred inflows increasing by \$205k. The \$6.2 million decrease in total liabilities was almost entirely due to liabilities related to the first mortgage debt decreasing \$5.94 million as a result of scheduled payments and amortizations on first mortgage bonds. Other liability lines showing decreases include the actuarially determined pension liability provided by the State which decreased by \$602k, trade accounts payable which decreased by \$55k and interest payable lines decreasing by \$29k due to the corresponding decrease in the first mortgage bond debt. Unearned revenues, relating to undistributed income taxes held by the State at year-end, showed an increase of \$167k while liabilities relating to compensated absences also increased by \$86k. Finally, payroll related payables at year end increased by \$129k. The net \$205k increase in deferred inflows of resources is the result of State pension related inflows (State determined) increasing by \$281k while gains on bond refunding from normal amortization adjustments decreased by \$76k. The above items account for the total change in of \$6.0 million in total liabilities and deferred inflows.

- As mentioned above, total assets and deferred outflows had an overall increase of \$4.2 million that is a result of total assets increasing by \$3.73 million while deferred outflow increased by \$423k. The change in total assets is a result of increases in all non-capital lines of \$6.15m being offset by capital assets decreasing \$2.42m. Of the \$6.15m increase in non-capital assets, Cash and cash equivalents was the primary source of the change, showing an increase of \$5.5 million due to revenues exceeding expenses in the General fund (\$4.9 million) and Self-Insurance fund (\$1.4 million) being somewhat offset by decreases in the Debt Service funds (\$625k) and Other Non-major funds (\$167k). The General fund excess was due the effects of the COVID-19 pandemic impacting expenses but not revenues. Property tax collections were stable and saw no significant increase in uncollectable amounts. Since income tax distributions were actually from collections remitted to the State from 2019, these 2020 distribution saw no impacts from the pandemic unemployment levels. In addition, and as in the previous year, there was another supplemental income tax distribution causing this line to show a \$1 million increase over 2019. The pandemic did result in the Library being closed to all patrons for approximately 3 months and operating under restricted access and service levels for the remainder of the year resulting in operating expenses being lower than budgeted. As in prior years, the Self- Insurance fund excess was due to claims for services being much lower than anticipated. Finally, and as in 2019, the capital assets decreased by \$2.4 million from depreciation charges. Deferred outflows of resources showed an increase of \$423k from pension related deferrals from the State. The remaining changes in total assets and deferred outflows were the result of increases in property tax and excise tax receivables (\$344k), intergovernmental receivable for undistributed income taxes (\$156k) and other miscellaneous receivables and prepaid expenses increasing a total of \$174k.
- At the end of 2020, the Library's governmental funds reported a combined ending fund balance of \$36.9 million, a \$4 million increase over 2019's balance of \$32.9 million. This was primarily due to the General Fund balance increasing by \$4.8 million due to a combination of higher than expected revenues as well as significant cost savings in both compensation other operating costs. This increase was offset by decreases in both the Debt Service fund balances (Bond and Interest Redemption Fund and the ACPL Building Corporation Fund) of \$625k and the other non-major governmental funds balances (\$124k) to account for the total \$4 million increase.
- Of the \$36.9 million fund balance in the governmental funds, \$25.1 million is attributable to the General Fund while \$5.67 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 (\$241k), and Gift (\$216k) funds accounts for the remaining \$2.51 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 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 23-24 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 25-28 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 29-31 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 a custodial fund, which is used to account for transactions and monies held by the Library for an external party. The basic fiduciary fund financial statements can be found on pages 32-33 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 37-68 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 70-73 of this report.

Allen County Public Library				
Net Position				
	Governmental Activities		Component Unit	
	2020	2019	2020	2019
Current and other assets	\$ 47,652,088	\$ 41,499,994	\$ 21,125,317	\$ 21,614,084
Capital assets	62,608,705	65,024,185	-	-
Total Assets	110,260,793	106,524,179	\$ 21,125,317	\$ 21,614,084
Deferred outflows of resources	\$ 1,151,805	\$ 728,391	\$ -	\$ -
Long-term liabilities outstanding	\$ 10,285,518	\$ 15,949,570	\$ -	\$ -
Other Liabilities	6,824,923	7,405,585	-	-
Total Liabilities	17,110,441	23,355,155	\$ -	\$ -
Deferred inflows of resources	\$ 1,551,371	\$ 1,346,606	\$ -	\$ -
Net position	\$ 92,750,786	\$ 82,550,809	\$ 21,125,317	\$ 21,614,084
Net invested in capital assets	\$ 54,838,096	\$ 51,235,770	\$ -	\$ -
Restricted	11,819,098	12,568,235	14,569,988	14,986,236
Unrestricted	26,093,592	18,746,804	6,555,329	6,627,848
Total net position	\$ 92,750,786	\$ 82,550,809	\$ 21,125,317	\$ 21,614,084

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Library's (primary government) assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$92.7 million at the close of 2020, an increase over 2019's figure of \$82.5 million, providing a solid equity base to build upon. The Library's overall 2020 total net position increased by \$10.2 million from 2019 as total liabilities and deferred inflows decreased by \$6 million while total assets plus deferred outflows increased by \$4.2 million. Long-term liabilities decreased by a total of \$5.7 million as \$5.3 million in scheduled debt payments on outstanding first mortgage bonds combined with a \$602k decrease in the net pension liability were slightly offset by increases of \$167k in unearned revenue (income taxes held by the State at year-end) and \$72k in compensated absences to account for the total change. Other liabilities decreased by \$581k overall as the current portions of bonds payable, along with the associated accrued interest payable, decreased by a combined \$669k and trade payable decreased by \$55k. These decreases were offset by increases in payroll related payables (\$129K) and the current portion of compensated absences (\$14k). Deferred inflows showed a total increase of \$205k as State determined pension related deferred inflows increased by \$281k and while unamortized gains on bonds decreased by \$77k due to normal amortization.

As mentioned above, total assets plus deferred outflows had a combined increase of \$4.2 million with total assets increasing by \$3.73 million while deferred outflows increased by \$423k. Cash and other assets showed an increase of \$6.15 million with cash increasing by \$5.5 million while receivables and prepaid expenses showed increases totaling \$674k. The total increase in cash was primarily due to revenues exceeding expenses in the General fund causing cash to increase by \$4.9 million due to the impacts from the COVID-19 pandemic affecting expenses but not revenues. Property tax collections were stable and saw no significant increase in uncollectable amounts. In addition, since income tax distributions (the second largest revenue source for the Library) were actually from collections remitted to the State from 2019, these 2020 distribution saw no impacts from the pandemic unemployment levels. Finally, and as in the previous year, there was another supplemental income tax distribution causing this line to show a \$1 million increase over 2019. The pandemic did result in the Library being closed to all patrons for approximately 3 months and operating under restricted access and service levels for the remainder of the year resulting in operating expenses being lower than budgeted. Besides the General fund cash increase, the cash in the Self-Insurance fund also increased by \$1.4 million as the fund again incurred lower medical claims than anticipated allowing revenues to exceed expenses. Cash in the Debt Service and other funds decreased by \$625k and \$167k, respectively due to normal fluctuations in revenues and spending. As in previous years, Capital Assets showed a reduction of \$2.4 million as \$4.8 million in depreciation increases were netted against \$2.4 million in library material and machinery additions. Thus, the \$2.4 million reduction in capital assets combined with the \$6.15 million increase in current and other assets resulted in the total asset change of \$3.7 million from 2019 to 2020. Deferred outflows of resources increased by \$423k solely from changes in pension related deferrals amounts supplied by the State on pension funds they administer and control. This increase of \$423k combined with the \$3.73 million increase in total assets accounts for the \$4.2 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 \$47.7 million, an increase of \$6.15 million over 2019 primarily from the cash and receivable items mentioned in the above paragraphs. Total assets of the governmental funds amount to \$41.2 million where \$29.1 million (71%) reflects the current assets of the General Fund (unassigned funds of \$24.7 million), \$3.6 million (9%) reflects the current assets of the Library Improvement Reserve Fund (LIRF) (all restricted funds), \$6.6 million (14%) represent the amounts relating to the debt service on the capital expansion and renovation program bonds (also all restricted), and the remaining \$2.5 million (6%) are the current assets in the Other Non-Major Governmental Funds (primarily the Rainy Day and Cable TV funds).

The \$63 million in capital assets (\$54.8 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 2020 as \$2.4 million in library material and equipment purchases were offset by \$4.8 million increases in depreciation on these and other capitalized assets such as buildings and equipment.

Liabilities for the library equaled \$17.1 million at the end of 2020 of which approximately 60% of them are classified as long-term. Total liabilities decreased by \$6.24 million from 2019 as liabilities associated with outstanding first mortgage bonds decreased by \$5.9 million combined with decreases in pension liabilities (\$602k) and increases in unearned revenue (\$167k) and miscellaneous changes in the other liability amounts accounted for the total \$6.24 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 2020, that net investment in capital assets amounted to \$54.8 million, an increase of \$3.6 million over 2019's amount of \$51.2 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 \$11.8 million in restricted position are subject to external limitations and cannot be spent on everyday operations. The unrestricted \$26.1 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 \$21.1 million at the end of 2020. 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	
	2020	2019	2020	2019
Revenues				
Program Revenues				
Charges for services	\$ 218,250	\$ 432,468	\$ -	\$ -
Operating grants and contributions	1,597,097	1,626,443	984,181	1,714,121
General Revenues				
Property taxes	28,527,726	27,724,811	-	-
Local income tax	5,191,940	3,893,083	-	-
Shared revenues	2,577,863	2,602,088	-	-
Interest on investments	193,459	597,795	-	-
Other	860,240	1,205,563	-	-
Total Revenues	39,166,575	38,082,251	984,181	1,714,121
Expenses				
Administraion and support	9,744,183	9,171,842	-	-
Public services	19,186,253	20,592,490	-	-
Interest on long-term debt	36,162	96,380	-	-
ACPLF	-	-	1,472,948	1,288,362
Total Expenses	28,966,598	29,860,712	1,472,948	1,288,362
Changes in total net position	10,199,977	8,221,539	(488,767)	425,759
Total net position - beginning	82,550,809	74,329,270	21,614,084	21,188,325
Total net position - ending	\$ 92,750,786	\$ 82,550,809	\$ 21,125,317	\$ 21,614,084

Governmental Activities. Governmental Activities. The main source of funding for Library operations continues to be the various taxes that account over 97% of the \$37 million in general revenues with property taxes being the primary tax source. Total revenues for governmental activities increased by \$1.1 million over 2019 (2.8%) due to a variety of increases and decreases in numerous revenue sources. First examining the increases, which totaled \$2.1 million for 2020, Property tax grew by \$802k due primarily to the State allowed maximum levy growth factor for both the General and Debt Service funds levy. Local Income Taxes (LIT) showed the largest growth, \$1.3 million (33%) from 2019. The strong economy leading up to 2020 was the primary driver of this increase as these distributions in 2020 came from collections taking place in 2019 before any of the pandemic economic downturn would have impacted this revenue source. This strong growth would have accounted for approximately \$846k of the total increase but was also was the reason for another \$453k Supplemental Income Tax distribution. As happened in 2019, the State is required to issue a Supplemental Income Tax distribution to localities when the amounts collected exceed the budgeted balance in the State accounts by 15% or more. These two revenue sources account for the total \$2.1 million in increases for 2020.

Decreases the revenues totaled slightly more than \$1 million and took place in a number of sources. The largest two reductions were directly related to the pandemic economic impacts in 2020 as interest rate yields on deposit accounts and investments dramatically dropped and facility closures and limited operations restricted other revenue sources. Interest earnings saw a \$404k (68%) drop from 2019 as the yields on allowable investments, such as deposit accounts, money market deposits, and Treasury instruments, were lowered by the Federal Reserve to almost 0% as they attempted to counter the effects of the pandemic economic downturn. During 2020, the pandemic forced the library to close facilities to all patron access for 3 months and then once opened, required restricted services levels in order to comply with the various interaction protocols. In addition, in order to assist patrons struggling with the pandemic economic fallout, many fines/overdue fees and collection assessments were waived during the year. In addition, with facilities being closed, patrons continued the trend of increasing their use of digital resources, such as e-books, streaming videos and music that also resulted in less overdue fines and collection fees. As such, these revenues showed a \$345k (29%) decrease from 2019. Charges for Services were also affected by the facility use limitations as revenue sources such as room rentals, parking revenues, and printing/copying revenues showed a \$214k (50%) reduction. Slight decreases in Shared revenue (\$24k), which are primarily vehicle excise taxes and Operating grants (\$29k) account for the remaining sources which decreased in total program revenues.

Overall, the expenses for governmental activities showed a net decrease of \$894k in 2020. As have been discussed previously, the closure of the library facilities and the curtailing of services once they reopened resulted in a total \$1.406 million decrease in Public Services expenses. During the year, the library was able to maintain staffing levels as employees were reassigned to other duties if their normal assignments could not be performed due to the pandemic limitations. As such, Administrative expense increased by \$572k as normal cost of living increases of \$428k and expenses relating building systems and maintenance increased by \$561k and were partially offset by applicable less medical related claims in the self-insurance fund of \$417k. Interest on long-term debt decreased by \$60k (62.4%) due to interest charges decreasing as the 2016 bond debt is reduced through normal amortization amounts. The changes in Public Services (\$1.406 million decrease), Administrative (\$572k increase), and Interest (\$60k decrease) account for the total decrease in governmental activities of \$894k.

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 2020, the Library's governmental funds reported combined ending fund balances of \$36.9 million, an increase of \$4 million from 2019's \$32.9 million figure. The largest portion, \$25.1 million (68%), of Library's governmental fund balance total is attributable to the General Fund. Funds restricted for debt service on outstanding bonds account for another \$5.67 million (15.3%) while the Library Improvement Reserve Fund (LIRF) accounts for \$3.64 million (9.8%). The remaining \$2.51 million (6.8%) of the total fund balance is attributable to the Other Non-Major Governmental Funds (primarily the Rainy Day and Cable TV funds), which in 2020 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 2020 were \$26.1 million. Thus, the General fund balance represents 96% percent of General fund expenditures, an increase of 19% over 2019. When examining both the General and LIRF fund, the fund balances represents 110% (2019 equaled 91%) 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 2020, the General fund balance increased by \$4.77 million (23.4%) which, as has been discussed prior, can be attributable to revenues continuing to be strong while curtailed operations lead to reduced spending and property values continuing to rise so that property tax circuit breaker limits were not as impactful as in prior years.

The fund balance of the LIRF fund remained unchanged from 2019 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 balances showed combined decrease of \$625k (9.9%) due to variations in property and other tax collections. Other Non-major governmental (all special revenue funds) fund balances also decrease \$124k (4.7%) mainly from reduced service revenues in the Cable TV fund as cable franchise fees continue to drop off as more on-line streaming services are available.

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 2020 by \$1.7 million or 5.2%. Taxes (which include Property, Excise, and Financial Institutions taxes) came in \$1.5 million (5.6%) 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 \$453k (9.9%) more than the State estimated budgeted amount reflecting the one-time supplemental distribution of taxes discussed earlier due to the strong economy in 2019 resulting increase collections. Charges for Services came in \$2325k (51.5%) lower than anticipated from, as mentioned previously, the pandemic related facility closures and service limitations impacted a number of revenue sources including, but not limited to, overdue fines and collection fees, copier/printing revenues, parking receipts, and rental fees. Actual miscellaneous other revenues came in \$418k (54.2%) below budget due primarily to interest earnings on investments decreasing by \$404k under the original budget amount as rates on deposit amounts dramatically dropped in 2020 in response to the pandemic related economic downturn.

The total final amended General Fund expenditure budget was slightly higher by \$28,714 than the originally adopted \$32,476,961 budget and, like prior years, was due to the difference between purchase commitments outstanding at the end of 2019 versus those existing at the end of 2020. Other variations were the result of transfers between the Supplies, Services, and Capital (includes library materials) budget lines to accommodate different spending patterns for the year. Personal Services budget amounts remained unchanged.

Actual expenditures came in \$6.38 million (19.6%) lower than the final budget. As has been discussed in previously, the closure of the facilities and curtailed service levels due to the pandemic issues reduced the actual expenditures in 2020, especially in the public services area. In addition, and as has been explained in prior 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 cap decreases and, to that end, the reduced actual spending reflects this action. The \$3.9 million (18.4%) variance in Personal Service expense is a result of the increased continued use of funding salary and benefit expenses from grant and gift revenues as well as, a reduction in the budgeted compensation increases. The \$1.4 million variance in the Capital Outlays, as well as the \$318k and \$777k 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, while starting to trend more favorably in 2020, continue to reduce 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 ASSETS AND DEBT ADMINISTRATION

Capital assets. The Library's Primary Government's capital assets as of December 31, 2020, were equal to \$110.2 million with an accumulated depreciation figure of \$47.6 million for a net book value of \$62.6 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 2020 was \$2.4 million (3.7%), attributable to increases in library materials and other assets of \$2.4 million being offset by increases in depreciation expense on these assets of \$4.8 million.

**Allen County Public Library
Capital Assets**

	2020	2019
Land	\$ 4,960,142	\$ 4,960,142
Rare book collection	994,827	994,827
Buildings and improvements	91,160,256	91,160,256
Machinery and equipment	5,849,920	5,803,065
Library materials	7,261,344	7,632,507
Subtotal	110,226,489	110,550,797
Less: Accumulated depreciation	(47,617,784)	(45,526,612)
Total	62,608,705	65,024,185

Additional information regarding the Library’s capital assets can be found on page 54 of this report.

Long-Term liabilities. In 2020, the Library’s net total long term liabilities decreased by \$6,471,089. At the end of 2020 the Library’s Primary Government had total bonded debt outstanding of \$7,645,000 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 \$5,955,000. The pension liability on the State cost-sharing multiple employer defined benefit plan is included in long-term liabilities and decreased to \$5,790,398 (a \$602,256 decrease from 2019). Finally, Compensated Absences is the last component of long-term liabilities included and showed an increase of \$86,167. These three adjustments account for the total change in long-term liabilities.

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

	2020	2019
First mortgage bonds	\$ 7,645,000	\$ 13,600,000
Net Pension Liability	5,790,398	6,392,654
Unearned revenue	1,450,110	1,282,533
Compensated absences	891,185	805,018
Total	\$ 15,776,693	\$ 22,080,205

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 55-57 of this report.

ECONOMIC FACTORS AND SUBSEQUENT YEAR'S BUDGETS AND RATES

- Signs of economic improvement for Allen County and the State of Indiana were continuing for the first part of 2020 until the COVID related pandemic impacts to the US economy as a whole dramatically took a downward turn. However, all news was not bad. Indiana, which is still dominated by manufacturing instead of service dependent industries weathered the rest of 2020 quite well. In fact, the unemployment rate for Allen County in December 2020 was 4.1% (3.1% in December 2019) and significantly lower than the peak of 19.8% which occurred in April of 2020. The Allen County unemployment rate was lower than the State rate of 4.6% rate at December 31, 2020 and both were lower than the 6.7% rate for the United States as a whole. It is projected that by the end of 2021, the State of Indiana will continue a strong rebound and the financial position will be the same as it was at the end of 2019. Per capita income in Allen County for 2019 was \$47,602, a 2.83 growth over 2018's \$46,288 figure. With this growth, elastic economic factors, such as income taxes, continue to rebound. In addition, housing activities, such as sales and new construction remain very strong in the region throughout 2020. 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 2021.
- 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 actions 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 \$2.1 million in 2021). The 2021 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 2021 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

This page intentionally left blank.

ALLEN COUNTY PUBLIC LIBRARY
STATEMENT OF NET POSITION
December 31, 2020

	Primary Governmental		Component Unit
Assets	Governmental Activities		Unit
Cash and cash equivalents	\$ 43,959,128	\$	1,933,305
Investments	-		19,127,040
Receivables (net of allowances for uncollectibles):			
Interest	-		64,972
Taxes	1,719,295		-
Intergovernmental	1,541,862		-
Other	201,742		-
Prepaid expenses	230,061		-
Capital assets:			
Land and rare books	5,954,969		-
Other capital assets, net of depreciation	56,653,736		-
 Total assets	 110,260,793		 21,125,317
 Deferred outflows of resources			
Pension related	1,151,805		-
 <u>Liabilities</u>			
Accounts payable	684,310		-
Accrued payroll and withholdings payable	639,183		-
Accrued interest payable	37,899		-
Noncurrent Liabilities:			
Due within one year:			
First mortgage bonds	5,315,000		-
Compensated absences	148,531		-
Due in more than one year:			
First mortgage bonds payable (net of discount)	2,302,356		-
Compensated absences	742,654		-
Unearned revenue	1,450,110		-
Net pension liability	5,790,398		-
 Total liabilities	 17,110,441		 -
 Deferred inflows of resources:			
Unamortized gain on refunding	153,253		-
Pension related	1,398,118		-
 Total deferred inflows of resources	 1,551,371		 -
 <u>Net position</u>			
Net investment in capital assets	54,838,096		-
Restricted for:			
Capital projects	3,643,391		-
Debt service	5,666,381		-
Perpetual endowment subject to donor stipulations	-		10,000,713
Perpetual endowment subject to time restrictions			2,828,805
Other purposes	2,509,326		1,740,470
Unrestricted	26,093,592		6,555,329
 Total net position	 \$ 92,750,786	\$	 21,125,317

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, 2020

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	\$ 9,744,183	\$ -	\$ -	\$ (9,744,183)	\$ -
Public services	19,186,253	218,250	1,597,097	(17,370,906)	-
Interest on long-term debt	36,162	-	-	(36,162)	-
Total governmental activities	\$ 28,966,598	\$ 218,250	\$ 1,597,097	\$ (27,151,251)	\$ -
Component unit:					
Allen County Public Library Foundation	\$ 1,472,948	\$ -	\$ 984,181	\$ -	\$ (488,767)
General revenues:					
Property taxes				28,527,726	-
Shared revenue (excise & financial institution taxes)				2,577,863	-
Local income tax				5,191,940	-
Interest on investments				193,459	-
Other				860,240	-
Total general revenues				37,351,228	-
Change in net position				10,199,977	(488,767)
Net position - beginning				82,550,809	21,614,084
Net position - ending				\$ 92,750,786	\$ 21,125,317

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

ALLEN COUNTY PUBLIC LIBRARY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

<u>Assets</u>	General	Bond and Interest Redemption	LIRF	ACPL Bidg Corp Certificate	Other Non-major Governmental Funds	Totals
Cash and cash equivalents	\$ 26,191,576	\$ 2,586,231	\$ 3,643,391	\$ 3,080,150	\$ 2,308,273	\$ 37,809,621
Receivables (net of allowances for uncollectibles):						
Taxes	1,435,937	283,358	-	-	-	1,719,295
Intergovernmental	1,450,110	-	-	-	91,752	1,541,862
Other	12,440	-	-	-	126,940	139,380
Total assets	\$ 29,090,063	\$ 2,869,589	\$ 3,643,391	\$ 3,080,150	\$ 2,526,965	\$ 41,210,158
<u>Liabilities</u>						
Accounts payable	\$ 417,428	\$ -	\$ -	\$ -	\$ 17,639	\$ 435,067
Accrued payroll and withholdings payable	639,183	-	-	-	-	639,183
Unearned revenue - other	1,450,110	-	-	-	-	1,450,110
Total Liabilities	2,506,721	-	-	-	17,639	2,524,360
<u>Deferred inflows of resources</u>						
Unavailable revenue - property taxes	1,086,807	214,463	-	-	-	1,301,270
Unavailable revenue - license excise taxes	349,130	68,895	-	-	-	418,025
Total deferred inflows of resources	1,435,937	283,358	-	-	-	1,719,295
<u>Fund balances</u>						
Restricted	-	2,586,231	3,643,391	3,080,150	2,509,326	11,819,098
Assigned	441,636	-	-	-	-	441,636
Unassigned	24,705,769	-	-	-	-	24,705,769
Total fund balances	25,147,405	2,586,231	3,643,391	3,080,150	2,509,326	36,966,503
Total liabilities, deferred inflows of resources, and fund balances	\$ 29,090,063	\$ 2,869,589	\$ 3,643,391	\$ 3,080,150	\$ 2,526,965	\$ 41,210,158

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, 2020

Total fund balances for governmental funds \$ 36,966,503

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 \$39,183,566 accumulated depreciation	51,341,818
Improvements other than buildings, net of \$443,446 accumulated depreciation	191,426
Machinery and equipment, net of \$5,536,945 accumulated depreciation	312,975
Library materials, net of \$2,453,827 accumulated depreciation	<u>4,807,517</u>

Total capital assets 62,608,705

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. 1,719,295

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. 230,061

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. (5,790,398)

Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position. 1,151,805

Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position. (1,398,118)

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: 5,962,626

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. (153,253)

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, 2020, consisted of :

First mortgage bonds payable net of premium and discounts	(7,617,356)
Compensated absences	<u>(891,185)</u>

Total long-term liabilities (8,508,541)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (37,899)

Total net position of governmental activities \$ 92,750,786

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, 2020

	General	Bond and Interest Redemption	LIRF	ACPL Bldg Corp Certificate	Other Non-major Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 25,304,085	\$ 5,457,990	\$ -	\$ -	\$ -	\$ 30,762,075
Intergovernmental	5,024,363	-	-	-	405,604	5,429,967
Charges for services	218,250	-	-	-	-	218,250
Other	352,415	-	-	-	1,580,165	1,932,580
Total revenues	30,899,113	5,457,990	-	-	1,985,769	38,342,872
Expenditures:						
Current:						
Administration and support	10,488,461	-	-	-	-	10,488,461
Public services	13,201,189	-	-	-	1,906,708	15,107,897
Library materials	2,123,166	-	-	-	180,782	2,303,948
Capital outlay	315,130	-	-	-	21,918	337,048
Debt service:						
Principal	-	-	-	5,955,000	-	5,955,000
Interest	-	-	-	128,488	-	128,488
Total expenditures	26,127,946	-	-	6,083,488	2,109,408	34,320,842
Excess (deficiency) of revenues over (under) expenditures	4,771,167	5,457,990	-	(6,083,488)	(123,639)	4,022,030
Other financing sources (uses):						
Transfers in	-	-	-	6,087,000	-	6,087,000
Transfer out	-	(6,087,000)	-	-	-	(6,087,000)
Total other financing sources (uses)	-	(6,087,000)	-	6,087,000	-	-
Net change in fund balances	4,771,167	(629,010)	-	3,512	(123,639)	4,022,030
Fund balances - beginning	20,376,238	3,215,241	3,643,391	3,076,638	2,632,965	32,944,473
Fund balances - ending	\$ 25,147,405	\$ 2,586,231	\$ 3,643,391	\$ 3,080,150	\$ 2,509,326	\$ 36,966,503

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, 2020

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) \$ 4,022,030

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

These changes consist of:

Capital assets	89,546
Library materials	2,303,948
Depreciation expense	<u>(4,808,974)</u>

Net effect of capital assets (2,415,480)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In 2020 this consisted of deferred tax revenue unavailable. 343,512

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

During 2020 these consisted of:

Principal payment	5,955,000
Interest expense	<u>92,326</u>

Net effect of long-term debt 6,047,326

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. 74,134

A net pension obligation is not accrued in the governmental funds, but rather is recognized as an expenditure when paid. 744,278

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 1,470,344

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 2020 this consisted of the change in compensated absences (86,167)

Change in net position of governmental activities (Statement of Activities) \$ 10,199,977

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, 2020

	Governmental Activities - Internal Service Fund <u>Group Insurance</u>
<u>Assets</u>	
Current assets	
Cash and cash equivalents	\$ 6,149,507
Other receivables	<u>62,362</u>
Total current assets	<u>6,211,869</u>
<u>Liabilities</u>	
Current liabilities	
Accrued group insurance claims payable	<u>249,243</u>
<u>Net position</u>	
Unrestricted	<u><u>\$ 5,962,626</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, 2020

	<u>Governmental Activities - Internal Service Fund Group Insurance</u>
<u>Operating Revenues</u>	
Employer contributions	\$ 3,600,000
Employee contributions	<u>480,191</u>
Total operating revenues	<u>4,080,191</u>
<u>Operating Expenses</u>	
Contractual services	85,088
Insurance premiums	213,708
Medical claims	<u>2,311,051</u>
Total operating expenses	<u>2,609,847</u>
Operating income	1,470,344
Net position - beginning	<u>4,492,282</u>
Net position - ending	<u>\$ 5,962,626</u>

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

ALLEN COUNTY PUBLIC LIBRARY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For The Year Ended December 31, 2020

	<u>Governmental Activities - Internal Service Fund Group Insurance</u>
Cash flows from operating activities:	
Receipts from users	\$ 4,047,759
Payments to suppliers	<u>(2,654,212)</u>
Net cash provided by operating activities	<u>1,393,547</u>
Net increase in cash and cash equivalents	1,393,547
Cash and cash equivalents, January 1	<u>4,755,960</u>
Cash and cash equivalents, December 31	<u>\$ 6,149,507</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,470,344
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in assets:	
Other receivables	(32,431)
Increase in liabilities:	
Accrued group insurance benefit payable	<u>(44,366)</u>
Total adjustments	<u>(76,797)</u>
Net cash provided by operating activities	<u>\$ 1,393,547</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, 2020

<u>Assets</u>	<u>Custodial Funds</u>
Cash and cash equivalents	\$ 20,923
Accounts Receivable	<u>38</u>
Total current assets	<u>20,961</u>
<u>Liabilities</u>	
Accounts payable	<u>13,063</u>
<u>Net position</u>	
Net Position held in trust for:	
Employee activity	<u>\$ 7,898</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, 2020

<u>Additions</u>	<u>Custodial Funds</u>
Contributions:	
Employees	\$ <u>826</u>
<u>Deductions</u>	
Employee Activities	<u>-</u>
Changes in net position	826
Net position - beginning	<u>7,072</u>
Net position - ending	<u>\$ <u>7,898</u></u>

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

This page intentionally left blank.

This page intentionally left blank.

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 administrating donations on behalf of the Library and to support the programs and services of the Library. A majority of the Allen County Public Library Foundation’s board members are appointed by the Library Board of Trustees.

The financial statements of the Allen County Public Library Foundation are presented as of and for the year ended June 30, 2020.

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 custodial fund (fiduciary) reports a trust arrangement under which principal and income benefit employees. This fund was created to account for employee donations and revenues 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:

			Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land			All	N/A	N/A
Buildings			\$ 5,000	Straight-Line	40 yrs.
Improvements	Other	Than	5,000	Straight-Line	20 yrs.
Buildings					
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, 2020, the following fund included encumbered amounts:

General fund - \$441,636

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 October 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 filed with 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, 2020 are presented below:

	General Fund	Bond and Interest Redemption	LIRF	ACPL Bldg Corp Certificate	Other Non- Major Funds
Restricted To:					
First mortgage bonds	\$ -	\$ 2,586,231	\$ -	\$ 3,080,150	\$ -
Capital projects & equipment	-	-	3,643,391	-	-
Donor designated gifts	-	-	-	-	216,375
Cable TV access	-	-	-	-	241,038
Internet connectivity	-	-	-	-	12,053
Levy Excess	-	-	-	-	23,597
Library programs and facilities	-	-	-	-	2,016,263
Total restricted	-	2,586,231	3,643,391	3,080,150	2,509,326
Assigned To:					
Library programs	441,636	-	-	-	-
Unassigned	24,705,769	-	-	-	-
Total fund balance	<u>\$ 25,147,405</u>	<u>\$ 2,586,231</u>	<u>\$ 3,643,391</u>	<u>\$ 3,080,150</u>	<u>\$ 2,509,326</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, 2020, the Library had deposit balances in the amount of \$43,980,051. 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, 2020 there was \$636,942 of deposits in excess of the insured amount. At June 30, 2020, the Library's discretely presented component unit also had \$1,052,407 in investment accounts that are uninsured.

2. Investments

As of June 30, 2020, 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	\$ 3,081,403	\$ 130,352	\$ 241,439	\$ 2,709,612
Corporate bonds	299,651	-	68,892	230,759
Corporate stock	10,953,680	10,953,680	-	-
Mutual funds	4,792,306	4,792,306	-	-
Totals	<u>\$ 19,127,040</u>	<u>\$ 15,876,338</u>	<u>\$ 310,331</u>	<u>\$ 2,940,371</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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:			
Corporate Stock	\$ 10,953,680	-	-
Mutual Funds	4,792,306	-	-
Governmental sponsored enterprises	-	3,081,403	-
Bonds	-	299,651	-
Beneficial interest	-		14,527
	<u>\$ 15,745,986</u>	<u>\$ 3,381,054</u>	<u>\$ 14,527</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, 2020:

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

Beginning Balance - July 1, 2019		\$ 14,962
Total Gains and losses included in earnings:		
Investment and interest income		454
Net gains (losses) on investments		
Unrealized		(819)
Realized		32
Investment fees		(102)
Distributions		-
Ending Balance - June 30, 2020		\$ 14,527

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, 2020, 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 \$19,141,567.

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		\$ 91,746	\$ -	\$ -
AA+		1,145,401	-	-
AA		369,370	-	-
AA-		303,592	-	-
AA1		10,050	-	-
AA2		121,249	-	-
AA3		133,380	-	-
A+		154,403	-	-
A		298,484	27,401	-
A-		62,356	91,696	-
A1		167,539	-	-
A2		20,021	-	-
BBB+		-	95,105	-
BBB		49,886	85,449	-
Not Rated		153,926	-	50,089
	Low	-	-	968,659
	Below Average	-	-	887,692
	Average	-	-	1,140,207
	Above Average	-	-	1,266,807
	High	-	-	478,852
Totals		<u>\$ 3,081,403</u>	<u>\$ 299,651</u>	<u>\$ 4,792,306</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 \$391,494.

B. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

<u>Primary government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,960,142	\$ -	\$ -	\$ 4,960,142
Rare book collection	<u>994,827</u>	<u>-</u>	<u>-</u>	<u>994,827</u>
Total capital assets, not being depreciated	<u>5,954,969</u>	<u>-</u>	<u>-</u>	<u>5,954,969</u>
Capital assets, being depreciated:				
Buildings	90,525,384	-	-	90,525,384
Improvements other than buildings	634,872	-	-	634,872
Machinery and equipment	5,803,065	89,546	42,691	5,849,920
Library materials	<u>7,632,507</u>	<u>2,303,948</u>	<u>2,675,111</u>	<u>7,261,344</u>
Totals	<u>104,595,828</u>	<u>2,393,494</u>	<u>2,717,802</u>	<u>104,271,520</u>
Less accumulated depreciation for:				
Buildings	37,100,765	2,082,801	-	39,183,566
Improvements other than buildings	414,309	29,137	-	443,446
Machinery and equipment	5,426,769	152,867	42,691	5,536,945
Library materials	<u>2,584,769</u>	<u>2,544,169</u>	<u>2,675,111</u>	<u>2,453,827</u>
Totals	<u>45,526,612</u>	<u>4,808,974</u>	<u>2,717,802</u>	<u>47,617,784</u>
Total capital assets, being depreciated, net	<u>59,069,216</u>	<u>(2,415,480)</u>	<u>-</u>	<u>56,653,736</u>
Total governmental activity capital assets, net	<u>\$ 65,024,185</u>	<u>\$ (2,415,480)</u>	<u>\$ -</u>	<u>\$ 62,608,705</u>

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

Governmental activities:	
Public services	<u>\$4,808,974</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, 2020, were as follows:

<u>Transfer From</u>	<u>ACPL Bldg Corp Certificate</u>
Bond and Interest Redemption	<u>\$ 6,087,000</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% \$ 7,645,000

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>
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>\$ 7,645,000</u>	<u>\$ 78,948</u>	<u>\$ 7,723,948</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	\$ 7,645,000	\$ (27,644)	\$ 7,617,356

2. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Within One Year</u>
Governmental Activities:					
1st Mortgage Rfndg Bonds Ser 2016	\$ 13,600,000	\$ -	\$ 5,955,000	\$ 7,645,000	\$ 5,315,000
Compensated Absences	805,018	798,991	712,824	891,185	148,531
Unearned Revenue	1,282,533	1,450,110	1,282,533	1,450,110	1,450,110
Net Pension Liability	<u>6,392,654</u>	<u>1,191,442</u>	<u>1,793,698</u>	<u>5,790,398</u>	<u>-</u>
Totals	<u>\$ 22,080,205</u>	<u>\$ 3,440,543</u>	<u>\$ 9,744,055</u>	<u>\$ 15,776,693</u>	<u>\$ 6,913,641</u>

First mortgage bonds are payable from governmental funds. Compensated absences and all pension liability liquidations are paid from the General fund.

3. Disclosure

The ACPL Building Corporation bond documents have potential financial consequences that may result from events of default which includes the Trustee declaring the outstanding principal and interest due to be immediately payable and the Trustee's ability to take possession of the mortgaged and to sell the mortgaged property. The bond documents allow for events of default to be cured. Certain excerpts from the Bond's Events of Default and Remedies is disclosed below:

- In the case of the happening and continuance of any of the events of default, the Trustee, by notice in writing mailed to the Building Corporation, may, and upon written request of Ambac Assurance

or the registered owners of 25% in principal amount of the Bonds then outstanding under the Indenture, and the consent of Ambac Assurance and Financial Guaranty Insurance Company, must, declare the principal of all such Bonds, and the interest accrued thereon, immediately due and payable. However, the registered owners of a majority in principal amount of all outstanding Bonds, by written notice to the Building Corporation and to the Trustee and the consent of Ambac Assurance and Financial Guaranty Insurance Company, may annul each declaration and destroy its effect at any time before any sale under the Indenture if all agreements with respect to which default has been made are fully performed and all such defaults are cured, and all arrears of interest upon all Bonds outstanding and the reasonable expenses and charges of the Trustee, the Registrar and Paying Agent, its agents and attorneys, and all other indebtedness secured by the Indenture, except the principal of any Bonds not then due by their terms and interest accrued thereon since the then last Interest Payment Date, are paid or the amount thereof is paid to the Trustee for the benefit of those entitled thereto.

- Upon the occurrence of one or more events of default, the Building Corporation, upon demand of the Trustee, must surrender to the Trustee the actual possession of all the Mortgaged Property. In such event, the Trustee may, but is under no obligation to: (i) hold, operate and manage the same, and from time to time to make all needed repairs and such extensions, additions or improvements as the Trustee deems wise; (ii) receive the rents, revenues, issues, earnings, income, profits and proceeds thereof and out of the same pay all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, any charges of the Trustee, the Registrar and Paying Agent under the Indenture, any taxes and assessments and other charges prior to the lien of the Indenture which the Trustee may deem it wise to pay, and all expenses in connection therewith; and (iii) apply the remainder of the moneys so received by the Trustee, first, to the payment of the installments of interest which are due and unpaid in the order of their maturity, and next, if the principal of the Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata, without any preference or priority whatsoever except as aforesaid. Whenever all that is due upon the Bonds outstanding under the Indenture and installments of interest and under any of the terms of the Indenture have been paid, and all defaults made good, the Trustee will surrender possession to the Building Corporation, its successors or assigns. Upon the occurrence of any one or more events of default, the Trustee may, if at the time such action is lawful, sell all the Mortgaged Property as an entirety, or in such parts or parcels as the registered owners of a majority in principal amount of the Bonds outstanding under the Indenture may in writing request, or in the absence of such request as the Trustee may determine, at public auction.

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, 2020, but not submitted for processing.

At December 31, 2020, the total of these liabilities for claims was \$249,243. This liability (Accrued group insurance claims payable) is the Library's best estimate based on available information. An analysis of claims activities is presented below:

<u>Year</u>	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2019	299,875	2,891,309	2,897,576	293,608
2020	293,608	2,461,575	2,505,940	249,243

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 2020, 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, 2020 was \$1,132,939.

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, 2020 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 8.75%

Cost-of-living increases 13th check until 2021, .4% to .6% thereafter

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, 2020 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 changed to a range of 2.5% to 8.75%.
- 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, 2020.

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	4.4
Private Equity	14.0	7.6
Fixed Income – Ex Inflation Linked	20.0	1.0
Fixed Income – Inflation Linked	7.0	0.5
Commodities	8.0	1.6
Real Estate	7.0	5.8
Absolute Return	10.0	2.9
Risk Parity	<u>12.0</u>	5.5
Total	<u><u>100.0</u></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	\$ 9,440,318	\$ 5,790,398	\$ 2,733,293

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

As of December 31, 2020, the Library reported a liability of \$5,790,398 for their proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the Library's portion was .19171%, which was a decrease of .00171% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the Library recognized pension expense of \$466,327. At June 30, 2020, 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	\$ 102,589	\$ 77,744
Net difference between projected and actual investment earnings on pension plan investments	495,565	-
Changes of assumptions	-	1,206,477
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	113,897
Employer contributions subsequent to the measurement date	553,651	-
	<u>\$ 1,151,805</u>	<u>\$ 1,398,118</u>

\$553,651 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, 2021. 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:

2021	\$	(645,977)
2022		(254,184)
2023		(110,307)
2024		210,504
2025		-
Thereafter		-
Total	\$	<u>(799,964)</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 2020. The table below summarizes the taxes that have been abated.

<u>Governmental Unit</u>	<u>Real Property Tax</u>	<u>Personal Property Tax</u>	<u>Total Abated</u>
Allen County	\$ 456,761	\$ 715,031	\$ 1,171,792
Fort Wayne	288,674	177,283	465,957
Grabill	2,768	1,337	4,105
Huntertown	1,462	397	1,859
Leo-Cedarville	202	-	202
Monroeville	813	278	1,091
New Haven	16,613	44,710	61,323
Woodburn	11,882	1,523	13,405
Total - All Units	\$ 779,175	\$ 940,559	\$ 1,719,734

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

D. Deferred Compensation Plans

The Library offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time employees, permits employees to defer a portion of their salary until future years. There are no employer contributions to the Plan. Participation in the Plan is optional. Only upon terminations, retirement, death, or an unforeseen emergency is the deferred compensation available to an employee. Federal House Bill 3448 mandated that, effective January 1, 2000; all existing Internal Revenue Code Section 457 plan assets must be held in a qualified trust for the benefit of participants and their beneficiaries.

Recordkeeping is provided by Lincoln Retirement Services Company, LLC. And Lincoln Financial Group Trust Company, Inc. acts as trustee for the Plan and maintains records on plan-level basis. The Library utilizes Morningstar Investment Management, LLC as its agent to provide investment advice regarding the selection and monitoring of the line-up of investment options that is made available to Plan participants, as well as acting as fiduciary to the Plan for investments. Because these assets are held by a custodian for the specific benefit of participants and their beneficiaries, they are not reflected in the financial statements and are free from claims of Library creditors.

REQUIRED SUPPLEMENTARY INFORMATION



ALLEN COUNTY PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2020

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Taxes	\$ 26,808,753	\$ 26,808,753	\$ 25,304,085	\$ (1,504,668)
Intergovernmental	4,571,243	4,571,243	5,024,363	453,120
Charges for services	450,000	450,000	218,250	(231,750)
Other	770,000	770,000	352,415	(417,585)
Total revenues	<u>32,599,996</u>	<u>32,599,996</u>	<u>30,899,113</u>	<u>(1,700,883)</u>
Expenditures:				
Current:				
Personal services	20,883,061	20,883,061	17,030,640	(3,852,421)
Supplies	797,500	795,879	477,588	(318,291)
Other services and charges	6,733,900	6,958,121	6,181,423	(776,698)
Capital outlay	4,062,500	3,868,614	2,438,295	(1,430,319)
Total expenditures	<u>32,476,961</u>	<u>32,505,675</u>	<u>26,127,946</u>	<u>(6,377,729)</u>
Net change in fund balances	123,035	94,321	4,771,167	4,676,846
Fund balances - beginning	<u>16,516,906</u>	<u>16,608,301</u>	<u>20,376,238</u>	<u>-</u>
Fund balances - ending	<u>\$ 16,639,941</u>	<u>\$ 16,702,622</u>	<u>\$ 25,147,405</u>	<u>\$ 4,676,846</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 years¹

	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.19171%	0.19342%	0.19480%	0.19747%	0.20826%	0.19836%	0.18982%
Proportionate share of the net pension liability (asset)	\$ 5,790,398	\$ 6,392,654	\$ 6,617,444	\$ 8,810,210	\$ 9,451,765	\$ 8,079,009	\$ 4,988,346
Covered Payroll	\$ 10,349,935	\$ 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	55.95%	63.44%	66.58%	89.93%	94.70%	85.03%	53.83%
Plan fiduciary net position as a percentage of the total pension liability	81.45%	80.06%	78.89%	76.60%	75.30%	77.30%	84.30%

¹ 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 years¹

	2019	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,132,939	\$ 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	1,132,939	1,124,349	1,099,321	1,069,059	1,068,599	1,096,575	1,037,519
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,304,383	\$ 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	10.99%	10.98%	10.99%	11.03%	10.82%	11.09%	11.06%

¹ 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, 2020

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 her 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, 2020

	Bond and Interest Redemption			Variance With Final Budget Over (Under)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes	\$ 5,290,261	\$ 5,290,261	\$ 5,457,990	\$ 167,729
Expenditures:				
Capital outlay	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	5,290,261	5,290,261	5,457,990	167,729
Other financing uses:				
Transfers in (out)	(6,087,000)	(6,087,000)	(6,087,000)	-
Net change in fund balances	(796,739)	(796,739)	(629,010)	167,729
Fund balances - beginning	3,215,241	3,215,241	3,215,241	-
Fund balances - ending	<u>\$ 2,418,502</u>	<u>\$ 2,418,502</u>	<u>\$ 2,586,231</u>	<u>\$ 167,729</u>

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.

CARES ACT – This fund accounts for revenues and expenditures relating to funds received in relation to the COVID-19 pandemic activities.

ALLEN COUNTY PUBLIC LIBRARY
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 December 31, 2020

	Gift	Cable TV	Levy Excess	Cares Act	State Technology	Rainy Day	Totals
<u>Assets</u>							
Cash and cash equivalents	\$ 104,042	\$ 158,639	\$ 23,597	\$ -	\$ 5,732	\$ 2,016,263	\$ 2,308,273
Intergovernmental receivable	-	84,712	-	-	7,040	-	91,752
Other receivable	<u>126,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,940</u>
Total assets	<u>230,982</u>	<u>243,351</u>	<u>23,597</u>	<u>-</u>	<u>12,772</u>	<u>2,016,263</u>	<u>2,526,965</u>
<u>Liabilities</u>							
Accounts payable	<u>14,607</u>	<u>2,313</u>	<u>-</u>	<u>-</u>	<u>719</u>	<u>-</u>	<u>17,639</u>
Total Liabilities	<u>14,607</u>	<u>2,313</u>	<u>-</u>	<u>-</u>	<u>719</u>	<u>-</u>	<u>17,639</u>
<u>Fund balances</u>							
Restricted	<u>216,375</u>	<u>241,038</u>	<u>23,597</u>	<u>-</u>	<u>12,053</u>	<u>2,016,263</u>	<u>2,509,326</u>
Total liabilities and fund balances	<u>\$ 230,982</u>	<u>\$ 243,351</u>	<u>\$ 23,597</u>	<u>\$ -</u>	<u>\$ 12,772</u>	<u>\$ 2,016,263</u>	<u>\$ 2,526,965</u>

ALLEN COUNTY PUBLIC LIBRARY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2020

	Gift	Cable TV	Levy Excess	Cares Act	State Technology	Rainy Day	Totals
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental		397,164		1,400	7,040		405,604
Other	1,580,165						1,580,165
Total revenues	1,580,165	397,164	-	1,400	7,040	-	1,985,769
Expenditures:							
Current:							
Public services	1,379,096	517,585		1,400	8,627		1,906,708
Library materials	180,782						180,782
Capital outlay		21,918					21,918
Total expenditures	1,559,878	539,503	-	1,400	8,627	-	2,109,408
Excess (deficiency) of revenues over (under) expenditures	20,287	(142,339)	-	-	(1,587)	-	(123,639)
Net change in fund balances	20,287	(142,339)	-	-	(1,587)	-	(123,639)
Fund balances - beginning	196,088	383,378	23,597	-	13,639	2,016,263	2,632,965
Fund balances - ending	\$ 216,375	\$ 241,039	\$ 23,597	\$ -	\$ 12,052	\$ 2,016,263	\$ 2,509,326

This page intentionally left blank.

STATISTICAL SECTION



ALLEN COUNTY PUBLIC LIBRARY

LOCATION OF PUBLIC SERVICE FACILITIES

with population (2010 census) by township

CODE	BRANCH NAME	ADDRESS (<i>Common Location Reference</i>)
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

EEL RIVER <i>3,965</i>	PERRY <i>19,643</i>	CEDAR CREEK <i>11,329</i> ● GRB	SPRINGFIELD <i>4,761</i>	SCIPIO <i>584</i>
----------------------------------	-------------------------------	---	------------------------------------	-----------------------------

LAKE <i>2,807</i>	WASHINGTON <i>33,859</i> DPT ● LTL ● TEC ●	ST. JOSEPH <i>71,832</i> ● GEO	MILAN <i>4,656</i>	MAUMEE <i>3,318</i> ● WDB
-----------------------------	---	--	------------------------------	---

ABOITE <i>30,000</i> ● ABT	WAYNE <i>108,119</i> MAI ● PON ● SHW ● WAY ●	ADAMS <i>32,050</i> ● NWH ● HSC	JEFFERSON <i>2,821</i>	JACKSON <i>1,041</i>
--	--	---	----------------------------------	--------------------------------

LAFAYETTE <i>3,533</i>	PLEASANT <i>4,323</i>	MARION <i>4,495</i>	MADISON <i>2,722</i>	MONROE <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.

CONTENTS	PAGE
FINANCIAL TRENDS These tables contain trend information that may assist the reader in assessing the Library's current financial performance by placing it in historical perspective.	S1
REVENUE CAPACITY These tables contain information that may assist the reader in assessing the viability of the Library's most significant revenue source-property taxes.	S5
DEBT CAPACITY 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.	S10
ECONOMIC AND DEMOGRAPHIC INFORMATION 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.	S13
OPERATING INFORMATION 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.	S18

SOURCE:

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

This page intentionally left blank.

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary Government (Governmental Activities) ^(A)										
Net investment in capital assets	\$ 30,885	\$ 32,522	\$ 34,346	\$ 36,647	\$ 39,317	\$ 40,635	\$ 44,262	\$ 47,595	\$ 51,236	\$ 54,838
Restricted	\$ 10,135	\$ 9,525	\$ 9,176	\$ 9,947	\$ 10,722	\$ 10,776	\$ 13,385	\$ 12,387	\$ 12,568	\$ 11,819
Unrestricted	\$ 8,935	\$ 10,728	\$ 11,468	\$ 13,301	\$ 8,001	\$ 10,016	\$ 10,541	\$ 14,347	\$ 18,747	\$ 26,094
Total Primary Government Net Position	\$ 49,955	\$ 52,775	\$ 54,990	\$ 59,895	\$ 58,040	\$ 61,427	\$ 68,188	\$ 74,329	\$ 82,551	\$ 92,751

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Primary Government (Governmental Activities) ^(A)										
Administration and support	\$ 4,806	\$ 4,964	\$ 4,763	\$ 7,738	\$ 8,466	\$ 8,889	\$ 9,065	\$ 8,873	\$ 9,172	\$ 9,744 ^(B)
Public Service	\$ 21,152	\$ 21,182	\$ 21,973	\$ 19,646	\$ 20,797	\$ 21,697	\$ 19,958	\$ 20,837	\$ 20,593	\$ 19,186 ^(B)
Interest on long-term debt	\$ 2,526	\$ 2,165	\$ 2,012	\$ 1,792	\$ 1,613	\$ 1,373	\$ 106	\$ 162	\$ 96	\$ 36
Total primary government expenses	\$ 28,484	\$ 28,311	\$ 28,748	\$ 29,176	\$ 30,876	\$ 31,959	\$ 29,129	\$ 29,872	\$ 29,861	\$ 28,966
Program Revenues										
Primary Government (Governmental Activities) ^(A)										
Charges for services - Public Services	\$ 762	\$ 751	\$ 704	\$ 634	\$ 642	\$ 594	\$ 520	\$ 496	\$ 433	\$ 218
Operating Grants and Contributions	\$ 364	\$ 385	\$ 743	\$ 866	\$ 1,244	\$ 1,739	\$ 1,286	\$ 1,451	\$ 1,626	\$ 1,597
Total primary government program revenues	\$ 1,126	\$ 1,136	\$ 1,447	\$ 1,500	\$ 1,886	\$ 2,333	\$ 1,806	\$ 1,947	\$ 2,059	\$ 1,815
Total primary government net expense	\$ (27,358)	\$ (27,175)	\$ (27,301)	\$ (27,676)	\$ (28,990)	\$ (29,626)	\$ (27,323)	\$ (27,925)	\$ (27,802)	\$ (27,151)
General Revenues and Other Changes in Net Position										
Primary Government (Governmental Activities) ^(A)										
Taxes										
Property Taxes	\$ 23,171	\$ 23,614	\$ 23,437	\$ 24,540	\$ 25,105	\$ 25,103	\$ 26,173	\$ 25,734	\$ 27,725	\$ 28,528
Auto Excise Taxes	\$ 2,081	\$ 2,148	\$ 2,136	\$ 2,212	\$ 2,158	\$ 2,189	\$ 2,337	\$ 2,340	\$ 2,602	\$ 2,578
LIT and other Taxes	\$ 4,531	\$ 3,336	\$ 3,259	\$ 3,185	\$ 4,454	\$ 4,904	\$ 4,307	\$ 4,817	\$ 3,893	\$ 5,192
Unrestricted grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrealized loss on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on investments	\$ 34	\$ 20	\$ 20	\$ 19	\$ 23	\$ 65	\$ 152	\$ 387	\$ 598	\$ 193
Other	\$ 1,069	\$ 877	\$ 1,139	\$ 1,977	\$ 867	\$ 752	\$ 1,115	\$ 788	\$ 1,206	\$ 860
Total primary government general revenues	\$ 30,886	\$ 29,995	\$ 29,991	\$ 31,933	\$ 32,607	\$ 33,013	\$ 34,084	\$ 34,066	\$ 36,024	\$ 37,351
Total Change in Primary Government Net Position	\$ 3,528	\$ 2,820	\$ 2,690	\$ 4,257	\$ 3,617	\$ 3,387	\$ 6,761	\$ 6,141	\$ 8,222	\$ 10,200

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Assigned	\$ 32	\$ 81	\$ 87	\$ 446	\$ 246	\$ 270	\$ 428	\$ 379	\$ 470	\$ 441
Unassigned	\$ 7,935	\$ 9,453	\$ 10,901	\$ 10,987	\$ 11,456	\$ 12,586	\$ 14,599	\$ 17,085	\$ 19,906	\$ 24,706
Total General Fund	\$ 7,967	\$ 9,534	\$ 10,988	\$ 11,433	\$ 11,702	\$ 12,856	\$ 15,027	\$ 17,464	\$ 20,376	\$ 25,147
All Other Governmental Funds										
Restricted	\$ 11,016	\$ 10,401	\$ 10,091	\$ 10,896	\$ 11,656	\$ 12,929	\$ 13,385	\$ 12,386	\$ 12,568	\$ 11,819
Committed										
Assigned										
Unassigned										
Total all other governmental funds	\$ 11,016	\$ 10,401	\$ 10,091	\$ 10,896	\$ 11,656	\$ 12,929	\$ 13,385	\$ 12,386	\$ 12,568	\$ 11,819

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues	\$ 25,282	\$ 25,756	\$ 25,746	\$ 26,613	\$ 27,273	\$ 27,298	\$ 28,477	\$ 27,972	\$ 30,253	\$ 30,762
Taxes	\$ 4,589	\$ 3,815	\$ 3,749	\$ 4,318	\$ 4,201	\$ 5,547	\$ 4,644	\$ 4,887	\$ 4,448	\$ 5,430
Intergovernmental	\$ 762	\$ 751	\$ 704	\$ 634	\$ 642	\$ 595	\$ 520	\$ 496	\$ 432	\$ 218
Charges for services	\$ 737	\$ 817	\$ 1,011	\$ 1,305	\$ 1,599	\$ 1,984	\$ 1,659	\$ 2,075	\$ 2,417	\$ 1,933
Other	\$ 31,370	\$ 31,139	\$ 31,210	\$ 32,870	\$ 33,715	\$ 35,424	\$ 35,300	\$ 35,430	\$ 37,550	\$ 38,343
Total Revenues	\$ 4,504	\$ 4,682	\$ 4,668	\$ 7,738	\$ 8,212	\$ 8,467	\$ 8,446	\$ 9,025	\$ 9,449	\$ 10,488
Expenditures	\$ 13,858	\$ 14,558	\$ 15,434	\$ 13,740	\$ 14,382	\$ 14,503	\$ 14,837	\$ 16,067	\$ 15,871	\$ 15,108
Administration and support	\$ 3,626	\$ 2,955	\$ 2,853	\$ 2,958	\$ 3,059	\$ 3,047	\$ 2,675	\$ 2,404	\$ 2,553	\$ 2,304
Public Services	\$ 1,055	\$ 1,269	\$ 526	\$ 652	\$ 534	\$ 448	\$ 425	\$ 417	\$ 510	\$ 337
Library Materials	\$ 3,915	\$ 13,490 ^(A)	\$ 4,490	\$ 4,545	\$ 4,710	\$ 4,885	\$ 6,050	\$ 5,825	\$ 5,885	\$ 5,955
Capital Outlays	\$ 2,709	\$ 2,512	\$ 2,095	\$ 1,987	\$ 1,789	\$ 1,613	\$ 240	\$ 254	\$ 188	\$ 129
Debt Service	\$ 156	\$ -	\$ -	\$ -	\$ -	\$ 138	\$ -	\$ -	\$ -	\$ -
Principal	\$ 29,667	\$ 39,622	\$ 30,066	\$ 31,620	\$ 32,686	\$ 33,101	\$ 32,673	\$ 33,992	\$ 34,456	\$ 34,321
Interest	\$ 1,703	\$ (8,483)	\$ 1,144	\$ 1,250	\$ 1,029	\$ 2,323	\$ 2,627	\$ 1,438	\$ 3,094	\$ 4,022
Bond issue costs										
Bond Expenditures	\$ 7,442	\$ 7,445	\$ 6,536	\$ 6,518	\$ 6,507	\$ 6,510	\$ 6,082	\$ 6,085	\$ 6,086	\$ 6,087
Excess of revenues over (under) expenditures	\$ (7,442)	\$ (7,445)	\$ (6,536)	\$ (6,518)	\$ (6,507)	\$ (6,510)	\$ (6,082)	\$ (6,085)	\$ (6,086)	\$ (6,087)
Other Financing Source (Uses)	\$ 9,385	\$ -	\$ -	\$ -	\$ -	\$ 30,655	\$ -	\$ -	\$ -	\$ -
Transfers in	\$ 610	\$ -	\$ -	\$ -	\$ -	\$ (83)	\$ -	\$ -	\$ -	\$ -
Transfers out										
Issuance of debt										
Bond premium (discount)										
Accrued interest at bond sale										
Payment to bond escrow agent										
Defeasance of bonds										
Total other financing sources (uses)	\$ (561)	\$ -	\$ -	\$ -	\$ -	\$ (30,468)	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ -	\$ 9,434	\$ -	\$ -	\$ -	\$ 104	\$ -	\$ -	\$ -	\$ -
	\$ 1,703	\$ 951	\$ 1,144	\$ 1,250	\$ 1,029	\$ 2,427	\$ 2,627	\$ 1,438	\$ 3,094	\$ 4,022
Debt Service as a percentage of noncapital expenditures^(B)	25.6%	25.2%	24.3%	23.0%	22.0%	21.5%	21.1%	19.4%	19.1%	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) Non-capital 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

<u>Tax Year</u> <u>Payable</u>	<u>Agricultural</u>	<u>Commercial /</u> <u>Industrial</u>	<u>Residential</u>	<u>Utility</u>	<u>Exempt^A</u>	<u>Adjustments/ Credits</u>	<u>Total Net</u> <u>Assessed Value</u>	<u>Total Direct</u> <u>Tax Rate</u>
2019	\$ 842,096,467	\$ 5,134,988,226	\$ 9,088,531,291	\$ 35,694,200	\$ 8,575,449	\$ 1,545,760,336	\$ 16,655,645,969	\$ 0.1796
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	627,968,031	4,784,009,561	5,978,042,386	26,208,970	21,246,631	1,237,482,381	12,674,957,960	0.1985

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

	2019 pay 2020	2018 pay 2019	2017 pay 2018	2016 pay 2017	2015 pay 2016
Library Direct Rates					
General	\$ 0.1500	\$ 0.1548	\$ 0.1600	\$ 0.1594	\$ 0.1584
Debt Service	0.0296	0.0366	0.0323	0.0447	0.0447
Total direct rates	0.1796	0.1914	0.1923	0.2041	0.2031
County-wide units:					
Ft. Wayne-Allen Co. Airport	0.0421	0.0407	0.0456	0.0461	0.0464
County of Allen	0.4958	0.5087	0.5370	0.5414	0.5403
Cities and Towns:					
City of Fort Wayne	1.4943	1.5277	1.5674	1.5565	1.5312
City of New Haven	1.1156	1.1630	1.1721	1.1581	1.0893
City of Woodburn	0.6154	0.6617	0.6776	0.6979	0.7193
Town of Grabill	0.9547	0.9216	0.9228	0.9146	0.9061
Town of Monroeville	1.3340	1.4099	1.4806	1.4313	1.3993
Town of Hometown	0.1517	0.1448	0.1566	0.1882	0.2588
Town of Zanesville	0.3104	0.3142	0.3328	0.3808	0.4060
Town of Leo-Cedarville	0.3737	0.3877	0.3779	0.3741	0.3767
School Districts:					
East Allen County	0.8484	0.8943	0.9318	0.9172	0.8698
Ft. Wayne Community	0.9660	0.9527	0.9925	1.0113	0.9772
Northwest Allen County	1.0398	1.0473	1.1195	1.1636	1.3124
Southwest Allen County	0.8638	0.8214	0.8912	0.9283	0.9190
Other special districts:					
Public Transport. Corp	0.0615	0.0629	0.0646	0.0640	0.0630
S.W. Allen Fire District	0.1714	0.1661	0.1666	0.1675	0.1726
N.W. Allen Fire District	0.0593	0.0641	0.0682	0.0691	0.0708
New Haven-Adams Twp Parks	0.1768	0.1871	0.1982	0.1987	0.2052
Townships:					
Aboite	0.0574	0.0584	0.0645	0.0497	0.0506
Adams	0.2995	0.3592	0.3462	0.3460	0.3463
Cedar Creek	0.0433	0.0451	0.0471	0.0480	0.0490
Eel River	0.0000	0.0001	0.0088	0.0085	0.0084
Jackson	0.0413	0.0410	0.0391	0.0371	0.0359
Jefferson	0.1095	0.1077	0.1118	0.1067	0.1012
Lafayette	0.0000	0.0065	0.0069	0.0071	0.0131
Lake	0.0713	0.0721	0.0728	0.0735	0.0746
Madison	0.1139	0.1192	0.1053	0.1195	0.0671
Marion	0.0704	0.0672	0.0708	0.0704	0.0706
Maumee	0.1139	0.1190	0.1097	0.1221	0.0876
Milan	0.0924	0.0961	0.0976	0.0986	0.0974
Monroe	0.1064	0.1057	0.1020	0.0985	0.0944
Perry	0.0040	0.0047	0.0050	0.0051	0.0052
Pleasant	0.0083	0.0122	0.0138	0.0136	0.0138
Scipio	0.0533	0.0545	0.0501	0.0480	0.0472
Springfield	0.0650	0.0694	0.0734	0.0991	0.1199
Saint Joseph	0.1117	0.1207	0.1278	0.1314	0.1351
Washington	0.1067	0.1385	0.1507	0.1293	0.1260
Wayne	0.1403	0.1442	0.1485	0.1487	0.1433

Source: Allen County Auditor's Office

	2014 pay 2015	2013 pay 2014	2012 pay 2013	2011 pay 2012	2010 pay 2011
\$	0.1585	\$ 0.1589	\$ 0.1565	\$ 0.1527	\$ 0.1486
	0.0505	0.0511	0.0502	0.0515	0.0499
	0.2090	0.2100	0.2067	0.2042	0.1985
	0.0471	0.0477	0.0471	0.0468	0.0447
	0.5447	0.5477	0.5404	0.5279	0.5155
	1.5106	1.4716	1.3411	1.3274	1.3149
	1.0633	1.0633	1.0528	1.0077	1.0055
	0.7224	0.7006	0.6873	0.6579	0.6577
	0.906	0.8702	0.8685	0.8436	0.7837
	1.2939	1.2203	1.2002	1.1551	1.0156
	0.2821	0.2787	0.2779	0.255	0.2802
	0.3439	0.3491	0.3348	0.3216	0.3199
	0.3737	0.376	0.3788	0.3731	0.3655
	0.8851	0.9309	0.8833	0.8379	0.8871
	1.0123	1.0177	0.9766	0.8527	0.9000
	1.3453	1.5042	1.5437	1.4358	1.5043
	0.9418	1.0371	1.0196	1.0282	1.0170
	0.0628	0.0618	0.0603	0.0582	0.0552
	0.1769	0.1749	0.1635	0.1645	0.1623
	0.0719	0.0759	0.0780	0.0572	0.0569
	0.1833	0.1842	0.1769	0.1734	0.1229
	0.0504	0.0511	0.0497	0.0501	0.0526
	0.3466	0.3377	0.0364	0.3064	0.3007
	0.0497	0.0504	0.0505	0.0508	0.0489
	0.0077	0.0086	0.0092	0.0091	0.0083
	0.0361	0.0387	0.0377	0.0379	0.0384
	0.1034	0.1079	0.1059	0.1043	0.1041
	0.0141	0.0148	0.0133	0.0149	0.0018
	0.0749	0.0786	0.0808	0.0829	0.0881
	0.0873	0.1185	0.1200	0.1182	0.1225
	0.0698	0.0729	0.0722	0.0687	0.0721
	0.1298	0.1261	0.1418	0.1597	0.1378
	0.1151	0.0509	0.0500	0.0498	0.0501
	0.0917	0.0962	0.0941	0.0978	0.0990
	0.0054	0.0055	0.0057	0.0025	0.0055
	0.0133	0.0119	0.0128	0.0133	0.0139
	0.0436	0.0482	0.0513	0.0505	0.0518
	0.1483	0.1121	0.1499	0.1246	0.1477
	0.1163	0.0941	0.1084	0.1137	0.1413
	0.1169	0.1256	0.1311	0.1355	0.1190
	0.1464	0.1260	0.1402	0.1365	0.1302

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

Principal Taxpayers - Name	2020			2011			
	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	\$ 297,991,920	1	1.8	% \$ 141,453,818	4	1.1	%
Parkview Health Systems, Inc	199,806,630	2	1.2	69,133,988	7	0.5	
IOM Health Systems	190,406,925	3	1.1	140,197,680	5	1.1	
General Motors Corp.	185,458,004	4	1.1	222,923,070	1	1.8	
Frontier North Inc. ^A	176,406,170	5	1.1	155,707,850	3	1.2	
GGP-Glenbrook-LLC	123,081,600	6	0.7	200,000,900	2	1.6	
Uniroyal BF Goodrich	79,909,070	7	0.5				
St Joseph Health System LLC	73,387,580	8	0.4	57,989,120	10	0.5	
Canterbury Green Apartments, LLC	71,390,300	9	0.4	58,530,600	9	0.5	
Walmart Stores East LP/RE Bus	58,891,970	10	0.4	80,412,690	6	0.6	
IMI Jefferson Pointe LLC				68,430,090	8	0.5	
Total of Ten Largest Taxpayers	\$ 1,456,730,169		9.3	% \$1,194,779,806		9.1	%

^A Formerly Verizon North, Inc. Includes Frontier Communications Online & LD services..

(1) Represents assessed valuations for taxes due and payable in 2020 and includes both real estate and personal property.

(2) Represents assessed valuations for taxes due and payable in 2011.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>
2020	\$ 24,983,469	\$ 23,180,732	92.78%	\$ 4,930,071	\$ 5,038,982	102.21% (B)
2019	24,136,010	21,941,267	90.91%	5,706,576	5,741,767	100.62%
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%

NOTE:

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

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

(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 amount 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

<u>Year</u>	<u>Primary Government (Governmental Activities)</u> ^A				<u>Total Primary Government</u>	<u>Percentage of Personal Income^B</u>	<u>Per Capita^B</u>
	<u>General Obligation Bonds</u>	<u>First Mortgage (Lease) Bonds</u>	<u>Premiums</u>	<u>(Discounts)</u>			
2020	\$ -	\$ 7,645,000	\$ -	\$ (27,644)	\$ 7,617,356	N/A	\$ 19.93
2019	-	13,600,000	-	(41,465)	13,558,535	0.75%	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

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 2020 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> ^A	<u>Less: Amounts Available in Debt Service Funds</u> ^B	<u>Total Primary Government</u>	<u>Percentage of Actual Taxable Value</u> ^C <u>of Property</u>	<u>Per Capita</u> ^D
2019	\$ 7,617	\$ 5,666	\$ 1,951	0.012%	\$ 5.10
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

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019
Debt limit ^A	\$ 84,500	\$ 84,945	\$ 85,203	\$ 86,088	\$ 88,636	\$ 91,004	\$ 93,833	\$ 97,247	\$ 103,945	\$ 111,038
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 84,500	\$ 84,945	\$ 85,203	\$ 86,088	\$ 88,636	\$ 91,004	\$ 93,833	\$ 97,247	\$ 103,945	\$ 111,038

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 2020

Market value	\$ 16,655,646
Assessed value for debt calculation ^B	\$ 5,551,882
Debt limit (2%)	\$ 111,038
Debt applicable to limit	\$ -
General obligation bonds	\$ -
Less: Amount set aside for repayment of general obligation debt ^C	\$ -
Total net debt applicable to limit	\$ -
Legal debt margin	\$ 111,038

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

<u>Year</u>	<u>Population ^A</u>	<u>Personal Income (Thousands) ^B</u>	<u>Per Capita Personal Income ^C</u>	<u>Unemployment Rate</u>
2020	382,187	N/A	N/A	4.1 %
2019	379,299	\$ 18,055,369	\$ 47,602	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

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	2020			2011		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Parkview Health Systems	7,858	1	4.2 %	4,710	1	2.6 %
General Motors - Truck & Bus Group	4,200	2	2.3	3,610	4	2.0
Lutheran Health Network	3,898	3	2.1	4,301	2	2.4
Fort Wayne Community Schools	3,600	4	1.9	4,159	3	2.3
Lincoln Financial Group	1,954	5	1.1	1,983	6	1.1
The City of Fort Wayne	1,888	6	1.0	2,003	5	1.1
Sweetwater Sound, Inc	1,714	7	0.9			
BF Goodrich	1,640	8	0.9	1,580	8	0.9
Frontier Communications ^A	1,355	9	0.7	1,400	9	0.8
Allen County Government	1,305	10	0.7	1,605	7	0.9
Indiana Purdue Fort Wayne				1,255	10	0.7
Total of Ten Largest Taxpayers	29,412		15.9 %	26,606		15.0 %

(A) Formerly Verizon North, Inc.

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

ALLEN COUNTY PUBLIC LIBRARY

Miscellaneous 2010 Census Data ^A

	<u>Allen County</u>		<u>City of Fort Wayne</u>		<u>City as % of Co</u>
<u>2010 Population:</u>	355,329		253,691		71.4%
By Sex:					
Male	173,221	48.7%	122,783	#####	70.9%
Female	182,108	51.3%	130,908	#####	71.9%
By Race:					
White	281,653	79.3%	186,763	#####	66.3%
Black	41,618	11.7%	39,085	#####	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	#####	70.3%

2010 Income Data

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	#####	89.1%
\$35,000 to \$49,999	13,066	14.6%	10,953	#####	83.8%
\$50,000 to \$74,999	21,846	24.3%	17,192	#####	78.7%
\$75,000 to \$99,999	14,424	16.1%	10,777	#####	74.7%
\$100,000 to \$149,999	12,023	13.4%	8,844	#####	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

Age ranges:	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>
<u>Townships</u>								
Aboite	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
TOTAL	26,524	26,805	26,484	26,256	23,380	46,809	45,800	50,214
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%
TOTAL	7.46%	7.54%	7.45%	7.39%	6.58%	13.17%	12.89%	14.13%

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

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

Function/Division	Full-Time Equivalent Employees as of December 31									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Services										
Main Library Operations	112.6	108.3	108.763	108.763	108.913	104.838	97.576	97.888	98.75	97.9
Branch Library Operations	78.675	76.85	77.125	77.125	78.113	82.488	82.588	84.588	84.588	84.5
Circulation Services	17.5	15.025	14.925	14.925	15.275	14.6	14.35	14.35	15.35	15.35
Total Public Services	208.775	200.175	200.813	200.813	202.301	201.926	194.514	196.826	198.688	197.75
Administration and Support										
Administration	17.25	16.5	16	17	18	18	23	23.5	24	24
Facilities	51.125	50.95	50.95	50.95	49.2	48.625	46.625	46.55	46.2	46.325
Technical Services	23.6	21.675	21.675	21.675	22.125	21.3	23.275	23.275	24.275	19.15
Information Technology	14	14	14	14	13	12.5	11.5	11.5	10.5	10
Total Administration and Support	105.975	103.125	102.625	103.625	102.325	100.425	104.4	104.825	104.975	99.475
Total	314.75	303.3	303.438	304.438	304.626	302.351	298.914	301.651	303.663	297.225

Source: Human Resources Department - Allen County Public Library

Allen County Public Library Key Operating Indicators Last Ten Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 ^H	
Circulation^A										
Total circulation	9,470,669	10,746,406	12,443,146	13,776,392	13,311,490	11,425,308	12,491,863	10,235,366	3,149,057	
Per capita	26.3	29.6	34.0	37.4	35.9	30.6	33.3	27.0	8.2	
Customer Visits										
Total customer visits	2,768,804	2,615,890	2,382,417	2,440,918	2,512,375	2,372,740	2,299,177	2,180,419	1,217,409	
Per capita	7.7	7.2	6.5	6.6	6.8	6.4	6.1	5.7	3.2	
Library Material Holdings^B										
Total material holdings	6,536,947	6,615,901	7,530,179	6,885,815	7,012,750	5,863,604	6,043,051	6,902,444	0	
Per capita	18.1	18.2	20.6	18.7	18.9	15.7	16.1	18.2	0.0	
Reference Transactions^C										
Total reference transactions	319,478	319,660	287,145	286,022	383,316	279,517	183,028	115,522	68,997	
Per capita	0.9	0.9	0.8	0.8	1.0	0.7	0.5	0.3	0.2	
In-House Use of Materials^D										
Total in-house usage	398,615	403,510	430,057	456,464	567,335	565,007	1,153,534	502,914	161,212	
Per capita	1.1	1.1	1.2	1.2	1.5	1.5	3.1	1.3	0.4	
Public Computer Use^E										
Total computer use	446,390	512,018	480,940	506,279	470,269	509,939	385,482	302,034	121,273	
Per capita	1.2	1.4	1.3	1.4	1.3	1.4	1.0	0.8	0.3	
Wireless Internet Use^F										
Total wireless use	292,281	892,042	1,212,045	1,464,362	1,642,006	1,927,586	1,847,215	1,634,762	783,781	
Per capita	0.8	2.5	3.3	4.0	4.4	5.2	4.9	4.3	2.1	
Program Attendance^G										
Total program attendance	171,658	178,606	164,117	202,178	181,456	188,109	144,531	180,463	16,673	
Per capita	0.48	0.49	0.45	0.55	0.49	0.50	0.39	0.48	0.04	

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.
- (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.
- (H) During 2020, due to the COVID-19 pandemic, all locations of the Library were closed for over 3 months and operated with restricted public access for 6 months. As such, the operating indicators reflect this curtailed service and attendance environment.

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

Allen County Public Library Library Buildings Information Last Ten Years

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2020^F</u>
Main Library (1968/2007) ^A										
Square feet	367,000	367,000	367,000	367,000	367,000	367,000	367,000	367,000	367,000	367,000
Patron visits ^B				805,099	877,920	827,497	829,324	801,541	640,976	640,976
Circulation ^{B C}				1,012,596	903,843	842,959	718,574	664,556	1,314,183	1,314,183
Public computer use ^D						94,052		134,712	51,215	51,215
Aboite Branch (1990/1990) ^A										
Square feet	13,319	13,319	13,319	13,319	13,319	13,319	13,319	13,319	13,319	13,319
Patron visits ^B				157,548	182,408	168,076	167,385	158,889	67,581	67,581
Circulation ^{B C}				336,735	316,359	318,668	301,524	189,060	233,714	233,714
Public computer use ^D							9,365	12,890	4,909	4,909
Dupont Branch (1990/1996) ^A										
Square feet	18,528	13,319	13,319	13,319	13,319	13,319	13,319	13,319	13,319	13,319
Patron visits ^B				265,535	27,071	250,226	230,609	224,850	96,646	96,646
Circulation ^{B C}				528,108	483,047	467,103	417,672	262,024	309,121	309,121
Public computer use ^D							14,778	20,219	7,847	7,847
Georgetown Branch (2004/2004) ^A										
Square feet	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Patron visits ^B				280,546	280,742	282,888	274,790	257,305	104,528	104,528
Circulation ^{B C}				410,443	385,748	385,198	354,316	217,634	254,898	254,898
Public computer use ^D							26,296	38,585	14,778	14,778
Grabill Branch (2005/2005) ^A										
Square feet	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885
Patron visits ^B				75,894	89,397	72,227	68,447	63,754	28,798	28,798
Circulation ^{B C}				143,553	131,569	129,745	129,593	79,648	96,641	96,641
Public computer use ^D							4,495	5,576	1,951	1,951
Hessen Cassel Branch (1972/2004) ^A										
Square feet	11,973	11,973	11,973	11,973	11,973	11,973	11,973	11,973	11,973	11,973
Patron visits ^B				84,487	91,843	77,555	80,381	67,912	26,370	26,370
Circulation ^{B C}				48,924	41,961	40,381	36,698	20,119	20,008	20,008
Public computer use ^D							15,823	20,472	7,046	7,046
Little Turtle Branch (1972/2006) ^A										
Square feet	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150
Patron visits ^B				112,521	112,969	112,965	109,559	103,106	40,525	40,525
Circulation ^{B C}				104,240	91,975	97,829	87,784	53,650	56,192	56,192
Public computer use ^D							20,017	25,392	8,756	8,756
Monroeville Branch (2004/2004) ^A										
Square feet	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502
Patron visits ^B				35,324	51,517	23,400	24,094	23,377	16,075	16,075
Circulation ^{B C}				22,339	20,390	23,493	20,877	11,954	13,003	13,003
Public computer use ^D							1,207	1,491	627	627

