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Comprehensive Annual Financial Report *For the year ending December 31, 2010*

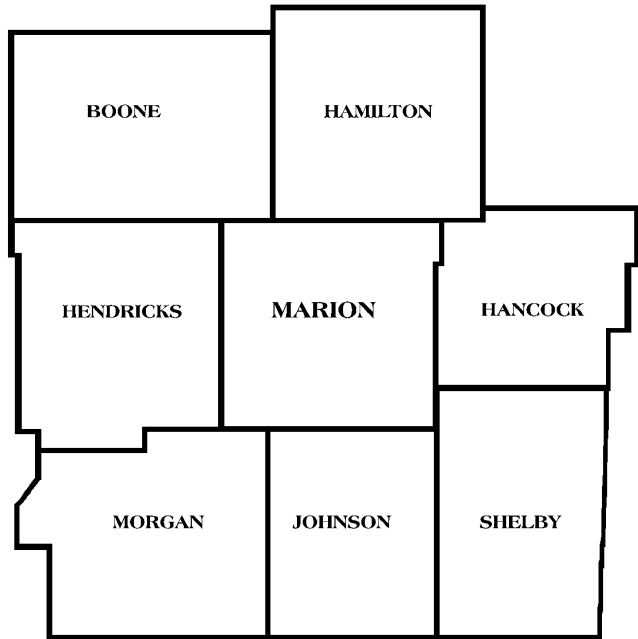


Indianapolis-Marion County Public Library
Indianapolis, Indiana

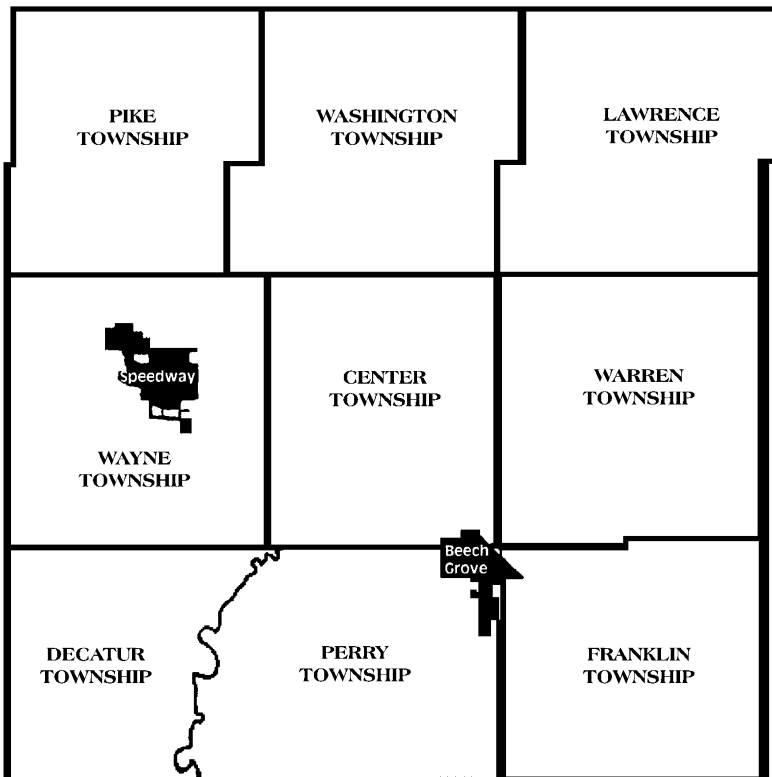
INDIANA



INDIANAPOLIS, INDIANA
METROPOLITAN STATISTICAL AREA



INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
MARION COUNTY, INDIANA



THE INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY SERVICE AREA IS ALL OF MARION COUNTY EXCEPT THE TOWN OF SPEEDWAY AND THE CITY OF BEECH GROVE.

**Indianapolis-Marion County
Public Library**

Indianapolis, Indiana

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2010

Prepared By:

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

**Carolyn Adams, CPA
Accounting Manager**

**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
INDIANAPOLIS, INDIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2010**

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INTRODUCTORY



Indianapolis-Marion County Public Library

Service • Tradition • Innovation

June 30, 2011

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

We are pleased to present the Comprehensive Annual Financial Report of the Indianapolis-Marion County Public Library (Library) for the fiscal year ended December 31, 2010

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

The Indiana State Board of Accounts has issued an unqualified ("clean") opinion on the Indianapolis-Marion County Public Library's financial statements for the year ended December 31, 2010. The independent auditor's report is located at the front of the financial section of this report. When federal funds are received, the Library is required to undergo an annual single audit of its federal assistance programs in conformity with the provisions of the Single Audit Act of 1984. This does not apply for 2010, as the amount of federal assistance received did not require a single audit.

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

Profile of Reporting Entity

The Indianapolis-Marion County Public Library is an independent municipal corporation pursuant to Indiana Code 36-12. The Library district includes all of Marion County (including the city of Indianapolis) except for the city of Beech Grove and the town of Speedway, each having their own library district. The Library system services a population of approximately 877,389 (based on the 2010 Census) residents of Marion County. In addition, many residents of neighboring communities, as well as persons throughout the United States, visit our facilities each year. The Library was formed in 1968 by the merger of the Indianapolis Public Library, a division of the Indianapolis Public Schools, organized in 1873, and the Marion County Public Library, formed in 1966. Cooperative agreements are in place with the Beech Grove Library.

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

2450 N. Meridian Street
Indianapolis, IN
46208

www.imcpl.org

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

The Board adopts its own resolutions, having the effect of local law governing Library matters, and issues its own general obligation bonds subject to approval of the public by referendum. The present Board Members are listed on page nine (9).

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

Local Economy

The Indianapolis-Marion County Public Library falls within the boundaries of the City of Indianapolis which is the capital of the State of Indiana. Indianapolis is the 14th largest city in the U.S., the third largest city in the Midwest (behind Chicago and Detroit), and the second most populous state capital. The unemployment rate for the Indianapolis Metropolitan area was 10.0% compared to 10.2% for the state of Indiana in 2010. Major industries within the Library's district or in close proximity include pharmaceutical companies, ag-biotech, auto manufacturing, and the health industry.

According to Conexus Manufacturing & Logistics 2010 National Report, Indiana continues to do well in terms of the total share of manufacturing, ranking No. 1 in the nation. In addition, Indiana ranks fifth nationally in overall tax climate, making it a location of significant interest for firms wishing to relocate or expand in the United States. With four interstate highways intersecting in Indianapolis, the region ranks first among metro areas in interstate access. The railroad system in the state ranks ninth in the nation for total mileage (4,178). Indianapolis International Airport is home to the second-largest FedEx hub in the world and is the eighth-largest cargo airport in North America. These strategic advantages, along with the collaboration of the government and the private sector, make the Indianapolis region a great place to do business. Despite the economic downturn that exists in our nation, Indianapolis experienced economic development activity that surpassed previous years in 2009. Indianapolis secured over 11,000 job commitments and \$157 million in private investment from 45 companies.

Although companies from all different industries were represented in the list of successful projects in 2009 and 2010, Indianapolis remains focused on several targeted industry clusters. These include life sciences, advanced manufacturing, information technology, motorsports, logistics, and clean tech. Our diverse economy has a history of stability, and today's economic conditions have not changed that. Indiana is the heart of America's manufacturing might, and a linchpin in the automotive industry. "There is no better place to invest in the clean, green, energy-efficient technology we need to power today's global economy," according to EnerDel, a leader in the development of lithium-ion batteries for automobile manufacturers.

Indianapolis continues to establish itself as a mecca of major sporting events. The city plays host to two of the biggest single-day sporting events in the world – the Indianapolis 500 and the All-State 400 at the Brickyard – which pours hundreds of millions of dollars into the local economy each year. In addition, Indianapolis is home to the Indianapolis Colts, the 2007 Super Bowl Champs, and the Indiana Pacers. Indianapolis will host the Super Bowl in 2012. In 2006, Indianapolis was awarded the Big Ten

Men's and Women's tournaments for five consecutive years beginning in 2008.

Indianapolis continues to be attractive to households and certain types of firms because it is a low-cost area in which to live and do business. Indianapolis continues in the ranking by *Forbes* (April, 2010) as one of the top 100 largest metropolitan areas for business and careers. Indianapolis ranks as the #5 least-costly mid-size city in which to do business (*KMPG Alternative Study, 2010*). Being intermediate in population size, Indianapolis does not have the higher living costs and urban disamenities exhibited by several of the largest metropolitan areas. Businesses reap the rewards of affordable and available office space and utility costs which are, on the average, 35% lower than the rates in the nation's twenty largest cities.

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

Long-term Financial Planning

Beginning in 2009 and continuing into 2010, the Library formed a team of public service staff, management, and Board representation to address the long-term financial sustainability of the library system.

Recent Circuit Breaker legislation passed by the State Legislature and signed into law limits the tax liability based upon the class of property. This limitation is 1% of the gross assessed value for homestead property, 2% for rental property, and 3% for all other property. For 2010, the reduction of property taxes was \$2.5 million. Estimates for 2011 and beyond indicate the impact will continue to grow with an estimated reduction of \$3.7 million in 2011. The team prepared a five-year forecast to project fund balances based on the projected circuit breaker reductions and economy. The results of the forecast indicated the need for a new revenue source and/or reductions in operating costs. In October of 2010, the Library reduced hours of service by 26% to address the shortage of tax revenue. The Library worked with elected officials and legislation was passed in 2011 that allows our fiscal body to allocate a share of the County Option Income Taxes to the Library. As we move forward into 2012, the Library will be

seeking a share of this new tax source in hopes of restoring hours of service.

Major Initiatives for the Library

In 2010, over 5 million patrons visited our libraries, and circulation approached 17 million. These record-setting numbers reflect our commitment to meet the 21st Century information needs of our patrons while streamlining operations to exercise good stewardship of tax dollars.

Supporting these efforts has been the development of public service priorities and standards. These serve to strengthen the Library's mission statement and give equal weight to: creating community; literacy; popular materials and hot topics; information and workforce literacy; lifelong learning; and accountability, reporting, and assessment.

Although difficult but necessary decisions were made to reduce service hours and staffing levels, the Library responded quickly to today's economic reality by defining a new model of service that will insure its viability in the years to come. We received a 4-Star rating by the Library Journal Index of Public Library Service and a local public service award for our homeless services.

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

In 2010, our web branch received 10.4 million visits, allowing patrons to do everything from placing holds on items found in our catalog to learning of upcoming library events. In 2010, patrons logged 1.2 million hours on our computers in pursuit of their own interests.

In 2010, IMCPL offered 909 computer training classes that were attended by 9,654 individuals. These classes helped individuals discover online resources for job search help and market research, as well as learn new computer skills.

The Library also provided assistance for patrons to file unemployment claims.

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

In 2010, the Library hosted 4,082 community meetings attended by 71,352 individuals, tying the Library into the fabric of the community and connecting it with what is important to our public.

The 33rd annual Marian McFadden Memorial Lecture presented by Newberry Medal-winner and fantasy author Neil Gaiman filled the 1,000-seat auditorium.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Library for its comprehensive annual financial report for the fiscal year ended December 31, 2009. This was the 20th consecutive year that the Library has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

us with updated information for some of the tables.

Respectfully submitted,



Rebecca Dixon, CGFM
Treasurer of the Board
Chief Financial Officer



Carolyn Adams, CPA
Accounting Manager

INDIANAPOLIS - MARION COUNTY PUBLIC LIBRARY
Indianapolis, Indiana
December 31, 2010

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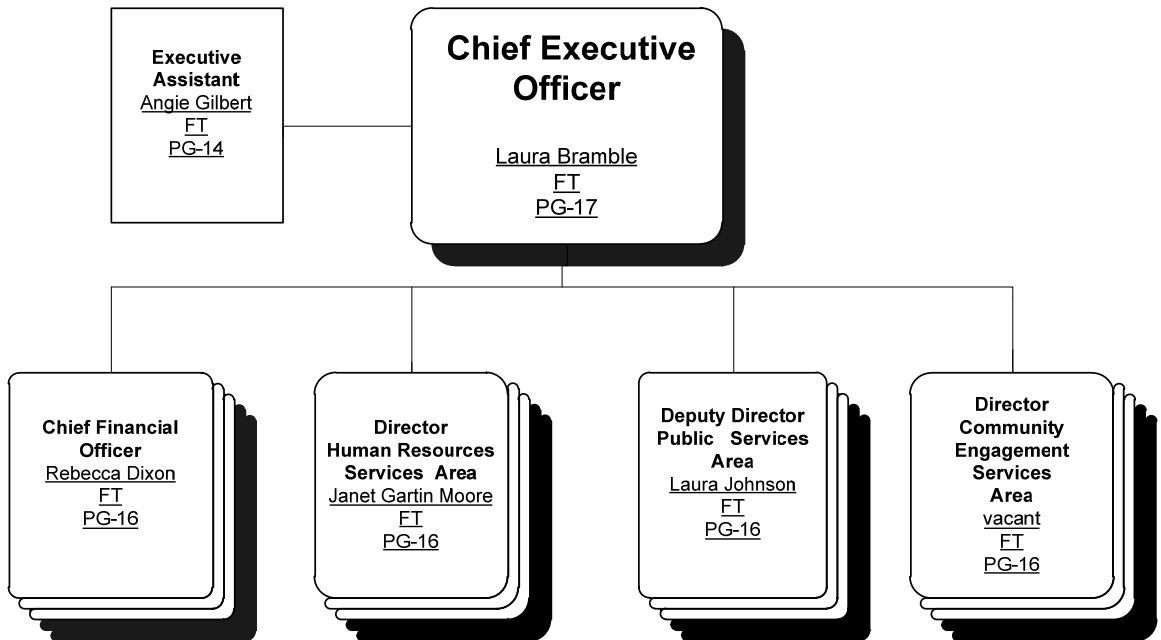
Marie Turner-Wright

INDIANAPOLIS - MARION COUNTY PUBLIC LIBRARY
Indianapolis, Indiana
December 31, 2010

ORGANIZATIONAL CHART

Indianapolis-Marion County Public Library

Library Board



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Indianapolis-Marion County
Public Library, Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

***"The America I loved still exists,
if not in the White House,
the Supreme Court, the Senate,
the House of Representatives,
or the media.
The America I loved still exists
at the front desks
of our public libraries."***

--Kurt Vonnegut

FINANCIAL



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Indianapolis-Marion County Public Library (Library), as of and for the year ended December 31, 2010, which collectively comprise the Library's basic financial statements. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Indianapolis-Marion County Public Library Foundation, Inc., a component unit, which statements reflect total assets and revenues constituting 100 percent of the discrete totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Indianapolis-Marion County Public Library, Inc., is based solely on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of other auditors, provides a reasonable basis for our opinion.

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 financial position of the governmental activities, the aggregate discretely presented component unit, each major fund and, the aggregate remaining fund information of the Library as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT
(Continued)

The Management's Discussion and Analysis, Schedules of Funding Progress, and Budgetary Comparison Schedules, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Library's basic financial statements. The introductory section, combining fund financial statements, other budgetary comparison schedules and statistical tables are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining fund financial statements and other budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

June 9, 2011

Management's Discussion and Analysis

As management of Indianapolis-Marion County Public Library, Indiana (the Library), we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-8 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by \$90,946 (net assets).
- The Library's total net assets increased by \$1,353 in comparison with the prior year.
- As of the close of the current fiscal year, the Library's governmental funds reported combined ending fund balances of \$28,525, an increase of \$5,097 in comparison with the prior year. Approximately 68% of this total amount, \$19,323 is available for spending at the library's discretion (unreserved fund balance).
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$12,808. This increase of \$7,206 compared with the prior year is the result of prior year collections in property tax billings. The 2008 taxes payable in 2009 were not billed or collected until 2010.
- The Library's total bond related debt decreased by \$6,555 during the current fiscal year. The decrease relates to the current refunding of 2002A series bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the Library that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Library are culture and recreation.

The government-wide financial statements can be found on pages 24-26 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related

legal requirements. All of the funds of the Library can be divided into two categories: governmental funds and fiduciary funds.

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

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

The Library maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Bond and Interest Redemption Fund, Construction Fund, and Rainy Day Fund, which are considered to be major funds. Data from 7 Library governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report. The Library adopts an annual appropriated budget for its General Fund, Capital Project Fund, Bond and Interest Redemption Fund, and Rainy Day Fund. Budgetary comparison schedules have been provided for the General Fund and the Rainy Day Fund in the required supplementary information and for the Capital Project Fund and Bond and Interest Redemption Fund subsequent to the combining nonmajor fund information, as other information, to demonstrate compliance with the budget.

The governmental fund financial statements can be found in pages 27-29 of this report.

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

The basic fiduciary fund financial statements can be found on pages 30-31 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-57 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's budget for its major General Fund as well as reconciliation between the budget schedules and fund financial statements. In addition, the Library's progress in funding its obligation to provide post employment benefits and pension benefits to certain employees is included as supplementary information. Required supplementary information can be found on pages 58-61 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found on pages 62-64 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of Library's financial position. In the case of the Library, assets exceeded liabilities by \$90,946 at the close of the most recent fiscal year with the Library's net assets increasing by \$1,353 during 2010. This shows that the Library has been able to make sound financial decisions over the past few years leaving them with a solid equity base to build upon.

The largest portion, \$59,277 (65%), of the Library's net assets reflects the investment in capital assets (e.g., land, buildings, equipment, and collections); less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed statement of Library net assets at 2010 and 2009:

Indianapolis-Marion County Public Library, Indiana, Net Assets		
Governmental Activities		
Description	2010	2009 Restated
Current and Other Assets	\$ 30,079	\$ 37,141
Restricted Assets	7,834	9,308
Capital Assets	<u>161,824</u>	<u>166,878</u>
Total Assets	<u>199,737</u>	<u>213,327</u>
Long-term liabilities outstanding	97,201	102,944
Liabilities payable from restricted assets	7,870	7,902
Other liabilities	<u>3,720</u>	<u>12,888</u>
Total Liabilities	<u>108,791</u>	<u>123,734</u>
Net Assets		
Invested in capital assets, net of related debt	59,277	59,042
Restricted	9,842	10,441
Unrestricted	<u>21,827</u>	<u>20,110</u>
Total Net Assets	<u>\$ 90,946</u>	<u>\$ 89,593</u>

An additional portion of the Library's net assets, \$9,842 (11%), is restricted for capital projects and debt service. These assets cannot be used for any other purpose. The remaining balance of unrestricted net assets may be used to meet the Library's ongoing obligations to citizens and creditors.

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

Governmental Activities

Governmental activities increased the Library's net assets by \$1,353 during 2010. The Library received the final delayed installment of property taxes for 2008 pay 2009 during 2010. Due to a mandated reassessment in 2007, property tax billings and collections had been delayed every year and in 2010 three tax billings occurred to rectify this problem. This increased the Library's net assets for 2010.

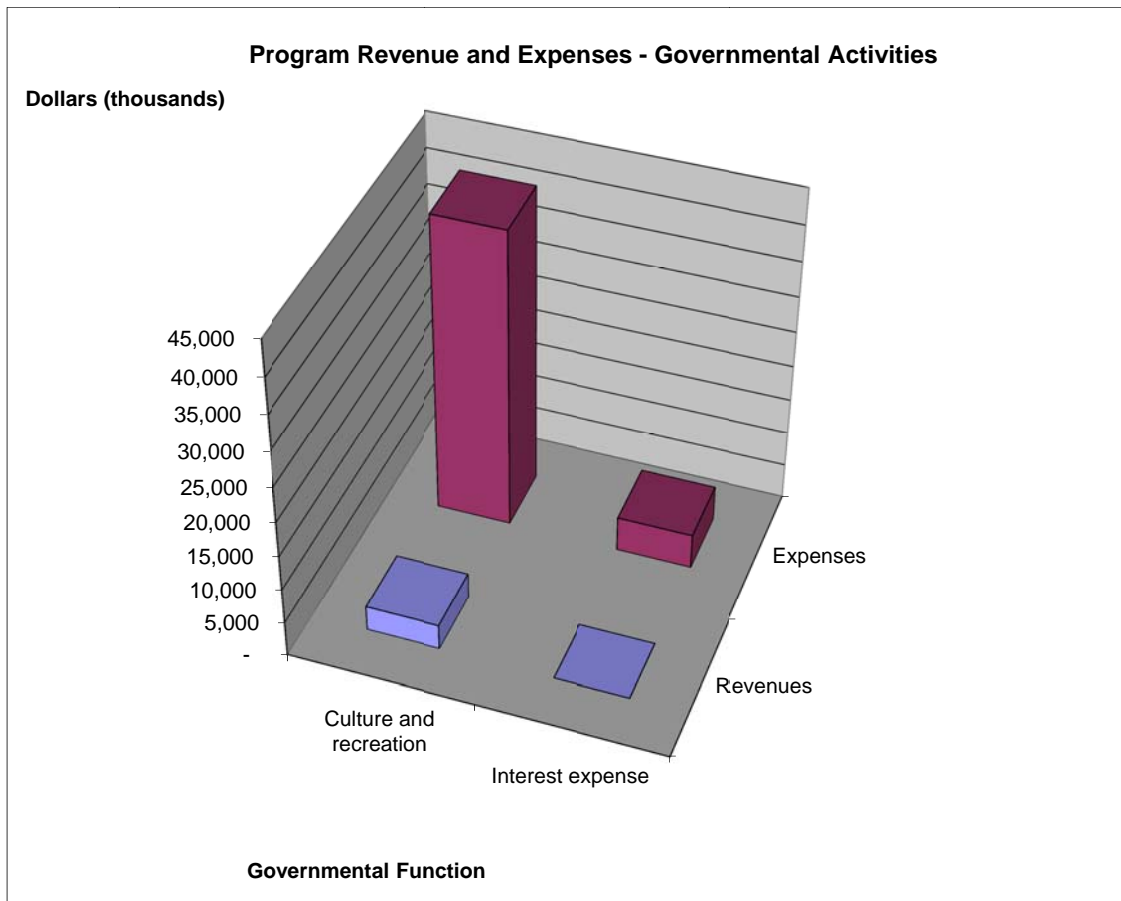
The cost of governmental activities decreased by \$5,432 in 2010. Recent Circuit Breaker legislation passed by the State Legislature and signed into law limits the tax liability based upon the class of property. The estimated financial impact on the Library's tax collections for 2010 and beyond resulted in a decrease in spending and a reduction in hours of operation to offset the projected loss of tax revenue.

Indianapolis-Marion County Public Library - Changes in Net Assets

Description	Governmental Activities	
	2010	2009 Restated
Revenues:		
Program Revenues		
Charges for Services	\$ 2,607	\$ 2,908
Operating Grants and Contributions	932	975
General Revenues		
Property and other taxes	44,075	44,103
State aid	-	-
Grants and Contributions - not restricted	-	-
Other	1,398	1,908
Total Revenues	<u>49,012</u>	<u>49,894</u>
Expenses:		
Culture and Recreation	42,714	47,774
Interest Expense	4,945	5,317
Total Expenses	<u>47,659</u>	<u>53,091</u>
Increase (Decrease) in net assets	1,353	(3,197)
Net assets at January 1	89,593	92,790
Net assets at December 31	<u>\$ 90,946</u>	<u>\$ 89,593</u>

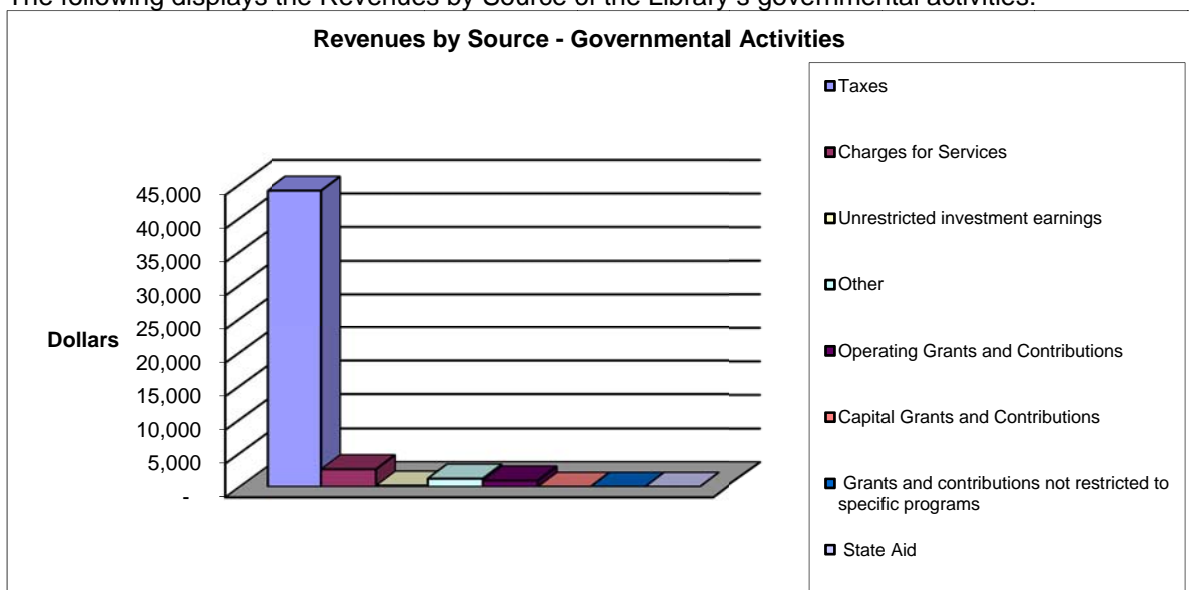
The Library's overall cash and cash equivalents position, \$33,842, remained very strong in the current economic environment, which posed many challenges.

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



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

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



Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Library's governmental funds reported combined ending fund balances of \$28,525 an increase of \$5,097 in comparison with the prior year. Approximately, 68% of this total amount \$19,323 constitutes unreserved fund balance, which is available for spending at the library's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to encumbrances of \$9,202.

The General Fund is the chief operating fund of the Library. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$12,808 while total fund balance reached \$14,326. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures of \$36,065, excluding transfers. Unreserved fund balance represents 35.5% of total General Fund expenditures, while total fund balance represents 39.7% of that same amount.

The fund balance of the Library's General Fund, excluding transfers, increased by \$5,849 during the current fiscal year. Key factors in this increase are as follows:

- Prior year (2009) taxes and intergovernmental revenue was received in 2010 in the amount of \$11,980.
- Expenditures decreased by \$4,499 with the majority \$2,063 in operating cost (security, programming, maintenance, & utilities) and a decrease in debt of \$976. The remaining balance \$1,460 was a decrease in capital outlay (collection materials – books, DVD's CD's).
- The net result was an excess of revenue over expenditures of \$5,849.

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

The fund balance of the Library Bond and Interest Redemption Fund went from a negative fund balance in 2009 to a positive fund balance of \$83 in 2010. Primary reason for this is as follows:

- Taxes and intergovernmental revenue for 2009 were not received until 2010 due to the delay in the property tax billing collections.

The fund balance of the Library Construction Fund decreased \$1,027 during the current fiscal year. The reason for this decrease is as follows:

- This decrease is a result of contract payments related to the Central Library Project.

The fund balance of the Rainy Day Fund decreased by \$511 during the current fiscal year. The reason for this decrease is as follows:

- Operating expenses net of interest income resulting in expenditures of \$511.

General Fund Budgetary Highlights

Differences between the original budget and the final budget resulted in a decrease of \$801. This decrease along with other adjustments was distributed among the following budget classifications:

- \$336 decrease in personnel services (salaries & fringe benefits).
- \$24 decrease in supplies relating to a reduction in cost from our main office supply vendor
- \$30 increase in other services and charges due to an increase in snow removal at various branch locations.
- \$1,008 decrease in capital outlay for our collection due to the Circuit Breaker legislation.
- \$537 increase in interest expense due to a reallocation of debt payments from the debt service fund to the operating fund.

Actual expenditures were \$4,597 (11%) less than the amended final budget for 2010. The majority of the difference (41%) was due to lower spending in personal services from hiring freezes and reduced hours of service. In addition, 25% less was spent on collection materials – books, DVD's & CD's due to the Circuit Breaker legislation.

During the year, revenues exceeded expenditures, excluding other financing uses, by \$12,606, resulting in an increase in the fund balance for 2010.

Capital Asset and Debt Administration

Capital Assets. The Library's investment in capital assets for its governmental activities as of December 31, 2010 amounts to \$161,824 (net of accumulated depreciation). This investment in capital assets includes land, buildings, artwork, rare books & other special collections, improvements, machinery and equipment, and collections.

The Library did not focus on any one major capital project for 2010. Instead the Library concentrated on energy conservation projects that would reduce overall utility cost. The Library's administration building was retrofitted with new lighting, a new boiler, and other energy savings conservation items that have resulted in a savings of \$125 in utility cost.

The following table displays the Library's capital assets:

Indianapolis-Marion County Public Library, Indiana, Capital Assets

	Governmental-type Activities 2010	Governmental-type Activities 2009 Restated
Land	\$ 6,120	\$ 6,120
Artwork	2,204	2,011
Rare Books & Other Special Collections	599	
Buildings	153,125	153,125
Improvements	2,745	2,745
Collections	25,782	26,017
Machinery and Equipment	7,903	7,810
Total Assets	198,478	197,828
Depreciation	(36,654)	(30,950)
Net Assets	<u>\$ 161,824</u>	<u>\$ 166,878</u>

Additional information on the Library's capital assets can be found in Note IV C. on page 46 of this report.

Long-Term Debt. At the end of the current fiscal year, the Library had total long-term debt related liabilities outstanding of \$104,207. General obligation bonds represent \$102,547 or the majority of total debt.

The remainder of the Library's debt of \$1,660 is compensated absences and other post employment benefits of \$196.

The following table reflects the Library's long-term debt:

Indianapolis-Marion County Public Library, Indiana, Long-term debt

<u>Description</u>	Governmental- type Activities 2010	Governmental- type Activities 2009 Restated
General obligation debt	\$ 102,547	\$ 107,836
Compensated absences	1,464	1,632
Other post employment benefits	196	118
subtotal	<u>104,207</u>	<u>109,586</u>
less:		
Short term portion	<u>(6,433)</u>	<u>(6,383)</u>
Total long-term debt	<u>\$ 97,774</u>	<u>\$ 103,203</u>

The Library's total debt decreased by \$5,429 during the current fiscal year. The key factor for this decrease was current year debt payments along with the current refunding of general obligation bonds in the amount of \$24,275, with new bonds issued of \$23,630 and \$1.6 million premium proceeds.

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

State statutes limit the amount of general obligation debt that a government entity may issue to 2% of one-third of the total assessed valuation. The current debt limitation for the Indianapolis-Marion County Public Library is \$231,965 which is significantly in excess of the Indianapolis-Marion County Public Library's outstanding general obligation debt.

Additional information of the Library's long-term debt can be found in Note IV G pages 47-49 in Notes to the Financial Statements of this report.

Economic Factors and Next Year's Budgets and Rates

- The tax rate for 2011 for the Library increased from \$0.1077 per \$100 in assessed value in 2010 to \$0.1184 per \$100 in assessed value in 2011. This increase is due to a 4% reduction in the assessed value which resulted in a tax increase.
- The Library reduced hours effective October of 2010 to address the financial impact from the Circuit Breaker legislation passed by the State Legislature and signed into law and reduced collection rates due to the economy. In addition, the Library worked with our elected officials to make changes in the distribution of County Option Income Tax, currently not received by the Library. In 2011, the State Legislature made a change in the law regarding County Option Income Taxes which provides our fiscal body the authority to designate a share of the Count Option Income Taxes to the Library.

All of the above factors were considered in preparing the Library's budget for the 2011 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
STATEMENT OF NET ASSETS
December 31, 2010

<u>Assets</u>	<u>Primary Governmental</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	
Cash and cash equivalents	\$ 26,008,055	\$ 705,852
Investments	-	4,896,215
Receivables (net of allowances for uncollectibles):		
Accounts	21,088	-
Intergovernmental	800,508	-
Miscellaneous	1,552,005	-
Inventories	-	6,022
Prepaid expense	137,364	7,726
Beneficial interest in assets held by others	-	(48,982)
Restricted assets:		
Cash and cash equivalents	7,834,343	941,501
Investments	-	4,337,319
Receivables (net of allowances for uncollectibles):		
Contributions from assets held by others	-	5,767,095
Contributions from unitrusts	-	375,785
Pledges	-	1,402,523
Deferred debits	579,471	-
Contract advance receivable	299,000	-
Capital assets:		
Land, artwork, rare books, and other special collections	8,922,418	-
Other capital assets, net of depreciation	152,901,580	125,992
Net pension asset	681,057	-
Total assets	<u>199,736,889</u>	<u>18,517,048</u>

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
STATEMENT OF NET ASSETS
December 31, 2010
(Continued)

<u>Liabilities</u>	<u>Primary Governmental Activities</u>	<u>Component Unit</u>
Accounts payable	1,526,201	25,072
Accrued payroll and withholdings payable	584,785	-
Contracts payable	770,837	-
Unearned revenue	134,399	-
Other current payables	-	23,324
Liabilities payable from restricted assets:		
Interest payable	2,140,179	-
Noncurrent liabilities:		
Due within one year		
General obligation bonds payable	5,730,000	-
Compensated absences	702,879	-
Due beyond one year		
General obligation bonds payable	96,817,158	-
Compensated absences	761,452	-
Deferral of loss on refunding	(573,874)	-
Other postemployment benefits	196,469	-
Total liabilities	<u>108,790,485</u>	<u>48,396</u>
 <u>Net Assets</u>		
Invested in capital assets, net of related debt	59,276,840	125,992
Restricted for:		
Capital projects	5,765,592	-
Debt service	4,076,686	-
Foundation:		
Expendable	-	6,839,313
Nonexpendable	-	5,984,910
Unrestricted	<u>21,827,286</u>	<u>5,518,437</u>
Total net assets	<u>\$ 90,946,404</u>	<u>\$ 18,468,652</u>

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	Component Unit Library Foundation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	
Primary government:						
Governmental activities:						
Culture and recreation	\$ 42,713,697	\$ 2,606,820	\$ 932,335	\$ -	\$ (39,174,542)	\$ -
Interest on long-term debt	4,945,235	-	-	-	(4,945,235)	-
Total governmental activities	47,658,932	2,606,820	932,335	-	(44,119,777)	-
Total primary government	\$ 47,658,932	\$ 2,606,820	\$ 932,335	\$ -	(44,119,777)	-
Component unit:						
Indianapolis-Marion County Public Library Foundation, Inc.	\$ 2,392,179	\$ 265,511	\$ -	\$ 1,633,892	-	(492,776)
General revenues:						
Property taxes					35,407,096	-
Intergovernmental taxes					8,668,220	-
Grants and contributions - not restricted					-	1,343,336
Other general revenues					420,590	-
Unrestricted investment earnings					179,791	704,962
Donated capital assets					796,909	-
Total general revenues					45,472,606	2,048,298
Change in net assets					1,352,829	1,555,522
Net assets - beginning (as restated)					89,593,575	16,913,130
Net assets - ending					\$ 90,946,404	\$ 18,468,652

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

Assets	General	Bond and Interest Redemption	Construction	Rainy Day	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 15,784,905	\$ -	\$ -	\$ 6,315,503	\$ 3,907,647	\$ 26,008,055
Receivables (net of allowances for uncollectibles):						
Intergovernmental	627,572	-	-	-	28,388	655,960
Accounts	-	-	-	-	21,088	21,088
Miscellaneous	1,258,935	-	-	-	-	1,258,935
Interfund receivable:						
Interfund loans	172,478	-	-	-	110,171	282,649
Restricted assets:						
Cash and cash equivalents	-	3,379,534	4,454,809	-	-	7,834,343
Total assets	\$ 17,843,890	\$ 3,379,534	\$ 4,454,809	\$ 6,315,503	\$ 4,067,294	\$ 36,061,030
 <u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 1,142,334	\$ -	\$ 5,837	\$ 6,901	\$ 371,129	\$ 1,526,201
Accrued payroll and withholdings payable	584,785	-	-	-	-	584,785
Interest payable	878,986	1,261,193	-	-	-	2,140,179
Interfund payable:						
Interfund loans	-	-	62,307	-	110,171	172,478
General obligation bonds payable	805,000	2,035,000	-	-	-	2,840,000
Deferred revenue - unearned	107,140	-	-	-	54,811	161,951
Total liabilities	3,518,245	3,296,193	68,144	6,901	536,111	7,425,594
Fund balances:						
Reserved for:						
Encumbrances	1,517,622	-	1,057,152	6,308,602	318,448	9,201,824
Unreserved, reported in:						
General fund	12,808,023	-	-	-	-	12,808,023
Special revenue funds	-	-	-	-	1,271,248	1,271,248
Debt service fund	-	83,341	-	-	-	83,341
Capital projects funds	-	-	3,329,513	-	1,831,316	5,160,829
Total fund balances	14,325,645	83,341	4,386,665	6,308,602	3,421,012	28,525,265
Total liabilities and fund balances	\$ 17,843,890	\$ 3,379,534	\$ 4,454,809	\$ 6,315,503	\$ 3,957,123	
 Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (see Note IV C).						161,823,998
The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and, therefore, are not reported in the funds (see Note V D).						681,057
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds (see Note II A).						1,481,005
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds (see Note II A).						(101,564,921)
Net assets of governmental activities						\$ 90,946,404

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2010

	General	Bond and Interest Redemption	Construction	Rainy Day	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 32,291,386	\$ 6,563,481	\$ -	\$ -	\$ 702,081	\$ 39,556,948
Intergovernmental	7,385,943	671,621	-	-	486,644	8,544,208
Charges for services	194,882	-	-	-	1,094,580	1,289,462
Fines and forfeits	1,397,704	-	-	-	-	1,397,704
Other	643,348	5,101	58,861	79,997	745,410	1,532,717
Total revenues	41,913,263	7,240,203	58,861	79,997	3,028,715	52,321,039
Expenditures:						
Current:						
Culture and recreation	28,888,013	-	991,523	590,854	2,207,699	32,678,089
Debt service:						
Principal	1,590,000	4,285,000	-	-	-	5,875,000
Interest and fiscal charges	1,303,137	2,868,020	-	-	-	4,171,157
Bond issuance costs	-	192,150	-	-	-	192,150
Capital outlay	4,283,500	-	94,561	-	122,341	4,500,402
Total expenditures	36,064,650	7,345,170	1,086,084	590,854	2,330,040	47,416,798
Excess (deficiency) of revenues over (under) expenditures	5,848,613	(104,967)	(1,027,223)	(510,857)	698,675	4,904,241
Other financing sources (uses):						
Refunding bonds issued	-	23,630,000	-	-	-	23,630,000
Payment to refunded bond escrow agent	-	(25,049,078)	-	-	-	(25,049,078)
Premium on sale of bond	-	1,611,991	-	-	-	1,611,991
Total other financing sources and uses	-	192,913	-	-	-	192,913
Net change in fund balances	5,848,613	87,946	(1,027,223)	(510,857)	698,675	5,097,154
Fund balances - beginning	8,477,032	(4,605)	5,413,888	6,819,459	2,722,337	23,428,111
Fund balances - ending	\$ 14,325,645	\$ 83,341	\$ 4,386,665	\$ 6,308,602	\$ 3,421,012	\$ 28,525,265

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2010

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)	\$ 5,097,154
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (see Note II B).	(5,054,378)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds (see Note II B).	(4,239,229)
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items (see Note II B).	5,569,070
Negative net pension obligations and other postemployment benefits, including the Public Employees' Retirement Plan and Postemployment Healthcare Plan, are considered a net asset and obligation, respectively, of the general government and, therefore, are not reported as current expenditures in the funds (see Note II B).	(146,788)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (see Note II B).	<u>127,000</u>
Change in net assets of governmental activities (Statement of Activities)	<u>\$ 1,352,829</u>

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2010

	Private-Purpose Trust Fund	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 582,136	\$ 117,043
Receivables (net of allowance for uncollectibles):		
Accounts	-	10,650
 Total assets	 582,136	 \$ 127,693
 <u>Liabilities</u>		
Accounts payable	9,196	\$ 2,897
Payroll withholdings payable	-	124,796
 Total liabilities	 9,196	 \$ 127,693
 <u>Net Assets</u>		
Held in trust for the Indianapolis-Marion County Public Library Foundation, Inc.	\$ 572,940	

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For The Year Ended December 31, 2010

	Private-Purpose Trust Fund
<u>Additions</u>	
Contributions:	
Private donations	\$ 686,898
Investment income:	
Interest	808
Total additions	687,706
 <u>Deductions</u>	
Educational outreach	482,696
Change in net assets	205,010
Net assets - beginning	367,930
Net assets - ending	\$ 572,940

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying financial statements present the activities of the primary government and its significant component unit. The component unit discussed below is included in the primary government's reporting entity because of the significance of its operational or financial relationship with the primary government. Discretely presented component units are involved in activities of an operational nature independent from the government; their transactions are reported in a separate column in the government-wide financial statements.

Discretely Presented Component Units

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

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

Indianapolis-Marion County Public Library Foundation, Inc.
2450 North Meridian Street
Indianapolis, IN 46208

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

B. Government-Wide and Fund Financial Statements

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

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

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

The primary government reports the following major governmental funds:

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

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

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

The rainy day fund accounts for the funds received through the litigation of the Central Library Project. The funds were approved for legal expenses related to the litigation and for the early extinguishment of debt.

Additionally, the primary government reports the following fund types:

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

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

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

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

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

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

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

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investments of the discretely presented component unit, including U.S. government securities and corporate stock, are carried at fair value, and realized and unrealized gains and losses are reflected in the statement of activity in accordance with FASB 117.

2. Interfund Transactions and Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables" (i.e., the current and noncurrent portion of interfund loans).

3. Pledges Receivable - Component Unit

Unconditional promises to give are carried at net realizable value, discounted to present value using United States Treasury Bill rates with maturities commensurate to the time period of expected collection of the pledges. During the year ended December 31, 2010, the discount rates used ranged from 0.3 percent to 3.3 percent. Amortization of the discount is included in contribution revenue. Unconditional promises to give are recognized in the period the contribution is received or the promise is made. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. Delinquent property taxes outstanding at year end for governmental funds, net of allowances for uncollectible accounts, are recorded as a receivable with an offset to unearned revenue since the amounts are not considered available.

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements.

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

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Annual earnings are allocated to the fund and a portion of the fund balance is available for distribution during the succeeding year in accordance with the spending policy adopted by the CICF Board of Directors. At the time of execution of the agreements, the spending policy provided for 5 percent of the December 31 fund balance as the portion available for distribution, in addition to any unspent distributable amounts from prior years. At December 31, 2010, the fair values of the designated funds were \$1,490,546 for the Operating Endowment Fund, \$2,074,678 for the Humanities Fund, \$1,187,916 for the Lifelong Learning Fund, and \$964,973 for the Childhood Literacy Endowment Fund.

7. Restricted Assets

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

8. Contract Advance Receivable

The Library entered into contractual management agreements for the operation of the café, catering services, and parking garage at Central Library. The agreements require the contractors to directly pay all invoices associated with the operations. An advance in the amount of \$299,000 was given to the contractors to fund operating expenses. The agreements provide for the return of the advance upon termination of the contract.

9. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements.

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

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

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

N/A = Not applicable

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

10. Compensated Absences

- a. Annual Leave – primary government employees earn leave at the rate of 15 to 30 days per year, based on the length of service, degree qualifications, level of responsibility, and number of hours worked per year. Annual leave may be accumulated up to 480 hours. Unused leave is paid upon separation from service.
- b. Sick Leave – primary government employees earn 10 days of sick leave per year. Unused sick leave may be accumulated on an unlimited basis. Employees who retire are paid accumulated sick leave at a rate of 1 hour for every 2 hours accumulated in excess of 160 hours.

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

11. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

12. Deferral of Loss on Refunding

In the government-wide financial statements, the deferral of loss on refunding is a result of accounting losses on refunding of bond issues. The deferred loss is amortized using the straight-line method over the remaining life of the old debt or the new debt, whichever is shorter.

13. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

14. Net Assets Restricted by Enabling Legislation

The government-wide Statement of Net Assets reports \$9,842,278 of restricted net assets, of which \$4,076,686 is restricted due to enabling legislation. Other new assets have been restricted due to bond covenants.

15. Other Revenue

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

	Governmental Funds				
	General	Bond and Interest Redemption	Construction	Rainy Day	Other Governmental Funds
Interest and dividends	\$ 64,774	\$ 2,907	\$ 38,909	\$ 61,382	\$ 11,819
Donations and grants	247,080	-	-	-	685,255
Noncurrent period:					
Refunds/reimbursements	227,336	-	19,952	18,615	48,336
Other	104,158	2,194	-	-	-
Totals	\$ 643,348	\$ 5,101	\$ 58,861	\$ 79,997	\$ 745,410

II. Reconciliation of Government-Wide and Fund Financial Statements

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

Other long-term assets:	
Prepaid expense	\$ 137,364
Miscellaneous receivables	293,070
Contract advance receivable	299,000
Deferred debits	579,471
Deferred revenue	172,100
Total	\$ 1,481,005

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Long-term liabilities:	
Due within one year:	
General obligation bonds payable	\$ (2,890,000)
Compensated absences	(702,879)
Due beyond one year:	
General obligation bonds payable	(94,615,000)
Compensated absences	(761,452)
Contracts payable:	
Deferred premium	(770,837)
Deferred premium	(2,202,158)
Loss on deferral of refunding	573,874
Other postemployment benefits	<u>(196,469)</u>
 Total	 <u><u>\$ (101,564,921)</u></u>

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

Capital outlay, net of depreciation:	
Capital outlay	\$ 5,190,530
Depreciation	(10,215,207)
Loss on disposal of asset	<u>(29,701)</u>

Total	<u><u>\$ (5,054,378)</u></u>
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Revenues not current financial resources:	
Deferred revenues	\$ (4,122,300)
Gain on deferred debit	(133,042)
Other	<u>16,113</u>

Total	<u><u>\$ (4,239,229)</u></u>
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Issuance of long-term debt:	
Bonds payable	\$ 30,150,000
Bonds issued	(23,630,000)
Bond premium, net	(1,266,237)
Deferral of loss on refunding	<u>315,307</u>

Total	<u><u>\$ 5,569,070</u></u>
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Benefit obligations:	
Net pension obligation	\$ (68,443)
Other postemployment benefit	<u>(78,345)</u>

Total	<u><u>\$ (146,788)</u></u>
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INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other expenses:	
Contracts and accounts payable	\$ (42,725)
Compensated absences payable	167,662
Prepaid expense	2,063
Total	\$ 127,000

III. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted for the General Fund, the Capital Project Fund, the Bond and Interest Redemption Fund, and the Rainy Day Fund on the cash basis which is not consistent with accounting principles generally accepted in the United States. The Construction Fund has a legally adopted project-length budget. The Library Improvement Reserve Fund (Capital Project Fund) is required to have a legally adopted budget; however no budget was established for fiscal year 2010. All annual appropriations lapse at fiscal year end.

On or before August 31, the Treasurer submits to the Library Board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Library Board and the City/County Council (Fiscal Body) to obtain taxpayer comments. In August of each year, the Library Board through the passage of a resolution approves the budget for the next year. Copies of the budget resolution and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the Treasurer receives approval of the Indiana Department of Local Government Finance.

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

IV. Detailed Notes on All Funds

A. Deposits and Investments – Primary Government

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Library's deposit policy does not specify custodial credit risk criteria. At December 31, 2010, the Library had deposit balances in the amount of \$34,894,542. The Library had deposit balances in high yield savings accounts and two external investment pools at December 31, 2010, reported as cash and cash equivalents.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

The balances held in external investment pools are reported as deposit balances instead of investments due to the high level of liquidity of these investment pools. The interest rates available in these savings accounts and investment pools were higher than the other investment options available as a result of the current economic market. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories. The investment pools are completely liquid and are considered a depository with the organizations following the investment criteria set forth in Indiana Code 5-13-9.

2. Investments – Primary Government

Statutory Authorization for Investments

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

3. Deposits and Investments – Component Unit

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

The Foundation considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents, but excludes cash equivalents held by various fund managers and included in investments. Cash equivalents are carried at cost, which approximates market value, and primarily consist of bank money market mutual fund investments. The Foundation maintains its cash and cash equivalents in accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

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

Investments having a readily determinable market value are carried at fair value. Assets held in investment partnerships (alternative investments) are recorded based on estimated fair values provided by external investment managers. Because such investments are not readily marketable, their estimated values are subject to uncertainty (including the use of valuation assumptions) and, therefore, may differ from the value that would have been recorded had a ready market for the investments existed.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investments consist of the following at December 31, 2010:

Cash equivalents	\$ 779,186
Certificates of deposit	590,076
Corporate bonds	970,144
Mutual funds	2,830,878
Equities	2,651,803
Alternative investment	<u>1,411,447</u>
 Total	 <u><u>\$ 9,233,534</u></u>

Investment returns consist of the following for the year ended December 31, 2010:

Dividends and interest	\$ 174,095
Less investment fees	<u>(40,640)</u>
	<u>133,455</u>
 Realized gains (losses) on investments	 128,530
Unrealized gains (losses) on investments	<u>571,433</u>
	<u>699,963</u>
 Total	 <u><u>\$ 833,418</u></u>

The Foundation's alternative investment is a partnership that invests in a master trust investing in international securities, with a concentration in equities. The Foundation values this investment at its percentage ownership of the net asset value as reported to the Foundation on a monthly basis. In addition, the Foundation monitors the overall financial performance of the alternative investment through consultation with the Foundation's independent investment advisor and by reviewing the financial statements and other information related to the investment on an ongoing basis.

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

The Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board Accounting Standards Codification sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to the valuation techniques that gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used fall within different levels of the hierarchy, the categorization is based upon the lowest level input that is significant to the fair value measurement.

The levels of hierarchy inputs, as defined in the standard, are as follows:

- Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Quoted prices for similar assets or liabilities in active markets (other than those included in Level 1) which are observable for the asset or liability, either directly or indirectly.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant inputs or significant value drivers are unobservable.

Following is a summary of financial assets measured at fair value in the Statements of Financial Position and the respective levels to which the fair value measurements are classified within the fair value hierarchy at December 31, 2010:

	2010			
	Carrying Amount at December 31	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments	\$ 9,233,534	\$ 6,851,943	\$ 2,381,591	\$ -
Beneficial interest in assets held by others	5,718,113	-	-	5,718,113
Beneficial interest in charitable remainder trusts	<u>375,785</u>	<u>-</u>	<u>-</u>	<u>375,785</u>
Totals	<u>\$15,327,432</u>	<u>\$ 6,851,943</u>	<u>\$ 2,381,591</u>	<u>\$ 6,093,898</u>

The following is a summary of changes in assets with significant unobservable inputs (Level 3) for the year ended December 31, 2010:

	2010		
	Beneficial Interest in Assets Held by Others	Beneficial Interest in Charitable Remainder Unitrusts	Total
Beginning balance:	\$ 5,255,361	\$ 375,785	\$ 5,631,146
Deposits	-	-	-
Investment return, net	555,752	-	555,752
Distributions	<u>(93,000)</u>	<u>-</u>	<u>(93,000)</u>
Ending balance	<u>\$ 5,718,113</u>	<u>\$ 375,785</u>	<u>\$ 6,093,898</u>

5. Endowment Composition Disclosure – Component Unit

The Foundation's endowment consists of nine donor restricted funds. As required by generally accepted accounting principles, net assets association with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

A portion of the Foundation's endowment consists of four funds and three charitable remainder trusts held at CICF, which total \$6,093,898 at December 31, 2010. The Board of Directors follows the CICF suggested spending policy of no more than 5 percent of the balance annually, in addition to any unspent distributable amounts from prior years. The funds held by CICF are invested according to CICF's pooled investment fund strategies.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Foundation also has other restricted funds totaling \$729,998 that are classified as part of the endowment at December 31, 2010. These include permanently restricted cash, investments, and pledges receivable and unappropriated earnings thereon classified as temporarily restricted. Funds held by the Foundation are invested according to the Foundation's investment policy statements, and are appropriated subject to approval by the Board of Directors.

The composition of endowment net assets is as follows at December 31, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ (48,982)	\$ 887,968	\$ 5,984,910	\$ 6,823,896

The change in endowment net assets is as follows for year ended December 31, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Endowment net assets, beginning of year:	\$ (269,287)	\$ 614,433	\$ 5,977,111	\$ 6,322,257
Change in present value of pledges	-	-	(7,799)	(7,799)
Investment return, net	260,305	334,635	-	594,940
Distributions	(40,000)	(61,100)	-	(101,100)
Totals	<u>\$ (48,982)</u>	<u>\$ 887,968</u>	<u>\$ 5,984,910</u>	<u>\$ 6,823,896</u>

Interpretation of Relevant Law

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

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

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets and total \$48,982 as of December 31, 2010. These deficiencies resulted from unfavorable market fluctuations that occurred during 2008 as well as the continued appropriation for certain programs that was deemed prudent by the Board of Directors. Recoveries from 2008 unfavorable market fluctuations have taken place in 2010 and 2009, but the losses have not been fully recovered.

B. Receivables – Component Unit

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

Pledges receivable at December 31, 2010, are as follows:

Past due	\$	20,970
Due within 1 year		459,061
Due in 1-5 years		<u>1,004,406</u>
		1,484,437
Less present value discount		(78,914)
Less allowance for uncollectible pledges		<u>(3,000)</u>
 Total	 \$	 <u><u>1,402,523</u></u>

Of the pledges receivable classified as "past due" at December 31, 2010, approximately \$7,581 were collected as of March 15, 2011.

The Foundation is the beneficiary under three charitable remainder unitrusts administered by CICF. Under these charitable remainder unitrusts, the donors have specified income beneficiaries to receive distributions of the trust's market value annually until death. Upon the death of the income beneficiaries, the remaining assets in the trusts will be distributed to the Foundation. The proceeds are to be used as an endowment when received. Accordingly, the Foundation's interest in these trusts is recorded as part of permanently restricted net assets. The values are to be adjusted to the present value of the future benefits expected to be received. The Foundation's outside administrator has elected not to adjust these values on a reoccurring basis. The beneficial interest in charitable remainder unitrusts is carried at \$375,785 at December 31, 2010.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

<u>Primary Government</u>	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,119,939	\$ -	\$ -	\$ 6,119,939
Artwork	2,010,770	198,265	5,200	2,203,835
Rare Books & Other Special Collections	-	598,644	-	598,644
Total capital assets, not being depreciated	<u>8,130,709</u>	<u>796,909</u>	<u>5,200</u>	<u>8,922,418</u>
Capital assets, being depreciated:				
Buildings	153,125,099	-	-	153,125,099
Improvements	2,744,856	-	-	2,744,856
Machinery and equipment	7,810,047	263,284	169,987	7,903,344
Collections	26,017,720	4,130,337	4,365,940	25,782,117
Totals	<u>189,697,722</u>	<u>4,393,621</u>	<u>4,535,927</u>	<u>189,555,416</u>
Less accumulated depreciation for:				
Buildings	13,489,716	3,030,863	-	16,520,579
Improvements	633,759	164,321	-	798,080
Machinery and equipment	4,448,605	574,495	145,486	4,877,614
Collections	12,377,974	6,445,528	4,365,939	14,457,563
Totals	<u>30,950,054</u>	<u>10,215,207</u>	<u>4,511,425</u>	<u>36,653,836</u>
Total capital assets, being depreciated, net	<u>158,747,668</u>	<u>(5,821,586)</u>	<u>24,502</u>	<u>152,901,580</u>
Total governmental activities capital assets, net	<u>\$ 166,878,377</u>	<u>\$ (5,024,677)</u>	<u>\$ 29,702</u>	<u>\$ 161,823,998</u>

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

Governmental activities:	
Culture and recreation	<u>\$ 10,215,207</u>

D. Interfund Balances and Activity

Interfund Receivables and Payables

The composition of the Interfund balances for the year ended December 31, 2010, was as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	
	<u>Nonmajor Governmental</u>	<u>Construction</u>
General Fund	<u>\$ 110,171</u>	<u>\$ 62,307</u>

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NOTES TO FINANCIAL STATEMENTS
(Continued)

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

E. Operating Leases

The primary government has entered into various operating leases having initial or remaining noncancelable terms exceeding one year for a parking lot, buildings, copiers, postage meters, and security radios. Rental expenditures for these leases were \$532,664. The following is a schedule by years of future minimum rental payments as of December 31, 2010:

2011	\$ 447,029
2012	36,550
2013	11,017
2014	11,083
2015	11,150
2016-2020	57,267
2021-2025	60,500
2026-2029	44,367
Total	<u>\$ 678,963</u>

F. Short-Term Liabilities

Tax Anticipation Notes

The primary government issues tax anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. These notes are necessary to help alleviate cash flow problems.

Short-term debt activity for the year ended December 31, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Issued/ Draws</u>	<u>Redeemed Repayments</u>	<u>Ending Balance</u>
Tax anticipation notes	<u>\$ 8,474,915</u>	<u>\$ 6,243,823</u>	<u>\$ 14,718,738</u>	<u>\$ -</u>

G. Long-Term Liabilities

1. General Obligation Bonds

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

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

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NOTES TO FINANCIAL STATEMENTS
(Continued)

Purpose	Original Amount	Interest Rates	Amount
2002 Library branch improvements - refunding	\$ 16,310,000	2.8% to 5.0%	\$ 12,180,000
2003 Central library project	8,000,000	4.2% to 4.8%	8,000,000
2005 Central library project	12,000,000	3.25% to 4.0%	6,675,000
2006 Central library project	25,000,000	4.25% to 4.5%	25,000,000
2007 Central library project	20,000,000	4.0% to 4.125%	16,215,000
2009 Library branch improvements - refunding	9,155,000	2.0% to 5.0%	8,955,000
2010 Central library project - refunding	23,630,000	2.0% to 5.0%	23,320,000
Total			<u>\$ 100,345,000</u>

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

Year Ended December 31	Governmental Activities		Total
	Principal	Interest	
2011	\$ 5,730,000	\$ 4,232,931	\$ 9,962,931
2012	6,040,000	4,025,434	10,065,434
2013	6,380,000	3,779,990	10,159,990
2014	7,120,000	3,510,123	10,630,123
2015	7,920,000	3,187,978	11,107,978
2016-2020	41,765,000	10,462,834	52,227,834
2021-2023	25,390,000	1,789,639	27,179,639
Totals	<u>\$ 100,345,000</u>	<u>\$ 30,988,929</u>	<u>\$ 131,333,929</u>

2. Current Refundings

On April 16, 2010, the Indianapolis-Marion County Public Library issued \$23,630,000 in refunding revenue bonds with an average interest rate of 4.05 percent to advance refund \$24,275,000 of outstanding 2002A series bonds with an average interest rate of 4.64 percent. The net proceeds of \$25,049,841 (after payment of \$192,150 in issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payment on the 2002A series bonds. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed from the Balance Sheet. The refunding resulted in the accounting loss of \$372,179, which has been recognized on the Balance Sheet as Deferral of Loss on Refunding. This amount will be amortized using the straight line method and charged to interest expense over the next 12 years. The Indianapolis-Marion County Public Library in effect reduced its aggregate debt service payment by \$1,918,172 over the next 12 years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$1,532,915.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2010, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation	\$ 106,900,000	\$ 23,630,000	\$ 30,185,000	\$ 100,345,000	\$ 5,730,000
Add deferred amount for premiums (discounts)	<u>935,921</u>	<u>1,266,237</u>	-	<u>2,202,158</u>	-
Total bonds payable	107,835,921	24,896,237	30,185,000	102,547,158	5,730,000
Compensated absences	1,631,993	1,094,721	1,262,383	1,464,331	702,879
Other postemployment benefits	<u>118,124</u>	<u>78,345</u>	-	<u>196,469</u>	-
Total governmental activities long-term liabilities	<u>\$ 109,586,038</u>	<u>\$ 26,069,303</u>	<u>\$ 31,447,383</u>	<u>\$ 104,207,958</u>	<u>\$ 6,432,879</u>

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

H. Restatements and Reclassifications

For the fiscal year ended December 31, 2010, certain changes have been made to the financial statements to more appropriately reflect activity of the Indianapolis-Marion County Public Library. These prior period adjustments and restatements are reflected in the beginning net assets in the government-wide statement of activities.

Prior Period Adjustments

For the government-wide statements, there is a decrease of \$349,041 in net assets for capital assets. This was a result of an adjustment made in the balances of collections.

<u>Fund Type</u>	<u>Balance as Reported December 31, 2009</u>	<u>Prior Period Adjustment</u>	<u>Balance as Restated January 1, 2010</u>
<u>Government-Wide Statements</u>			
Capital assets, not being depreciated	\$ 8,130,709	\$ -	\$ 8,130,709
Capital assets, being depreciated, net	<u>159,096,709</u>	<u>(349,041)</u>	<u>158,747,668</u>
Total capital assets, net	<u>\$ 167,227,418</u>	<u>\$ (349,041)</u>	<u>\$ 166,878,377</u>

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Type	Balance as Reported December 31, 2009	Prior Period Adjustment	Balance as Restated January 1, 2010
<u>Net Assets</u>			
Investment in capital assets, net of related debt	\$ 59,391,497	\$ (349,041)	\$ 59,042,456
Restricted for:			
Capital projects	6,575,576	-	6,575,576
Debt service	3,865,281	-	3,865,281
Unrestricted	20,110,262	-	20,110,262
Total net assets	<u>\$ 89,942,616</u>	<u>\$ (349,041)</u>	<u>\$ 89,593,575</u>

V. Other Information

A. Risk Management

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

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

B. Pending Litigation

In 2002, the Library began a \$102 million Central Library expansion project. In March 2004, construction on the project was halted because of certain defects and deficiencies in the parking garage portion of the project. The Library subsequently filed lawsuits against several of the project participants, and certain of the project participants filed lawsuits against the Library. The Library continues to vigorously pursue certain claims made against project participants in order to attempt to recover the costs to repair the defects and deficiencies discovered in the Parking Garage and/or elsewhere on the project. The outcome of the remaining claims made by and/or against the Library cannot be determined at this time.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Postemployment Benefits

Single Employer Defined Benefit Healthcare Plan

Plan Description

The Library maintains and provides postemployment medical care and dental care ("OPEB") for retired employees through a single employer defined benefit plan providing comprehensive major medical benefits administered by Anthem. The plan provides benefits for eligible retirees, their spouses, and dependents through the Library's group health insurance plans, which covers both active and retired members.

Benefit provisions are established and reviewed by the Library Board of Trustees on an annual basis. In addition the Library negotiates with union representatives upon contract renewal. The plan is not accounted for as a trust fund because an irrevocable trust has not been established to account for the plan. The plan does not issue a separate financial report.

Active participants for 2010 included 300 fully eligible and 32 retirees for a total of 332 participants. Participants have two plans to select along with dental coverage. Coverage terminates when the retiree becomes eligible for Medicare. Spouses are offered COBRA coverage upon termination of retiree coverage.

Eligible retirees must meet the following criteria:

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

Funding Policy

The contribution requirements of the plan members are established by the Board of Trustees and negotiated between the Library and union representatives. The Library does not contribute towards this plan in advance; therefore the required contribution is based on projected pay-as-you-go financing requirements as determined by the Board of Trustees. For the year ended December 31, 2010, the Library contributed \$282,103 to the plan (90 percent of the cost of the current year premiums for participants and 60 percent for their spouses and dependents if retirement occurred prior to October 1, 2005). Plan members receiving benefits contributed \$45,501 to the plan (10 percent of the current year premium for individual participants and 40 percent for spouses and dependents).

Eligible employees retiring on or after October 1, 2005, may choose to continue their healthcare coverage on the Library's insurance plan until the age of 65 but are required to contribute 100 percent of their annual premium costs. These members contributed \$33,967 in 2010 for their coverage.

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Annual OPEB Cost and Net OPEB Obligation

The Library's annual OPEB cost is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. In accordance with GASB Statement No. 45, the Library has elected to perform an actuarial valuation of the OPEB on a biennial basis. The last actuarial valuation performed by the Library was as of December 31, 2010. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years (closed amortization period). The Library's annual OPEB cost for the current year and the related information are as follows at December 31, 2010:

Normal cost	\$	126,334
Amortization of transition liability		223,673
Amortization of gain/loss		(2,760)
Interest		<u>13,890</u>
Annual required contribution (ARC)		361,137
Interest on net OPEB obligation		4,772
Adjusted to ARC		<u>(5,461)</u>
Annual OPEB cost		360,448
Actual employer contributions		<u>282,103</u>
Increase (Decrease) in net OPEB obligation		78,345
Net OPEB obligation – beginning of year		<u>118,124</u>
Net OPEB obligation – end of year	\$	<u><u>196,469</u></u>

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2010 and prior two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost contributed	Net OPEB Obligation
12-31-08	\$ 358,954	\$ 294,222	82%	\$ 64,732
12-31-09	358,954	305,562	85%	118,124
12-31-10	361,137	282,103	78%	196,469

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2010, was as follows:

Actuarial accrued liability	\$	3,780,730
Actuarial value of plan assets		-
Unfunded actuarial accrued liability	\$	3,780,730
Funded ratio		0%
Covered payroll	\$	14,769,715
Unfunded actuarial accrued liability as a percentage of covered payroll		26%

The projection of future benefit payment for an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past experience and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial value of the plan assets in increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

The following methods and assumptions were used:

Actuarial evaluation date	December 31, 2010
Cost method	Projected unit credit
Attribution period	Date of hire to full eligibility
Assumptions:	
Discount/Interest rate	4.00% per annum
Mortality	RP-2000 mortality tables
Disability	None assumed
Salary scale	N/A
Turnover	PERF experience 2000-2005
Coverage rate	100% of eligible employees are assumed to be covered in the plan at retirement

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Spouse Retired participants: age and marital status based on actual census data
Active participants: 30% are assumed to cover a spouse with male spouses 2 years older than female spouse

Medicare Reimbursement rate N/A

Administrative expense Included in per capital claims cost

Retirement Rates:	<u>Actuarial Assumptions</u>					
	<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
	50-53	2%	2%	63	17%	19%
	54	2%	3%	64	20%	20%
	55	4%	5%	65	40%	35%
	56	3%	4%	66	25%	24%
	57	4%	4%	67	22%	21%
	58	5%	5%	68	19%	17%
	59	5%	7%	69	16%	19%
	60	8%	12%	70-74	30%	30%
	61	14%	14%	75+	100%	100%
	62	32%	26%			

Per Capita Claims Cost: Varies by age and status; representative rates follow:

	<u>Medical</u>			<u>Dental</u>		
	<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
	55-59	\$ 14,210	\$ 14,057	All Ages	\$ 321	\$ 321
	60-64	18,227	16,470			

Health Care Cost Trend	<u>Year</u>	<u>Medical</u>	<u>Dental/Vision</u>
	0	10.0%	4.0%
	1-2	9.0%	4.0%
	3-5	8.0%	4.0%
	6-8	7.0%	4.0%
	9-10	6.0%	4.0%
	11+	5.0%	4.0%

Effective Deductible, Coinsurance: \$1,500, 13%

Plan Mix:	<u>Plan</u>	<u>Mix</u>
	1	80%
	2	20%

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the Library authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

PERF members are required to contribute 3 percent of their annual covered salary. The Library is required to contribute at an actuarially determined rate: the current rate is 8.50 percent of annual covered payroll. The contribution requirements of plan members and the Library are established and may be amended by the PERF Board of Trustees.

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

Annual Pension Cost

For 2010, the Library's annual pension cost of \$1,202,252 for PERF was equal to the Library's required and actual contributions.

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 1,263,111
Interest on net pension obligation	(54,339)
Adjustment to annual required contribution	61,923
Annual pension cost	1,270,695
Contributions made	1,202,252
Increase in net pension obligation	68,443
Net pension obligation, beginning of year	(749,500)
Net pension obligation, end of year	\$ (681,057)
Contribution rates:	
Library	8.50%
Plan members	3.00%
Actuarial valuation date	12-31-10
Actuarial cost method	Entry age normal cost
Amortization method	Level dollar, closed amortization period
Amortization period	30 years
Amortization period (from date)	07-01-07
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.00%
Projected future salary increases:	
Total	4.00%
Cost-of-living adjustments	1.00%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	12-31-08	\$ 1,096,206	90%	\$ (773,785)
	12-31-09	1,125,086	98%	(749,500)
	12-31-10	1,270,695	95%	(681,057)

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funded Status and Funding Progress for the Above Plan

The funded status of each plan as of December 31, 2010, the most recent actuarial valuation date is as follows:

Retirement Plan	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL or (Funding Excess) (b-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll (b-a) (c)
PERF	\$ 19,676,115	\$ 28,423,504	\$ 8,747,389	69%	\$ 14,769,715	59%

The Schedule of Funding Progress, presented as RSI for the above plans following the Notes to the Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Postemployment Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability UAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
12-31-08	\$ -	\$ 3,965,860	\$ 3,965,860	0.00%	\$ 13,144,179	30%
12-31-09	-	3,945,835	3,945,835	0.00%	14,656,366	27%
12-31-10	-	3,780,730	3,780,730	0.00%	14,769,715	26%

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
12-31-08	\$ 21,129,309	\$ 24,634,984	\$ 3,505,675	86%	\$ 13,144,179	27%
12-31-09	21,432,263	26,087,499	4,655,236	82%	14,656,366	32%
12-31-10	19,676,115	28,423,504	8,747,389	69%	14,769,715	59%

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 41,870,635	\$ 41,870,635	\$ 40,698,526	\$ (1,172,109)
Intergovernmental	6,635,095	6,635,095	7,146,285	511,190
Charges for services	154,000	154,000	194,882	40,882
Fines and forfeits	1,630,000	1,630,000	1,446,195	(183,805)
Other	276,000	276,000	612,901	336,901
Total revenues	50,565,730	50,565,730	50,098,789	(466,941)
Expenditures:				
Current:				
Culture and recreation:				
Personal services	24,206,172	23,870,258	21,969,317	1,900,941
Supplies	647,383	623,562	559,676	63,886
Other services and charges	8,535,024	8,565,109	7,613,820	951,289
Capital outlay	6,505,677	5,497,637	4,370,735	1,126,902
Debt service				
Principal	1,555,000	1,555,000	1,555,000	-
Interest and fiscal charges	1,440,927	1,977,902	1,424,146	553,756
Total culture and recreation	42,890,183	42,089,468	37,492,694	4,596,774
Total expenditures	42,890,183	42,089,468	37,492,694	4,596,774
Other financing sources (uses):				
Tax warrant	-	(8,474,915)	(8,474,915)	-
Net change in fund balances	7,675,547	1,347	4,131,180	4,129,833
Fund balances - beginning	11,653,725	11,653,725	11,653,725	-
Fund balances - ending	\$ 19,329,272	\$ 11,655,072	\$ 15,784,905	\$ 4,129,833

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET/GAAP RECONCILIATION
 GENERAL FUND
 For The Year Ended December 31, 2010

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

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

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

	General
Excess of revenues over expenditures (budgetary basis)	\$ 4,131,180
Adjustments:	
To adjust revenues for accruals	289,389
To adjust expenditures for accruals	1,428,044
Excess of revenues over expenditures (GAAP basis)	\$ 5,848,613

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
RAINY DAY FUND
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 298,837	\$ 298,837	\$ 79,997	\$ (218,840)
Total revenues	<u>298,837</u>	<u>298,837</u>	<u>79,997</u>	<u>(218,840)</u>
Expenditures:				
Other services and charges	1,229,917	1,229,917	638,356	591,561
Debt service:				
Principal	5,705,925	5,705,925	-	5,705,925
Interest and fiscal charges	<u>236,857</u>	<u>236,857</u>	<u>-</u>	<u>236,857</u>
Total expenditures	<u>7,172,699</u>	<u>7,172,699</u>	<u>638,356</u>	<u>6,534,343</u>
Net change in fund balances	(6,873,862)	(6,873,862)	(558,359)	6,315,503
Fund balances - beginning	<u>6,873,862</u>	<u>6,873,862</u>	<u>6,873,862</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,315,503</u>	<u>\$ 6,315,503</u>

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

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

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

Deficiency of revenues under expenditures (budgetary basis)	\$ (558,359)
Adjustments:	
To adjust revenues for accruals	-
To adjust expenditures for accruals	<u>47,502</u>
Deficiency of revenues under expenditures (GAAP basis)	<u>\$ (510,857)</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

E-Rate Fund – This fund is used to account for money received from a universal service fee charged to companies that provide interstate and/or international telecommunications services and is administered under the direction of the Federal Communications Commission (FCC). The funds collected are distributed to libraries to support telecommunication services, internet access, internal connections, and basic maintenance of internal connections.

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

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

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

CAPITAL PROJECTS FUNDS

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

Library Improvement Reserve Fund – This fund is used to accumulate money for the purpose of anticipating necessary future capital expenditures such as the purchase of land, the purchase and construction of buildings or structures, the construction of additions or improvements to existing structures, the purchase of equipment, and all repairs or replacements of buildings or equipment.

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

AGENCY FUNDS

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

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

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

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

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2010

	Special Revenue					Capital Projects		Total Nonmajor Governmental Funds
	Co-op Projects Fund	E-Rate Fund	Grant Fund	Café/Catering Fund	Parking Garage Fund	Library Improvement Reserve Fund	Capital Projects Fund	
Assets								
Cash and cash equivalents	\$ 771,295	\$ 509,777	\$ 178,064	\$ 25,477	\$ 99,420	\$ 674,544	\$ 1,649,070	\$ 3,907,647
Receivables (net of allowances for uncollectibles):								
Intergovernmental	836	27,552	-	-	-	-	-	28,388
Accounts	7,668	-	-	13,202	218	-	-	21,088
Total assets	<u>\$ 779,799</u>	<u>\$ 537,329</u>	<u>\$ 178,064</u>	<u>\$ 38,679</u>	<u>\$ 99,638</u>	<u>\$ 674,544</u>	<u>\$ 1,649,070</u>	<u>\$ 3,957,123</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ -	\$ 7,711	\$ 128	\$ 181,825	\$ 7,615	\$ -	\$ 173,850	\$ 371,129
Interfund payable:								
Interfund loans	110,171	-	-	-	-	-	-	110,171
Deferred revenue - unearned	-	27,552	-	27,259	-	-	-	54,811
Total liabilities	<u>110,171</u>	<u>35,263</u>	<u>128</u>	<u>209,084</u>	<u>7,615</u>	<u>-</u>	<u>173,850</u>	<u>536,111</u>
Fund balances:								
Reserved for:								
Encumbrances	-	-	-	-	-	-	318,448	318,448
Unreserved, reported in:								
Special revenue funds	669,628	502,066	177,936	(170,405)	92,023	-	-	1,271,248
Capital projects funds	-	-	-	-	-	674,544	1,156,772	1,831,316
Total fund balances	<u>669,628</u>	<u>502,066</u>	<u>177,936</u>	<u>(170,405)</u>	<u>92,023</u>	<u>674,544</u>	<u>1,475,220</u>	<u>3,421,012</u>
Total liabilities and fund balances	<u>\$ 779,799</u>	<u>\$ 537,329</u>	<u>\$ 178,064</u>	<u>\$ 38,679</u>	<u>\$ 99,638</u>	<u>\$ 674,544</u>	<u>\$ 1,649,070</u>	<u>\$ 3,957,123</u>

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2010

	Special Revenue					Capital Projects		Total Nonmajor Governmental Funds
	Co-op Projects Fund	E-Rate Fund	Grant Fund	Café/ Catering Fund	Parking Garage Fund	Library Improvement Reserve Fund	Capital Projects Fund	
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 702,081	\$ 702,081
Intergovernmental	14,740	408,844	-	-	-	-	63,060	486,644
Charges for services	95,075	-	-	896,537	102,968	-	-	1,094,580
Other	3,048	1,080	692,155	-	311	2,845	45,971	745,410
Total revenues	<u>112,863</u>	<u>409,924</u>	<u>692,155</u>	<u>896,537</u>	<u>103,279</u>	<u>2,845</u>	<u>811,112</u>	<u>3,028,715</u>
Expenditures:								
Current:								
Culture and recreation	110,252	78,950	611,753	912,505	97,483	-	396,756	2,207,699
Capital outlay	-	-	105,857	-	-	-	16,484	122,341
Total expenditures	<u>110,252</u>	<u>78,950</u>	<u>717,610</u>	<u>912,505</u>	<u>97,483</u>	<u>-</u>	<u>413,240</u>	<u>2,330,040</u>
Net change in fund balances	<u>2,611</u>	<u>330,974</u>	<u>(25,455)</u>	<u>(15,968)</u>	<u>5,796</u>	<u>2,845</u>	<u>397,872</u>	<u>698,675</u>
Fund balances - beginning	667,017	171,092	203,391	(154,437)	86,227	671,699	1,077,348	2,722,337
Fund balances - ending	<u>\$ 669,628</u>	<u>\$ 502,066</u>	<u>\$ 177,936</u>	<u>\$ (170,405)</u>	<u>\$ 92,023</u>	<u>\$ 674,544</u>	<u>\$ 1,475,220</u>	<u>\$ 3,421,012</u>

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
 BUDGETARY COMPARISON SCHEDULE
 BOND AND INTEREST REDEMPTION FUND
 For The Year Ended December 31, 2010

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 8,900,978	\$ 8,900,978	\$ 8,609,879	\$ (291,099)
Intergovernmental	646,555	646,555	671,621	25,066
Other	<u>2,000</u>	<u>2,000</u>	<u>2,906</u>	<u>906</u>
Total revenues	<u>9,549,533</u>	<u>9,549,533</u>	<u>9,284,406</u>	<u>(265,127)</u>
Expenditures:				
Debt service:				
Principal	4,160,000	4,355,000	4,355,000	-
Interest and fiscal charges	<u>3,966,805</u>	<u>3,771,805</u>	<u>2,891,780</u>	<u>880,025</u>
Total debt service	<u>8,126,805</u>	<u>8,126,805</u>	<u>7,246,780</u>	<u>880,025</u>
Total expenditures	<u>8,126,805</u>	<u>8,126,805</u>	<u>7,246,780</u>	<u>880,025</u>
Net change in fund balances	1,422,728	1,422,728	2,037,626	614,898
Fund balances - beginning	<u>1,341,908</u>	<u>1,341,908</u>	<u>1,341,908</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,764,636</u>	<u>\$ 2,764,636</u>	<u>\$ 3,379,534</u>	<u>\$ 614,898</u>

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

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

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

Deficiency of revenues under expenditures (budgetary basis)	\$ 2,037,626
Adjustments:	
To adjust revenues for accruals	(1,851,290)
To adjust expenditures for accruals	<u>(98,390)</u>
Deficiency of revenues under expenditures (GAAP basis)	<u>\$ 87,946</u>

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECT FUND
 For The Year Ended December 31, 2010

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,027,197	\$ 1,027,197	\$ 1,002,081	\$ (25,116)
Intergovernmental	51,647	51,647	63,060	11,413
Other	2,000	2,000	45,971	43,971
Total revenues	1,080,844	1,080,844	1,111,112	30,268
Expenditures:				
Supplies	410,775	360,875	82,621	278,254
Other services and charges	429,216	488,350	162,305	326,045
Capital outlay	189,823	172,296	16,484	155,812
Total expenditures	1,029,814	1,021,521	261,410	760,111
Net change in fund balances	51,030	59,323	849,702	790,379
Fund balances - beginning	799,368	799,368	799,368	-
Fund balances - ending	\$ 850,398	\$ 858,691	\$ 1,649,070	\$ 790,379

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

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

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

Excess of revenues over expenditures (budgetary basis)	\$ 849,702
Adjustments:	
To adjust revenues for accruals	(300,000)
To adjust expenditures for accruals	(151,830)
Excess of revenues over expenditures (GAAP basis)	\$ 397,872

INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2010

	<u>Payroll</u> <u>Deductions</u>	<u>Foundation</u> <u>Fund</u>	<u>Staff</u> <u>Association</u>	<u>Total</u> <u>Agency</u> <u>Funds</u>
Assets:				
Cash and cash equivalents, January 1	\$ 170,617	\$ 5,005	\$ 118	\$ 175,740
Additions	4,881,769	23,527	665	4,905,961
Deductions	<u>(4,938,240)</u>	<u>(25,669)</u>	<u>(749)</u>	<u>(4,964,658)</u>
Cash and cash equivalents, December 31	<u>114,146</u>	<u>2,863</u>	<u>34</u>	<u>117,043</u>
Accounts receivable, January 1	999	-	-	999
Additions	10,650	-	-	10,650
Deductions	<u>(999)</u>	<u>-</u>	<u>-</u>	<u>(999)</u>
Accounts receivable, December 31	<u>10,650</u>	<u>-</u>	<u>-</u>	<u>10,650</u>
Total assets, December 31	<u>\$ 124,796</u>	<u>\$ 2,863</u>	<u>\$ 34</u>	<u>\$ 127,693</u>
Liabilities:				
Accounts payable, January 1	\$ -	\$ 5,005	\$ 118	\$ 5,123
Additions	-	2,863	34	2,897
Deductions	<u>-</u>	<u>(5,005)</u>	<u>(118)</u>	<u>(5,123)</u>
Accounts payable, December 31	<u>-</u>	<u>2,863</u>	<u>34</u>	<u>2,897</u>
Payroll withholdings payable, January 1	171,616	-	-	171,616
Additions	4,891,420	-	-	4,891,420
Deductions	<u>(4,938,240)</u>	<u>-</u>	<u>-</u>	<u>(4,938,240)</u>
Payroll withholdings payable, December 31	<u>124,796</u>	<u>-</u>	<u>-</u>	<u>124,796</u>
Total liabilities, December 31	<u>\$ 124,796</u>	<u>\$ 2,863</u>	<u>\$ 34</u>	<u>\$ 127,693</u>

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STATISTICAL

Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	70
Revenue Capacity These schedules contain information to help the reader assess the Library's most significant local revenue source, property taxes.	74
Debt Capacity These schedules present information to help the reader assess the affordability of the Library's current levels of outstanding debt and the Library's ability to issue additional debt in the future.	78
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Library's financial activities take place and to help make comparisons over time and with other governments.	83
Operating Information These schedules contain information about the Library's operations and resources to help the reader understand how the Library's financial information relates to the services the Library provides and the activities it performs.	85

Source:

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

Indianapolis-Marion County Public Library
 Government-Wide Net Assets by Component
 Last Eight Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

	<u>2003</u>	<u>2004*</u>	<u>2005*</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009*</u>	<u>2010</u>
Governmental Activities								
Invested in capital assets, net of related debt	\$ 7,714	\$ (1,385)	\$ 7,361	\$ 26,734	\$ 49,529	\$ 51,297	\$ 59,043	\$ 59,277
Restricted	20,721	22,581	23,321	23,564	19,737	12,036	10,441	9,842
Unrestricted	6,394	9,000	10,031	13,345	15,554	29,457	20,110	21,827
Total primary government net assets	<u>\$ 34,829</u>	<u>\$ 30,196</u>	<u>\$ 40,713</u>	<u>\$ 63,643</u>	<u>\$ 84,820</u>	<u>\$ 92,790</u>	<u>\$ 89,594</u>	<u>\$ 90,946</u>

Note:
 Effective 2003, I-MCPL implemented GASB Statement 34 and began the annual process of calculating government-wide data.

*2004, 2005 & 2009 Restated

Indianapolis-Marion County Public Library
Government-Wide Changes in Net Assets
 Last Eight Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009*	2010
Expenses								
Governmental Activities:								
Culture and recreation	\$ 49,847	\$ 35,263	\$ 38,592	\$ 35,130	\$ 40,280	\$ 37,951	\$ 47,773	\$ 42,714
Interest on long-term debt	3,680	3,726	3,527	3,826	4,557	5,413	5,317	4,945
Total primary government expenses	<u>\$ 53,527</u>	<u>\$ 38,989</u>	<u>\$ 42,119</u>	<u>\$ 38,956</u>	<u>\$ 44,837</u>	<u>\$ 43,364</u>	<u>\$ 53,090</u>	<u>\$ 47,659</u>
Program Revenues								
Governmental Activities:								
Charges for Services	\$ 1,288	\$ 1,908	\$ 2,353	\$ 2,151	\$ 1,882	\$ 3,059	\$ 2,908	\$ 2,607
Operating Grants and Contributions	1,070	292	24	1,114	1,164	1,069	975	932
Capital Grants and Contributions	-	-	9,002	15,200	18,312	492	-	-
Total primary government program revenues	<u>\$ 2,358</u>	<u>\$ 2,200</u>	<u>\$ 11,379</u>	<u>\$ 18,465</u>	<u>\$ 21,358</u>	<u>\$ 4,620</u>	<u>\$ 3,883</u>	<u>\$ 3,539</u>
Net (expense)/revenue	<u>\$ (51,169)</u>	<u>\$ (36,789)</u>	<u>\$ (30,740)</u>	<u>\$ (20,491)</u>	<u>\$ (23,479)</u>	<u>\$ (38,744)</u>	<u>\$ (49,207)</u>	<u>\$ (44,120)</u>
Primary government								
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Property taxes	\$ 44,062	\$ 33,371	\$ 35,564	\$ 35,933	\$ 36,693	\$ 38,756	\$ 36,997	\$ 35,407
Other local sources	-	3,571	3,965	3,784	3,795	5,192	7,106	8,668
State aid	-	89	83	83	-	-	-	-
Unrestricted grants and contributions	-	683	695	-	-	-	490	421
Other	57	496	749	2,046	2,407	565	179	180
Investment earnings	688	622	771	1,576	1,760	804	1,120	797
Donated capital assets	-	-	-	-	-	498	119	-
Gain on sale of capital assets	-	-	-	-	-	(885)	-	-
Loss on sale of investment held for resale	-	-	-	-	-	(18,068)	-	-
Special item - legal fees	-	-	-	-	-	19,853	-	-
Special item - court settlements	-	-	-	-	-	-	-	-
Total primary government	<u>\$ 44,807</u>	<u>\$ 38,832</u>	<u>\$ 41,827</u>	<u>\$ 43,422</u>	<u>\$ 44,655</u>	<u>\$ 46,715</u>	<u>\$ 46,011</u>	<u>\$ 45,473</u>
Changes in Net Assets								
Primary government	<u>\$ (6,362)</u>	<u>\$ 2,043</u>	<u>\$ 11,087</u>	<u>\$ 22,931</u>	<u>\$ 21,176</u>	<u>\$ 7,971</u>	<u>\$ (3,196)</u>	<u>\$ 1,353</u>

Note:
 Effective 2003, I-MCPL implemented GASB Statement 34 and began the annual process of calculating government-wide data.

*2009 Restated

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004*</u>	<u>2005*</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved	\$ 2,466	\$ 3,068	\$ 2,337	\$ 1,876	\$ 1,875	\$ 1,350	\$ 1,895	\$ 2,485	\$ 2,875	\$ 1,518
Unreserved	4,565	4,283	1,493	4,035	5,547	10,230	7,564	(248)	5,602	12,808
Total general fund	<u>\$ 7,031</u>	<u>\$ 7,351</u>	<u>\$ 3,830</u>	<u>\$ 5,911</u>	<u>\$ 7,422</u>	<u>\$ 11,580</u>	<u>\$ 9,459</u>	<u>\$ 2,237</u>	<u>\$ 8,477</u>	<u>\$ 14,326</u>
All other governmental funds										
Reserved	\$ 85	\$ 319	\$ 1,090	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 6,848	\$ 7,684
Unreserved, reported in:										
Special revenue funds	1,157	1,336	1,369	962	1,115	1,112	1,294	16,009	973	1,271
Debt service	-	-	-	(421)	(162)	(383)	(528)	16	(5)	83
Capital projects fund	20,923	55,341	40,104	23,278	20,195	21,072	16,020	8,294	7,135	5,161
Total all other governmental funds	<u>\$ 22,165</u>	<u>\$ 56,996</u>	<u>\$ 42,563</u>	<u>\$ 23,819</u>	<u>\$ 21,148</u>	<u>\$ 21,801</u>	<u>\$ 16,786</u>	<u>\$ 24,324</u>	<u>\$ 14,951</u>	<u>\$ 14,199</u>

*2004 & 2005 Restated

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes ¹	\$ 34,017	\$ 34,696	\$ 42,915	\$ 33,849	\$ 36,332	\$ 37,024	\$ 31,218	\$ 32,697	\$ 45,314	\$ 39,657
Intergovernmental	361	848	22	3,661	4,057	3,867	3,795	4,543	7,057	8,544
Charges for services	435	298	319	370	486	382	1,299	364	1,337	1,289
Fines and forfeits	884	1,280	936	1,018	1,656	1,684	1,646	1,673	1,602	1,398
Other	2,136	674	1,845	2,392	11,144	19,880	23,125	21,845	1,644	1,533
Total revenues	37,833	37,796	46,037	41,290	53,675	62,837	60,148	62,057	56,954	52,321
Expenditures										
Culture and recreation	32,789	31,297	31,963	28,532	28,485	26,152	28,102	35,221	35,378	32,678
Capital outlay	8,853	10,229	30,956	20,323	28,908	48,751	50,657	13,850	8,331	4,501
Debt service										
Principal	1,925	2,650	7,269	5,281	5,517	4,159	4,396	7,865	11,475	5,875
Interest	2,154	2,155	3,583	3,725	3,527	3,826	4,557	5,413	5,047	4,171
Other charges	-	-	66	-	-	-	-	-	131	192
Total expenditures	45,721	46,331	73,837	57,861	66,437	82,888	87,712	62,349	60,362	47,417
Excess of revenues over (under) expenditures	(7,888)	(8,535)	(27,800)	(16,571)	(12,762)	(20,051)	(27,564)	(292)	(3,408)	4,904
Other financing sources (uses)										
Transfers in	400	-	-	105	198	-	100	176	-	-
Transfers out	(400)	-	-	(105)	(198)	-	(100)	(176)	-	-
Refunding bonds issued	-	-	3,058	-	-	-	-	-	9,155	23,630
Payment on refunded bond escrow agent	-	(16,173)	(3,024)	-	-	-	-	-	(9,985)	(25,049)
General obligation bonds issued	18,952	59,861	8,000	-	12,000	25,000	20,000	-	-	-
Premium on general obligation debt	-	-	-	-	-	-	62	-	961	1,612
Discount on general obligation debt	-	-	(24)	-	(41)	(138)	(55)	-	-	-
Insurance Proceeds	-	-	-	-	-	-	421	-	-	-
Proceeds from sale of property	-	-	86	-	-	-	-	608	145	-
Total other financing sources (uses)	18,952	43,688	8,096	(16,571)	11,959	24,862	20,428	608	276	193
Net changes in fund balances	\$ 11,064	\$ 35,153	\$ (19,704)	\$ (16,571)	\$ (803)	\$ 4,811	\$ (7,136)	\$ 316	\$ (3,132)	\$ 5,097
Debt service as a percentage of noncapital expenditures ⁴	11.1% ²	13.3% ²	29.5%	23.3%	21.3%	21.5%	20.9%	22.2%	31.1% ³	22.9% ³

Notes:
¹Effective 2004 certain taxes were reclassified as intergovernmental
²Effective 2003 GASB 34 was implemented. Years prior were not restated to comply with GASB 34.
³Donated capital assets are included in capital outlay for government-wide but omitted from government funds capital outlay.
⁴This ratio has been restated for all prior years in response to a FY 2009 CAFR review comment stating only the principal and interest components of debt service expenditures should be included in the calculation.

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

Tax Year ¹	Taxable Real Property		Taxable Personal Property		Total Taxable Property		Percentage of Taxable Assessed value to Estimated Actual Taxable Value		Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2001	6,839,830	20,519,490	2,653,315	7,959,945	9,493,145	28,479,435	33.33	0.3465	
2002	20,820,046	20,820,046	8,162,071	8,162,071	28,982,117	28,982,117	100	0.1150	
2003	32,982,779	32,982,779	8,845,067	8,845,067	41,827,846	41,827,846	100	0.1004	
2004	34,606,376	34,606,376	5,323,745	5,323,754	39,930,121	39,930,130	100	0.0904	
2005	32,400,972	32,400,972	7,229,661	7,229,661	39,630,633	39,630,633	100	0.0982	
2006	33,030,628	33,030,628	8,695,944	8,695,944	41,726,572	41,726,572	100	0.0979	
2007	43,888,737	43,888,737	5,255,541	5,255,541	49,144,278	49,144,278	100	0.0895	
2008	42,605,722	42,605,722	5,264,221	5,264,221	47,869,943	47,869,943	100	0.0903	
2009	33,099,166	33,099,166	5,158,800	5,158,800	38,257,966	38,257,966	100	0.1085	
2010	31,997,750	31,997,750	5,141,085	5,141,085	37,138,835	37,138,835	100	0.1077	

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

Note:

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

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

Property was assessed at one third of true value until 2002. Real property was reassessed at 100% of true tax value in 2002 payable in 2003.

Indianapolis-Marion County Public Library
Property Tax Rates
Direct and Overlapping¹ Governments
Last Ten Fiscal Years

Fiscal Year	Indianapolis-Marion County Public Library										Overlapping Rates				Total Direct & Overlapping Rates
	Operating	Debt Service	Capital Projects ²	Library	Total State	Total City	Total County	Total School	Total Municipal Corporations	Total Other					
2001	0.3080	0.0385	N/A	0.3465	0.0100	3.7670	1.4043	5.9811	1.2497	0.2599	13.0185				
2002	0.0983	0.0167	N/A	0.1150	0.0033	1.2254	0.5354	1.9594	0.4309	0.0799	4.3493				
2003	0.0732	0.0272	N/A	0.1004	0.0033	0.9603	0.4443	1.5503	0.3555	0.1403	3.5544				
2004	0.0723	0.0181	N/A	0.0904	0.0024	0.9485	0.4129	1.7827	0.3442	0.0607	3.6418				
2005	0.0755	0.0227	N/A	0.0982	0.0024	0.9532	0.4163	1.6744	0.3650	0.0637	3.5732				
2006	0.0767	0.0186	0.0026	0.0979	0.1538	0.9425	0.3555	1.7172	0.2772	0.0523	3.5964				
2007	0.0716	0.0179	N/A	0.0895	0.0024	0.8746	0.3358	1.6472	0.2525	0.3594	3.5614				
2008	0.0732	0.0157	0.0014	0.0903	0.0024	0.8920	0.3262	1.7668	0.2618	0.2095	3.5490				
2009	0.0897	0.0155	0.0033	0.1085	³	0.8634	0.3513	1.1569	³ 0.2169	0.0578	2.7548				
2010	0.0863	0.0197	0.0017	0.1077	³	0.8673	0.3534	1.3692	0.2205	0.0615	2.9796				

Notes:

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

²Capital Project Fund was established in 2006.

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

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

Property was assessed at one third of true value until 2002. Real property was reassessed at 100% of true tax value in 2002 payable in 2003.

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

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

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

	Taxpayer	Type of Business	2010		2001	
			Taxable Assessed Value	Percentage of Total Assessed Value	Taxable Assessed Value	Percentage of Total Assessed Value
	Eli Lilly and Company	Pharmaceuticals Research	\$ 846,304,663	9.66%	\$ 71,638,590	0.82%
	Indianapolis Power & Light Co.	Electric Utility	226,812,910	0.65	130,578,200	1.49
	Federal Express Corp.	Overnight Shipping	191,197,050	0.55	-	-
	Macquarie Office Monument Center	Chase Tower Office Building	138,940,600	0.40	-	-
	American United Life	Insurance/Office Building	116,215,200	0.33	29,438,840	0.34
	Indiana Bell Telephone Co.	Telephone Utility	95,256,880	0.27	-	-
	Methodist Hospital	Hospitals	78,758,300	0.23	-	-
	Allison Transmission	Mfg. Automatic Transmissions	-	0.00	78,023,218	0.89
	Hub Properties GA	Real Estate Investment	71,188,500	0.20	-	-
	National Starch	Chemical Company	70,115,660	0.20	-	-
	VV USA City	Real Estate Management	68,160,100	0.20	-	-
	Ford Motor Company	Manufacturing - Automotive	-	-	55,321,948	0.63
	Indianapolis Water Co.	Utility	-	-	46,991,120	0.54
	Bank One Corporation	Banking	-	-	44,876,910	0.51
	Roche	Manufacturing	-	-	32,970,480	0.38
	Navistar International	Manufacturing	-	-	30,170,539	0.34
	Marsh	Grocery Stores	-	-	29,485,000	0.34
	Total Top Ten Principal Taxpayers		\$ 1,902,949,863	5.47%	\$ 549,494,845	6.27%
	Total Assessed Valuation		\$ 34,794,821,192	100.00%	\$ 8,764,039,168	100.00%

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

Fiscal Year Ended <u>December 31</u>	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	30,637,990	29,472,574	96.2	1,073,749	30,546,323	99.7
2002	31,485,737	31,232,764	99.2	1,142,932	32,375,696	102.8
2003	38,003,007	37,577,088	98.9	1,429,986	39,007,074	102.6
2004	34,601,188	33,848,850	97.8	1,256,023	35,104,873	101.5
2005	37,529,591	36,331,990	96.8	1,374,328	37,706,318	100.5
2006	38,255,619	37,023,927	96.8	2,061,978	39,085,905	102.2
2007	38,932,720	31,217,956	80.2	2,098,474	33,316,430	85.6
2008	38,426,227	32,697,352	85.1	2,071,174	34,768,526	90.5
2009	38,727,435	35,718,158	92.2	2,087,409	37,805,567	97.6
2010	37,474,023	31,996,050	85.4	3,883,514	35,879,564	95.7

¹Includes General, Debt Service and Capital Projects

Source: Marion County Auditor

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

<u>Year</u> ¹	<u>Service Area Population</u> ²	<u>Assessed Value</u> ³	<u>Gross Bonded Debt</u> ^{4,5}	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Ratio of Net Bonded Debt to Personal Income</u>	<u>Net Bonded Debt Per Capita</u>
2001	835,876	8,842,132,901	43,215,000	84,992	43,130,008	.49 : 1	1.59 : 1	52
2002	835,088	27,281,931,969	86,249,789	319,423	85,430,577	.23 : 1	3.05 : 1	102
2003	836,119	37,851,600,704	86,731,570	1,089,671	85,641,899	.23 : 1	3.00 : 1	102
2004	836,790	38,275,649,835	81,362,823	-	81,362,823	.21 : 1	2.73 : 1	97
2005	836,341	38,217,505,811	90,453,683	-	90,453,683	.23 : 1	2.91 : 1	108
2006	838,603	39,076,218,596	110,497,629	-	110,497,629	.28 : 1	3.38 : 1	132
2007	849,180	43,500,245,280	126,142,688	-	126,142,688	.29 : 1	3.80 : 1	149
2008	853,554	42,553,962,335	117,719,452	20,338	117,699,114	.28 : 1	3.48 : 1	138
2009	862,844	35,693,488,773	107,835,921	-	107,835,921	.30 : 1	3.19 : 1	125
2010	877,389	34,794,821,192	102,547,158	83,341	102,463,817	.29 : 1	3.03 : 1	117

Notes:

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

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

³ Taxable property is assessed at 33 1/3% of the true cash value until 2002.

⁴ Bonding limit is 2% of assessed value.

⁵ Effective 2003, includes the deferred amount for issuance premiums

Indianapolis-Marion County Public Library
Direct and Overlapping Debt and Bonded Debt Limit¹
December 31, 2010
(amounts expressed in thousands)

<u>Government Unit</u>	<u>Assessed Value⁵</u>	<u>%</u>	<u>Bonding Limit Dollar Amount</u>	<u>Bonds Outstanding</u>
Overlapping debt				
City of Indianapolis:				
Civil City	\$ 34,654,777	0.67%	\$ 232,187	\$ 82,260
Consolidated County	37,138,835	3	-	-
Park District	37,138,835	6	-	21,792
Redevelopment District	34,654,777	6	-	19,225
Flood Control District	37,138,835	0.67%	248,830	10,988
Metropolitan Thoroughfare District	37,138,835	1.33%	493,947	40,895
Sanitary District	34,123,572	4.00%	1,364,943	53,608
Police Special Service District	10,627,854	2	-	-
Fire Special Service District	9,878,431	2	-	-
Solid Waste Collect Special Service District	34,701,118	2	-	-
Solid Waste Disposal District	34,701,118	2.00%	694,022	-
Pub Safety Command Comp Facilities District	37,138,835	0.67%	248,830	37,115
Total City of Indianapolis debt			<u>3,282,759</u>	<u>265,883</u>
Marion County	37,138,835	0.67%	248,830	-
Municipal corporations:				
Airport Authority	37,138,835	0.67%	248,830	-
Health & Hospital Corporation	37,138,835	0.67%	248,830	233,840
Capital Improvement Board	37,138,835	0.67%	248,830	-
Indpls-Marion Co. Building Authority	37,138,835	4	-	17,405
Indianapolis Public Transportation Corp.	35,175,161	0.67%	235,674	9,585
Total municipal corporations			<u>982,164</u>	<u>260,830</u>
School districts:				
Beech Grove	493,827	7	40,440	5,315
Decatur	1,099,113	7	171,922	8,770
Franklin	1,734,792	7	287,913	4,330
Indianapolis Public Schools	9,449,406	7	869,613	26,360
Lawrence	4,660,505	7	269,929	22,215
Perry	3,312,195	7	165,977	21,070
Pike	4,824,093	7	133,583	4,555
Speedway	598,827	7	11,977	-
Warren	2,569,613	7	163,742	-
Washington	5,696,546	7	157,316	11,445
Wayne	2,699,918	7	314,353	23,344
Total school districts	<u>37,138,835</u>		<u>2,586,765</u>	<u>127,404</u>
Other cities and towns:				
Beech Grove	520,384	0.67%	3,487	1,199
Lawrence	1,318,506	0.67%	8,834	5,715
Southport	46,341	0.67%	310	300
Speedway	598,827	0.67%	4,012	1,530
Total other cities and towns	<u>2,484,058</u>		<u>16,643</u>	<u>8,744</u>

Indianapolis-Marion County Public Library
Direct and Overlapping Debt and Bonded Debt Limit¹
December 31, 2010
(amounts expressed in thousands)
(Continued)

Government Unit	Assessed Value⁵	%	Bonding Limit Dollar Amount	Bonds Outstanding
Townships:				
Center	5,133,095	0.67%	34,392	-
Decatur	1,102,498	0.67%	7,387	2,199
Franklin	1,887,804	0.67%	12,648	-
Lawrence	5,028,418	0.67%	33,690	-
Perry	3,614,146	0.67%	24,215	-
Pike	4,600,397	0.67%	30,823	-
Warren	3,456,323	0.67%	23,157	-
Washington	7,844,056	0.67%	52,555	-
Wayne	4,138,359	0.67%	27,727	-
Total townships	<u>36,805,096</u>		<u>246,594</u>	<u>2,199</u>
Excluded library districts:				
Beech Grove	493,827	0.67%	3,309	-
Speedway	598,827	0.67%	4,012	205
Total excluded library districts	<u>1,092,654</u>		<u>7,321</u>	<u>205</u>
Ben Davis Conservancy District	898	⁸	-	-
Total overlapping debt				<u>665,265</u>
Direct debt:				
Indianapolis-Marion County Public Library	34,794,821	0.67%	241,509	<u>100,345</u>
Total direct debt				<u>100,345</u>
Total direct and overlapping debt				<u>\$ 765,610</u>

Source: City of Indianapolis

Notes:

¹ Excludes revenue bonds not payable from ad valorem taxes.

² No bonding authority.

³ No bonding authority from ad vaolerm taxes.

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

⁵ Represents the March 1, 2009 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2010. The Library's assessed value is the actual assessed value for the Library for taxes due and payable in 2010.

⁶ There is no statutory constitutional debt limitation to the Park and Redevelopment Districts.

⁷ A Statutory 2% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of construction facilities to be leased to the school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.

⁸ Ben Davis Conservancy District has no bonding limit. Bonds are payable from either collection of special benefit taxes or revenues produced from the project per Indiana Code 13-3-3-81.

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$176,843	\$181,880	\$252,344	\$254,783	\$257,581	\$260,508	\$290,002	\$283,693	\$237,957	\$231,965
Total net debt applicable to limit	<u>43,215</u>	<u>86,250</u>	<u>86,732</u>	<u>81,363</u>	<u>90,454</u>	<u>110,498</u>	<u>126,143</u>	<u>117,719</u>	<u>107,836</u>	<u>102,547</u>
Legal debt margin	<u>\$133,628</u>	<u>\$95,630</u>	<u>\$165,612</u>	<u>\$173,420</u>	<u>\$167,127</u>	<u>\$150,010</u>	<u>\$163,859</u>	<u>\$165,974</u>	<u>\$130,121</u>	<u>\$129,418</u>
Total net debt applicable to the limit as the percentage of debt limit	24.44%	47.42%	34.37%	31.93%	35.12%	42.42%	43.50%	41.50%	45.32%	44.21%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	\$34,794,821
Debt Limit (2% of one third of assessed value)	231,965
Debt applicable to limit:	
General obligation bonds	<u>102,547</u>
Legal debt margin	<u>\$129,418</u>

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

Indianapolis-Marion County Public Library
Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years

<u>Year</u>	<u>Debt Service Requirements</u> ¹			<u>Total General Expenditures</u> ²	<u>Ratio of Debt Service To General Expenditures</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2001	1,925,000	2,083,190	4,008,190	45,720,759	.088 : 1
2002	2,650,000	2,155,490	4,805,490	46,331,493	.104 : 1
2003	7,269,000	3,582,737	10,851,737	73,836,880	.147 : 1
2004	5,281,000	3,725,484	9,006,484	57,860,824	.156 : 1
2005	5,517,000	3,526,937	9,043,937	66,436,970	.136 : 1
2006	4,159,000	3,826,003	7,985,003	82,887,909	.096 : 1
2007	4,396,000	4,557,397	8,953,397	87,712,520	.102 : 1
2008 ³	7,865,000	5,413,007	13,278,007	62,349,283	.213 : 1
2009 ⁴	11,475,000	5,046,961	16,521,961	60,361,382	.274 : 1
2010 ⁵	5,875,000	4,171,157	10,046,157	47,416,798	.212 : 1

¹ Source: Indianapolis-Marion County Public Library Annual Audit

² Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

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

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

⁵ The 2010 principal amount includes a current refunding of 2002A bonds.

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

Calendar Year	Population ¹	Personal Income ²	Per Capita Personal Income		Unemployment Rate	Households		Median Age	School Enrollment
			Income	Rate		Total	Average Size		
2001	835,876	27,178,761	32,510	3.3	357,099	2.32	33.6	154,053	
2002	835,088	27,994,389	33,526	4.6	355,100	2.31	33.9	157,892	
2003	836,119	28,573,705	34,179	4.6	358,500	2.40	34.5	157,265	
2004	836,790	29,811,381	35,617	4.7	355,400	2.39	34.4	159,595	
2005	836,341	31,052,935	37,145	4.9	356,400	2.34	34.8	157,665	
2006	838,603	32,651,992	37,403	4.9	353,622	2.41	35	158,087	
2007	849,180	33,237,274	37,936	4.5	356,238	2.42	35.5	167,350	
2008	853,554	33,798,139	38,272	5.6	357,647	2.40	35.7	165,263	
2009	862,844	33,774,144	37,911	9.1	356,311	2.43	36.1	159,728	
2010	877,389	33,774,144	37,911	10.0	356,311	2.43	36.4	157,223	

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

²Amounts expressed in thousands

³Amounts used are from 2009, since 2010 data is not yet available.

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

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

Employer	2010		2001	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Allison Transmissions/Div. of GMC	-	-	4,187	0.91%
American United Life	-	-	1,475	0.32
Anthem, Inc.	-	-	3,036	0.66
Bank One Corporation	-	-	2,745	0.60
Clarian Health (Methodist, IU, Riley Hospitals)	21,883	4.83	10,888	2.36
Community Health Network (Community Hospitals)	8,079	1.78	-	-
Eli Lilly and Company	12,068	2.67	-	-
Federal Express	6,311	1.39	-	-
Ford Motor Company	-	-	2,824	0.61
I.U.P.U.I.	7,066	1.56	-	-
Kroger Company	-	-	2,845	0.62
Marsh	-	-	3,880	0.84
Meijer	-	-	2,559	0.55
Navistar International	-	-	1,592	0.35
Roche Diagnostic	4,300	0.95	-	-
Rolls Royce	4,316	0.95	-	-
St. Vincent Hospital and Health Care Center	11,075	2.45	-	-
Stifel Nicolaus	4,647	1.03	-	-
Wellpoint	3,950	0.87	-	-
	<u>83,695</u>	<u>18.49%</u>	<u>36,031</u>	<u>7.81%</u>

Source: The Indy Partnership

Indianapolis-Marion County Public Library
District Employees by Function
Last Nine Fiscal Years¹

	2002	2003	2004	2005	2006	2007	2008	2009	2010 ²
Public Services									
Brightwood Library	4	5	4	4	3	4	4	4	3
College Avenue Library	8.5	7.5	8.6	8	6.5	6	10	8.5	6
Decatur Library	5	7.5	6.5	6.5	6.5	6.5	7.5	7.5	6.5
Eagle Library	10.5	10.5	10.5	10.5	8	7.5	9	8.5	6
East 38th Street Library	5.5	5.5	9	8	6.5	5.5	6	6.5	7
East Washington Library	4	4	4	3	4	4	5	4.5	4
Flanner House Library	2.6	2.6	2.1	2.6	2.6	2	3	3	3
Fountain Square Library	4.1	4	4	4	4.5	4.5	4.8	4.8	3.5
Franklin Road Library	9	9.5	9.5	10	9.5	7.5	9.2	9.2	8.1
Glendale Library	19.5	20	19.5	18.5	14.5	11.5	15.1	14.6	10.6
Haughville Library	4	5	7	6	5	5.5	6	5.5	5.5
InfoZone (at The Children's Museum)	3.5	3	3.5	3	3.5	3.5	3.5	5.5	4.5
Central Library	68.5	66.8	64.5	59.3	47.3	71.3	81.2	78.5	68.2
Invington Branch Library	10	12	12	11.5	9	6.5	10.3	9.8	9.3
Lawrence Library	15	15.5	15.5	15.5	15.5	12.5	14.6	15.6	13.6
Nora Library	16.5	15.5	16.5	14.5	13.5	11	13.6	14.6	10.2
Outreach Service Section	12.5	12.5	12.5	11.5	13	7	8	8	8.5
Pike Library	13.5	9.5	13	12	11.5	10.5	13.6	13.6	12.6
Shelby Library	6.5	5	6	7	6.5	6.5	6.5	6	6
Southport Library	16.1	15.1	17.5	16	15	14	17	14.5	13
Spades Park Library	4.2	4.2	4.2	3.6	3.6	4.1	4.1	4.1	4.1
Warren Library	12.5	12	14	13	10.5	11.2	12.6	12.6	10.6
Wayne Library	11	11.5	12.5	11	9.5	10	11.5	12	10
West Indianapolis Library	4.7	4.7	4.7	4.7	4.2	4.1	4.1	4.1	3.6
Administrative Services	13	14	15	13	12	12	11	10	13
Information Technology Services	18	17	20	20	18.5	16.5	18	17	14
Collection Management Services	50	51.5	55	49.25	42.25	36.25	37.25	37	36
Project Development Services	9.1	10.1	10.6	10.6	10	9	7	7	9
Public Services									
Community Engagement									4
Community Relations Services	17.5	16.5	18	17.5	16	9	9.5	10	4
Human Resources	8	10	10	8	6	5	5	5	5
Facility Services	44	44	43.5	40	30.1	34.1	34.5	35.1	24.5
Total	430.8	431.5	453.2	422.05	368.05	358.55	402.45	396.6	346.9

Notes:

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

¹Due to a change in the Library's payroll software, information prior to 2002 is not available.

²In 2010 there was an administrative reorganization.

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

Fiscal Year	Number of Volumes Owned	Acquisition Cost of Collections	Cost of new Acquisitions	Net Book Value of Collections ¹	Number of Items Circulated ²	Turnover Rate ³
2001	2,123,350	12,744,780	5,060,984	N/A	11,444,749	5.39
2002	2,380,284	20,948,154	8,203,374	N/A	12,644,394	5.31
2003	2,304,196	26,063,168	5,115,014	N/A	13,476,589	5.85
2004	1,989,026	30,612,355	4,549,187	14,076,389	11,693,669	5.88
2005	1,987,043	37,197,889	6,585,534	12,562,038	12,201,665	6.14
2006	1,813,697	43,737,165	6,539,277	14,401,776	13,799,846	7.61
2007	1,793,709	48,817,922	5,080,756	14,261,358	14,183,909	7.91
2008	1,863,892 ⁴	54,084,274	5,266,352	13,660,310	15,904,690	8.53
2009	1,895,458 ⁴	60,568,139	6,483,865	13,639,746	17,186,739	9.07
2010	1,829,436	64,698,476	4,130,337	11,324,553	16,578,849	9.06

N/A = Not Available

Notes:

¹ GASB Statement 34, implemented in 2003, requires that capital assets be depreciated. The Library's collection of books and materials is considered a capital asset. Net book value represents total acquisition cost of circulating materials less accumulated depreciation to date.

² Number of items circulated includes online web renewals.

³ Turnover rate is the number of times an item is checked out. This is an average of all publicly circulating items in the total collection.

⁴ 2008 & 2009 Restated Number of Volumes Owned

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

Location	2001	2002	2003	2004	2005	2006	2007 ¹	2008	2009	2010
Brightwood Library	32,831	35,034	33,624	31,783	44,691	60,295	64,596	65,458	66,286	53,798
College Avenue Library (Formerly Broadway Library)	138,693	157,986	166,071	171,015	198,390	215,982	238,519	239,047	245,512	235,382
Decatur Library	159,869	176,908	192,431	186,249	237,595	257,881	268,258	264,386	278,494	249,343
Eagle Library	276,535	283,158	272,605	235,437	306,753	328,867	297,268	274,597	284,071	232,618
East 38th Street Library (Formerly Emerson Library)	81,015	78,680	93,660	111,800	151,574	147,443	143,900	130,851	142,668	127,073
East Washington Library	53,851	58,816	53,221	47,255	80,011	83,221	96,423	99,132	104,261	96,911
Flanner House Library	27,273	27,114	30,694	32,435	53,976	62,827	64,970	65,111	60,012	51,167
Fountain Square Library	57,418	64,255	65,065	60,092	85,112	97,515	98,677	103,426	102,039	88,144
Franklin Road Library (Formerly Wanamaker Library)	307,068	344,483	375,137	377,378	435,930	476,547	479,648	485,000	489,949	479,377
Glendale Library (Formerly Broad Ripple Library)	586,396	610,430	626,084	625,978	662,538	646,219	504,073	525,884	569,593	502,703
Haughville Library	59,680	61,048	77,668	97,681	138,101	151,875	160,973	178,231	162,633	135,900
InfoZone (at The Children's Museum)	36,761	38,369	39,115	38,165	45,675	51,481	46,295	49,025	36,122	51,394
Central Library	748,640	549,375	390,303	423,339	476,356	436,076	311,176	732,522	810,259	717,782
Invoking Branch Library (Formerly Brown Library)	235,741	324,990	335,699	343,607	424,246	443,059	431,690	436,700	457,049	425,162
Lawrence Library	670,152	672,438	652,111	671,571	775,244	794,169	764,340	771,429	786,818	733,731
Nora Library	543,189	532,901	512,598	501,970	564,522	593,965	605,922	608,063	636,401	593,169
Outreach Service Section	159,555	142,712	144,982	117,368	153,631	188,055	238,216	276,450	306,869	361,396
Pike Library	464,749	489,278	498,540	502,021	563,445	562,561	534,367	532,218	563,773	521,175
Shelby Library	133,204	141,091	138,249	142,446	198,398	221,174	197,114	197,895	223,200	182,424
Southport Library	641,382	669,055	670,208	676,079	683,429	764,213	772,578	771,581	789,218	722,702
Spades Park Library	52,799	52,370	50,068	48,097	65,232	69,048	70,709	68,769	72,008	61,921
Warren Library	481,826	510,581	515,683	479,227	551,207	573,544	536,500	513,671	515,557	438,853
Wayne Library	370,048	379,002	368,116	374,474	455,973	488,492	467,610	449,271	479,687	430,937
West Indianapolis Library	68,207	64,680	60,470	60,657	90,017	93,590	94,317	112,164	101,708	83,040
Total	6,386,882	6,464,754	6,362,402	6,356,124	7,442,046	7,808,099	7,488,139	7,950,881	8,284,187	7,576,102

Notes:

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

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

Current Status	Current Address	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
LIBRARIES											
L	Brightwood Library 2435 N. Sherman Dr. Indianapolis, IN 46218	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
O	College Avenue Library (Formerly Broadway Library) 4180 N. College Ave. Indianapolis, IN 46205	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970
O	Decatur Library 5301 Kentucky Ave. Indianapolis, IN 46221	11,300	11,300	11,300	11,300	11,300	11,300	11,300	11,300	11,300	11,300
O	Eagle Library 3325 Lowry Rd. Indianapolis, IN 46222	12,215	12,215	12,215	12,215	12,215	12,215	12,215	12,215	12,215	12,215
O	East 38th Street Library (Formerly Emerson Library) 5420 E. 38th St. Indianapolis, IN 46218	7,510	7,510	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900
O	East Washington Library 2822 E. Washington St. Indianapolis, IN 46201	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810
L	Flanner House Library 2424 Dr. M.L. King Jr. St. Indianapolis, IN 46208	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050
L	Fountain Square Library 1066 Virginia Ave. Indianapolis, IN 46203	5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145
O	Franklin Road Library (Formerly Wanamaker Library) 5550 S. Franklin Rd. Indianapolis, IN 46239	18,345	18,345	18,345	18,345	18,345	18,345	18,345	18,345	18,345	18,345
L	Glendale Library (Formerly Broad Ripple Library) 6101 N. Keystone Ave. Indianapolis, IN 46220	29,338	29,338	29,338	29,338	29,338	29,338	29,338	29,338	29,338	29,338
O	Haughville Library 2121 W. Michigan St. Indianapolis, IN 46222	3,700	3,700	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600
L	InfoZone (at The Children's Museum) 3000 N. Meridian St. Indianapolis, IN 46208	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	4,133	4,133
O	Central Library ² 40 E. Saint Clair St. Indianapolis, IN 46204	120,000	98,000	98,000	98,000	98,000	98,000	292,183	292,183	292,183	292,183
O	Irvington Branch Library (Formerly Brown Library) 5625 E. Washington St. Indianapolis, IN 46219	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050
O	Lawrence Library 7898 N. Hague Rd. Indianapolis, IN 46256	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
O	Nora Library 8625 Guilford Ave. Indianapolis, IN 46240	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500
O	Outreach Service Section 2450 N. Meridian St. Indianapolis, IN 46206	8,540	8,540	8,540	8,540	8,540	8,540	8,540	5,970	5,970	5,970
O	Pike Library 6525 Zionsville Rd. Indianapolis, IN 46268	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000

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

Current Address	Current Status	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
LIBRARIES											
Shelby Library 2502 Shelby St. Indianapolis, IN 46203	O	6,435	6,435	6,435	6,435	6,435	6,435	6,435	6,435	6,435	6,435
Southport Library 2630 East Stop 11 Rd. Indianapolis, In 46227	O	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740
Spades Park Library 1801 Nowland Ave. Indianapolis, IN 46201	O	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560
Warren Library 9701 E. 21st St. Indianapolis, IN 46229	O	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740
Wayne Library 198 S. Girls School Rd. Indianapolis, IN 46231	O	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
West Indianapolis Library 1216 S. Kappes St. Indianapolis, In 46221	O	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010
SUPPORT SERVICES											
Library Service Center 2450 N. Meridian St. Indianapolis, IN 46206	O	79,920	79,920	79,920	79,920	79,920	79,920	79,920	79,920	79,920	79,920

O = Owned. L = Leased.

Notes:

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

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

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Indianapolis-Marion County Public Libraries

Central Library

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

Brightwood Branch Library

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

College Avenue Branch Library

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

Decatur Branch Library

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

Eagle Branch Library

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

East Thirty-Eighth Street Branch Library

5420 East 38th Street
Indianapolis, Indiana 46218
317-275-4350

East Washington Branch Library

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

Flanner House Branch Library

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

Fountain Square Branch Library

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

Franklin Road Branch Library

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

Glendale Branch Library

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

Haughville Branch Library

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

Irvington Branch Library

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

Lawrence Branch Library

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

Nora Branch Library

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

Pike Branch Library

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

Shelby Branch Library

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

Southport Branch Library

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

Spades Park Branch Library

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

Warren Branch Library

9701 East 21st Street
Indianapolis, Indiana 46229
317-275-4550

Wayne Branch Library

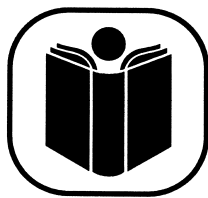
198 South Girls School Road
Indianapolis, Indiana 46231
317-275-4530

West Indianapolis Branch Library

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

InfoZone

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



Indianapolis -
Marion County
Public Library

*This report is available for viewing online through the
Indianapolis Marion County Public Library website:*

www.imcpl.org