2014 LIBRARY BUDGETS

OPERATING FUND

CAPITAL PROJECT FUND

BOND & INTEREST REDEMPTION FUND

Revised 8/12/13

CALENDAR:

FINANCE COMMITTEE: JULY 8, 2013

PUBLIC HEARING: JULY 22, 2013

LIBRARY BOARD ACTION: AUGUST 26, 2013

INTRODUCED AT COUNCIL: SEPTEMBER 9, 2013

COUNCIL COMMITTEE: SEPTEMBER 19, 2013

PUBLIC TESTIMONY AT COUNCIL: SEPTEMBER 23, 2013

COUNCIL ACTION: OCTOBER 14, 2013

August 26, 2013

TO: Citizens of the Indianapolis-Marion County Public Library District

FROM: Library Board of Trustees
Jim Lingenfelter, President

RE: The 2014 Budget Executive Summary

The budget presented herein represents an effective balance between increased demand for library services, rising fixed costs, and the community's expectation of fiscal responsibility among all government bodies. This budget reflects disciplined effort to sustain the level of public services restored in 2012. However, tough choices had to be made due to the impact of the Circuit Breaker (Tax Caps) on the Library's operating fund in 2014 resulting in the use of our fund balance. That is why this budget prioritizes urgent needs, while supporting the Library's strategic focus of early childhood literacy, lifelong learning, and enhanced technology to meet the needs of our patrons.

Goals included in the 2014 budget are the following: staff development and training, continued investment in facility maintenance and repair, maintaining a healthy materials budget in all formats, increased community relationship building, fund balance strategy for long-term planning needs, and preparation of the 2015-2020 Strategic Plan.

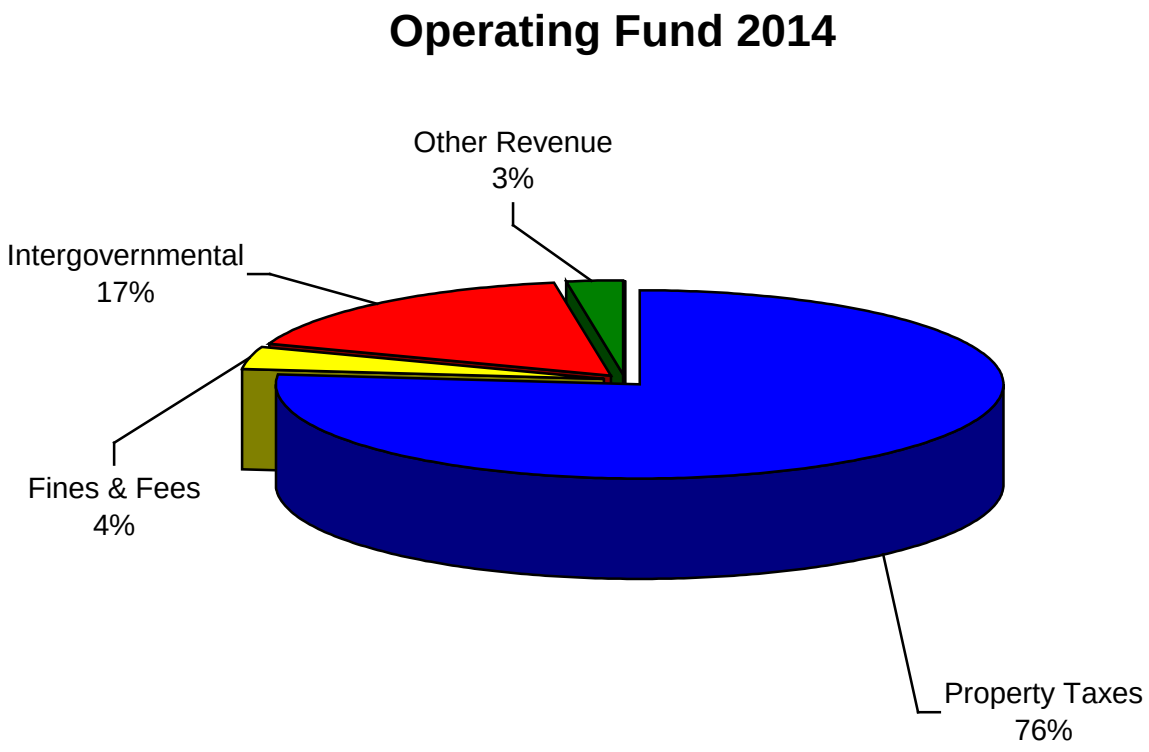
Comparison of the 2014 Budget with the current 2013 Budget:

Library Funds:	2014	2013	Variance
Operating	38,409,122	39,635,612	(1,226,490)
Capital Projects	1,363,000	1,855,000	(492,000)
Debt Service	10,357,794	9,895,511	462,283
Total	50,129,916	51,386,123	(1,256,207)

Total reduction of 2.44% compared to 2013

Operating Fund

2014 Estimated Revenue
$35,946,264



Indianapolis Public Library
Summary of Significant Assumptions
Budget 2014

Operating Fund Revenues:

Property Taxes: Includes a 2.6% increase over last year's property tax levy based on the allowable growth rate per the Department of Local Government Finance. The estimated maximum levy for the Operating Fund for 2014 is $33,784,182 less the estimated loss of $6,189,300 due to the Circuit Breaker resulting in net property taxes of $27,594,882 compared to 2013's levy of $33,367,716 less estimated loss of $4,343,400 due to the Circuit Breaker resulting in net property taxes of $29,024,316 – a loss of $1,429,434.

Intergovernmental:

Local Income Taxes: $3,000,000– increase of $147,304 compared to 2013.

Intergovernmental: $2,845,661 – includes license excise taxes, financial institution taxes, commercial vehicle excise taxes, and in-lieu-of property taxes. A reduction of $20,000 compared to 2013 due to changes in financial institution taxes.

COIT: $181,000 – increase of $11,984 compared to 2013.

Fines and Fees:

Fines & Fees: $1,124,432 – 3% decrease – increased usage of e-books, electronic reminders of due dates, and changes in children's fines as approved by the Library Board of Trustees.

Copy/Printing Fees: $185,564 – increase of $39,564 over 2013.

Other Revenue:

Interest Income: $15,000 – due to low interest rates and no change is expected during the next year.

Grants/Contributions: $250,000 – annual support for the InfoZone Library Branch.

PLAC Distribution Revenue: $79,000 – same as 2013.

Miscellaneous: $663,084 – increase compared to 2013 – includes E-rate funds.

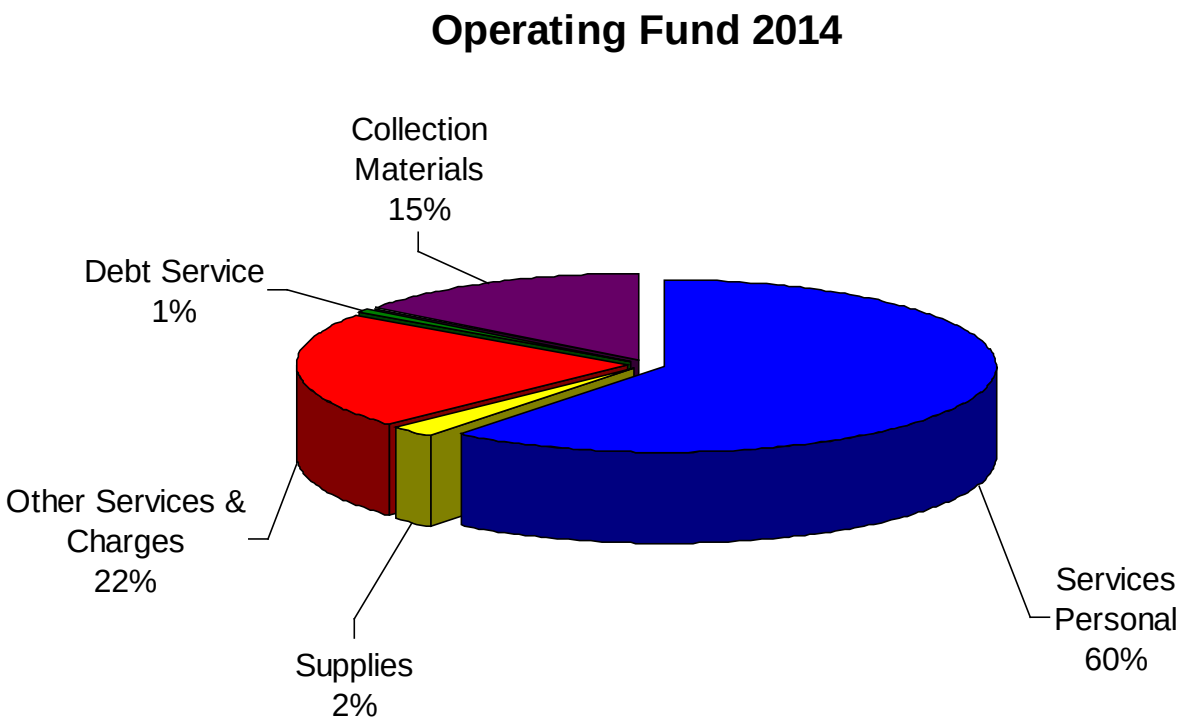
Indianapolis Marion County Public Library

2014 ESTIMATED REVENUE - OPERATING FUND SYSTEM-WIDE

	2012 Actual	2013 Adjusted Estimate	Actual Y-T-D 6/30/2013	2014 Projected
Revenues				
Tax Revenue				
PROPERTY TAX	32,715,499	33,367,716	15,217,974	33,784,182
PROPERTY TAX CAPS	(3,238,495)	(4,343,400)	-	(6,189,300)
LICENSE EXCISE TAX REVENUE	2,367,242	2,171,738	1,146,209	2,292,417
FINANCIAL INSTITUTION TAX REVENUE	275,369	265,128	136,990	253,980
COMMERCIAL VEHICLE TAX REVENUE	281,892	271,408	139,163	278,325
IN LIEU OF PROP. TAX	292,713	8,748	10,469	20,938
LOCAL OPTION INCOME TAX	3,234,757	2,852,696	1,434,207	3,000,000
COUNTY OPTION INCOME TAX	146,583	169,016	106,945	181,000
Total Tax Revenue	**36,075,562**	**34,763,050**	**18,191,956**	**33,621,542**
Fees & Fines Revenue				
FINES	1,088,821	1,094,604	546,710	1,060,617
COPY MACHINE REVENUE	42,583	27,000	19,658	39,032
PUBLIC PRINTING REVENUE	146,756	119,000	73,097	146,532
PLAC CARD REVENUE	43,558	-	-	-
OTHER CARD REVENUE	35,943	36,000	14,999	30,000
MISCELLANEOUS REVENUE	9,506	10,000	6,877	13,000
REVENUE ADJUSTMENT	-	-	206	-
HEADSET REVENUE	8,942	10,000	4,553	8,565
USB REVENUE	8,336	12,000	3,875	7,750
LIBRARY TOTES	4,165	2,000	2,157	2,500
PROCTERING EXAMS	3,690	1,600	2,205	2,000
Total Fees & Fines Revenue	**1,392,299**	**1,312,204**	**674,337**	**1,309,996**
Grants				
OTHER GRANTS	220,000	250,000	250,000	250,000
Total Grants	**220,000**	**250,000**	**250,000**	**250,000**
Other Revenue				
INTEREST INCOME	14,331	20,000	6,861	15,000
PLAC DISTRIBUTION REVENUE	79,880	79,000	-	79,000
LSC PARKING LICENSE	220	2,640	1,100	2,640
SET-UP & SERVICE - TAXABLE	-	-	676	-
SET-UP & SERVICE - NON-TAXABLE	-	-	5,470	-
FACILITY RENTAL REVENUE	10,640	100,000	54,497	90,000
CAFE REVENUE	-	7,400	1,846	7,400
FACILITY RENTAL REVENUE - NONTAXABLE	16,387	63,000	48,212	60,000
SECURITY SERVICES REVENUE	25	-	4,470	-
SALES TAX REVENUE	2,348	-	-	-
CATERING REVENUE	-	10,000	3,922	10,000
SALE OF SURPLUS PROPERTY	21,910	5,000	10,657	5,000
E-RATE REVENUE	305,689	90,000	129,473	195,686
INSURANCE REIMBURSEMENTS	1,240	-	17,700	-
REIMBURSEMENT FOR SERVICES	253,581	300,000	189,830	300,000
REFUNDS	73,236	-	5,272	-
Total Other Revenue	**779,488**	**677,040**	**479,986**	**764,726**
Total Revenues	**$ 38,467,349**	**$ 37,002,294**	**$ 19,596,279**	**$ 35,946,264**

Operating Fund

2014 Proposed Budget
$38,409,122



Indianapolis Public Library
Summary of Significant Assumptions
Budget 2014

Operating Fund Expenditures:

Appointed Salaries:

- 379 FTE down from 382.1 in 2013 and 402.5 in 2008
- Includes $216,568 for salary increases
- Maintaining current hours of service
- Includes the following vacant positions:
  - Business Analyst
  - Training Coordinator
  - Web Developer
  - 2 Librarians at Central
  - Library Assistant II at Central
  - Library Assistant II at Garfield Park
  - Library Assistant II at West Indianapolis
  - Library Assistant II and I at Franklin Road

Hourly Salaries: Decrease from 2013 of $43,518

Health Care: Increase over 2013 by $545,658 – based on current year experience, 15% projected increase in cost, and includes the estimated fees related to the Affordable Health Care Act.

PERF: Employer's share increases to 11.2% - 1.2% increase over 2013. Employee share remains at 3% for a total of 14.2%.

Utilities: Increase of $52,575 based on expected rate increases from the various utility providers.

Education: Commitment in staff development and training.

Liability Insurance: 18% increase due to current insurance market and an increase in workers compensation claims over the past three years.

Collection Materials: Same as 2013 – maintaining $5.5 million level.

	2013 Budget	2014 Budget*
Operating Fund	**$39,635,612**	**$38,409,122**

***Decrease $1,226,490 -3.09%**

Indianapolis Public Library

2014 BUDGET - SYSTEM WIDE

Account Description	2012 Actual	2013 Original Budget	2013 Adjusted Budget	Actual Y-T-D 6/30/2013	2014 Budget
Expenses					
Services Personal					
Salaries & Wages					
SALARIES APPOINTED STAFF	13,182,715	13,694,034	14,191,117	6,891,001	14,490,292
SALARIES HOURLY STAFF	1,319,393	1,561,090	1,723,255	736,945	1,679,737
Total Salaries & Wages	**$ 14,502,109**	**$ 15,255,124**	**$ 15,914,371**	**$ 7,627,945**	**$ 16,170,029**
Employee Benefits					
HEALTH INSURANCE	2,743,600	3,152,240	3,162,451	1,592,499	3,697,898
GROUP LIFE INSURANCE	26,574	30,000	30,000	15,077	30,154
LONG TERM DISABILITY INSURANCE	27,538	30,000	30,000	12,476	29,500
UNEMPLOYMENT COMPENSATION	24,464	60,000	60,569	1,372	5,000
FICA AND MEDICARE	1,053,817	1,225,818	1,221,993	557,981	1,238,920
PERF	2,052,824	1,879,953	1,939,525	896,274	2,061,171
EMPLOYEE ASSISTANCE PROGRAM	22,020	25,000	25,000	11,010	22,020
TUITION ASSISTANCE	7,326	5,000	5,000	-	5,000
SALARY ADJUSTMENT	-	775,003	58,581	-	25,000
Total Employee Benefits	**5,958,163**	**7,183,014**	**6,533,119**	**3,086,689**	**7,114,663**
Total Services Personal	**$ 20,460,272**	**$ 22,438,138**	**$ 22,447,490**	**$ 10,714,635**	**$ 23,284,692**
Supplies					
Office Supplies					
OTHER OFFICE SUPPLIES	710,653	361,450	516,216	350,882	393,900
UNIFORMS	6,967	7,000	7,000	208	7,000
Total Office Supplies	**$ 717,620**	**$ 368,450**	**$ 523,216**	**$ 351,089**	**$ 400,900**
Operating Supplies					
CLEANING & SANITATION	121,654	128,900	155,991	68,706	156,710
GASOLINE	23,894	34,000	34,000	15,634	38,000
Total Operating Supplies	**$ 145,548**	**$ 162,900**	**$ 189,991**	**$ 84,340**	**$ 194,710**
Other Supplies					
LIBRARY SUPPLIES	153,017	150,000	150,000	47,162	175,500
NON-CAPITAL FURNITURE & EQUIPMENT	89,188	25,000	20,035	4,052	15,000
Total Other Supplies	**$ 242,204**	**$ 175,000**	**$ 170,035**	**$ 51,214**	**$ 190,500**
Total Supplies	**$ 1,105,373**	**$ 706,350**	**$ 883,241**	**$ 486,643**	**$ 786,110**
Other Services & Charges					

Indianapolis Public Library

2014 BUDGET - SYSTEM WIDE

Account Description	2012 Actual	2013 Original Budget	2013 Adjusted Budget	Actual Y-T-D 6/30/2013	2014 Budget
Professional Services					
CONSULTING SERVICES	99,465	65,000	183,959	66,473	95,000
LEGAL SERVICES	152,430	215,000	243,269	97,053	195,000
Total Professional Services	**$ 251,895**	**$ 280,000**	**$ 427,228**	**$ 163,526**	**$ 290,000**
Communication & Transportation					
POSTAGE	56,375	81,300	81,652	3,925	73,300
TRAVEL	20,116	33,600	33,600	8,222	32,168
CONFERENCES	35,046	56,400	55,804	35,077	77,420
IN HOUSE CONFERENCE	11,385	50,000	50,000	5,842	50,000
FREIGHT & EXPRESS	90,117	57,500	58,600	33,543	6,000
DATA COMMUNICATIONS	319,890	360,000	361,975	175,829	358,240
CELLULAR PHONE	10,789	11,000	11,000	4,071	10,758
Total Communication & Transportation	**$ 543,718**	**$ 649,800**	**$ 652,631**	**$ 266,509**	**$ 607,886**
Printing & Advertising					
PUBLICATION OF LEGAL NOTICES	2,374	3,800	3,800	994	3,800
PRINTING	188,447	175,600	181,655	152,207	218,000
Total Printing & Advertising	**$ 190,821**	**$ 179,400**	**$ 185,455**	**$ 153,201**	**$ 221,800**
Insurance					
OFFICIAL BONDS	975	1,000	1,000	975	1,000
AUTOMOBILE	16,456	19,517	19,517	9,759	10,500
PACKAGE	172,640	182,254	182,254	90,834	176,000
WORKER'S COMPENSATION	74,782	96,825	96,825	48,413	174,000
EXCESS LIABILITY	10,284	10,803	10,803	5,402	8,500
PUBLIC OFFICIALS & EMPLOYEE LIAB	19,000	19,000	15,500	15,500	16,000
BROKERAGE FEE	25,000	25,000	25,000	12,500	25,000
Total Insurance	**$ 319,136**	**$ 354,399**	**$ 350,899**	**$ 183,381**	**$ 411,000**
Utilities					
Gas	51,513	90,000	99,021	50,024	103,850
ELECTRICITY	799,975	802,200	864,279	373,992	821,650
HEAT/STEAM	227,128	350,000	377,363	164,134	364,000
COOLING/CHILLED WATER	416,293	440,000	464,615	166,162	440,000
WATER	39,122	40,450	42,971	22,295	45,725
STORMWATER	10,881	12,500	12,500	5,630	12,500
SEWAGE	33,830	35,425	37,732	24,405	50,150
Total Utilities	**$ 1,578,741**	**$ 1,770,575**	**$ 1,898,482**	**$ 806,642**	**$ 1,837,875**

Indianapolis Public Library

2014 BUDGET - SYSTEM WIDE

Account Description	2012 Actual	2013 Original Budget	2013 Adjusted Budget	Actual Y-T-D 6/30/2013	2014 Budget
Repairs & Maintenance					
REP & MAINT-STRUCTURE	1,671,164	750,000	1,068,261	508,027	750,000
REP & MAINT-HEATING & AIR	317,739	155,000	183,935	75,990	155,000
MAINT & REPAIR - AUTO	25,708	30,000	30,722	17,149	40,000
REP & MAINT-EQUIPMENT	75,689	71,000	75,799	34,202	71,000
REP & MAINT-COMPUTERS	287,427	333,000	387,519	309,264	338,000
CLEANING	-	845,276	851,276	372,817	851,276
Total Repairs & Maintenance	**$ 2,377,727**	**$ 2,184,276**	**$ 2,597,511**	**$ 1,317,449**	**$ 2,205,276**
Rentals					
REAL ESTATE	429,672	436,170	436,170	217,030	448,383
EQUIPMENT	56,084	56,060	56,060	30,493	56,060
Total Rentals	**$ 485,755**	**$ 492,230**	**$ 492,230**	**$ 247,523**	**$ 504,443**
Other Services & Charges					
BOND EXPENSE	840,000	-	-	-	-
TRANSFR TO LIBRARY IMPROVMT FND	-	2,300,000	2,300,000	2,300,000	-
INTEREST EXPENSE	846,486	250,000	803,755	553,755	250,000
DUES & MEMBERSHIPS	16,332	31,650	31,650	19,882	33,550
COMPUTER SERVICES	3,653	5,000	43,510	686	5,000
PAYROLL SERVICES	118,605	150,000	137,000	59,917	130,000
SECURITY SERVICES	837,687	868,434	868,434	381,564	866,934
TRASH & SNOW REMOVAL	147,042	366,450	459,208	243,882	384,300
PROGRAMMING	64,045	100,000	109,240	39,131	100,000
PROGRAMMING-JUV.	110,739	150,000	162,114	88,226	150,025
PROGRAMMING ADULT - CENTRAL	31,193	30,000	30,000	8,190	20,000
PROGRAMMING EXHIBITS - CENTRAL	4,200	4,000	4,000	3,000	4,000
EVENTS & PR	8,554	34,860	32,660	18,692	43,275
LAWN & LANDSCAPING	88,432	104,700	104,700	16,345	104,700
OTHER CONTRACTUAL SERVICES	378,012	476,750	497,635	178,190	470,456
MATERIALS CONTRACTUAL	958,875	1,000,000	1,179,000	572,889	1,200,000
BANK FEES/CREDIT CARD FEES	47,250	50,000	50,000	27,441	50,000
RECRUITMENT EXPENSES	37,356	35,000	35,000	9,479	21,800
Total Other Services & Charges	**$ 4,538,462**	**$ 5,956,844**	**$ 6,847,906**	**$ 4,521,268**	**$ 3,834,040**
Total Other Services & Charges	**$ 10,286,256**	**$ 11,867,524**	**$ 13,452,342**	**$ 7,659,500**	**$ 9,912,320**
Capital Outlay					
CAPITAL - FURNITURE	2,282	-	-	-	-
CAPITAL - EQUIPMENT	-	-	38,940	38,940	-
COMPUTER EQUIPMENT	52,379	-	74,333	74,333	-
BOOKS & MATERIALS	4,804,026	4,500,000	4,903,000	2,170,443	4,300,000
UNPROCESSED PAPERBACK BOOKS	130,318	123,600	131,554	75,557	126,000
Total Capital Outlay	**$ 4,989,005**	**$ 4,623,600**	**$ 5,147,827**	**$ 2,359,273**	**$ 4,426,000**
Total Expenses	**$ 36,840,906**	**$ 39,635,612**	**$ 41,930,901**	**$ 21,220,051**	**$ 38,409,122**

SUMMARY OF OPERATING FUND 2014 BUDGET

PROJECTED REVENUE:	**$35,946,264**
PROJECTED BUDGET:	**$38,409,122**
STRUCTUAL DEFICIT:	**$(2,462,858)**

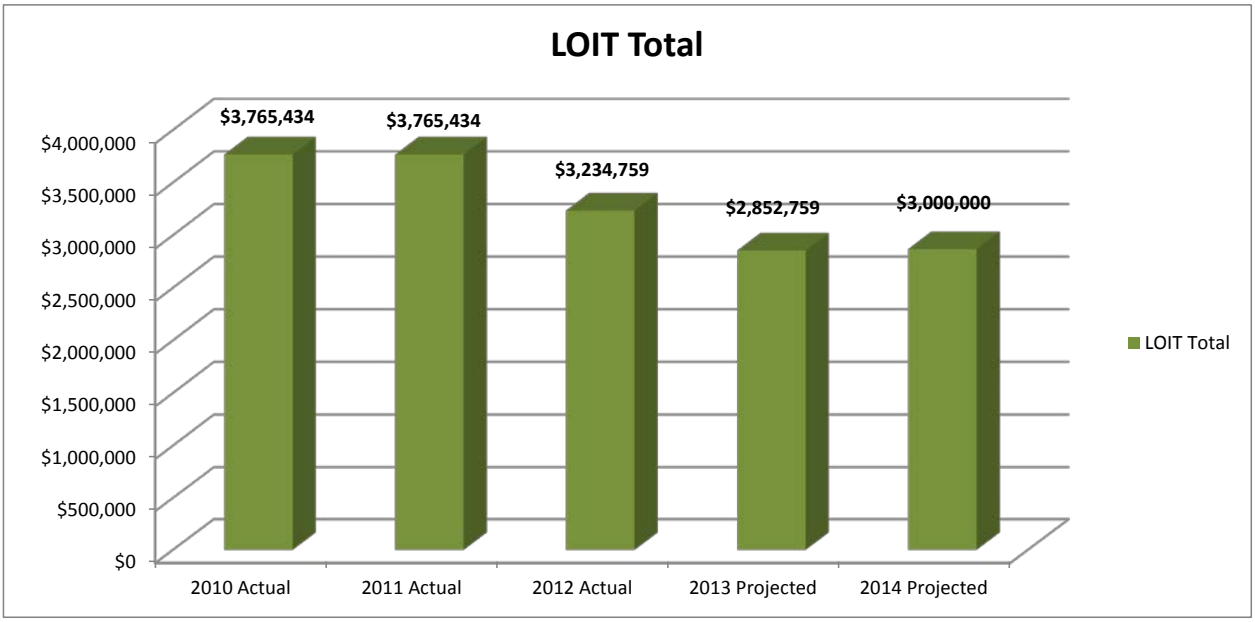
LIBRARY IS USING FUND BALANCE TO MAKE UP THE DEFICIT FOR 2014

WHY A DEFICIT???????

- **LOCAL OPTION INCOME TAXES –PROMISED TO REPLACE LOST PROPERTY TAXES**
  - **$3,765,434 – reduced to $3,000,000 for 2014**
  - **Accumulated loss since 2012 -$2,341,822**

- **PROPERTY TAX CAPS – HIGHER THAN ORIGINAL PROJECTIONS**
  - **$4,900,000 original estimate for 2014**
  - **$6,189,300 is the new estimate for 2014**

REDUCTIONS IN LOCAL OPTION INCOME TAXES

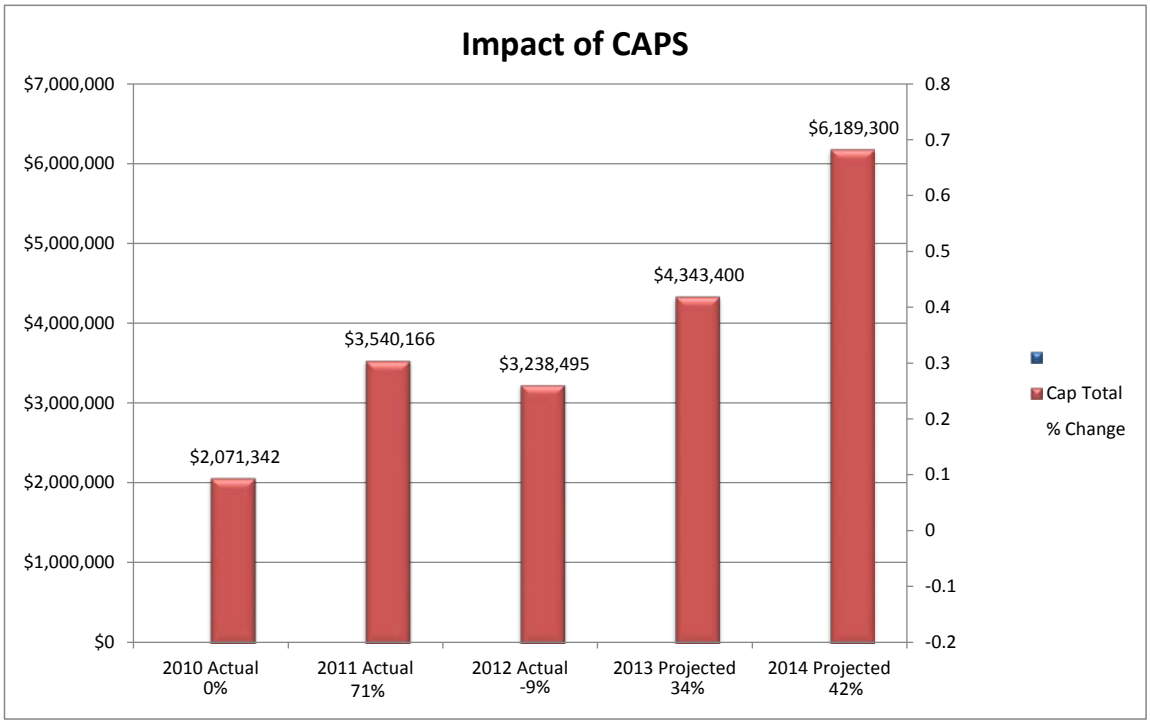


Changes in Local Option Income Taxes

Year	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected
LOIT Total	$3,765,434	$3,765,434	$3,234,759	$2,852,759	$3,000,000
% Change	0%	0%	-14%	-12%	5%

When the property tax levy was frozen in 2007, the Library was guaranteed the $3,765,434 as this amount is reduced from our taxes prior to distribution

REDUCTION IN REVENUE DUE TO INCREASES IN PROPERTY TAX CAPS



Changes in Property Tax Caps

Year	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected
Cap Total	$2,071,342	$3,540,166	$3,238,495	$4,343,400	$6,189,300
% Change	0%	71%	-9%	34%	42%

CAPITAL PROJECTS FUND

Beginning in 2006, the Library received approval for the establishment of a Capital Projects Fund (CPF) in accordance with Indiana Code 36-12-12. Prior to approval of the CPF, the only source available to fund capital projects, technology upgrades and improvements and facility repairs and improvements was the issuance of debt. A CPF promotes efficient use of taxpayer dollars by allowing all the proceeds to be used for the project rather than interest expenses and bond costs associated with the issuance of debt and facilitate multi-year planning for projects.

This plan was presented to the Council earlier this spring and approved on June 10, 2013.

Revenues

Property Taxes

The estimated tax rate for 2014 is $0.0038. **Beginning in 2009, the Capital Projects Fund became part of the maximum levy allowed by the State.** The projected property tax levy for the CPF is $1,251,173.

Governmental Revenues

Other sources of income include:

Commercial Vehicle Excise Tax	$ 16,083
License Excise Tax	$ 75,685
Financial Institution Tax	$ 15,500
In-lieu-of Property Taxes	$ 500
Interest Income	$ 1,685
	$109,453

Expenditures

Major items for 2014 include HVAC repairs/upgrades, computer upgrades and starting the process of replacing the Library's Integrated Library System for our collections.

Indianapolis Public Library

2014 ESTIMATED REVENUE - CAPITAL PROJECTS FUND

	2013 Original Projection	2013 Adjusted Estimate	Actual Y-T-D 6/30/2013	2014 Projected
Revenues				
Tax Revenue				
PROPERTY TAX	661,255	663,374	302,622	1,251,173
PROPERTY TAX CAPS	(96,473)	(86,300)	-	(125,800)
LICENSE EXCISE TAX REVENUE	41,486	43,176	20,468	75,685
FINANCIAL INSTITUTION TAX REVENUE	5,000	5,271	2,446	15,500
COMMERCIAL VEHICLE TAX REVENUE	5,000	5,396	2,485	16,083
IN LIEU OF PROP. TAX	500	500	208	500
Total Tax Revenue	**616,768**	**631,417**	**328,230**	**1,233,141**
Other Revenue				
INTEREST INCOME	1,000	1,000	687	1,685
Total Other Revenue	**1,000**	**1,000**	**687**	**1,685**
Total Revenues	**$ 617,768**	**$ 632,417**	**$ 328,917**	**$ 1,234,826**

Indianapolis Public Library
2014 PROPOSED BUDGET - CAPITAL PROJECTS FUND

Account Description	2013 Original Budget	2013 Adjusted Budget	Actual Y-T-D 6/30/2013	Proposed 2014 Budget
Expenses				
Supplies				
Office Supplies				
OTHER OFFICE SUPPLIES	210,000	210,000	159,418	350,000
Total Office Supplies	**210,000**	**210,000**	**159,418**	**350,000**
Other Supplies				
NON-CAPITAL FURNITURE & EQUIPMENT	325,000	295,000	10,443	250,000
Total Other Supplies	**325,000**	**295,000**	**10,443**	**250,000**
Total Supplies	**535,000**	**505,000**	**169,860**	**600,000**
Other Services & Charges				
Professional Services				
CONSULTING SERVICES	45,000	45,000	1,363	25,000
LEGAL SERVICES	-	1,925	547	-
Total Professional Services	**45,000**	**46,925**	**1,910**	**25,000**
Repairs & Maintenance				
REP & MAINT-STRUCTURE	445,000	443,076	184,124	428,000
REP & MAINT-HEATING & AIR	235,000	235,000	-	210,000
Total Repairs & Maintenance	**680,000**	**678,076**	**184,124**	**638,000**
Other Services & Charges				
OTHER CONTRACTUAL SERVICES	100,000	100,000	42,910	50,000
Total Other Services & Charges	**100,000**	**100,000**	**42,910**	**50,000**
Total Other Services & Charges	**825,000**	**825,000**	**228,943**	**713,000**
Capital Outlay				
COMPUTER EQUIPMENT	75,000	105,000	2,419	50,000
VEHICLES	420,000	420,000	-	-
Total Capital Outlay	**495,000**	**525,000**	**2,419**	**50,000**
Total Expenses	**$ 1,855,000**	**$ 1,855,000**	**$ 401,222**	**$ 1,363,000**

BOND AND INTEREST REDEMPTION FUND

General Obligation Bonds

The Library issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities as well as major maintenance and the purchase of computer equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

Current Bond Ratings

The Library's general obligation bonds have always been rated very favorably, due in part to the low level of debt that the Library has carried and the conservative nature of that debt in that all issues in the past have been general obligation bonds. In May of 2012, the Library obtained new ratings in conjunction with the refinancing of the 2002 Refunding debt.

Moody's Investors Service issued a rating of Aa2 for the Series 2012 Refunding. Among the comments included in their opinion were the following:

> *"Moody's Investors Service has assigned an Aa2 rating to the Indianapolis-Marion County Public Library's, (IN) $9.1 million General Obligation Refunding Bonds, Series 2012. Concurrently, Moody's has affirmed the Aa2 rating on the Library's $76.6 million of outstanding general obligation debt. Assignment of the Aa2 rating reflects the library's large and diverse tax base, average wealth levels, satisfactory financial operations characterized by improved reserve levels, alternate liquidity available in the Rainy Day and Library Improvement Reserve Fund, and manageable but elevated debt burden."*

Fitch Ratings issued a rating of AA+ for the Series 2012 Refunding. Among the comments included in their opinion were the following:

> *"Fitch assigned an AA+ rating to the Indianapolis-Marion County Public Library's $9.1 million General Obligation Refunding Bonds, Series 2012. Their rating was based on limited operating risk, stable financial operations, improved liquidity position, prudent management practices, and diverse economic base."*

Revenues for the Bond and Interest Redemption Fund

Property tax receipts for the Bond and Interest Redemption is projected to be $10,869,843 in 2014. Other sources of income include:

Commercial Vehicle Excise Tax	$ 68,338
Excise Tax License	$ 562,870
Financial Institutions Tax	$ 67,272
In-lieu-of Property Taxes	$ 5,724
Interest Income	$ 300
	$ 704,504

Tax Rates for the Bond and Interest Redemption Fund

The estimated tax rate for Debt Service in 2014 increases from 0.0275in 2013 to 0.0331 (0.0056 increase) based on a projected1.3% reduction in the AV.

General obligation bonds currently outstanding as of July 31, 2013 are as follows:

$12,000,000 2005 General Obligation Refunding Bonds Due in Installments of $405,000 to $890,000 Plus Interest Through January 1, 2016; Interest at 3.25% to 4.00%	$ 2,875,000
$25,000,000 2006 General Obligation Bonds Due in Installments of $1,600,000 to $5,660,000, Plus Interest Through January 1, 2023; Interest at 4.25% to 4.50%	$ 25,000,000
$20,000,000 2007 General Obligation Bonds Due in Installments of $730,000 to $1,490,000, Plus Interest Through January 1, 2018; Interest at 4%	$ 11,135,000
$9,155,000 2009 Refunding General Obligation Bonds Due in Installments of $175,000 to $1,525,000, Plus Interest Through July 1, 2019; Interest at 2% to 5%	$ 8,215,000
$23,630,000 2010 Refunding General Obligation Bonds Due in Installment of $310,000 to $1,465,000. Plus Interest Through January 1, 2022; Interest at 2% to 5%	$ 19,155,000
$8,310,000 2011 Refunding General Obligation Bonds Due in Installment of $20,000 to $2,070, 000, Plus Interest Through January 1, 2022; Interest at 2% to 3%	$ 8,240,000
$9,100,000 2012 Refunding General Obligation Bonds Due in Installment of $950,000 to $1,075,000, Plus Interest Through January 1, 2017; Interest at 2% to 4%	$ 7,175,000
Total Long Term General Obligation Bonds	$ 81,795,000

Expressed in Thousands:
Legal Debt Limit: $231,942
(AV 2012 of $34,791,357 / 3 x 2%)

Reductions in Annual Debt Service Payments

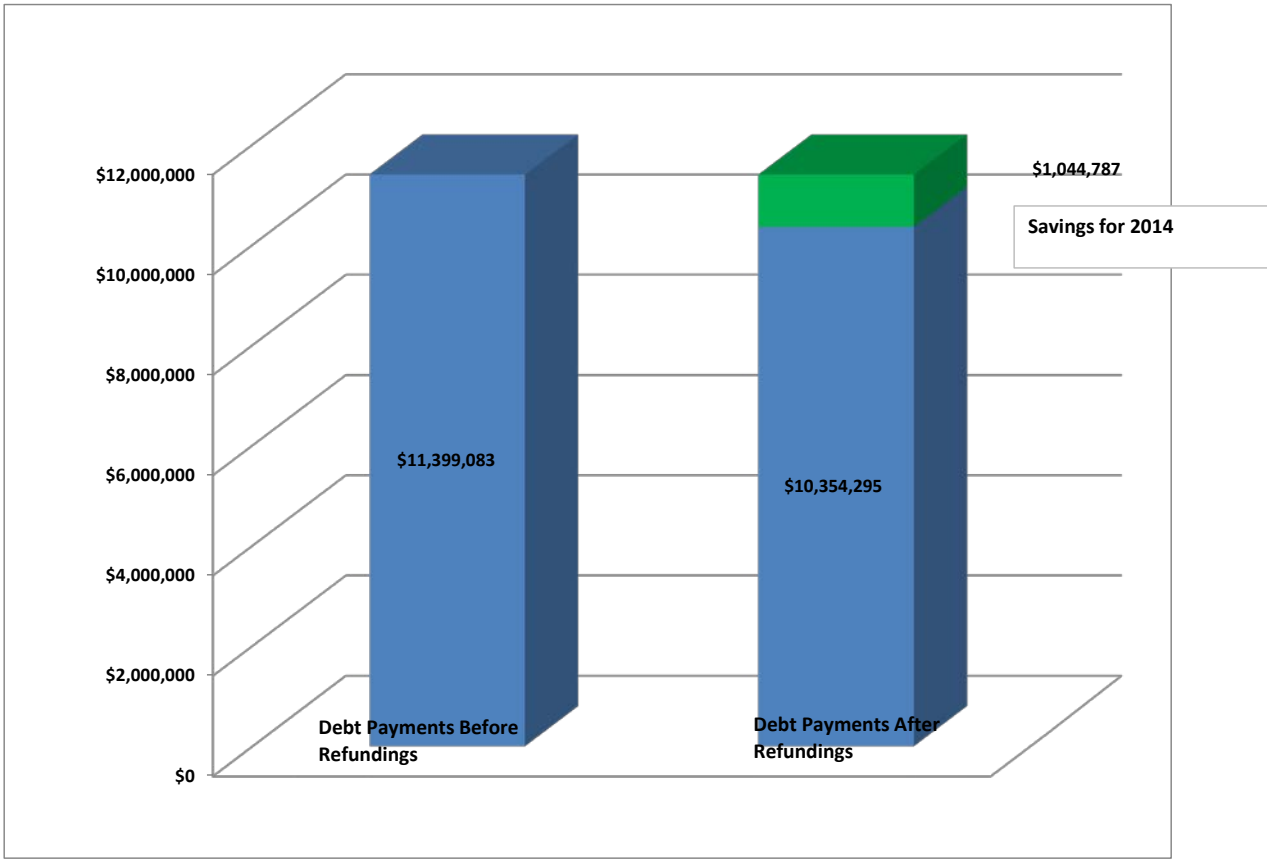
Beginning 2008, the Library began an early debt extinguishment plan in conjunction with refunding/refinancing plan to reduce the amount of outstanding debt and annual payments. As detailed below, this plan will reduce the annual payments for 2014 by $1,044,787.

Outstanding Debt	Ending Balance as of July 31, 2012
1998 Bonds	paid off with settlement proceeds
2001 Bonds	paid off with settlement proceeds & refinanced
2002 Refunding Bonds	Refinanced
2002A Bonds	Refinanced
2003 Bonds	Refinanced
2003 A Refunding Bonds	Retired
2005 Bonds	2,875,000
2006 Bonds	25,000,000
2007 Bonds	11,135,000
2009 Refunding Bonds	8,215,000
2010 Refunding Bonds	19,155,000
2011 Refunding Bonds	8,240,000
2012 Refunding Bonds	7,175,000
Total	81,795,000

ANNUAL DEBT SERVICE PAYMENTS FOR 2014

	Before Changes	**After Changes**
1998 Bonds		paid off early
2001 Bonds	1,059,153	partially paid off & Refunded
2002 Refunding Bonds	2,396,370	refunded
2002A Bonds	2,738,415	refunded
2003 Bonds	371,982	refunded
2005 Bonds	1,466,500	1,466,500
2006 Bonds	1,107,510	1,107,510
2007 Bonds	2,259,163	2,259,163
2009 Refunding Bonds		766,950
2010 Refunding Bonds		2,261,649
2011 Refunding Bonds		290,223
2012 Refunding Bonds		2,202,300
Total	$11,399,083	$10,354,295
Savings:		**$1,044,787**

DEBT REDUCTION ACTIONS



Indianapolis Public Library

2014 ESTIMATED REVENUE - BIRF FUND

	2012 Actual	2013 Adjusted Estimated	Actual Y-T-D 6/30/2013	2014 Projected
Revenues				
Tax Revenue				
PROPERTY TAX REVENUE	9,067,706	9,121,394	4,161,055	10,651,140
PROPERTY TAX CAPS	(897,609)	(1,187,300)		-
LICENSE EXCISE TAX REVENUE	589,161	593,666	281,435	562,870
FINANCIAL INSTITUTION TAX REVENUE	67,507	72,475	33,636	67,272
COMMERCIAL VEHICLE TAX REVENUE	69,106	74,192	34,169	68,338
IN LIEU OF PROP. TAX	81,131	2,563	2,862	5,724
Total Tax Revenue	**8,977,002**	**8,676,990**	**4,513,157**	**11,355,344**
Other Revenue				
TRANSFER IN	1,497	-	-	-
INTEREST INCOME	474	300	297	300
Total Other Revenue	**1,970**	**300**	**297**	**300**
Total Revenues	**$ 8,978,972**	**$ 8,677,290**	**$ 4,513,453**	**$ 11,355,644**

Indianapolis Public Library

2014 PROPOSED BUDGET - BIRF FUND

Account Description	2012 Actual	2013 Adjusted Budget	YTD Actual 6/30/2013	Proposed 2014 Budget
Expenses				
Other Services & Charges				
Other Services & Charges				
BOND EXPENSES	5,220,000	6,395,000	3,150,000	7,095,000
INTEREST EXPENSE	3,119,940	3,497,011	1,228,646	3,259,294
BANK FEES/CREDIT CARD FEES	1,700	3,500	1,100	3,500
Total Other Services & Charges	**8,341,640**	**9,895,511**	**4,379,746**	**10,357,794**
Total Other Services & Charges	**8,341,640**	**9,895,511**	**4,379,746**	**10,357,794**
Total Expenses	**$ 8,341,640**	**$ 9,895,511**	**$ 4,379,746**	**$ 10,357,794**