

**ALACHUA COUNTY, FLORIDA
LIBRARY DISTRICT**

AUDITOR GENERAL REPORT

FISCAL YEAR 2009



**AUDITOR GENERAL REPORT
ALACHUA COUNTY, FLORIDA - LIBRARY DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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CLERK OF THE CIRCUIT COURT

Alachua County Courthouse
Post Office Box 600
Gainesville, Florida 32602

J.K. IRBY
CLERK

TELEPHONE
(352) 374-3636

February 11, 2010

The Honorable Mike Byerly, Chair
Library District Governing Board
Alachua County, Florida

Dear Governor Byerly:

I am pleased to present to you, the Library District Governing Board and the Citizens of Alachua County, the Comprehensive Annual Financial Report of the Alachua County, Florida Library District, for the fiscal year ended September 30, 2009. The Finance Department prepared this report and we are responsible for its accuracy and completeness.

Information in the report is presented in a manner that enables the reader to gain an understanding of the District's financial activity. The Finance Director's transmittal letter further discusses the District's financial activities and internal controls.

This report was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). GFOA awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose comprehensive annual financial reports meet the Program's strict criteria. The Library's comprehensive annual financial reports for the preceding five years were awarded this certificate. We are submitting the 2009 report for review and we believe that it will also be awarded a certificate.

The financial statements of the District have been audited by Davis, Monk and Company, Certified Public Accountants. Their opinion is included in the financial section of this report.

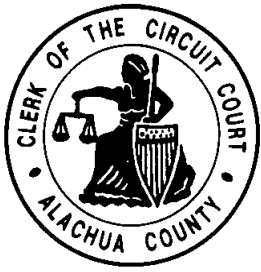
The preparation of this report could not have been accomplished without the dedicated effort of the Finance Director and his entire staff. Their efforts over the past years toward upgrading the accounting and financial reporting systems of the District have led to an improved quality of information being reported to the Governing Board, State, Oversight Boards and the Citizens of Alachua County.

Thank you for your attention.

Respectfully Submitted,


J. K. Irby
Clerk of the Circuit Court





CLERK OF THE CIRCUIT COURT

**Alachua County Courthouse
Post Office Box 600
Gainesville, Florida 32602**

**J.K. IRBY
CLERK**

**TELEPHONE
(352) 374-3636**

February 11, 2010

The Honorable Mike Byerly, Chair
Library District Governing Board
Alachua County, Florida

Dear Governor Byerly and the Citizens of Alachua County:

The Comprehensive Annual Financial Report of Alachua County, Florida, Library District, for the fiscal year ended September 30, 2009, is respectfully submitted. This report was prepared by the Finance and Accounting Department under the supervision of the Clerk of the Circuit Court. The report fulfills the requirements set forth in Section 218.39, Florida Statutes, and the Rules of the Florida Auditor General, Chapter 10.550, which requires an annual audit of all Special Districts. Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation, including all disclosures, rest with the Finance and Accounting Department.

Florida Statutes require an audit of the financial statements of the Alachua County Library District by an independent certified public accountant. We have complied with this requirement and the auditors' opinion is included in the Financial Section of this report. Davis, Monk and Company, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Alachua County Library District's financial statements for the year ended September 30, 2009.

Internal accounting controls for the District are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Readers of this report are encouraged to read Management's Discussion and Analysis (MD&A), which immediately follows the independent auditors' report. The MD&A provides basic financial information about the Library and an overview of the District's activities; it is intended to complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Chapter 98-502, as amended by 03-375, Laws of Florida, establishes the Alachua County Library District as an independent special taxing district and the sole provider of public library services in Alachua County. This Comprehensive Annual Financial Report (CAFR) includes the funds of the primary government, the Alachua County Library District and the component unit, Alachua County Library District Foundation.

The Library District Governing Board is made up of three members of the Board of Alachua County Commissioners, two members of the Gainesville City Commission, and one member of the Alachua County School Board. The board members are selected by their respective entities to serve on the Library District Governing Board. The Governing Board appoints the seven member Board of Trustees, a citizen volunteer board which is part of the governing structure of the Library District. Three of the members are Alachua County representatives, three are City of Gainesville representatives, and one is a representative of the Alachua County League of Cities.

In addition to providing for the structure of the District's Governing Board and Board of Trustees, Chapter 03-375 also provides for the legal and financial operations of the District. The enabling legislation requires the County Attorney to provide legal services, and the Clerk of Court to provide accounting and treasury services to the District.

The Alachua County Library District Governing Board may levy ad valorem taxes up to 1.5 mills for operational expenses, and all millage necessary to pay the principal and interest on general obligation bonds. The Governing Board has the powers to adopt an annual budget, establish service levels, adopt long range facilities and development plans, lease or purchase property, contract for services, receive grants, and take any other action necessary to provide public library services to the people of Alachua County.

The Florida Legislature adopted the Truth in Millage legislation which is a method by which all taxpayers can participate in the budget adoption process. Each year the Property Appraiser completes an assessment of the value of all property and certifies to each taxing authority the value of the property within its jurisdiction. Each taxing authority then notifies the Property Appraiser of its proposed millage rate, its rolled back rate and the date, time, and place of the public hearing to consider the tentative millage rate and the adjusted tentative budget. Once the Property Appraiser receives the information, he sends a notice by first class mail to every taxpayer on the assessment roll. Public hearings are then held to adopt a tentative budget and millage based on information provided by the Property Appraiser. The final budget and millage is adopted by the Governing Board, in accordance with Florida Statutes 129 and 200, no later than the close of the fiscal year on September 30. All funds for the Library District are budgeted on an annual basis except for the Pension Trust fund, and the level of control is maintained at the fund level.

The responsibilities of the Board of Trustees include developing recommendations on policy, budget, and plans for the District, reporting at meetings on matters that may affect the District,

responding to requests by the Governing Board for various recommendations, reporting information about Library issues, and listening and responding to citizens who have questions relating to the District and libraries in general.

**THE LIBRARY DISTRICT, IT'S
ECONOMIC CONDITION AND OUTLOOK**

The Alachua County Library District provides public library service to a countywide population of approximately 256,232 (April 1, 2009 estimate), as well as to surrounding counties. The District is a centralized system with a Headquarters Library located in downtown Gainesville and ten branch libraries. One large library (Millhopper Branch) is located in northwest Gainesville and another large library (Tower Road Branch) is located in unincorporated Alachua County southwest of Gainesville, just outside of the city limits. The municipalities of Alachua, Archer, Hawthorne, High Springs, Micanopy, Newberry and Waldo each have a branch library. In July, 2009, the Library Partnership facility opened – this is a neighborhood resource center which brings the Library District, the Florida Department of Children and Families and the Partnership for Strong Families together in one location in a collaborative effort to serve the community. In addition, the District also operates two bookmobiles and provides library service to the inmates of the Alachua County Jail through an interlocal agreement with the Alachua County Sheriff.

The District has contracts with the Murphree Law Library, the Matheson Historical Center and the Civic Media Center, which provide for the inclusion of the collections owned and maintained by these organizations to be listed in the District’s on-line catalog. Prior to these agreements the collections had not been cataloged or made available on-line. There is now increased access to more materials within the community at minimal cost to all agencies.

| Summary of Library Use Statistics for FY 2009 | |
|--|---|
| 1,404,869 | Visits to all Alachua County Libraries |
| 3,096,515 | Items borrowed (circulated) |
| 199,549 | Registered borrowers |
| 314,452 | Titles |
| 921,637 | Individual items in the Library collection |
| 571,235 | Reference questions answered in person, by phone, or via the internet |
| 878,294 | Virtual visits through the internet |
| 2,456 | Programs for children and adults with attendance of 54,075 |
| 6,094 | Uses of Library District meeting rooms with an attendance of 101,387 |

Local Economy

Alachua County with the City of Gainesville as its county seat, serves as the cultural, educational and commercial center for the North Central Florida region of the State of Florida. Alachua County encompasses approximately 965 square miles and is included in the Gainesville Metropolitan Statistical Area. Alachua County is located almost midway between the Atlantic and Gulf coasts, approximately 145 miles southeast of Tallahassee, the State Capital, and 100

miles southwest of Jacksonville. In addition to Gainesville, eight other growing municipalities are located within the County: Alachua, Archer, Hawthorne, High Springs, LaCrosse, Micanopy, Newberry and Waldo. Alachua County is home to the University of Florida, Santa Fe College and is a medical center housing a Veterans Administration Hospital, the University of Florida Shands Research and Teaching Hospital, North Florida Regional Hospital and other smaller hospitals and treatment centers. Due to the high number of government entities, the County's economic outlook continues to be one of moderate growth and an essentially stable economy, despite financial difficulties in the United States Economy as a whole. Expansion of both educational and health care facilities is expected to continue though possibly not at the same rate as in past years.

Long-term Financial Planning

As part of the Library District's budget process, staff develops a Long Range Facilities and Service Plan that projects the needs of the District for a five year period. This plan is under constant revision to incorporate any changes to tax revenues which may affect the time line of planned capital projects. Unlike many other local governments, the Library District is dependent on its property tax based revenues for both operating and capital expenditures. This allows the Library District to be somewhat flexible in determining amounts needed to sustain service levels, and adjust the amounts used for capital projects accordingly.

Major Initiatives

Construction on the expansion and remodeling of the Millhopper branch library continues, adding more than 8,000 square feet of space, with over \$2 million spent to date. In early fiscal year 2009, the Millhopper branch functions were moved into temporary leased space to allow patrons to continue to have service during the library construction period; completion of the project is expected in fiscal year 2010.

For fiscal years 2008 and 2009, the Library District received \$40,000 dollars from the Friends of the Library as reimbursement for books for the new Library Partnership Branch. Support from organizations in the community allow for enhancement to facilities that would not otherwise be able to be accomplished.

**AWARDS AND
ACKNOWLEDGEMENTS**

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Alachua County Library District for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2008. This was the fifth consecutive year that the Library District 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. Also, the 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 that our current comprehensive annual financial report continues to meet to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

A comprehensive financial report of this nature could not have been prepared without the dedicated efforts of all staff members concerned. I would like to express my appreciation to the staff of Finance and Accounting in helping produce this report and for the interest and support of the Clerk of the Court. I would also like to thank the Library Director, Library administrative staff, as well as the Library District Governing Board for their work in planning and conducting the fiscal operations of the District.

Respectfully Submitted,



Todd Hutchinson, C.P.A., C.G.F.O.
Assistant Clerk/Finance Director

NTH/lks

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Alachua County Library
District, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

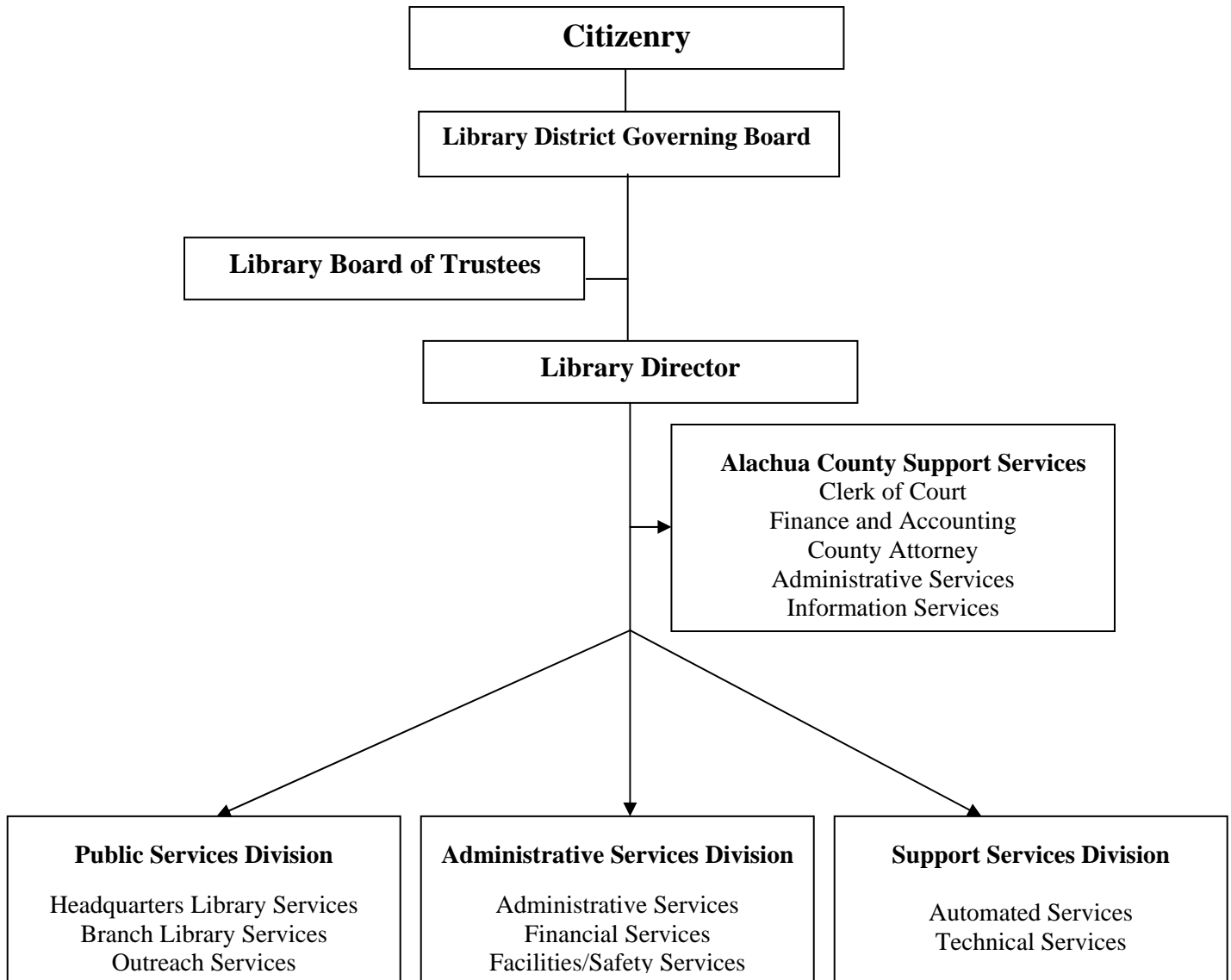
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

ALACHUA COUNTY LIBRARY DISTRICT ORGANIZATIONAL CHART



ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

PRINCIPAL OFFICERS

GOVERNING BOARD

(As of April 23, 2009)

Mike Byerly – Chair – County

Eileen F. Roy – Vice Chair – School Board

Paula M. DeLaney – County

Craig Lowe – City

Lee Pinkoson – County

Scherwin Henry – City

LIBRARY DIRECTOR

Sol Hirsch

COUNTY ATTORNEY

David Wagner

CLERK OF CIRCUIT / COUNTY COURTS

AND

CLERK TO LIBRARY DISTRICT

J. K. Irby

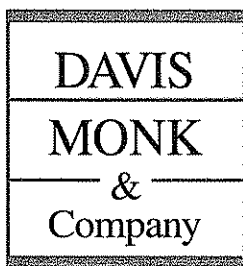
DIRECTOR OF FINANCE

Todd Hutchison, C.P.A., C.G.F.O.

<http://www.aclib.us>

**INDEPENDENT AUDITORS' REPORT
FOR
COMPREHENSIVE ANNUAL FINANCIAL REPORT
ALACHUA COUNTY, FLORIDA
LIBRARY DISTRICT
SEPTEMBER 30, 2009**





Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

Gainesville

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Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Independent Auditors' Report

The Governing Board
Alachua County Library District
Alachua County, Florida

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Alachua County Library District (the "District"), as of and for the year ended September 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

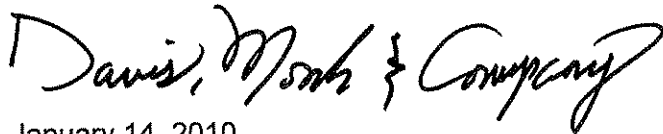
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of September 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2010 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the information provided in the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



January 14, 2010
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Alachua County Library District Management's Discussion and Analysis presents an overview of the Library District's financial activities for the fiscal year ended September 30, 2009. The Library District's financial performance is discussed and analyzed within the context of the accompanying financial statements & disclosure following this section.

Financial Highlights

Government-wide Statements

- Alachua County Library District's assets exceeded its liabilities at September 30, 2009 by \$21,264,943 (*net assets*). Of this amount, \$13,975,221 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets of \$21,264,943 are comprised of the following:
 - 1) Capital assets, net of related debt, of \$6,938,971 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt (net of the unamortized balance of any debt-related accounts) related to the purchase or construction of those capital assets.
 - 2) Net assets of \$350,751 are restricted by constraints imposed from outside the Library District such as debt covenants.
 - 3) \$13,975,221 of governmental net assets represents the portion available to maintain the Library District's continuing obligations to citizens and creditors.
- The Library District's total net assets increased \$1,351,163 over the previous year. This increase is due to three primary factors. First, the District received additional revenue via private contributions and donations from Friends of the Library, the Library Services Technology Grant and Alachua County Library District Foundation for the purchase of books and for creating a "Snuggle up" area at the partnership resource center. Second, the Library District was able to offset operating costs by entering into a joint venture with Florida Department of Children and Families and, the Partnership for Strong Families to open a neighborhood resource center. Finally, the Library District replaced metal halide lighting in the Headquarters Library, Tower Road, and Millhopper Branch Libraries with highbay induction lighting. As a result of this lighting replacement, the District was able to reduce their energy bill and receive a rebate through Gainesville Regional Utilities rebate program.

Fund Statements

- At September 30, 2009, the Library District's governmental funds reported combined ending fund balances of \$15,146,799, a decrease of \$1,184,758 from the prior fiscal year.
- At September 30, 2009, unreserved fund balance for the General Fund was \$5,318,512 or 34% of General Fund operating revenue. During the fiscal year,

the District transferred \$2.0 million to the Capital Projects Fund. The remaining fund balance allows the Library District to operate during the first part of the new fiscal year pending receipt of tax revenues.

- Governmental funds' revenues decreased \$117,261 or 0.7% from the prior fiscal year. This decrease is primarily due to a reduction in property tax revenues that resulted from the implementation of new mandated property millage rollback restrictions and a reduction in interest earnings that resulted from the overall decline in the economy.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Library District's basic financial statements. The Library District's basic financial statements consist of 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 District's finances, in a manner similar to a private sector business.

- The *Statement of Net Assets* presents information on all of the Library District'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 District is strengthening or weakening.
- The *Statement of Activities* presents information showing how the government's net assets changed during fiscal year 2009. All changes in net assets are reported as soon as the 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 future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

The government-wide financial statements can be found on pages 16-17 of this report.

Fund Financial Statements

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

finance related legal requirements. All Library District funds are either governmental funds or 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 is 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 the *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 District maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects, which are considered to be major funds. Data for the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The Library District adopts an annual budget for its general, special revenue, debt service and capital projects funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance. The General Fund budgetary comparison schedule can be found in the required supplementary information on page 48 and for nonmajor special revenue funds as well as for the Capital Projects fund, a major fund, in the supplemental information starting on page 56 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 funds are not available to support the Library District's own programs. The accounting used for fiduciary funds is similar to business-type accounting.

The basic fiduciary fund financial statements can be found on pages 22-23 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 25-46 of this report.

Other Information

Combining statements, referred to earlier, present a more detailed view of nonmajor funds. This section includes budget to actual schedules for nonmajor special revenue funds, debt service and capital project funds. Combining and individual fund schedules can be found on pages 51-62 of this report. Required pension fund information is shown on page 49. Information concerning capital assets used in the operation of governmental funds can be found in the notes on page 39.

Government-wide Financial Analysis

Changes in net assets over time may serve as a useful indicator of a government's financial position. In the case of the Library District, assets exceeded liabilities by \$21,264,943 at the end of the fiscal year ended September 30, 2009.

| | Governmental Activities | | Total Percent |
|------------------------------------|--------------------------------|----------------------|----------------------|
| | 2008 | 2009 | Change |
| Current and Other Assets | \$ 17,417,533 | \$ 16,232,130 | -6.8% |
| Unamortized Bond Issue Costs | 73,518 | 65,195 | -11.3% |
| Capital Assets | <u>13,076,296</u> | <u>14,865,879</u> | 13.7% |
| Total Assets | <u>30,567,347</u> | <u>31,163,204</u> | 1.9% |
| Long-Term Liabilities Outstanding | 7,938,003 | 7,401,886 | -6.8% |
| Other Liabilities | <u>2,715,564</u> | <u>2,496,375</u> | -8.1% |
| Total Liabilities | <u>10,653,567</u> | <u>9,898,261</u> | -7.1% |
| Net Assets: | | | |
| Invested in Capital Assets, Net of | | | |
| Related Debt | 4,348,293 | 6,938,971 | 59.6% |
| Restricted | 460,299 | 350,751 | -23.8% |
| Unrestricted | <u>15,105,188</u> | <u>13,975,221</u> | -7.5% |
| Total Net Assets | <u>\$ 19,913,780</u> | <u>\$ 21,264,943</u> | 6.8% |

At the end of fiscal year 2009, the Library District is able to report positive balances in all three categories of net assets.

One portion of the Library District's net assets of \$6,938,971 reflects its investment in capital assets (e.g., land, buildings, improvements and equipment, less any related depreciation expense), less any related outstanding debt used to acquire those assets. The Library District uses these capital assets to provide services to citizens; consequently,

these assets are not available for future spending. Although the Library District's investment in its capital assets is reported net of related debt, the resources needed to repay this debt are provided from other sources (ad valorem taxes), since the capital assets themselves cannot be used to liquidate these liabilities. For the fiscal year, the District's investment in capital assets, net of related debt, increased by \$2.5 million. This net increase is due to planned capital expenditures for the Millhopper Branch Expansion and completion of the Library Partnership branch, as well as the reduction in bonded debt payable due to the scheduled principal retirement of bonds.

Another portion of the Library District's net assets (\$350,751 or 1.6% of total net assets) represents resources that are subject to external restrictions on how they may be used. Restricted net assets decreased by \$109,548 from 2008 to 2009. The fund balance restricted for debt service was reduced due to reduction in property tax revenue.

The remaining portion of the Library District's net assets is unrestricted net assets (\$13,975,221 or 66%) and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets decreased \$1,129,967 from FY08 to FY09. This was a planned use of fund balance by the District to offset the impacts of the new property tax legislation and to allow for stable service levels.

**Alachua County Library District
Changes in Net Assets**

| | Governmental Activities | | Percent Change |
|---|--------------------------------|-----------------------------|---------------------------|
| | 2008 | 2009 | |
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 87,151 | \$ 89,125 | 2.3% |
| Capital grants and contributions | 3,908 | 11,530 | 195.0% |
| Operating grants and contributions | 483,170 | 476,947 | -1.3% |
| General revenues: | | | |
| Property taxes | 16,903,356 | 16,537,856 | -2.2% |
| Investment Earnings | 240,091 | 151,654 | -36.8% |
| Miscellaneous | 175,189 | 500,615 | 185.8% |
| Total revenues | <u>17,892,865</u> | <u>17,767,727</u> | -0.7% |
| Expenses: | | | |
| Culture and recreation - Library Services | <u>15,852,550</u> | <u>16,416,564</u> | 3.6% |
| Total expenses | <u>15,852,550</u> | <u>16,416,564</u> | 3.6% |
| Increase in net assets | <u>2,040,315</u> | <u>1,351,163</u> | |
| Net assets - beginning | <u>17,873,465</u> | <u>19,913,780</u> | |
| Net assets - ending | <u><u>\$ 19,913,780</u></u> | <u><u>\$ 21,264,943</u></u> | 6.8% |

Governmental Activities

Program Revenues –

The charges for services increased slightly due to an increase in lost book fee collection agency efforts. In addition, the capital grants and contributions category increased due to funds received from FEMA for damage during Tropical Storm Fay.

General Revenues –

Property tax revenues decreased, as planned, due to the Governing Board's adoption of a lower millage rate of 1.2% below FY2008 millage rate. The Board has reduced the millage rate for the last two years. Interest earnings on investment decreased due to a deterioration of economic and market conditions and a decline in yields on US Government backed debt. Miscellaneous revenue increased due to an increase in private contributions and donations, primarily from the Library Services Technology Grant, resolution of a settlement agreement for liquidated damages, and receipt of GRU energy reduction rebate.

Net Assets –

The Library District's total net assets increased \$1,351,163 over the previous year. This is due to an increase in private contributions and donations, receipt of a GRU rebate for energy efficiency achieved, and costs savings achieved via a collaborative partnership agreement with the Department of Children and Families and Partnership for Strong Families for a Neighborhood Resource Center.

Fund Financial Analysis

The Library District uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

Governmental Funds

The primary purpose of the Library District'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 District's financing 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.

Alachua County Library District Reserved and Unreserved Fund Balance

| | |
|-----------------------------|----------------------|
| Total fund balance | \$ 15,146,799 |
| Less reserved fund balance: | |
| Debt Service | (350,751) |
| Encumbrances | (305,049) |
| Prepaid items | (17,541) |
| Unreserved fund balance | <u>\$ 14,473,458</u> |

As of the end of fiscal year 2009, the Library District's governmental funds reported combined ending fund balances of \$15,146,799 a decrease of \$1,184,758 from the prior year. Of the approximately \$15 million total fund balance, unreserved fund balance is \$14,473,458 and is available for spending at the Library District's discretion.

Major Funds

The General Fund and the Capital Projects Fund are reported as major funds.

The General Fund is the chief operating fund of the Library District. The total fund balance at September 30, 2009 is \$5,334,595. For the fiscal year, the General Fund had a net decrease in fund balance of \$321,536. This net decrease was a result of the planned decline in revenues for property tax collections due to the Governing Board's adoption of a lower millage rate. In addition, there was a reduction in investment earnings due to downturn in economic market conditions. Though the General Fund was still able to transfer \$2.0 million to the Capital Projects fund, this was reduced from a \$4.5 million transfer in fiscal year 2008. As a measure of the General Fund's liquidity, it is useful to compare total fund balance to total fund revenues. For fiscal year 2009 the ending fund balance represents a very healthy 34% of total General Fund operating revenue. The District plans to transfer an additional \$1.3 million to the Capital Projects Fund in FY 2010 and also utilize \$1.6 million of fund balance in FY10 to offset the impacts of the planned reduction in property tax revenue.

The Capital Projects fund has a total fund balance of \$7,982,503, with \$298,174 reserved for encumbrances. The unreserved fund balance for Capital Projects is \$7,684,329, and the current Library Governing Board has chosen to earmark it for capital projects. The net decrease in fund balance during the fiscal year in Capital Projects was \$837,052 due primarily to the \$2.0 million transfer from the General Fund (increase in fund balance) and capital expenditures of over \$3.0 million (decrease in fund balance).

General Fund Budgetary Highlights

The General Fund's original budget (see schedule on page 48) was changed to include revenues and expenditures related to the opening of the new Partnership Branch library. Overall actual revenues varied from final budgeted revenues negatively by \$22,813, while actual expenditures were less than final budgeted expenditures by \$1,330,811 (positive variance). The net difference of actual results compared to final budget was a positive difference of \$1,277,998. By law, property taxes are budgeted at 5% less than the Property Appraisers assessed value and actual collections include amounts from prior years for delinquent taxes resulting in more property tax revenue being collected than originally budgeted. As discussed previously, actual expenditures were \$1.3 million less than budgeted primarily due to tighter spending controls that were put in place by management.

Capital Asset and Debt Administration

Capital Assets

The Library District's investment in capital assets as of September 30, 2009 totals \$14,865,879 (net of accumulated depreciation) and includes land, artwork, buildings and improvements, and equipment. The Library District experienced an overall increase in investment in capital assets over the prior fiscal year of approximately 12.3% due to more than \$1.8 million in building improvements for the expansion of the Millhopper branch, and completion of the Library Partnership branch.

Further information about the Library District's capital assets can be found in Note 4 on page 39 of this report.

Alachua County Library District Capital Assets (net of depreciation)

| | Governmental Activities | |
|----------------------------|--------------------------------|----------------------|
| | 2008 | 2009 |
| Land | \$ 1,221,881 | \$ 1,221,881 |
| Construction in progress | 205,982 | 2,091,638 |
| Buildings and improvements | 10,934,756 | 10,816,342 |
| Equipment | 713,677 | 736,018 |
| Total | <u>\$ 13,076,296</u> | <u>\$ 14,865,879</u> |

Long-term Debt

At the end of fiscal year 2009, the Library District had total bonded debt outstanding of \$7,840,000. The Library District's debt represents bonds secured solely by general obligation bonds.

Alachua County Library District Outstanding Debt

| | 2008 | 2009 |
|--------------------------|---------------------|---------------------|
| General Obligation Bonds | <u>\$ 8,630,000</u> | <u>\$ 7,840,000</u> |

During fiscal year 2009, the Library District's outstanding bonded debt decreased by \$790,000. This decrease was due to scheduled principal retirements of bonded debt payable.

Additional information on the Library District's debt can be found in Note 6 on page 44 of this report.

Economic Factors and Next Year's Budgets and Rates

- The taxable value of residential property decreased by 4.94% and commercial property increased by .55% for fiscal year 2009.
- Population increased approximately 1.5% from the prior year to an estimated 256,232 at September 30, 2009.

During the current fiscal year, the net change in fund balance for the General Fund was a decrease of \$321,536 for a total ending fund balance of \$5,334,595. The ad valorem tax rate for the General Fund for the 2009 fiscal year budget was 1.2491 mills, a 1.2% reduction from the prior year rate of 1.2645 mills.

Requests for Information

This financial report is designed to present users with a general overview of the Library District's finances. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Alachua County Clerk of Court, Finance and Accounting, P.O. Box 939, Gainesville, Florida 32602. Additional financial information can be found on the Library District's web site <http://www.aclib.us>.





ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

| | Primary Government | Component Unit |
|---|-------------------------------|---------------------------|
| Assets | | |
| Current assets: | | |
| Equity in pooled cash and investments | \$ 14,847,314 | \$ - |
| Other cash and investments | 1,130,063 | 730,267 |
| Accounts receivable, net | 129,056 | - |
| Due from other governments | 108,156 | - |
| Prepaid Items | 17,541 | - |
| Total current assets | 16,232,130 | 730,267 |
| Noncurrent assets: | | |
| Unamortized bond issue costs | 65,195 | - |
| Capital assets: | | |
| Land | 1,221,881 | - |
| Construction in progress | 2,091,638 | - |
| Buildings | 17,488,027 | - |
| Equipment | 2,711,594 | - |
| Other improvements | 524,212 | - |
| Less accumulated depreciation | (9,171,473) | - |
| Total noncurrent assets | 14,931,074 | - |
| Total assets | 31,163,204 | 730,267 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,078,911 | \$ - |
| Accrued interest payable | 123,578 | - |
| Due to other governments | 6,420 | - |
| Bonds payable | 830,000 | - |
| Accrued compensated absences due within one year | 457,466 | - |
| Total current liabilities | 2,496,375 | - |
| Noncurrent liabilities: | | |
| Accrued compensated absences | 304,978 | - |
| Bonds and notes payable (including unamortized premium) | 7,096,908 | - |
| Total noncurrent liabilities | 7,401,886 | - |
| Total liabilities | 9,898,261 | - |
| Net assets | | |
| Invested in capital assets, net of related debt | 6,938,971 | - |
| Restricted for: | | |
| Debt service | 350,751 | - |
| Library Early Childhood Learning Programs | - | - |
| Unrestricted | 13,975,221 | 730,267 |
| Total net assets | \$ 21,264,943 | \$ 730,267 |

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| | Primary Government | Component Unit |
|---|-------------------------------|---------------------------|
| Program expense | | |
| Culture and recreation - Library Services | \$ 16,019,496 | \$ 38,607 |
| Interest | 397,068 | - |
| Total program expense | 16,416,564 | 38,607 |
| Program revenues | | |
| Culture and recreation: | | |
| Charges for services | 89,125 | - |
| Operating grants and contributions | 476,947 | 153,313 |
| Capital grants and contributions | 11,530 | - |
| Total program revenues | 577,602 | 153,313 |
| Net program revenue (expense) | (15,838,962) | 114,706 |
| General revenues | | |
| Property taxes | 16,537,856 | - |
| Investment earnings | 151,654 | 24,022 |
| Miscellaneous | 500,615 | - |
| Total general revenues | 17,190,125 | 24,022 |
| Increase in net assets | 1,351,163 | 138,728 |
| Net assets, beginning | 19,913,780 | 591,539 |
| Net assets, ending | \$ 21,264,943 | \$ 730,267 |

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

| | <u>General</u> | <u>Capital Projects</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|-----------------------------|---|---|
| Assets | | | | |
| Equity in pooled cash and investments | \$ 5,847,350 | \$ 8,305,757 | \$ 694,207 | \$ 14,847,314 |
| Other cash and investments | - | - | 1,130,063 | 1,130,063 |
| Accounts receivable | 44,438 | 82,609 | 2,009 | 129,056 |
| Due from other governments | 100,758 | 5 | 7,393 | 108,156 |
| Prepaid items | 9,208 | 8,333 | - | 17,541 |
| Total assets | <u>\$ 6,001,754</u> | <u>\$ 8,396,704</u> | <u>\$ 1,833,672</u> | <u>\$ 16,232,130</u> |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 660,899 | \$ 414,201 | \$ 3,811 | \$ 1,078,911 |
| Due to other governments | 6,260 | - | 160 | 6,420 |
| Total liabilities | <u>667,159</u> | <u>414,201</u> | <u>3,971</u> | <u>1,085,331</u> |
| Fund balances | | | | |
| Reserved for debt service | - | - | 350,751 | 350,751 |
| Reserved for encumbrances | 6,875 | 298,174 | - | 305,049 |
| Reserved for prepaid items | 9,208 | 8,333 | - | 17,541 |
| Unreserved, reported in: | | | | |
| General Fund | 5,318,512 | - | - | 5,318,512 |
| Special revenue funds | - | - | 565,442 | 565,442 |
| Special revenue funds - designated | - | - | 913,508 | 913,508 |
| Capital project fund | - | 7,675,996 | - | 7,675,996 |
| Total fund balances | <u>5,334,595</u> | <u>7,982,503</u> | <u>1,829,701</u> | <u>15,146,799</u> |
| Total liabilities and fund balances | <u>\$ 6,001,754</u> | <u>\$ 8,396,704</u> | <u>\$ 1,833,672</u> | <u>\$ 16,232,130</u> |

See accompanying notes.

**Alachua County Library District
Reconciliation of the Balance Sheet
to the Statement of Net Assets Governmental Funds
September 30, 2009**

| | |
|---|---------------------|
| Fund Balances – Total Governmental Funds | \$15,146,799 |
| 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. | 14,865,879 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in funds. (Bonds Payable and Compensated Absences) | (8,689,352) |
| Total Unamortized Bond Issue costs not reported in funds. | 65,195 |
| Accrued long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund. | <u>(123,578)</u> |
| Net assets of governmental activities | <u>\$21,264,943</u> |

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| | <u>General</u> | <u>Capital Projects</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|-----------------------------|---|---|
| Revenues | | | | |
| Property taxes | \$ 15,408,923 | \$ 26 | \$ 1,128,907 | \$ 16,537,856 |
| Intergovernmental | 3,979 | 11,530 | 472,968 | 488,477 |
| Charges for services | 89,125 | - | - | 89,125 |
| Rents and royalties | 22,015 | - | - | 22,015 |
| Investment income | 84,495 | 92,120 | (24,961) | 151,654 |
| Private donations | - | - | 138,664 | 138,664 |
| Miscellaneous | 204,775 | 95,305 | 47,920 | 348,000 |
| Total revenues | <u>15,813,312</u> | <u>198,981</u> | <u>1,763,498</u> | <u>17,775,791</u> |
| Expenditures | | | | |
| Current: Culture and recreation | | | | |
| Personal services | 9,707,434 | - | 43,875 | 9,751,309 |
| Operating expenditures | 4,427,414 | - | 544,687 | 4,972,101 |
| Capital outlay | - | 3,036,455 | - | 3,036,455 |
| Debt service | | | | |
| Principal | - | - | 790,000 | 790,000 |
| Interest & other charges | - | - | 411,106 | 411,106 |
| Total expenditures | <u>14,134,848</u> | <u>3,036,455</u> | <u>1,789,668</u> | <u>18,960,971</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,678,464</u> | <u>(2,837,474)</u> | <u>(26,170)</u> | <u>(1,185,180)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | 2,000,000 | - | 2,000,000 |
| Transfers out | (2,000,000) | - | - | (2,000,000) |
| Sale of capital assets | - | 422 | - | 422 |
| Total other financing sources (uses) | <u>(2,000,000)</u> | <u>2,000,422</u> | <u>-</u> | <u>422</u> |
| Net change in fund balances | (321,536) | (837,052) | (26,170) | (1,184,758) |
| Fund balances - beginning | <u>5,656,131</u> | <u>8,819,555</u> | <u>1,855,871</u> | <u>16,331,557</u> |
| Fund balances - ending | <u>\$ 5,334,595</u> | <u>\$ 7,982,503</u> | <u>\$ 1,829,701</u> | <u>\$ 15,146,799</u> |

See accompanying notes.

Alachua County Library District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2009

| | |
|---|---------------|
| Net change in fund balances – Total Governmental Funds | (\$1,184,758) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay \$2,395,754 exceeded depreciation (\$597,685) in the current period. | 1,798,069 |
| Donations/contributions of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. | 2,570 |
| Governmental funds report sale of capital assets as financial resources; the loss on disposal of assets are not reflected in the fund statement. | (11,056) |
| Repayments of bond principal (\$790,000 plus \$11,095 premium expense less \$8,323 deferred charges) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. | 792,772 |
| Some expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds (compensated absences \$59,601 less accrued interest expense \$13,167). | (46,434) |
| Changes in net assets of governmental activities | \$1,351,163 |

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2009**

| | <u>Employee Pension Fund</u> |
|---|---|
| Assets | |
| Cash and equivalents | \$ 202,957 |
| Prepaid pension benefits | 39,125 |
| Due from other governments | 38,454 |
| S & P 600 Index - Small Cap Stocks Fund | 1,052,844 |
| S & P 400 Index - Mid Cap Stocks Fund | 1,129,124 |
| S & P 500 Index - Large Cap Stocks Fund | 5,250,694 |
| Aggregate Core Bond Index Fund | <u>5,051,688</u> |
| Total assets | <u>12,764,886</u> |
| Liabilities | |
| Accounts payable | <u>4,000</u> |
| Total liabilities | <u>4,000</u> |
| Net assets | |
| Held in trust for pension benefits | <u><u>\$ 12,760,886</u></u> |

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND - PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Additions

Contributions:

Employer \$ 1,093,517

Members 173,238

Total contributions 1,266,755

Investment earnings:

Net appreciation in fair value of investments 1,145

Interest and dividends 358

Total investment income 1,503

Less investment expense (40,000)

Net investment income (loss) (38,497)

Total additions 1,228,258

Deductions

Benefit payments (424,564)

Refunds of nonvested contributions (11,703)

Administrative Expenses (28,375)

Total deductions (464,642)

Net increase 763,616

Net assets held in trust for pension

benefits - beginning 11,997,270

Net assets held in trust for pension

benefits - ending \$ 12,760,886

See accompanying notes.



**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS - INDEX
SEPTEMBER 30, 2009**

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**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The Alachua County Library District is an independent special taxing district created for the purpose of providing library system services and facilities for all citizens of Alachua County, Florida.

The Alachua County Library District was established, effective April 1, 1986, by Chapter 85-376 Laws of Florida (the Act) and currently operates under the authority of Chapter 98-502, Laws of Florida. It is governed by a six-member governing (Board of Governors) board, composed of three members of the Board of County Commissioners of Alachua County, Florida, two members of the Gainesville City Commission and one member of the Alachua County School Board.

The accompanying financial statements present the Library District (primary government) and the Component Unit for which the Library District is financially accountable.

Discretely Presented Component Unit - Alachua County Library District Foundation

The government-wide financial statements include the financial data of the Library District's Component Unit – the Alachua County Library District Foundation. The Library District Foundation is discretely presented in the government-wide financial statements to emphasize its legal separation from the Library District.

The Foundation is a support group for the Alachua County Library District. Incorporated in 1989 as a 501(c)(3) non-profit corporation, the Foundation's mission is to provide supplemental funding to the Library with an emphasis on long-term support and planned giving. The Foundation's major goal is to build an endowment that will provide funds for the Library District on an annual basis. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the Library's activities by the donors. The Foundation is a discretely presented component unit as the nature and relationship with the Library District is significant and to exclude the Foundation would cause the Library District's financial statements to be misleading. The Foundation does not prepare separately issued financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Alachua County Library District. 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. All activities of the Alachua County Library District are considered to be governmental activities.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

The statement of activities demonstrates the degree to which the direct expenses of the Alachua County Library District are offset by program revenues. *Program revenues* include charges to customers and restricted grants and contributions. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues 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 government considers revenues to be available if they are collected within 30 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, are recorded only when payment is due. Property taxes and all other revenue items are considered to be measurable and available only when cash is received within 30 days of the end the current fiscal period by the Alachua County Library District.

Fiduciary funds include trust funds and agency funds. All trust funds use the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds are unlike all other types of funds and report only assets and liabilities. Therefore, agency funds do not have a measurement focus, but do use an *accrual basis of accounting* to recognize receivables and payables. The Library currently has no agency funds.

The Alachua County Library District reports the following major governmental funds:

- The **General Fund** is the Alachua County Library District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Capital Projects Fund** accounts for financial resources to be used for the acquisition or construction of major capital facilities as well as all capital equipment purchases.

**ALACHUA COUNTY LIBRARY DISTRICT
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Additionally, the government reports the following fiduciary fund:

- The **Pension Trust Fund** accounts for the activities of the Alachua County Library Pension Plan, which accumulates resources for pension benefit payments to qualified employees.

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

D. Budgets and Budgetary Accounting

The Library District has elected to report budgetary information as required supplementary information (RSI). Please refer to the accompanying notes to the RSI on page 47 for the District's budgetary information.

E. Assets, Liabilities and Net Assets

- **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general, special revenue and capital projects funds. Encumbrances outstanding (if any) at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

- **Investments**

Investments are reported at fair value in accordance with GASB Statement No. 31.

- **Restricted Net Assets**

Certain assets of the Library District are classified as restricted net assets on the statement of net assets because a restriction is either imposed by law through constitutional provisions or enabling legislation, or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, applicable laws and regulations limit their use. The Library District has a current millage restriction for Debt Service. It is the practice of the Library District to utilize restricted net assets before unrestricted net assets.

- **Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by Library District policy to include items of a nonconsumable nature with a value of at least \$1,000 and a life of one year or more. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**ALACHUA COUNTY LIBRARY DISTRICT
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Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------|--------------|
| Buildings | 50 |
| Building Improvements | 10-15 |
| Vehicles | 5 |
| Equipment | 2-15 |

• **Accrued Compensated Absences**

The Alachua County Library District's employees are entitled to accrue an unlimited number of hours of paid time off leave (PTO). Upon termination, employees can be paid up to 240 hours of PTO. Participants of the pension plan with at least five years of service convert unused PTO in excess of 240 hours to credited service time. The two nonparticipants of the pension plan with at least five years of service will be paid for one-half of unused PTO in excess of 240 hours. All PTO is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignations and retirements.

• **Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. 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 issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

• **Reserves and Designations of Fund Balances**

In the fund financial statements, reserves of fund balance represent portions of fund balances that cannot be appropriated for expenditures or which have been legally segregated for specific future uses. Debt Service and Capital Outlay have millage restrictions, as discussed in the Restricted Assets section of this note. Designations indicate management's tentative spending plans.

In the Brady Trust Special Revenue Fund, the Alachua County Library District's Board of Governors has designated the amount of the original contribution plus an amount representing inflation to remain intact indefinitely, with all remaining net assets available for transfer to the Gifts and Donation fund to be used for library books. In the Brady Trust Special Revenue Fund, designated fund balance decreased from \$925,411 to \$913,508 representing a 1.28% decrease in the consumer price index.

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F. Risk Management

The Library District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors or omissions; injuries to employees and the public, or damage to property of others. The Alachua County Library District has established a risk management program through the purchase of insurance to cover potential losses related to such risks for property and automobile liabilities. For workers compensation claims the Library District participates in Alachua County’s self-insured plan. This plan is self-sustaining through premiums based on actuarial assessments needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

The Library District also participates in the County’s group health insurance program administered by the County in a self-insured plan. Payments are assessed based on actuarial estimates of the amounts needed to pay current year claims and to establish a reserve for catastrophic losses.

There was no significant reduction in coverage from prior years. No settlements have exceeded coverage for each of the past three fiscal years. Additional information may be obtained from the Alachua County Comprehensive Annual Financial Report, available from the Alachua County Clerk of Court, Finance & Accounting, P. O. Box 939, Gainesville, Florida 32602.

Note 2 - Property Taxes

The Legislative Act (the Act), which created the Alachua County Library District, allowed for the levy of ad valorem taxes. The millages allowed under the Act and the millages levied during fiscal year ended September 30, 2009, are as follows:

| <u>Millages Allocated to:</u> | <u>Allowable Millage</u> | <u>Millage Levied</u> |
|-------------------------------|--------------------------|-----------------------|
| General Operations | 1.5 Mills | 1.2491 Mills |
| Voted Debt | Unlimited* | .0915Mills |

* Determined based upon amount of debt issued.

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of ad valorem property taxes by seizure of the property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 in the year following the year of assessment.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Note 3 - Cash and Investments

The Alachua County Library District, for accounting and investment purposes, maintains an internal investment pool (the "Pool") that includes all the District's cash deposits and investments, except for those monies, which are legally restricted to separate administration or administered by other agencies. This gives the Alachua County Library District the ability to invest large amounts of idle cash for short periods of time and maximize earning potential. Each fund's portion of the Pool is displayed on the governmental funds balance sheet as "equity in pooled cash and investments."

Deposits and investments as of September 30, 2009 are classified in the accompanying financial statements as follows:

Statement of Net Assets

Primary Government (including Brady Trust Fund)

| | | |
|---------------------------------------|----|------------|
| Equity in pooled cash and investments | \$ | 14,847,314 |
| Other cash and investments | | 1,130,063 |

Component Unit

| | |
|----------------------------|---------|
| Other cash and investments | 730,267 |
|----------------------------|---------|

Statement of fiduciary assets:

| | |
|----------------------------|---------------|
| Cash and cash equivalents | 202,957 |
| Investments: | |
| S&P equity index funds | 7,432,662 |
| Bond index fund | 5,051,688 |
| Total cash and investments | \$ 29,394,951 |

Deposits and investments as of September 30, 2009 consist of the following:

Library Operating Surplus Governmental Funds

| | | |
|--------------------------------------|----|-----------|
| Deposits with financial institutions | \$ | 7,896,715 |
| Investments | | 6,950,599 |

Component Unit

| | |
|--------------------------------------|---------|
| Deposits with financial institutions | 189,589 |
| Investments | 540,678 |

Pension Fund

| | |
|--------------------------------------|------------|
| Deposits with financial institutions | 202,957 |
| Investments | 12,484,350 |

Brady Trust Fund (AG Edwards)

| | |
|----------------------------|---------------|
| Investments | 1,130,063 |
| Total cash and investments | \$ 29,394,951 |

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• **Cash Deposits**

At September 30, 2009, the amount of the Alachua County Library District's operating deposits was \$7,896,715. The carrying amount of the Component Unit's deposits was \$189,589 and the Pension Fund had deposits with financial institutions totaling \$202,957. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the Alachua County Library District's operating cash deposits and the Pension Trust Fund's cash deposits are placed with qualified financial institutions and are fully insured or collateralized. Deposits of the Component Unit are insured or collateralized by the Federal Depository Insurance Corporation.

• **Investments**

The Alachua County Library District has formally adopted investment policies for Operating Funds, the Pension Fund and the Brady Trust Fund, each with its own set of legal and contractual provisions as described below.

Operating Funds Investment Policy

The Library District adopted the Operating Fund Investment Policy with Resolution 95-2, which provides for the investment of surplus operating public funds in the following instruments, none of which shall be in the form of derivatives. The following types of investments are allowed by the policy:

- The State Board of Administration's Florida Local Government Investment Pool (Florida PRIME and SBA Fund B)
- Negotiable direct obligations, or obligations which are unconditionally guaranteed by the United States Government
- Interest-bearing time deposits or savings accounts in certain financial institutions provided that any such deposits are secured by collateral as may be prescribed by law
- Obligations of the Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, or Federal Home Loan Bank or its district banks, including Federal Home Loan Mortgage Corporation participation certificates, or obligations guaranteed by the Government National Mortgage Association.
- Securities of or other interests in, any registered open-end or closed-end management type investment company or investment trust provided the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment

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company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

Investment Holdings Operating Funds

As of September 30, 2009, the Alachua County Library District had the following investments in its internal investment pool:

| Investments | Duration (Years) | Fair Value |
|-----------------------------------|-------------------------|-------------------|
| Fidelity Treasury MMF | 0.001 | \$ 44,748 |
| PFM Fund Government Series | 0.001 | 504,140 |
| Florida PRIME (2a-7 like) | 0.001 | 2,248,116 |
| SBA Fund B | 6.69 | 270,325 |
| Freddie Mac Notes (PFM) | 0.13 | 2,883,392 |
| Freddie Mac Disc (PFM) | 0.11 | 999,878 |
| Total holdings in Investment Pool | | \$ 6,950,599 |

Brief Description of each Investment Type in Internal Investment Pool

Fidelity Treasury (Only) Money Market Fund - An open-end pool that seeks as high a level of current income as is consistent with the security of principal and liquidity. The Fund seeks to preserve and maintain a stable net asset value of \$1.00 per share. The Fund maintains a weighted average maturity of 60 days or less. This Fund is held in the trust department at Regions Bank and is also used as a sweep account for individual security transactions bought and sold by PFM Asset Management.

PFM Funds-Government Series - The PFM Funds - Government Series (the “GS Fund”) is a diversified, open-end pool registered under the Investment Company Act of 1940, as amended. The GS Fund’s primary objective is to seek as high a rate of current income as is consistent with maintaining liquidity and stability of principal and to maintain a stable net asset value of \$1.00 per share. The GS Fund seeks to maintain a dollar weighted average portfolio maturity of 60 days or less and invests exclusively in obligations of the United States Government its agencies and instrumentalities, repurchase agreements secured by U.S. Government Obligations and money market mutual funds that invest exclusively in US. Government Obligations and such repurchase agreements.

State Board of Administration’s Local Government Investment Pool (Florida Prime Fund and SBA Fund B - The State of Florida’s Local Government Investment Pools are administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pools. These rules provide guidance and establish the general operating procedures for the administration of the pools. The SBA provides regulatory oversight for the Florida PRIME Fund and the SBA Fund B. As a pool participant, the Library District owns a share of the respective pools, not the underlying securities.

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The Florida PRIME Fund is an external investment pool that has adopted operating procedures consistent with the Securities and Exchange Commission’s investment requirements for a “2a7-like” fund and the fair value of the position in the pool is equal to the value of the pool shares.

SBA Fund B - In May 2008, the Governor of Florida signed Senate Bill 2422 into law, which legally created the Fund B Surplus Funds Trust Fund (formerly Fund B Pool). Pursuant to F.S. 218.421(1)(a), the purpose of the Fund B Surplus Funds Trust Fund is to maximize the payout of principal on invested surplus funds of units of local government formerly in Fund B Pool through a prudent work out of the trust fund with the ultimate goal of self-liquidating the trust fund through maturity and payout of the investments.

Additional information on the Florida PRIME Fund and SBA Fund B may be obtained from the State Board of Administration (www.sbafla.com).

Federal Agency Securities (Freddie Mac) - The Library District contracts with PFM Asset Management LLC, Independent Investment Advisor, to manage a portion of the operating portfolio. PFM is authorized to invest in US Treasury and Federal Agency securities and notes on behalf of the District. At year end, PFM directly managed \$3,883,270 (fair market value) which was invested in Federal Agency securities as noted in the table on page 33.

Description of Component Unit Investment Holdings

The Alachua County Library District Foundation may invest in stocks, bonds, or other appropriate investments as governed by action of the Foundation Board of Trustees. The following is a breakdown of the Foundation’s investments at September 30, 2009:

| | | |
|------------------------------|----|---------|
| US Treasuries | \$ | 29,138 |
| Federal Agencies | | 63,152 |
| Equities | | 370,723 |
| Mutual Funds | | 77,665 |
| Total Foundation Investments | \$ | 540,678 |

Description of Pension Trust Fund Investments

The Library District Governing Board adopted a Pension Trust Fund Investment Policy that applies to all funds and assets held by the Alachua County Library District for the benefit of the Pension Trust Fund. Investments of the Pension Trust Fund may be made in stocks, bonds or other appropriate investments as governed by the adopted pension investment policy, general law or action of the Governing Board.

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As of September 30, 2009, the Pension Trust Fund was invested in four index funds managed by Rhumblin Advisers. The following is a breakdown of the investments in each index fund:

| | | |
|---|----|----------------------|
| S & P 600 Index - Small Cap Stocks Fund | \$ | 1,052,844 |
| S & P 400 Index - Mid Cap Stocks Fund | | 1,129,124 |
| S & P 500 Index - Large Cap Stocks Fund | | 5,250,694 |
| Subtotal-pooled equity index funds | | 7,432,662 |
| Aggregate Core Bond Index Fund | | 5,051,688 |
| Total | | \$ 12,484,350 |

Brady Trust Fund Investments

In March of 1993, the Alachua County Library District received a donation of the Marna Venable Brady Trust. The Alachua County Library District Governing Board set the policy that the proceeds from this donation be restricted to the purchase of books for the Library District. The Library District accepted ownership of the Brady Trust as it was currently invested. The Brady Trust consists of an investment portfolio with a money market account and assorted stocks and bonds invested through the brokerage firm Wells Fargo. The Library District has entered into an agreement with Wells Fargo to perform investing services for the Brady Trust which include: purchasing or acquiring, selling or disposing of securities only on order of the Clerk or his designee along with the Library Director or his designee. Wells Fargo holds such securities in the name of the District as Trustee for the District.

The following is a breakdown of the Brady Trust Special Revenue Fund Investments at September 30, 2009:

| | | |
|-------------------------------|----|---------------------|
| Money Market | \$ | 11,243 |
| Corporate Stocks | | 890,021 |
| Mutual Funds | | 19,975 |
| Certificates of Deposit | | 52,380 |
| Corporate Bonds | | 156,444 |
| Total Brady Trust investments | | \$ 1,130,063 |

Custodial Credit Risk – Deposits – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and they are uncollateralized with securities held by the pledging financial institution’s trust department or agent, but not in the Library District’s name.

The District’s operating investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2009, all District bank deposits were in qualified

**ALACHUA COUNTY LIBRARY DISTRICT
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public depositories and collateralized by the Bureau of Collateral Securities, Division of the Treasury, State Department of Insurance.

In addition, all Pension Fund, Brady Trust, and Component Unit deposits are either entirely insured or collateralized by the Federal Depository Insurance Corporation or the Bureau of Collateral Securities, Division of the Treasury, State Department of Insurance.

Custodial Credit Risk – Investments – Investment securities are exposed to custodial credit risk if they are uninsured and are not registered in the name of the government and are held by either the counterparty or by the counterparty’s trust department or agent but not in the government’s name.

The District’s operating investment policy requires execution of a third-party custodial safekeeping agreement for all purchased securities, and requires that securities be held in the Library District’s name. As of September 30, 2009, all of the District’s investments are held in Region Bank’s trust department in the District’s name.

The Pension Trust Fund invests in four Index Funds and in accordance with the master trust agreement for each index fund, securities are held in State Street Bank’s Trust Department in the name of the Index Funds for the benefit of participants in the Index Funds.

The Component Unit’s investments and investments in the Brady Trust Fund carry a *custodial credit risk*. This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities in the possession of an outside party.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District’s operating investment policies have a provision that the investment (excluding 2a-7 like pools) be rated by a nationally recognized rating agency at the time of purchase in either of its two highest rating categories (within which there may be sub-categories or gradations indicating relative standing). This policy only applies to the District’s operating investments.

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Presented below is the rating as of year-end for each major investment type and classification (Operating, Component Unit, Pension, and Brady Trust):

Credit Risk –Internal Investment Pool (Operating Investments):

| Investment Type | Rating | Fair Value |
|-----------------------------|---------------|---------------------|
| Fidelity Treasury MMF | AAAm | \$ 44,748 |
| PFM Funds-Government Series | AAAm | 504,140 |
| Florida Prime (2a-7 like) | AAAm | 2,248,116 |
| SBA Fund B | Unrated | 270,325 |
| Freddie Mac Disc Note | AAA | 2,883,392 |
| Freddie Mac Global Notes | A-1+ | 999,878 |
| Total investments | | <u>\$ 6,950,599</u> |

Credit Risk-Component Unit:

At September 30, 2009, the Foundation had investments in US Treasuries totaling \$29,138, Federal Agencies with a AAA rating totaling \$63,152 and unrated closed-end Mutual Funds totaling \$77,665.

Credit Risk-Pension Trust Fund: The Library District’s investment in the Aggregate Core Bond Index Fund, managed by Rhumblin Advisers, totals \$5,051,688 and the Index Fund is not rated by a nationally recognized statistical rating agency.

The Aggregate Core Bond Index Fund is expected to concentrate and trade its investments in bonds, which are included but not limited to, bonds in the Barclays US Aggregate Pooled Index (formerly Lehman Brothers Aggregate Bond Index). This index consists of all publicly issued investment grade, fixed income rate debt with a maturity greater than one year and at least \$250 million par outstanding. The Bond Index Fund defines investment grade securities as those with a Baa3 or better rating by Moody’s Investor Securities. All investment decisions have the prime objective of tracking the assigned benchmark, Barclays US Aggregate Pooled Index. All holdings held in the Aggregate Core Bond Index Fund totaling \$5,051,688 are AAA rated.

Credit Risk-Brady Trust: The ratings of the Brady Trust’s investments in mutual funds and debt securities totaling \$176,419, is summarized below:

| Rating | Amount |
|---------------|-------------------|
| AAAm | \$ 10,084 |
| AA | 26,868 |
| AA- | 25,541 |
| A | 104,035 |
| Unrated | 9,891 |
| Total | <u>\$ 176,419</u> |

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Interest Rate Risk - Investments Section 218.415(6), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District has a formal investment policy for operating surplus funds that limits investment maturities to two years as a means of managing its exposure to fair value losses from increasing interest rates. Below is a detailed *debt* investment schedule organized by investment type, amount, and segmented time distribution:

| Type Investment | Fair Value | 0-3 Months | 3 months - | |
|-----------------------------|---------------------|---------------------|------------------|---------------------|
| | | | 1 year | > 1 year |
| Library Operating Funds | | | | |
| Federal Agency Disc Note | \$ 999,878 | \$ 999,878 | \$ - | \$ - |
| Federal Agency Global Notes | 2,883,392 | 2,883,392 | - | - |
| Component Unit | | | | |
| US Treasuries | 29,138 | - | | 29,138 |
| Federal Agencies | 63,152 | - | - | 63,152 |
| Pension Trust | | | | |
| Core Bond Index Fund | 5,051,088 | - | - | 5,051,088 |
| Brady Trust Fund | | | | |
| Corporate Bonds | 156,444 | - | 26,021 | 130,423 |
| Total debt investments | <u>\$ 9,183,092</u> | <u>\$ 3,883,270</u> | <u>\$ 26,021</u> | <u>\$ 5,273,801</u> |

Concentration of Credit Risk - The District's adopted investment policy requires that assets held be diversified to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these instruments are bought or sold. The District places no limit on the amount the District may invest in any one issuer. Diversification strategies within the established guidelines are reviewed and revised periodically as necessary by the appropriate management staff. More than 5 percent of the District's internal investment pool is invested in Freddie Mac. The District has investments with this issuer representing 26.15% of the District's total cash and investments.

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Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2009, was as follows:

| | Beginning Balance | Additions | Deletions | Adjust- ments* | Ending Balance |
|------------------------------------|----------------------|---------------------|--------------------|-------------------|----------------------|
| Governmental Activities: | | | | | |
| Capital not being depreciated: | | | | | |
| Land | \$ 1,221,881 | \$ - | \$ - | \$ - | \$ 1,221,881 |
| Construction in progress | 205,982 | 1,885,656 | - | - | 2,091,638 |
| Total not being depreciated | 1,427,863 | 1,885,656 | - | - | 3,313,519 |
| Capital Assets being depreciated: | | | | | |
| Buildings | 17,252,568 | 233,989 | (1,100) | 2,570 | 17,488,027 |
| Equipment | 2,540,430 | 234,217 | (48,903) | (14,150) | 2,711,594 |
| Improvements other than building | 468,170 | 41,892 | - | 14,150 | 524,212 |
| Total being depreciated | 20,261,168 | 510,098 | (50,003) | 2,570 | 20,723,833 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (6,472,086) | (380,475) | - | - | (6,852,561) |
| Equipment | (1,826,753) | (201,920) | 38,947 | 14,150 | (1,975,576) |
| Improvements other than building | (313,896) | (15,290) | - | (14,150) | (343,336) |
| Total accumulated depreciation | (8,612,735) | (597,685) | 38,947 | - | (9,171,473) |
| Total being depreciated, net | 11,648,433 | (87,588) | (11,056) | 2,570 | 11,552,360 |
| Governmental activities | | | | | |
| capital assets, net | \$ 13,076,296 | \$ 1,798,068 | \$ (11,056) | \$ 2,570 | \$ 14,865,879 |

*Includes changes when construction completed, donations, and reclassifications.

Depreciation expense for the year ended September 30, 2009 was \$597,685, all recorded in the Culture & Recreation Program.

Note 5 - Employee Benefits

The Library District Pension Board of Trustees amended the Library District Pension Plan on November 6, 2007 to allow each Library employee hired prior to January 1, 2008 a one-time irrevocable election to either freeze their accrued pension benefit under the pension plan effective December 31, 2007 and join the Florida Retirement System (FRS) Plan, or remain in the Pension Plan as constituted on the date of election. There were 62 employees who elected to freeze their accrued pension benefit and join the FRS on January 1, 2008. All employees hired after January 1, 2008 will only be allowed to participate in the FRS Plan.

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The Library District Governing Board adopted Resolution 07-12 on November 6, 2007 authorizing an agreement between the Library and the Florida Retirement System for eligible employees starting January 1, 2008.

- **Pension Plan**

- A. Plan Description**

The Alachua County Library District Pension Board of Trustees is the Administrator for the Alachua County Library Pension Plan. This is a contributory defined benefit single-employer pension plan with an effective date of October 1, 1986. As of October 1, 2008, the plan covered any employees choosing this plan; some managerial employees (2) belong to the ICMA Deferred Compensation Plan. The Alachua County Library District accounts for the plan as a pension trust fund. The plan is also governed by certain provisions of Chapter 112, Florida Statutes.

At October 1, 2008, the plan membership consisted of:

| | |
|---|-------------------|
| Inactive transfers to FRS | 57 |
| Retirees and beneficiaries currently receiving benefits | 28 |
| Vested terminated employees | 41 |
| Active employees | <u>126</u> |
| Total | <u><u>252</u></u> |

The pension plan's benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The pension plan provides retirement benefits, as well as death benefits. All benefits vest after five years of credited service (by plan amendment effective October 1, 1996).

Employees who retire with either twenty years of credited service or reach age 65 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% of their final average compensation times credited service. Employees with fifteen years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For managers who elected to move from the deferred compensation plan as of October 1, 1996, no more than ten years of past service with the Library will be considered as credited service for vesting purposes. For purposes of calculation of the accrued benefit, the transferring employee shall accrue credited service under this plan only after October 1, 1996.

On June 9, 2005, the Library District Pension Board amended the pension plan to provide for an optional election into the plan for certain exempt employees. Effective October 1, 2005, four employees opted to transfer into the plan, of which one elected to purchase prior service credits.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

B. Summary of Significant Accounting Policies

• **Basis of Accounting**

The pension trust fund is presented using the accrual basis of accounting. Employer and employee contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements and expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

• **Method Used to Value Investments**

Investments are initially recorded on the trade date and are valued at fair market value. The Pension Board of Trustees determines investment policies. Net appreciation or depreciation in the fair value of investments represents both realized and unrealized gains and losses.

• **Payment of Refunds and Benefits**

If an employee leaves covered employment or dies before five years of credited service, accumulated employee contributions without interest are refunded to the employee or designated beneficiary. Refunds and benefits of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan.

• **Administrative Expenses**

Costs paid from investment earnings of the pension plan include trustee fees, actuarial services and bank charges. Other administrative costs such as accounting, office space and audit costs are provided by the Alachua County Library District at no cost to the pension plan.

C. Funding Policy

The Alachua County Library District Board of Governors established the pension plan and has the authority for amending any plan/benefit provisions.

The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarially accrued liability are determined using the projected unit credit cost actuarial method.

The total (employer and employee) required contribution rate expressed as a percentage of current year payroll is 29.36%. This contribution rate was determined as part of the October 1, 2008, actuarial valuation. Covered employees were required to contribute 4% of their salary to their pension plan. The Library District is required to contribute the difference, which is 25.36% of covered payroll. The total 29.36% contribution rate expressed as a percentage of payroll consisted of 17.14% for normal costs, 11.13% for amortization of the unfunded actuarial liability over a 30 year period using level percent of payroll, and 1.09% for interest on amounts from actuarial valuation date to expected payment dates.

D. Investment Concentrations

As of September 30, 2009, the pension fund portfolio consisted of four pooled trust funds managed by Rhumblin Advisers. Approximately 42.06% of the portfolio is invested in Rhumblin S&P 500 Index, 9.04% in Rhumblin S&P 400 Index Mid-Cap Stocks, 8.44% in Rhumblin S&P 600

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Small Cap Stocks, and 40.46% in Rhumblin Aggregate Core Bond Index fund. State Street Bank and Trust Company, as Trustee, or its successor performs custodial and record keeping services for all four pooled trust funds.

E. Determination of Net Pension Obligation (Asset)

The Library District makes employer contributions as a percentage of actual current covered payroll. Thus, as long as the percentage contributed equals the percentage required by the most recent actuarial valuation, the dollar amount of the annual required contribution (ARC) is equal to the actual dollar amount of employer contributions. The Library District made contributions at the actuarial determined rate of 25.36% of current covered payroll for the period ending September 30, 2009. Therefore, annual pension cost is equal to the ARC and the District does not have a net pension obligation.

The Library's annual pension cost and net pension obligation (asset) for the current year were as follows:

| | |
|--|--------------|
| Annual required contribution (25.36% of covered payroll) | \$ 1,093,517 |
| Actual contributions made | (1,093,517) |
| Net pension obligation (asset) end of year | \$ - |

Three-Year Trend Information

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation (Asset) |
|-----------------------|------------------------------|----------------------------------|-----------------------------------|
| 9/30/2009 | \$1,093,517 | 100% | \$0 |
| 9/30/2008 | 872,216 | 100% | 0 |
| 9/30/2007 | 1,237,487 | 100% | 0 |

F. Actuarial Assumptions

Below is a list of actuarial assumptions used as part of the valuation report as of October 1, 2008:

| | |
|---------------------------------------|---|
| Valuation date | 10/01/08 |
| Actuarial cost method | Projected Unit Credit Cost |
| Amortization method | Level percent - 30 Years - Closed |
| Equivalent single amortization period | 30 years |
| Asset valuation method | Smoothing technique |
| Inflation Rate | 2.2% |
| Actuarial Assumptions: | |
| Investment rate of return | 7.75%, net of expenses |
| Projected salary increases | Salary scale table – salary increases of 2% to 20% based on age group and part-time or full-time status |
| Post-retirement benefit increases | Annual COLA of 2.2% per year |
| Expenses | Prior year net expenses plus 3% |

A separate GAAP-basis pension plan report is not available for the Library District.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

G. Funded Status and Funding Progress

As of the most recent valuation date, October 1, 2008, the actuarial value of assets was \$13,754,942, the actuarial accrued liability-entry age was \$18,965,576, and the unfunded accrued liability was \$5,210,634 with a funding ratio of 72.5%. The total payroll at the valuation date was \$4,211,692 and the unfunded accrued liability of covered payroll was 123.7%.

The schedule of funding progress immediately following the notes to the financial statements (page 49) presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

• **Florida Retirement System Plan – Defined Benefit Plan**

A. Plan Description

The Library District contributes to the Florida Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability, or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000, or by calling (850) 488-5706.

B. Funding Policy

The System is employee noncontributory. The Library is required to contribute at an actuarially determined rate. The rates as of September 30, 2009 are as follows: regular employees – 9.85%; rehired retirees – 9.85%, senior management service – 13.12%; deferred retirement option (DROP) – 10.91%.

The contribution requirements of plan members and the Library are established and may be amended by the Florida Legislature. The Library's contributions to the System for the years ending September 30, 2009 and 2008 were \$257,467 and \$153,712, respectively, and were equal to the required contributions for each year.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan totaled \$49,573.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

• **Deferred Compensation Plan**

The Alachua County Library District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The Alachua County Library District has complied with the requirements of subsection (g) of Internal Revenue Code Section 457 and, accordingly, all assets and income of the plans are held in trust for the exclusive benefit of the participants and their beneficiaries.

Note 6 - Long-Term Obligations

Limited General Obligation Bonds

Purpose – On May 3, 2001, the Board issued \$13,295,000 of Limited General Obligation Refunding Bonds Series 2001. The Series 2001 Bonds are part of the \$19,000,000 General Obligation Bonds approved by referendum of the District’s electors on September 15, 1987. The Series 2001 Bonds were issued for the purpose of providing moneys to refund on a current basis, the District’s outstanding General Obligation Refunding Bonds, Series 1991 and to pay certain expenses associated with the issuance and delivery of the Series 2001 Bonds.

Pledge of revenues –The principal and interest on the bonds are payable from ad valorem taxes which are levied by the District upon the taxable real and personal property of the District.

Bonds Issued –At September 30, 2009, General Obligation bonds consisted of the following:

| Description | Interest Rate and Date | Maturity | Issue | Outstanding at September 30, 2009 |
|--|---------------------------|----------|---------------------|--------------------------------------|
| | 4.40% -5.00% | | | |
| Limited General Obligation Refunding 2001 Series | 2/1 and 8/1 | 2017 | <u>\$13,295,000</u> | <u>\$7,840,000</u> |

Optional Redemption –The Series 2001 Bonds maturing on and after August 1, 2012 are redeemable prior to their respective stated dates of maturity, at the option of the District, in whole on any date on or after August 1, 2011, or in part, in any order of maturity determined by the District on any interest payment date thereafter, at the redemption price of 100% of the unpaid principal amount thereof plus accrued interest thereon, if any, to the redemption date.

| | |
|---|----------------------------|
| Revenue Source - Property Tax Levy. | |
| (Refunding Series 2001 General Obligation Bond) | \$ 7,840,000 |
| Plus unamortized premium | 86,908 |
| Net carrying amount General Obligation Bonds | <u>7,926,908</u> |
| Accrued compensated Absences | 762,444 |
| TOTAL LONG-TERM OBLIGATIONS | <u><u>\$ 8,689,352</u></u> |

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Long-Term liability activity for the year ended September 30, 2009, was as follows:

| | Beginning Balance | Increases | (Decreases) | Ending Balance | Due Within One Year |
|-----------------------------|------------------------------|-------------------|----------------------|---------------------------|--------------------------------|
| General obligation bonds | \$ 8,630,000 | \$ - | \$ (790,000) | \$ 7,840,000 | \$ 830,000 |
| Unamortized premium | 98,003 | - | (11,095) | 86,908 | - |
| Compensated absences | 702,843 | 822,045 | (762,444) | 762,444 | 457,466 |
| Total long-term obligations | <u>\$ 9,430,846</u> | <u>\$ 822,045</u> | <u>\$(1,563,539)</u> | <u>\$ 8,689,352</u> | <u>\$ 1,287,466</u> |

Compensated absences are generally liquidated by the general fund.

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

| Fiscal Year | Principal | Interest | Total |
|--------------------------------|---------------------|--------------------|--------------------|
| 2010 | \$ 830,000 | \$ 370,735 | \$1,200,735 |
| 2011 | 870,000 | 329,235 | 1,199,235 |
| 2012 | 915,000 | 285,735 | 1,200,735 |
| 2013 | 950,000 | 245,475 | 1,195,475 |
| 2014 | 1,000,000 | 202,725 | 1,202,725 |
| 2015-2017 | 3,275,000 | 319,625 | 3,594,625 |
| | <u>7,840,000</u> | <u>1,753,530</u> | <u>9,593,530</u> |
| Plus: Unamortized Bond Premium | 86,908 | - | 86,908 |
| Total | <u>\$ 7,926,908</u> | <u>\$1,753,530</u> | <u>\$9,680,438</u> |

Note 7 - Interfund Transfers

Interfund transfers for the year ended September 30, 2009, were as follows:

| Transfer Out | Amount | Transfer In | Purpose |
|----------------------------------|---------------------|-----------------------|-----------------------|
| General Fund | \$ 2,000,000 | Capital projects fund | Fund capital projects |
| Total interfund transfers | <u>\$ 2,000,000</u> | | |

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Note 8 – Commitments and Contingencies

Non-capitalized leases – Rental costs for the year ended September 30, 2009, under cancelable leases are summarized as follows:

| <u>Fund Charged</u> | <u>Amount</u> |
|---------------------|------------------|
| General Fund | \$ 76,006 |
| Capital Projects | 23,246 |
| Total | <u>\$ 99,252</u> |

Note 9 – Related Party Transactions

The Library District has an interlocal agreement with Alachua County Board of County Commissioners. The Library District paid Alachua County Board of County Commissioners \$404,637 for services in fiscal year 2009. These services included Accounting, Auditing, Treasury, Miscellaneous Administrative Services, Information and Telecommunications Services, and the County Attorney services. In addition, the Library District participates in the County’s Self Insurance fund for workers compensation and in the County’s self-insured Health Insurance Fund for employee group health insurance.

Note 10 - Other Disclosures

A. Excess of Expenditures Over Appropriations

There were no funds with an excess of expenditures over appropriations.

B. Excess of Expenditures Over Revenue in the Actual Column

Certain funds show an excess of expenditures over revenue in the actual column of the statement of revenue, expenditures and changes in fund balances. This excess is due to the use of fund balance brought forward from the prior fiscal year.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Revenue and expenditures in governmental funds are controlled by a formal integrated budgetary accounting system in accordance with Florida Statutes. An annual budget is adopted by the Alachua County Library District's Board of Governors for all governmental fund types.

The Alachua County Library District's annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations, except for amounts corresponding to outstanding encumbrances, lapse at year-end.

Original and amended budgets, as well as budget to actual comparisons are provided in the financial statements for all governmental funds. The amended budget amounts presented have been adjusted for legally authorized amendments of the annual budget during the year by the Alachua County Library District's Board of Governors. Budgets are prepared on the modified accrual (GAAP) basis of accounting.

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| | General Fund | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 15,232,235 | \$ 15,313,440 | \$ 15,408,923 | \$ 95,483 |
| Intergovernmental | - | - | 3,979 | 3,979 |
| Charges for services | 60,000 | 60,000 | 89,125 | 29,125 |
| Rents and royalties | - | - | 22,015 | 22,015 |
| Investment income | 400,000 | 400,000 | 84,495 | (315,505) |
| Miscellaneous | 55,000 | 62,685 | 204,775 | 142,090 |
| Total revenues | 15,747,235 | 15,836,125 | 15,813,312 | (22,813) |
| Expenditures | | | | |
| Current: Culture and recreation | | | | |
| Personal services | 9,771,263 | 9,797,171 | 9,707,434 | 89,737 |
| Operating expenditures | 4,823,755 | 4,908,737 | 4,427,414 | 481,323 |
| Reserve for contingencies | 729,751 | 729,751 | - | 729,751 |
| Total expenditures | 15,324,769 | 15,435,659 | 14,134,848 | 1,300,811 |
| Excess of revenues over expenditures | 422,466 | 400,466 | 1,678,464 | 1,277,998 |
| Other financing sources (uses) | | | | |
| Transfers out | (2,000,000) | (2,000,000) | (2,000,000) | - |
| Total other financing sources (uses) | (2,000,000) | (2,000,000) | (2,000,000) | - |
| Net change in fund balance | (1,577,534) | (1,599,534) | (321,536) | 1,277,998 |
| Fund balances - beginning | 1,577,534 | 1,599,534 | 5,656,131 | 4,056,597 |
| Fund balances - ending | \$ - | \$ - | \$ 5,334,595 | \$ 5,334,595 |

**ALACHUA COUNTY LIBRARY DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
PENSION PLAN
SEPTEMBER 30, 2009**

See Note 5.A starting on Page 40 for detailed information on the Library's Pension Fund.

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (AAL)- Entry Age (B) | Unfunded AAL (UAAL) (B-A) | Funded Ratio (A/B) | Total Annual Payroll at Valuation Date (C) | UAAL as % of Covered Payroll (B-A)/C |
|--------------------------|-------------------------------|--|---------------------------|--------------------|--|--------------------------------------|
| 10/1/2008 | \$ 13,754,942 | \$ 18,965,576 | \$ 5,210,634 | 72.5% | \$ 4,211,692 | 123.7% |
| 10/1/2007 | 13,091,612 | 17,816,678 | 4,725,066 | 73.5% | 5,820,894 | 81.2% |
| 10/1/2006 * | 10,597,250 | 15,815,888 | 5,218,638 | 67.0% | 5,771,632 | 90.4% |
| 10/1/2005 * | 8,718,771 | 13,524,327 | 4,805,556 | 64.5% | 5,653,774 | 85.0% |
| 10/1/2004 * | 7,512,159 | 12,648,547 | 5,136,388 | 59.4% | 5,237,851 | 98.1% |
| 10/1/2003 | 6,966,779 | 10,600,230 | 3,633,451 | 65.7% | 4,730,893 | 76.8% |
| 10/1/2002 * | 6,479,693 | 9,445,509 | 2,965,816 | 68.6% | 4,643,532 | 63.9% |
| 10/1/2001 ** | 6,315,599 | 8,235,573 | 1,919,974 | 76.7% | 4,174,964 | 46.0% |

Schedule of Employer Contributions

| Valuation Date | End of Plan Year to which Valuation Applies | Actual Covered Payroll for Current Period (A/B) | Required Employer Contribution Amount (A) | Required Employer Contribution % Payroll (B) | Actual Employer Contributions | Percentage Contributed |
|----------------|---|---|---|--|-------------------------------|------------------------|
| 10/1/2008 | 9/30/2009 | \$ 4,311,976 | \$ 1,093,517 | 25.36% | \$ 1,093,517 | 100% |
| 10/1/2007 | 9/30/2008 | 4,573,760 | 872,216 | 19.07% | 872,216 | 100% |
| 10/1/2006 * | 9/30/2007 | 6,095,995 | 1,237,487 | 20.30% | 1,237,487 | 100% |
| 10/1/2005 * | 9/30/2006 | 5,544,803 | 815,086 | 14.70% | 815,086 | 100% |
| 10/1/2004 * | 9/30/2005 | 5,290,727 | 698,905 | 13.21% | 698,905 | 100% |
| 10/1/2003 | 9/30/2004 | 5,044,311 | 603,804 | 11.97% | 603,804 | 100% |
| 10/1/2002 | 9/30/2003 | 4,929,445 | 568,365 | 11.53% | 568,365 | 100% |
| 10/1/2001 ** | 9/30/2002 | 4,230,806 | 446,350 | 10.55% | 446,350 | 100% |

* Change in Actuarial assumption/methods

**Plan amendment



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR FUNDS

SPECIAL REVENUE FUNDS

PRIME TIME GRANT (705) – Funds from the Florida Humanities Council, a private non-profit organization, which supports a Family Reading Time program. Prime Time is a six-week program of reading, discussion and storytelling held in public libraries. It features award winning children’s books to stimulate discussion about humanities themes and problems encountered in everyday life. Classes typically serve 15 to 20 families comprised of parents and children with ages 6 – 12 years.

NORTHEAST FLORIDA LIBRARY INFORMATION NETWORK (706) – NEFLIN is a non-profit multitype library cooperative that provides grants and other resources to member libraries to help them serve and empower their diverse users and create a sense of community.

STATE AID TO LIBRARIES PROGRAM GRANT (710) – Provided by the Florida Legislature, the goal is to assist local government in maintaining and developing free professional library service for all Floridians as part of the educational infrastructure. The amounts awarded are proportional to the amount of local funds spent providing library service in the County.

GIFTS AND DONATIONS (711) – To account for the receipt and use of bequests, donations and gifts as well as an annual transfer of \$75,000 (if earnings are sufficient to allow) from the Brady Trust Fund

BRADY TRUST FUND (712) – Accounts for the activities in the Myrna Venable Brady Trust fund.

LIBRARY SERVICES TECHNOLOGY FY09 (715) – Federal funds received from the Institute for Museum and Library Services to encourage activities that use technology for information sharing and to make library resources more accessible to urban and rural localities, low-income residents and other having difficulty using library services.

CARING GRANT FY09 (719) – A grant from the State of Florida Community Libraries to create the “Kids Laptop Connection” in the Newberry Branch Library which targets students having no computers at home.

DEBT SERVICE FUND (722) – Accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

MAJOR FUNDS – BUDGETARY COMPARISON ONLY

CAPITAL PROJECT FUND (731) – accounts for financial resources used for the acquisition or construction of major capital facilities as well as capital equipment purchases. Since this is a major fund, only the budgetary comparison is included in this section. Other information is included in the fund statements on pages 18 and 20.

**ALACHUA COUNTY LIBRARY DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

| | SPECIAL | | | REVENUE |
|--|-----------------------------|---|---|----------------------------------|
| | 705 | 706 | 710 | 711 |
| | Prime Time Grant | NE Florida Information Network | State Aid to Libraries Program Grant | Gifts & Donations |
| Assets | | | | |
| Equity in pooled cash and investments | \$ 1,528 | \$ 2,198 | \$ - | \$ 348,219 |
| Other cash and investments | - | - | - | - |
| Accounts receivable | 24 | - | - | - |
| Due from other governments | - | - | - | - |
| Total assets | 1,552 | 2,198 | - | 348,219 |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Accounts payable | 1,545 | 957 | - | 1,309 |
| Due to other governments | - | - | - | - |
| Total liabilities | 1,545 | 957 | - | 1,309 |
| Fund balances | | | | |
| Fund balances: | | | | |
| Reserved for debt service | - | - | - | - |
| Unreserved, reported in: | | | | |
| Special revenue funds | 7 | 1,241 | - | 346,910 |
| Special revenue funds-designated | - | - | - | - |
| Total fund balances | 7 | 1,241 | - | 346,910 |
| Total liabilities and fund balances | \$ 1,552 | \$ 2,198 | \$ - | \$ 348,219 |

| FUNDS | | | | |
|-----------------------------|---|------------------------------|-------------------------|--|
| 712 | 715 | 719 | 722 | Total Nonmajor Governmental Funds |
| Brady Trust Fund | Library Services Technology FY09 | Caring Grant FY09 | Debt Service | |
| \$ 729 | \$ 107 | \$ - | \$ 341,426 | \$ 694,207 |
| 1,130,063 | - | - | - | 1,130,063 |
| - | 43 | - | 1,942 | 2,009 |
| - | - | - | 7,393 | 7,393 |
| <u>1,130,792</u> | <u>150</u> | <u>-</u> | <u>350,761</u> | <u>1,833,672</u> |
| - | - | - | - | 3,811 |
| - | 150 | - | 10 | 160 |
| <u>-</u> | <u>150</u> | <u>-</u> | <u>10</u> | <u>3,971</u> |
| - | - | - | 350,751 | 350,751 |
| 217,284 | - | - | - | 565,442 |
| 913,508 | - | - | - | 913,508 |
| <u>1,130,792</u> | <u>-</u> | <u>-</u> | <u>350,751</u> | <u>1,829,701</u> |
| <u>\$ 1,130,792</u> | <u>\$ 150</u> | <u>\$ -</u> | <u>\$ 350,761</u> | <u>\$ 1,833,672</u> |

**ALACHUA COUNTY LIBRARY DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| | SPECIAL | | | REVENUE |
|--|---------------------|--------------------------------------|--|----------------------|
| | 705 | 706 | 710 | 711 |
| | Prime Time Grant | NE Florida Information Network | State Aid to Libraries Program Grant | Gifts & Donations |
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | 375,668 | - |
| Investment income | - | - | - | - |
| Private donations | 6,500 | 42,000 | - | 90,164 |
| Miscellaneous | - | - | - | 47,920 |
| Total Revenues | <u>6,500</u> | <u>42,000</u> | <u>375,668</u> | <u>138,084</u> |
| Expenditures | | | | |
| Current: Culture and recreation | | | | |
| Personal services | - | 13,500 | - | - |
| Operating expenditures | 6,493 | 27,259 | 375,668 | 23,778 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest & other charges | - | - | - | - |
| Total expenditures | <u>6,493</u> | <u>40,759</u> | <u>375,668</u> | <u>23,778</u> |
| Excess (deficiency) of revenues over (under) expenditures | 7 | 1,241 | - | 114,306 |
| Fund balances - beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>232,604</u> |
| Fund balances - ending | <u>\$ 7</u> | <u>\$ 1,241</u> | <u>\$ -</u> | <u>346,910</u> |

| FUNDS | | | | |
|-----------------------------|---|------------------------------|-------------------------|--|
| 712 | 715 | 719 | 722 | Total Nonmajor Governmental Funds |
| Brady Trust Fund | Library Services Technology FY09 | Caring Grant FY09 | Debt Service | |
| \$ - | \$ - | \$ - | \$ 1,128,907 | \$ 1,128,907 |
| | 93,300 | 4,000 | - | 472,968 |
| (32,176) | - | - | 7,215 | (24,961) |
| - | - | - | - | 138,664 |
| - | - | - | - | 47,920 |
| <u>(32,176)</u> | <u>93,300</u> | <u>4,000</u> | <u>1,136,122</u> | <u>1,763,498</u> |
| | | | | |
| - | 30,375 | - | - | 43,875 |
| - | 62,925 | 4,000 | 44,564 | 544,687 |
| - | - | - | 790,000 | 790,000 |
| - | - | - | 411,106 | 411,106 |
| <u>-</u> | <u>93,300</u> | <u>4,000</u> | <u>1,245,670</u> | <u>1,789,668</u> |
| | | | | |
| (32,176) | - | - | (109,548) | (26,170) |
| | | | | |
| <u>1,162,968</u> | <u>-</u> | <u>-</u> | <u>460,299</u> | <u>1,855,871</u> |
| | | | | |
| <u>\$ 1,130,792</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 350,751</u> | <u>\$ 1,829,701</u> |

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| | SPECIAL | | | |
|--|-------------------------|--------------|----------------|----------------------|
| | Prime Time Grant | | | |
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 6,500 | \$ - | \$ (6,500) |
| Investment income | - | - | - | - |
| Private donations | - | - | 6,500 | 6,500 |
| Miscellaneous | - | - | - | - |
| Total revenues | - | 6,500 | 6,500 | - |
| Expenditures | | | | |
| Current: Culture and recreation | | | | |
| Personal services | - | - | - | - |
| Operating expenditures | - | 6,500 | 6,493 | 7 |
| Total expenditures | - | 6,500 | 6,493 | 7 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | 7 | 7 |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balance | - | - | 7 | 7 |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | \$ - | \$ - | \$ 7 | \$ 7 |

| REVENUE | | | | FUNDS | | | |
|--------------------------------|--------|----------------|--|--------------------------------------|------------|----------------|--|
| NE Florida Information Network | | | | State Aid to Libraries Program Grant | | | |
| Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ 485,000 | \$ 485,000 | \$ 375,668 | \$ (109,332) |
| - | - | - | - | - | - | - | - |
| - | 42,000 | 42,000 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | 42,000 | 42,000 | - | 485,000 | 485,000 | 375,668 | (109,332) |
| - | 13,500 | 13,500 | - | - | - | - | - |
| - | 28,500 | 27,259 | 1,241 | 485,000 | 485,000 | 375,668 | 109,332 |
| - | 42,000 | 40,759 | 1,241 | 485,000 | 485,000 | 375,668 | 109,332 |
| - | - | 1,241 | 1,241 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 1,241 | 1,241 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| \$ - | \$ - | \$ 1,241 | \$ 1,241 | \$ - | \$ - | \$ - | \$ - |

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| | SPECIAL | | | |
|--|----------------------------|------------------|-------------------|----------------------|
| | Gifts and Donations | | | |
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Investment income | - | - | - | - |
| Private donations | 75,000 | 77,500 | 90,164 | 12,664 |
| Miscellaneous | - | - | 47,920 | 47,920 |
| Total revenues | <u>75,000</u> | <u>77,500</u> | <u>138,084</u> | <u>60,584</u> |
| Expenditures | | | | |
| Current: Culture and recreation | | | | |
| Personal services | - | - | - | - |
| Operating expenditures | 200,000 | 202,500 | 23,778 | 178,722 |
| Total expenditures | <u>200,000</u> | <u>202,500</u> | <u>23,778</u> | <u>178,722</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(125,000)</u> | <u>(125,000)</u> | <u>114,306</u> | <u>239,306</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 75,000 | 75,000 | - | (75,000) |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>75,000</u> | <u>75,000</u> | <u>-</u> | <u>(75,000)</u> |
| Net change in fund balance | (50,000) | (50,000) | 114,306 | 164,306 |
| Fund balances - beginning | <u>50,000</u> | <u>50,000</u> | <u>232,604</u> | <u>182,604</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 346,910</u> | <u>\$ 346,910</u> |

| REVENUE | | | | FUNDS | | | |
|------------------|-----------------|---------------------|--|---|---------------|----------------|--|
| Brady Trust Fund | | | | Library Services Technology (LSTA) 2009 | | | |
| Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 93,300 | \$ 93,300 | \$ - |
| 30,000 | 30,000 | (32,176) | (62,176) | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>30,000</u> | <u>30,000</u> | <u>(32,176)</u> | <u>(62,176)</u> | <u>-</u> | <u>93,300</u> | <u>93,300</u> | <u>-</u> |
| - | - | - | - | - | 30,375 | 30,375 | - |
| - | - | - | - | - | 62,925 | 62,925 | - |
| - | - | - | - | - | 93,300 | 93,300 | - |
| <u>30,000</u> | <u>30,000</u> | <u>(32,176)</u> | <u>(62,176)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - | - | - |
| <u>(75,000)</u> | <u>(75,000)</u> | <u>-</u> | <u>75,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>(75,000)</u> | <u>(75,000)</u> | <u>-</u> | <u>75,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| (45,000) | (45,000) | (32,176) | 12,824 | - | - | - | - |
| <u>45,000</u> | <u>45,000</u> | <u>1,162,968</u> | <u>1,117,968</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,130,792</u> | <u>\$ 1,130,792</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| SPECIAL REVENUE FUNDS | | | | |
|--|-------------------------|--------------|---------------------------|---|
| Caring Grant FY09 | | | | |
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 4,000 | \$ 4,000 | \$ - |
| Investment income | - | - | - | - |
| Private donations | - | - | - | - |
| Miscellaneous | - | - | - | \$ - |
| Total revenues | - | 4,000 | 4,000 | - |
| Expenditures | | | | |
| Current: Culture and recreation | | | | |
| Personal services | - | - | - | - |
| Operating expenditures | - | 4,000 | 4,000 | - |
| Total expenditures | - | 4,000 | 4,000 | - |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balance | - | - | - | - |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | \$ - | \$ - | \$ - | \$ - |

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| | DEBT SERVICE FUND | | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------------|------------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 1,112,324 | \$ 1,112,324 | \$ 1,128,907 | \$ 16,583 |
| Investment income | 35,000 | 35,000 | 7,215 | (27,785) |
| Total Revenues | <u>1,147,324</u> | <u>1,147,324</u> | <u>1,136,122</u> | <u>(11,202)</u> |
| Expenditures | | | | |
| Current: Culture and recreation | | | | |
| Operating expenditures | 73,000 | 72,129 | 44,564 | 27,565 |
| Debt service | | | | |
| Principal | 1,200,235 | 1,201,106 | 790,000 | 411,106 |
| Interest & other charges | - | - | 411,106 | (411,106) |
| Contingency reserve | 50,000 | 50,000 | - | 50,000 |
| Total expenditures | <u>1,323,235</u> | <u>1,323,235</u> | <u>1,245,670</u> | <u>77,565</u> |
| Net change in fund balance | (175,911) | (175,911) | (109,548) | 66,363 |
| Fund balances - beginning | <u>175,911</u> | <u>175,911</u> | <u>460,299</u> | <u>284,388</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 350,751</u> | <u>\$ 350,751</u> |

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| | CAPITAL PROJECTS FUND | | | Variance with Final Budget Positive (Negative) |
|--|------------------------------|--------------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ 26 | \$ 26 |
| Intergovernmental | - | - | 11,530 | 11,530 |
| Investment income | 225,000 | 225,000 | 92,120 | (132,880) |
| Miscellaneous | - | - | 95,305 | 95,305 |
| Total revenues | <u>225,000</u> | <u>225,000</u> | <u>198,981</u> | <u>(26,019)</u> |
| Expenditures | | | | |
| Current: Culture and recreation | | | | |
| Capital outlay | <u>3,309,515</u> | <u>3,309,515</u> | <u>3,036,455</u> | <u>273,060</u> |
| Total expenditures | <u>3,309,515</u> | <u>3,309,515</u> | <u>3,036,455</u> | <u>273,060</u> |
| (Deficiency) of revenues (under) expenditures | <u>(3,084,515)</u> | <u>(3,084,515)</u> | <u>(2,837,474)</u> | <u>247,041</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Proceeds from sale of capital assets | - | - | 422 | 422 |
| Total other financing sources (uses) | <u>2,000,000</u> | <u>2,000,000</u> | <u>2,000,422</u> | <u>422</u> |
| Net change in fund balance | (1,084,515) | (1,084,515) | (837,052) | 247,463 |
| Fund balances - beginning | <u>1,084,515</u> | <u>1,084,515</u> | <u>8,819,555</u> | <u>7,735,040</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,982,503</u> | <u>\$ 7,982,503</u> |

STATISTICAL SECTION

This part of the Alachua County Library District’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 government’s overall financial health.

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time. | 64 |
| Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax. | 72 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’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 government’s financial activities take place. | 82 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs. | 86 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year.

Schedule 1

ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

NET ASSETS BY COMPONENT

LAST EIGHT FISCAL YEARS

(accrual basis of accounting)

| | FISCAL YEAR | | | |
|--|---------------------|---------------------|---------------------|----------------------|
| | 2002 | 2003 | 2004 | 2005 |
| Governmental activities | | | | |
| Invested in capital assets, net of related debt | \$ (149,010) | \$ 227,927 | \$ 427,788 | \$ 769,692 |
| Restricted | 4,588,171 | 3,597,897 | 3,239,138 | 2,631,626 |
| Unrestricted | 3,091,439 | 3,883,387 | 5,182,792 | 7,268,640 |
| Total governmental activities net assets | <u>\$ 7,530,600</u> | <u>\$ 7,709,211</u> | <u>\$ 8,849,718</u> | <u>\$ 10,669,958</u> |

Note: The Library District began to report accrual information when it implemented GASB 34 in fiscal year 2002.

FISCAL YEAR

| 2006 | 2007 | 2008 | 2009 |
|----------------------|----------------------|----------------------|----------------------|
| \$ 1,129,891 | \$ 2,552,293 | \$ 4,348,293 | \$ 6,938,971 |
| 2,187,373 | 812,212 | 460,299 | 350,751 |
| 10,209,889 | 14,508,960 | 15,105,188 | 13,975,221 |
| <u>\$ 13,527,153</u> | <u>\$ 17,873,465</u> | <u>\$ 19,913,780</u> | <u>\$ 21,264,943</u> |

Schedule 2
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

| | FISCAL YEAR | | | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 2002 | 2003 | 2004 | 2005 |
| Expenses | | | | |
| Governmental activities: | | | | |
| Culture & recreation | \$ 11,260,861 | \$ 11,984,095 | \$ 12,076,040 | \$ 12,856,235 |
| Interest on long-term debt | 607,244 | 582,575 | 558,876 | 531,674 |
| Total governmental activities expenses | <u>11,868,105</u> | <u>12,566,670</u> | <u>12,634,916</u> | <u>13,387,909</u> |
| Total primary government expenses | <u>11,868,105</u> | <u>12,566,670</u> | <u>12,634,916</u> | <u>13,387,909</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services | 33,174 | 33,598 | 35,139 | 35,341 |
| Operating grants and contributions | 731,456 | 710,159 | 680,677 | 702,258 |
| Capital grants and contributions | - | - | - | - |
| Total governmental activities program revenues | <u>764,630</u> | <u>743,757</u> | <u>715,816</u> | <u>737,599</u> |
| Total primary government program revenues | <u>764,630</u> | <u>743,757</u> | <u>715,816</u> | <u>737,599</u> |
| Net (Expense)Revenue | | | | |
| Governmental activities | <u>(11,103,475)</u> | <u>(11,822,913)</u> | <u>(11,919,100)</u> | <u>(12,650,310)</u> |
| Total primary governmental net expense | <u><u>\$(11,103,475)</u></u> | <u><u>\$(11,822,913)</u></u> | <u><u>\$(11,919,100)</u></u> | <u><u>\$(12,650,310)</u></u> |
| General Revenues and Other Changes in Net Assets | | | | |
| Governmental activities: | | | | |
| Property taxes | \$ 10,726,699 | \$ 11,507,342 | \$ 12,592,946 | \$ 13,761,327 |
| Interest earnings | 104,610 | 344,944 | 274,342 | 513,515 |
| Miscellaneous | 156,719 | 149,238 | 192,319 | 195,708 |
| Total governmental activities | <u>10,988,028</u> | <u>12,001,524</u> | <u>13,059,607</u> | <u>14,470,550</u> |
| Total primary government | <u><u>\$ 10,988,028</u></u> | <u><u>\$ 12,001,524</u></u> | <u><u>\$ 13,059,607</u></u> | <u><u>\$ 14,470,550</u></u> |
| Change in Net Assets | | | | |
| Governmental activities | <u>\$ (115,447)</u> | <u>\$ 178,611</u> | <u>\$ 1,140,507</u> | <u>\$ 1,820,240</u> |
| Total primary government | <u><u>\$ (115,447)</u></u> | <u><u>\$ 178,611</u></u> | <u><u>\$ 1,140,507</u></u> | <u><u>\$ 1,820,240</u></u> |

Note: The Library District began to report accrual information when it implemented GASB 34 in fiscal year 2002.

FISCAL YEAR

| 2006 | 2007 | 2008 | 2009 |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| \$ 13,134,592 | \$ 14,611,036 | \$ 15,342,484 | \$ 16,019,496 |
| <u>503,236</u> | <u>473,662</u> | <u>510,066</u> | <u>397,068</u> |
| <u>13,637,828</u> | <u>15,084,698</u> | <u>15,852,550</u> | <u>16,416,564</u> |
| <u>13,637,828</u> | <u>15,084,698</u> | <u>15,852,550</u> | <u>16,416,564</u> |
| 64,122 | 86,802 | 87,151 | 89,125 |
| 598,485 | 555,346 | 483,170 | 476,947 |
| - | 52,500 | 3,908 | 11,530 |
| <u>662,607</u> | <u>694,648</u> | <u>574,229</u> | <u>577,602</u> |
| <u>662,607</u> | <u>694,648</u> | <u>574,229</u> | <u>577,602</u> |
| <u>(12,975,221)</u> | <u>(14,390,050)</u> | <u>(15,278,321)</u> | <u>(15,838,962)</u> |
| <u><u>\$ (12,975,221)</u></u> | <u><u>\$ (14,390,050)</u></u> | <u><u>\$ (15,278,321)</u></u> | <u><u>\$ (15,838,962)</u></u> |
| \$ 14,891,546 | \$ 17,205,046 | \$ 16,903,356 | \$ 16,537,856 |
| 854,561 | 1,271,583 | 240,091 | 151,654 |
| <u>182,087</u> | <u>259,733</u> | <u>175,189</u> | <u>500,615</u> |
| <u>15,928,194</u> | <u>18,736,362</u> | <u>17,318,636</u> | <u>17,190,125</u> |
| <u><u>\$ 15,928,194</u></u> | <u><u>\$ 18,736,362</u></u> | <u><u>\$ 17,318,636</u></u> | <u><u>\$ 17,190,125</u></u> |
| \$ 2,952,973 | \$ 4,346,312 | \$ 2,040,315 | \$ 1,351,163 |
| <u>\$ 2,952,973</u> | <u>\$ 4,346,312</u> | <u>\$ 2,040,315</u> | <u>\$ 1,351,163</u> |

Schedule 3

ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

| | FISCAL YEAR | | | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2000 | 2001 | 2002 | 2003 |
| General Fund | | | | |
| Reserved | \$ 64,015 | \$ - | \$ - | \$ - |
| Unreserved | <u>1,820,298</u> | <u>1,944,721</u> | <u>1,843,816</u> | <u>1,729,545</u> |
| Total general fund | <u>\$ 1,884,313</u> | <u>\$ 1,944,721</u> | <u>\$ 1,843,816</u> | <u>\$ 1,729,545</u> |
| All Other Governmental Funds | | | | |
| Reserved | \$ 417,673 | \$ 493,488 | \$ 4,179,639 | \$ 3,597,897 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 37,938 | 82,156 | 1,105,890 | 1,316,101 |
| Capital project funds | 3,236,128 | 4,576,450 | 769,080 | 1,562,135 |
| Debt service funds | - | - | 408,532 | - |
| Total all other | | | | |
| governmental funds | <u>\$ 3,691,739</u> | <u>\$ 5,152,094</u> | <u>\$ 6,463,141</u> | <u>\$ 6,476,133</u> |

| FISCAL YEAR | | | | | |
|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|
| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| \$ 656 | \$ - | \$ 4,436 | \$ - | \$ - | \$ 16,083 |
| <u>2,103,088</u> | <u>3,099,105</u> | <u>4,729,331</u> | <u>7,315,675</u> | <u>5,656,131</u> | <u>5,318,512</u> |
| <u><u>\$ 2,103,744</u></u> | <u><u>\$ 3,099,105</u></u> | <u><u>\$ 4,733,767</u></u> | <u><u>\$ 7,315,675</u></u> | <u><u>\$ 5,656,131</u></u> | <u><u>\$ 5,334,595</u></u> |
| | | | | | |
| \$ 3,239,137 | \$ 2,664,088 | \$ 2,336,339 | \$ 1,445,275 | \$ 515,824 | \$ 657,258 |
| 1,409,080 | 1,437,596 | 1,493,802 | 1,650,823 | 1,395,572 | 1,478,950 |
| 2,419,925 | 3,418,987 | 4,580,959 | 5,624,483 | 8,764,030 | 7,675,996 |
| - | - | - | - | - | - |
| <u><u>\$ 7,068,142</u></u> | <u><u>\$ 7,520,671</u></u> | <u><u>\$ 8,411,100</u></u> | <u><u>\$ 8,720,581</u></u> | <u><u>\$ 10,675,426</u></u> | <u><u>\$ 9,812,204</u></u> |

Schedule 4

**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

| | FISCAL YEAR | | | |
|---|-------------------|---------------------|-------------------|---------------------|
| | 2000 | 2001 | 2002 | 2003 |
| Revenues | | | | |
| Taxes | \$ 10,388,393 | \$ 11,098,821 | \$ 10,768,385 | \$ 11,507,342 |
| Intergovernmental | 714,002 | 791,982 | 731,456 | 710,159 |
| Charges for services | 26,838 | 26,033 | 33,174 | 33,598 |
| Rents and royalties | - | - | - | - |
| Investment income | 610,385 | 471,968 | 104,610 | 344,944 |
| Private donations | 14,438 | 66,862 | 89,744 | 98,979 |
| Miscellaneous revenue | 156,116 | 102,075 | 25,289 | 50,259 |
| Total revenues | <u>11,910,172</u> | <u>12,557,741</u> | <u>11,752,658</u> | <u>12,745,281</u> |
| Expenditures | | | | |
| Culture & recreation | 8,683,437 | 9,291,226 | 10,366,057 | 11,348,007 |
| Capital outlay | 925,803 | 696,128 | 68,678 | 298,885 |
| Debt service | | | | |
| Principal | 430,000 | 455,000 | 585,000 | 610,000 |
| Interest | 915,783 | 647,366 | 614,160 | 589,668 |
| Total expenditures | <u>10,955,023</u> | <u>11,089,720</u> | <u>11,633,895</u> | <u>12,846,560</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>955,149</u> | <u>1,468,021</u> | <u>118,763</u> | <u>(101,279)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 20,000 | 20,000 | 710,537 | 761,885 |
| Transfers out | (20,000) | (20,000) | (710,537) | (761,885) |
| Proceeds from sale of capital assets | - | - | - | - |
| Proceeds from refunding | - | 15,598 | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>15,598</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ 955,149</u> | <u>\$ 1,483,619</u> | <u>\$ 118,763</u> | <u>\$ (101,279)</u> |
| Debt service as a percentage of noncapital expenditures (See Note) | 13.0% | 10.1% | 10.4% | 9.6% |

NOTE: Only governmental fund expenditures that are classified as capital assets for reporting in the government-wide statements are subtracted from the total governmental fund expenditures to calculate this ratio. (GASB-S44:12b)

FISCAL YEAR

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----|-------------------|---------------------|---------------------|---------------------|-------------------|-----------------------|
| \$ | 12,592,946 | \$ 13,761,327 | \$ 14,891,546 | \$ 17,205,046 | \$ 16,903,356 | \$ 16,537,856 |
| | 680,677 | 702,258 | 598,485 | 607,846 | 487,078 | 488,477 |
| | 35,139 | 35,341 | 64,122 | 86,802 | 87,151 | 89,125 |
| | - | - | - | - | - | 22,015 |
| | 274,342 | 513,515 | 854,561 | 1,271,583 | 240,091 | 151,654 |
| | 49,061 | 45,173 | 28,924 | 2,357 | 86,621 | 138,664 |
| | 142,251 | 147,295 | 149,051 | 106,257 | 88,755 | 348,000 |
| | <u>13,774,416</u> | <u>15,204,909</u> | <u>16,586,689</u> | <u>19,279,891</u> | <u>17,893,052</u> | <u>17,775,791</u> |
| | 11,297,284 | 11,879,272 | 12,278,405 | 13,705,627 | 13,984,354 | 14,723,410 |
| | 313,574 | 679,231 | 587,351 | 1,479,730 | 2,412,725 | 3,036,455 |
| | 635,000 | 665,000 | 690,000 | 725,000 | 755,000 | 790,000 |
| | 563,744 | 536,756 | 508,494 | 479,168 | 448,356 | 411,106 |
| | <u>12,809,602</u> | <u>13,760,259</u> | <u>14,064,250</u> | <u>16,389,525</u> | <u>17,600,435</u> | <u>18,960,971</u> |
| | 964,814 | 1,444,650 | 2,522,439 | 2,890,366 | 292,617 | (1,185,180) |
| | 831,664 | 902,031 | 1,010,976 | 1,193,122 | 4,576,735 | 2,000,000 |
| | (831,664) | (902,031) | (1,010,976) | (1,193,122) | (4,576,735) | (2,000,000) |
| | 1,394 | 3,240 | 2,652 | 1,023 | 2,684 | 422 |
| | - | - | - | - | - | - |
| | <u>1,394</u> | <u>3,240</u> | <u>2,652</u> | <u>1,023</u> | <u>2,684</u> | <u>422</u> |
| \$ | <u>966,208</u> | <u>\$ 1,447,890</u> | <u>\$ 2,525,091</u> | <u>\$ 2,891,389</u> | <u>\$ 295,301</u> | <u>\$ (1,184,758)</u> |
| | 9.4% | 8.8% | 8.7% | 7.8% | 7.5% | 7.3% |

Schedule 5

**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

(in thousands of dollars)

| Fiscal Year Ended September 30 | Residential Property | Commercial Property | Agricultural Property | Industrial Property |
|---|---------------------------------|--------------------------------|----------------------------------|--------------------------------|
| 2000 | \$ 5,178,392 | \$ 1,198,928 | \$ 851,100 | \$ 163,545 |
| 2001 | 5,593,903 | 1,274,774 | 885,976 | 217,371 |
| 2002 | 6,124,854 | 1,296,021 | 882,437 | 229,480 |
| 2003 | 6,837,209 | 1,419,435 | 926,592 | 253,667 |
| 2004 | 7,697,475 | 1,543,085 | 978,008 | 278,755 |
| 2005 | 8,930,088 | 1,682,537 | 1,057,069 | 299,514 |
| 2006 | 10,694,871 | 1,962,850 | 1,172,312 | 327,599 |
| 2007 | 12,387,230 | 2,267,524 | 1,300,060 | 380,711 |
| 2008 | 12,936,749 | 2,418,934 | 1,453,097 | 474,446 |
| 2009 | 12,297,297 | 2,432,165 | 1,485,314 | 461,587 |

Source: Alachua County Property Appraiser (form DR-403)

Note: Assessed values are determined as of January 1 for each fiscal year.

All property is assessed at 100% of estimated market value as required by the Florida State Constitution

The actual taxable value is limited to 3% or CPI change per year increase by the Save Our Homes legislation.

* The total direct tax rate refers to Alachua County as a whole, not the Library District only.

| Non-Taxable Real Property | Personal & Centrally Assessed Property | Less: Tax- Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate * |
|--------------------------------------|---|---|---|------------------------------------|
| \$ 2,427,857 | \$ 1,945,951 | \$ (5,705,803) | \$ 6,059,970 | 21.4680 |
| 2,638,417 | 2,028,345 | (5,982,825) | 6,655,961 | 21.1158 |
| 2,527,797 | 2,046,051 | (5,963,310) | 7,143,329 | 21.1179 |
| 2,568,342 | 2,104,176 | (6,246,303) | 7,863,117 | 20.7343 |
| 3,452,059 | 2,092,296 | (7,510,767) | 8,530,911 | 20.1193 |
| 3,757,174 | 2,096,661 | (8,186,416) | 9,636,627 | 19.8647 |
| 4,150,482 | 2,260,438 | (9,357,020) | 11,211,533 | 19.2712 |
| 4,333,750 | 2,786,234 | (10,639,887) | 12,815,622 | 17.6478 |
| 4,679,231 | 2,624,919 | (11,915,602) | 12,671,775 | 17.5204 |
| 4,553,950 | 3,125,214 | (11,796,697) | 12,558,830 | 19.0846 |

Schedule 6

**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

(rate per \$1,000 of assessed value)

| Fiscal Year | Tax Year | County Direct Rates | | | | | | | Overlapping Rates | | |
|-------------|----------|---------------------|---------------------------------|---------------------------------|------------------------|----------------------|--------------|--------------|-------------------------------------|--------------------------------------|-----------------------------|
| | | Basic Rate | General Obligation Debt Service | Alachua County Library District | Library Capital Outlay | Library Debt Service | School Board | Total Direct | Suwannee River Water Mgmt. District | St. Johns River Water Mgmt. District | MSTU - Unincorporated Areas |
| 2000 | 1999 | 8.7500 | 0.0200 | 1.4000 | 0.2531 | 0.2469 | 10.9560 | 21.6260 | 0.4914 | 0.4820 | 3.4949 |
| 2001 | 2000 | 8.7500 | 0.0150 | 1.4000 | 0.2751 | 0.2249 | 10.8030 | 21.4680 | 0.4914 | 0.4720 | 3.4949 |
| 2002 | 2001 | 8.9887 | 0.0122 | 1.5000 | - | 0.1789 | 10.4360 | 21.1158 | 0.4914 | 0.4620 | 3.4817 |
| 2003 | 2002 | 8.9887 | - | 1.5000 | - | 0.1632 | 10.4660 | 21.1179 | 0.4914 | 0.4620 | 1.7001* |
| 2004 | 2003 | 8.9887 | 0.2500 | 1.5000 | - | 0.1566 | 9.8390 | 20.7343 | 0.4914 | 0.4620 | 1.7001 |
| 2005 | 2004 | 8.9887 | 0.2500 | 1.5000 | - | 0.1566 | 9.2240 | 20.1193 | 0.4914 | 0.4620 | 1.7001 |
| 2006 | 2005 | 8.9887 | 0.2500 | 1.4475 | - | 0.1445 | 9.0340 | 19.8647 | 0.4914 | 0.4620 | 1.7001 |
| 2007 | 2006 | 8.8887 | 0.2500 | 1.4475 | - | 0.1140 | 8.5710 | 19.2712 | 0.4914 | 0.4620 | 0.4470** |
| 2008 | 2007 | 7.6468 | 0.2500 | 1.2645 | - | 0.0915 | 8.3950 | 17.6478 | 0.4399 | 0.4158 | 0.3869 |
| 2009 | 2008 | 7.5708 | 0.2500 | 1.2491 | - | 0.0915 | 8.3590 | 17.5204 | 0.4399 | 0.4158 | 0.3847 |
| 2010 | 2009 | 8.0495 | 0.2500 | 1.2856 | - | 0.0915 | 9.4080 | 19.0846 | 0.4399 | 0.4158 | 0.4124 |

Source: Alachua County Property Appraiser

* In 2002 the MSTU divided into Unincorporated Areas and Sheriff Law Enforcement.

** In 2007 the MSTU Unincorporated divided into Unincorporated and Fire Services.

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

Overlapping Rates (continued)

| MSTU - Sheriff Law Enforcement | MSTU - Fire | City of Alachua | City of Archer | City of Gainesville | City of Hawthorne | City of High Springs | City of Lacrosse | City of Micanopy | City of Newberry | City of Waldo |
|---|------------------------|----------------------------|---------------------------|--------------------------------|------------------------------|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------|
| - | - | 5.5000 | 4.0000 | 4.9416 | 5.4185 | 6.2500 | 4.1310 | 6.0000 | 3.1800 | 5.0314 |
| - | - | 5.9000 | 4.0000 | 4.9416 | 5.4185 | 6.2500 | 4.0000 | 6.0000 | 3.1800 | 5.0314 |
| - | - | 5.7000 | 4.0000 | 4.9416 | 5.4185 | 6.2500 | 3.9420 | 6.0000 | 4.0000 | 5.0314 |
| 1.7816* | - | 5.7000 | 4.0000 | 4.9416 | 5.4185 | 6.2500 | 3.9490 | 6.0000 | 4.5000 | 5.3140 |
| 1.7816 | - | 5.7000 | 4.0000 | 4.9416 | 5.4185 | 6.2500 | 3.5970 | 6.0000 | 4.5000 | 5.0314 |
| 1.7816 | - | 5.7000 | 4.5000 | 4.9416 | 5.4185 | 6.2500 | 3.2760 | 8.0000 | 4.5000 | 5.0314 |
| 1.7816 | - | 5.7000 | 4.7500 | 4.9355 | 4.5000 | 6.2500 | 2.9060 | 8.0000 | 4.6000 | 5.0314 |
| 1.7676 | 1.2531** | 5.5000 | 4.7500 | 4.8509 | 6.5000 | 6.2500 | 2.4611 | 8.0000 | 4.4500 | 5.0314 |
| 1.5329 | 1.1077 | 4.6480 | 4.5000 | 4.2544 | 5.4258 | 6.2500 | 1.8317 | 8.0000 | 3.6946 | 5.0314 |
| 1.5208 | 1.1013 | 4.6966 | 4.5000 | 4.2544 | 5.3194 | 6.1500 | 2.0272 | 8.0000 | 3.9990 | 5.8686 |
| 1.6252 | 1.1804 | 5.5000 | 5.0000 | 4.3963 | 5.3194 | 6.1500 | 2.1444 | 8.0000 | 3.8500 | 5.8686 |

Schedule 7

**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR* AND TEN YEARS AGO**

| <u>Taxpayer</u> | <u>2008*</u> | | | <u>1998</u> | | |
|---|--------------------------------------|--------------------|---|--------------------------------------|--------------------|---|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total County Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total County Taxable Assessed Value</u> |
| Oaks Mall Gainesville Ltd Partnership | \$ 132,224,700 | 1 | 1.05% | \$ 44,004,900 | 4 | 0.85% |
| Bellsouth Telecommunications Inc | 87,773,250 | 2 | 0.70% | 113,606,410 | 1 | 2.19% |
| Wal-Mart Stores East LP | 84,454,800 | 3 | 0.67% | - | - | - |
| Dolgencorp Inc | 72,681,480 | 4 | 0.58% | - | - | - |
| HCA Health Services of Fla Inc | 68,710,800 | 5 | 0.55% | 33,227,900 | 6 | 0.64% |
| Florida Rock Industries Inc | 68,455,500 | 6 | 0.55% | - | - | - |
| Oak Hammock at the Univ of Fla Inc | 62,020,600 | 7 | 0.49% | - | - | - |
| S Clark Butler Properties Lan, Trust | 46,532,100 | 8 | 0.37% | 33,614,900 | 5 | 0.65% |
| ELPF Gainesville LLC,LIC,Gainesville | 42,296,300 | 9 | 0.34% | - | - | - |
| Clay Electric Cooperative Inc | 38,025,028 | 10 | 0.30% | 28,114,340 | 7 | 0.54% |
| Florida Power Corp | | | | 58,690,370 | 2 | 1.13% |
| Energizer Power Systems | - | | - | 45,901,560 | 3 | 0.89% |
| Metal Container Corporation | - | | - | 27,924,220 | 8 | 0.54% |
| North Florida Regional Hospital | - | | - | 16,851,590 | 9 | 0.33% |
| Colonial Realty Ltd. Partnership | - | | - | 16,106,600 | 10 | 0.31% |
| | <u>\$ 703,174,558</u> | | <u>5.60%</u> | <u>\$ 418,042,790</u> | | <u>8.08%</u> |
| Total taxable valuation of all properties | <u>\$12,558,830,292</u> | | | <u>\$ 5,176,095,344</u> | | |

SOURCE: Alachua County Property Appraiser - Overall Taxable Value

* 2008 most current year information available

Schedule 8

**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

| Fiscal Year Ended September 30 | Tax Year | Taxes Levied for the 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 |
| 2000 | 1999 | \$ 10,587,506 | \$ 10,209,407 | 96.4% | \$ 35,764 | \$ 10,245,171 | 96.8% |
| 2001 | 2000 | 11,487,090 | 10,992,645 | 95.7% | 95,902 | 11,088,547 | 96.5% |
| 2002 | 2001 | 11,150,640 | 10,691,140 | 95.9% | 100,715 | 10,791,855 | 96.8% |
| 2003 | 2002 | 11,879,311 | 11,408,141 | 96.0% | 89,808 | 11,497,949 | 96.8% |
| 2004 | 2003 | 13,002,245 | 12,499,332 | 96.1% | 79,764 | 12,579,096 | 96.7% |
| 2005 | 2004 | 14,101,472 | 13,597,540 | 96.4% | 38,086 | 13,635,626 | 96.7% |
| 2006 | 2005 | 15,315,614 | 14,749,470 | 96.3% | 53,392 | 14,802,862 | 96.7% |
| 2007 | 2006 | 17,503,056 | 16,902,829 | 96.6% | 15,234 | 16,918,063 | 96.7% |
| 2008 | 2007 | 17,357,300 | 16,770,373 | 96.6% | 14,755 | 16,785,128 | 96.7% |
| 2009 | 2008 | 16,994,587 | 16,419,007 | 96.6% | na | 16,419,007 | 96.6% |

SOURCE: Alachua County Tax Collector

Schedule 9

**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

| Fiscal Year | General Obligation Bonds | Percentage of Personal Income (a) | Per Capita (a) |
|------------------------|-------------------------------------|--|-----------------------|
| 2000 | 13,160,000 | 0.25% | 60.29 |
| 2001 | 13,295,000 | 0.25% | 60.62 |
| 2002 | 12,710,000 | 0.23% | 57.65 |
| 2003 | 12,100,000 | 0.21% | 54.68 |
| 2004 | 11,465,000 | 0.18% | 51.51 |
| 2005 | 10,800,000 | 0.15% | 44.86 |
| 2006 | 10,110,000 | 0.13% | 41.47 |
| 2007 | 9,385,000 | 0.12% | 37.91 |
| 2008 | 8,630,000 | na | 34.19 |
| 2009 | 7,840,000 | na | 30.60 |

Note: Details regarding the Library District's outstanding debt can be found on page 44 in the Notes to the Financial Statements.

(a) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Personal Income not yet available for fiscal years 2008 and 2009.

Schedule 10
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

| Fiscal Year | General Bonded Debt Outstanding | Percentage of Actual Taxable Value of Property (a) | Per Capita (b) |
|--------------------|--|---|-----------------------|
| | General Obligation Bond | | |
| 2000 | \$ 13,160,000 | 0.22% | \$ 60.29 |
| 2001 | 13,295,000 | 0.20% | 60.62 |
| 2002 | 12,710,000 | 0.18% | 57.65 |
| 2003 | 12,100,000 | 0.15% | 54.68 |
| 2004 | 11,465,000 | 0.13% | 51.51 |
| 2005 | 10,800,000 | 0.11% | 44.86 |
| 2006 | 10,110,000 | 0.09% | 41.47 |
| 2007 | 9,385,000 | 0.07% | 37.91 |
| 2008 | 8,630,000 | 0.07% | 34.19 |
| 2009 | 7,840,000 | 0.06% | 30.60 |

Note: Details regarding the Library District's outstanding debt can be found starting on page 44 in the Notes to the Financial Statements.

(a) See Schedule 5 for property value data.

(b) Population data can be found in Schedule 13

Schedule 11

**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2009**

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|---|-------------------------|--|--|
| Direct: | | | |
| Alachua County Library District, 2001 | \$ 7,840,000 | 100% | \$ 7,840,000 |
| Overlapping: | | | |
| Alachua County: | | | |
| Alachua County Foerever G.O. Bond Series, 2003 | 3,970,000 | 100% | 3,970,000 |
| Transportation Improvement Revenue Bonds, 2006 | 12,960,000 | 100% | 12,960,000 |
| Public Improvement Revenue 2007, Refunding | 57,935,000 | 100% | 57,935,000 |
| Transportation Improvement Revenue Bonds, 2008 | 17,235,000 | 100% | 17,235,000 |
| Capital Improvement Revenue Bonds, 2008 | 7,454,000 | 100% | 7,454,000 |
| Wild Spaces Public Places Series 2009 Bank Loan | 15,000,000 | 100% | 15,000,000 |
| Alachua County School Board: | | | |
| District Refunding G. O. Bonds: | | | |
| Series 2001, Refunding | 3,425,000 | 100% | 3,425,000 |
| Series 2003, Refunding | 13,710,000 | 100% | 13,710,000 |

Sources: Alachua County Finance Department and Alachua County School Board

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and business of Alachua. This process recognizes that, when considering the county's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Schedule 12
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

The Constitution of the State of Florida, Florida Statute 200.181 and Alachua County Library District set no legal debt limit.

Schedule 13

ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

| <u>Year</u> | <u>Population</u> | <u>Personal Income (thousands of dollars)</u> | <u>Per Capita Personal Income</u> |
|-------------|-------------------|---|---------------------------------------|
| 2000 | 218,295 | \$ 5,238,274 | \$ 23,965 |
| 2001 | 219,327 | 5,418,264 | 24,486 |
| 2002 | 220,472 | 5,519,952 | 24,660 |
| 2003 | 221,287 | 5,672,386 | 25,143 |
| 2004 | 222,568 | 6,444,881 | 28,269 |
| 2005 | 240,764 | 6,968,272 | 30,119 |
| 2006 | 243,779 | 7,507,115 | 31,764 |
| 2007 | 247,561 | 7,893,590 | 32,968 |
| 2008 | 252,388 | na | na |
| 2009 | 256,232 | na | na |

Sources: Bureau of Economic and Business Research
United States Department of Commerce
Gainesville Chamber of Commerce
University of Florida and Santa Fe College
Alachua County School Board
Bureau of Labor Statistics

Note: Personal and Per Capita Personal Income not available for 2008 and 2009.

| Median Age | College and University Enrollment | Public School Enrollment | Unemployment Rate |
|-------------------|--|---------------------------------|--------------------------|
| 28.5 | 57,859 | 30,200 | 1.7% |
| 28.5 | 59,453 | 30,706 | 2.2% |
| 29.0 | 61,185 | 30,302 | 2.5% |
| 29.0 | 62,346 | 29,026 | 2.6% |
| 27.0 | 62,100 | 28,843 | 2.2% |
| 26.4 | 63,896 | 28,568 | 2.6% |
| 29.4 | 66,891 | 28,329 | 2.4% |
| 29.3 | 66,537 | 27,622 | 2.9% |
| 29.3 | 66,815 | 27,571 | 4.5% |
| 27.7 | 66,456 | 27,562 | 7.1% |

Schedule 14
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR 2009 AND PRIOR YEAR 2003

| <u>Employer</u> | <u>2009</u> | | | <u>2003*</u> | | |
|------------------------------------|----------------------------|-------------|--|----------------------------|-------------|--|
| | <u>Number of Employees</u> | <u>Rank</u> | <u>of Total County Private Workforce</u> | <u>Number of Employees</u> | <u>Rank</u> | <u>of Total County Private Workforce</u> |
| University of Florida | 14,723 | 1 | 10.72% | 12,212 | 1 | 10.02% |
| Shands Hospital | 12,588 | 2 | 9.17% | 7,508 | 2 | 6.16% |
| Veterans Affairs Medical Center | 4,317 | 3 | 3.14% | 2,700 | 4 | 2.22% |
| Alachua County School Board | 4,299 | 4 | 3.13% | 4,195 | 3 | 3.44% |
| City of Gainesville | 2,200 | 5 | 1.60% | 2,357 | 6 | 1.93% |
| Publix Supermarkets | 2,056 | 6 | 1.50% | 1,865 | 9 | 1.53% |
| Alachua County | 2,029 | 7 | 1.48% | 1,874 | 8 | 1.54% |
| North Florida Regional Medical Ctr | 1,700 | 8 | 1.24% | 1,646 | 10 | 1.35% |
| Nationwide Insurance Company | 1,300 | 9 | 0.95% | | | |
| Santa Fe (Community) College | 796 | 10 | 0.58% | | | |
| The Oaks Mall | | | | 2,500 | 5 | 2.05% |
| Fla Dept of Children & Families | | | | 2,119 | 7 | 1.74% |
| Total Private Labor Workforce | <u>137,300</u> | | | <u>121,876</u> | | |

Source: Council for Economic Outreach, Alachua County

*2003 - only available prior year information.

Schedule 15
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
FULL-TIME EQUIVALENT LIBRARY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM - DIVISION
LAST NINE FISCAL YEARS

| <u>Function/Program</u> | FISCAL YEAR | | | | | | | | |
|---|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Administration Services Division | | | | | | | | | |
| Administration | 7 | 9 | 8 | 10.5 | 10 | 10 | 11.5 | 11.5 | 11.5 |
| Facilities Services Division | 7 | 7 | 8 | 8 | 8 | 8 | 8 | 10 | 10 |
| Public Services Division | | | | | | | | | |
| Public Service | n/a | n/a | n/a | n/a | n/a | n/a | 3 | 6 | 6 |
| Adult | 14.75 | 16.25 | 14.5 | 13 | 14.8 | 15.75 | 16.25 | 16.25 | 16.25 |
| Alachua | 5.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 7 |
| Archer | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.63 | 3.5 | 3.5 | 3.5 |
| Circulation | 20 | 24.5 | 24.13 | 21 | 23 | 26 | 23.5 | 23.5 | 23.5 |
| Hawthorne | 5.5 | 6.5 | 6.5 | 6.5 | 6.5 | 5.75 | 6.5 | 6.5 | 6.5 |
| High Springs | 5 | 5.5 | 6.5 | 6.5 | 5.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| Micanopy | 2.55 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.2 | 3.26 | 3.26 |
| Millhopper | 16 | 17.5 | 18.5 | 18.5 | 17.5 | 19.5 | 19.5 | 19.5 | 19.5 |
| Newberry | 3.25 | 3.5 | 3.5 | 3.5 | 3 | 2 | 3.5 | 6 | 6 |
| Outreach Services | 7.5 | 10.5 | 10.13 | 11.13 | 10 | 11 | 11 | 11 | 11 |
| Partnership Branch* | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 3.5 |
| Tower Road | 12.5 | 16 | 14 | 15.5 | 16 | 16 | 16.5 | 16.5 | 16.5 |
| Youth | 14 | 17.57 | 15 | 14.5 | 15.5 | 13.5 | 13 | 13 | 13 |
| Waldo | 1.63 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 |
| Support Services Division | | | | | | | | | |
| Automated | 12 | 12 | 11 | 12 | 11 | 11 | 11 | 10 | 10 |
| Technical Services | 20 | 17.5 | 16.75 | 16 | 16.5 | 16.5 | 19 | 19 | 19 |
| Total | 157.68 | 179.7 | 172.89 | 173.01 | 173.68 | 178.01 | 185.08 | 191.64 | 195.64 |

*Library Neighborhood Resource Partnership Branch opened fiscal year 2009.
Note: Data not available for years prior to fiscal year 2001.

Source: Finance and Accounting Department

Schedule 16
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| <u>Function/Program</u> | <u>Description</u> | <u>FISCAL YEAR</u> | | | |
|--------------------------------|-----------------------------------|--------------------|-------------|-------------|-------------|
| | | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
| Culture and recreation: | | | | | |
| Circulation: | # of checkouts - Main Library | 885,584 | 971,000 | 994,306 | 958,209 |
| | # of checkouts - Branch libraries | 1,222,250 | 1,393,288 | 1,401,267 | 1,540,507 |
| | # of checkouts - Bookmobiles | 22,190 | 25,136 | 41,770 | 55,273 |
| | # of checkouts - other services | 68,080 | 87,809 | 71,057 | 92,329 |
| | Total checkouts | 2,198,104 | 2,477,233 | 2,508,400 | 2,646,318 |
| | # of Library Visits | 1,004,764 | 1,035,650 | 1,036,867 | 1,103,936 |
| | # of Virtual Visits | na | na | na | 500,790 |
| | Total # of Registered Borrowers | 189,609 | 204,256 | 174,592 | 192,222 |
| | # of Volunteer Hours | 18,609 | 15,001 | 11,077 | 13,802 |
| | # of Reference Services | 171,293 | 152,899 | 124,182 | 108,620 |
| Programs: | Number presented | 1,370 | 1,673 | 1,427 | 1,909 |
| | Attendance | 64,779 | 57,545 | 80,681 | 73,784 |

Source: Alachua County Library

FISCAL YEAR (continued)

| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 980,971 | 1,030,897 | 1,058,838 | 1,025,371 | 992,796 | 1,126,714 |
| 1,516,932 | 1,547,908 | 1,611,994 | 1,670,939 | 1,697,156 | 1,736,914 |
| 56,809 | 63,897 | 63,671 | 60,510 | 57,713 | 54,697 |
| 65,553 | 74,934 | 113,895 | 104,227 | 113,273 | 178,190 |
| 2,620,265 | 2,717,636 | 2,848,398 | 2,861,047 | 2,860,938 | 3,096,515 |
| 1,121,867 | 1,152,388 | 1,227,697 | 1,286,272 | 1,353,804 | 1,404,869 |
| 836,821 | 878,153 | 573,229 | 620,570 | 721,147 | 878,294 |
| 208,073 | 160,671 | 177,035 | 188,666 | 196,707 | 199,549 |
| 15,501 | 17,379 | 20,713 | 23,996 | 20,859 | 21,329 |
| 113,739 | 386,090 | 366,530 | 507,447 | 566,638 | 571,235 |
| 1,720 | 1,652 | 1,771 | 1,825 | 1,954 | 2,456 |
| 69,170 | 65,739 | 60,385 | 59,328 | 57,715 | 54,075 |

Schedule 17
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS

| | FISCAL YEAR | | | |
|--|--------------------|-------------|-------------|-------------|
| | 2000 | 2001 | 2002 | 2003 |
| <u>Culture & Recreation</u> | | | | |
| # of Library buildings | 10 | 10 | 10 | 10 |
| # of Acres | 25 | 25 | 25 | 26 |
| # of Vehicles | 17 | 20 | 20 | 20 |
| Library Holdings | | | | |
| # of Books | 863,026 | 918,821 | 905,602 | 952,033 |
| # of Copies - Periodicals | 2,692 | 2,502 | 2,228 | 2,207 |
| # of Titles - Periodicals | 1,012 | 995 | 978 | 754 |

Source: Finance and Accounting Department
 Library Holdings - Library District Administration

FISCAL YEAR (continued)

| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 10 | 10 | 10 | 10 | 10 | 11 |
| 26 | 26 | 26 | 27 | 27 | 27 |
| 20 | 20 | 20 | 21 | 21 | 22 |
| 965,732 | 971,976 | 981,653 | 928,480 | 916,162 | 921,637 |
| 2,161 | 2,021 | 1,938 | 1,976 | 1,964 | 1,551 |
| 644 | 638 | 600 | 592 | 589 | 498 |



CONTINUING DISCLOSURE REQUIREMENTS

SEC Rule 15c2-12 requires the annual disclosure of significant financial and legal information relating to bond issues sold in 1995 and later. This information is also filed with the nationally recognized Municipal Securities Information Repositories and the State of Florida Information Depository.

Alachua County Library District Refunding, Series 2001

I. Assessed Value Tax Property in District

| | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|---|---------------------------------|---------------------------------|---------------------------------|
| Total Valuations | <u>\$ 23,455,508,228</u> | <u>\$ 24,587,376,718</u> | <u>\$ 24,355,527,368</u> |
| Less: Real Property Exemptions/Adjustments | | | |
| Governmental Exemptions | 3,872,106,100 | 4,102,396,000 | 3,851,493,520 |
| Homestead Exemptions | 1,286,541,096 | 2,331,178,712 | 2,339,843,098 |
| Historic Property Exemptions | 915,930 | 788,400 | 2,255,900 |
| Agriculture Adjustments | 857,305,100 | 965,495,100 | 992,069,000 |
| Institutional Exemptions | 569,969,755 | 643,982,463 | 659,436,183 |
| Disability Exemptions | 52,308,488 | 45,634,228 | 47,845,552 |
| Widow's Exemptions | 1,771,500 | 1,740,250 | 1,752,810 |
| Renewable Energy Source Exemptions | - | - | - |
| Disabled Veterans' Homestead Discount | 286,119 | 265,563 | 263,511 |
| Assessment Differential Value of Capped Parcels (1) | 2,355,631,830 | 2,295,775,910 | 1,731,568,060 |
| Property Differential Value of Capped Parcels (2) | - | - | 15,466,797 |
| Real Property Differential Value of Capped Parcels (3) | - | - | 132,230,081 |
| Total Real Property Exemptions/Adjustments | <u>8,996,835,918</u> | <u>10,387,256,626</u> | <u>9,774,224,512</u> |
| Less: Personal Property Exemptions/Adjustments | | | |
| Government Exemptions | 1,230,196,088 | 992,357,650 | 1,316,354,469 |
| Institutional Exemptions | 412,854,694 | 428,838,879 | 606,666,103 |
| Homestead Exemptions | - | 105,215,160 | 96,809,237 |
| Total Personal Property Exemptions/Adjustments | <u>1,643,050,782</u> | <u>1,526,411,689</u> | <u>2,019,829,809</u> |
| Less: Centrally Assessed Property Exemptions/Adjustments | | | |
| Homestead Exemptions | - | 1,933,810 | 1,909,699 |
| Real Property Differential Value of Capped Parcels (3) | - | - | 733,056 |
| Total Personal Property Exemptions/Adjustments | <u>-</u> | <u>1,933,810</u> | <u>2,642,755</u> |
| Taxable Valuation | <u><u>\$ 12,815,621,528</u></u> | <u><u>\$ 12,671,774,593</u></u> | <u><u>\$ 12,558,830,292</u></u> |

(1) Sum of the (Just Value - Capped Value) 193.155 F.S. Effective for the 2007 - 2009 Assessment Rolls

(2) Sum of the (Just Value - Capped Value) 193.1554 F.S. Effective for the 2007 - 2009 Assessment Rolls

(3) Sum of the (Just Value - Capped Value) 193.1555 F.S. Effective for the 2007 - 2009 Assessment Rolls

Source: Alachua County Property Appraiser

II. Property Tax Rates District

| LIBRARY DISTRICT | 2007 | 2008 | 2009 |
|-------------------------|---------------|---------------|---------------|
| Operations | 1.4475 | 1.2645 | 1.2491 |
| Debt Service | 0.1140 | 0.0915 | 0.0915 |
| TOTAL | 1.5615 | 1.3560 | 1.3406 |

III. County-wide Tax Levies and Collections

| Fiscal Year | Tax Year | Total Tax Levy | Current Tax Collections (2) | Percent of Current Taxes Collected | Outstanding Delinquent Taxes | Ratio of Delinquent Taxes to Total Levy |
|-------------|----------|----------------|-----------------------------|------------------------------------|------------------------------|---|
| 2006 - 2007 | 2006 | \$277,589,693 | \$268,339,322 | 96.7% | \$ 203,362 | 0.07% |
| 2007 - 2008 | 2007 | 288,124,215 | 278,647,608 | 96.7% | 268,120 | 0.09% |
| 2008 - 2009 | 2008 | 294,015,140 | 284,030,068 | 96.6% | 787,054 | 0.27% |

(1) Property Taxes become due and payable on November 1 of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, tax collections will not be 100% of tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1 of each year.

(2) These figures include tax collections for the Board of County commissioners and all other political jurisdictions within Alachua County.

IV. District Tax Levies and Collections

| Fiscal Year | Tax Year | Total Tax Levy | Current Tax Collections | Percent of Current Taxes Collected | Outstanding Delinquent Taxes | Ratio of Delinquent Taxes to Total Tax Levy |
|-------------|----------|----------------|-------------------------|------------------------------------|------------------------------|---|
| 2006 - 2007 | 2006 | \$ 17,503,056 | \$ 16,918,063 | 96.7% | \$ 12,687 | 0.07% |
| 2007 - 2008 | 2007 | 17,357,300 | 16,785,128 | 96.7% | 15,538 | 0.09% |
| 2008 - 2009 | 2008 | 16,994,587 | 16,419,007 | 96.6% | 43,227 | 0.25% |

(1) Property Taxes become due and payable on November 1 of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, tax collections will not be 100% of tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1 of each year.

(2) These figures include tax collections for the Library District only.

V. Computation of Direct/Overlapping Underlying Debt

| Name of Governmental Agency | Gross Debt Outstanding (1) | Percentage Applicable to Alachua County(2) | County's Share of Gross Debt |
|--|-------------------------------|---|---------------------------------|
| Direct: | | | |
| Alachua County Forever G. O. Bond, 2003 | \$3,970,000 | 100.00% | \$3,970,000 |
| Alachua County Library District, 2001 | 7,840,000 | 100.00% | 7,840,000 |
| Total Direct | | | \$11,810,000 |
| Overlapping/Underlying: | | | |
| School Board District Refunding G.O. Bonds Series 2001, Refunding | 3,425,000 | | |
| Series 2003, Refunding | 13,710,000 | 100.00% | 17,135,000 |
| Total Overlapping/Underlying | | | 17,135,000 |
| Total Direct, Overlapping Debt | | | \$28,945,000 |

(1) The gross debt includes debt which is secured by the authority to levy taxes on real estate.

(2) The percentage in this column reflects the portion of the gross debt which is secured by taxable real estate located within Alachua County.

Source: Alachua County Finance Department
School Board District

VI. Material Litigation

There is currently **No** material litigation which would affect the Library District's ability to meet debt requirements.

VII. Significant Events

The following are significant events which would affect the Library District's ability to meet debt requirements:

- A. There have been **No** principal or interest payment delinquencies.
- B. There have been **No** nonpayment related defaults under the Resolution.
- C. Since the Library District has a Debt Service Reserve Surety, there can be **No** unscheduled draws on the Reserve Account.
- D. There have been **No** unscheduled draws on credit enhancement reflecting financial difficulties.
- E. There has been **No** substitution of credit or liquidity providers or their failure to perform.
- F. There have been **No** adverse tax opinions or events affecting the Tax-Exempt status of the 2001 Bonds.

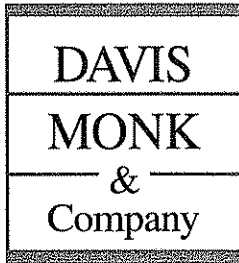
- G. There have been **No** modifications to the rights of the 2001 Bondholders.
- H. There have been **No** calls on the 2001 Bonds (other than mandatory redemptions of the 2001 Bonds resulting from application of amortization installments).
- I. There has been **No** defeasance of the 2001 Bonds.
- J. There have been **No** rating changes.
- K. There have been **No** notice of failure on the part of the Issuer or any other Obligated Person to meet the requirements of Provision of Annual Information.

Therefore, there have been **No** significant events which would affect the Library District's ability to meet debt requirements.

VIII. Cusip Numbers 2001 Bonds

| MATURITY | RATE | AMOUNT | CUSIP |
|----------|-------|-----------|-----------|
| 8/1/2010 | 5.00% | 830,000 | 01069DCB1 |
| 8/1/2011 | 5.00% | 870,000 | 01069DCC9 |
| 8/1/2012 | 4.40% | 915,000 | 01069DCD7 |
| 8/1/2013 | 4.50% | 950,000 | 01069DCE5 |
| 8/1/2014 | 4.60% | 1,000,000 | 01069DCF2 |
| 8/1/2015 | 4.70% | 1,045,000 | 01069DCG0 |
| 8/1/2016 | 4.80% | 1,090,000 | 01069DCH8 |
| 8/1/2017 | 4.85% | 1,140,000 | 01069DCJ4 |





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Report on Internal Control over Financial Reporting and on Compliance and Other Matters

The Governing Board
Alachua County Library District
Alachua County, Florida

We have audited the financial statements of the Alachua County Library District (the "District") as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated January 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

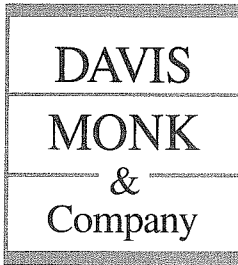
The Governing Board
Alachua County Library District
Alachua County, Florida

Page Two

This report is intended solely for the information and use of the Governing Board, management, and oversight agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Mark & Company

January 14, 2010
Gainesville, Florida



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Management Letter

The Governing Board
Alachua County Library District
Alachua County, Florida

We have audited the financial statements of the Alachua County Library District (the "District") as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated January 14, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. In that regard, there were no findings or recommendations made in the preceding audit report.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the District has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(7). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the District's annual financial report for the fiscal year ended September 30, 2009, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2009.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Governing Board, management, and oversight agencies, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



January 14, 2010
Gainesville, Florida



alachua county
library district

...thinking outside the book

Alachua County Library District
Administration
401 East University Avenue
Gainesville, FL 32601-5453
(352) 334-3910 FAX (352) 334-3918
www.aclib.us

February 11, 2010

Honorable David W. Martin
Auditor General, State of Florida
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

This is in response to the Independent Auditors' Management Letter for Alachua County Library District, for the fiscal year ended September 30, 2009. We are happy to report that for the eighteenth year, the Auditors found no reportable conditions.

Thank you for your attention.

Sincerely,

Mike Byerly, Chair
Library District Governing Board

J. K. Irby
Alachua County Clerk to the Board

lks

