

# Alachua County, Florida Library District



## Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2010



# **INTRODUCTORY SECTION**



**ALACHUA COUNTY, FLORIDA**  
**LIBRARY DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2010**

Prepared by:  
Finance and Accounting Department  
Clerk to the Library District  
J.K. Irby



**ALACHUA COUNTY LIBRARY DISTRICT  
ALACHUA COUNTY, FLORIDA  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORTS  
SEPTEMBER 30, 2010**

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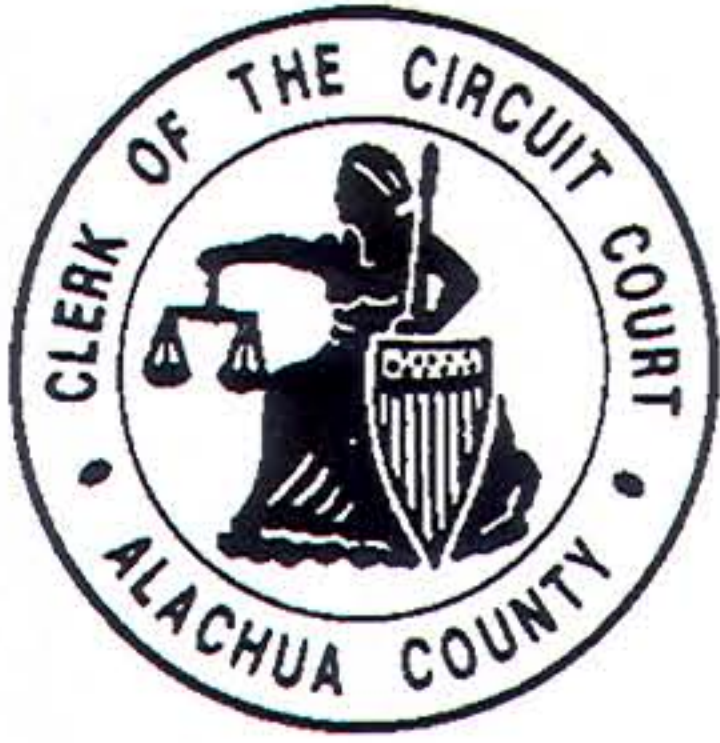
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## CLERK OF THE CIRCUIT COURT

Alachua County Courthouse  
Post Office Box 600  
Gainesville, Florida 32602

J.K. IRBY  
CLERK

TELEPHONE  
(352) 374-3636

February 10, 2011

The Honorable Eileen Roy, Chair  
Library District Governing Board  
Alachua County, Florida

Dear Governor Roy:

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, 2010. 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 six years were awarded this certificate. We are submitting the 2010 report for review and we believe that it will also be awarded a certificate.

The financial statements of the District have been audited by Carr, Riggs, & Ingram, LLC, Certified Public Accountants. Their opinion is included in the financial section of this report.

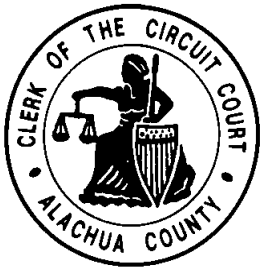
The preparation of this report could not have been accomplished without the dedicated effort of the Finance Director and his entire staff. Their efforts over the past years have led to an improved quality of information being reported to the Governing Board, State, Oversight Boards and the Citizens of 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 10, 2011

The Honorable Eileen Roy, Chair  
Library District Governing Board  
Alachua County, Florida

Dear Governor Roy and the Citizens of Alachua County:

The Comprehensive Annual Financial Report of Alachua County, Florida, Library District, for the fiscal year ended September 30, 2010, 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. Carr, Riggs & Ingram LLC, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Alachua County Library District's financial statements for the year ended September 30, 2010.

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.

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## **PROFILE OF THE GOVERNMENT**

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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 255,692 (April 1, 2010 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.

<b>Summary of Library Use Statistics for FY 2010</b>	
1,476,120	Visits to all Alachua County Libraries
3,374,804	Items borrowed (circulated)
204,418	Registered borrowers
334,770	Materials holdings - Titles
951,557	Individual items in the Library collection
646,802	Reference questions answered in person, by phone, or via the internet
878,294	Virtual visits through the internet
3,427	Programs for children and adults with attendance of 81,519
5,849	Uses of Library District meeting rooms with an attendance of 66,012

**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.

In fiscal year 2011, the Library District plans to participate in the newly formed Putnam-Alachua-Levy (PAL) Library Cooperative. The Cooperative will identify and coordinate the provision of selected library services across the region and will be solely funded through the State Aid to Public Libraries grant program. In fiscal year 2011, the Library will receive services and materials through the Cooperative valued at \$60,000 for which they would otherwise need to pay; in future years, if funded by the State legislature, the Library District could receive services or materials valued at about \$100,000.

### **Major Initiatives**

Construction on the expansion and remodeling of the Millhopper branch library was completed in fiscal year 2010, adding 8,500 square feet for a total of 23,500 square feet of space, spending over \$2 million for the project. The lobby of the downtown Main Library was renovated to allow an easier workflow for citizens.

For fiscal year 2010, the Library District received \$25,000 dollars from the Library Foundation and a donation of \$10,000 from the Pinkoson Intervivos Trust to be used for the Millhopper Branch Library. Support from organizations in the community allow for enhancement to facilities that would not otherwise be able to be accomplished.

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**AWARDS AND  
ACKNOWLEDGEMENTS**

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**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, 2009. This was the sixth 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, 2009

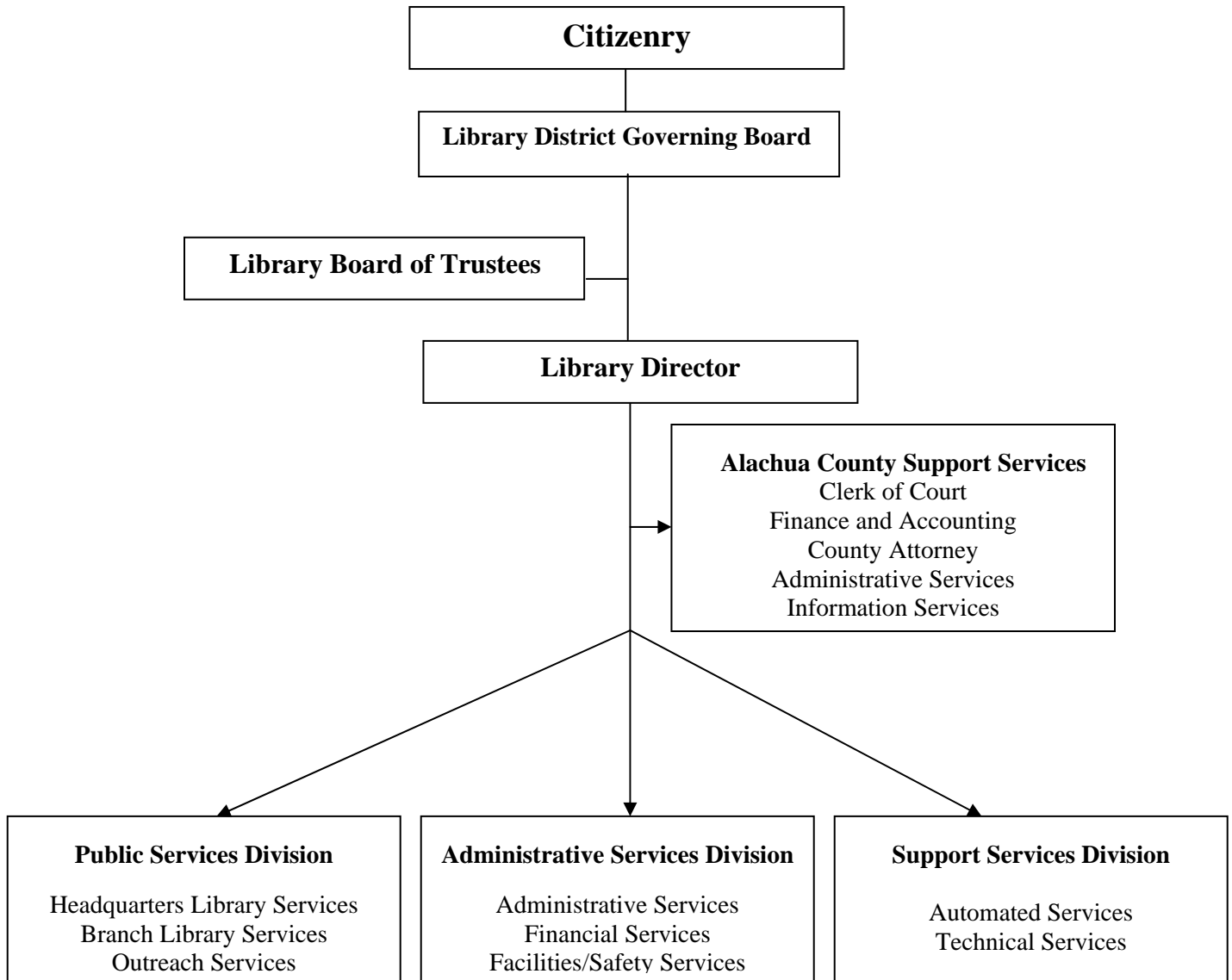
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

## ALACHUA COUNTY LIBRARY DISTRICT ORGANIZATIONAL CHART



**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA**

**PRINCIPAL OFFICERS**

**GOVERNING BOARD**

(As of December 9, 2010)

**Eileen F. Roy – Chair – School Board**

**Scherwin Henry – Vice Chair – City**

**Mike Byerly – County**

**Paula M. DeLaney – County**

**Thomas Hawkins – City**

**Lee Pinkoson - County**

**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>**

# **FINANCIAL SECTION**



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

**September 30, 2010**



## 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, 2010, 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, 2010, 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 5, 2011 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.

As discussed in Note 10 C. to the financial statements, the District restated its beginning net assets in order to implement the provisions of GASB Statement No. 51.

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.

*Carri, Riggs & Ingram LLC*

January 5, 2011  
Gainesville, Florida

**MANAGEMENT'S  
DISCUSSION & ANALYSIS  
(MD&A)**



## 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, 2010. 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, 2010 by \$22,989,391 (*net assets*). Of this amount, \$14,767,914 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets of \$22,989,391 are comprised of the following:
  - 1) Capital assets, net of related debt, of \$7,976,363 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 \$245,114 are restricted by constraints imposed from outside the Library District such as debt covenants.
  - 3) \$14,767,914 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 \$1,724,448 over the previous year. The primary reason for this increase is management put tighter spending controls in place resulting in actual expenses being approximately \$6 million less than originally budgeted.

#### **Fund Statements**

- At September 30, 2010, the Library District's governmental funds reported combined ending fund balances of \$15,879,401, an increase of \$732,602 from the prior fiscal year.
- At September 30, 2010, unreserved fund balance for the General Fund was \$6,110,905 or 38% of General Fund operating revenue. During the fiscal year, the District transferred \$1.27 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 increased \$449,785 or 2.5% from the prior fiscal year. This is primarily due to increases in taxes and interest earnings. The total operating millage of 1.2856 mills was equal to the rolled-back rate of 1.2856 mills; this was not the maximum millage allowed through a simple majority vote of the Governing Board because it did not include the allowable 2.5% adjustment

for growth in Florida personal income. The total voted debt service on the District's Series 2001 General Obligation Bonds is 0.0915 mills, no change from the prior year.

### ***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 2010. 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 47 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 51-65 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 \$22,989,391 at the end of the fiscal year ended September 30, 2010.

<b>Alachua County Library District</b>			
<b>Net Assets</b>			
	<b>Governmental Activities</b>		<b>Total Percent</b>
	<b>2009</b>	<b>2010</b>	<b>Change</b>
Current and Other Assets	\$ 16,232,130	\$ 16,754,102	3.2%
Unamortized Bond Issue Costs	65,195	56,872	-12.8%
Capital Assets	<u>14,865,879</u>	<u>15,062,177</u>	1.3%
Total Assets	<u>31,163,204</u>	<u>31,873,151</u>	2.3%
Long-Term Liabilities Outstanding	7,401,886	6,541,214	-11.6%
Other Liabilities	<u>2,496,375</u>	<u>2,342,546</u>	-6.2%
Total Liabilities	<u>9,898,261</u>	<u>8,883,760</u>	-10.2%
Net Assets:			
Invested in Capital Assets, Net of			
Related Debt	6,938,971	7,976,363	15.0%
Restricted	350,751	245,114	-30.1%
Unrestricted	<u>13,975,221</u>	<u>14,767,914</u>	5.7%
Total Net Assets	<u>\$ 21,264,943</u>	<u>\$ 22,989,391</u>	8.1%

At the end of fiscal year 2010, 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 \$7,976,363 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 \$1 million. This net increase is due to a reduction in the bonded debt payable due to the scheduled principal retirement of bonds.

Another portion of the Library District's net assets (\$245,114 or 1.1% of total net assets) represents resources that are subject to external restrictions on how they may be used. Restricted net assets decreased by \$105,637 from 2009 to 2010. The fund balance restricted for debt service was reduced due to reduction in debt service requirements.

The remaining portion of the Library District's net assets is unrestricted net assets (\$14,767,914 or 64%) and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets increased \$792,693 from FY09 to FY10. This increase was a result of management putting tighter spending controls in place.

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

	Governmental Activities		Percent Change
	2009	2010	
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 89,125	\$ 99,478	11.6%
Capital grants and contributions	11,530	-	-
Operating grants and contributions	476,947	505,800	6.0%
General revenues:			
Property taxes	16,537,856	16,889,474	2.1%
Investment Earnings	151,654	415,432	173.9%
Miscellaneous	500,615	317,738	-36.5%
Total revenues	<u>17,767,727</u>	<u>18,227,922</u>	2.6%
<b>Expenses:</b>			
Culture and recreation - Library Services	<u>16,416,564</u>	<u>16,546,944</u>	0.8%
Total expenses	<u>16,416,564</u>	<u>16,546,944</u>	0.8%
Increase in net assets	<u>1,351,163</u>	<u>1,680,978</u>	
Net assets - beginning	19,913,780	21,264,943	
Change in Accounting Principle	-	43,470	
Net assets - beginning as adjusted	<u>19,913,780</u>	<u>21,308,413</u>	
Net assets - ending	<u>\$ 21,264,943</u>	<u>\$ 22,989,391</u>	8.1%

## Governmental Activities

### Program Revenues –

The charges for services increased slightly due to an increase in copier revenue. In addition, the operations grants and contributions category increased due to an increase in Library Technology grant funding and an additional operating grant to fund E-government programs.

### General Revenues –

Property tax revenues increased due to the Governing Board's adoption of a higher millage rate of 2.7% above the fiscal year 2009 millage rate. The increase is a function of the rollback millage calculation and increase in new construction. The Board had reduced the millage rate the prior two years. Interest earnings on investment increased due to a recovery of economic and market conditions. Miscellaneous revenue decreased due to a decline in private contributions and donations.

### Net Assets –

The Library District's total net assets increased \$1,724,448 over the previous year. This is due to increased interest earnings as a result of improvement in economic and market conditions and management putting tighter spending controls in place.

## *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	\$ 15,879,401
Less reserved fund balance:	
Debt Service	(245,114)
Encumbrances	(44,555)
Prepaid items	(6,875)
Unreserved fund balance	<u>\$ 15,582,857</u>

As of the end of fiscal year 2010, the Library District's governmental funds reported combined ending fund balances of \$15,879,401 an increase of \$732,602 from the prior year. Of the approximately \$15.9 million total fund balance, unreserved fund balance is \$15,582,857 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, 2010 is \$6,117,780. For the fiscal year, the General Fund had a net increase in fund balance of \$783,185. Though the General Fund was still able to transfer \$1.27 million to the Capital Projects fund, this was reduced from a \$2 million transfer in fiscal year 2009 and 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 2010 the ending fund balance represents a very healthy 37.7% of total General Fund operating revenue. The District plans to transfer an additional \$1.27 million to the Capital Projects Fund in FY 2011 and also utilize \$1.62 million of fund balance in FY11 to offset the impacts of the reduction in property tax revenue.

The Capital Projects fund has a total fund balance of \$7,852,226, with \$44,555 reserved for encumbrances. The unreserved fund balance for Capital Projects is \$7,807,671, 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 \$130,277 due primarily to the planned spending for capital projects at the Main library and finalizing the addition to the Millhopper branch library.

### ***General Fund Budgetary Highlights***

There were no changes to the General Fund's original budget (see schedule on page 47). Overall actual revenues varied from final budgeted revenues positively by \$427,518, while actual expenditures were less than final budgeted expenditures by \$2,743,376 (positive variance). The net difference of actual results compared to final budget was a positive difference of \$3,170,894. 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 \$2.7 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, 2010 totals \$15,062,177 (net of accumulated depreciation) and includes land, artwork, buildings and improvements, and equipment and software. The Library District experienced an overall increase in investment in capital assets over the prior fiscal year of approximately 1.3%.

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)**

	<b>Governmental Activities</b>	
	<b><u>2009</u></b>	<b><u>2010</u></b>
Land	\$ 1,221,881	\$ 1,221,881
Construction in progress	2,091,638	-
Buildings and improvements	10,816,342	13,021,953
Equipment and software	736,018	818,343
Total	<b><u>\$ 14,865,879</u></b>	<b><u>\$ 15,062,177</u></b>

### **Long-term Debt**

At the end of fiscal year 2010, the Library District had total bonded debt outstanding of \$7,010,000.

#### **Alachua County Library District Outstanding Debt**

	<b><u>2009</u></b>	<b><u>2010</u></b>
General Obligation Bonds	<b><u>\$7,840,000</u></b>	<b><u>\$7,010,000</u></b>

During fiscal year 2010, the Library District's outstanding bonded debt decreased by \$830,000. 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 7.91% and commercial property decreased by 4.23% for fiscal year 2010.
- Population decreased approximately .2% from the prior year to an estimated 255,692 at September 30, 2010.

During the current fiscal year, the net change in fund balance for the General Fund was an increase of \$783,185 for a total ending fund balance of \$6,117,780. The ad valorem tax rate for the General Fund for the 2011 fiscal year budget is 1.3638 mills, a 6.1% increase from the prior year rate of 1.2856 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>.



**BASIC  
FINANCIAL  
STATEMENTS**





**ALACHUA COUNTY LIBRARY DISTRICT**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2010**

	<b>Primary Government</b>	<b>Component Unit</b>
<b>Assets</b>		
Current assets:		
Equity in pooled cash and investments	\$ 15,336,553	\$ -
Other cash and investments	1,232,657	797,590
Accounts receivable, net	51,049	-
Due from other governments	126,968	-
Prepaid items	6,875	-
<b>Total current assets</b>	<b>16,754,102</b>	<b>797,590</b>
Noncurrent assets:		
Unamortized bond issue costs	56,872	-
Capital assets:		
Land	1,221,881	-
Buildings	20,068,666	-
Equipment	2,467,142	-
Software	220,232	-
Other improvements	628,163	-
Less accumulated depreciation	(9,543,907)	-
<b>Total noncurrent assets</b>	<b>15,119,049</b>	<b>-</b>
<b>Total assets</b>	<b>31,873,151</b>	<b>797,590</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 873,142	\$ -
Accrued interest payable	109,745	-
Due to other governments	1,559	-
Bonds payable	870,000	-
Accrued compensated absences due within one year	488,100	-
<b>Total current liabilities</b>	<b>2,342,546</b>	<b>-</b>
Noncurrent liabilities:		
Accrued compensated absences	325,400	-
Bonds and notes payable (including unamortized premium)	6,215,814	-
<b>Total noncurrent liabilities</b>	<b>6,541,214</b>	<b>-</b>
<b>Total liabilities</b>	<b>8,883,760</b>	<b>-</b>
<b>Net assets</b>		
Invested in capital assets, net of related debt	7,976,363	-
Restricted for:		
Debt service	245,114	-
Unrestricted	14,767,914	797,590
<b>Total net assets</b>	<b>\$ 22,989,391</b>	<b>\$ 797,590</b>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Primary Government</b>	<b>Component Unit</b>
<b>Program expense</b>		
Culture and recreation - Library Services	\$ 16,190,042	\$ 18,967
Interest	356,902	-
<b>Total program expense</b>	<u>16,546,944</u>	<u>18,967</u>
 <b>Program revenues</b>		
Culture and recreation:		
Charges for services	99,478	-
Operating grants and contributions	505,800	33,811
<b>Total program revenues</b>	<u>605,278</u>	<u>33,811</u>
 <b>Net program revenue (expense)</b>	<u>(15,941,666)</u>	<u>14,844</u>
 <b>General revenues</b>		
Property taxes	16,889,474	-
Investment earnings	415,432	52,405
Miscellaneous	317,738	74
<b>Total general revenues</b>	<u>17,622,644</u>	<u>52,479</u>
 <b>Increase in net assets</b>	1,680,978	67,323
 <b>Net assets, beginning as originally reported</b>	21,264,943	730,267
<b>Change in accounting principle (see Note 10. C.)</b>	43,470	-
<b>Net assets, beginning, as adjusted</b>	<u>21,308,413</u>	<u>730,267</u>
 <b>Net assets, ending</b>	<u>\$ 22,989,391</u>	<u>\$ 797,590</u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 6,715,971	\$ 7,931,790	\$ 688,792	\$ 15,336,553
Other cash and investments	13,580	-	1,219,077	1,232,657
Accounts receivable	26,625	23,617	807	51,049
Due from other governments	118,506	1	8,461	126,968
Prepaid items	6,875	-	-	6,875
<b>Total assets</b>	<u>\$ 6,881,557</u>	<u>\$ 7,955,408</u>	<u>\$ 1,917,137</u>	<u>\$ 16,754,102</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 762,486	\$ 103,182	\$ 7,474	\$ 873,142
Due to other governments	1,291	-	268	1,559
<b>Total liabilities</b>	<u>763,777</u>	<u>103,182</u>	<u>7,742</u>	<u>874,701</u>
<b>Fund balances</b>				
Reserved for debt service	-	-	245,114	245,114
Reserved for encumbrances	-	44,555	-	44,555
Reserved for prepaid items	6,875	-	-	6,875
Unreserved, reported in:				
General fund	6,110,905	-	-	6,110,905
Special revenue funds	-	-	740,325	740,325
Special revenue funds - designated	-	-	923,956	923,956
Capital project fund	-	7,807,671	-	7,807,671
<b>Total fund balances</b>	<u>6,117,780</u>	<u>7,852,226</u>	<u>1,909,395</u>	<u>15,879,401</u>
<b>Total liabilities and fund balances</b>	<u>\$ 6,881,557</u>	<u>\$ 7,955,408</u>	<u>\$ 1,917,137</u>	<u>\$ 16,754,102</u>

See accompanying notes.

**Alachua County Library District  
Reconciliation of the Balance Sheet  
to the Statement of Net Assets Governmental Funds  
September 30, 2010**

Fund Balances – Total Governmental Funds	\$15,879,401
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.	15,062,177
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in funds. (Bonds Payable and Compensated Absences)	(7,899,314)
Total Unamortized Bond Issue costs not reported in funds.	56,872
Accrued long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.	<u>(109,745)</u>
Net assets of governmental activities	<u>\$22,989,391</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, 2010**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Property taxes	\$ 15,767,003	\$ 71	\$ 1,122,400	\$ 16,889,474
Intergovernmental	-	-	505,800	505,800
Charges for services	99,478	-	-	99,478
Rents and royalties	33,022	-	-	33,022
Investment income	157,557	130,367	127,508	415,432
Private donations	-	-	109,307	109,307
Miscellaneous	154,322	18,741	-	173,063
<b>Total revenues</b>	<u>16,211,382</u>	<u>149,179</u>	<u>1,865,015</u>	<u>18,225,576</u>
<b>Expenditures</b>				
Current: Culture and recreation				
Personal services	9,756,598	-	116,261	9,872,859
Operating expenditures	4,399,825	-	467,954	4,867,779
Capital outlay	-	1,553,576	-	1,553,576
Debt service				
Principal	-	-	830,000	830,000
Interest & other charges	-	-	371,106	371,106
<b>Total expenditures</b>	<u>14,156,423</u>	<u>1,553,576</u>	<u>1,785,321</u>	<u>17,495,320</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>2,054,959</u>	<u>(1,404,397)</u>	<u>79,694</u>	<u>730,256</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	1,271,774	26,241	1,298,015
Transfers out	(1,271,774)	-	(26,241)	(1,298,015)
Sale of capital assets	-	2,346	-	2,346
<b>Total other financing sources (uses)</b>	<u>(1,271,774)</u>	<u>1,274,120</u>	<u>-</u>	<u>2,346</u>
<b>Net change in fund balances</b>	783,185	(130,277)	79,694	732,602
<b>Fund balances - beginning</b>	<u>5,334,595</u>	<u>7,982,503</u>	<u>1,829,701</u>	<u>15,146,799</u>
<b>Fund balances - ending</b>	<u>\$ 6,117,780</u>	<u>\$ 7,852,226</u>	<u>\$ 1,909,395</u>	<u>\$ 15,879,401</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, 2010**

Net change in fund balances – Total Governmental Funds	\$732,602
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 \$880,332 exceeded depreciation (\$726,531) in the current period.	153,801
Governmental funds report sale of capital assets as financial resources; the loss on disposal of assets are not reflected in the fund statement.	(973)
Repayments of bond principal (\$830,000 plus \$11,094 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.	832,771
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds (compensated absences \$51,056 less accrued interest expense \$13,833).	(37,223)
Changes in net assets of governmental activities	\$1,680,978

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
SEPTEMBER 30, 2010**

	<u><b>Employee Pension Fund</b></u>
<b>Assets</b>	
Cash & Investments, at fair value:	
Cash with fiscal agent	\$ 519,572
Mutual Funds - equities	9,139,901
Fixed income assets	
Goldman Sachs money market fund	51,689
U.S. Government obligations	2,517,095
Corporate bonds	<u>2,288,567</u>
Total cash & investments, at fair value	14,516,824
Investment adjustments:	
Receivable for pension investments	<u>88,006</u>
<b>Total assets</b>	<u>14,604,830</u>
<b>Total liabilities</b>	-
<b>Net assets</b>	
Held in trust for pension benefits	<u><u>\$ 14,604,830</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, 2010**

**Additions**

Contributions:

Employer \$ 1,073,022

Members 162,952

Total contributions 1,235,974

Investment earnings:

Net appreciation in fair value of investments 1,165,731

Earned income 52,365

Interest earnings 510

Total investment income 1,218,606

Less investment expense (56,625)

Net investment income (loss) 1,161,981

**Total additions** 2,397,955

**Deductions**

Benefit payments (519,515)

Refunds of nonvested contributions (656)

Administrative expenses (33,840)

**Total deductions** (554,011)

**Net increase** 1,843,944

**Net assets held in trust for pension  
benefits - beginning** 12,760,886

**Net assets held in trust for pension  
benefits - ending** \$ 14,604,830

See accompanying notes.



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**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

**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, 2010**

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. Property taxes are the major revenue source that is susceptible to accrual. 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  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

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.

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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 & Software	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 increased from \$913,508 to \$923,956 representing a 1.14% increase in the consumer price index.

**ALACHUA COUNTY LIBRARY DISTRICT  
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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, 2010, are as follows:

<u>Millages Allocated to:</u>	<u>Allowable Millage</u>	<u>Millage Levied</u>
General Operations	1.5 Mills	1.2856 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.

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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, 2010 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	\$ 15,336,553
Other cash and investments	1,232,657

**Component Unit**

Other cash and investments	797,590
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**Statement of fiduciary net assets:**

Cash with fiscal agent	519,572
Investments:	
Mutual fund equities	9,139,901
Sawgrass fixed income securities	4,857,351
Total cash and investments	<u>\$ 31,883,624</u>

Deposits and investments as of September 30, 2010 consist of the following:

**Library Operating Surplus Governmental Funds**

Deposits with financial institutions	\$ 4,630,590
Investments	10,718,814

**Component Unit**

Deposits with financial institutions	152,219
Investments	645,371

**Pension Fund**

Investments	14,516,824
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**Brady Trust Fund (Wachovia Securities)**

Deposit with financial institution	729
Investments	1,219,077
Total cash and investments	<u>\$ 31,883,624</u>

**ALACHUA COUNTY LIBRARY DISTRICT  
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**A. Cash Deposits**

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.

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

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Investment Holdings Operating Funds

As of September 30, 2010, the Alachua County Library District had the following investments in its internal investment pool:

<b>Investments</b>	<b>Duration (Years)</b>	<b>Fair Value</b>
Fidelity Treasury MMF	0.001	\$ 1,065,392
PFM Fund Government Series	0.001	163,432
Florida PRIME (2a-7 like)	0.001	2,221,126
SBA Fund B	7.49	269,233
Florida Trust Day to Day Fund	0.001	1,000,005
U. S. Treasuries (PFM)	0.22	946,155
FHLB Bond Fund (PFM)	1.14	5,053,471
Total holdings in Investment Pool		\$ 10,718,814

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](http://www.sbafla.com)).

*Florida Trust Day to Day Fund* – A money market product created in January 2009 as part of the Florida Local Government Investment Trust developed through the joint efforts of the Florida Association of Court Clerks and Comptrollers and the Florida Association of Counties. The fund is AAAM rated by Standard and Poor’s and is governed by the Florida Local Government Investment Trust Board and Advisory committee. 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 50 days or less. Additional information on the Florida Trust Day to Day Fund may be obtained from the Florida Local Government Investment Trust ([www.floridatrustononline.com](http://www.floridatrustononline.com)).

*Federal Agency Securities (FHLB)* - 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 \$5,999,626 (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, 2010:

U. S. Treasuries & Federal Agencies	\$	117,888
Equities		446,901
Mutual Funds		80,582
Total Foundation Investments	\$	645,371

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

**ALACHUA COUNTY LIBRARY DISTRICT  
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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.

As of September 30, 2010, the Pension Trust Fund was invested in the following accounts managed by Regions Keegan Morgan Trust at Regions Bank. The following is a breakdown of the investments in each fund:

Receipts and Disbursements Account		
Goldman Sachs Financial Square treasuries	\$	519,572
Mutual Fund Account - Equities		9,139,901
Sawgrass Fixed Income Account		
Goldman Sachs money market funds	\$	51,689
US Government Obligations		2,517,095
Corporate Bonds		2,288,567
Subtotal Sawgrass Fixed Income Account		4,857,351
<b>Total Pension Trust Fund investments</b>		<b>\$ 14,516,824</b>

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, 2010:

Cash	\$	574
Money Market		15,350
Corporate Stocks		1,029,712
Mutual Funds		10,367
Certificates of Deposit		27,570
Corporate Bonds		135,504
Total Brady Trust investments	\$	1,219,077

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.

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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, 2010, all District bank deposits were in qualified 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, 2010, all of the District's investments are held in Region Bank's trust department in the District's name.

The Pension Trust Fund is invested in accordance with the custody agreement with Regions Bank. Securities are held in Regions Keegan Morgan Trust, held in the Library District's name, in one of three accounts: The Receipts and Disbursements account invested in Goldman Sachs FS Treasury obligations Fund Service; the Mutual Fund account for passive management of equities and Sawgrass Fixed Income Securities; the Sawgrass Fixed Income Securities account is actively managed by Sawgrass Asset Management, LLC, and consists of U.S. Treasures, Federal Agency Notes and Corporate Bonds.

The Component Unit's investments and the Brady Trust Fund investments 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):

<b>Investments</b>	<b>Type</b>	<b>Fair Value</b>
Fidelity Treasury MMF	AAAm	\$ 1,065,392
PFM Fund Government Series	AAAm	163,432
Florida PRIME (2a-7 like)	AAAm	2,221,126
SBA Fund B	Unrated	269,233
Florida Trust Day to Day Fund	AAA	1,000,005
U. S. Treasuries (PFM)	AAA	946,155
FHLB Bond Fund (PFM)	AAA	5,053,471
Total holdings in Investment Pool		<u>\$ 10,718,814</u>

Credit Risk-Component Unit:

At September 30, 2010, the Foundation had investments in U.S. Treasuries totaling \$73,175 Federal Agencies with a AAA rating totaling \$44,713 and unrated closed-end Mutual Funds totaling \$80,582.

Credit Risk-Pension Trust Fund: The Library District’s Pension Trust Fund fixed securities investment in the Intermediate Fixed Income Fund, managed by Sawgrass Asset Management, LLC, totals \$4,857,351. The Intermediate Fixed Income Fund is not rated by a nationally recognized statistical rating agency.

The Intermediate Fixed Income fund is expected to concentrate and trade its investments in bonds, and is expected to perform at a rate at least equal to the Barclays Capital U.S. Intermediate Aggregate Bond Index. All portfolios are expected to rank in the top 40<sup>th</sup> percentile of the appropriate peer universe over three to five-year time periods. Holdings in the Intermediate Fixed Income fund as of September 30, 2010 are summarized below:

<b>S &amp; P</b>	<b>Moody's</b>	<b>Amount</b>
AAA, AAA-, AA+	Aaa, Aaa1, Aaa2, Aaa3	\$ 1,980,724
AA, AA-, A+	Aa, Aa1, Aa2, Aa3	424,313
A, A-, BBB+	A, A1, A2, A3	1,640,094
BBB, BBB-, BB+	Baa, Baa1, Baa2, Baa3	58,759
Unrated	Unrated	753,461
	Total	<u>\$ 4,857,351</u>

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*Credit Risk-Brady Trust:* The ratings of the Brady Trust's investments in mutual funds and debt securities totaling \$135,504, is summarized below:

<u>Rating</u>	<u>Amount</u>
AA	\$ 56,692
AA-	78,812
Total	<u>\$ 135,504</u>

*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:

<u>Type Investment</u>	<u>Fair Value</u>	<u>0-3 Months</u>	<u>3 months - 1 year</u>	<u>&gt; 1 year</u>
Library Operating Funds				
U.S. Treasuries	\$ 946,155	\$ -	\$ -	\$ 946,155
Federal Agency Notes	5,053,470	1,000,082	997,291	3,056,097
Component Unit				
U.S. Treasuries	73,175	-	12,350	60,825
Federal Agencies	44,713	-	-	44,713
Pension Trust				
U.S. Treasuries	445,080	-	251,874	193,206
Federal Agency Notes	2,072,015	-	-	2,072,015
Corporate Bonds	2,288,567	-	-	2,288,567
Brady Trust Fund				
Corporate Bonds	135,504	-	-	135,504
Total debt investments	<u>\$ 11,058,679</u>	<u>\$ 1,000,082</u>	<u>\$1,261,515</u>	<u>\$ 8,797,082</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 U. S. Treasuries (6.17%) and in FHLB (32.95%).

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**Note 4 - Capital Assets**

Capital asset activity for the year ended September 30, 2010, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjust- ments*</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>					
Capital not being depreciated:					
Land	\$ 1,221,881	\$ -	\$ -	\$ -	\$ 1,221,881
Construction in progress	2,091,638	-	-	(2,091,638)	-
Total not being depreciated	<u>3,313,519</u>	<u>-</u>	<u>-</u>	<u>(2,091,638)</u>	<u>1,221,881</u>
Capital Assets being depreciated:					
Buildings	17,488,027	526,925	-	2,053,714	20,068,666
Equipment	2,711,594	255,552	(500,004)	-	2,467,142
Software-current year internally developed	-	31,828	-	-	31,828
Software-prior year purchased	-	-	-	188,404	188,404
Improvements other than building	524,212	66,027	-	37,924	628,163
Total being depreciated	<u>20,723,833</u>	<u>880,332</u>	<u>(500,004)</u>	<u>2,280,042</u>	<u>23,384,203</u>
Less accumulated depreciation for:					
Buildings	(6,852,561)	(458,125)	-	-	(7,310,686)
Equipment	(1,975,576)	(228,648)	499,031	-	(1,705,193)
Software-current year internally developed	-	(4,420)	-	-	(4,420)
Software-prior year purchased	-	(14,484)	-	(144,934)	(159,418)
Improvements other than building	(343,336)	(20,854)	-	-	(364,190)
Total accumulated depreciation	<u>(9,171,473)</u>	<u>(726,531)</u>	<u>499,031</u>	<u>(144,934)</u>	<u>(9,543,907)</u>
Total being depreciated, net	<u>11,552,360</u>	<u>153,801</u>	<u>(973)</u>	<u>2,135,108</u>	<u>13,840,296</u>
<b>Governmental activities     capital assets, net</b>	<u>\$ 14,865,879</u>	<u>\$ 153,801</u>	<u>\$ (973)</u>	<u>\$ 43,470</u>	<u>\$ 15,062,177</u>

\*Includes changes when construction completed, donations, reclassifications, prior year software purchases and internally developed software.

Depreciation expense for the year ended September 30, 2010 was \$726,531, 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, 2009, the plan membership consisted of:

Inactive transfers to FRS	50
Retirees and beneficiaries currently receiving benefits	36
Vested terminated employees	45
Active employees	<u>115</u>
<b>Total</b>	<u><u>246</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, 2010**

**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 30.34%. This contribution rate was determined as part of the October 1, 2009, 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 26.34% of covered payroll. The total 30.34% contribution rate expressed as a percentage of payroll consisted of 163.38% for normal costs, 12.83% for amortization of the unfunded actuarial liability over a 30 year period using level percent of payroll, and 1.13% for interest on amounts from actuarial valuation date to expected payment dates.

**D. Investment Concentrations**

As of September 30, 2010, the Pension Trust fund portfolio consisted of three accounts held in Regions Keegan Morgan Trust at Regions Bank. Approximately 4% is invested in a money market account in Regions Bank, 63% in mutual fund account, and 33% in a fixed income account

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

managed by Sawgrass Asset Management, LLC. Regions, as Trustee, or its successor performs custodial and record keeping services for all three accounts in the Pension Trust fund.

**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 26.34% of current covered payroll for the period ending September 30, 2010. 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 (26.34% of covered payroll)	\$ 1,073,023
Actual contributions made	(1,073,023)
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)
9/30/2010	\$ 1,073,023	100%	\$0
9/30/2009	1,093,517	100%	0
9/30/2008	872,216	100%	0

**F. Actuarial Assumptions**

Below is a list of actuarial assumptions used as part of the valuation report as of October 1, 2009:

Valuation date	10/01/09
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%
<b>Actuarial Assumptions:</b>	
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, 2010**

**G. Funded Status and Funding Progress**

As of the most recent valuation date, October 1, 2009, the actuarial value of assets was \$14,693,897, the actuarial accrued liability-entry age was \$20,410,898, and the unfunded accrued liability was \$5,717,001 with a funding ratio of 72%. The total payroll at the valuation date was \$4,034,478 and the unfunded accrued liability of covered payroll was 141.7%.

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, 2010 are as follows: regular employees – 10.77%; rehired retirees – 10.77%, senior management service – 14.57%; deferred retirement option (DROP) – 12.25%.

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, 2010, 2009 and 2008 were \$284,993, \$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 \$54,970.

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

• **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, 2010, General Obligation bonds consisted of the following:

Description	Interest Rate and Date	Maturity	Issue	Outstanding at September 30, 2010
	4.40% -5.00%			
Limited General Obligation Refunding 2001 Series	2/1 and 8/1	2017	\$13,295,000	\$7,010,000

*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)

\$ 7,010,000

Plus unamortized premium

75,814

Net carrying amount General Obligation Bonds

7,085,814

Accrued compensated Absences

813,500

**TOTAL LONG-TERM OBLIGATIONS**

\$ 7,899,314

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

Long-Term liability activity for the year ended September 30, 2010, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General Obligation Bonds	\$ 7,840,000	\$ -	\$ (830,000)	\$ 7,010,000	\$ 870,000
Unamortized premium	86,908	-	(11,094)	75,814	-
Compensated absences	762,444	864,556	(813,500)	813,500	488,100
Total Long-term Obligations	<u>\$ 8,689,352</u>	<u>\$ 864,556</u>	<u>\$ (1,654,594)</u>	<u>\$ 7,899,314</u>	<u>\$ 1,358,100</u>

Compensated absences are generally liquidated by the general fund.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,045,000	156,725	1,201,725
2016-2017	2,230,000	162,900	2,392,900
	<u>7,010,000</u>	<u>1,382,795</u>	<u>8,392,795</u>
Plus: Unamortized Bond Premium	75,814	-	75,814
	<u>\$ 7,085,814</u>	<u>\$ 1,382,795</u>	<u>\$ 8,468,609</u>

**Note 7 - Interfund Transfers**

Interfund transfers for the year ended September 30, 2010, were as follows:

<u>Transfer Out</u>	<u>Amount</u>	<u>Transfer In</u>	<u>Purpose</u>
General Fund	\$ 1,271,774	Capital projects fund	Fund capital projects
Other Governmental funds			
NE Florida Information Network	1,241	Other Governmental funds	Unspent fund balance
		- Gifts & Donations	
Brady Trust fund	25,000	Other Governmental funds	Budgeted spendable
		- Gifts & Donations	trust funds
Subtotal Other Governmental funds	<u>26,241</u>		
<b>Total interfund transfers</b>	<u>\$ 1,298,015</u>		

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

**Note 8 – Commitments and Contingencies**

Non-capitalized leases – Rental costs for the year ended September 30, 2010, under cancelable leases are summarized as follows:

<u>Fund Charged</u>	<u>Amount</u>
General Fund	\$ 105,667
Capital Projects	65,251
	<u>\$ 170,918</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 2010. 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.

**C. Change in Accounting Principle**

GASB 51, Accounting and Financial Reporting for Intangible Assets required that software purchased since June 30, 1980 still in use, be added to the entity's capital assets. The Library District added software purchased in prior years for \$188,404 with accumulated depreciation of \$144,934 for a net book value of \$43,470 as of September 30, 2009.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**ALACHUA COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>General Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 15,463,864	\$ 15,463,864	\$ 15,767,003	\$ 303,139
Charges for services	80,000	80,000	99,478	19,478
Rents and royalties	-	-	33,022	33,022
Investment income	200,000	200,000	157,557	(42,443)
Miscellaneous	40,000	40,000	154,322	114,322
<b>Total revenues</b>	<b>15,783,864</b>	<b>15,783,864</b>	<b>16,211,382</b>	<b>427,518</b>
<b>Expenditures</b>				
Current: Culture and recreation				
Personal services	10,756,183	10,756,183	9,756,598	999,585
Operating expenditures	5,338,864	5,338,864	4,399,825	939,039
Reserve for contingencies	804,752	804,752	-	804,752
<b>Total expenditures</b>	<b>16,899,799</b>	<b>16,899,799</b>	<b>14,156,423</b>	<b>2,743,376</b>
<b>Excess of revenues over expenditures</b>	<b>(1,115,935)</b>	<b>(1,115,935)</b>	<b>2,054,959</b>	<b>3,170,894</b>
<b>Other financing sources (uses)</b>				
Transfers out	(1,271,774)	(1,271,774)	(1,271,774)	-
<b>Total other financing sources (uses)</b>	<b>(1,271,774)</b>	<b>(1,271,774)</b>	<b>(1,271,774)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(2,387,709)</b>	<b>(2,387,709)</b>	<b>783,185</b>	<b>3,170,894</b>
<b>Fund balances - beginning</b>	<b>2,387,709</b>	<b>2,387,709</b>	<b>5,334,595</b>	<b>2,946,886</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,117,780</b>	<b>\$ 6,117,780</b>

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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  
REQUIRED SUPPLEMENTAL INFORMATION  
PENSION PLAN  
SEPTEMBER 30, 2010**

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

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL)-Entry Age (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Total Annual Payroll at Valuation Date (C)</b>	<b>UAAL as % of Covered Payroll (B-A)/C</b>
10/1/2009	\$14,693,897	\$ 20,410,898	\$5,717,001	72.0%	\$ 4,034,478	141.7%
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%

**Schedule of Employer Contributions**

<b>Valuation Date</b>	<b>End of Plan Year to which Valuation Applies</b>	<b>Actual Covered Payroll for Current Period (A/B)</b>	<b>Required Employer Contribution Amount (A)</b>	<b>Required Employer Contribution % Payroll (B)</b>	<b>Actual Employer Contributions</b>	<b>Percentage Contributed</b>
10/1/2009	9/30/2010	\$ 4,073,740	\$ 1,073,023	26.34%	\$ 1,073,023	100%
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%

\* Change in Actuarial assumption/methods



# **SUPPLEMENTAL INFORMATION**



## 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 multi-type 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.

**LIBRARY SERVICES AND TECHNOLOGY ACT - E-GOVERNMENT SERVICES PROJECT (708)** - Federal funds received from the Institute for Museum and Library Services were used for a team of ACLD librarians to train staff in 8 library systems covering rural libraries in 14 Florida counties. The purpose of this project was to improve access to and raise staff awareness of E-Government resources for those counties.

**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 from the Brady Trust Fund.

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

**LIBRARY SERVICES AND TECHNOLOGY ACT 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.

**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, 2010**

	SPECIAL			REVENUE
	705	706	708	710
	Prime Time Grant	NE Florida Information Network	Library Services Technology E-gov	State Aid to Libraries Program Grant
<b>Assets</b>				
Equity in pooled cash and investments	\$ -	\$ -	\$ 7,526	\$ -
Other cash and investments	-	-	-	-
Accounts receivable	-	-	32	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<u>-</u>	<u>-</u>	<u>7,558</u>	<u>-</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	-	-	7,474	-
Due to other governments	-	-	84	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>7,558</u>	<u>-</u>
<b>Fund balances</b>				
Fund balances:				
Reserved for debt service	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Special revenue funds-designated	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,558</u>	<u>\$ -</u>

<b>FUNDS</b>				
<b>711</b>	<b>712</b>	<b>715</b>	<b>722</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Gifts &amp; Donations</b>	<b>Brady Trust Fund</b>	<b>Library Services Technology FY09</b>	<b>Debt Service</b>	
\$ 444,475	\$ 729	\$ 89	\$ 235,973	\$ 688,792
-	1,219,077	-	-	1,219,077
-	-	74	701	807
-	-	-	8,461	8,461
<u>444,475</u>	<u>1,219,806</u>	<u>163</u>	<u>245,135</u>	<u>1,917,137</u>
-	-	-	-	7,474
-	-	163	21	268
<u>-</u>	<u>-</u>	<u>163</u>	<u>21</u>	<u>7,742</u>
-	-	-	245,114	245,114
444,475	295,850	-	-	740,325
-	923,956	-	-	923,956
<u>444,475</u>	<u>1,219,806</u>	<u>-</u>	<u>245,114</u>	<u>1,909,395</u>
<u>\$ 444,475</u>	<u>\$ 1,219,806</u>	<u>\$ 163</u>	<u>\$ 245,135</u>	<u>\$ 1,917,137</u>

**ALACHUA COUNTY LIBRARY DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	SPECIAL			REVENUE
	705	706	708	710
	Prime Time Grant	NE Florida Information Network	Library Services Technology E-Gov	State Aid to Libraries Program Grant
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	48,449	337,651
Investment income	-	-	-	-
Private donations	1,750	-	-	-
<b>Total Revenues</b>	<u>1,750</u>	<u>-</u>	<u>48,449</u>	<u>337,651</u>
<b>Expenditures</b>				
Current: Culture and recreation				
Personal services	-	-	42,310	-
Operating expenditures	1,757	-	6,139	337,651
Debt service				
Principal	-	-	-	-
Interest & other charges	-	-	-	-
<b>Total expenditures</b>	<u>1,757</u>	<u>-</u>	<u>48,449</u>	<u>337,651</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	(1,241)	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(1,241)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	(7)	(1,241)	-	-
<b>Fund balances - beginning</b>	<u>7</u>	<u>1,241</u>	<u>-</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<b>FUNDS</b>				
<b>711</b>	<b>712</b>	<b>715</b>	<b>722</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Gifts &amp; Donations</b>	<b>Brady Trust Fund</b>	<b>Library Services Technology FY09</b>	<b>Debt Service</b>	
\$ -	\$ -	\$ -	\$ 1,122,400	\$ 1,122,400
		119,700	-	505,800
-	114,014	-	13,494	127,508
107,557	-	-	-	109,307
<u>107,557</u>	<u>114,014</u>	<u>119,700</u>	<u>1,135,894</u>	<u>1,865,015</u>
-	-	73,951	-	116,261
36,233	-	45,749	40,425	467,954
-	-	-	830,000	830,000
-	-	-	371,106	371,106
<u>36,233</u>	<u>-</u>	<u>119,700</u>	<u>1,241,531</u>	<u>1,785,321</u>
<u>71,324</u>	<u>114,014</u>	<u>-</u>	<u>(105,637)</u>	<u>79,694</u>
26,241	-	-	-	26,241
-	(25,000)	-	-	(26,241)
<u>26,241</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
97,565	89,014	-	(105,637)	79,694
<u>346,910</u>	<u>1,130,792</u>	<u>-</u>	<u>350,751</u>	<u>1,829,701</u>
<u>\$ 444,475</u>	<u>\$ 1,219,806</u>	<u>\$ -</u>	<u>\$ 245,114</u>	<u>\$ 1,909,395</u>

**ALACHUA COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>SPECIAL</b>			
	<b>Prime Time Grant</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 1,750	\$ -	\$ (1,750)
Investment income	-	-	-	-
Private donations	-	-	1,750	1,750
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>1,750</b>	<b>1,750</b>	<b>-</b>
<b>Expenditures</b>				
Current: Culture and recreation				
Personal services	-	-	-	-
Operating expenditures	-	1,757	1,757	-
<b>Total expenditures</b>	<b>-</b>	<b>1,757</b>	<b>1,757</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>(7)</b>	<b>(7)</b>	<b>-</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>(7)</b>	<b>(7)</b>	<b>-</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

REVENUE				FUNDS			
NE Florida Information Network				Library Services Technology E-Gov			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,449	\$ 48,449	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	48,449	48,449	-
-	-	-	-	-	42,310	42,310	-
-	-	-	-	-	6,139	6,139	-
-	-	-	-	-	48,449	48,449	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(1,241)	(1,241)	-	-	-	-
-	-	(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, 2010**

<b>SPECIAL</b>				
<b>State Aid to Libraries Program Grant</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 275,000	\$ 337,651	\$ 337,651	\$ -
Investment income	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	275,000	337,651	337,651	-
<b>Expenditures</b>				
Current: Culture and recreation				
Personal services	-	-	-	-
Operating expenditures	275,000	337,651	337,651	-
<b>Total expenditures</b>	275,000	337,651	337,651	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-	-
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	-	-	-	-
<b>Fund balances - beginning</b>	-	-	-	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ -	\$ -

REVENUE				FUNDS			
Gifts & Donations				Brady Trust Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	25,000	25,000	114,014	89,014
25,000	25,000	107,557	82,557	-	-	-	-
-	-	-	-	-	-	-	-
25,000	25,000	107,557	82,557	25,000	25,000	114,014	89,014
-	-	-	-	-	-	-	-
162,000	162,000	36,233	125,767	-	-	-	-
(162,000)	162,000	36,233	125,767	-	-	-	-
(137,000)	(137,000)	71,324	208,324	25,000	25,000	114,014	89,014
25,000	25,000	26,241	1,241	-	-	-	-
-	-	-	-	(25,000)	(25,000)	(25,000)	-
25,000	25,000	26,241	1,241	(25,000)	(25,000)	(25,000)	-
(112,000)	(112,000)	97,565	209,565	-	-	89,014	89,014
112,000	112,000	346,910	234,910	-	-	1,130,792	1,130,792
\$ -	\$ -	\$ 444,475	\$ 444,475	\$ -	\$ -	\$ 1,219,806	\$ 1,219,806

**ALACHUA COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<b>SPECIAL REVENUE FUNDS</b>				
<b>Library Services Technology FY09</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 119,700	\$ 119,700	\$ -
Investment income	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	-	-	-	\$ -
<b>Total revenues</b>	<b>-</b>	<b>119,700</b>	<b>119,700</b>	<b>-</b>
<b>Expenditures</b>				
Current: Culture and recreation				
Personal services	-	73,951	73,951	-
Operating expenditures	-	45,749	45,749	-
<b>Total expenditures</b>	<b>-</b>	<b>119,700</b>	<b>119,700</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ALACHUA COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>DEBT SERVICE FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 1,100,100	\$ 1,100,100	\$ 1,122,400	\$ 22,300
Investment income	5,000	5,000	13,494	8,494
<b>Total Revenues</b>	<u>1,105,100</u>	<u>1,105,100</u>	<u>1,135,894</u>	<u>30,794</u>
<b>Expenditures</b>				
Current: Culture and recreation				
Operating expenditures	73,371	73,371	40,425	32,946
Debt service				
Principal	1,200,735	1,201,106	830,000	371,106
Interest & other charges	-	-	371,106	(371,106)
Contingency reserve	50,000	49,629	-	49,629
<b>Total expenditures</b>	<u>1,324,106</u>	<u>1,324,106</u>	<u>1,241,531</u>	<u>82,575</u>
<b>Net change in fund balance</b>	(219,006)	(219,006)	(105,637)	113,369
<b>Fund balances - beginning</b>	<u>219,006</u>	<u>219,006</u>	<u>350,751</u>	<u>131,745</u>
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,114</u>	<u>\$ 245,114</u>

**ALACHUA COUNTY LIBRARY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>CAPITAL PROJECTS FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 71	\$ 71
Investment income	100,000	100,000	130,367	30,367
Miscellaneous	-	-	18,741	18,741
<b>Total revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>149,179</u>	<u>49,179</u>
<b>Expenditures</b>				
Current: Culture and recreation				
Capital outlay	<u>2,899,500</u>	<u>2,899,500</u>	<u>1,553,576</u>	<u>1,345,924</u>
<b>Total expenditures</b>	<u>2,899,500</u>	<u>2,899,500</u>	<u>1,553,576</u>	<u>1,345,924</u>
<b>(Deficiency) of revenues (under) expenditures</b>	<u>(2,799,500)</u>	<u>(2,799,500)</u>	<u>(1,404,397)</u>	<u>1,395,103</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,271,774	1,271,774	1,271,774	-
Proceeds from sale of capital assets	-	-	2,346	2,346
<b>Total other financing sources (uses)</b>	<u>1,271,774</u>	<u>1,271,774</u>	<u>1,274,120</u>	<u>2,346</u>
<b>Net change in fund balance</b>	(1,527,726)	(1,527,726)	(130,277)	1,397,449
<b>Fund balances - beginning</b>	<u>1,527,726</u>	<u>1,527,726</u>	<u>7,982,503</u>	<u>6,454,777</u>
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,852,226</u>	<u>\$ 7,852,226</u>

## **COMPONENT UNIT – DISCRETELY PRESENTED**

**LIBRARY DISTRICT FOUNDATION** - 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.



**ALACHUA COUNTY LIBRARY DISTRICT  
DISCRETELY PRESENTED COMPONENT UNIT-LIBRARY FOUNDATION  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Revenues**

Investment income	\$	52,405
Private donations		33,811
Miscellaneous		74
<b>Total Revenues</b>		86,290

**Expenditures**

Current: Culture and recreation		18,967
<b>Total expenditures</b>		18,967

**Excess of revenues over expenditures** 67,323

**Fund balances - beginning** 730,267

**Fund balances - ending** \$ 797,590

**ALACHUA COUNTY LIBRARY DISTRICT  
DISCRETELY PRESENTED COMPONENT UNIT - LIBRARY FOUNDATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Library Foundation</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 52,405	\$ 52,405
Private donations	22,100	22,100	33,811	11,711
Miscellaneous	-	-	74	74
<b>Total revenues</b>	<u>22,100</u>	<u>22,100</u>	<u>86,290</u>	<u>64,190</u>
<b>Expenditures</b>				
Current: Culture and recreation	22,100	22,100	18,967	3,133
<b>Excess of revenues over expenditures</b>	-	-	67,323	67,323
<b>Fund balances - beginning</b>	<u>-</u>	<u>-</u>	<u>730,267</u>	<u>730,267</u>
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,590</u>	<u>\$ 730,267</u>

# **STATISTICAL SECTION**



## 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
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.	68
Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	76
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.	82
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.	86
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.	90

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 NINE FISCAL YEARS**

(accrual basis of accounting)

	<b>FISCAL YEAR</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Governmental activities</b>				
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**

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
\$ 1,129,891	\$ 2,552,293	\$ 4,348,293	\$ 6,938,971	\$ 7,976,363
2,187,373	812,212	460,299	350,751	245,114
10,209,889	14,508,960	15,105,188	13,975,221	14,767,914
<u>\$ 13,527,153</u>	<u>\$ 17,873,465</u>	<u>\$ 19,913,780</u>	<u>\$ 21,264,943</u>	<u>\$ 22,989,391</u>

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

	<b>FISCAL YEAR</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Expenses</b>				
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>
<b>Program Revenues</b>				
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>
<b>Net (Expense)Revenue</b>				
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>
<b>General Revenues and Other Changes in Net Assets</b>				
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>
<b>Change in Net Assets</b>				
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**

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
\$ 13,134,592	\$ 14,611,036	\$ 15,342,484	\$ 16,019,496	\$ 16,190,042
503,236	473,662	510,066	397,068	356,902
<u>13,637,828</u>	<u>15,084,698</u>	<u>15,852,550</u>	<u>16,416,564</u>	<u>16,546,944</u>
<u>13,637,828</u>	<u>15,084,698</u>	<u>15,852,550</u>	<u>16,416,564</u>	<u>16,546,944</u>
64,122	86,802	87,151	89,125	99,478
598,485	555,346	483,170	476,947	505,800
-	52,500	3,908	11,530	-
<u>662,607</u>	<u>694,648</u>	<u>574,229</u>	<u>577,602</u>	<u>605,278</u>
<u>662,607</u>	<u>694,648</u>	<u>574,229</u>	<u>577,602</u>	<u>605,278</u>
<u>(12,975,221)</u>	<u>(14,390,050)</u>	<u>(15,278,321)</u>	<u>(15,838,962)</u>	<u>(15,941,666)</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>	<u><u>\$ (15,941,666)</u></u>
\$ 14,891,546	\$ 17,205,046	\$ 16,903,356	\$ 16,537,856	\$ 16,889,474
854,561	1,271,583	240,091	151,654	415,432
182,087	259,733	175,189	500,615	317,738
<u>15,928,194</u>	<u>18,736,362</u>	<u>17,318,636</u>	<u>17,190,125</u>	<u>17,622,644</u>
<u>\$ 15,928,194</u>	<u>\$ 18,736,362</u>	<u>\$ 17,318,636</u>	<u>\$ 17,190,125</u>	<u>\$ 17,622,644</u>
\$ 2,952,973	\$ 4,346,312	\$ 2,040,315	\$ 1,351,163	\$ 1,680,978
<u>\$ 2,952,973</u>	<u>\$ 4,346,312</u>	<u>\$ 2,040,315</u>	<u>\$ 1,351,163</u>	<u>\$ 1,680,978</u>

**Schedule 3****ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA****FUND BALANCES, GOVERNMENTAL FUNDS****LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	<b>FISCAL YEAR</b>			
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>General Fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ 656
Unreserved	<u>1,944,721</u>	<u>1,843,816</u>	<u>1,729,545</u>	<u>2,103,088</u>
Total general fund	<u>\$ 1,944,721</u>	<u>\$ 1,843,816</u>	<u>\$ 1,729,545</u>	<u>\$ 2,103,744</u>
<b>All Other Governmental Funds</b>				
Reserved	\$ 493,488	\$ 4,179,639	\$ 3,597,897	\$ 3,239,137
Unreserved, reported in:				
Special revenue funds	82,156	1,105,890	1,316,101	1,409,080
Capital project funds	4,576,450	769,080	1,562,135	2,419,925
Debt service funds	-	408,532	-	-
Total all other				
governmental funds	<u>\$ 5,152,094</u>	<u>\$ 6,463,141</u>	<u>\$ 6,476,133</u>	<u>\$ 7,068,142</u>

<b>FISCAL YEAR</b>					
<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
\$ -	\$ 4,436	\$ -	\$ -	\$ 16,083	\$ 6,875
<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>6,110,905</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>	<u><u>\$ 6,117,780</u></u>
\$ 2,664,088	\$ 2,336,339	\$ 1,445,275	\$ 515,824	\$ 657,258	\$ 289,669
1,437,596	1,493,802	1,650,823	1,395,572	1,478,950	1,664,281
3,418,987	4,580,959	5,624,483	8,764,030	7,675,996	7,807,671
-	-	-	-	-	-
<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>	<u><u>\$ 9,761,621</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			
	2001	2002	2003	2004
<b>Revenues</b>				
Taxes	\$ 11,098,821	\$ 10,768,385	\$ 11,507,342	\$ 12,592,946
Intergovernmental	791,982	731,456	710,159	680,677
Charges for services	26,033	33,174	33,598	35,139
Rents and royalties	-	-	-	-
Investment income	471,968	104,610	344,944	274,342
Private donations	66,862	89,744	98,979	49,061
Miscellaneous revenue	102,075	25,289	50,259	142,251
Total revenues	<u>12,557,741</u>	<u>11,752,658</u>	<u>12,745,281</u>	<u>13,774,416</u>
<b>Expenditures</b>				
Culture & recreation	9,291,226	10,366,057	11,348,007	11,297,284
Capital outlay	696,128	68,678	298,885	313,574
Debt service				
Principal	455,000	585,000	610,000	635,000
Interest	647,366	614,160	589,668	563,744
Total expenditures	<u>11,089,720</u>	<u>11,633,895</u>	<u>12,846,560</u>	<u>12,809,602</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,468,021</u>	<u>118,763</u>	<u>(101,279)</u>	<u>964,814</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	20,000	710,537	761,885	831,664
Transfers out	(20,000)	(710,537)	(761,885)	(831,664)
Proceeds from sale of capital assets	-	-	-	1,394
Proceeds from refunding	15,598	-	-	-
Total other financing sources (uses)	<u>15,598</u>	<u>-</u>	<u>-</u>	<u>1,394</u>
Net change in fund balances	<u>\$ 1,483,619</u>	<u>\$ 118,763</u>	<u>\$ (101,279)</u>	<u>\$ 966,208</u>
Debt service as a percentage of noncapital expenditures (See Note)	10.1%	10.4%	9.6%	9.4%

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**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
\$	13,761,327	\$ 14,891,546	\$ 17,205,046	\$ 16,903,356	\$ 16,537,856	\$ 16,889,474
	702,258	598,485	607,846	487,078	488,477	505,800
	35,341	64,122	86,802	87,151	89,125	99,478
	-	-	-	-	22,015	33,022
	513,515	854,561	1,271,583	240,091	151,654	415,432
	45,173	28,924	2,357	86,621	138,664	109,307
	147,295	149,051	106,257	88,755	348,000	173,063
	<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>	<u>18,225,576</u>
	11,879,272	12,278,405	13,705,627	13,984,354	14,723,410	14,740,638
	679,231	587,351	1,479,730	2,412,725	3,036,455	1,553,576
	665,000	690,000	725,000	755,000	790,000	830,000
	536,756	508,494	479,168	448,356	411,106	371,106
	<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>	<u>17,495,320</u>
	1,444,650	2,522,439	2,890,366	292,617	(1,185,180)	730,256
	902,031	1,010,976	1,193,122	4,576,735	2,000,000	1,298,015
	(902,031)	(1,010,976)	(1,193,122)	(4,576,735)	(2,000,000)	(1,298,015)
	3,240	2,652	1,023	2,684	422	2,346
	-	-	-	-	-	-
	<u>3,240</u>	<u>2,652</u>	<u>1,023</u>	<u>2,684</u>	<u>422</u>	<u>2,346</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>	<u>\$ 732,602</u>
	8.8%	8.7%	7.8%	7.5%	7.3%	7.2%

**Schedule 5**

**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

**LAST TEN FISCAL YEARS**

(in thousands of dollars)

<b>Tax Year</b>	<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Agricultural Property</b>	<b>Industrial Property</b>	<b>Non-Taxable Real Property</b>
2001	2002	\$ 5,593,903	\$ 1,274,774	\$ 885,976	\$ 217,371	\$ 2,638,417
2002	2003	6,124,854	1,296,021	882,437	229,480	2,527,797
2003	2004	6,837,209	1,419,435	926,592	253,667	2,568,342
2004	2005	7,697,475	1,543,085	978,008	278,755	3,452,059
2005	2006	8,930,088	1,682,537	1,057,069	299,514	3,757,174
2006	2007	10,694,871	1,962,850	1,172,312	327,599	4,150,482
2007	2008	12,387,230	2,267,524	1,300,060	380,711	4,333,750
2008	2009	12,936,749	2,418,934	1,453,097	474,446	4,679,231
2009	2010	12,297,297	2,432,165	1,485,314	461,587	4,553,950
2010	2011	** 11,324,873	2,329,236	1,439,909	415,202	5,243,853

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.

\*\* Property valuations are per the 1st Certification; the Value Adjustment Board has not completed their process so values may change.

<b>Personal &amp; Centrally Assessed Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate *</b>	<b>Total Valuation</b>
\$ 2,028,345	\$ (5,982,825)	\$ 6,655,961	21.1158	\$ 12,638,786
2,046,051	(5,963,310)	7,143,329	21.1179	13,106,639
2,104,176	(6,246,303)	7,863,117	20.7343	14,109,420
2,092,296	(7,510,767)	8,530,911	20.1193	16,041,678
2,096,661	(8,186,416)	9,636,627	19.8647	17,823,043
2,260,438	(9,357,020)	11,211,533	19.2712	20,568,553
2,786,234	(10,639,887)	12,815,622	17.6478	23,455,508
2,624,919	(11,915,602)	12,671,775	17.5204	24,587,377
3,125,214	(11,796,697)	12,558,830	19.0846	24,355,527
3,023,082	(11,718,778)	12,057,378	19.2069	23,776,155

**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
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
2011	2010	8.3763	0.2500	1.3638	-	0.1098	9.1070	19.2069	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)**

<b>MSTU - Sheriff Law Enforcement</b>	<b>MSTU - Fire</b>	<b>City of Alachua</b>	<b>City of Archer</b>	<b>City of Gainesville</b>	<b>City of Hawthorne</b>	<b>City of High Springs</b>	<b>City of Lacrosse</b>	<b>City of Micanopy</b>	<b>City of Newberry</b>	<b>City of Waldo</b>
-	-	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
1.6710	1.3391	5.5000	5.0000	4.2544	5.3194	6.1500	2.2908	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>2009*</u>			<u>2001</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	\$ 135,346,570	1	1.08%	\$ 43,450,400	4	0.65%
Wal-Mart Stores East LP	111,922,311	2	0.89%	-		-
Bellsouth Telecommunications Inc	81,855,501	3	0.65%	116,897,300	1	1.76%
HCA Health Services of Fla Inc	69,841,500	4	0.56%	29,856,000	6	0.45%
Dolgencorp Inc	69,275,500	5	0.55%	20,452,243	10	0.31%
Oak Hammock at the Univ of Fla Inc	64,307,230	6	0.51%	-		-
Florida Rock Industries Inc	62,526,930	7	0.50%	62,957,530	2	0.95%
Florida Power Corp	57,761,515	8	0.46%	52,621,140	3	0.79%
Cox Communications Inc	47,985,730	9	0.38%	28,897,760	8	0.43%
Baugh Southeast Cooperative Inc	43,782,620	10	0.35%	-		-
Atlantic Financial Group Ltd.	-		-	35,689,000	5	0.54%
Clay Electric Cooperative Inc	-		-	29,678,060	7	0.45%
Metal Container Corporation	-		-	20,732,070	9	0.31%
	<u>\$ 744,605,407</u>		<u>5.93%</u>	<u>\$ 441,231,503</u>		<u>6.63%</u>
Total taxable valuation of all properties	<u>\$ 12,558,830,292</u>			<u>\$ 6,655,961,286</u>		

SOURCE: Alachua County Property Appraiser - Overall Taxable Value

\* 2009 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			Total Collections to Date		
			Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy	
2001	2000	\$ 11,487,156	\$ 10,992,645	95.7%	\$ 96,144	\$ 11,088,789	96.5%	
2002	2001	11,149,351	10,691,140	95.9%	100,906	10,792,046	96.8%	
2003	2002	10,879,385	11,408,141	104.9%	90,206	11,498,347	105.7%	
2004	2003	13,002,387	12,499,332	96.1%	80,133	12,579,465	96.7%	
2005	2004	14,101,780	13,597,540	96.4%	38,504	13,636,044	96.7%	
2006	2005	15,315,952	14,749,470	96.3%	54,521	14,803,991	96.7%	
2007	2006	17,502,730	16,902,829	96.6%	16,983	16,919,812	96.7%	
2008	2007	17,357,742	16,770,373	96.6%	19,240	16,789,613	96.7%	
2009	2008	16,992,014	16,419,007	96.6%	26,971	16,445,978	96.8%	
2010	2009	17,296,998	16,734,007	96.7%	na	16,734,007	96.7%	

SOURCE: Alachua County Tax Collector

**Schedule 9**

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Personal Income (a)</b>	<b>Per Capita (a)</b>
2000	\$ 13,160,000	0.25%	\$ 60.29
2001	13,295,000	0.24%	60.62
2002	12,710,000	0.22%	57.65
2003	12,100,000	0.20%	54.68
2004	11,465,000	0.17%	51.51
2005	10,800,000	0.15%	44.86
2006	10,110,000	0.13%	41.47
2007	9,385,000	0.11%	37.91
2008	8,630,000	0.10%	34.19
2009	7,840,000	na	30.60
2010	7,010,000	na	27.42

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 2009 and 2010.

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

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>	<b>Percentage of Actual Taxable Value of Property (a)</b>	<b>Per Capita (b)</b>
	<b>General Obligation Bond</b>		
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
2010	7,010,000	0.06%	27.42

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, 2010**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Direct:</b>			
Alachua County Library District, 2001	\$ 7,010,000	100%	\$ 7,010,000
<b>Total Direct Debt Outstanding</b>	<u>7,010,000</u>		<u>7,010,000</u>
<b>Overlapping:</b>			
<b>Alachua County:</b>			
Alachua County Foerever G.O. Bond Series, 2003	1,515,000	100%	1,515,000
Public Improvement Revenue 2007, Refunding	55,055,000	100%	55,055,000
Transportation Improvement Revenue Bonds, 2006	12,090,000	100%	12,090,000
Transportation Improvement Revenue Bonds, 2008	16,190,000	100%	16,190,000
Capital Projects Pooled Commercial Paper, due 2012	14,400,000	100%	14,400,000
Capital Improvement Revenue Bank Loan, 2008	7,050,000	100%	7,050,000
Wild Spaces Public Places Series 2009 Bank Loan	7,560,000	100%	7,560,000
<b>Alachua County School Board:</b>			
District Refunding G. O. Bonds:			
Series 2003, Refunding	9,305,000	100%	9,305,000
<b>Total Overlapping Debt Outstanding</b>	<u>123,165,000</u>		<u>123,165,000</u>
<b>Total Governmental Activities Debt</b>	<u>\$ 130,175,000</u>		<u>\$ 130,175,000</u>

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>
2001	219,327	\$ 5,603,652	\$ 25,311
2002	220,472	5,763,050	25,729
2003	221,287	5,953,231	26,358
2004	222,568	6,732,793	29,485
2005	240,764	7,295,960	31,469
2006	243,779	7,866,102	33,162
2007	247,561	8,265,232	34,410
2008	252,388	8,405,119	34,713
2009	256,232	na	na
2010	255,692	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 2009 and 2010.

<b>Median Age</b>	<b>College and University Enrollment</b>	<b>Public School Enrollment</b>	<b>Unemployment Rate</b>
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%
29.7	67,070	27,562	7.9%
29.4	64,389	25,077	8.3%

**Schedule 14**  
**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR 2010 AND PRIOR YEAR 2003**

<u>Employer</u>	<u>2010</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 TEN FISCAL YEARS**

<b>Function/Program</b>	<b>FISCAL YEAR</b>									
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Administration Services Division</b>										
Administration	7	9	8	10.5	10	10	11.5	11.5	11.5	12.5
Facilities Services Division	7	7	8	8	8	8	8	10	10	10
<b>Public Services Divison</b>										
Administration	n/a	n/a	n/a	n/a	n/a	n/a	3	6	6	6
Adult	14.75	16.25	14.5	13	14.8	15.75	16.25	16.25	16.25	16.25
Alachua	5.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	7	7
Archer	3.5	3.5	3.5	3.5	3.5	3.63	3.5	3.5	3.5	3.5
Circulation	20	24.5	24.13	21	23	26	23.5	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	6.5
High Springs	5	5.5	6.5	6.5	5.5	6.5	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	3.26
Millhopper	16	17.5	18.5	18.5	17.5	19.5	19.5	19.5	19.5	19.5
Newberry	3.25	3.5	3.5	3.5	3	2	3.5	6	6	6
Outreach Services	7.5	10.5	10.13	11.13	10	11	11	11	11	11
Partnership Branch*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.5	3.5
Tower Road	12.5	16	14	15.5	16	16	16.5	16.5	16.5	16.5
Youth	14	17.57	15	14.5	15.5	13.5	13	13	13	13
Waldo	1.63	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13
<b>Support Services Division</b>										
Automated	12	12	11	12	11	11	11	10	10	10
Technical Services	20	17.5	16.75	16	16.5	16.5	19	19	19	19
<b>Total</b>	<b>157.68</b>	<b>179.7</b>	<b>172.89</b>	<b>173.01</b>	<b>173.68</b>	<b>178.01</b>	<b>185.08</b>	<b>191.64</b>	<b>195.64</b>	<b>196.64</b>

\*Library Neighborhood Resource Partnership Branch opened fiscal year 2009.

Source: Library Administration

**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>2001</u>	<u>2002</u>	<u>2003</u>
<b>Culture and recreation:</b>				
Circulation:	# of checkouts - Main Library	971,000	994,306	958,209
	# of checkouts - Branch libraries	1,393,288	1,401,267	1,540,507
	# of checkouts - Bookmobiles	25,136	41,770	55,273
	# of checkouts - other services	87,809	71,057	92,329
	Total checkouts	2,477,233	2,508,400	2,646,318
	# of Library Visits	1,035,650	1,036,867	1,103,936
	# of Virtual Visits	na	na	500,790
	Total # of Registered Borrowers	204,256	174,592	192,222
	# of Volunteer Hours	15,001	11,077	13,802
	# of Reference Services	152,899	124,182	108,620
Programs:	Number presented	1,673	1,427	1,909
	Attendance	57,545	80,681	73,784

Source: Alachua County Library

**FISCAL YEAR (continued)**

<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
980,971	1,030,897	1,058,838	1,025,371	992,796	1,126,714	1,029,819
1,516,932	1,547,908	1,611,994	1,670,939	1,697,156	1,736,914	1,959,511
56,809	63,897	63,671	60,510	57,713	54,697	50,939
65,553	74,934	113,895	104,227	113,273	178,190	334,535
2,620,265	2,717,636	2,848,398	2,861,047	2,860,938	3,096,515	3,374,804
1,121,867	1,152,388	1,227,697	1,286,272	1,353,804	1,404,869	1,476,120
836,821	878,153	573,229	620,570	721,147	878,294	1,288,744
208,073	160,671	177,035	188,666	196,707	199,549	204,418
15,501	17,379	20,713	23,996	20,859	21,329	22,314
113,739	386,090	366,530	507,447	566,638	571,235	646,802
1,720	1,652	1,771	1,825	1,954	2,456	3,427
69,170	65,739	60,385	59,328	57,715	54,075	81,519

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

	<b>FISCAL YEAR</b>			
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b><u>Culture &amp; Recreation</u></b>				
# of Library buildings	10	10	10	10
# of Acres	25	25	26	26
# of Vehicles	20	20	20	20
 Library Holdings				
# of Books	918,821	905,602	952,033	965,732
# of Copies - Periodicals	2,502	2,228	2,207	2,161
# of Titles - Periodicals	995	978	754	644

\* Includes new Library Partnership building.

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

**FISCAL YEAR**

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
10	10	10	10	11*	11
26	26	27	27	27	27
20	20	21	21	22	21
971,976	981,653	928,480	916,162	921,637	951,557
2,021	1,938	1,976	1,964	1,551	1,344
638	600	592	589	498	485



# **COMPLIANCE SECTION**



## **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>2008</u>	<u>2009</u>	<u>2010 *</u>
<b>Total Valuations</b>	<u>\$24,587,376,718</u>	<u>\$24,355,527,368</u>	<u>\$23,776,155,217</u>
<b>Less: Real Property Exemptions/Adjustments</b>			
Governmental Exemptions	4,102,396,000	3,851,493,520	4,516,668,003
Homestead Exemptions	2,331,178,712	2,339,843,098	2,353,876,148
Historic Property Exemptions	788,400	2,255,900	2,224,100
Agriculture Adjustments	965,495,100	992,069,000	967,786,000
Institutional Exemptions	643,982,463	659,436,183	669,235,346
Disability Exemptions	45,634,228	47,845,552	47,167,308
Widow's Exemptions	1,740,250	1,752,810	1,758,470
Renewable Energy Source Exemptions	-	-	-
Disabled Veterans' Homestead Discount	265,563	263,511	274,356
Land Dedicated in Perpetuity for Conservation Purposes	-	-	416,200
Assessment Differential Value of Capped Parcels (1)	2,295,775,910	1,731,568,060	1,116,251,490
Property Differential Value of Capped Parcels (2)	-	15,466,797	10,543,420
Real Property Differential Value of Capped Parcels (3)	-	132,230,081	88,154,240
<b>Total Real Property Exemptions/Adjustments</b>	<u>10,387,256,626</u>	<u>9,774,224,512</u>	<u>9,774,355,081</u>
<b>Less: Personal Property Exemptions/Adjustments</b>			
Government Exemptions	992,357,650	1,316,354,469	1,315,809,191
Institutional Exemptions	428,838,879	606,666,103	537,717,854
Homestead Exemptions	<u>105,215,160</u>	<u>96,809,237</u>	<u>89,095,406</u>
<b>Total Personal Property Exemptions/Adjustments</b>	<u>1,526,411,689</u>	<u>2,019,829,809</u>	<u>1,942,622,451</u>
<b>Less: Centrally Assessed Property Exemptions/Adjustments</b>			
Homestead Exemptions	1,933,810	1,909,699	1,800,084
Real Property Differential Value of Capped Parcels (3)	-	733,056	-
<b>Total Personal Property Exemptions/Adjustments</b>	<u>1,933,810</u>	<u>2,642,755</u>	<u>1,800,084</u>
<b>Taxable Valuation</b>	<u>\$12,671,774,593</u>	<u>\$12,558,830,292</u>	<u>\$12,057,377,601</u>

\* Property valuations are per the 1st Certification; the Value Adjustment Board has not completed their process so values may change.

(1) Sum of the (Just Value - Capped Value) 193.155 F.S. Effective for the 2008 - 2010 Assessment Rolls

(2) Sum of the (Just Value - Capped Value) 193.1554 F.S. Effective for the 2008 - 2010 Assessment Rolls

(3) Sum of the (Just Value - Capped Value) 193.1555 F.S. Effective for the 2008 - 2010 Assessment Rolls

Source: Alachua County Property Appraiser

II. Property Tax Rates District

<b>LIBRARY DISTRICT</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Operations	1.2645	1.2491	1.2856
Debt Service	0.0915	0.0915	0.0915
<b>TOTAL</b>	<b>1.3560</b>	<b>1.3406</b>	<b>1.3771</b>

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
2007 - 2008	2007	\$ 288,124,831	\$ 278,423,407	96.6%	\$ 215,508	0.07%
2008 - 2009	2008	293,950,457	284,030,068	96.6%	324,960	0.11%
2009 - 2010	2009	316,512,623	306,213,359	96.7%	601,636	0.19%

(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
2007 - 2008	2007	\$ 17,357,742	\$ 16,770,373	96.6%	\$ 12,758	0.07%
2008 - 2009	2008	16,992,014	16,419,007	96.6%	18,445	0.11%
2009 - 2010	2009	17,296,998	16,734,007	96.7%	32,764	0.19%

(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
<b>Direct:</b>			
Alachua County Forever G. O. Bond, 2003	\$1,515,000	100.00%	\$1,515,000
Alachua County Library District, 2001	7,010,000	100.00%	<u>7,010,000</u>
Total Direct			<u>\$8,525,000</u>
<b>Overlapping/Underlying:</b>			
School Board District Refunding G.O. Bonds Series 2003, Refunding	9,305,000	100.00%	<u>9,305,000</u>
Total Overlapping/Underlying			<u>9,305,000</u>
Total Direct, Overlapping Debt			<u>\$17,830,000</u>

(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** notices 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

<u>MATURITY</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>CUSIP</u>
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



## 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 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 fiscal year ended September 30, 2010, and have issued our report thereon dated January 5, 2011. Our report on the financial statements included a paragraph explaining that the District restated its beginning net assets in order to implement the provisions of GASB Statement No. 51. 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 opinions 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*.

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.

*Care, Riggs & Ingram LLC*

January 5, 2011  
Gainesville, Florida

**Management Letter Required by  
Chapter 10.550, Rules of the Auditor General**

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, 2010, and have issued our report thereon dated January 5, 2011.

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, 2010, 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, 2010.

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 the State of Florida Auditor General, 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.

*Carri Riggs Ingram LLC*

January 5, 2011  
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](http://www.aclib.us)

February 10, 2011

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, 2010. We are happy to report that for the nineteenth year, the Auditors found no reportable conditions.

Thank you for your attention.

Sincerely,

Eileen Roy, Chair  
Library District Governing Board

J. K. Irby  
Alachua County Clerk to the Board

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