

Alachua County, Florida Library District



**Comprehensive Annual
Financial Report
Fiscal Year Ended September 30, 2012**



INTRODUCTORY SECTION



ALACHUA COUNTY, FLORIDA
LIBRARY DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2012

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, 2012**

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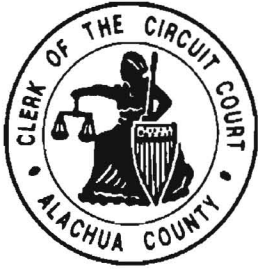
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CLERK OF THE CIRCUIT COURT

Alachua County Courthouse
201 East University Avenue
Gainesville, Florida 32601

J.K. IRBY
CLERK

TELEPHONE
(352) 374-3636

February 14, 2013

The Honorable Lee Pinkoson, Chair
Library District Governing Board
Alachua County, Florida

Dear Governor Pinkoson:

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, 2012. 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 eight years were awarded this certificate. We are submitting the 2012 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
201 East University Avenue
Gainesville, Florida 32601**

**J.K. IRBY
CLERK**

**TELEPHONE
(352) 374-3636**

February 14, 2013

The Honorable Lee Pinkoson, Chair
Library District Governing Board
Alachua County, Florida

Dear Governor Pinkoson and the Citizens of Alachua County:

The Comprehensive Annual Financial Report of Alachua County, Florida, Library District, for the fiscal year ended September 30, 2012, 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, 2012.

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

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

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

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

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

The Alachua County Library District provides public library service to a countywide population of approximately 249,365 (April 1, 2012 estimate), as well as to surrounding counties. The District is a centralized system with a Headquarters Library located in downtown Gainesville and eleven branch libraries. One large library (Millhopper Branch) is located in northwest Gainesville; another large library (Tower Road Branch) is located in unincorporated Alachua County southwest of Gainesville, just outside of the city limits. The newest library is the Cone Park branch located in east Gainesville. The municipalities of Alachua, Archer, Hawthorne, High Springs, Micanopy, Newberry and Waldo each have a branch library. 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 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. In fiscal year 2011, the Murphree Law Library moved to the headquarters building and an agreement was signed for Library staff to provide assistance for these services and manage the collection.

Summary of Library Use Statistics for FY 2012	
1,534,385	Visits to all Alachua County Libraries
3,640,407	Items borrowed (circulated)
198,035	Registered borrowers
311,625	Materials holdings - Titles
802,044	Individual items in the Library collection
677,157	Reference questions answered in person, by phone, or via the internet
1,382,087	Virtual visits through the internet
4,139	Programs for children and adults with attendance of 91,665
4,714	Uses of Library District meeting rooms with an attendance of 50,486
26,078	Volunteer hours

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 is somewhat more stable than the rest of economy in the State but is still affected by the financial difficulties of 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 operating service levels or 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.

Recent successful collaborations with social service agencies like the Partnership for Strong Families has resulted in more community groups recognizing the value the Library District can add to their agencies. These new partnerships are cultivating new users, service demands, and supporters who help the district to define a long range community role. As a result, even more partnerships are being proposed. The district is being offered cost effective opportunities to expand library services to new user groups. This is an ideal scenario for the Library District to ensure its future positive place in the community.

Major Initiatives

In fiscal year 2012, the Library District opened the Cone Park Library Branch, which for now is housed in a 1,300 square foot building on East University Avenue. The district plans to build a permanent building at the site in the next year, expanding to a 10,000 square foot structure. The new permanent Cone Park branch will feature a public meeting room, teen space, a snuggle-up center, more computers, and an expanded book collection.

Also during fiscal year 2012, the district expanded the headquarters library to include a “Quiet Reading Room” and a new “Teen Space Room”. The Quiet Reading Room helped to address noise issues and gives patrons a quiet space for reading and research. The Teen Space Room provides teenagers their very own space where they can do school projects, play games and hang out with each other. The Teen Space features a 48-inch flat-screen television and six computer stations providing access to the Internet for school and research projects.

AWARDS AND ACKNOWLEDGEMENTS

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Alachua County Library District for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2011. This was the eighth 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/rdg

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Alachua County, Florida
Library District

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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.



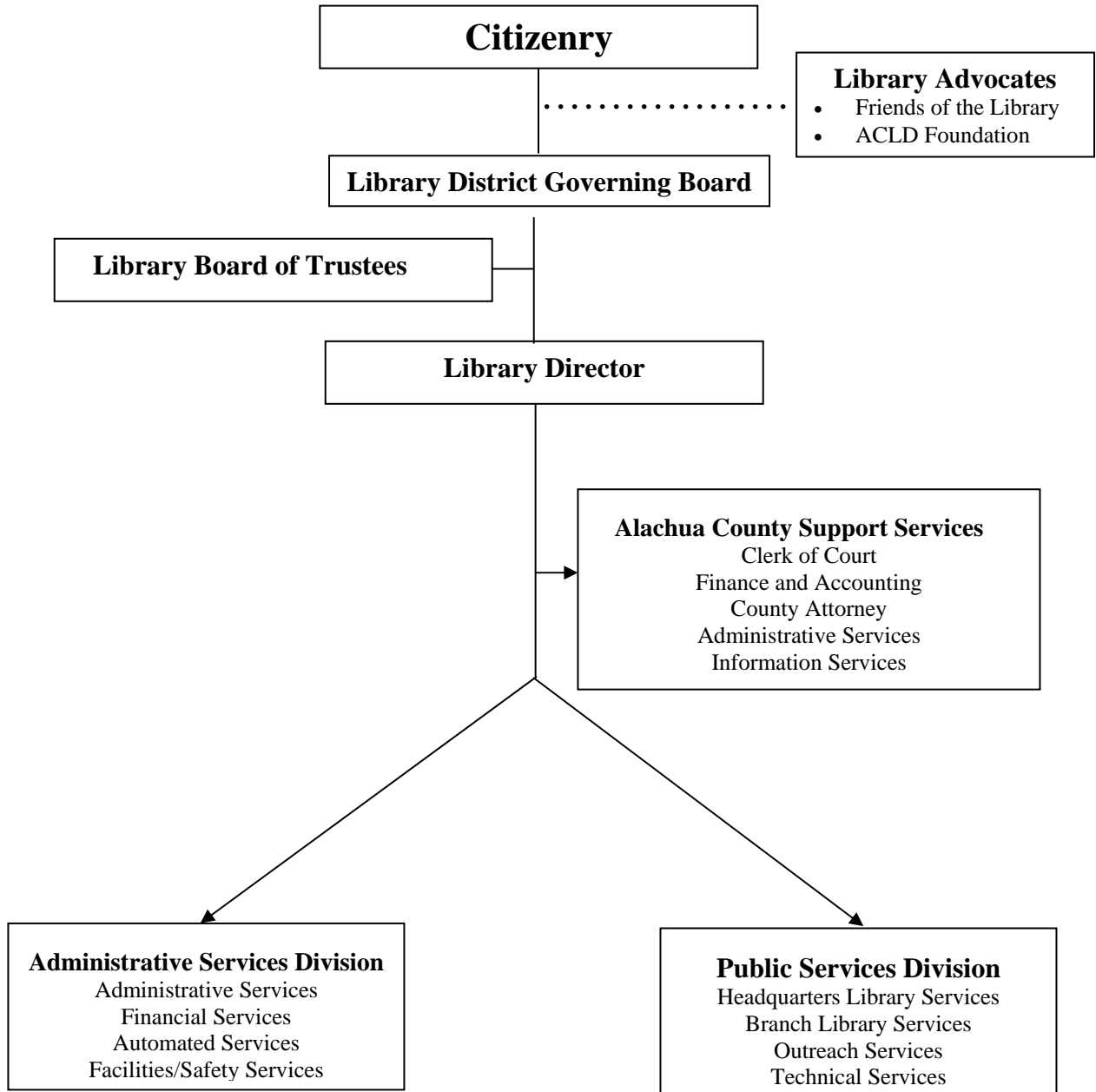
Christopher P. Moine

President

Jeffrey R. Emer

Executive Director

**ALACHUA COUNTY LIBRARY DISTRICT
ORGANIZATIONAL CHART**



ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

PRINCIPAL OFFICERS

GOVERNING BOARD

(As of December 13, 2012)

Lee Pinkoson – Chair – County

Susan Bottcher – Vice Chair – City

Charles S. Chestnut, IV – County

Yvonne Hinson-Rawls – City

Robert “Hutch” Hutchinson – County

Leannetta McNealy – School Board

LIBRARY DIRECTOR

Shaney T. Livingston

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, 2012**



Independent Auditor's 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, 2012, 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.

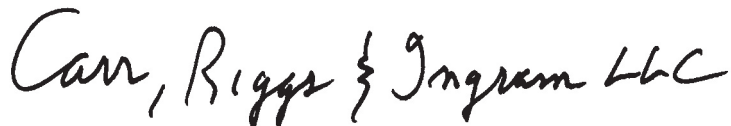
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of September 30, 2012, 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 February 7, 2013 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.

The Governing Board
Alachua County Library District
Alachua County, Florida

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the trend information for the pension plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



February 7, 2013
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, 2012. 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, 2012 by \$26,304,903 (net assets). Of this amount, \$16,604,421 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets of \$26,304,903 are comprised of the following:
 - 1) Capital assets, net of related debt, of \$9,416,416 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 - 2) Net assets of \$284,066 are restricted by constraints imposed from outside the Library District such as debt covenants.
 - 3) \$16,604,421 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 \$1,932,593 over the previous year. The primary reason for this increase is management put tighter spending controls in place resulting in actual expenses being less than the prior year. In addition, there was an increase in investment earnings due to improving market conditions.

Fund Statements

- At September 30, 2012, the Library District's governmental funds reported combined ending fund balances of \$17,688,103, an increase of \$1,044,396 from the prior fiscal year.
- At September 30, 2012, unassigned fund balance for the General Fund was \$3,032,115 or 19% of General Fund operating revenue. During the fiscal year, the District transferred \$1.27 million to the Capital Projects Fund and assigned the same amount to be transferred for fiscal year 2013. The remaining fund balance allows the Library District to operate during the first part of the new fiscal year pending receipt of tax revenues.
- Despite a \$605,316 decrease in property taxes revenue, total governmental funds' revenues had a net increase of \$32,876 from the prior fiscal year. Increases in investment income, intergovernmental revenue, and private donations helped to offset the reduction in property taxes.

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 2012. 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 eight 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 the Capital Projects Fund, which are considered to be major funds. Data for the other six 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 51 and for nonmajor special revenue funds as well as for the Capital Projects and Debt Service funds, major funds, in the supplemental information starting on page 60 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 25-49 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 56-65 of this report. Required pension fund information is shown on page 53. Information concerning capital assets used in the operation of governmental funds can be found in the notes on page 40.

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 \$26,304,903 at the end of the fiscal year ended September 30, 2012.

Alachua County Library District			
Net Assets			
	Governmental Activities		Total Percent
	2011	2012	Change
Current and Other Assets	\$ 17,620,752	\$ 18,583,951	5.5%
Unamortized Bond Issue Costs	37,333	30,933	-17.1%
Capital Assets	14,731,523	14,629,198	-0.7%
Total Assets	<u>32,389,608</u>	<u>33,244,082</u>	2.6%
Long-Term Liabilities Outstanding	5,573,434	4,567,465	-18.0%
Other Liabilities	2,443,864	2,371,714	-3.0%
Total Liabilities	<u>8,017,298</u>	<u>6,939,179</u>	-13.4%
Net Assets:			
Invested in Capital Assets, Net of Related Debt	8,548,511	9,416,416	10.2%
Restricted	79,946	284,066	255.3%
Unrestricted	15,743,853	16,604,421	5.5%
Total Net Assets	<u>\$ 24,372,310</u>	<u>\$ 26,304,903</u>	7.9%

At the end of fiscal year 2012, 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 \$9,416,416 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 \$867,905. This net increase is due to planned capital expenses for the purchase of an integrated library system, as well as the reduction in note payable due to the scheduled principal retirement.

Another portion of the Library District's net assets (\$284,066 or 0.1% of total net assets) represents resources that are subject to external restrictions on how they may be used. Restricted net assets increased by \$204,120 from 2011 to 2012. The fund balance restricted for debt service increased due to favorable economic and market conditions for investments.

The remaining portion of the Library District's net assets is unrestricted net assets (\$16,604,421 or 63%) and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets increased \$860,568 from FY11 to FY12. 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
	2011	2012	
Revenues:			
Program revenues:			
Charges for services	\$ 112,897	\$ 112,324	-0.5%
Operating grants and contributions	333,684	458,444	37.4%
General revenues:			
Property taxes	17,324,052	16,718,736	-3.5%
Investment Earnings	196,368	527,505	168.6%
Miscellaneous	142,903	363,791	154.6%
Total revenues	<u>18,109,904</u>	<u>18,180,800</u>	0.4%
Expenses:			
Culture and recreation - Library Services	<u>16,726,985</u>	<u>16,248,207</u>	-2.9%
Total expenses	16,726,985	16,248,207	-2.9%
Increase in net assets	<u>1,382,919</u>	<u>1,932,593</u>	
Net assets - beginning	22,989,391	24,372,310	
Net assets - ending	<u>\$ 24,372,310</u>	<u>\$ 26,304,903</u>	7.9%

Governmental Activities

Program Revenues –

The charges for services decreased slightly due to an decrease in copier revenue. The operations grants and contributions category increased due to Library District being awarded the Big Read Grant, and the 2011 National Medal for Museum and Library Services accompanied by a \$10,000 grant award. In addition, the Library Districts State Aid to Library's grant funding was increased over prior year.

General Revenues –

Property tax revenues decreased due to decrease in construction added to the property tax rolls and the Governing Board's adoption of a current operating millage rate for FY2012. Note, the Governing Board had reduced the millage rate during 2008 and 2009. Interest earnings on investment increased due to improving economic and market conditions. Miscellaneous revenue increased due to a increase in private contributions and donations and rebates received via Gainesville Regional Utilities (GRU) E-rate program. The GRU E-rate program is a federal program that offers financial assistance to schools and libraries' technology programs by providing subsidies, payable to the certified telecommunications providers, so that schools and libraries pay less than the market rate for eligible products and services.

Net Assets –

The Library District's total net assets increased \$1,932,593 over the previous year.

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, unassigned 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
Classifications of Fund Balance**

Total fund balance	\$ 17,688,103
Less classified fund balance:	
Nonspendable:	
Prepaid items	6,875
Restricted for debt service	284,066
Committed for:	
Library reserve	989,094
Library materials	575,042
Assigned for:	
Capital projects	9,597,243
Library materials	594,125
FY13 Appropriated Fund Balance	2,609,543
Unassigned fund balance	<u><u>\$ 3,032,115</u></u>

As of the end of fiscal year 2012, the Library District’s governmental funds reported combined ending fund balances of \$17,688,103 an increase of \$1,044,396 from the prior year. Of the approximately \$17.7 million total fund balance, unassigned fund balance is \$3,032,115 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, 2012 is \$6,920,307. For the fiscal year, the General Fund had a net increase in fund balance of \$349,938. As a measure of the General Fund’s liquidity, it is useful to compare total fund balance to total fund revenues. For fiscal year 2012 the ending fund balance represents a very healthy 43.5% of total General Fund operating revenue. The District plans to transfer an additional \$1.27 million to the Capital Projects Fund in FY 2013.

The Capital Projects fund has a total fund balance of \$8,325,469, all of which is assigned for future expansion and renovations. The net increase in fund balance during the fiscal year in Capital Projects was \$84,461, most of which was due to an increase in investment income over the prior year.

General Fund Budgetary Highlights

There were no changes to the General Fund's original budget (see schedule on page 50). Overall actual revenues varied from final budgeted revenues positively by \$316,228, while actual expenditures were less than final budgeted expenditures by \$1,946,071 (positive variance). The net difference of actual results compared to final budget was a positive difference of \$2,262,299. By law, property taxes are budgeted at 5% less than the Property Appraisers assessed value and actual collections include amounts from prior years for delinquent taxes resulting in more property tax revenue being collected than originally budgeted. As discussed previously, actual expenditures were \$1.95 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, 2012 totals \$14,629,198 (net of accumulated depreciation) and includes land, artwork, buildings and improvements, and equipment and software. The Library District experienced an overall decrease in investment in capital assets over the prior fiscal year of approximately .69% due to depreciation of the assets.

Further information about the Library District's capital assets can be found in Note 4 on page 40 of this report.

Capital Assets (net of depreciation)

	Governmental Activities	
	<u>2011</u>	<u>2012</u>
Land	\$ 1,221,881	\$ 1,221,881
Construction in progress	132,569	12,080
Buildings and improvements	12,603,869	12,286,598
Equipment and software	773,204	1,108,639
Total	<u>\$ 14,731,523</u>	<u>\$ 14,629,198</u>

Long-term Debt

At the end of fiscal year 2012, the Library District had total debt outstanding of \$5,028,000.

Outstanding Debt

	<u>2011</u>	<u>2012</u>
General Obligation Debt	<u>\$ 5,960,000</u>	<u>\$ 5,028,000</u>

During fiscal year 2012, the Library District's outstanding general obligation debt decreased by 932,000. This decrease was due to scheduled principal retirements of the note payable. Additional information on the Library District's debt can be found in Note 6 starting on page 45 of this report.

Economic Factors and Next Year's Budgets and Rates

- The taxable value of residential property decreased by 5.11% and commercial property decreased by 1.74% for fiscal year 2013.
- Population increased approximately .8% from the prior year to an estimated 249,365 at September 30, 2012.

During the current fiscal year, the net change in fund balance for the General Fund was an increase of \$349,938 for a total ending fund balance of \$6,920,307. The ad valorem tax rate for the General Fund for the 2013 fiscal year budget is 1.3638 mills, no change from the prior year rate.

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, 201 East University Avenue, Gainesville, Florida 32601. 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, 2012

	Primary Government	Component Unit
Assets		
Current assets:		
Equity in pooled cash and investments	\$ 16,855,070	\$ -
Other cash and investments	1,578,487	952,386
Accounts receivable, net	37,080	-
Due from other governments	106,439	-
Prepaid items	6,875	-
Total current assets	18,583,951	952,386
Noncurrent assets:		
Unamortized bond issue costs	30,933	-
Capital assets:		
Land	1,221,881	-
Construction in progress	12,080	-
Buildings	20,347,185	-
Equipment	2,795,447	-
Software	545,396	-
Other improvements	628,163	-
Less accumulated depreciation	(10,920,954)	-
Total noncurrent assets	14,660,131	-
Total assets	33,244,082	952,386
Liabilities		
Current liabilities:		
Accounts payable	\$ 859,849	\$ -
Accrued interest payable	31,341	-
Due to other governments	35,999	-
Notes payable	965,000	-
Accrued compensated absences due within one year	479,525	-
Total current liabilities	2,371,714	-
Noncurrent liabilities:		
Accrued compensated absences	319,683	-
Notes payable	4,247,782	-
Total noncurrent liabilities	4,567,465	-
Total liabilities	6,939,179	-
Net assets		
Invested in capital assets, net of related debt	9,416,416	-
Restricted for:		
Debt service	284,066	-
Unrestricted	16,604,421	952,386
Total net assets	\$ 26,304,903	\$ 952,386

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Primary Government	Component Unit
Program expense		
Culture and recreation - Library Services	\$ 16,139,904	\$ 14,014
Interest	108,303	-
Total program expense	16,248,207	14,014
 Program revenues		
Culture and recreation:		
Charges for services	112,324	-
Operating grants and contributions	458,444	33,997
Total program revenues	570,768	33,997
 Net program revenue (expense)	(15,677,439)	19,983
 General revenues		
Property taxes	16,718,736	-
Investment earnings	527,505	130,756
Miscellaneous	363,791	-
Total general revenues	17,610,032	130,756
 Increase in net assets	1,932,593	150,739
 Net assets, beginning	24,372,310	801,647
Net assets, ending	\$ 26,304,903	\$ 952,386

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash and investments	\$ 7,417,981	\$ 8,566,734	\$ 870,355	\$ 16,855,070
Other cash and investments	15,080	-	1,563,407	1,578,487
Accounts receivable	15,394	13,097	8,589	37,080
Due from other governments	106,439	-	-	106,439
Prepaid items	6,875	-	-	6,875
Total assets	\$ 7,561,769	\$ 8,579,831	\$ 2,442,351	\$ 18,583,951
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 605,487	\$ 254,362	\$ -	\$ 859,849
Due to other governments	35,975	-	24	35,999
Total liabilities	641,462	254,362	24	895,848
Fund balances				
Nonspendable:				
Prepaid items	6,875	-	-	6,875
Restricted for:				
Debt service	-	-	284,066	284,066
Committed for:				
Library reserve	-	-	989,094	989,094
Library materials	-	-	575,042	575,042
Assigned for:				
Capital projects	1,271,774	8,325,469	-	9,597,243
Library materials	-	-	594,125	594,125
FY13 Appropriated Fund Balance	2,609,543	-	-	2,609,543
Unassigned	3,032,115	-	-	3,032,115
Total fund balances	6,920,307	8,325,469	2,442,327	17,688,103
Total liabilities and fund balances	\$ 7,561,769	\$ 8,579,831	\$ 2,442,351	\$ 18,583,951

See accompanying notes.

**Alachua County Library District
Reconciliation of the Balance Sheet
to the Statement of Net Assets - Governmental Funds
September 30, 2012**

Fund Balances – total governmental funds	\$17,688,103
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	14,629,198
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in funds. (Bank Note and Compensated Absences)	(6,011,990)
Total unamortized bond issuance costs not reported in funds.	30,933
Accrued long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.	<u>(31,341)</u>
Net assets of governmental activities	<u>\$26,304,903</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, 2012**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 15,416,670	\$ -	\$ 1,302,066	\$ 16,718,736
Intergovernmental	51,582	-	406,862	458,444
Charges for services	112,324	-	-	112,324
Rents and royalties	60,082	-	-	60,082
Investment income	109,031	86,564	331,910	527,505
Private donations	-	-	104,934	104,934
Miscellaneous	158,686	-	-	158,686
Total revenues	<u>15,908,375</u>	<u>86,564</u>	<u>2,145,772</u>	<u>18,140,711</u>
Expenditures				
Current: Culture and recreation				
Personal services	9,960,113	-	4,502	9,964,615
Operating expenditures	4,326,550	-	471,126	4,797,676
Capital outlay	-	1,275,736	-	1,275,736
Debt service				
Principal	-	-	932,000	932,000
Interest & other charges	-	-	128,147	128,147
Total expenditures	<u>14,286,663</u>	<u>1,275,736</u>	<u>1,535,775</u>	<u>17,098,174</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,621,712</u>	<u>(1,189,172)</u>	<u>609,997</u>	<u>1,042,537</u>
Other financing sources (uses)				
Transfers in	-	1,271,774	25,000	1,296,774
Transfers out	(1,271,774)	-	(25,000)	(1,296,774)
Sale of capital assets	-	1,859	-	1,859
Total other financing sources (uses)	<u>(1,271,774)</u>	<u>1,273,633</u>	<u>-</u>	<u>1,859</u>
Net change in fund balances	349,938	84,461	609,997	1,044,396
Fund balances - beginning	<u>6,570,369</u>	<u>8,241,008</u>	<u>1,832,330</u>	<u>16,643,707</u>
Fund balances - ending	<u>\$ 6,920,307</u>	<u>\$ 8,325,469</u>	<u>\$ 2,442,327</u>	<u>\$ 17,688,103</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, 2012

Net change in fund balances – total governmental funds \$1,044,396

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 depreciation (\$803,423) exceeded capital outlay \$713,805 in the current period. (89,618)

Governmental funds report sale of capital assets as financial resources; the loss on disposal of assets are not reflected in the fund statement. (12,707)

Deferred gains on debt refunding are recorded and amortized in the government-wide statements but not in the fund statements. 38,230

Repayments of bond principal (\$932,000 less \$6,400 deferred charges) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 925,600

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 \$6,848 plus accrued interest expense \$19,844). 26,692

Changes in net assets of governmental activities \$1,932,593

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2012**

	<u>Employee Pension Fund</u>
Assets	
Cash & investments, at fair value:	
Goldman Sachs Money Market Fund Treasury Only	\$ 499,506
Vanguard Total Stock Market Index Mutual Fund	9,849,344
Vanguard Inflation Protected Mutual Fund	919,097
Manning & Napier Overseas International Equity MF	1,578,341
Cash	164
Fixed income securities:	
U.S. Government obligations	1,812,471
Mortgage backed securities	1,604,218
Corporate bonds	2,399,142
Total cash & investments, at fair value	<u>18,662,283</u>
Investment adjustments:	
Receivable for pension investments	<u>47,558</u>
Total assets	18,709,841
Total liabilities	<u>17,314</u>
 Net assets	
Held in trust for pension benefits	<u><u>\$ 18,692,527</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, 2012**

Additions

Contributions:

Employer \$ 1,121,248

Members 150,307

Total contributions 1,271,555

Investment earnings:

Net appreciation (depreciation) in fair value of investments 2,406,891

Dividends 269,396

Interest Income 148,450

Total investment income 2,824,737

Less investment expense (40,255)

Net investment income 2,784,482

Total additions 4,056,037

Deductions

Benefit payments (679,217)

Refunds of nonvested contributions (286)

Administrative expenses (60,660)

Total deductions (740,163)

Net increase 3,315,874

Net assets held in trust for pension

benefits - beginning 15,376,653

Net assets held in trust for pension

benefits - ending \$ 18,692,527

See accompanying notes.



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**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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 as amended by Chapter 2003-375 which changed the composition of the Board of Governors to six members: 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, 2012**

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. Debt service expenditures, however, 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 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, 2012**

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 52 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 in the applicable fund balance category since they do not constitute expenditures or liabilities.

- **Investments**

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

- **Restricted Net Assets**

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

- **Capital Assets**

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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.

• **Classifications of Fund Balances**

In fiscal year 2011, the Library District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are reported in classifications based on whether the amounts are nonspendable or are further classified based on the extent to which there are external and/or internal constraints in how fund balance amounts may be spent. See Note 10, *Governmental Fund Balances* for additional information.

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

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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, 201 East University Avenue, Gainesville, Florida 32601.

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, 2012, are as follows:

<u>Millages Allocated to:</u>	<u>Allowable Millage</u>	<u>Millage Levied</u>
General Operations	1.5 Mills	1.3638 Mills
Voted Debt	Unlimited*	.1152 Mills

* 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.

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

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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, 2012 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	\$ 16,855,070
Other cash and investments	1,578,487

Component Unit

Other cash and investments	952,386
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Statement of Fiduciary Assets:

Investments	
Goldman Sachs MMMF	499,506
Mutual Fund Equities	9,849,344
Mutual Fund International Equities	1,578,341
Mutual Fund TIPS Inflation Protected	919,097
Fixed Income Securities	5,815,831
Cash	164
Total cash and investments	<u>\$ 38,048,226</u>

Deposits and investments as of September 30, 2012 consist of the following:

Library Operating Surplus Governmental Funds

Deposits with financial institutions	\$ 1,588,380
Investments	15,281,041

Component Unit

Deposits with financial institutions	149,762
Investments	802,624

Pension Fund

Investments	18,662,283
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Brady Trust Fund (Wells Fargo Advisors)

Deposits with financial institutions	27,271
Investments	1,536,865
Total cash and investments	<u>\$ 38,048,226</u>

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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, 2012, the Alachua County Library District had the following investments in its internal investment pool:

Investments	Duration	Fair Value
Fidelity Treasury Money Market fund	54 days	\$ 29,082
PFM Funds - Government Series	52 days	1,164,168
Florida Prime (2a7-like)	39 days	207,575
SBA Fund B	4.08 years	236,178
Florida Trust Day to Day Fund	55 days	1,005,730
US Treasuries (PFM)	1.13 years	4,255,884
Florida Local Government Investment Trust	1.84 years	5,062,662
FFCB Bond (PFM)	0.1 years	701,061
Freddie Mac Global Notes (PFM)	0.22 years	518,488
Fannie Mae Global Notes (PFM)	0.36 years	2,100,213
Total holdings in Investment Pool		<u>\$ 15,281,041</u>

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

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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.

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).

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 weighted average maturity of the Fund at September 30, 2012, was 55 days. Additional information on the Florida Trust Day to Day Fund may be obtained from the Florida Local Government Investment Trust (www.floridatrustonline.com).

Florida Local Government Investment Trust – Is a Short term bond fund created in December 12, 1991 through the joint efforts of the Florida Court Clerks and Comptrollers and the Florida Association of Counties. It is the longest running member-owned and member-governed local government investment pool in the State of Florida. The Fund is rated AAAs by Standard and Pooers. The Fund is structured to maintain safety of principal and maximize available yield through a balance of quality and diversification.

Federal Agency Securities (FHLB, FFCB) - 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 \$7,575,646 (fair market value) which was invested in Federal Agency securities.

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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, 2012:

US Treasuries	\$	34,763
Federal Agencies		82,403
Equities		508,236
Mutual Funds		177,222
Total Foundation investments	\$	802,624

Description of Pension Trust Fund Investments

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

As of September 30, 2012, the Pension Trust Fund investments were held in custody by Regions Keegan Morgan Trust at Regions Bank. The following is a breakdown of the investments:

Goldman Sachs Money Market Mutual Fund	\$	499,506
Vanguard Total Stock Market Index Mutual Fund		9,849,344
Vanguard Inflation Protected Mutual Fund		919,097
Manning & Napier Overseas International Equity MF		1,578,341
Cash		164
Fixed Income Securities:		
U. S. Government obligations	1,812,471	
Mortgage Backed Securities	1,604,218	
Corporate bonds	2,399,142	
Subtotal Fixed Income Securities		5,815,831
Total Pension Fund investments		\$18,662,283

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 committed to the purchase of books for the Library District and committed that the amount of the original contribution plus an amount representing inflation remain intact indefinitely. This portion (\$989,094) is considered committed according to the new fund balance policy. 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

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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 her 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, 2012:

Money Market	\$	10,736
Corporate stocks		1,442,745
Corporate bonds		83,384
Total Brady Trust investments	\$	1,536,865

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

The District’s operating investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2012, 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, 2012, 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

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managed by Sawgrass Asset Management, LLC, and consists of U.S. Treasuries, 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 2a7- 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.

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):

Investments	Rating (S&P)	Fair Value
Fidelity Treasury Money Market Fund	AAAm	\$ 29,082
PFM Funds - Government Series	AAAm	1,164,168
Florida Prime (2a-7 like)	AAAm	207,575
SBA Fund B	Unrated	236,178
Florida Trust Day to Day Fund	AAAm	1,005,730
Florida Local Government Investment Trust	AAAf	5,062,662
US Treasuries (PFM)	AA+	4,255,884
Freddie Mac Global Notes (PFM)	AA+	518,488
FFCB Bond (PFM)	AA+	701,061
Fannie Mae Global Notes (PFM)	AA+	2,100,213
Total Holdings in Investment Pool		<u>\$ 15,281,041</u>

Credit Risk-Component Unit:

At September 30, 2012, the Foundation had investments in US Treasuries totaling \$34,763, Federal Agencies with a AA+ rating totaling \$82,403, unrated closed-end Mutual Funds totaling \$177,222 and Equities totaling \$508,236.

**ALACHUA COUNTY LIBRARY DISTRICT
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Credit Risk-Pension Trust Fund: Presented below is the rating as of year-end for each investment type held by the Library District's Pension Trust Fund:

Investments	Rating (Moody's)	Fair Value
Goldman Sachs MMMF	Aaa	\$ 499,506
Vanguard Total Stock Market MF	Exempt from Disclosure	9,849,344
Vanguard Inflation Protected MF	Unrated	919,097
Manning & Napier International Equities	Exempt from Disclosure	1,578,341
Cash	Unrated	164
U.S. Government Obligations	Aaa	1,812,471
Mortgage Backed Securities	Unrated	1,604,218
Corporate Bonds	Aaa, Aaa1, Aaa2, Aaa3	114,417
Corporate Bonds	Aa, Aa1, Aa2, Aa3	390,456
Corporate Bonds	A, A1, A2, A3	1,660,984
Corporate Bonds	Baa, Baa1, Baa2, Baa3	233,285
Total holdings in Pension Trust		<u>\$ 18,662,283</u>

Credit Risk-Brady Trust: The ratings of the Brady Trust's investments in debt securities totaling \$83,384, is summarized below:

Rating (Moody's)	Amount
A1	\$ 28,311
A2	29,621
Baa1	25,452
Total	<u>\$ 83,384</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 investment schedule organized by debt type, amount, and segmented time distribution. Overnight investment vehicles such as Money Market Funds & 2a7-like Pools have been excluded from the table.

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Type Investment	Fair Value	3 months - 1 year	1 - 5 year	> 5 year
Library Operating Funds				
US Treasuries	\$ 4,255,884	\$ -	\$ 4,255,884	\$ -
Federal Agencies	3,319,762	-	3,319,762	-
Component Unit				
US Treasuries	34,763	-	-	34,763
Federal Agencies	82,403	-	-	82,403
Pension Trust				
US Govt Obligations	1,812,471	481,710	806,531	524,230
Mortgage Backed Sec	1,604,218	-	-	1,604,218
Corporate Bonds	2,399,142	55,917	1,109,176	1,234,049
Brady Trust Fund				
Corporate Bonds	83,384	25,452	57,932	-
Total debt investments	\$ 13,592,027	\$ 563,079	\$ 9,549,285	\$ 3,479,663

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 (56.19%), Fannie Mae (27.72%), Freddie Mac (6.84%) and FFCB Pool (9.25%).

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Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital not being depreciated:				
Land	\$ 1,221,881	\$ -	\$ -	\$ 1,221,881
Construction in progress	132,569	12,080	(132,569)	12,080
Total not being depreciated	<u>1,354,450</u>	<u>12,080</u>	<u>(132,569)</u>	<u>1,233,961</u>
Capital Assets being depreciated:				
Buildings	20,154,926	192,259	-	20,347,185
Equipment	2,679,926	316,871	(201,350)	2,795,447
Software-Internally Developed	31,828	-	-	31,828
Software	188,404	325,164	-	513,568
Improvements other than building	628,163	-	-	628,163
Total being depreciated	<u>23,683,247</u>	<u>834,294</u>	<u>(201,350)</u>	<u>24,316,191</u>
Less accumulated depreciation for:				
Buildings	(7,791,243)	(485,761)	-	(8,277,004)
Equipment	(1,938,013)	(258,306)	188,643	(2,007,676)
Software-Internally Developed	(15,030)	-	-	(15,030)
Software	(173,911)	(35,587)	-	(209,498)
Improvements other than building	(387,977)	(23,769)	-	(411,746)
Total accumulated depreciation	<u>(10,306,174)</u>	<u>(803,423)</u>	<u>188,643</u>	<u>(10,920,954)</u>
Total being depreciated, net	<u>13,377,073</u>	<u>30,871</u>	<u>(12,707)</u>	<u>13,395,237</u>
Governmental activities capital assets, net	<u>\$ 14,731,523</u>	<u>\$ 42,951</u>	<u>\$ (145,276)</u>	<u>\$ 14,629,198</u>

Depreciation expense for the year ended September 30, 2012 was \$803,423, 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

**ALACHUA COUNTY LIBRARY DISTRICT
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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.

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, 2011, the plan membership consisted of:

Inactive transfers to FRS	49
Retirees and beneficiaries currently receiving benefits	43
Vested terminated employees	51
Active employees	<u>101</u>
Total	<u><u>244</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.

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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 33.84%. This contribution rate was determined as part of the October 1, 2011, 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 29.84% of covered payroll. The total 33.84% contribution rate expressed as a percentage of payroll consisted of 16.41% for normal costs, 16.17% for amortization of the unfunded actuarial liability over a 30 year period using level percent of payroll, and 1.26% for interest on amounts from actuarial valuation date to expected payment dates.

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D. Investment Concentrations

As of September 30, 2012, the Pension Trust fund portfolio consisted of three accounts held in Regions Keegan Morgan Trust at Regions Bank. Approximately 3% is invested in a money market account in Regions Bank, 61% in mutual fund account, and 36% in a fixed income account 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 29.84% of current covered payroll for the period ending September 30, 2012. 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 (29.84% of covered payroll)	\$ 1,121,248
Actual contributions made	(1,121,248)
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)
9/30/2012	\$ 1,121,248	100%	\$0
9/30/2011	1,112,609	100%	0
9/30/2010	1,073,023	100%	0

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

F. Actuarial Assumptions

Below is a list of actuarial assumptions used as part of the valuation report as of October 1, 2010:

Valuation date	10/01/11
Actuarial cost method	Projected Unit Credit Cost
Amortization method	Level percent - 30 Years - Closed
Equivalent single amortization period	30 years
Asset valuation method	Smoothing technique
Inflation Rate	2.2%
Actuarial Assumptions:	
Investment rate of return	7.75%, net of expenses
Projected salary increases	Salary scale table – salary increases of 2% to 20% based on age group and part-time or full-time status
Post-retirement benefit increases	Annual COLA of 2.2% per year
Expenses	Prior year net expenses plus 3%

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

G. Funded Status and Funding Progress

As of the most recent valuation date, October 1, 2011, the actuarial value of assets was \$16,280,074, the actuarial accrued liability-entry age was \$23,506,704, and the unfunded accrued liability was \$7,226,630 with a funding ratio of 69%. The total payroll at the valuation date was \$4,074,755 and the unfunded accrued liability of covered payroll was 177.4%.

The schedule of funding progress immediately following the notes to the financial statements (page 53) 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 – Defined Benefit and Defined Contribution Pension Plan**

A. Plan Description

The Library District contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer public retirement pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The FRS offers members both a defined benefit plan (Pension Plan) and/or a defined contribution plan (Investment Plan) to provide retirement, disability, or death benefits for 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 State of Florida issues financial statements and required supplementary information for the FRS. 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) 488-5540.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

B. Funded Status

The FRS Annual Report July 1, 2010 – June 30, 2011 available as mentioned above, stated that the FRS pension plan was 86.93% funded at July 1, 2011 since the actuarial value of assets was \$126.08 billion compared to the actuarial accrued liability of \$145.03 billion.

C. Funding Policy

The FRS, beginning July 1, 2011 is funded partially by a contribution of 3% from employees and governmental employers are required to contribute the balance at an actuarially statewide determined rate. The rates for the management portion of the contribution as of September 30, 2012 are as follows: regular employees – 5.18%, senior management service – 6.30%; deferred retirement option (DROP) – 5.44%.

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 FRS for the years ending September 30, 2012, 2011 and 2010 were \$154,966, \$291,520 and \$284,993, respectively, and were equal to the required contributions for each year. Contributions to FRS made by employees for the year ending September 30, 2012 were \$89,920.

• **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

A. Limited General Obligation Notes

Purpose – On May 23, 2011, the Board entered into a loan agreement for the Alachua County Library District General Obligation Bank Note Series 2011. The purpose of this Note is to provide moneys to refund, on a current basis, the District's outstanding General Obligation Refunding Bonds, Series 2001 and to pay certain expenses associated with this Note.

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Notes Outstanding – At September 30, 2012, General Obligation Note consisted of the following:

Description	Interest Rate and Date	Maturity	Issue	Outstanding at September 30, 2012
Limited General Obligation Bank Note 2011 Series	1.870% 2/1 and 8/1	2017	<u>\$5,960,000</u>	<u>\$5,028,000</u>

\$5,690,000 Alachua County Library District General Obligation Bank Note, Series 2011, due in semi-annual installments of \$482,000 to \$520,000 through 2017, interest is 1.870%

Revenue Source - Property Tax Levy.

Net carrying amount General Obligation Note \$ 5,028,000

Accrued compensated absences 799,208

TOTAL LONG-TERM OBLIGATIONS \$ 5,827,208

Long-Term liability activity for the year ended September 30, 2012, was as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance	Due Within One Year
General Obligation Bank Note	\$ 5,960,000	\$ -	\$ (932,000)	\$ 5,028,000	\$ 965,000
Gain on refunding	223,012	-	(38,230)	184,782	-
Compensated absences	806,056	472,677	(479,525)	799,208	479,525
Total Long-term Obligations	<u>\$ 6,989,068</u>	<u>\$ 472,677</u>	<u>\$ (1,449,755)</u>	<u>\$ 6,011,990</u>	<u>\$ 1,444,525</u>

Compensated absences are generally liquidated by the general fund.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Annual debt service requirements to maturity for the general obligations note is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 965,000	\$ 89,517	\$ 1,054,517
2014	991,000	71,340	1,062,340
2015	1,009,000	52,725	1,061,725
2016	1,023,000	33,800	1,056,800
2017	1,040,000	14,586	1,054,586
	<u>\$ 5,028,000</u>	<u>\$ 261,968</u>	<u>\$ 5,289,968</u>

Note 7 - Interfund Transfers

For the year ended September 30, 2012, interfund transfers were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental - Brady Trust</u>	
Capital Projects	\$ 1,271,774	\$ -	\$ 1,271,774
Nonmajor Governmental: Gifts & Donations	-	25,000	25,000
Total	<u>\$ 1,271,774</u>	<u>\$ 25,000</u>	<u>\$ 1,296,774</u>

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

Note 8 – Commitments and Contingencies

Non-capitalized leases – Rental costs for the year ended September 30, 2012, under cancelable leases are summarized as follows:

<u>Fund Charged</u>	<u>Amount</u>
General Fund	\$ 111,286
Capital Projects	8,117
	<u>\$ 119,403</u>

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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 \$423,815 for services in fiscal year 2012. 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 - Governmental Fund Balances

On October 1, 2010, the Library District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as nonspendable or are classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balances include amounts that cannot be spent because they are not spendable form or are legally or contractually required to be maintained intact.

Fund balances are further classified based on a hierarchy of the Library District's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances are fund balances constrained for specific purposes imposed by the Library District Governing Board when formal action is taken by resolution. The same formal action is required to be taken to modify or rescind a fund balance commitment.

Assigned fund balances are fund balances intended to be used for specific purposes, but are neither restricted nor committed. Assignments may be made only by the Library District Governing Board, Library Director, or the Library Director's Designee.

Unassigned fund balance is the residual positive balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The fund balance categories of the governmental funds are shown on the face of the Balance Sheet – Governmental Funds in the fund financial statements. The Library District uses restricted

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts prohibiting this. In addition, the Library District uses committed prior to assigned fund balances and assigned fund balances prior to unassigned fund balances.

Minimum fund balance policy – The Library District will maintain an annual unappropriated or cash carry forward fund balance that is equal to at least 60 days of operating expenditures. The unappropriated cash carry forward will be at a level sufficient to maintain adequate cash flow during the beginning of each fiscal year in order to eliminate the need for short-term borrowing.

Note 11 - 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. Future Accounting Pronouncements

The following statements of the Governmental Accounting Standards Board will be effective for the District's 2013 fiscal year:

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*

Statement No. 61, *The Financial Reporting Entity: Omnibus*

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

The District is currently evaluating the effects that these statements will have on its financial statements for the year ended September 30, 2013.



**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, 2012**

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Property taxes	\$ 15,213,390	\$ 15,213,390	\$ 15,416,670	\$ 203,280
Intergovernmental	-	-	51,582	51,582
Charges for services	163,757	163,757	112,324	(51,433)
Rents and royalties	-	-	60,082	60,082
Investment income	100,000	100,000	109,031	9,031
Miscellaneous	115,000	115,000	158,686	43,686
Total revenues	<u>15,592,147</u>	<u>15,592,147</u>	<u>15,908,375</u>	<u>316,228</u>
Expenditures				
Current: Culture and recreation				
Personal services	10,600,296	10,600,296	9,960,113	640,183
Operating expenditures	4,859,451	4,859,451	4,326,550	532,901
Reserve for contingencies	772,987	772,987	-	772,987
Total expenditures	<u>16,232,734</u>	<u>16,232,734</u>	<u>14,286,663</u>	<u>1,946,071</u>
Excess of revenues over expenditures	<u>(640,587)</u>	<u>(640,587)</u>	<u>1,621,712</u>	<u>2,262,299</u>
Other financing sources (uses)				
Transfers out	(1,271,774)	(1,271,774)	(1,271,774)	-
Total other financing sources (uses)	<u>(1,271,774)</u>	<u>(1,271,774)</u>	<u>(1,271,774)</u>	<u>-</u>
Net change in fund balance	(1,912,361)	(1,912,361)	349,938	2,262,299
Fund balances - beginning	<u>1,912,361</u>	<u>1,912,361</u>	<u>6,570,369</u>	<u>4,658,008</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,920,307</u>	<u>\$ 6,920,307</u>

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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 SUPPLEMENTARY INFORMATION
PENSION PLAN
SEPTEMBER 30, 2012**

See Note 5.A starting on Page 41 for detailed information on the Library's Pension Fund.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL)-Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Total Annual Payroll at Valuation Date (C)	UAAL as % of Covered Payroll (B-A)/C
10/1/2011	\$ 16,280,074	\$ 23,506,704	\$ 7,226,630	69.3%	\$ 4,074,755	177.4%
10/1/2010	15,600,453	21,910,656	6,310,203	71.2%	4,044,568	156.0%
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%

Schedule of Employer Contributions

Valuation Date	End of Plan Year to which Valuation Applies	Actual Covered Payroll for Current Period (A/B)	Required Employer Contribution Amount (A)	Required Employer Contribution % Payroll (B)	Actual Employer Contributions	Percentage Contributed
10/1/2011	9/30/2012	\$ 3,757,534	\$ 1,121,248	29.84%	\$ 1,121,248	100%
10/1/2010	9/30/2011	3,932,870	1,112,609	28.29%	1,112,609	100%
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%

* Change in Actuarial assumption/methods



**SUPPLEMENTARY
INFORMATION**



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR FUNDS

SPECIAL REVENUE FUNDS

Institute of Museum and Library Service Grant (709) – Federal funds received from the Institute of Museum and Library Services, to enhance the quality of library and museum services, and provide coordination between libraries and museums to improve the community quality of life.

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, an unrestricted contribution received by the Library District in 1993. The Library District Governing Board committed the principal to remain intact and a determined amount be transferred annually to the Gifts and Donations Fund to be used for library materials.

The Big Read Grant FY2012 (716) – The Big Read is an initiative of the National Endowment for the Arts designed to revitalize the role of literature in American culture. The NEA presents The Big Read in partnership with Arts Midwest.

DEBT SERVICE FUND

General Obligation Refunding Bank Note 2011 (723) – Accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the 2011 bank Note which refunded the 2001 GO Refunding Bond.

MAJOR FUNDS – BUDGETARY COMPARISON ONLY

Since these are major funds, only the budgetary comparison is included in this section. Other information is included in the fund statements on pages 18 and 20.

CAPITAL PROJECT FUND (731) – accounts for financial resources used for the acquisition or construction of major capital facilities as well as capital equipment purchases.

**ALACHUA COUNTY LIBRARY DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2012**

	SPECIAL		REVENUE
	709	710	711
	Institute of Museum & Library Svc Grant	State Aid to Libraries Program Grant	Gifts & Donations
Assets			
Equity in pooled cash and investments	\$ -	\$ -	\$ 594,125
Other cash and investments	-	-	-
Accounts receivable	-	-	-
Total assets	\$ -	\$ -	\$ 594,125
Liabilities and fund balances			
Liabilities			
Due to other governments	\$ -	\$ -	\$ -
Total liabilities	-	-	-
Fund balances			
Restricted for:			
Debt service	-	-	-
Committed for:			
Library reserve	-	-	-
Library materials	-	-	-
Assigned for:			
Library materials	-	-	594,125
Total fund balances	-	-	594,125
Total liabilities and fund balances	\$ -	\$ -	\$ 594,125

FUNDS		DEBT SERVICE	
712	716	723	Total
Brady Trust Fund	The Big Read Grant FY12	GO Refunding Bank Note 2011	Nonmajor Governmental Funds
\$ 729	\$ -	\$ 275,501	\$ 870,355
1,563,407	-	-	1,563,407
-	-	8,589	8,589
<u>\$ 1,564,136</u>	<u>-</u>	<u>\$ 284,090</u>	<u>\$ 2,442,351</u>
\$ -	\$ -	\$ 24	\$ 24
<u>-</u>	<u>-</u>	<u>24</u>	<u>24</u>
-	-	284,066	284,066
989,094	-	-	989,094
575,042	-	-	575,042
-	-	-	594,125
<u>1,564,136</u>	<u>-</u>	<u>284,066</u>	<u>2,442,327</u>
<u>\$ 1,564,136</u>	<u>\$ -</u>	<u>\$ 284,090</u>	<u>\$ 2,442,351</u>

**ALACHUA COUNTY LIBRARY DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	SPECIAL		REVENUE
	709 Institute of Museum & Library Svcs Grant	710 State Aid to Libraries Program Grant	711 Gifts & Donations
Revenues			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	10,000	380,462	-
Investment income	-	-	-
Private donations	-	-	104,934
Total Revenues	<u>10,000</u>	<u>380,462</u>	<u>104,934</u>
Expenditures			
Current: Culture and recreation			
Personal services	-	-	-
Operating expenditures	10,000	380,462	25,189
Debt service			
Principal	-	-	-
Interest & other charges	-	-	-
Total expenditures	<u>10,000</u>	<u>380,462</u>	<u>25,189</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>79,745</u>
Other financing sources (uses)			
Transfers in	-	-	25,000
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>25,000</u>
Net change in fund balances	-	-	104,745
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>489,380</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 594,125</u>

FUNDS		DEBT SERVICE	
712	716	723	Total Nonmajor Governmental Funds
Brady Trust Fund	The Big Read Grant FY12	GO Refunding Bank Note 2011	
\$ -	\$ -	\$ 1,302,066	\$ 1,302,066
-	16,400	-	406,862
326,132	-	5,778	331,910
-	-	-	104,934
<u>326,132</u>	<u>16,400</u>	<u>1,307,844</u>	<u>2,145,772</u>
-	4,502	-	4,502
-	11,898	43,577	471,126
-	-	932,000	932,000
-	-	128,147	128,147
<u>-</u>	<u>16,400</u>	<u>1,103,724</u>	<u>1,535,775</u>
<u>326,132</u>	<u>-</u>	<u>204,120</u>	<u>609,997</u>
-	-	-	25,000
(25,000)	-	-	(25,000)
<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
301,132	-	204,120	609,997
<u>1,263,004</u>	<u>-</u>	<u>79,946</u>	<u>1,832,330</u>
<u>\$ 1,564,136</u>	<u>\$ -</u>	<u>\$ 284,066</u>	<u>\$ 2,442,327</u>

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

SPECIAL

Institute of Museum and Library Services Grant

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 10,000	\$ 10,000	\$ -
Investment income	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Expenditures				
Current: Culture and recreation				
Personal services	-	-	-	-
Operating expenditures	-	10,000	10,000	-
Total expenditures	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REVENUE				FUNDS			
State Aid to Libraries Program Grant				Gifts and Donations			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 328,880	\$ 380,462	\$ 380,462	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	20,000	20,000	104,934	84,934
-	-	-	-	-	-	-	-
328,880	380,462	380,462	-	20,000	20,000	104,934	84,934
-	-	-	-	-	-	-	-
328,880	380,462	380,462	-	107,000	107,000	25,189	81,811
328,880	380,462	380,462	-	107,000	107,000	25,189	81,811
-	-	-	-	(87,000)	(87,000)	79,745	166,745
-	-	-	-	25,000	25,000	25,000	-
-	-	-	-	-	-	-	-
-	-	-	-	25,000	25,000	25,000	-
-	-	-	-	(62,000)	(62,000)	104,745	166,745
-	-	-	-	62,000	62,000	489,380	427,380
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 594,125	\$ 594,125

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	SPECIAL		REVENUE	
	Brady Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	34,000	34,000	326,132	292,132
Private donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>34,000</u>	<u>34,000</u>	<u>326,132</u>	<u>292,132</u>
Expenditures				
Current: Culture and recreation				
Personal services	-	-	-	-
Operating expenditures	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,000</u>	<u>34,000</u>	<u>326,132</u>	<u>292,132</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	9,000	9,000	301,132	292,132
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>1,263,004</u>	<u>1,263,004</u>
Fund balances - ending	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ 1,564,136</u>	<u>\$ 1,555,136</u>

FUNDS			
The Big Read Grant FY12			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ 16,400	\$ 16,400	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	16,400	16,400	-
-	4,503	4,502	1
-	11,897	11,898	(1)
-	16,400	16,400	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**ALACHUA COUNTY LIBRARY DISTRICT
DEBT SERVICE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	GO REFUNDING BANK NOTE 2011 (723)			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Property taxes	\$ 1,282,500	\$ 1,282,500	\$ 1,302,066	\$ 19,566.00
Investment income	5,000	5,000	5,778	778
Total Revenues	<u>1,287,500</u>	<u>1,287,500</u>	<u>1,307,844</u>	<u>20,344</u>
Expenditures				
Current: Culture and recreation				
Operating expenditures	72,000	72,000	43,577	28,423
Debt service				
Principal	1,060,147	1,060,147	932,000	128,147
Interest & other charges	-	-	128,147	(128,147)
Contingency reserve	50,000	50,000	-	50,000
Total expenditures	<u>1,182,147</u>	<u>1,182,147</u>	<u>1,103,724</u>	<u>78,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>105,353</u>	<u>105,353</u>	<u>204,120</u>	<u>98,767</u>
Other financing sources (uses)				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	105,353	105,353	204,120	98,767
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>79,946</u>	<u>79,946</u>
Fund balances - ending	<u>\$ 105,353</u>	<u>\$ 105,353</u>	<u>\$ 284,066</u>	<u>\$ 178,713</u>

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	CAPITAL PROJECTS FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final	Amounts	
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Investment income	54,000	54,000	86,564	32,564
Miscellaneous	-	-	-	-
Total revenues	54,000	54,000	86,564	32,564
Expenditures				
Current: Culture and recreation				
Capital outlay	2,477,610	2,477,610	1,275,736	1,201,874
Total expenditures	2,477,610	2,477,610	1,275,736	1,201,874
(Deficiency) of revenues (under) expenditures	(2,423,610)	(2,423,610)	(1,189,172)	1,234,438
Other financing sources (uses)				
Transfers in	1,271,774	1,271,774	1,271,774	-
Proceeds from sale of capital assets	-	-	1,859	1,859
Total other financing sources (uses)	1,271,774	1,271,774	1,273,633	1,859
Net change in fund balance	(1,151,836)	(1,151,836)	84,461	1,236,297
Fund balances - beginning	1,151,836	1,151,836	8,241,008	7,089,172
Fund balances - ending	\$ -	\$ -	\$ 8,325,469	\$ 8,325,469



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
BALANCE SHEET
SEPTEMBER 30, 2012**

Assets

Other cash and investments	\$ 952,386
----------------------------	------------

Total assets	<u>\$ 952,386</u>
---------------------	-------------------

Liabilities and fund balances

Total liabilities	<u>\$ -</u>
--------------------------	-------------

Fund balances

Fund balances:

Assigned	<u>952,386</u>
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Total fund balances	<u>952,386</u>
---------------------	----------------

Total liabilities and fund balance	<u>\$ 952,386</u>
-------------------------------------------	-------------------

**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, 2012**

Revenues	
Investment income (loss)	\$ 130,756
Private donations	33,997
Total Revenues	164,753
 Expenditures	
Current: Culture and recreation	14,014
Total expenditures	14,014
 Excess of revenues over expenditures	150,739
 Fund balances - beginning	801,647
 Fund balances - ending	\$ 952,386

**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, 2012**

	Library Foundation			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Investment income (loss)	\$ -	\$ -	\$ 130,756	\$ 130,756
Private donations	22,300	22,300	33,997	11,697
Total revenues	<u>22,300</u>	<u>22,300</u>	<u>164,753</u>	<u>142,453</u>
Expenditures				
Current: Culture and recreation	<u>22,300</u>	<u>22,300</u>	<u>14,014</u>	<u>8,286</u>
Excess of revenues over expenditures	-	-	150,739	150,739
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>801,647</u>	<u>801,647</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 952,386</u>	<u>\$ 952,386</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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	72
Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	80
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.	86
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.	90
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.	94

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 TEN FISCAL YEARS

(accrual basis of accounting)

	FISCAL YEAR			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 227,927	\$ 427,788	\$ 769,692	\$ 1,129,891
Restricted	3,597,897	3,239,138	2,631,626	2,187,373
Unrestricted	3,883,387	5,182,792	7,268,640	10,209,889
Total governmental activities net assets	<u>\$ 7,709,211</u>	<u>\$ 8,849,718</u>	<u>\$ 10,669,958</u>	<u>\$ 13,527,153</u>

FISCAL YEAR

2007	2008	2009	2010	2011	2012
\$ 2,552,293	\$ 4,348,293	\$ 6,938,971	\$ 7,976,363	\$ 8,548,511	\$ 9,416,416
812,212	460,299	350,751	245,114	79,946	284,066
14,508,960	15,105,188	13,975,221	14,767,914	15,743,853	16,604,421
<u>\$ 17,873,465</u>	<u>\$ 19,913,780</u>	<u>\$ 21,264,943</u>	<u>\$ 22,989,391</u>	<u>\$ 24,372,310</u>	<u>\$ 26,304,903</u>

Schedule 2

ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	FISCAL YEAR			
	2003	2004	2005	2006
Expenses				
Governmental activities:				
Culture & recreation	\$ 11,984,095	\$ 12,076,040	\$ 12,856,235	\$ 13,134,592
Interest on long-term debt	582,575	558,876	531,674	503,236
Total governmental activities expenses	<u>12,566,670</u>	<u>12,634,916</u>	<u>13,387,909</u>	<u>13,637,828</u>
Total primary government expenses	<u>12,566,670</u>	<u>12,634,916</u>	<u>13,387,909</u>	<u>13,637,828</u>
Program Revenues				
Governmental activities:				
Charges for services	33,598	35,139	35,341	64,122
Operating grants and contributions	710,159	680,677	702,258	598,485
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>743,757</u>	<u>715,816</u>	<u>737,599</u>	<u>662,607</u>
Total primary government program revenues	<u>743,757</u>	<u>715,816</u>	<u>737,599</u>	<u>662,607</u>
Net (Expense)Revenue				
Governmental activities	<u>(11,822,913)</u>	<u>(11,919,100)</u>	<u>(12,650,310)</u>	<u>(12,975,221)</u>
Total primary governmental net expense	<u><u>\$(11,822,913)</u></u>	<u><u>\$(11,919,100)</u></u>	<u><u>\$(12,650,310)</u></u>	<u><u>\$(12,975,221)</u></u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	\$ 11,507,342	\$ 12,592,946	\$ 13,761,327	\$ 14,891,546
Interest earnings	344,944	274,342	513,515	854,561
Miscellaneous	149,238	192,319	195,708	182,087
Total governmental activities	<u>12,001,524</u>	<u>13,059,607</u>	<u>14,470,550</u>	<u>15,928,194</u>
Total primary government	<u><u>\$ 12,001,524</u></u>	<u><u>\$ 13,059,607</u></u>	<u><u>\$ 14,470,550</u></u>	<u><u>\$ 15,928,194</u></u>
Change in Net Assets				
Governmental activities	\$ 178,611	\$ 1,140,507	\$ 1,820,240	\$ 2,952,973
Total primary government	<u><u>\$ 178,611</u></u>	<u><u>\$ 1,140,507</u></u>	<u><u>\$ 1,820,240</u></u>	<u><u>\$ 2,952,973</u></u>

FISCAL YEAR

2007	2008	2009	2010	2011	2012
\$ 14,611,036	\$ 15,342,484	\$ 16,019,496	\$ 16,190,042	\$ 16,599,177	\$ 16,139,904
473,662	510,066	397,068	356,902	127,808	108,303
15,084,698	15,852,550	16,416,564	16,546,944	16,726,985	16,248,207
15,084,698	15,852,550	16,416,564	16,546,944	16,726,985	16,248,207
86,802	87,151	89,125	99,478	112,897	112,324
555,346	483,170	476,947	505,800	333,684	458,444
52,500	3,908	11,530	-	-	-
694,648	574,229	577,602	605,278	446,581	570,768
694,648	574,229	577,602	605,278	446,581	570,768
(14,390,050)	(15,278,321)	(15,838,962)	(15,941,666)	(16,280,404)	(15,677,439)
\$ (14,390,050)	\$ (15,278,321)	\$ (15,838,962)	\$ (15,941,666)	\$ (16,280,404)	\$ (15,677,439)
\$ 17,205,046	\$ 16,903,356	\$ 16,537,856	\$ 16,889,474	\$ 17,324,052	\$ 16,718,736
1,271,583	240,091	151,654	415,432	196,368	527,505
259,733	175,189	500,615	317,738	142,903	363,791
18,736,362	17,318,636	17,190,125	17,622,644	17,663,323	17,610,032
\$ 18,736,362	\$ 17,318,636	\$ 17,190,125	\$ 17,622,644	\$ 17,663,323	\$ 17,610,032
\$ 4,346,312	\$ 2,040,315	\$ 1,351,163	\$ 1,680,978	\$ 1,382,919	\$ 1,932,593
\$ 4,346,312	\$ 2,040,315	\$ 1,351,163	\$ 1,680,978	\$ 1,382,919	\$ 1,932,593

Schedule 3

ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Pre-GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions"

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Reserved	\$ -	\$ 656	\$ -	\$ 4,436
Unreserved	1,729,545	2,103,088	3,099,105	4,729,331
Total general fund	<u>\$ 1,729,545</u>	<u>\$ 2,103,744</u>	<u>\$ 3,099,105</u>	<u>\$ 4,733,767</u>
All Other Governmental Funds				
Reserved	\$ 3,597,897	\$ 3,239,137	\$ 2,664,088	\$ 2,336,339
Unreserved, reported in:				
Special revenue funds	1,316,101	1,409,080	1,437,596	1,493,802
Capital project funds	1,562,135	2,419,925	3,418,987	4,580,959
Debt service funds	,	-	-	-
Total all other governmental funds	<u>\$ 6,476,133</u>	<u>\$ 7,068,142</u>	<u>\$ 7,520,671</u>	<u>\$ 8,411,100</u>

Post-GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions"

	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund			
Nonspendable	\$ 6,875	\$ 6,875	\$ 6,875
Assigned	1,271,774	1,271,774	3,881,317
Unassigned	4,839,131	5,291,720	3,032,115
Total general fund	<u>\$ 6,117,780</u>	<u>\$ 6,570,369</u>	<u>\$ 6,920,307</u>
All Other Governmental Funds			
Restricted	\$ 245,114	\$ 79,946	\$ 284,066
Committed	1,664,281	1,263,004	1,564,136
Assigned	8,252,226	8,730,388	8,919,594
Total all other governmental funds	<u>\$ 9,761,621</u>	<u>\$ 10,073,338</u>	<u>\$ 10,767,796</u>

Note: GASB Statement No. 54 was implemented in fiscal year 2011.

Fiscal year 2010 data was restated for presentation comparable to GASB Statement No. 54.

2007	2008	2009	2010
\$ -	\$ -	\$ 16,083	\$ 6,875
<u>7,315,675</u>	<u>5,656,131</u>	<u>5,318,512</u>	<u>6,110,905</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>
\$ 1,445,275	\$ 515,824	\$ 657,258	\$ 289,669
1,650,823	1,395,572	1,478,950	1,664,281
5,624,483	8,764,030	7,675,996	7,807,671
-	-	-	-
<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			
	2003	2004	2005	2006
Revenues				
Taxes	\$ 11,507,342	\$ 12,592,946	\$ 13,761,327	\$ 14,891,546
Intergovernmental	710,159	680,677	702,258	598,485
Charges for services	33,598	35,139	35,341	64,122
Rents and royalties	-	-	-	-
Investment income	344,944	274,342	513,515	854,561
Private donations	98,979	49,061	45,173	28,924
Miscellaneous revenue	50,259	142,251	147,295	149,051
Total revenues	<u>12,745,281</u>	<u>13,774,416</u>	<u>15,204,909</u>	<u>16,586,689</u>
Expenditures				
Culture & recreation	11,348,007	11,297,284	11,879,272	12,278,405
Capital outlay	298,885	313,574	679,231	587,351
Debt service				
Principal	610,000	635,000	665,000	690,000
Interest	589,668	563,744	536,756	508,494
Total expenditures	<u>12,846,560</u>	<u>12,809,602</u>	<u>13,760,259</u>	<u>14,064,250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(101,279)</u>	<u>964,814</u>	<u>1,444,650</u>	<u>2,522,439</u>
Other Financing Sources (Uses)				
Transfers in	761,885	831,664	902,031	1,010,976
Transfers out	(761,885)	(831,664)	(902,031)	(1,010,976)
Issuance of refunding note	-	-	-	-
Refund of long term debt	-	-	-	-
Sale of capital assets	-	1,394	3,240	2,652
Total other financing sources (uses)	<u>-</u>	<u>1,394</u>	<u>3,240</u>	<u>2,652</u>
Net change in fund balances	<u>\$ (101,279)</u>	<u>\$ 966,208</u>	<u>\$ 1,447,890</u>	<u>\$ 2,525,091</u>
Debt service as a percentage of noncapital expenditures (See Note)	9.6%	9.4%	8.8%	8.7%

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

	2007	2008	2009	2010	2011	2012
\$	17,205,046	\$ 16,903,356	\$ 16,537,856	\$ 16,889,474	\$ 17,324,052	\$ 16,718,736
	607,846	487,078	488,477	505,800	333,684	458,444
	86,802	87,151	89,125	99,478	112,897	112,324
	-	-	22,015	33,022	44,647	60,082
	1,271,583	240,091	151,654	415,432	196,368	527,505
	2,357	86,621	138,664	109,307	48,552	104,934
	106,257	88,755	348,000	173,063	47,635	158,686
	<u>19,279,891</u>	<u>17,893,052</u>	<u>17,775,791</u>	<u>18,225,576</u>	<u>18,107,835</u>	<u>18,140,711</u>
	13,705,627	13,984,354	14,723,410	14,740,638	14,994,036	14,762,291
	1,479,730	2,412,725	3,036,455	1,553,576	932,325	1,275,736
	725,000	755,000	790,000	830,000	870,000	932,000
	479,168	448,356	411,106	371,106	549,237	128,147
	<u>16,389,525</u>	<u>17,600,435</u>	<u>18,960,971</u>	<u>17,495,320</u>	<u>17,345,598</u>	<u>17,098,174</u>
	2,890,366	292,617	(1,185,180)	730,256	762,237	1,042,537
	1,193,122	4,576,735	2,000,000	1,298,015	1,348,849	1,296,774
	(1,193,122)	(4,576,735)	(2,000,000)	(1,298,015)	(1,348,849)	(1,296,774)
	-	-	-	-	5,960,000	-
	-	-	-	-	(5,960,000)	-
	1,023	2,684	422	2,346	2,069	1,859
	<u>1,023</u>	<u>2,684</u>	<u>422</u>	<u>2,346</u>	<u>2,069</u>	<u>1,859</u>
\$	<u>2,891,389</u>	<u>\$ 295,301</u>	<u>\$ (1,184,758)</u>	<u>\$ 732,602</u>	<u>\$ 764,306</u>	<u>\$ 1,044,396</u>
	7.8%	7.5%	7.3%	7.2%	8.4%	6.5%

Schedule 5

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

(in thousands of dollars)

Tax Year	Fiscal Year	Residential Property	Commercial Property	Agricultural Property	Industrial Property	Non-Taxable Real Property
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	11,324,537	2,328,960	1,439,909	415,202	5,243,853
2011	2012	** 10,518,320	2,296,801	1,385,363	399,881	5,750,413
2012	2013	** 9,981,164	2,256,747	1,383,350	398,882	5,725,143

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.

** FY12 and FY13 Property valuations are per the 1st Certification; the Value Adjustment Board has not completed their process so values may change. FY11 values changed after the completion of the VAB process.

Personal & Centrally Assessed Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate *	Total Valuation
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
3,019,338	(11,718,900)	12,052,899	19.2069	23,771,798
3,428,608	(12,111,826)	11,667,560	19.4166	23,779,386
3,243,191	(11,712,185)	11,276,292	18.8714	22,988,477

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 Debt Service	School Board	Total Direct	Suwannee River Water Mgmt. District	St. Johns River Water Mgmt. District	MSTU - Unincorporated Areas
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
2012	2011	8.5956	0.2500	1.3638	0.1152	9.0920	19.4166	0.4143	0.3313	0.4124
2013	2012	8.5956	0.2500	1.3638	0.1130	8.5490	18.8714	0.4143	0.3313	0.4124

Source: Alachua County Property Appraiser

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

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

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

Overlapping Rates (continued)

MSTU - Sheriff Law Enforcement	MSTU - Fire	City of Alachua	City of Archer	City of Gainesville	City of Hawthorne	City of High Springs	City of Lacrosse	City of Micanopy	City of Newberry	City of Waldo
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
1.6710	1.3391	5.5000	5.2000	4.2544	5.3194	6.1500	2.5777	8.0000	3.8500	5.8686
1.6710	1.3391	5.5000	5.2500	4.4946	5.3194	6.1500	2.6989	8.0000	3.8084	5.8686

Schedule 7

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

<u>Taxpayer</u>	2012*			2002		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Vulcan Materials Company	\$ 185,188,230	1	1.59%	\$ 60,274,260	2	0.84%
Oaks Mall Gainesville Ltd Partnership	120,000,000	2	1.03%	52,652,800	4	-
Wal-Mart Stores East LP	100,866,310	3	0.86%	-		-
HCA Health Services of Fla Inc	70,546,400	4	0.60%	30,019,100	8	0.42%
Florida Power Corp	63,235,792	5	0.54%	59,807,680	3	0.84%
Oak Hammock at the Univ of Fla Inc	54,554,800	6	0.47%	-		-
Bellsouth Telecommunications Inc	52,830,016	7	0.45%	116,936,300	1	1.64%
Dolgencorp Inc	52,199,300	8	0.45%	33,563,543	7	0.47%
S Clark Butler Properties Land Trust	39,825,500	9	0.34%	-		-
Inland America Lodging, Gainesville LLC	35,908,080	10	0.31%	-		-
Cox Communications Inc	-		-	38,479,750	5	0.54%
Atlantic Financial Group Ltd.	-		-	36,377,300	6	0.51%
Clay Electric Cooperative Inc	-		-	29,976,370	9	0.42%
Metal Container Corporation	-		-	24,463,300	10	0.34%
	<u>\$ 775,154,428</u>		<u>6.64%</u>	<u>\$ 482,550,403</u>		<u>6.02%</u>
Total taxable valuation of all properties	<u>\$ 11,667,559,952</u>			<u>\$ 7,143,329,037</u>		

SOURCE: Alachua County Property Appraiser - Overall Taxable Value

* 2012 Taxable Assessed Value are per 1st Certification Tax Roll; Value Adjustment Board has not completed their process so values may change.

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	
2003	2002	\$ 11,870,531	\$ 11,408,141	96.1%	\$ 90,460	\$ 11,498,601	96.9%	
2004	2003	13,002,889	12,499,332	96.1%	80,975	12,580,307	96.8%	
2005	2004	14,102,348	13,597,540	96.4%	39,179	13,636,719	96.7%	
2006	2005	15,315,962	14,749,470	96.3%	60,098	14,809,568	96.7%	
2007	2006	17,503,025	16,902,829	96.6%	20,930	16,923,759	96.7%	
2008	2007	17,359,392	16,770,373	96.6%	22,915	16,793,288	96.7%	
2009	2008	16,979,757	16,419,007	96.7%	21,590	16,440,597	96.8%	
2010*	2009	17,286,027	16,734,007	96.8%	11,800	16,745,807	96.9%	
2011*	2010	17,767,533	17,192,413	96.8%	2,014	17,194,427	96.8%	
2012	2011	17,193,782	16,604,818	96.6%	na	16,604,818	96.6%	

SOURCE: Alachua County Tax Collector

*FY2011 and 2012 levies are per the first tax certification and thus may change.

Schedule 9

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

Fiscal Year	General Obligation Debt Outstanding	Percentage of Personal Income (a)	Per Capita (a)
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	0.09%	30.60
2010	7,010,000	0.08%	28.34
2011	5,960,000	na	24.10
2012	5,028,000	na	20.16

Note: Details regarding the Library District's outstanding debt can be found on page 45 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 2011 and 2012.

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

<u>Fiscal Year</u>	<u>General Obligation Debt Outstanding (a)</u>	<u>Percentage of Actual Taxable Value of Property (b)</u>	<u>Per Capita (c)</u>
2003	11,795,287	0.15%	53.30
2004	11,205,472	0.13%	50.35
2005	10,468,755	0.11%	43.48
2006	9,635,656	0.09%	39.53
2007	8,844,388	0.07%	35.73
2008	8,169,701	0.06%	32.37
2009	7,489,249	0.06%	29.23
2010	6,764,886	0.06%	27.35
2011	5,880,054	0.05%	23.77
2012	4,743,934	0.04%	19.02

Note: Details regarding the Library District's outstanding debt can be found starting on page 45 in the Notes to the Financial Statements.

(a) Debt Outstanding is net the amount restricted for debt service.

(b) See Schedule 5 for property value data.

(c) 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, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Alachua County Library District Bank Note, 2011	\$ 5,028,000	100%	\$ 5,028,000
Total Direct Debt Outstanding	<u>5,028,000</u>		<u>5,028,000</u>
Overlapping:			
Alachua County:			
Public Improvement Revenue 2007, Refunding	48,925,000	100%	48,925,000
Transportation Improvement Revenue Bonds, 2006	10,255,000	100%	10,255,000
Transportation Improvement Revenue Bonds, 2008	13,980,000	100%	13,980,000
Local Options Gas Tax Bank Note, 2011	8,776,000	100%	8,776,000
Capital Improvement Revenue Bank Note, 2008	6,193,000	100%	6,193,000
Alachua County Forever Bank Loan, 2010-1	9,615,000	100%	9,615,000
Alachua County School Board:			
State School Motor Vehicle Tax Revenue Bonds	3,615,000	100%	3,615,000
Certificates of Participation	81,996,775	100%	81,996,775
Total Overlapping Debt Outstanding	<u>183,355,775</u>		<u>183,355,775</u>
Total Governmental Activities Debt	<u>\$ 188,383,775</u>		<u>\$ 188,383,775</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**

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income
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	8,664,631	35,573
2010	247,336	8,624,675	34,859
2011	247,337	8,931,208	35,816
2012	249,365	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 2012.

Median Age	College and University Enrollment	Public School Enrollment	Unemployment Rate
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	68,538	25,077	8.3%
30.1	69,491	26,856	7.4%
30.1	66,333	26,877	6.2%

Schedule 14
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR 2012 AND PRIOR YEAR 2003

<u>Employer</u>	<u>2012</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><u>137,300</u></u>			<u><u>121,876</u></u>		

Source: Council for Economic Outreach, Alachua County

*2003 - only available information.

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

<u>Function/Program</u>	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administration Services Division										
Administration	8	10.5	10	10	11.5	11.5	11.5	12.5	12.5	12.5
Facilities Services Division	8	8	8	8	8	10	10	10	9	9
Automated	11	12	11	11	11	10	10	10	10	10.5
Public Services Divison										
Administration	n/a	n/a	n/a	n/a	3	6	6	6	6	7
Adult	14.5	13	14.8	15.75	16.25	16.25	16.25	16.25	14.75	13.5
Alachua	6.5	6.5	6.5	6.5	6.5	6.5	7	7	7	7
Archer	3.5	3.5	3.5	3.63	3.5	3.5	3.5	3.5	3.5	4.5
Circulation	24.13	21	23	26	23.5	23.5	23.5	23.5	23.5	22.5
Cone Park*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.13	3.25
Hawthorne	6.5	6.5	6.5	5.75	6.5	6.5	6.5	6.5	6.5	6.5
High Springs	6.5	6.5	5.5	6.5	6.5	6.5	6.5	6.5	6.5	5.5
Law Library*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.5
Micanopy	3.25	3.25	3.25	3.25	3.2	3.26	3.26	3.26	3.26	3.38
Millhopper	18.5	18.5	17.5	19.5	19.5	19.5	19.5	19.5	21.5	21.5
Newberry	3.5	3.5	3	2	3.5	6	6	6	6	6
Outreach Services	10.13	11.13	10	11	11	11	11	11	11	11
Partnership Branch*	n/a	n/a	n/a	n/a	n/a	n/a	3.5	3.5	4.125	5.125
Technical Services	16.75	16	16.5	16.5	19	19	19	19	18	17
Tower Road	14	15.5	16	16	16.5	16.5	16.5	16.5	18.625	18.625
Youth	15	14.5	15.5	13.5	13	13	13	13	10.75	10.75
Waldo	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13
Total	172.89	173.01	173.68	178.01	185.08	191.64	195.64	196.64	198.77	198.76

*Law Library was added in FY2012. Cone Park Branch opened in 2011 and the Library Neighborhood Resource Partnership Branch opened in 2009. Support Services Division no longer exists. Automated moved to Administrative Services Division and Technical Services moved to Public Services Division in FY2012.

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>2003</u>	<u>2004</u>	<u>2005</u>
Culture and recreation:				
Circulation:	# of checkouts - Main Library	958,209	980,971	1,030,897
	# of checkouts - Branch libraries	1,540,507	1,516,932	1,547,908
	# of checkouts - Bookmobiles	55,273	56,809	63,897
	# of checkouts - other services	92,329	65,553	74,934
	Total checkouts	2,646,318	2,620,265	2,717,636
	# of Library Visits	1,103,936	1,121,867	1,152,388
	# of Virtual Visits	500,790	836,821	878,153
	Total # of Registered Borrowers	192,222	208,073	160,671
	# of Volunteer Hours	13,802	15,501	17,379
	# of Reference Services	108,620	113,739	386,090
Programs:	Number presented	1,909	1,720	1,652
	Attendance	73,784	69,170	65,739

Source: Alachua County Library

FISCAL YEAR (continued)

2006	2007	2008	2009	2010	2011	2012
1,058,838	1,025,371	992,796	1,126,714	1,029,819	943,612	820,640
1,611,994	1,670,939	1,697,156	1,736,914	1,959,511	2,121,575	2,094,758
63,671	60,510	57,713	54,697	50,939	50,302	53,170
113,895	104,227	113,273	178,190	334,535	536,947	671,839
2,848,398	2,861,047	2,860,938	3,096,515	3,374,804	3,652,436	3,640,407
1,227,697	1,286,272	1,353,804	1,404,869	1,476,120	1,431,342	1,534,385
573,229	620,570	721,147	878,294	1,288,744	1,523,298	1,382,087
177,035	188,666	196,707	199,549	204,418	216,966	198,035
20,713	23,996	20,859	21,329	22,314	26,641	26,078
366,530	507,447	566,638	571,235	646,802	603,653	677,157
1,771	1,825	1,954	2,456	3,427	3,725	4,139
60,385	59,328	57,715	54,075	81,519	81,809	91,665

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

	FISCAL YEAR			
	2003	2004	2005	2006
<u>Culture & Recreation</u>				
# of Library buildings	10	10	10	10
# of Acres	26	26	26	26
# of Vehicles	20	20	20	20
 Library Holdings				
# of Books	952,033	965,732	971,976	981,653
# of Copies - Periodicals	2,207	2,161	2,021	1,938
# of Titles - Periodicals	754	644	638	600

* Includes new Library Partnership building.

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

FISCAL YEAR

2007	2008	2009	2010	2011	2012
10	10	11*	11	11	11
27	27	27	27	27	27
21	21	22	21	21	22
928,480	916,162	921,637	951,557	804,212	802,044
1,976	1,964	1,551	1,344	1,330	1,531
592	589	498	485	452	427



COMPLIANCE SECTION



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, 2012, and have issued our report thereon dated February 7, 2013. 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

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting 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.

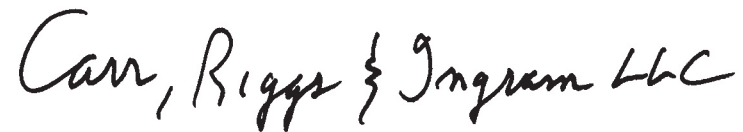
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

February 7, 2013
Gainesville, Florida