

# **Alachua County Library District**



**Alachua County, Florida**

## **Comprehensive Annual Financial Report**

**Fiscal Year Ended September 30, 2013**



# **INTRODUCTORY SECTION**



**ALACHUA COUNTY, FLORIDA**  
**LIBRARY DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2013**

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, 2013**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Title page .....	i
Table of contents .....	iii-iv
Letters of transmittal .....	v-xi
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	xii
Organizational chart.....	xiii
Principal Officers – Governing Board.....	xiv

**FINANCIAL SECTION**

Independent Auditors' Report .....	1-4
Management's Discussion and Analysis.....	5-13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	16
Statement of Activities.....	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	18
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds .....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	21
Statement of Fiduciary Net Position .....	22
Statement of Changes in Fiduciary Net Position – Fiduciary Fund – Pension Trust Fund.....	23
Notes to Financial Statements.....	25-49
Required Supplementary Information:	
Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund.....	51
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual .....	52
Alachua County Library Pension Plan:	
Schedule of Funding Progress .....	53
Schedule of Employer Contributions .....	53
Supplementary Information:	
Combining and Individual Fund Statements and Schedules .....	55
Combining Balance Sheet - Nonmajor Governmental Funds.....	56-57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	58-59

**FINANCIAL SECTION - CONTINUED**

Supplementary Information (Continued):

Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

Nonmajor Special Revenue Funds:

- State Aid to Libraries Program Grant ..... 60
- Gifts and Donations..... 61
- Brady Trust Fund ..... 61

Debt Service Funds

- General Obligation Refunding Bond 2011 ..... 62

Capital Projects Fund ..... 63

Discretely Presented Component Unit – Library Foundation ..... 65

Balance Sheet ..... 66

Schedule of Revenues, Expenditures and Changes in Fund Balance ..... 67

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual ..... 68

**STATISTICAL INFORMATION (UNAUDITED)**

Description of Statistical Tables ..... 69

Schedule 1 – Net Position by Component - Last Ten Fiscal Years ..... 70-71

Schedule 2 - Change in Net Position - Last Ten Fiscal Years ..... 72-73

Schedule 3 – Fund Balances, Governmental Funds - Last Ten Fiscal Years..... 74-75

Schedule 4 – Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years..... 76-77

Schedule 5 – Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years ..... 78-79

Schedule 6 – Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years ..... 80-81

Schedule 7 – Principal Property Taxpayers – Current and Ten Years Ago ..... 82

Schedule 8 – Property Tax Levies and Collections – Last Ten Fiscal Years..... 83

Schedule 9 – Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.... 84

Schedule 10 - Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years ..... 85

Schedule 11 – Direct and Overlapping Governmental Activities Debt ..... 86

Schedule 12 –Legal Debt Margin ..... 87

Schedule 13 – Demographic and Economic Statistics – Last Ten Calendar Years ..... 88-89

Schedule 14 – Principal Employers ..... 90

Schedule 15 – Full-time Equivalent Library Government Employees by Function/Program – Last Ten FY’s ..... 91

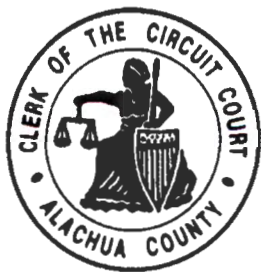
Schedule 16 – Operating Indicators by Function/Program – Last Ten Fiscal Years ..... 92-93

Schedule 17 – Capital Asset Statistics by Function/Program – Last Ten Fiscal Years ..... 94-95

**INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL AND ON COMPLIANCE**

Independent Auditors’ Report on Internal Control Over Financial Reporting and On Compliance and Other Matters.....97-98





## CLERK OF THE CIRCUIT COURT

Alachua County Courthouse  
201 East University Avenue  
Gainesville, Florida 32601

J.K. IRBY  
CLERK

TELEPHONE  
(352) 374-3636

February 27, 2014

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, 2013. 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.

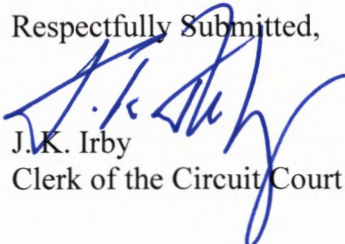
This report was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). GFOA awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose comprehensive annual financial reports meet the Program's strict criteria. The Library's comprehensive annual financial reports for the preceding nine years were awarded this certificate. We are submitting the 2013 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.

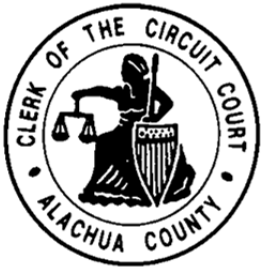
Thank you for your attention.

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 27, 2014

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, 2013, 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 auditor's opinion is included in the Financial Section of this report. Carr, Riggs & Ingram LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Alachua County Library District's financial statements for the year ended September 30, 2013.

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 auditor's 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, ITS  
ECONOMIC CONDITION AND OUTLOOK**

The Alachua County Library District provides public library service to a countywide population of approximately 251,417 (April 1, 2013 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 District operates a storefront library in collaboration with the Partnership for Strong Families in northeast 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.

<b>Summary of Library Use Statistics for FY 2013</b>	
1,567,315	Visits to all Alachua County Libraries
3,576,044	Items borrowed (circulated)
185,730	Registered borrowers
322,226	Materials holdings - Titles
772,501	Individual items in the Library collection
458,279	Reference questions answered in person, by phone, or via the internet
1,294,365	Virtual visits through the internet
5,292	Programs for children and adults with attendance of 108,342
5,242	Uses of Library District meeting rooms with an attendance of 83,026
21,613	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 Health 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**

During fiscal year 2013, the Library District continued construction on a new permanent 10,000 square foot building at the Cone Park Library Branch, which for now is housed in a 1,300 square foot temporary modular building. The new facility is near substantial completion and the District is planning a grand opening of the facility the first week of December 2013. The new permanent Cone Park branch will feature a public meeting room, dedicated space for teens, a Snuggle-Up

Center for younger children, 18 additional computer work stations, and an expanded collection of books, CDs, videos and reference materials.

Also during fiscal year 2013, the district completed a major renovation of the children's area at the Headquarters downtown location. Thoughtful planning and generous donations from the Friends of the Library and the Alachua County Library District Foundation helped to make the new children's area a more welcoming place for kids and families. The children's area renovation was the third and final phase of the three-year Headquarters renovation capital project that started in 2010 with the renovation of the main lobby.

---

## 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, 2012. This was the ninth 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 Hutchison, C.P.A., C.G.F.O.  
Assistant Clerk/Finance Director

NTH/rdg



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Alachua County,  
Florida Library District**

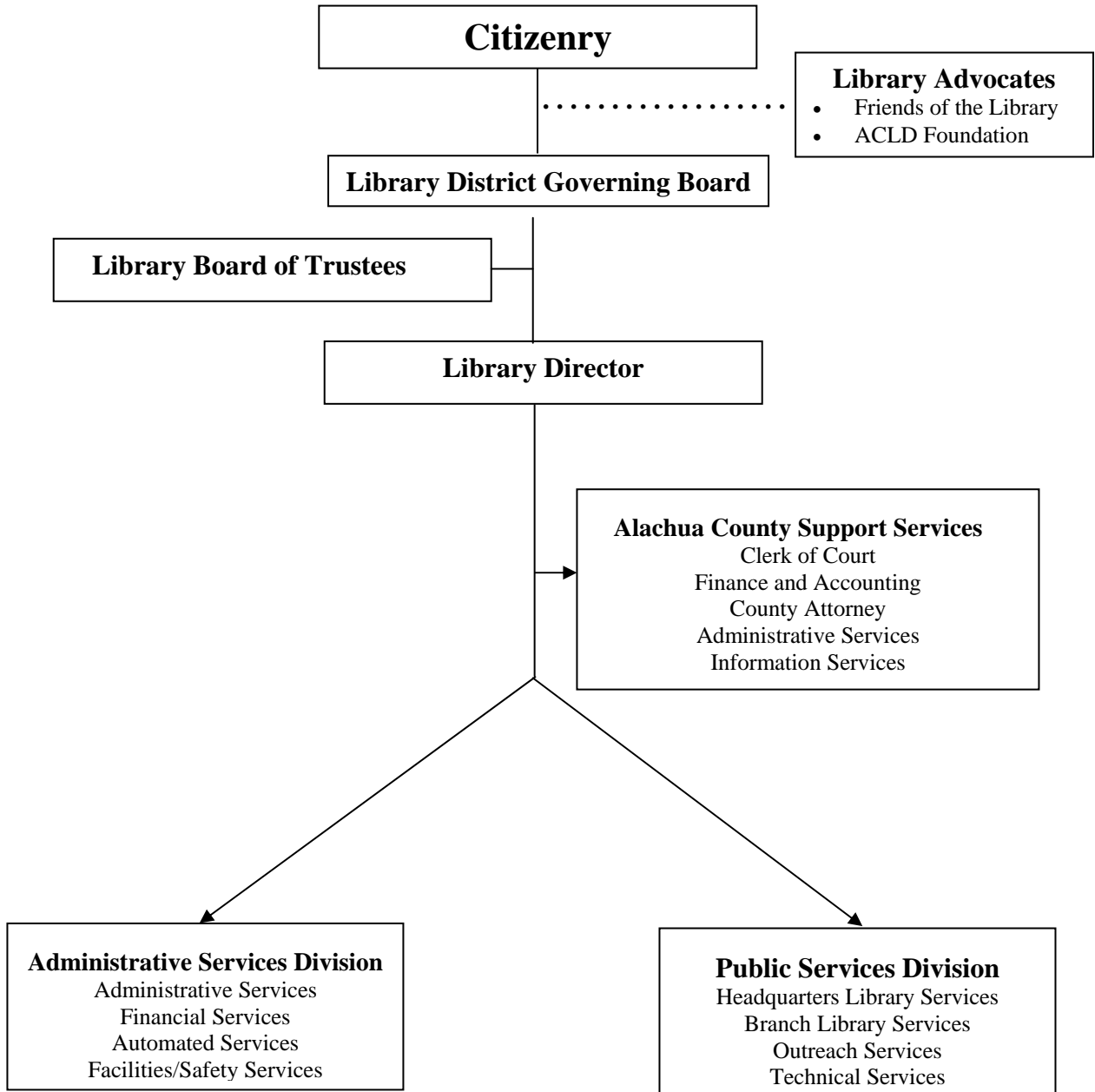
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO



**ALACHUA COUNTY LIBRARY DISTRICT  
ORGANIZATIONAL CHART**



**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA**

**PRINCIPAL OFFICERS**

**GOVERNING BOARD**

(As of December 12, 2013)

**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**





Carr, Riggs & Ingram, LLC  
4010 N.W. 25th Place  
Gainesville, Florida 32606  
P.O. Box 13494  
Gainesville, Florida 32604

(352) 372-6300  
(352) 375-1583 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## INDEPENDENT AUDITOR'S REPORT

The Governing Board  
Alachua County Library District  
Alachua County, Florida

### **Report on the Financial Statements**

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***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, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note II.C. to the financial statements, the District implemented the provisions of GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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.

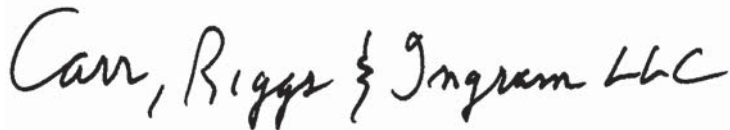
#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Gainesville, Florida  
February 14, 2014





**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, 2013. 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 and deferred inflow of resources at September 30, 2013 by \$27,416,286 (net position). Of this amount, \$16,164,908 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position of \$27,416,286 is comprised of the following:
  - 1) Net investment in capital assets of \$10,816,441 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
  - 2) Net position of \$434,937 is restricted by constraints imposed from outside the Library District such as debt covenants.
  - 3) \$16,164,908 of governmental net position represents the portion available to maintain the Library District's continuing obligations to citizens and creditors.
- The Library District's total net position increased \$1,111,383 over the previous year. The primary reason for the increase in net position is a \$965,000 reduction in total liabilities due to the planned principal pay-down of long term debt.

#### **Fund Statements**

- At September 30, 2013, the Library District's governmental funds reported combined ending fund balances of \$17,433,240, a decrease of \$254,863 from the prior fiscal year.
- At September 30, 2013, the total fund balance for the General Fund was \$6,605,676 or 43% of operating revenue. The District assigned General Fund ending fund balance of \$3.0 million for a one-time transfer to the Capital Project Fund in fiscal year 2014 and assigned an additional \$3,556,582 to balance the General Fund's operating budget in fiscal year 2014.
- Total governmental funds' revenues had a net decrease of \$749,919 from the prior fiscal year. The primary reason for the reduction in revenues was a decrease in property taxes of \$587,994 which was the result of declining property taxable values and a constant millage rate. The remaining reduction in revenues was caused by a decrease in investment income.

## **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 Position presents financial information on all of the Library District's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during fiscal year 2013. All changes in net position 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 six 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 four 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 55 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 56-63 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 position over time may serve as a useful indicator of a government's financial position. In the case of the Library District, assets exceeded liabilities and deferred inflow of resources by \$27,416,286 at the end of the fiscal year ended September 30, 2013.

### Alachua County Library District Net Position

	Governmental Activities		Total Percent
	2012	2013	Change
Current and Other Assets	\$18,583,951	\$18,377,894	-1.1%
Unamortized Bond Issue Costs	30,933	-	-100.0%
Capital Assets	14,629,198	15,025,992	2.7%
Total Assets	<u>33,244,082</u>	<u>33,403,886</u>	0.5%
Long-Term Liabilities Outstanding	4,567,465	3,395,228	-25.7%
Other Liabilities	2,371,714	2,445,821	3.1%
Total Liabilities	<u>6,939,179</u>	<u>5,841,049</u>	-15.8%
Deferred charge on refunding	-	146,551	
Total Deferred Inflow of Resources	<u>-</u>	<u>146,551</u>	N/A
Net Position:			
Net investment in Capital Assets	9,416,416	10,816,441	14.9%
Restricted	284,066	434,937	53.1%
Unrestricted	16,604,421	16,164,908	-2.6%
Total Net Position	<u>\$26,304,903</u>	<u>\$27,416,286</u>	4.2%

At the end of fiscal year 2013, the Library District is able to report positive balances in all three categories of net position.

One portion of the Library District's net position of \$10,816,441 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 net investment in capital assets increased by \$1,400,025. This net increase is due to planned capital expenses for the purchase of a 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 position (\$434,937 or 0.1% of total net position) represents resources that are subject to external restrictions on how they may be used. Restricted net position increased by \$150,871 from 2012 to 2013. The fund balance restricted for debt service increased due to reduction in debt service requirements.

The remaining portion of the Library District's net position is unrestricted net position (\$16,164,908 or 59%) and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net position decreased \$439,513 from FY12 to FY13. This decrease was a planned use of resources by the District for capital project needs.

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

	<b>Governmental Activities</b>		<b>Percent Change</b>
	<b>2012</b>	<b>2013</b>	
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 112,324	\$ 111,084	-1.1%
Operating grants and contributions	458,444	470,874	2.7%
General revenues:			
Property taxes	16,718,736	16,130,742	-3.5%
Investment Earnings	527,505	288,155	-45.4%
Miscellaneous	363,791	492,998	35.5%
Total revenues	<u>18,180,800</u>	<u>17,493,853</u>	-3.8%
<b>Expenses:</b>			
Culture and recreation - Library Services	<u>16,248,207</u>	<u>16,351,537</u>	
Total expenses	16,248,207	16,351,537	0.6%
Change in net position	<u>1,932,593</u>	<u>1,142,316</u>	
Net position - beginning	24,372,310	26,304,903	
Change in accounting principal	-	(30,933)	
Net position - beginning as adjusted	<u>24,372,310</u>	<u>26,273,970</u>	
Net position - ending	<u>\$ 26,304,903</u>	<u>\$ 27,416,286</u>	4.2%

## **Governmental Activities**

### **Program Revenues –**

The charges for services decreased slightly due to a decrease in lost book collection fees. The operating grants and contributions category increased due to slight increase in allocation of State Aid to Libraries funding over prior year.

### **General Revenues –**

In FY2013 property tax revenues decreased by 3.5% as a result of declining property taxable values and the Governing Board's decision to maintain a constant operating millage rate rather than adopt a roll-forward millage rate. Interest earnings on investments decreased due to stagnant market conditions. Miscellaneous revenue increased due to an increase in private contributions and donations and rebates received via E-rate program. The 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 Position –**

The Library District's total ending net position, including change in accounting principle, increased \$1,111,383 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	\$ 17,433,240
Less classified fund balance:	
Nonspendable:	
Prepaid items	49,094
Restricted for debt service	434,937
Committed for:	
Library reserve	1,000,814
Library materials	757,719
Assigned for:	
Capital projects	10,997,646
Library materials	636,448
FY14 Appropriated Fund Balance	1,374,717
Unassigned fund balance	\$ 2,181,865

As of the end of fiscal year 2013, the Library District’s governmental funds reported combined ending fund balances of \$17,433,240 a decrease of \$254,863 from the prior year.

**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, 2013 is \$6,605,676. For the fiscal year, the General Fund had a net decrease in fund balance of \$314,631. The net decrease was the result of a planned spend-down of fund balance used to offset the need to roll-forward (up) the property tax millage rate. As a measure of the General Fund’s liquidity, it is useful to compare total fund balance to total fund revenues. For fiscal year 2013 the ending fund balance represents a very healthy 42.98% of total General Fund operating revenue. The District plans to transfer an additional \$3 million of fund balance to the Capital Projects Fund in FY 2014 to fund capital projects on a pay-as-you go basis.

The Capital Projects fund has a total fund balance of \$7,997,646, all of which is assigned for future expansion and renovations. The net decrease in fund balance during the fiscal year in Capital Projects was \$327,823, most of which was due to on-going construction progress of the Cone Park Branch Facility.

## General Fund Budgetary Highlights

There were no changes to the General Fund's original budget (see schedule on page 51). Overall actual revenues varied from final budgeted revenues positively by \$290,460. This positive variance is primarily due to the fact that by law, property taxes are budgeted at 95% of the Property Appraisers assessed just market value, yet actual collections by the Tax Collector are generally around 97%, including amounts from prior years for delinquent taxes. Actual expenditures were less than final budgeted expenditures by \$1,985,227 (positive variance). The Governing Board did not have to use any of the \$780,836 budgeted in reserves for the fiscal year and the remaining net difference of actual results compared to final budget was positive due to tighter spending controls that were put in place by District management.

## Capital Asset and Debt Administration

### Capital Assets

The Library District's investment in capital assets as of September 30, 2013 totals \$15,025,992 (net of accumulated depreciation) and includes land, artwork, buildings and improvements, and equipment and software. The Library District experienced an overall increase in investment in capital assets over the prior fiscal year of approximately 2.72% due construction in progress on the new Cone Park Branch Facility.

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)

	<b>Governmental Activities</b>	
	<b><u>2012</u></b>	<b><u>2013</u></b>
Land	\$ 1,221,881	\$ 1,221,881
Construction in progress	12,080	969,011
Buildings and improvements	12,286,598	11,792,546
Equipment	1,108,639	1,042,554
Total	<b><u>\$ 14,629,198</u></b>	<b><u>\$ 15,025,992</u></b>

## Long-term Debt

At the end of fiscal year 2013, the Library District had total debt outstanding of \$4,063,000.

	<b>Outstanding Debt</b>	
	<b><u>2012</u></b>	<b><u>2013</u></b>
General Obligation Debt	<u>\$ 5,028,000</u>	<u>\$ 4,063,000</u>

During fiscal year 2013, the Library District's outstanding general obligation debt decreased by \$965,000. 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 assessed value of residential property increased by 0.54% and commercial property decreased by 2.31% for fiscal year 2014.
- Population increased approximately .8% from the prior year to an estimated 251,417 at September 30, 2013.

During the current fiscal year, the net change in fund balance for the General Fund was a decrease of \$314,631 for a total ending fund balance of \$6,605,676. The decrease was due to a planned spend-down of fund balance. The ad valorem tax rate for the General Fund for the upcoming 2014 fiscal year budget is 1.3638 mills, no change from the FY2013 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, please 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 POSITION  
SEPTEMBER 30, 2013**

	<b>Primary Government</b>	<b>Component Unit</b>
<b>Assets</b>		
Current assets:		
Equity in pooled cash and investments	\$ 16,454,700	\$ -
Other cash and investments	1,760,884	995,956
Accounts receivable, net	33,221	-
Due from other governments	79,995	-
Prepaid items	49,094	-
<b>Total current assets</b>	<b>18,377,894</b>	<b>995,956</b>
Noncurrent assets:		
Capital assets:		
Land	1,221,881	-
Construction in progress	969,011	-
Buildings	20,371,996	-
Equipment	2,590,270	-
Software	545,396	-
Other improvements	638,554	-
Less accumulated depreciation	(11,311,116)	-
<b>Total noncurrent assets</b>	<b>15,025,992</b>	<b>-</b>
<b>Total assets</b>	<b>33,403,886</b>	<b>995,956</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 914,299	\$ -
Accrued interest payable	25,326	-
Due to other governments	30,355	-
Notes payable	991,000	-
Accrued compensated absences due within one year	484,841	-
<b>Total current liabilities</b>	<b>2,445,821</b>	<b>-</b>
Noncurrent liabilities:		
Accrued compensated absences	323,228	-
Notes payable	3,072,000	-
<b>Total noncurrent liabilities</b>	<b>3,395,228</b>	<b>-</b>
<b>Total liabilities</b>	<b>5,841,049</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>		
Deferred gain on refunding	146,551	-
<b>Total deferred inflows of resources</b>	<b>146,551</b>	<b>-</b>
<b>Net position</b>		
Net investment in capital assets	10,816,441	-
Restricted for:		
Debt service	434,937	-
Unrestricted	16,164,908	995,956
<b>Total net position</b>	<b>\$ 27,416,286</b>	<b>\$ 995,956</b>

See accompanying notes.



**ALACHUA COUNTY LIBRARY DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Primary Government</b>	<b>Component Unit</b>
<b>Program expense</b>		
Culture and recreation - Library Services	\$ 16,268,035	\$ 84,374
Interest	83,502	-
<b>Total program expense</b>	<u>16,351,537</u>	<u>84,374</u>
 <b>Program revenues</b>		
Culture and recreation:		
Charges for services	111,084	-
Operating grants and contributions	470,874	45,652
<b>Total program revenues</b>	<u>581,958</u>	<u>45,652</u>
 <b>Net program revenue (expense)</b>	<u>(15,769,579)</u>	<u>(38,722)</u>
 <b>General revenues</b>		
Property taxes	16,130,742	-
Investment earnings	288,155	82,292
Miscellaneous	492,998	-
<b>Total general revenues</b>	<u>16,911,895</u>	<u>82,292</u>
 <b>Change in net position</b>	1,142,316	43,570
 <b>Net position, beginning as previously reported</b>	26,304,903	952,386
<b>Change in accounting principle (see Note 11 C)</b>	(30,933)	-
<b>Net position, beginning, as adjusted</b>	<u>26,273,970</u>	<u>952,386</u>
 <b>Net position, ending</b>	<u>\$ 27,416,286</u>	<u>\$ 995,956</u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 7,221,586	\$ 8,167,642	\$ 1,065,472	\$ 16,454,700
Other cash and investments	3,080	-	1,757,804	1,760,884
Accounts receivable	15,014	11,390	6,817	33,221
Due from other governments	79,995	-	-	79,995
Prepaid items	49,094	-	-	49,094
<b>Total assets</b>	<u>\$ 7,368,769</u>	<u>\$ 8,179,032</u>	<u>\$ 2,830,093</u>	<u>\$ 18,377,894</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 746,908	\$ 167,216	\$ 175	\$ 914,299
Due to other governments	16,185	14,170	-	30,355
<b>Total liabilities</b>	<u>763,093</u>	<u>181,386</u>	<u>175</u>	<u>944,654</u>
<b>Fund balances</b>				
Nonspendable:				
Prepaid items	49,094	-	-	49,094
Restricted for:				
Debt service	-	-	434,937	434,937
Committed for:				
Library reserve	-	-	1,000,814	1,000,814
Library materials	-	-	757,719	757,719
Assigned for:				
Capital projects	3,000,000	7,997,646	-	10,997,646
Library materials	-	-	636,448	636,448
FY14 Appropriated Fund Balance	1,374,717	-	-	1,374,717
Unassigned	2,181,865	-	-	2,181,865
<b>Total fund balances</b>	<u>6,605,676</u>	<u>7,997,646</u>	<u>2,829,918</u>	<u>17,433,240</u>
<b>Total liabilities and fund balances</b>	<u>\$ 7,368,769</u>	<u>\$ 8,179,032</u>	<u>\$ 2,830,093</u>	<u>\$ 18,377,894</u>

See accompanying notes.

**Alachua County Library District  
Reconciliation of the Balance Sheet  
To the Statement of Net Position - Governmental Funds  
September 30, 2013**

Fund Balances – total governmental funds	\$17,433,240
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	15,025,992
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in funds. (Bank Note and Compensated Absences)	(4,871,069)
Deferred Gain on Refunding is not a current financial resource and, therefore, is not reported in the funds.	(146,551)
Accrued long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.	<div style="border-top: 1px solid black;">(25,326)</div>
Net position of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$27,416,286</div>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Property taxes	\$ 14,888,385	\$ 236	\$ 1,242,121	\$ 16,130,742
Intergovernmental	53,762	-	417,112	470,874
Charges for services	111,084	-	-	111,084
Rents and royalties	77,094	-	-	77,094
Investment income	35,109	31,659	221,387	288,155
Private donations	-	65,000	42,555	107,555
Miscellaneous	204,028	1,260	-	205,288
<b>Total revenues</b>	<u>15,369,462</u>	<u>98,155</u>	<u>1,923,175</u>	<u>17,390,792</u>
<b>Expenditures</b>				
Culture and recreation				
Personal services	10,139,627	-	-	10,139,627
Operating expenditures	4,272,692	-	481,067	4,753,759
Capital outlay	-	1,701,242	-	1,701,242
Debt service				
Principal	-	-	965,000	965,000
Interest & other charges	-	-	89,517	89,517
<b>Total expenditures</b>	<u>14,412,319</u>	<u>1,701,242</u>	<u>1,535,584</u>	<u>17,649,145</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>957,143</u>	<u>(1,603,087)</u>	<u>387,591</u>	<u>(258,353)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	1,271,774	25,000	1,296,774
Transfers out	(1,271,774)	-	(25,000)	(1,296,774)
Issuance of refunding note	-	-	-	0
Refund of long term debt	-	-	-	0
Sale of capital assets	-	3,490	-	3,490
<b>Total other financing sources (uses)</b>	<u>(1,271,774)</u>	<u>1,275,264</u>	<u>-</u>	<u>3,490</u>
<b>Net change in fund balances</b>	(314,631)	(327,823)	387,591	(254,863)
<b>Fund balances - beginning</b>	<u>6,920,307</u>	<u>8,325,469</u>	<u>2,442,327</u>	<u>17,688,103</u>
<b>Fund balances - ending</b>	<u>\$ 6,605,676</u>	<u>\$ 7,997,646</u>	<u>\$ 2,829,918</u>	<u>\$ 17,433,240</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, 2013**

Net change in fund balances – total governmental funds (\$254,863)

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 (\$802,276) exceeded capital outlay \$1,152,869 in the current period. 350,593

Donations/contributions of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not current financial resources. 61,340

Governmental funds report sale of capital assets as financial resources; the loss on disposal of assets are not reflected in the fund statement. (15,139)

Deferred gains on debt refunding are recorded and amortized in the government-wide statements but not in the fund statements. 38,231

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 965,000

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 (increase in compensated absences \$8,861 less decrease accrued interest expense \$6,015). (2,846)

---

Changes in net position of governmental activities \$1,142,316

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2013**

	<u><b>Employee Pension Fund</b></u>
<b>Assets</b>	
Investments, at fair value:	
Goldman Sachs Money Market Fund Treasury Only	\$ 468,816
Vanguard Total Stock Market Index Mutual Fund	12,059,564
Vanguard Inflation Protected Mutual Fund	871,506
Manning & Napier Overseas International Equity MF	1,927,123
Fixed income securities:	
U.S. Government obligations	1,247,493
Mortgage backed securities	1,253,691
Corporate bonds	3,342,135
Total investments, at fair value	<u>21,170,328</u>
Investment adjustments:	
Receivable for pension investments	<u>49,108</u>
<b>Total assets</b>	<b>21,219,436</b>
<b>Total liabilities</b>	<u><b>4,763</b></u>
<b>Net position</b>	
Held in trust for pension benefits	<u><u><b>\$ 21,214,673</b></u></u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND - PENSION TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**Additions**

Contributions:

Employer	\$ 1,118,955
Members	127,018
Total contributions	1,245,973

Investment earnings:

Net appreciation (depreciation) in fair value of investments	1,918,875
Dividends	295,230
Interest Income	140,625
Total investment income	2,354,730

Less investment expense	(32,270)
-------------------------	----------

Net investment income	2,322,460
-----------------------	-----------

<b>Total additions</b>	<b>3,568,433</b>
------------------------	------------------

**Deductions**

Benefit payments	(982,637)
Administrative expenses	(63,650)

<b>Total deductions</b>	<b>(1,046,287)</b>
-------------------------	--------------------

<b>Change in net position</b>	2,522,146
-------------------------------	-----------

**Net position held in trust for pension**

<b>benefits - beginning</b>	<b>18,692,527</b>
-----------------------------	-------------------

**Net position held in trust for pension**

<b>benefits - ending</b>	<b>\$ 21,214,673</b>
--------------------------	----------------------

See accompanying notes.





## Notes - Table of Contents

1. Summary of Significant Accounting Policies	26
A. Reporting Entity.....	26
B. Government-wide and Fund Financial Statements.....	27
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....	28
D. Budgets and Budgetary Accounting.....	28
E. Assets, Liabilities and Net Position.....	28
Encumbrances.....	28
Investments.....	28
Restricted Net Position.....	28
Capital Assets.....	29
Accrued Compensated Absences.....	29
Long-term Obligations.....	29
Classifications of Fund Balances.....	29
F. Risk Management.....	29
2. Property Taxes.....	30
3. Cash and Investments.....	30-31
A. Cash Deposits.....	32
B. Investments.....	32
4. Capital Assets.....	40
5. Employee Benefits.....	40
Pension Plan.....	41
A. Plan Description.....	41
B. Summary of Significant Accounting Policies.....	42
C. Funding Policy.....	42
D. Investment Concentrations.....	43
E. Determination of Net Pension Obligation (Asset).....	43
F. Actuarial Assumptions.....	44
G. Funded Status and Funding Progress .....	44
Florida Retirement System - Defined Benefit and Defined Contribution Plan.....	44
A. Plan Description.....	44
B. Funded Status.....	45
C. Funding Policy.....	45
Deferred Compensation Plan.....	45
6. Long-term Obligations.....	45
A. Limited General Obligation Notes.....	45
7. Interfund Transfers.....	47
8. Commitments and Contingencies.....	47
9. Related Party Transactions.....	47
10. Governmental Fund Balances.....	48
11. Other Disclosures.....	49
A. Excess of Expenditures over Appropriations.....	49
B. Excess of Expenditures Over Revenue in the Actual Column.....	49
C. Change in Accounting Principle.....	49
D. Future Accounting Pronouncements.....	49

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**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 position 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, 2013**

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, 2013**

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.

**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 Position**

- **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 Position**

Certain assets of the Library District are classified as restricted on the statement of net position 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 assets before unrestricted 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, 2013**

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 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

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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, 2013, 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*	.1130 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 fund's portion of the Pool is displayed on the governmental funds balance sheet as "equity in pooled cash and investments."

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

Deposits and investments as of September 30, 2013 are classified in the accompanying financial statements as follows:

**Statement of Net Position**

**Primary Government (including Brady Trust Fund)**

Equity in pooled cash and investments	\$ 16,454,700
Other cash and investments	1,760,884

**Component Unit**

Other cash and investments	995,956
----------------------------	---------

**Statement of Fiduciary Net Position:**

Investments	
Goldman Sachs MMMF	468,816
Mutual Fund Equities	12,059,564
Mutual Fund International Equities	1,927,123
Pimco Diversified Income Mutual Fund	871,506
Fixed Income Securities	5,843,319
Total cash and investments	<u>\$ 40,381,868</u>

Deposits and investments as of September 30, 2013 consist of the following:

**Library Operating Surplus Governmental Funds**

Deposits with financial institutions	\$ 1,513,972
Investments	14,943,079

**Component Unit**

Deposits with financial institutions	160,891
Investments	835,065

**Pension Fund**

Investments	21,170,328
-------------	------------

**Brady Trust Fund (Wells Fargo Advisors)**

Deposits with financial institutions	96,986
Investments	1,661,547
Total cash and investments	<u>\$ 40,381,868</u>

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**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.



**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

Investment Holdings Operating Funds

As of September 30, 2013, the Alachua County Library District had the following investments in its internal investment pool:

<b>Investments</b>	<b>Duration (Years)</b>	<b>Fair Value</b>
Fidelity Treasury Money Market fund	57 days	\$ 111,946
PFM Funds - Government Series	51 days	414,347
Florida Prime (2a-7 like)	44 days	2,690,510
SBA Fund B	4.04	129,047
Florida Trust Day to Day Fund	54 days	782,119
US Treasuries (PFM)	1.76	4,509,787
Florida Local Government Investment Trust	1.55	3,299,124
Municipal Bonds/Notes	2.14	400,949
Federal Home Loan Bank	1.9	224,968
Freddie Mac Global Notes (PFM)	1.43	677,335
Fannie Mae Global Notes (PFM)	1.33	1,702,947
Total holdings in Investment Pool		<u>\$ 14,943,079</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

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

administration of the State Pools. These rules provide guidance and establish the general operating procedures for the administration of the pools. The SBA provides regulatory oversight for the Florida PRIME Fund and the SBA Fund B. As a pool participant, the Library District owns a share of the respective pools, not the underlying securities.

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 "2a-7 like" fund and the fair value of the position in the pool is equal to the value of the pool shares.

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

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

*Florida Trust Day to Day Fund* – A money market product created in January 2009 as part of the Florida Local Government Investment Trust developed through the joint efforts of the Florida Association of Court Clerks and Comptrollers and the Florida Association of Counties. The fund is AAAM rated by Standard and Poor's and is governed by the Florida Local Government Investment Trust Board and Advisory committee. The Fund seeks to preserve and maintain a stable net asset value of \$1.00 per share. The weighted average maturity of the Fund at September 30, 2013, was 54 days. Additional information on the Florida Trust Day to Day Fund may be obtained from the Florida Local Government Investment Trust ([www.floridatrustonline.com](http://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 Poors. The Fund is structured to maintain safety of principal and maximize available yield through a balance of quality and diversification.

*US Treasuries; Federal Agency Securities; and Municipal Obligations* - 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 Treasuries, Federal Agencies and Municipal Bonds on behalf of the District. At year end, PFM directly managed \$7,515,986 (fair market value) which was invested in the following sectors: \$4,509,787 - US Treasuries; \$2,605,250 - Federal Agencies and \$400,949 - Municipal Bonds/Notes.

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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, 2013:

US Treasuries & Federal Agencies	\$	150,123
Equities		557,475
Mutual Funds		127,467
Total Foundation investments	\$	835,065

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, 2013, 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	\$	468,816
Vanguard Total Stock Market Index Mutual Fund		12,059,564
PIMCO Diversified Income Mutual Fund		871,506
Manning & Napier Overseas International Equity MF		1,927,123
 Fixed Income Securities:		
U. S. Government obligations		1,247,493
Mortgage Backed Securities		1,253,691
Corporate bonds		3,342,135
Subtotal Fixed Income Securities		5,843,319
<b>Total Pension Fund investments</b>	<b>\$</b>	<b>21,170,328</b>

Brady Trust Fund Investments

In March of 1993, the Alachua County Library District received a donation of the Marna Venable Brady Trust. The Alachua County Library District Governing Board set the policy that the proceeds from this donation be 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 (\$1,000,814) 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 Library District has entered into an agreement with Wells Fargo to perform investing services for

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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, 2013:

Mututal Fund	\$	24,033
Corporate stocks		1,581,651
Corporate bonds		55,863
Total Brady Trust investments	\$	1,661,547

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, 2013, 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, 2013, all of the District’s investments are held in Region Bank’s trust department in the District’s name.

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

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

Both the Component Unit and Brady Trust 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):*

<b>Investments</b>	<b>Rating (S&amp;P)</b>	<b>Fair Value</b>
Fidelelity Treasury Money Market fund	AAAm	\$ 111,946
PFM Funds - Government Series	AAAm	414,347
Florida Prime (2a-7 like)	AAAm	2,690,510
SBA Fund B	Unrated	129,047
Florida Trust Day to Day Fund	AAAm	782,119
Florida Local Government Investment Trust	AAAf	3,299,124
US Treasuries (PFM)	AA+	4,509,787
Freddie Mac Global Notes (PFM)	AA+	677,335
FFCB Bond (PFM)	AA+	224,968
Fannie Mae Global Notes (PFM)	AA+	1,702,947
State of Minnesota	AA+	192,969
State of Washington	AA+	108,167
Univesrity of California	AA	99,813
Total holdings in Investment Pool		<u><u>\$ 14,943,079</u></u>

*Credit Risk-Component Unit:*

At September 30, 2013, the Foundation had investments in US Treasuries and Federal Agencies with AA+ ratings totaling \$150,123, unrated closed-end Mutual Funds totaling \$127,467 and Equities totaling \$557,475.

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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:

<b>Investments</b>	<b>Rating (Moody's)</b>	<b>Fair Value</b>
Goldman Sachs MMMF	Aaa	\$ 468,816
Vanguard Total Stock Market MF	Exempt from disclosure	12,059,564
PIMCO Diversified Income Mutual Fund	Unrated	871,506
Manning & Napier Internation Equities	Exempt from disclosure	1,927,123
U. S. Government Obligations	Aaa	1,247,493
Mortgage backed securities	Unrated	1,253,691
Corporate Bonds	Aaa, Aaa1, Aaa2, Aaa3	47,254
Corporate Bonds	Aa, Aa1, Aa2, Aa3	504,002
Corporate Bonds	A, A1, A2, A3	2,352,053
Corporate Bonds	Baa, Baa1, Baa2, Baa3	438,826
Total holdings in Pension Trust		<u>\$ 21,170,328</u>

Credit Risk-Brady Trust: The ratings of the Brady Trust's investments in debt securities totaling \$55,863, is summarized below:

<b>Rating (Moody's)</b>	<b>Amount</b>
A1	\$ 27,586
A2	28,277
Total	<u>\$ 55,863</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.

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

<b>Type Investment</b>	<b>Fair Value</b>	<b>3 months - 1 year</b>	<b>1 - 5 year</b>	<b>&gt; 5 year</b>
<b>Library Operating Funds</b>				
US Treasuries	\$ 4,509,787	\$ 995,607	\$ 3,514,180	\$ -
Federal Agencies	2,605,250	874,126	1,731,124	-
Municipal Obligations	400,949	-	400,949	-
<b>Component Unit</b>				
US Treasuries	34,763	-	-	34,763
Federal Agencies	82,403	-	-	82,403
<b>Pension Trust</b>				
US Govt Obligations	1,247,493	455,454	641,451	150,588
Mortgage Backed Sec	1,253,691	-	-	1,253,691
Corporate Bonds	3,342,135	-	1,486,376	1,855,759
<b>Brady Trust Fund</b>				
Corporate Bonds	55,863	-	55,863	-
<b>Total debt investments</b>	<b>\$ 13,532,334</b>	<b>\$ 2,325,187</b>	<b>\$ 7,829,943</b>	<b>\$ 3,377,204</b>

*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 (27.18%) and Fannie Mae (10.24%).

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**Note 4 - Capital Assets**

Capital asset activity for the year ended September 30, 2013, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital not being depreciated:				
Land	\$ 1,221,881	\$ -	\$ -	\$ 1,221,881
Construction in progress	12,080	956,931	-	969,011
Total not being depreciated	1,233,961	956,931	-	2,190,892
Capital Assets being depreciated:				
Buildings	20,347,185	24,811	-	20,371,996
Equipment	2,795,447	222,076	(427,253)	2,590,270
Software-Internally Developed	31,828	-	-	31,828
Software	513,568	-	-	513,568
Improvements other than building	628,163	10,391	-	638,554
Total being depreciated	24,316,191	257,278	(427,253)	24,146,216
Less accumulated depreciation for:				
Buildings	(8,277,004)	(504,991)	-	(8,781,995)
Equipment	(2,007,676)	(234,280)	412,114	(1,829,842)
Software-Internally Developed	(15,030)	-	-	(15,030)
Software	(209,498)	(38,742)	-	(248,240)
Improvements other than building	(411,746)	(24,263)	-	(436,009)
Total accumulated depreciation	(10,920,954)	(802,276)	412,114	(11,311,116)
Total being depreciated, net	13,395,237	(544,998)	(15,139)	12,835,100
<b>Governmental activities capital assets, net</b>	<b>\$ 14,629,198</b>	<b>\$ 411,933</b>	<b>\$ (15,139)</b>	<b>\$ 15,025,992</b>

Depreciation expense for the year ended September 30, 2013 was \$802,276, all recorded in the Culture & Recreation Program.

**Note 5 - Employee Benefits**

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



**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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, 2012, the plan membership consisted of:

Inactive transfers to FRS	48
Retirees and beneficiaries currently receiving benefits	56
Vested terminated employees	55
Active employees	<u>84</u>
<b>Total</b>	<u><u>243</u></u>

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

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

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

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

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**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 39.25%. This contribution rate was determined as part of the October 1, 2012, 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 35.25% of covered payroll. The total 39.25% contribution rate expressed as a percentage of payroll consisted of 17.62% for normal costs, 20.30% for amortization of the unfunded actuarial liability over a 30 year period using level percent of payroll, and 1.33% for interest on amounts from actuarial valuation date to expected payment dates.

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**D. Investment Concentrations**

As of September 30, 2013, the Pension Trust fund portfolio consisted of three accounts held in Regions Keegan Morgan Trust at Regions Bank. Approximately 2.21% is invested in a money market account in Regions Bank, 70.19% in mutual fund accounts, and 27.60% 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 actuarially determined rate of 35.25% of current covered payroll for the period ending September 30, 2013. 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 (35.25% of covered payroll)	\$ 1,118,955
Actual contributions made	(1,118,955)
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)
9/30/2013	\$ 1,118,955	100%	\$ -
9/30/2012	1,121,248	100%	-
9/30/2011	1,112,609	100%	-

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**F. Actuarial Assumptions**

Below is a list of actuarial assumptions used as part of the valuation report as of October 1, 2012:

Valuation date	10/01/12
Actuarial cost method	Projected Unit Credit Cost
Amortization method	Level percent - 30 Years - Closed
Equivalent single amortization period	30 years
Asset valuation method	Smoothing technique
Inflation Rate	2.2%
<b>Actuarial Assumptions:</b>	
Investment rate of return	7.00%, 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, 2012, the actuarial value of assets was \$17,941,778, the actuarial accrued liability-entry age was \$25,710,712, and the unfunded accrued liability was \$7,768,934 with a funding ratio of 69.8%. The total payroll at the valuation date was \$3,337,959 and the unfunded accrued liability of covered payroll was 232.7%.

The schedule of funding progress on 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, 2013**

**B. Funded Status**

The FRS Annual Report July 1, 2010 – June 30, 2011, most recent annual report made available to the public, 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, 2013 are as follows: regular employees – 6.95%, senior management service – 18.31%; deferred retirement option (DROP) – 12.84%.

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, 2013, 2012 and 2011 were \$216,883, \$154,966, and \$291,520, respectively, and were equal to the required contributions for each year. Contributions to FRS made by employees for the year ending September 30, 2013 were \$109,949.

**• 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, 2013**

*Notes Outstanding* – At September 30, 2013, General Obligation Note consisted of the following:

Description	Interest Rate and Date	Maturity	Issue	Outstanding at September 30, 2013
Limited General Obligation Bank Note 2011 Series	1.87%	2017	\$5,960,000	\$4,063,000

\$5,960,000 Alachua County Library District General Obligation Bank Note, Series 2011, due in semi-annual installments of \$495,000 to \$520,000 through 2017, interest is 1.87%

Revenue Source - Property Tax Levy.

Net carrying amount General Obligation Loan \$ 4,063,000

Accrued compensated Absences 808,069  
**TOTAL LONG-TERM OBLIGATIONS** \$4,871,069

Long-Term liability activity for the year ended September 30, 2013, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General Obligation Bank Note	\$ 5,028,000	\$ -	\$ (965,000)	\$ 4,063,000	\$ 991,000
Compensated absences	799,208	493,703	(484,842)	808,069	484,841
<b>Total Long-term Obligations</b>	<u><u>\$ 5,827,208</u></u>	<u><u>\$ 493,703</u></u>	<u><u>\$ (1,449,842)</u></u>	<u><u>\$ 4,871,069</u></u>	<u><u>\$ 1,475,841</u></u>

Compensated absences are generally liquidated by the general fund.

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

Fiscal Year	Principal	Interest	Total
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><u>\$ 4,063,000</u></u>	<u><u>\$ 172,451</u></u>	<u><u>\$ 4,235,451</u></u>

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**Note 7 - Interfund Transfers**

For the year ended September 30, 2013, interfund transfers were as follows:

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

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, 2013, under cancelable leases are summarized as follows:

Fund Charged	Amount
General Fund	\$ 109,363
Capital Projects	8,351
Total	\$ 117,714

**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 \$431,020 for services in fiscal year 2013. 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.

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**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 in 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 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.



**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**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. Change in Accounting Principle**

In fiscal year 2013, the District implemented *GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. As a result, we have deleted the unamortized bond issuance costs for governmental activities at the government-wide level, and restated beginning net position. In addition, there are numerous terminology changes throughout the financial section of this report. These classifications changes do not require a prior period adjustment.

**D. Future Accounting Pronouncements**

The Governmental Accounting Standards Board has issued statements that will become effective in subsequent fiscal years. The statements address:

- Accounting and Financial reporting for pensions;
- Mergers, acquisitions and transfers of operations; and
- Financial guarantees.

The District is currently evaluating the effects that these statements will have on its financial statements for subsequent fiscal years.



**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, 2013**

	<b>General Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 14,694,502	\$ 14,694,502	\$ 14,888,385	\$ 193,883
Intergovernmental	-	-	53,762	53,762
Charges for services	140,000	140,000	111,084	(28,916)
Rents and royalties	-	-	77,094	77,094
Investment income	80,000	80,000	35,109	(44,891)
Miscellaneous	164,500	164,500	204,028	39,528
<b>Total revenues</b>	<b>15,079,002</b>	<b>15,079,002</b>	<b>15,369,462</b>	<b>290,460</b>
<b>Expenditures</b>				
Culture and recreation				
Personal services	10,724,218	10,724,218	10,139,627	584,591
Operating expenditures	4,892,492	4,892,492	4,272,692	619,800
Reserve for contingencies	780,836	780,836	-	780,836
<b>Total expenditures</b>	<b>16,397,546</b>	<b>16,397,546</b>	<b>14,412,319</b>	<b>1,985,227</b>
<b>Excess of revenues over expenditures</b>	<b>(1,318,544)</b>	<b>(1,318,544)</b>	<b>957,143</b>	<b>2,275,687</b>
<b>Other financing sources (uses)</b>				
Transfers out	(1,271,774)	(1,271,774)	(1,271,774)	-
<b>Total other financing sources (uses)</b>	<b>(1,271,774)</b>	<b>(1,271,774)</b>	<b>(1,271,774)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,590,318)</b>	<b>(2,590,318)</b>	<b>(314,631)</b>	<b>2,275,687</b>
<b>Fund balances - beginning</b>	<b>2,590,318</b>	<b>2,590,318</b>	<b>6,920,307</b>	<b>4,329,989</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,605,676</b>	<b>\$ 6,605,676</b>

**ALACHUA COUNTY LIBRARY DISTRICT  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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, 2013**

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

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Liability (AAL)-Entry Age (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Total Annual Payroll at Valuation Date (C)</b>	<b>UAAL as % of Covered Payroll (B-A)/C</b>
10/1/2012	\$ 17,941,778	\$ 25,710,712	\$ 7,768,934	69.8%	\$ 3,337,959	232.7%
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%

**Schedule of Employer Contributions**

<b>Valuation Date</b>	<b>End of Plan Year to which Valuation Applies</b>	<b>Actual Covered Payroll for Current Period (A/B)</b>	<b>Required Employer Contribution Amount (A)</b>	<b>Required Employer Contribution % Payroll (B)</b>	<b>Actual Employer Contributions</b>	<b>Percentage Contributed</b>
10/1/2012	9/30/2013	\$ 3,174,340	\$ 1,118,955	35.25%	\$ 1,118,955	100%
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%





**SUPPLEMENTARY  
INFORMATION**



## COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

### NONMAJOR FUNDS

#### SPECIAL REVENUE FUNDS

**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.

#### 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, 2013**

	<u>SPECIAL</u> <u>710</u> <u>State Aid to</u> <u>Libraries Program</u> <u>Grant</u>	<u>REVENUE</u> <u>711</u> <u>Gifts &amp;</u> <u>Donations</u>	<u>FUNDS</u> <u>712</u> <u>Brady</u> <u>Trust Fund</u>
<b>Assets</b>			
Equity in pooled cash and investments	\$ -	\$ 636,623	\$ 729
Other cash and investments	-	-	1,757,804
Accounts receivable	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 636,623</u>	<u>\$ 1,758,533</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 175	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>175</u>	<u>-</u>
<b>Fund balances</b>			
Restricted for:			
Debt service	-	-	-
Committed for:			
Library reserve	-	-	1,000,814
Library materials	-	-	757,719
Assigned for:			
Library materials	-	636,448	-
<b>Total fund balances</b>	<u>-</u>	<u>636,448</u>	<u>1,758,533</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 636,623</u>	<u>\$ 1,758,533</u>

<u>DEBT SERVICE</u> <u>723</u>	<u>Total Nonmajor Governmental Funds</u>
<u>GO Refunding Bank Note 2011</u>	
\$ 428,120	\$ 1,065,472
-	1,757,804
6,817	6,817
<u>\$ 434,937</u>	<u>\$ 2,830,093</u>
<u>\$ -</u>	<u>\$ 175</u>
<u>-</u>	<u>175</u>
434,937	434,937
-	1,000,814
-	757,719
-	636,448
<u>434,937</u>	<u>2,829,918</u>
<u>\$ 434,937</u>	<u>\$ 2,830,093</u>

**ALACHUA COUNTY LIBRARY DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>SPECIAL</b>	<b>REVENUE</b>	<b>FUNDS</b>
	<b>710</b>	<b>711</b>	<b>712</b>
	<b>State Aid to Libraries Program Grant</b>	<b>Gifts &amp; Donations</b>	<b>Brady Trust Fund</b>
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	417,112	-	-
Investment income	-	-	219,397
Private donations	-	42,555	-
<b>Total Revenues</b>	<b>417,112</b>	<b>42,555</b>	<b>219,397</b>
<b>Expenditures</b>			
Culture and recreation			
Operating expenditures	417,112	25,232	-
Debt service			
Principal	-	-	-
Interest & other charges	-	-	-
<b>Total expenditures</b>	<b>417,112</b>	<b>25,232</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>17,323</b>	<b>219,397</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	25,000	-
Transfers out	-	-	(25,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>25,000</b>	<b>(25,000)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>42,323</b>	<b>194,397</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>594,125</b>	<b>1,564,136</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ 636,448</b>	<b>\$ 1,758,533</b>

<b>DEBT SERVICE</b>		
<b>723</b>		<b>Total Nonmajor Governmental Funds</b>
<b>GO Refunding Bank Note 2011</b>		
\$ 1,242,121	\$	1,242,121
-		417,112
1,990		221,387
-		42,555
<u>1,244,111</u>		<u>1,923,175</u>
38,723		481,067
965,000		965,000
89,517		89,517
<u>1,093,240</u>		<u>1,535,584</u>
<u>150,871</u>		<u>387,591</u>
-		25,000
-		(25,000)
<u>-</u>		<u>-</u>
150,871		387,591
284,066		2,442,327
<u>\$ 434,937</u>	<u>\$</u>	<u>2,829,918</u>

**ALACHUA COUNTY LIBRARY DISTRICT  
NONMAJOR SPECIAL REVENUE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>SPECIAL</b>			
	<b>State Aid to Libraries Program Grant</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ 380,462	\$ 417,112	\$ 417,112	\$ -
Investment income	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>380,462</u>	<u>417,112</u>	<u>417,112</u>	<u>-</u>
<b>Expenditures</b>				
Culture and recreation				
Personal services	-	-	-	-
Operating expenditures	380,462	417,112	417,112	-
<b>Total expenditures</b>	<u>380,462</u>	<u>417,112</u>	<u>417,112</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	-	-	-
<b>Fund balances - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



REVENUE				FUNDS			
Gifts and Donations				Brady Trust Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	34,000	34,000	219,397	185,397
20,000	20,000	42,555	22,555	-	-	-	-
-	-	-	-	-	-	-	-
20,000	20,000	42,555	22,555	34,000	34,000	219,397	185,397
-	-	-	-	-	-	-	-
107,000	107,000	25,232	81,768	-	-	-	-
107,000	107,000	25,232	81,768	-	-	-	-
(87,000)	(87,000)	17,323	104,323	34,000	34,000	219,397	185,397
25,000	25,000	25,000	-	-	-	-	-
-	-	-	-	(25,000)	(25,000)	(25,000)	-
25,000	25,000	25,000	-	(25,000)	(25,000)	(25,000)	-
(62,000)	(62,000)	42,323	104,323	9,000	9,000	194,397	185,397
62,000	62,000	594,125	532,125	-	-	1,564,136	1,564,136
\$ -	\$ -	\$ 636,448	\$ 636,448	\$ 9,000	\$ 9,000	\$ 1,758,533	\$ 1,749,533

**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, 2013**

	<b>GO REFUNDING BANK NOTE 2011</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 1,279,962	\$ 1,279,962	\$ 1,242,121	\$ (37,841.00)
Investment income	3,000	3,000	1,990	(1,010)
<b>Total Revenues</b>	<u>1,282,962</u>	<u>1,282,962</u>	<u>1,244,111</u>	<u>(38,851)</u>
<b>Expenditures</b>				
Culture and recreation				
Operating expenditures	75,000	75,000	38,723	36,277
Debt service				
Principal	1,054,517	1,054,517	965,000	89,517
Interest & other charges	-	-	89,517	(89,517)
Contingency reserve	50,000	50,000	-	50,000
<b>Total expenditures</b>	<u>1,179,517</u>	<u>1,179,517</u>	<u>1,093,240</u>	<u>86,277</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>103,445</u>	<u>103,445</u>	<u>150,871</u>	<u>47,426</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Issuance of refunding note	-	-	-	-
Refund of long term debt	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	103,445	103,445	150,871	47,426
<b>Fund balances - beginning</b>	<u>-</u>	<u>-</u>	<u>284,066</u>	<u>284,066</u>
<b>Fund balances - ending</b>	<u>\$ 103,445</u>	<u>\$ 103,445</u>	<u>\$ 434,937</u>	<u>\$ 331,492</u>

**ALACHUA COUNTY LIBRARY DISTRICT  
CAPITAL PROJECTS FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>CAPITAL PROJECTS FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 236	\$ 236
Investment income	54,000	54,000	31,659	(22,341)
Private donations	-	-	65,000	65,000
Miscellaneous	-	-	1,260	1,260
<b>Total revenues</b>	<u>54,000</u>	<u>54,000</u>	<u>98,155</u>	<u>44,155</u>
<b>Expenditures</b>				
Culture and recreation				
Capital outlay	3,684,300	3,684,300	1,701,242	1,983,058
<b>Total expenditures</b>	<u>3,684,300</u>	<u>3,684,300</u>	<u>1,701,242</u>	<u>1,983,058</u>
<b>(Deficiency) of revenues (under) expenditures</b>	<u>(3,630,300)</u>	<u>(3,630,300)</u>	<u>(1,603,087)</u>	<u>2,027,213</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,271,774	1,271,774	1,271,774	-
Proceeds from sale of capital assets	-	-	3,490	3,490
<b>Total other financing sources (uses)</b>	<u>1,271,774</u>	<u>1,271,774</u>	<u>1,275,264</u>	<u>3,490</u>
<b>Net change in fund balance</b>	(2,358,526)	(2,358,526)	(327,823)	2,030,703
<b>Fund balances - beginning</b>	<u>2,358,526</u>	<u>2,358,526</u>	<u>8,325,469</u>	<u>5,966,943</u>
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,997,646</u>	<u>\$ 7,997,646</u>



## **COMPONENT UNIT – DISCRETELY PRESENTED**

**LIBRARY DISTRICT FOUNDATION** - The Foundation is a support group for the Alachua County Library District. Incorporated in 1989 as a 501(c)(3) non-profit corporation, the Foundation's mission is to provide supplemental funding to the Library with an emphasis on long-term support and planned giving. The Foundation's major goal is to build an endowment that will provide funds for the Library District on an annual basis.



**ALACHUA COUNTY LIBRARY DISTRICT  
DISCRETELY PRESENTED COMPONENT UNIT-LIBRARY FOUNDATION  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**Revenues**

Investment income (loss)	\$ 82,292
Private donations	45,652
Miscellaneous	-
<b>Total Revenues</b>	<u>127,944</u>

**Expenditures**

Culture and recreation	<u>84,374</u>
<b>Total expenditures</b>	<u>84,374</u>

**Excess of revenues over expenditures** 43,570

**Fund balances - beginning** 952,386

**Fund balances - ending** \$ 995,956

**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, 2013**

	<b>Library Foundation</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Investment income (loss)	\$ -	\$ -	\$ 82,292	\$ 82,292
Private donations	23,750	23,750	45,652	21,902
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>23,750</u>	<u>23,750</u>	<u>127,944</u>	<u>104,194</u>
<b>Expenditures</b>				
Culture and recreation	<u>23,750</u>	<u>23,750</u>	<u>84,374</u>	<u>(60,624)</u>
<b>Excess of revenues over expenditures</b>	-	-	43,570	43,570
<b>Fund balances - beginning</b>	<u>-</u>	<u>-</u>	<u>952,386</u>	<u>952,386</u>
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 995,956</u>	<u>\$ 995,956</u>



# **STATISTICAL SECTION**



## STATISTICAL SECTION

This part of the Alachua County Library District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government’s overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial Trends These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	70
Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	78
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.	84
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.	88
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.	92

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 POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

(accrual basis of accounting)

	<b>FISCAL YEAR</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 427,788	\$ 769,692	\$ 1,129,891	\$ 2,552,293
Restricted	3,239,138	2,631,626	2,187,373	812,212
Unrestricted	5,182,792	7,268,640	10,209,889	14,508,960
Total governmental activities net position	<u>\$ 8,849,718</u>	<u>\$ 10,669,958</u>	<u>\$ 13,527,153</u>	<u>\$ 17,873,465</u>

**FISCAL YEAR**

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 4,348,293	\$ 6,938,971	\$ 7,976,363	\$ 8,548,511	\$ 9,416,416	\$ 10,816,441
460,299	350,751	245,114	79,946	284,066	434,937
15,105,188	13,975,221	14,767,914	15,743,853	16,604,421	16,164,908
<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>	<u>\$ 27,416,286</u>

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

	<b>FISCAL YEAR</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Expenses</b>				
Governmental activities:				
Culture & recreation	\$ 12,076,040	\$ 12,856,235	\$ 13,134,592	\$ 14,611,036
Interest on long-term debt	558,876	531,674	503,236	473,662
Total governmental activities expenses	<u>12,634,916</u>	<u>13,387,909</u>	<u>13,637,828</u>	<u>15,084,698</u>
Total primary government expenses	<u>12,634,916</u>	<u>13,387,909</u>	<u>13,637,828</u>	<u>15,084,698</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services	35,139	35,341	64,122	86,802
Operating grants and contributions	680,677	702,258	598,485	555,346
Capital grants and contributions	-	-	-	52,500
Total governmental activities program revenues	<u>715,816</u>	<u>737,599</u>	<u>662,607</u>	<u>694,648</u>
Total primary government program revenues	<u>715,816</u>	<u>737,599</u>	<u>662,607</u>	<u>694,648</u>
<b>Net (Expense)Revenue</b>				
Governmental activities	(11,919,100)	(12,650,310)	(12,975,221)	(14,390,050)
Total primary governmental net expense	<u>\$ (11,919,100)</u>	<u>\$ (12,650,310)</u>	<u>\$ (12,975,221)</u>	<u>\$ (14,390,050)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes	\$ 12,592,946	\$ 13,761,327	\$ 14,891,546	\$ 17,205,046
Interest earnings	274,342	513,515	854,561	1,271,583
Miscellaneous	192,319	195,708	182,087	259,733
Total governmental activities	<u>13,059,607</u>	<u>14,470,550</u>	<u>15,928,194</u>	<u>18,736,362</u>
Total primary government	<u>\$ 13,059,607</u>	<u>\$ 14,470,550</u>	<u>\$ 15,928,194</u>	<u>\$ 18,736,362</u>
<b>Change in Net Position</b>				
Governmental activities	<u>\$ 1,140,507</u>	<u>\$ 1,820,240</u>	<u>\$ 2,952,973</u>	<u>\$ 4,346,312</u>
Total primary government	<u>\$ 1,140,507</u>	<u>\$ 1,820,240</u>	<u>\$ 2,952,973</u>	<u>\$ 4,346,312</u>

**FISCAL YEAR**

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 15,342,484	\$ 16,019,496	\$ 16,190,042	\$ 16,599,177	\$ 16,139,904	\$ 16,268,035
510,066	397,068	356,902	127,808	108,303	83,502
<u>15,852,550</u>	<u>16,416,564</u>	<u>16,546,944</u>	<u>16,726,985</u>	<u>16,248,207</u>	<u>16,351,537</u>
<u>15,852,550</u>	<u>16,416,564</u>	<u>16,546,944</u>	<u>16,726,985</u>	<u>16,248,207</u>	<u>16,351,537</u>
87,151	89,125	99,478	112,897	112,324	111,084
483,170	476,947	505,800	333,684	458,444	470,874
3,908	11,530	-	-	-	-
<u>574,229</u>	<u>577,602</u>	<u>605,278</u>	<u>446,581</u>	<u>570,768</u>	<u>581,958</u>
<u>574,229</u>	<u>577,602</u>	<u>605,278</u>	<u>446,581</u>	<u>570,768</u>	<u>581,958</u>
<u>(15,278,321)</u>	<u>(15,838,962)</u>	<u>(15,941,666)</u>	<u>(16,280,404)</u>	<u>(15,677,439)</u>	<u>(15,769,579)</u>
<u>\$ (15,278,321)</u>	<u>\$ (15,838,962)</u>	<u>\$ (15,941,666)</u>	<u>\$ (16,280,404)</u>	<u>\$ (15,677,439)</u>	<u>\$ (15,769,579)</u>
\$ 16,903,356	\$ 16,537,856	\$ 16,889,474	\$ 17,324,052	\$ 16,718,736	\$ 16,130,742
240,091	151,654	415,432	196,368	527,505	288,155
<u>175,189</u>	<u>500,615</u>	<u>317,738</u>	<u>142,903</u>	<u>363,791</u>	<u>492,998</u>
<u>17,318,636</u>	<u>17,190,125</u>	<u>17,622,644</u>	<u>17,663,323</u>	<u>17,610,032</u>	<u>16,911,895</u>
<u>\$ 17,318,636</u>	<u>\$ 17,190,125</u>	<u>\$ 17,622,644</u>	<u>\$ 17,663,323</u>	<u>\$ 17,610,032</u>	<u>\$ 16,911,895</u>
\$ 2,040,315	\$ 1,351,163	\$ 1,680,978	\$ 1,382,919	\$ 1,932,593	\$ 1,142,316
<u>\$ 2,040,315</u>	<u>\$ 1,351,163</u>	<u>\$ 1,680,978</u>	<u>\$ 1,382,919</u>	<u>\$ 1,932,593</u>	<u>\$ 1,142,316</u>

**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"**

	FISCAL YEAR			
	2004	2005	2006	2007
<b>General Fund</b>				
Reserved	\$ 656	\$ -	\$ 4,436	\$ -
Unreserved	2,103,088	3,099,105	4,729,331	7,315,675
Total general fund	<u>\$ 2,103,744</u>	<u>\$ 3,099,105</u>	<u>\$ 4,733,767</u>	<u>\$ 7,315,675</u>
<b>All Other Governmental Funds</b>				
Reserved	\$ 3,239,137	\$ 2,664,088	\$ 2,336,339	\$ 1,445,275
Unreserved, reported in:				
Special revenue funds	1,409,080	1,437,596	1,493,802	1,650,823
Capital project funds	2,419,925	3,418,987	4,580,959	5,624,483
Total all other governmental funds	<u>\$ 7,068,142</u>	<u>\$ 7,520,671</u>	<u>\$ 8,411,100</u>	<u>\$ 8,720,581</u>

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

	FISCAL YEAR			
	2010	2011	2012	2013
<b>General Fund</b>				
Nonspendable	\$ 6,875	\$ 6,875	\$ 6,875	\$ 49,094
Assigned	1,271,774	1,271,774	3,881,317	4,374,717
Unassigned	4,839,131	5,291,720	3,032,115	2,181,865
Total general fund	<u>\$ 6,117,780</u>	<u>\$ 6,570,369</u>	<u>\$ 6,920,307</u>	<u>\$ 6,605,676</u>
<b>All Other Governmental Funds</b>				
Restricted	\$ 245,114	\$ 79,946	\$ 284,066	\$ 434,937
Committed	1,664,281	1,263,004	1,564,136	1,758,533
Assigned	8,252,226	8,730,388	8,919,594	8,634,094
Total all other governmental funds	<u>\$ 9,761,621</u>	<u>\$ 10,073,338</u>	<u>\$ 10,767,796</u>	<u>\$ 10,827,564</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.



<b>FISCAL YEAR (continued)</b>	
<b>2008</b>	<b>2009</b>
\$ -	\$ 16,083
5,656,131	5,318,512
<u>\$ 5,656,131</u>	<u>\$ 5,334,595</u>
\$ 515,824	\$ 657,258
1,395,572	1,478,950
8,764,030	7,675,996
<u>\$ 10,675,426</u>	<u>\$ 9,812,204</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			
	2004	2005	2006	2007
<b>Revenues</b>				
Taxes	\$ 12,592,946	\$ 13,761,327	\$ 14,891,546	\$ 17,205,046
Intergovernmental	680,677	702,258	598,485	607,846
Charges for services	35,139	35,341	64,122	86,802
Rents and royalties	-	-	-	-
Investment income	274,342	513,515	854,561	1,271,583
Private donations	49,061	45,173	28,924	2,357
Miscellaneous revenue	142,251	147,295	149,051	106,257
Total revenues	<u>13,774,416</u>	<u>15,204,909</u>	<u>16,586,689</u>	<u>19,279,891</u>
<b>Expenditures</b>				
Culture & recreation	11,297,284	11,879,272	12,278,405	13,705,627
Capital outlay	313,574	679,231	587,351	1,479,730
Debt service				
Principal	635,000	665,000	690,000	725,000
Interest	563,744	536,756	508,494	479,168
Total expenditures	<u>12,809,602</u>	<u>13,760,259</u>	<u>14,064,250</u>	<u>16,389,525</u>
Excess (deficiency) of revenues over (under) expenditures	<u>964,814</u>	<u>1,444,650</u>	<u>2,522,439</u>	<u>2,890,366</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	831,664	902,031	1,010,976	1,193,122
Transfers out	(831,664)	(902,031)	(1,010,976)	(1,193,122)
Issuance of refunding note	-	-	-	-
Refund of long term debt	-	-	-	-
Sale of capital assets	1,394	3,240	2,652	1,023
Total other financing sources (uses)	<u>1,394</u>	<u>3,240</u>	<u>2,652</u>	<u>1,023</u>
Net change in fund balances	<u>\$ 966,208</u>	<u>\$ 1,447,890</u>	<u>\$ 2,525,091</u>	<u>\$ 2,891,389</u>
Debt service as a percentage of noncapital expenditures (See Note)	9.4%	8.8%	8.7%	7.8%

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

**FISCAL YEAR**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$	16,903,356	\$ 16,537,856	\$ 16,889,474	\$ 17,324,052	\$ 16,718,736	\$ 16,130,742
	487,078	488,477	505,800	333,684	458,444	470,874
	87,151	89,125	99,478	112,897	112,324	111,084
	-	22,015	33,022	44,647	60,082	77,094
	240,091	151,654	415,432	196,368	527,505	288,155
	86,621	138,664	109,307	48,552	104,934	107,555
	88,755	348,000	173,063	47,635	158,686	205,288
	<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>	<u>17,390,792</u>
	13,984,354	14,723,410	14,740,638	14,994,036	14,762,291	14,893,386
	2,412,725	3,036,455	1,553,576	932,325	1,275,736	1,701,242
	755,000	790,000	830,000	870,000	932,000	965,000
	448,356	411,106	371,106	549,237	128,147	89,517
	<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>	<u>17,649,145</u>
	292,617	(1,185,180)	730,256	762,237	1,042,537	(258,353)
	4,576,735	2,000,000	1,298,015	1,348,849	1,296,774	1,296,774
	(4,576,735)	(2,000,000)	(1,298,015)	(1,348,849)	(1,296,774)	(1,296,774)
	-	-	-	5,960,000	-	-
	-	-	-	(5,960,000)	-	-
	2,684	422	2,346	2,069	1,859	3,490
	<u>2,684</u>	<u>422</u>	<u>2,346</u>	<u>2,069</u>	<u>1,859</u>	<u>3,490</u>
\$	<u>295,301</u>	<u>\$ (1,184,758)</u>	<u>\$ 732,602</u>	<u>\$ 764,306</u>	<u>\$ 1,044,396</u>	<u>\$ (254,863)</u>
	7.5%	7.3%	7.2%	8.4%	6.5%	6.4%

**Schedule 5**

**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA**

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

**LAST TEN FISCAL YEARS**

(in thousands of dollars)

<b>Tax Year</b>	<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Agricultural Property</b>	<b>Industrial Property</b>	<b>Non-Taxable Real Property</b>
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	2,289,880	1,384,286	399,881	5,750,413
2012	2013	** 9,981,164	2,256,747	1,383,350	398,882	5,725,143
2013	2014	** 10,035,520	2,204,550	1,379,186	399,131	5,766,116

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.

\*\* FY13 and FY14 Property valuations are per the 1st Certification; the Value Adjustment Board has not completed their process so values may change. FY12 values changed after the completion of the VAB process.

<b>Personal &amp; Centrally Assessed Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate *</b>	<b>Total Valuation</b>
\$ 2,092,296	\$ (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
3,379,733	(12,111,876)	11,610,637	19.4166	23,722,513
3,243,191	(11,712,185)	11,276,292	18.8714	22,988,477
3,468,620	(11,994,392)	11,258,731	18.9098	23,253,123

**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
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
2014	2013	8.7990	0.2500	1.3638	0.0950	8.4020	18.9098	0.4143	0.3283	0.5038

Source: Alachua County Property Appraiser

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

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

**Overlapping Rates (continued)**

---

<b>MSTU - Sheriff Law Enforcement</b>	<b>MSTU - Fire</b>	<b>City of Alachua</b>	<b>City of Archer</b>	<b>City of Gainesville</b>	<b>City of Hawthorne</b>	<b>City of High Springs</b>	<b>City of Lacrosse</b>	<b>City of Micanopy</b>	<b>City of Newberry</b>	<b>City of Waldo</b>
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
2.1531	1.3979	5.5000	5.2500	4.5780	5.3194	6.1500	2.6396	8.0000	3.8084	7.3226

**Schedule 7**

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

<u>Taxpayer</u>	2013*			2004		
	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	\$ 164,113,030	1	1.46%	\$ 83,309,000	2	0.98%
Oaks Mall Gainesville Ltd Partnership	120,000,000	2	1.07%	60,277,650	4	0.71%
Wal-Mart Stores East LP	103,585,650	3	0.92%	-		-
HCA Health Services of Fla Inc	69,164,200	4	0.61%	31,309,890	8	0.37%
Florida Power Corp	61,208,538	5	0.54%	63,068,550	3	0.74%
Oak Hammock at the Univ of Fla Inc	56,277,910	6	0.50%	-		-
Dolgencorp Inc	51,446,990	7	0.46%	33,484,300	7	0.39%
Bellsouth Telecommunications Inc	44,663,799	8	0.40%	113,474,470	1	1.33%
Clay Electric Cooperative Inc	44,478,588	9	0.40%	31,196,020	9	0.37%
S Clark Butler Properties Land Trust	39,782,800	10	0.35%	-		-
Cox Communications Inc	-		-	38,477,200	5	0.45%
Atlantic Financial Group Ltd.	-		-	38,475,020	6	0.45%
Metal Container Corporation	-		-	23,161,860	10	0.27%
	<u>\$ 754,721,505</u>		<u>6.70%</u>	<u>\$ 516,233,960</u>		<u>6.05%</u>
Total taxable valuation of all properties	<u>\$ 11,258,730,745</u>			<u>\$ 8,530,910,912</u>		

SOURCE: Alachua County Property Appraiser - Overall Taxable Value

\* 2013 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	
2004	2003	\$ 13,002,889	\$ 12,499,332	96.1%	\$ 82,105	\$ 12,581,437	96.8%	
2005	2004	14,102,348	13,597,540	96.4%	41,478	13,639,018	96.7%	
2006	2005	15,315,962	14,749,470	96.3%	62,757	14,812,227	96.7%	
2007	2006	17,503,025	16,902,829	96.6%	24,411	16,927,240	96.7%	
2008	2007	17,359,392	16,770,373	96.6%	27,207	16,797,580	96.8%	
2009	2008	16,979,757	16,419,007	96.7%	27,249	16,446,256	96.9%	
2010	2009	17,286,027	16,734,007	96.8%	20,832	16,754,839	96.9%	
2011	2010	17,767,533	17,192,413	96.8%	8,651	17,201,064	96.8%	
2012	2011	17,193,782	16,604,818	96.6%	28,036	16,632,854	96.7%	
2013*	2012	16,592,070	15,989,796	96.4%	na	15,989,796	96.4%	

SOURCE: Alachua County Tax Collector

\*2013 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**

<b>Fiscal Year</b>	<b>General Obligation Debt Outstanding</b>	<b>Percentage of Personal Income (a)</b>	<b>Per Capita (a)</b>
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	0.07%	24.10
2012	5,028,000	0.05%	20.16
2013	4,063,000	na	16.1604

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 year 2013.

**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>
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
2013	3,628,063	0.03%	14.43

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, 2013**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Direct:</b>			
Alachua County Library District Bank Note, 2011	\$ 4,063,000	100%	\$ 4,063,000
<b>Total Direct Debt Outstanding</b>	<u>4,063,000</u>		<u>4,063,000</u>
<b>Overlapping:</b>			
<b>Alachua County:</b>			
Public Improvement Revenue 2007, Refunding	45,680,000	100%	45,680,000
Transportation Improvement Revenue Bonds, 2006	9,290,000	100%	9,290,000
Transportation Improvement Revenue Bonds, 2008	12,810,000	100%	12,810,000
Local Options Gas Tax Bank Note, 2011	7,603,000	100%	7,603,000
Capital Improvement Revenue Bank Note, 2008	5,737,000	100%	5,737,000
Alachua County Forever Bank Loan, 2010-1	7,630,800	100%	7,630,800
<b>Alachua County School Board:</b>			
State School Motor Vehicle Tax Revenue Bonds	2,885,000	100%	2,885,000
Certificates of Participation	78,321,770	100%	78,321,770
<b>Total Overlapping Debt Outstanding</b>	<u>169,957,570</u>		<u>169,957,570</u>
<b>Total Governmental Activities Debt</b>	<u>\$ 174,020,570</u>		<u>\$ 174,020,570</u>

Sources: Alachua County Finance Department and Alachua County School Board

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

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

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

### Schedule 13

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>
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	9,652,584	38,393
2013	251,417	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 2013.

<b>Median Age</b>	<b>College and University Enrollment</b>	<b>Public School Enrollment</b>	<b>Unemployment Rate</b>
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%
29.4	65,743	26,800	4.9%

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

Source: Council for Economic Outreach, Alachua County

\*2012 - last current available information.

\*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>	<b>FISCAL YEAR</b>									
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Administration Services Division</b>										
Administration	10.5	10	10	11.5	11.5	11.5	12.5	12.5	12.5	12.5
Facilities Services Division	8	8	8	8	10	10	10	9	9	9
Automated	12	11	11	11	10	10	10	10	10.5	10.5
<b>Public Services Division</b>										
Administration	n/a	n/a	n/a	3	6	6	6	6	7	7
Adult	13	14.8	15.75	16.25	16.25	16.25	16.25	14.75	13.5	12.5
Alachua	6.5	6.5	6.5	6.5	6.5	7	7	7	7	7
Archer	3.5	3.5	3.63	3.5	3.5	3.5	3.5	3.5	4.5	4.5
Circulation	21	23	26	23.5	23.5	23.5	23.5	23.5	22.5	25.25
Cone Park*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.13	3.25	3.25
Hawthorne	6.5	6.5	5.75	6.5	6.5	6.5	6.5	6.5	6.5	6.5
High Springs	6.5	5.5	6.5	6.5	6.5	6.5	6.5	6.5	5.5	5.5
Law Library*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.5	0.5
Micanopy	3.25	3.25	3.25	3.2	3.26	3.26	3.26	3.26	3.38	3.38
Millhopper	18.5	17.5	19.5	19.5	19.5	19.5	19.5	21.5	21.5	21.5
Newberry	3.5	3	2	3.5	6	6	6	6	6	6
Outreach Services	11.13	10	11	11	11	11	11	11	11	11
Partnership Branch*	n/a	n/a	n/a	n/a	n/a	3.5	3.5	4.125	5.125	5.125
Technical Services	16	16.5	16.5	19	19	19	19	18	17	17
Tower Road	15.5	16	16	16.5	16.5	16.5	16.5	18.625	18.625	18.625
Youth	14.5	15.5	13.5	13	13	13	13	10.75	10.75	9
Waldo	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13
<b>Total</b>	<b>173.01</b>	<b>173.68</b>	<b>178.01</b>	<b>185.08</b>	<b>191.64</b>	<b>195.64</b>	<b>196.64</b>	<b>198.77</b>	<b>198.76</b>	<b>198.76</b>

\*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>2004</u>	<u>2005</u>	<u>2006</u>
<b>Culture and recreation:</b>				
Circulation:	# of checkouts - Main Library	980,971	1,030,897	1,058,838
	# of checkouts - Branch libraries	1,516,932	1,547,908	1,611,994
	# of checkouts - Bookmobiles	56,809	63,897	63,671
	# of checkouts - other services	65,553	74,934	113,895
	Total checkouts	2,620,265	2,717,636	2,848,398
	# of Library Visits	1,121,867	1,152,388	1,227,697
	# of Virtual Visits	836,821	878,153	573,229
	Total # of Registered Borrowers	208,073	160,671	177,035
	# of Volunteer Hours	15,501	17,379	20,713
	# of Reference Services	113,739	386,090	366,530
Programs:	Number presented	1,720	1,652	1,771
	Attendance	69,170	65,739	60,385

Source: Alachua County Library

**FISCAL YEAR (continued)**

<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
1,025,371	992,796	1,126,714	1,029,819	943,612	820,640	684,206
1,670,939	1,697,156	1,736,914	1,959,511	2,121,575	2,094,758	2,025,632
60,510	57,713	54,697	50,939	50,302	53,170	57,634
104,227	113,273	178,190	334,535	536,947	671,839	808,572
2,861,047	2,860,938	3,096,515	3,374,804	3,652,436	3,640,407	3,576,044
1,286,272	1,353,804	1,404,869	1,476,120	1,431,342	1,534,385	1,567,315
620,570	721,147	878,294	1,288,744	1,523,298	1,382,087	1,294,365
188,666	196,707	199,549	204,418	216,966	198,035	185,730
23,996	20,859	21,329	22,314	26,641	26,078	21,613
507,447	566,638	571,235	646,802	603,653	677,157	458,279
1,825	1,954	2,456	3,427	3,725	4,139	5,292
59,328	57,715	54,075	81,519	81,809	91,665	108,342

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

	<b>FISCAL YEAR</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b><u>Culture &amp; Recreation</u></b>				
# of Library buildings	10	10	10	10
# of Acres	26	26	26	27
# of Vehicles	20	20	20	21
 Library Holdings				
# of Books	965,732	971,976	981,653	928,480
# of Copies - Periodicals	2,161	2,021	1,938	1,976
# of Titles - Periodicals	644	638	600	592

\* Includes new Library Partnership building.

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

**FISCAL YEAR**

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
10	11*	11	11	11	11
27	27	27	27	27	27
21	22	21	21	22	21
916,162	921,637	951,557	804,212	802,044	772,501
1,964	1,551	1,344	1,330	1,531	1,528
589	498	485	452	427	417



# **COMPLIANCE SECTION**





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Governing Board  
Alachua County Library District  
Alachua County, Florida

We have audited, in accordance with the 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, 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 year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 14, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

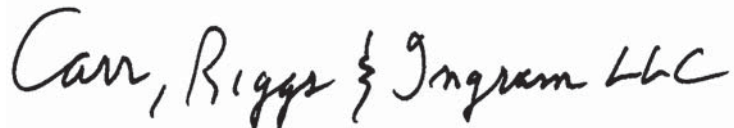
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Gainesville, Florida  
February 14, 2014