

Alachua County Library District



Alachua County, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2016



INTRODUCTORY SECTION



ALACHUA COUNTY, FLORIDA
LIBRARY DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2016

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



**ALACHUA COUNTY LIBRARY DISTRICT
ALACHUA COUNTY, FLORIDA
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS
SEPTEMBER 30, 2016**

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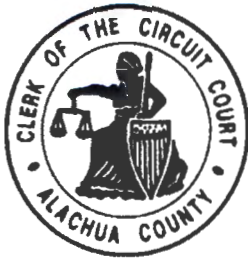
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CLERK OF THE CIRCUIT COURT

Alachua County Courthouse
201 East University Avenue
Gainesville, Florida 32601

J.K. "JESS" IRBY
CLERK

TELEPHONE
(352) 374-3636

April 13, 2017

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, 2016. 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 twelve years were awarded this certificate. We are submitting the 2016 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.

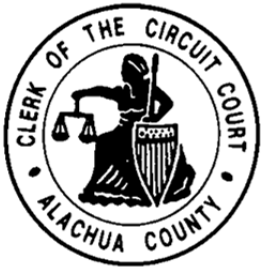
The preparation of this report could not have been accomplished without the dedicated effort of the Finance Director and his entire staff. Their efforts over the past years have led to an improved quality of information being reported to the Governing Board, State, Oversight Boards and the Citizens of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

Thank you for your attention.

Respectfully Submitted,

J. K. "Jess" Irby
Clerk of the Circuit Court





CLERK OF THE CIRCUIT COURT

Alachua County Courthouse
201 East University Avenue
Gainesville, Florida 32601

**J.K. "JESS" IRBY
CLERK**

**TELEPHONE
(352) 374-3636**

April 13, 2017

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, 2016, 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, 2016.

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 power 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 257,062 (April 1, 2016 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 provides for the inclusion of the collections owned and maintained by these organizations to be listed in the District’s on-line catalog. Prior to these agreements the collections had not been cataloged or made available on-line. There is now increased access to more materials within the community at minimal cost to all agencies. In fiscal year 2011, the Murphree Law Library moved to the headquarters building and an agreement was signed for Library staff to provide assistance for these services and manage the collection.

| Summary of Library Use Statistics for FY 2016 | |
|--|---|
| 1,461,337 | Visits to all Alachua County Libraries |
| 4,289,325 | Items borrowed (circulated) |
| 156,628 | Registered borrowers |
| 342,367 | Materials holdings - Titles |
| 744,769 | Individual items in the Library collection |
| 248,308 | Reference questions answered in person, by phone, or via the internet |
| 1,018,627 | Virtual visits through the internet |
| 7,863 | Programs for children and adults with attendance of 138,901 |
| 8,020 | Uses of Library District meeting rooms with an attendance of 61,787 |
| 20,261 | 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 the 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 increase over the next several years.

Long-term Financial Planning

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

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

Major Initiatives

In Fiscal year 2016, the expansion and renovation of the High Springs Branch Library was completed for approximately \$783,000 in capital costs. The District enhanced virtual user services, by providing a highly interactive website and catalog access. The District also began architectural and engineering work for the Tower Road Branch Library expansion.

**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, 2015. This was the twelfth 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

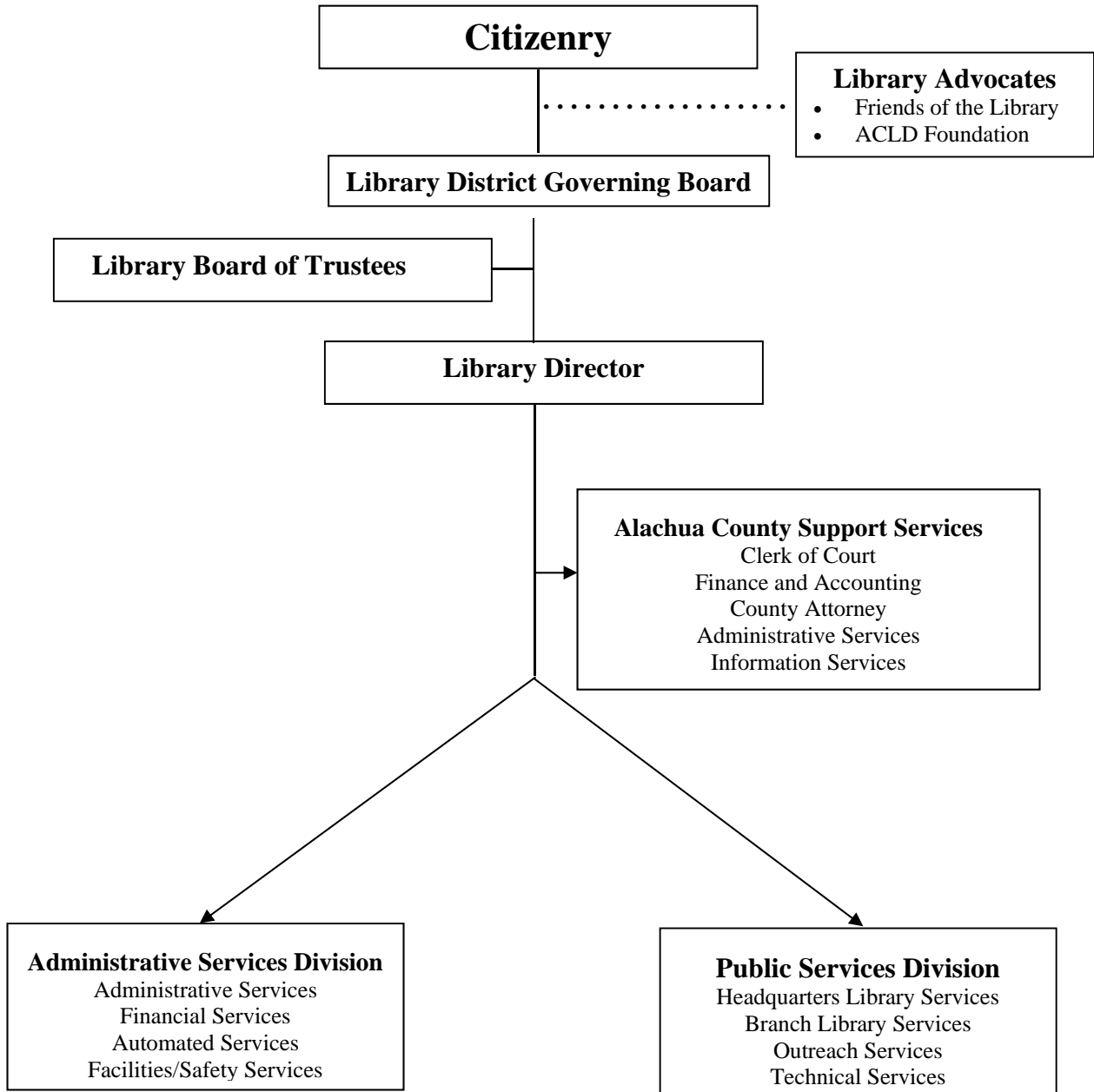
**Alachua County, Florida
Library District**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

**ALACHUA COUNTY LIBRARY DISTRICT
ORGANIZATIONAL CHART**



ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

PRINCIPAL OFFICERS

GOVERNING BOARD

(As of May 12, 2016)

Lee Pinkoson – Chair – County

Charles Goston – Vice Chair – City

Charles S. Chestnut, IV – County

Ken Cornell – County

Leannetta McNealy – School Board

Todd Chase – City

LIBRARY DIRECTOR

Shaney T. Livingston

COUNTY ATTORNEY

Michele L. Lieberman

CLERK OF CIRCUIT / COUNTY COURTS

AND

CLERK TO LIBRARY DISTRICT

J. K. “Jess” Irby

DIRECTOR OF FINANCE

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

<http://www.aclib.us>

FINANCIAL SECTION





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, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Alachua County Library District (the "District"), as of and for the year ended September 30, 2016, 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, each major fund, and the aggregate discretely presented component unit and remaining fund information of the District, as of September 30, 2016, 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.

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 plans 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 April 3, 2017, 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.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida

April 3, 2017



**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, 2016. 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 and deferred outflows exceeded its liabilities and deferred inflow of resources at September 30, 2016 by \$20,928,488 (net position). Of this amount, \$5,892,522 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position of \$20,928,488 is comprised of the following:
 - 1) Net investment in capital assets of \$14,701,933 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 \$334,033 is restricted by constraints imposed from outside the Library District such as debt covenants.
 - 3) \$5,892,522 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 by \$1,766,413 over the previous year. Net position increased due to expenses being less than anticipated.

Fund Statements

- At September 30, 2016, the Library District's governmental funds reported combined ending fund balances of \$16,505,283, an increase of \$734,898 from the prior fiscal year.
- At September 30, 2016, the total fund balance for the General Fund was \$4,900,669 or 29% of operating revenue. The District assigned General Fund ending fund balance of \$1.2 million for a one-time transfer to the Capital Project Fund in fiscal year 2017 and assigned an additional \$544,038 to balance the General Fund's operating budget in fiscal year 2017.
- Total governmental funds' revenues had a net increase of \$512,719 from the prior fiscal year. This is primarily due to increases in property taxes and 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 2016. 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 seven 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, Brady Trust Special Revenue 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 and schedules 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 55 and for nonmajor special revenue funds as well as for the Capital Projects and Debt Service funds, major funds, in the supplementary information starting on page 70 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 25-53 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 65-74 of this report. Required pension fund information is shown on pages 60-64. Information concerning capital assets used in the operation of governmental funds can be found in the notes on page 39.

Government-wide Financial Analysis

Changes in net 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 \$20,928,488 at the end of the fiscal year ended September 30, 2016.

Alachua County Library District Net Position

| | Governmental Activities | | Total Percent Change |
|-------------------------------------|-------------------------|----------------------|-------------------------|
| | 2015 | 2016 | |
| Current and Other Assets | \$ 16,508,881 | \$ 17,762,273 | 7.6% |
| Capital Assets | 15,499,367 | 15,773,792 | 1.8% |
| Total Assets | <u>32,008,248</u> | <u>33,536,065</u> | 4.8% |
| Deferred outflows pension | 3,319,035 | 3,802,304 | |
| Total Deferred Outflow of Resources | <u>3,319,035</u> | <u>3,802,304</u> | |
| Long-Term Liabilities Outstanding | 12,996,484 | 12,295,612 | -5.4% |
| Other Liabilities | 2,320,961 | 2,805,942 | 20.9% |
| Total Liabilities | <u>15,317,445</u> | <u>15,101,554</u> | -1.4% |
| Deferred charge on refunding | 70,090 | 31,859 | |
| Deferred inflows pension | 777,673 | 1,276,468 | |
| Total Deferred Inflow of Resources | <u>847,763</u> | <u>1,308,327</u> | 54.3% |
| Net Position: | | | |
| Net investment in Capital Assets | 13,366,277 | 14,701,933 | 10.0% |
| Restricted | 367,207 | 334,033 | -9.0% |
| Unrestricted | 5,428,591 | 5,892,522 | 8.5% |
| Total Net Position | <u>\$ 19,162,075</u> | <u>\$ 20,928,488</u> | 9.2% |

At the end of fiscal year 2016, 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 \$14,701,933 or 70.2% of total net position 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 \$1,335,656. This net increase is due to planned capital expenses for future expansions and renovations of library facilities, as well as the reduction in note payable due to the scheduled principal retirement.

Another portion of the Library District's net position (\$334,033 or 1.6% of total net position) represents resources that are subject to external restrictions on how they may be used. Restricted net position decreased by \$33,174 from 2015 to 2016. The balance restricted for debt service decreased due to reduction in debt service requirements.

The remaining portion of the Library District's net position is unrestricted net position (\$5,892,522 or 28.2%) and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net position increased \$463,931 from FY15 to FY16. This increase was a result of management putting tighter spending controls in place.

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

| | Governmental Activities | | Percent Change |
|--|-------------------------|----------------------|-------------------|
| | 2015 | 2016 | |
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 130,846 | \$ 128,409 | -1.9% |
| Capital grants and contributions | 85,529 | 69,771 | -18.4% |
| Operating grants and contributions | 651,889 | 519,047 | -20.4% |
| General revenues: | | | |
| Property taxes | 16,744,182 | 17,121,407 | 2.3% |
| Investment Earnings | 106,684 | 325,807 | 205.4% |
| Miscellaneous | 325,547 | 391,381 | 20.2% |
| Total revenues | <u>18,044,677</u> | <u>18,555,822</u> | 2.8% |
| Expenses: | | | |
| Culture and recreation - Library Services | 17,647,503 | 16,789,409 | |
| Total expenses | <u>17,647,503</u> | <u>16,789,409</u> | -4.9% |
| Change in net position | <u>397,174</u> | <u>1,766,413</u> | |
| Net position - beginning, as previously reported | 27,694,478 | 19,162,075 | |
| Net pension liability | (8,463,252) | - | |
| Deferred outflow related to pensions | 504,650 | - | |
| Deferred inflow related to pensions | (970,975) | - | |
| Net position - beginning as restated | <u>18,764,901</u> | <u>19,162,075</u> | |
| Net position - ending | <u>\$ 19,162,075</u> | <u>\$ 20,928,488</u> | 9.2% |

Governmental Activities

Program Revenues –

The charges for services decreased slightly due to a decrease in library services to jail agreement revenues and lost book collection fees. The operating grants and contributions category decreased due to a decline in funding from the John A.H. Murphree Law Library.

General Revenues –

In FY2016, property tax revenues increased by 2.3% due to an increase in the tax base, increases in property values, and new construction. Interest earnings on investments increased due to an improvement in economic and market conditions. Miscellaneous revenue increased due to an increase in rental and royalties revenue received from FY15 to FY16.

Net Position –

The Library District's total ending net position increased \$1,766,413 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 | \$ 16,505,283 |
| Less classified fund balance: | |
| Nonspendable: | |
| Prepaid items | 78,329 |
| Restricted for debt service | 334,033 |
| Committed for: | |
| Library reserve | 1,031,926 |
| Library materials | 1,047,730 |
| Assigned for: | |
| Capital projects | 9,808,375 |
| Library materials | 625,209 |
| FY16 Appropriated Fund Balance | 544,038 |
| Unassigned fund balance | \$ 3,035,643 |

As of the end of fiscal year 2016, the Library District’s governmental funds reported combined ending fund balances of \$16,505,283 an increase of \$734,898 from the prior year.

Major Funds

The General Fund, the Capital Projects Fund and the Brady Trust 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, 2016 is \$4,900,669. For the fiscal year, the General Fund had a net increase in fund balance of \$672,358. This net increase was the result of property tax revenue increase and a decrease in personal services. As a measure of the General Fund’s liquidity, it is useful to compare total fund balance to total fund revenues. For fiscal year 2016 the ending fund balance represents a 29.44% of total General Fund operating revenue. The District plans to transfer an additional \$1.2 million of fund balance to the Capital Projects Fund in FY 2017 to fund capital projects on a pay-as-you go basis.

The Capital Projects fund has a total fund balance of \$8,565,716, all of which is assigned for future expansion and renovations. The net decrease in fund balance during the fiscal year in Capital Projects was \$71,023. The decrease was due to a consistent capital outlay cost and a decrease in investment income and private donations.

The Brady Trust fund is a major fund due to an increase in its Corporate Stocks portfolio. See Note 3.B. on page 35 for details of the investments.

General Fund Budgetary Highlights

There were no changes to the General Fund's original budget (see schedule on page 55). Overall actual revenues varied from final budgeted revenues positively by \$508,805. This positive variance is primarily due to the fact that by law, property taxes are budgeted at 95% of the Property Appraisers assessed taxable 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 \$1,982,660 (positive variance). The Governing Board did not have to use any of the \$797,549 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, 2016 totals \$15,773,792 (net of accumulated depreciation) and includes land, artwork, buildings and improvements, and equipment and software. The Library District experienced an overall increase in investment in capital assets over the prior fiscal year of approximately 1.77% due to the implementation of the High Springs Branch expansion.

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

Alachua County Library District

Capital Assets

(net of depreciation)

| | Governmental Activities | |
|----------------------------|--------------------------------|-----------------------------|
| | <u>2015</u> | <u>2016</u> |
| Land | \$ 1,381,890 | \$ 1,387,970 |
| Artwork | 80,227 | 103,577 |
| Construction in progress | 20,000 | 87,890 |
| Buildings and improvements | 13,058,471 | 13,299,315 |
| Equipment and software | 958,779 | 895,040 |
| Total | <u>\$ 15,499,367</u> | <u>\$ 15,773,792</u> |

Long-term Debt

At the end of fiscal year 2016, the Library District had total debt outstanding of \$1,040,000.

Alachua County Library District

Outstanding Debt

| | <u>2015</u> | <u>2016</u> |
|-------------------------|---------------------|---------------------|
| General Obligation Debt | <u>\$ 2,063,000</u> | <u>\$ 1,040,000</u> |

During fiscal year 2016, the Library District's outstanding general obligation debt decreased by \$1,023,000. 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 49 of this report.

Economic Factors and Next Year's Budgets and Rates

- The assessed value of residential property increased by 5.39% and commercial property increased by 6.00% for fiscal year 2017.
- Population increased by approximately 1.64% from the prior year to an estimated 257,062 at September 30, 2016.

During the current fiscal year, the net change in fund balance for the General Fund was an increase of \$672,358 for a total ending fund balance of \$4,900,669. The ad valorem tax rate for the General Fund for the upcoming 2017 fiscal year budget is 1.3371 mills, a 1.96% decrease from the prior year rate of 1.3638 mills.

Requests for Information

This financial report is designed to present users with a general overview of the Library District's finances. If you have questions concerning any of the information provided in this report or need additional financial information, 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 POSITON
SEPTEMBER 30, 2016

| | Primary Government | Component Unit |
|--|-------------------------------|---------------------------|
| Assets | | |
| Current assets: | | |
| Equity in pooled cash and investments | \$ 15,520,902 | \$ - |
| Other cash and investments | 2,082,007 | 1,164,671 |
| Accounts receivable, net | 20,106 | - |
| Due from other governments | 60,929 | - |
| Prepaid items | 78,329 | - |
| Total current assets | 17,762,273 | 1,164,671 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land | 1,387,970 | - |
| Artwork | 103,577 | - |
| Construction in progress | 87,890 | - |
| Buildings | 23,242,293 | - |
| Equipment | 2,933,914 | - |
| Software | 548,071 | - |
| Other improvements | 810,737 | - |
| Less accumulated depreciation | (13,340,660) | - |
| Total noncurrent assets | 15,773,792 | - |
| Total assets | 33,536,065 | 1,164,671 |
| Deferred Outflow of Resources | | |
| Deferred amounts related to pensions | 3,802,304 | - |
| Total deferred outflow of resources | 3,802,304 | - |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,018,003 | \$ - |
| Accrued interest payable | 6,483 | - |
| Due to other governments | 238,987 | - |
| Notes payable | 1,040,000 | - |
| Accrued compensated absences due within one year | 451,869 | - |
| Net pension liability due within one year | 50,600 | - |
| Total current liabilities | 2,805,942 | - |
| Noncurrent liabilities: | | |
| Accrued compensated absences | 301,247 | - |
| Notes payable | - | - |
| Net pension liability | 11,994,365 | - |
| Total noncurrent liabilities | 12,295,612 | - |
| Total liabilities | 15,101,554 | - |
| Deferred Inflows of Resources | | |
| Deferred gain on refunding | 31,859 | - |
| Deferred amounts related to pensions | 1,276,468 | - |
| Total deferred inflows of resources | 1,308,327 | - |
| Net position | | |
| Net investment in capital assets | 14,701,933 | - |
| Restricted for: | | |
| Debt service | 334,033 | - |
| Unrestricted | 5,892,522 | 1,164,671 |
| Total net position | \$ 20,928,488 | \$ 1,164,671 |

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| | Primary Government | Component Unit |
|---|-------------------------------|---------------------------|
| Program expense | | |
| Culture and recreation - Library Services | \$ 16,761,986 | \$ 46,652 |
| Interest | 27,423 | - |
| Total program expense | 16,789,409 | 46,652 |
| Program revenues | | |
| Culture and recreation: | | |
| Charges for services | 128,409 | - |
| Capital grants and contributions | 69,771 | - |
| Operating grants and contributions | 519,047 | 42,284 |
| Total program revenues | 717,227 | 42,284 |
| Net program revenue (expense) | (16,072,182) | (4,368) |
| General revenues | | |
| Property taxes | 17,121,407 | - |
| Investment earnings (loss) | 325,807 | 107,391 |
| Miscellaneous | 391,381 | - |
| Total general revenues | 17,838,595 | 107,391 |
| Change in net position | 1,766,413 | 103,023 |
| Net position, beginning | 19,162,075 | 1,061,648 |
| Net position, ending | \$ 20,928,488 | \$ 1,164,671 |

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

| | <u>General</u> | <u>Special Revenue Fund Brady Trust Fund</u> | <u>Capital Projects</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|--|-----------------------------|---|---|
| Assets | | | | | |
| Equity in pooled cash and investments | \$ 5,722,673 | \$ 729 | \$ 8,842,035 | \$ 955,465 | \$ 15,520,902 |
| Other cash and investments | 3,080 | 2,078,927 | - | - | 2,082,007 |
| Accounts receivable | 10,438 | - | 9,325 | 343 | 20,106 |
| Due from other governments | 57,390 | - | 105 | 3,434 | 60,929 |
| Prepaid items | 78,329 | - | - | - | 78,329 |
| Total assets | <u>\$ 5,871,910</u> | <u>\$ 2,079,656</u> | <u>\$ 8,851,465</u> | <u>\$ 959,242</u> | <u>\$ 17,762,273</u> |
| Liabilities and fund balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 732,254 | \$ - | \$ 285,749 | \$ - | \$ 1,018,003 |
| Due to other governments | 238,987 | - | - | - | 238,987 |
| Total liabilities | <u>971,241</u> | <u>-</u> | <u>285,749</u> | <u>-</u> | <u>1,256,990</u> |
| Fund balances | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | 78,329 | - | - | - | 78,329 |
| Restricted for: | | | | | |
| Debt service | - | - | - | 334,033 | 334,033 |
| Committed for: | | | | | |
| Library reserve | - | 1,031,926 | - | - | 1,031,926 |
| Library materials | - | 1,047,730 | - | - | 1,047,730 |
| Assigned for: | | | | | |
| Capital projects | 1,242,659 | - | 8,565,716 | - | 9,808,375 |
| Library materials | - | - | - | 625,209 | 625,209 |
| FY17 Appropriated Fund Balance | 544,038 | - | - | - | 544,038 |
| Unassigned | 3,035,643 | - | - | - | 3,035,643 |
| Total fund balances | <u>4,900,669</u> | <u>2,079,656</u> | <u>8,565,716</u> | <u>959,242</u> | <u>16,505,283</u> |
| Total liabilities and fund balances | <u>\$ 5,871,910</u> | <u>\$ 2,079,656</u> | <u>\$ 8,851,465</u> | <u>\$ 959,242</u> | <u>\$ 17,762,273</u> |

See accompanying notes.

**Alachua County Library District
Reconciliation of the Balance Sheet
To the Statement of Net Position - Governmental Funds
September 30, 2016**

Fund Balances – total governmental funds \$16,505,283

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. 15,773,792

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements. Long-term liabilities at year end consist of:

| | | |
|-----------------------|------------|--------------|
| Note payable | 1,040,000 | |
| Compensated absences | 753,116 | |
| Net pension liability | 12,044,965 | (13,838,081) |

Deferred outflows and inflows of resources do not affect current financial resources, and therefore, are not reported in the government funds. Deferred outflows and inflows of resources at year-end consist of:

| | | |
|---|-------------|-----------|
| Deferred outflow on pension liabilities | 3,802,304 | |
| Deferred inflow on pension liabilities | (1,276,468) | |
| Deferred inflow on debt refunding | (31,859) | 2,493,977 |

Accrued long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund. (6,483)

Net position of governmental activities \$20,928,488

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| | General | Special Revenue Fund Brady Trust Fund | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--|-----------------------------|---|---|
| Revenues | | | | | |
| Property taxes | \$ 16,060,668 | \$ - | \$ 44 | \$ 1,060,695 | \$ 17,121,407 |
| Intergovernmental | 40,437 | - | - | 478,610 | 519,047 |
| Charges for services | 128,409 | - | - | - | 128,409 |
| Rents and royalties | 77,716 | - | - | - | 77,716 |
| Investment income (loss) | 78,484 | 190,152 | 51,608 | 5,563 | 325,807 |
| Private donations | - | - | 69,771 | 14,073 | 83,844 |
| Miscellaneous | 261,256 | - | - | - | 261,256 |
| Total revenues | <u>16,646,970</u> | <u>190,152</u> | <u>121,423</u> | <u>1,558,941</u> | <u>18,517,486</u> |
| Expenditures | | | | | |
| Culture and recreation | | | | | |
| Personal services | 10,288,988 | - | - | - | 10,288,988 |
| Operating expenditures | 4,477,386 | - | - | 558,730 | 5,036,116 |
| Capital outlay | - | - | 1,400,789 | - | 1,400,789 |
| Debt service | | | | | |
| Principal | - | - | - | 1,023,000 | 1,023,000 |
| Interest & other charges | - | - | - | 33,800 | 33,800 |
| Total expenditures | <u>14,766,374</u> | <u>-</u> | <u>1,400,789</u> | <u>1,615,530</u> | <u>17,782,693</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,880,596</u> | <u>190,152</u> | <u>(1,279,366)</u> | <u>(56,589)</u> | <u>734,793</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | - | - | 1,208,238 | 25,000 | 1,233,238 |
| Transfers out | (1,208,238) | (25,000) | - | - | (1,233,238) |
| Sale of capital assets | - | - | 105 | - | 105 |
| Total other financing sources (uses) | <u>(1,208,238)</u> | <u>(25,000)</u> | <u>1,208,343</u> | <u>25,000</u> | <u>105</u> |
| Net change in fund balances | 672,358 | 165,152 | (71,023) | (31,589) | 734,898 |
| Fund balances - beginning | <u>4,228,311</u> | <u>1,914,504</u> | <u>8,636,739</u> | <u>990,831</u> | <u>15,770,385</u> |
| Fund balances - ending | <u>\$ 4,900,669</u> | <u>\$ 2,079,656</u> | <u>\$ 8,565,716</u> | <u>\$ 959,242</u> | <u>\$ 16,505,283</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, 2016

Net change in fund balances – total governmental funds \$734,898

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 (\$739,327) was less than capital outlay \$1,013,906 in the current period. 274,579

Governmental funds report sale of capital assets as financial resources; the loss on disposal of assets are not reflected in the fund statement. (154)

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. 1,023,000

The net change in net pension liability, deferred outflows, and deferred inflows are reported in the statement of activities, but not in governmental funds.

| | | |
|---------------------------------|-----------|-----------|
| Change in net pension liability | (363,385) | |
| Change in deferred outflows | 483,269 | |
| Change in deferred inflows | (498,795) | |
| | | (378,911) |

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 (decrease in compensated absences \$68,393 plus decrease accrued interest expense \$6,377). 74,770

| | |
|--|-------------|
| Changes in net position of governmental activities | \$1,766,413 |
|--|-------------|

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016**

| | <u>Employee Pension Fund</u> |
|---|---|
| Assets | |
| Investments, at fair value: | |
| Goldman Sachs Money Market Fund Treasury Only | \$ 165,569 |
| Vanguard Total Stock Market Index Mutual Fund | 13,472,559 |
| PIMCO Diversified Income Mutual Fund | 997,457 |
| Manning & Napier Overseas International Equity MF | 1,818,870 |
| Fixed income securities: | |
| U.S. Government obligations | 3,149,677 |
| Mortgage backed securities | 1,159,137 |
| Corporate bonds | 4,090,982 |
| Total investments, at fair value | <u>24,854,251</u> |
| Investment adjustments: | |
| Receivable for pension investments | <u>31,979</u> |
| Total assets | 24,886,230 |
| Total liabilities | <u>15,371</u> |
| Net position | |
| Restricted for pension benefits | <u><u>\$ 24,870,859</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, 2016**

Additions

Contributions:

| | |
|---------------------|------------|
| Employer | \$ 793,587 |
| Members | 102,660 |
| Total contributions | 896,247 |

Investment earnings:

| | |
|--|-----------|
| Net appreciation (depreciation) in fair value of investments | 1,913,519 |
| Dividends | 349,558 |
| Interest Income | 186,371 |
| Total investment income (loss) | 2,449,448 |

| | |
|-------------------------|----------|
| Less investment expense | (34,893) |
|-------------------------|----------|

| | |
|-----------------------|-----------|
| Net investment income | 2,414,555 |
|-----------------------|-----------|

| | |
|------------------------|------------------|
| Total additions | 3,310,802 |
|------------------------|------------------|

Deductions

| | |
|-------------------------|--------------------|
| Benefit payments | (1,332,446) |
| Refund of Contributions | (110,382) |
| Administrative expenses | (67,825) |
| Total deductions | (1,510,653) |

| | |
|-------------------------------|-----------|
| Change in net position | 1,800,149 |
|-------------------------------|-----------|

| | |
|---|-------------------|
| Net position restricted for pension benefits - beginning | 23,070,710 |
|---|-------------------|

| | |
|--|----------------------|
| Net position restricted for pension benefits - ending | \$ 24,870,859 |
|--|----------------------|

See accompanying notes.



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**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

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
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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. 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 **Brady Trust Fund** 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.

**ALACHUA COUNTY LIBRARY DISTRICT
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- 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.

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 55 for the District's budgetary information.

E. Assets, Liabilities, Deferred Inflows/Outflows 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. 72.

- **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

- **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 acquisition 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.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

**ALACHUA COUNTY LIBRARY DISTRICT
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| <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. 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.

- **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan, Health Insurance Subsidy Program, and the Library's Pension Plan and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- **Deferred Inflows/Outflows**

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources have a positive effect on net position, similar to assets, and deferred inflows of resources have a negative effect on net position, similar to liabilities. Notwithstanding those similarities, deferred outflows of resources are not assets and deferred inflows of resources are not liabilities and accordingly are not included in those sections of the statement of financial position.

**ALACHUA COUNTY LIBRARY DISTRICT
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• **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 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, 2016, are as follows:

| <u>Millages Allocated to:</u> | <u>Allowable Millage</u> | <u>Millage Levied</u> |
|-------------------------------|--------------------------|-----------------------|
| General Operations | 1.5 Mills | 1.3371 Mills |
| Voted Debt | Unlimited* | .0750 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.

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

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

Deposits and investments as of September 30, 2016 are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary Government

| | |
|---------------------------------------|---------------|
| Equity in pooled cash and investments | \$ 15,520,902 |
| Other cash and investments | 2,082,007 |

Component Unit

| | |
|----------------------------|-----------|
| Other cash and investments | 1,164,671 |
|----------------------------|-----------|

Statement of Fiduciary Net Position:

Investments

| | |
|--------------------------------------|------------|
| Goldman Sachs MMMF | 165,569 |
| Mutual Fund Equities | 13,472,559 |
| Mutual Fund International Equities | 1,818,870 |
| PIMCO Diversified Income Mutual Fund | 997,457 |
| Fixed Income Securities | 8,399,796 |

| | |
|----------------------------|---------------|
| Total cash and investments | \$ 43,621,831 |
|----------------------------|---------------|

Deposits and investments as of September 30, 2016 consist of the following:

Library Operating Surplus Governmental Funds

| | |
|--------------------------------------|------------|
| Deposits with financial institutions | \$ 796,668 |
| Investments | 14,726,585 |

Component Unit

| | |
|--------------------------------------|-----------|
| Deposits with financial institutions | 30,351 |
| Investments | 1,134,320 |

Pension Fund

| | |
|-------------|------------|
| Investments | 24,854,251 |
|-------------|------------|

Brady Trust Fund (Wells Fargo Advisors)

| | |
|--------------------------------------|-----------|
| Deposits with financial institutions | 185,807 |
| Investments | 1,893,849 |

| | |
|----------------------------|---------------|
| Total cash and investments | \$ 43,621,831 |
|----------------------------|---------------|

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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A. Cash Deposits

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

B. Investments

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

Operating Funds Investment Policy

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

- The State Board of Administration's Florida Local Government Investment Pool (Florida PRIME)
- 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
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Investment Holdings Operating Funds

As of September 30, 2016, the Alachua County Library District had the following investments in its internal investment pool:

| Investments | Duration (Years) | Fair Value |
|---|-------------------------|-----------------------------|
| Fidelelity Treasury Money Market fund | 41 days | \$ 12,237 |
| Florida Prime | 50 days | 4,209,165 |
| Freddie Mac Global Notes (PFM) | 2.16 | 359,469 |
| Fannie Mae Global Notes (PFM) | 1.91 | 2,792,068 |
| Federal Home Loan Bank (PFM) | 1.90 | 2,724,081 |
| Municipal Bonds/Notes (PFM) | 1.66 | 434,642 |
| US Treasuries (PFM) | 1.60 | 2,553,979 |
| Florida Local Government Investment Trust | 1.43 | 1,640,944 |
| Total holdings in Investment Pool | | <u><u>\$ 14,726,585</u></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.

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

The Florida PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the District's investment in PRIME is at amortized cost.

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

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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 AAAf 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 \$8,864,239 (fair value) which was invested in the following sectors: \$2,553,979 - US Treasuries; \$5,875,618 - Federal Agencies and \$434,642 - Municipal Bonds/Notes.

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. As of September 30, 2016, \$1,134,320 was invested in mutual funds.

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, 2016, 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 | \$ | 165,569 |
| Vanguard Total Stock Market Index Mutual Fund | | 13,472,559 |
| Manning & Napier Overseas International Equity MF | | 1,818,870 |
| PIMCO Diversified Income Mutual Fund | | 997,457 |
| Fixed Income Securities: | | |
| U. S. Government obligations | | 3,149,677 |
| Mortgage Backed Securities | | 1,159,137 |
| Corporate bonds | | 4,090,982 |
| Subtotal Fixed Income Securities | | 8,399,796 |
| Total Pension Fund investments | | \$ 24,854,251 |

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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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 (\$1,031,926) 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 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 as of September 30, 2016:

| | | |
|-------------------------------|----|-----------|
| Mutual Fund | \$ | 24,604 |
| Corporate stocks | | 1,843,772 |
| Corporate bonds | | 25,473 |
| Total Brady Trust investments | \$ | 1,893,849 |

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 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, 2016, 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.

**ALACHUA COUNTY LIBRARY DISTRICT
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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, 2016, 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.

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):

| Investments | Rating (S&P) | Fair Value |
|--|-------------------------|-----------------------------|
| Fidelity Treasury Money Market fund | AAAm | \$ 12,237 |
| Florida Prime | AAAm | 4,209,165 |
| Florida Local Government Investment Trust | AAAf | 1,640,944 |
| US Treasuries (PFM) | AA+ | 2,553,979 |
| Federal Home Loan Bank | AA+ | 2,724,081 |
| Freddie Mac Global Notes (PFM) | AA+ | 359,469 |
| Fannie Mae Global Notes (PFM) | AA+ | 2,792,068 |
| State of Mississippi | AA | 15,051 |
| Illinois Regional Transportation Authority | AA | 249,827 |
| State of Connecticut | AA- | 169,764 |
| Total holdings in Investment Pool | | <u><u>\$ 14,726,585</u></u> |

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Credit Risk-Component Unit:

At September 30, 2016, the Foundation had investments in unrated closed-end Mutual Funds totaling \$1,134,320.

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

| Investments | Rating (Moody's) | Fair Value |
|---------------------------------------|-------------------------|-------------------|
| Goldman Sachs MMMF | Aaa | \$ 165,569 |
| U. S. Government Obligations | Aaa | 3,149,677 |
| Corporate Bonds | Aa, Aa1, Aa2, Aa3 | 557,713 |
| Corporate Bonds | A, A1, A2, A3 | 2,665,249 |
| Corporate Bonds | Baa, Baa1, Baa2, Baa3 | 868,020 |
| Manning & Napier Internation Equities | Exempt from disclosure | 1,818,870 |
| Vanguard Total Stock Market MF | Exempt from disclosure | 13,472,559 |
| Mortgage backed securities | Unrated | 1,159,137 |
| PIMCO Diversified Income Mutual Fund | Unrated | 997,457 |
| Total holdings in Pension Trust | | \$ 24,854,251 |

Credit Risk-Brady Trust: The Brady Trust's had investments in debt securities with A2 ratings totaling \$25,473.

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 & external government investment pools have been excluded from the table.

| Type Investment | Fair Value | 3 months - 1 year | 1 - 5 year | > 5 year |
|--------------------------------|----------------------|------------------------------|----------------------|---------------------|
| Library Operating Funds | | | | |
| US Treasuries | \$ 2,553,979 | \$ - | \$ 2,553,979 | \$ - |
| Federal Agencies | 5,875,618 | 952,656 | 4,922,962 | - |
| Municipal Obligations | 434,642 | - | 434,642 | - |
| Pension Trust | | | | |
| US Govt Obligations | 3,149,677 | 1,037,311 | 1,153,065 | 959,301 |
| Mortgage Backed Sec | 1,159,137 | - | - | 1,159,137 |
| Corporate Bonds | 4,090,982 | 375,352 | 1,137,463 | 2,578,167 |
| Brady Trust Fund | | | | |
| Corporate Bonds | 25,473 | 25,473 | - | - |
| Total debt investments | \$ 17,289,508 | \$ 2,390,792 | \$ 10,202,111 | \$ 4,696,605 |

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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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 investments are invested in Federal Home Loan Bank (18.50%) and Fannie Mae (18.96%).

C. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District relied on its custodial bank to obtain fair value quotes for all investments. The custodial bank uses a matrix pricing model (Level 2 inputs) to value the District's investments based on the investments' relationship to benchmark quoted prices. The following table summarizes the District's assets (and liabilities) as of September 30, 2016, for which fair values are determined on a recurring basis:

| Type Investment | Fair Value | Quoted Prices in Active Markets For Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|----------------------|--|---|---|
| Operating investments by fair value level | | | | |
| US Treasuries | \$ 2,553,979 | \$ - | \$ 2,553,979 | \$ - |
| Federal Agencies | 5,875,618 | - | 5,875,618 | - |
| Municipal Obligations | 434,642 | - | 434,642 | - |
| Fidelity Treasury Money Market Fund | 12,237 | - | 12,237 | - |
| Component Unit investments by fair | | | | |
| Mutual Funds | 1,134,320 | - | 1,134,320 | - |
| Pension Trust investments by fair value | | | | |
| US Govt Obligations | 3,149,677 | - | 3,149,677 | - |
| Mortgage Backed Sec | 1,159,137 | - | 1,159,137 | - |
| Corporate Bonds | 4,090,982 | - | 4,090,982 | - |
| Mutual Funds | 16,454,455 | - | 16,454,455 | - |
| Brady Trust investments by fair value | | | | |
| Corporate Stocks | 1,843,772 | - | 1,843,772 | - |
| Corporate Bonds | 25,473 | - | 25,473 | - |
| Mutual Funds | 24,604 | - | 24,604 | - |
| Total investments by fair value level | <u>\$ 36,758,896</u> | <u>\$ -</u> | <u>\$ 36,758,896</u> | <u>\$ -</u> |
| Operating investments measured at the net asset value (NAV) | | | | |
| Florida Government Investment Trust | \$ 1,640,944 | | | |
| Total investments measured at NAV | <u>1,640,944</u> | | | |
| Total investments measured at fair value | <u>\$ 38,399,840</u> | | | |

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2016, was as follows:

| | Beginning Balance | Additions | Deletions | Adjustments | Ending Balance |
|--|------------------------------|-------------------|------------------|--------------------|---------------------------|
| Governmental Activities: | | | | | |
| Capital not being depreciated: | | | | | |
| Land | \$ 1,381,890 | \$ 6,080 | \$ - | \$ - | \$ 1,387,970 |
| Artwork | 80,227 | 23,350 | - | - | 103,577 |
| Construction in progress | 20,000 | 87,890 | - | (20,000) | 87,890 |
| Total not being depreciated | <u>1,482,117</u> | <u>117,320</u> | <u>-</u> | <u>(20,000)</u> | <u>1,579,437</u> |
| Capital Assets being depreciated: | | | | | |
| Buildings | 22,503,276 | 719,017 | - | 20,000 | 23,242,293 |
| Equipment | 2,786,378 | 163,440 | (15,904) | - | 2,933,914 |
| Software-Internally Developed | 31,828 | - | - | - | 31,828 |
| Software | 516,243 | - | - | - | 516,243 |
| Improvements other than building | 796,608 | 14,129 | - | - | 810,737 |
| Total being depreciated | <u>26,634,333</u> | <u>896,586</u> | <u>(15,904)</u> | <u>20,000</u> | <u>27,535,015</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (9,746,822) | (482,415) | - | - | (10,229,237) |
| Equipment | (2,046,849) | (194,205) | 15,750 | - | (2,225,304) |
| Software-Internally Developed | (31,828) | - | - | - | (31,828) |
| Software | (296,993) | (32,820) | - | - | (329,813) |
| Improvements other than building | (494,591) | (29,887) | - | - | (524,478) |
| Total accumulated depreciation | <u>(12,617,083)</u> | <u>(739,327)</u> | <u>15,750</u> | <u>-</u> | <u>(13,340,660)</u> |
| Total being depreciated, net | <u>14,017,250</u> | <u>157,259</u> | <u>(154)</u> | <u>20,000</u> | <u>14,194,355</u> |
| Governmental activities capital assets, net | <u>\$15,499,367</u> | <u>\$ 274,579</u> | <u>\$ (154)</u> | <u>\$ -</u> | <u>\$15,773,792</u> |

Depreciation expense for the year ended September 30, 2016 was \$739,327, all recorded in the Culture & Recreation Program.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Note 5 - Employee Benefits

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

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.

**A. State of Florida Pension Plans
Defined Benefit Plans**

The Library participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (850) 488-6491.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit,

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the Library are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Library's contribution rates as of September 30, 2016, were as follows:

| | <u>FRS</u> | <u>HIS</u> |
|---------------------------------|------------|------------|
| Regular Class | 5.86% | 1.66% |
| Senior Management Service Class | 20.11% | 1.66% |
| Elected Officials | 40.81% | 1.66% |
| DROP from FRS | 11.33% | 1.66% |

The Library's contributions for the year ended September 30, 2016, were \$261,285 to the FRS and \$77,950 to the HIS.

Pension Liabilities and Pension Expense

At September 30, 2016, the Library reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2016, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2016. The Library's proportions of the net pension liabilities were based on the Library's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

| | | |
|---|--------------|--------------|
| | <u>FRS</u> | <u>HIS</u> |
| Net pension liability at September 30, 2016 | \$ 2,529,540 | \$ 1,754,266 |
| Proportion at: | | |
| September 30, 2016 | 0.01002% | 0.01505% |
| September 30, 2015 | 0.00979% | 0.01433% |
| Pension expense (benefit), year ended | | |
| September 30, 2016 | \$ 437,440 | \$ 181,475 |

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2016, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>FRS</u> | | <u>HIS</u> | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 193,681 | \$ (23,552) | \$ - | \$ (3,996) |
| Changes of assumptions | 153,030 | - | 275,289 | - |
| Net difference between projected and actual earnings on pension plan investments | 1,163,682 | (509,827) | 887 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 195,830 | - | 176,237 | - |
| Employer contributions subsequent to the measurement date | 77,568 | - | 20,341 | - |
| Total | \$ 1,783,791 | \$ (533,379) | \$ 472,754 | \$ (3,996) |

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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| Year ending September 30, | FRS | HIS |
|---------------------------|---------------------|-------------------|
| 2017 | \$ 188,521 | \$ 84,711 |
| 2018 | 188,521 | 84,711 |
| 2019 | 442,545 | 84,711 |
| 2020 | 293,090 | 84,711 |
| 2021 | 48,429 | 61,421 |
| Thereafter | 11,738 | 48,152 |
| Total | \$ 1,172,844 | \$ 448,417 |

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2016, using the entry age normal actuarial cost method and the following significant actuarial assumptions:

| | FRS | HIS |
|---------------------------|-------|-------|
| Inflation | 2.60% | 2.60% |
| Salary increases | 3.25% | 3.25% |
| Investment rate of return | 7.60% | N/A |
| Discount Rate | 7.60% | 2.85% |

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study that was completed in 2014 for the period July 1, 2008, through June 30, 2013.

The following changes in actuarial assumptions occurred in 2016:

FRS: The long-term expected rate of return was decreased from 7.65% to 7.60%, and the active member mortality assumption was updated.

HIS: The municipal rate used to determine the total pension liability decreased from 3.80% to 2.85%.

To develop an analytical basis for the selection of the long-term expected rate of return assumption, the FRS Actuarial Assumptions Conference reviewed the long-term assumptions developed by both Milliman's capital market assumption team and by a capital market assumptions team from Aon Hewitt Investment Consulting. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested. Each asset class assumption is based on consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model. The reduced investment return assumption of 7.60 percent, which was adopted by the Florida Retirement System Actuarial

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Assumption Conference, conflicts with the consulting actuary's judgment of a reasonable assumption as defined by Actuarial Standards of Practice No. 27.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Annual Arithmetic Return</u> | <u>Compound Annual (Geometric) Return</u> |
|------------------------|------------------------------|---|---|
| Cash | 1.00% | 3.00% | 3.00% |
| Fixed income | 18.00% | 4.70% | 4.60% |
| Global Equity | 53.00% | 8.10% | 6.80% |
| Real estate (property) | 10.00% | 6.40% | 5.80% |
| Private equity | 6.00% | 11.50% | 7.80% |
| Strategic investments | 12.00% | 6.10% | 5.60% |
| | <u>100.00%</u> | | |

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.60%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.85% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Library's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

| | <u>FRS</u> | | | <u>HIS</u> | | |
|--|-------------------------|-----------------|------------------------|-------------------------|-----------------|------------------------|
| | <u>Current Discount</u> | | | <u>Current Discount</u> | | |
| | 1% Decrease (6.60%) | Rate (7.60%) | 1% Increase (8.60%) | 1% Decrease (1.85%) | Rate (2.85%) | 1% Increase (3.85%) |
| Employer's proportionate share of the net pension liability | \$ 4,657,054 | \$ 2,529,540 | \$ 758,665 | \$ 2,012,542 | \$ 1,754,266 | \$ 1,539,911 |

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Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2016, totaled \$98,172.

B. Library Pension Plan

Plan Description

The Alachua County Library District Pension Plan ("Plan") is administered by the Alachua County Library Pension Board of Trustees which is comprised of three appointed County Commissioners, two appointed City Commissioners, and one appointed School Board Member. The Plan is a contributory defined benefit single-employer pension plan with an effective date of October 1, 1986. The 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, 2015, the plan membership consisted of:

| | |
|--|-------------------|
| Inactive members of beneficiaries currently receiving benefits | 85 |
| Inactive members entitled to but not yet receiving benefits | 89 |
| Active members all of whom are vested as of 10/1/15 | <u>65</u> |
| Total | <u>239</u> |

Benefits Provided

The 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.

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The Plan provides death benefits whereby members eligible for normal or early retirement receive benefits payable as though the deceased member had selected the 10 year Certain & Life benefit. For members that are vested, but not yet eligible for normal or early retirement, the death benefit is payable as a lump sum. For non-vested members, the death benefit is a refund of contributions without interest.

Effective October 1, 2001, the cost of living adjustment was based upon the change in Consumer Price Index, with a maximum of 2% annually. Effective October 1, 2004, the maximum was increased to 2.2%.

Contributions

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

The funding policy provides for periodic employer contributions based on an actuarially determined contribution calculated by an independent actuary. The actuarially determined contribution is an estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability, plus administrative expenses.

The total (employer and employee) required contribution rate expressed as a percentage of current year payroll is 34.92%. This contribution rate was determined as part of the October 1, 2015, actuarial valuation. Covered employees were required to contribute 4% of their salary to the Plan. The Library District is required to contribute the difference, which is 30.92% of covered payroll. The Library's contributions for the year ended September 30, 2016, were \$793,587.

Pension Liabilities and Pension Expense

At the measurement date, September 30, 2016, the Library reported a liability for the Plan's net pension liability of \$7,761,159. The Library recognized pension expense of \$892,817 for the year ended September 30, 2016.

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2016, the Library reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

**ALACHUA COUNTY LIBRARY DISTRICT
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| | Plan | |
|---|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 454,865 | \$ 82,496 |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | 1,090,894 | 656,597 |
| Total | \$ 1,545,759 | \$ 739,093 |

Pension-related amounts of the Plan reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year ending September 30, | Plan |
|---------------------------|-------------------|
| 2017 | \$ 307,307 |
| 2018 | 389,803 |
| 2019 | 273,706 |
| 2020 | (164,150) |
| 2021 | - |
| Thereafter | - |
| Total | \$ 806,666 |

Actuarial Assumptions

The total pension liability for the Plan was determined by an actuarial valuation using present values and obligations based on employee data as of the plan year beginning October 1, 2015, and rolled forward using actuarial methods to the measurement date of September 30, 2016. The Plan's valuation used the entry age normal actuarial cost method and the following significant actuarial assumptions:

| | |
|---------------------------|-------|
| Inflation | 2.50% |
| Salary increases | 2.80% |
| Investment rate of return | 7.00% |

Mortality assumptions were based on the RP2000 Small Plan Combined Mortality Table by gender w/Scale AA Generational Projections.

The actuarial assumptions used in the October 1, 2015 valuation were based on the results of an extensive actuarial experience study that was completed in 2012 for the period October 1, 2006, through September 30, 2011.

**ALACHUA COUNTY LIBRARY DISTRICT
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The long-term expected investment rate of return was not based on historical returns, but instead was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For the Plan, the table below summarizes the target allocation and best estimates of arithmetic real rates of return for each major asset class.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Annual Arithmetic Return</u> |
|----------------------|------------------------------|---|
| Domestic Equity | 50.00% | 10.00% |
| International Equity | 10.00% | 11.00% |
| Domestic Bonds | 35.00% | 5.00% |
| International Bonds | 5.00% | 6.00% |
| | <u>100.00%</u> | |

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 7.0%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|---|------------------------------------|--|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a) - (b) |
| Balances at 09/30/2015 | \$ 32,025,684 | \$ 23,070,710 | \$ 8,954,974 |
| Changes for the year: | | | |
| Service Cost | 239,999 | - | 239,999 |
| Interest | 2,208,953 | - | 2,208,953 |
| Differences between expected and actual experience | (399,790) | - | (399,790) |
| Contributions-employer | - | 793,587 | (793,587) |
| Contributions-employee | - | 102,660 | (102,660) |
| Net investment income | - | 2,414,555 | (2,414,555) |
| Benefit payments, including refunds of employee contributions | (1,442,828) | (1,442,828) | - |
| Administrative expense | - | (67,825) | 67,825 |
| Other | - | - | - |
| Net changes | <u>606,334</u> | <u>1,800,149</u> | <u>(1,193,815)</u> |
| Balances at 09/30/2016 | <u>\$ 32,632,018</u> | <u>\$ 24,870,859</u> | <u>\$ 7,761,159</u> |

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NOTES TO FINANCIAL STATEMENTS
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Sensitivity Analysis

The following tables demonstrate the sensitivity of the Plan’s net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Library’s net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

| | Plan | | |
|-----------------------|------------------------|-----------------|------------------------|
| | Current Discount | | |
| | 1% Decrease (6.00%) | Rate (7.00%) | 1% Increase (8.00%) |
| Net pension liability | \$ 11,670,388 | \$ 7,761,159 | \$ 4,497,837 |

Pension Plan’s Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is displayed on pages 22 & 23. A separate stand-alone financial report is not available for the Plan.

C. 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, 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
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Notes Outstanding – At September 30, 2016, General Obligation Note consisted of the following: (\$5,960,000 Alachua County Library District General Obligation Bank Note, Series 2011, due in semi-annual installments of \$520,000 through 2017, interest is 1.87%, Revenue Source – Property Tax Levy.)

| Description | Interest Rate and Date | Maturity | Issue | Outstanding at September 30, 2016 |
|---|---------------------------|----------|-------------|---|
| Limited General Obligation Bank Note 2011 Series | 1.87% 2/1 and 8/1 | 2017 | \$5,960,000 | \$1,040,000 |

Long-Term liability activity for the year ended September 30, 2016, was as follows:

| | Beginning Balance | Increases | (Decreases) | Ending Balance | Due Within One Year |
|------------------------------------|----------------------|---------------------|-----------------------|----------------------|------------------------|
| General Obligation Bank Note | \$ 2,063,000 | \$ - | \$ (1,023,000) | \$ 1,040,000 | \$ 1,040,000 |
| Compensated absences | 821,509 | 383,476 | (451,869) | 753,116 | 451,869 |
| Net pension liability - Plan | 8,954,974 | - | (1,193,815) | 7,761,159 | - |
| Net pension liability - FRS | 1,265,068 | 1,264,472 | - | 2,529,540 | - |
| Net pension liability - HIS | 1,461,538 | 292,728 | - | 1,754,266 | 50,600 |
| Total Long-term Obligations | \$ 14,566,089 | \$ 1,940,676 | \$ (2,668,684) | \$ 13,838,081 | \$ 1,542,469 |

Compensated absences are generally liquidated by the general fund.

Annual debt service requirements to maturity for the general obligation note are as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|--------------|-----------|--------------|
| 2017 | \$ 1,040,000 | \$ 14,586 | \$ 1,054,586 |
| | \$ 1,040,000 | \$ 14,586 | \$ 1,054,586 |

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Note 7 - Interfund Transfers

For the year ended September 30, 2016, interfund transfers were as follows:

| Transfers In | Transfers Out | | Total |
|------------------------|---------------------|------------------|---------------------|
| | General Fund | Brady Trust | |
| Capital Projects | \$ 1,208,238 | \$ - | \$ 1,208,238 |
| Nonmajor Governmental: | | | |
| Gifts & Donations | - | 25,000 | 25,000 |
| Total | \$ 1,208,238 | \$ 25,000 | \$ 1,233,238 |

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, 2016, under cancelable leases are summarized as follows:

| <u>Fund Charged</u> | <u>Amount</u> |
|---------------------|-------------------|
| General Fund | \$ 151,681 |
| Capital Projects | 2,910 |
| Total | \$ 154,591 |

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 \$448,441 for services in fiscal year 2016. These services included Accounting, Auditing, Treasury, Miscellaneous Administrative Services, Information and Telecommunications Services, and the County Attorney services. In addition, the Library District participates in the County’s Self Insurance fund for workers compensation and in the County’s self-insured Health Insurance Fund for employee group health insurance.

Note 10 - Governmental Fund Balances

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

**ALACHUA COUNTY LIBRARY DISTRICT
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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 per the District's Fund Balance Policy.

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's policy 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's policy uses committed prior to assigned fund balances and assigned fund balances prior to unassigned fund balances.

Minimum fund balance policy – The Library District's policy states, that it 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
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Note 11 - Other Disclosures

A. Excess of Expenditures Over Appropriations

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

B. Excess of Expenditures Over Revenue in the Actual Column

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

C. Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in 2017. The statements address:

- Certain pension issues;
- Other postemployment benefit (OPEB) plans;
- Tax abatement disclosures; and
- Blending certain component units

The District is currently evaluating the effects that these statements will have on its 2017 financial statements.



**REQUIRED
SUPPLEMENTARY
INFORMATION**



**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| | General Fund | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 15,793,834 | \$ 15,793,834 | \$ 16,060,668 | \$ 266,834 |
| Intergovernmental | 66,100 | 66,100 | 40,437 | (25,663) |
| Charges for services | 51,224 | 51,224 | 128,409 | 77,185 |
| Rents and royalties | 57,345 | 57,345 | 77,716 | 20,371 |
| Investment income | 28,945 | 28,945 | 78,484 | 49,539 |
| Miscellaneous | 140,717 | 140,717 | 261,256 | 120,539 |
| Total revenues | <u>16,138,165</u> | <u>16,138,165</u> | <u>16,646,970</u> | <u>508,805</u> |
| Expenditures | | | | |
| Culture and recreation | | | | |
| Personal services | 11,036,846 | 11,036,846 | 10,288,988 | 747,858 |
| Operating expenditures | 4,914,639 | 4,914,639 | 4,477,386 | 437,253 |
| Reserve for contingencies | 797,549 | 797,549 | - | 797,549 |
| Total expenditures | <u>16,749,034</u> | <u>16,749,034</u> | <u>14,766,374</u> | <u>1,982,660</u> |
| Excess of revenues over expenditures | <u>(610,869)</u> | <u>(610,869)</u> | <u>1,880,596</u> | <u>2,491,465</u> |
| Other financing sources (uses) | | | | |
| Transfers out | (1,208,238) | (1,208,238) | (1,208,238) | - |
| Total other financing sources (uses) | <u>(1,208,238)</u> | <u>(1,208,238)</u> | <u>(1,208,238)</u> | <u>-</u> |
| Net change in fund balances | (1,819,107) | (1,819,107) | 672,358 | 2,491,465 |
| Fund balances - beginning | <u>1,819,107</u> | <u>1,819,107</u> | <u>4,228,311</u> | <u>2,409,204</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,900,669</u> | <u>\$ 4,900,669</u> |

ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BRADY TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

| | Brady Trust Fund | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-----------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ 50,500 | 50,500 | \$ 190,152 | 139,652 |
| Total revenues | <u>50,500</u> | <u>50,500</u> | <u>190,152</u> | <u>139,652</u> |
| Expenditures | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over expenditures | <u>50,500</u> | <u>50,500</u> | <u>190,152</u> | <u>139,652</u> |
| Other financing sources (uses) | | | | |
| Transfers out | (25,000) | (25,000) | (25,000) | - |
| Total other financing sources (uses) | <u>(25,000)</u> | <u>(25,000)</u> | <u>(25,000)</u> | <u>-</u> |
| Net change in fund balances | 25,500 | 25,500 | 165,152 | 139,652 |
| Fund balances - beginning | <u>(25,500)</u> | <u>(25,500)</u> | <u>1,914,504</u> | <u>1,940,004</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,079,656</u> | <u>\$ 2,079,656</u> |

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Revenues 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
Schedules of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years***

| Florida Retirement System (FRS) | 2016 | 2015 |
|---|--------------|--------------|
| Employer's proportion of the net pension liability (asset) | 0.0100% | 0.0098% |
| Employer's proportionate share of the net pension liability (asset) | \$ 2,529,540 | \$ 1,265,068 |
| Employer's covered-employee payroll | \$ 4,565,408 | \$ 4,457,332 |
| Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 55.41% | 28.38% |
| Plan fiduciary net position as a percentage of the total pension liability | 84.88% | 92.00% |

| Health Insurance Subsidy Program (HIS) | 2016 | 2015 |
|---|--------------|--------------|
| Employer's proportion of the net pension liability (asset) | 0.0151% | 0.0143% |
| Employer's proportionate share of the net pension liability (asset) | \$ 1,754,266 | \$ 1,461,538 |
| Employer's covered-employee payroll | \$ 4,565,408 | \$ 4,457,332 |
| Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 38.43% | 32.79% |
| Plan fiduciary net position as a percentage of the total pension liability | 0.97% | 0.50% |

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

*GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**Alachua County Library District
Required Supplementary Information
Schedules of Employer Contributions
Last 10 Fiscal Years***

| Florida Retirement System | 2016 | 2015 |
|---|----------------|----------------|
| Contractually required contribution | \$ 261,285 | \$ 239,611 |
| Contributions in relation to the contractually required contribution | <u>261,285</u> | <u>239,611</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Employer's covered-employee payroll | \$ 4,565,408 | \$ 4,450,712 |
| Contributions as a percentage of covered-employee payroll | 5.72% | 5.38% |

| Health Insurance Subsidy Program | 2016 | 2015 |
|---|---------------|---------------|
| Contractually required contribution | \$ 77,950 | \$ 60,120 |
| Contributions in relation to the contractually required contribution | <u>77,950</u> | <u>60,120</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Employer's covered-employee payroll | \$ 4,565,408 | \$ 4,450,712 |
| Contributions as a percentage of covered-employee payroll | 1.71% | 1.35% |

Notes to schedules:

*GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Alachua County Library District
Required Supplementary Information
Schedule of Changes in Library Plan's Net Pension Liability (NPL) and Related Ratios
Last 10 Fiscal Years*

| | 2016 |
|---|----------------------|
| Total Pension Liability | |
| Service Cost | \$ 239,999 |
| Interest | 2,208,953 |
| Change of benefit terms | - |
| Differences between expected and actual experience | (399,790) |
| Changes of assumptions | - |
| Benefit payments, including refunds of employee contributions | (1,442,828) |
| Net change in total pension liability | 606,334 |
| Total pension liability-beginning | 32,025,684 |
| Total pension liability-ending(a) | \$ 32,632,018 |
| | |
| Plan fiduciary net position | |
| Contributions-employer | \$ 793,587 |
| Contributions-employee | 102,660 |
| Net investment income (loss) | 2,414,555 |
| Benefit payments, including refunds of employee contributions | (1,442,828) |
| Administrative expense | (67,825) |
| Other | - |
| Net change in plan fiduciary net position | 1,800,149 |
| | |
| Plan fiduciary net position-beginning | 23,070,710 |
| Plan fiduciary net position-ending(b) | \$ 24,870,859 |
| | |
| Net pension liability-ending (a) - (b) | \$ 7,761,159 |
| | |
| Plan fiduciary net position as a percentage of the total pension liability | 76.22% |
| | |
| Covered-employee payroll | \$ 2,720,460 |
| | |
| Net pension liability as a percentage of covered employee payroll | 285.29% |

*GASB Statement No. 67 was implemented in 2014. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

| <u>2015</u> | <u>2014</u> |
|----------------------|----------------------|
| \$ 253,536 | \$ 239,185 |
| 2,081,041 | 1,984,501 |
| - | - |
| 835,507 | - |
| - | 314,324 |
| <u>(1,219,425)</u> | <u>(1,128,528)</u> |
| 1,950,659 | 1,409,482 |
| 30,075,025 | 28,665,543 |
| <u>\$ 32,025,684</u> | <u>\$ 30,075,025</u> |

| | |
|----------------------|----------------------|
| \$ 974,658 | \$ 1,111,008 |
| 112,636 | 117,652 |
| (183,132) | 2,208,418 |
| (1,219,425) | (1,128,528) |
| (71,700) | (65,550) |
| - | - |
| <u>(386,963)</u> | <u>2,243,000</u> |
| 23,457,673 | 21,214,673 |
| <u>\$ 23,070,710</u> | <u>\$ 23,457,673</u> |

| | |
|---------------------|---------------------|
| <u>\$ 8,954,974</u> | <u>\$ 6,617,352</u> |
|---------------------|---------------------|

| | |
|--------|--------|
| 72.04% | 78.00% |
|--------|--------|

| | |
|--------------|--------------|
| \$ 2,932,783 | \$ 2,996,542 |
|--------------|--------------|

| | |
|---------|---------|
| 305.34% | 220.83% |
|---------|---------|

**Alachua County Library District
Required Supplementary Information
Schedule of Employer Contributions
Last 10 Fiscal Years***

| Library Pension Plan | <u>2016</u> | <u>2015</u> |
|--|----------------|----------------|
| Actuarially determined contribution | \$ 793,587 | \$ 974,658 |
| Contributions in relation to the actuarially determined contribution | <u>793,587</u> | <u>974,658</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Employer's covered-employee payroll | \$ 2,720,460 | \$ 2,932,783 |
| Contributions as a percentage of covered-employee payroll | <u>29.17%</u> | <u>33.23%</u> |

Notes to schedule:

Valuation date: October 1, 2015

Methods and assumptions used to determine contribution rates:

| | |
|---------------------------|--|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, closed, with amortization bases created in accordance with funding policy |
| Asset valuation method | Fair market value adjusted for gains and losses phased in over 4 years |
| Salary increases | 2.80% |
| Investment rate of return | 7.00% |
| Retirement age | Normal retirement age, earlier of age 65 with 5 years of creditable service or 20 years of creditable service. |
| Mortality | RP-2000 Combined Healthy Generational Table, by gender, Scale AA |

*GASB Statement No. 67 was implemented in 2014. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

2014

\$ 1,111,008

1,111,008

\$ -

\$ 2,996,542

37.08%

**Alachua County Library District
Required Supplementary Information
Schedule of Investment Returns
Last 10 Fiscal Years***

| Library Pension Plan | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|
| Annual Money-weighted rate of return, net of investment expense | 9.78% | -1.09% | 10.14% |

*GASB Statement No. 67 was implemented in 2014. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**SUPPLEMENTARY
INFORMATION**



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR FUNDS

SPECIAL REVENUE FUNDS

Summer S.T.E.A.M. Power Program (702) – Funds from the Dollar General Literacy Foundation, to provide the Summer Reading Program, designed to help “below grade level” readers and readers with learning disabilities.

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.

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 FUND – BUDGETARY COMPARISON ONLY

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

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, 2016**

| | SPECIAL REVENUE FUNDS | | |
|--|--|---|----------------------------------|
| | 702 | 710 | 711 |
| | Summer S.T.E.A.M. Power Program | State Aid to Libraries Program Grant | Gifts & Donations |
| Assets | | | |
| Equity in pooled cash and investments | \$ - | \$ - | \$ 625,209 |
| Accounts receivable | - | - | - |
| Due from other governments | - | - | - |
| Total assets | \$ - | \$ - | \$ 625,209 |
| Liabilities and fund balances | | | |
| Liabilities | | | |
| Total liabilities | \$ - | \$ - | \$ - |
| Fund balances | | | |
| Restricted for: | | | |
| Debt service | - | - | - |
| Assigned for: | | | |
| Library materials | - | - | 625,209 |
| Total fund balances | - | - | 625,209 |
| Total liabilities and fund balances | \$ - | \$ - | \$ 625,209 |

| <u>DEBT SERVICE</u> | |
|-----------------------|---------------------|
| <u>723</u> | <u>Total</u> |
| <u>GO Refunding</u> | <u>Nonmajor</u> |
| <u>Bank Note 2011</u> | <u>Governmental</u> |
| | <u>Funds</u> |
| \$ 330,256 | \$ 955,465 |
| 343 | 343 |
| 3,434 | 3,434 |
| <u>\$ 334,033</u> | <u>\$ 959,242</u> |
| <u>\$ -</u> | <u>\$ -</u> |
| 334,033 | 334,033 |
| - | 625,209 |
| <u>334,033</u> | <u>959,242</u> |
| <u>\$ 334,033</u> | <u>\$ 959,242</u> |

**ALACHUA COUNTY LIBRARY DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| | SPECIAL REVENUE FUNDS | | |
|--|--|---|----------------------------------|
| | 702 | 710 | 711 |
| | Summer S.T.E.A.M. Power Program | State Aid to Libraries Program Grant | Gifts & Donations |
| Revenues | | | |
| Property taxes | \$ - | \$ - | \$ - |
| Intergovernmental | - | 478,610 | - |
| Investment income | - | - | - |
| Private donations | 1,500 | - | 12,573 |
| Total Revenues | <u>1,500</u> | <u>478,610</u> | <u>12,573</u> |
| Expenditures | | | |
| Culture and recreation | | | |
| Operating expenditures | 1,500 | 478,610 | 38,988 |
| Debt service | | | |
| Principal | - | - | - |
| Interest & other charges | - | - | - |
| Total expenditures | <u>1,500</u> | <u>478,610</u> | <u>38,988</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>(26,415)</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | - | 25,000 |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>25,000</u> |
| Net change in fund balances | - | - | (1,415) |
| Fund balances - beginning | <u>-</u> | <u>-</u> | <u>626,624</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 625,209</u> |

| <u>DEBT SERVICE</u> | | |
|----------------------------|-------------------|---------------------|
| 723 | | Total |
| GO Refunding | | Nonmajor |
| Bank Note 2011 | | Governmental |
| | | Funds |
| \$ 1,060,695 | \$ 1,060,695 | |
| - | 478,610 | |
| 5,563 | 5,563 | |
| - | 14,073 | |
| <u>1,066,258</u> | <u>1,558,941</u> | |
| 39,632 | 558,730 | |
| 1,023,000 | 1,023,000 | |
| 33,800 | 33,800 | |
| <u>1,096,432</u> | <u>1,615,530</u> | |
| <u>(30,174)</u> | <u>(56,589)</u> | |
| - | 25,000 | |
| - | 25,000 | |
| (30,174) | (31,589) | |
| <u>364,207</u> | <u>990,831</u> | |
| <u>\$ 334,033</u> | <u>\$ 959,242</u> | |

**ALACHUA COUNTY LIBRARY DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| SUMMER S.T.E.A.M. POWER PROGRAM | | | | |
|--|-------------------------|--------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Private donations | - | 1,500 | 1,500 | - |
| Total Revenues | - | 1,500 | 1,500 | - |
| Expenditures | | | | |
| Culture and recreation | | | | |
| Operating expenditures | - | 1,500 | 1,500 | - |
| Total expenditures | - | 1,500 | 1,500 | - |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | - | - | - | - |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | \$ - | \$ - | \$ - | \$ - |

| SPECIAL REVENUE FUND | | | | |
|--|-------------------------|----------------|---------------------------|---|
| STATE AID TO LIBRARIES PROGRAM GRANT | | | | |
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 588,493 | \$ 588,493 | \$ 478,610 | \$ (109,883) |
| Private donations | - | - | - | - |
| Total Revenues | 588,493 | 588,493 | 478,610 | (109,883) |
| Expenditures | | | | |
| Culture and recreation | | | | |
| Operating expenditures | 588,493 | 588,493 | 478,610 | 109,883 |
| Total expenditures | 588,493 | 588,493 | 478,610 | 109,883 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | - | - | - | - |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | \$ - | \$ - | \$ - | \$ - |

**ALACHUA COUNTY LIBRARY DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| | GIFTS AND DONATIONS | | | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-----------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Private donations | 26,500 | 31,500 | 12,573 | (18,927) |
| Total Revenues | <u>26,500</u> | <u>31,500</u> | <u>12,573</u> | <u>(18,927)</u> |
| Expenditures | | | | |
| Culture and recreation | | | | |
| Operating expenditures | 52,700 | 52,700 | 38,988 | 13,712 |
| Total expenditures | <u>52,700</u> | <u>52,700</u> | <u>38,988</u> | <u>13,712</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(26,200)</u> | <u>(21,200)</u> | <u>(26,415)</u> | <u>(5,215)</u> |
| Other financing sources (uses) | | | | |
| Transfers out | 25,000 | 25,000 | 25,000 | - |
| Total other financing sources (uses) | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> | <u>-</u> |
| Net change in fund balances | (1,200) | 3,800 | (1,415) | (5,215) |
| Fund balances - beginning | <u>1,200</u> | <u>(3,800)</u> | <u>626,624</u> | <u>630,424</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 625,209</u> | <u>\$ 625,209</u> |

**ALACHUA COUNTY LIBRARY DISTRICT
DEBT SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| | GO REFUNDING BANK NOTE 2011 | | | Variance with Final Budget Positive (Negative) |
|--|------------------------------------|------------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 1,091,790 | \$ 1,091,790 | \$ 1,060,695 | \$ (31,095) |
| Investment income | 3,000 | 3,000 | 5,563 | 2,563 |
| Total Revenues | <u>1,094,790</u> | <u>1,094,790</u> | <u>1,066,258</u> | <u>(28,532)</u> |
| Expenditures | | | | |
| Culture and recreation | | | | |
| Operating expenditures | 60,000 | 60,000 | 39,632 | 20,368 |
| Debt service | | | | |
| Principal | 1,056,800 | 1,056,800 | 1,023,000 | 33,800 |
| Interest & other charges | - | - | 33,800 | (33,800) |
| Reserve for contingency | 50,000 | 50,000 | - | 50,000 |
| Total expenditures | <u>1,166,800</u> | <u>1,166,800</u> | <u>1,096,432</u> | <u>70,368</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(72,010)</u> | <u>(72,010)</u> | <u>(30,174)</u> | <u>41,836</u> |
| Net change in fund balances | (72,010) | (72,010) | (30,174) | 41,836 |
| Fund balances - beginning | <u>72,010</u> | <u>72,010</u> | <u>364,207</u> | <u>292,197</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 334,033</u> | <u>\$ 334,033</u> |

**ALACHUA COUNTY LIBRARY DISTRICT
CAPITAL PROJECTS FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| | CAPITAL PROJECTS FUND | | | Variance with Final Budget Positive (Negative) |
|--|------------------------------|--------------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ 44 | \$ 44 |
| Investment income | 50,445 | 50,445 | 51,608 | 1,163 |
| Private donations | - | - | 69,771 | 69,771 |
| Total revenues | <u>50,445</u> | <u>50,445</u> | <u>121,423</u> | <u>70,978</u> |
| Expenditures | | | | |
| Culture and recreation | | | | |
| Capital outlay | <u>2,006,550</u> | <u>2,006,550</u> | <u>1,400,789</u> | <u>605,761</u> |
| Total expenditures | <u>2,006,550</u> | <u>2,006,550</u> | <u>1,400,789</u> | <u>605,761</u> |
| (Deficiency) of revenues (under) expenditures | <u>(1,956,105)</u> | <u>(1,956,105)</u> | <u>(1,279,366)</u> | <u>676,739</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 1,208,238 | 1,208,238 | 1,208,238 | - |
| Sale of capital assets | - | - | 105 | 105 |
| Total other financing sources (uses) | <u>1,208,238</u> | <u>1,208,238</u> | <u>1,208,343</u> | <u>105</u> |
| Net change in fund balances | (747,867) | (747,867) | (71,023) | 676,844 |
| Fund balances - beginning | <u>747,867</u> | <u>747,867</u> | <u>8,636,739</u> | <u>7,888,872</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,565,716</u> | <u>\$ 8,565,716</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
BALANCE SHEET
SEPTEMBER 30, 2016**

Assets

Other cash and investments \$ 1,164,671

Total assets \$ 1,164,671

Liabilities and fund balances

Total liabilities \$ -

Fund balances

Fund balances:

Assigned 1,164,671

Total fund balances 1,164,671

Total liabilities and fund balance \$ 1,164,671

**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, 2016**

| | |
|--|-------------------------|
| Revenues | |
| Investment income (loss) | \$ 107,391 |
| Private donations | 42,284 |
| Total Revenues | <u>149,675</u> |
| Expenditures | |
| Culture and recreation | <u>46,652</u> |
| Total expenditures | <u>46,652</u> |
| Excess (deficiency) of revenues over (under) expenditures | 103,023 |
| Fund balance - beginning | <u>1,061,648</u> |
| Fund balance - ending | <u>\$ 1,164,671</u> |

**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, 2016**

| | Library Foundation | | | Variance with Final Budget Positive (Negative) |
|--|---------------------------|---------------|---------------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| Revenues | | | | |
| Investment income (loss) | \$ - | \$ - | \$ 107,391 | \$ 107,391 |
| Private donations | 30,000 | 30,000 | 42,284 | 12,284 |
| Total revenues | 30,000 | 30,000 | 149,675 | 119,675 |
| Expenditures | | | | |
| Culture and recreation | 30,000 | 30,000 | 46,652 | (16,652) |
| Excess (deficiency) of revenues over (under) expenditures | - | - | 103,023 | 103,023 |
| Fund balances - beginning | - | - | 1,061,648 | 1,061,648 |
| Fund balances - ending | \$ - | \$ - | \$ 1,164,671 | \$ 1,164,671 |

STATISTICAL SECTION



STATISTICAL SECTION

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

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time. | 80 |
| Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax. | 88 |
| 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. | 94 |
| 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. | 98 |
| 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. | 102 |

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)

| | FISCAL YEAR | | |
|--|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 |
| Governmental activities | | | |
| Net investment in capital assets | \$ 2,552,293 | \$ 4,348,293 | \$ 6,938,971 |
| Restricted | 812,212 | 460,299 | 350,751 |
| Unrestricted | 14,508,960 | 15,105,188 | 13,975,221 |
| Total governmental activities net position | <u>\$ 17,873,465</u> | <u>\$ 19,913,780</u> | <u>\$ 21,264,943</u> |

FISCAL YEAR

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 7,976,363 | \$ 8,548,511 | \$ 9,416,416 | \$ 10,816,441 | \$ 12,160,176 | \$ 13,366,277 | \$ 14,701,933 |
| 245,114 | 79,946 | 284,066 | 434,937 | 369,808 | 367,207 | 334,033 |
| 14,767,914 | 15,743,853 | 16,604,421 | 16,164,908 | 15,164,494 | 5,428,591 | 5,892,522 |
| <u>\$ 22,989,391</u> | <u>\$ 24,372,310</u> | <u>\$ 26,304,903</u> | <u>\$ 27,416,286</u> | <u>\$ 27,694,478</u> | <u>\$ 19,162,075</u> | <u>\$ 20,928,488</u> |

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

| | FISCAL YEAR | | |
|---|------------------------|------------------------|------------------------|
| | 2007 | 2008 | 2009 |
| Expenses | | | |
| Governmental activities: | | | |
| Culture & recreation | \$ 14,611,036 | \$ 15,342,484 | \$ 16,019,496 |
| Interest on long-term debt | 473,662 | 510,066 | 397,068 |
| Total governmental activities expenses | <u>15,084,698</u> | <u>15,852,550</u> | <u>16,416,564</u> |
| Total primary government expenses | <u>15,084,698</u> | <u>15,852,550</u> | <u>16,416,564</u> |
| Program Revenues | | | |
| Governmental activities: | | | |
| Charges for services | 86,802 | 87,151 | 89,125 |
| Operating grants and contributions | 555,346 | 483,170 | 476,947 |
| Capital grants and contributions | 52,500 | 3,908 | 11,530 |
| Total governmental activities program revenues | <u>694,648</u> | <u>574,229</u> | <u>577,602</u> |
| Total primary government program revenues | <u>694,648</u> | <u>574,229</u> | <u>577,602</u> |
| Net (Expense)Revenue | | | |
| Governmental activities | (14,390,050) | (15,278,321) | (15,838,962) |
| Total primary governmental net expense | <u>\$ (14,390,050)</u> | <u>\$ (15,278,321)</u> | <u>\$ (15,838,962)</u> |
| General Revenues and Other Changes in Net Position | | | |
| Governmental activities: | | | |
| Property taxes | \$ 17,205,046 | \$ 16,903,356 | \$ 16,537,856 |
| Interest earnings | 1,271,583 | 240,091 | 151,654 |
| Miscellaneous | 259,733 | 175,189 | 500,615 |
| Total governmental activities | <u>18,736,362</u> | <u>17,318,636</u> | <u>17,190,125</u> |
| Total primary government | <u>\$ 18,736,362</u> | <u>\$ 17,318,636</u> | <u>\$ 17,190,125</u> |
| Change in Net Position | | | |
| Governmental activities | <u>\$ 4,346,312</u> | <u>\$ 2,040,315</u> | <u>\$ 1,351,163</u> |
| Total primary government | <u>\$ 4,346,312</u> | <u>\$ 2,040,315</u> | <u>\$ 1,351,163</u> |

FISCAL YEAR

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 16,190,042 | \$ 16,599,177 | \$ 16,139,904 | \$ 16,268,035 | \$ 16,968,763 | \$ 17,601,068 | \$ 16,761,986 |
| <u>356,902</u> | <u>127,808</u> | <u>108,303</u> | <u>83,502</u> | <u>65,164</u> | <u>46,435</u> | <u>27,423</u> |
| <u>16,546,944</u> | <u>16,726,985</u> | <u>16,248,207</u> | <u>16,351,537</u> | <u>17,033,927</u> | <u>17,647,503</u> | <u>16,789,409</u> |
| <u>16,546,944</u> | <u>16,726,985</u> | <u>16,248,207</u> | <u>16,351,537</u> | <u>17,033,927</u> | <u>17,647,503</u> | <u>16,789,409</u> |
| 99,478 | 112,897 | 112,324 | 111,084 | 127,173 | 130,846 | 128,409 |
| 505,800 | 333,684 | 458,444 | 470,874 | 497,723 | 651,889 | 519,047 |
| - | - | - | - | 96,600 | 85,529 | 69,771 |
| <u>605,278</u> | <u>446,581</u> | <u>570,768</u> | <u>581,958</u> | <u>721,496</u> | <u>868,264</u> | <u>717,227</u> |
| <u>605,278</u> | <u>446,581</u> | <u>570,768</u> | <u>581,958</u> | <u>721,496</u> | <u>868,264</u> | <u>717,227</u> |
| <u>(15,941,666)</u> | <u>(16,280,404)</u> | <u>(15,677,439)</u> | <u>(15,769,579)</u> | <u>(16,312,431)</u> | <u>(16,779,239)</u> | <u>(16,072,182)</u> |
| <u>\$ (15,941,666)</u> | <u>\$ (16,280,404)</u> | <u>\$ (15,677,439)</u> | <u>\$ (15,769,579)</u> | <u>\$ (16,312,431)</u> | <u>\$ (16,779,239)</u> | <u>\$ (16,072,182)</u> |
| \$ 16,889,474 | \$ 17,324,052 | \$ 16,718,736 | \$ 16,130,742 | \$ 15,888,801 | \$ 16,744,182 | \$ 17,121,407 |
| 415,432 | 196,368 | 527,505 | 288,155 | 330,025 | 106,684 | 325,807 |
| 317,738 | 142,903 | 363,791 | 492,998 | 371,797 | 325,547 | 391,381 |
| <u>17,622,644</u> | <u>17,663,323</u> | <u>17,610,032</u> | <u>16,911,895</u> | <u>16,590,623</u> | <u>17,176,413</u> | <u>17,838,595</u> |
| <u>\$ 17,622,644</u> | <u>\$ 17,663,323</u> | <u>\$ 17,610,032</u> | <u>\$ 16,911,895</u> | <u>\$ 16,590,623</u> | <u>\$ 17,176,413</u> | <u>\$ 17,838,595</u> |
| \$ 1,680,978 | \$ 1,382,919 | \$ 1,932,593 | \$ 1,142,316 | \$ 278,192 | \$ 397,174 | \$ 1,766,413 |
| <u>\$ 1,680,978</u> | <u>\$ 1,382,919</u> | <u>\$ 1,932,593</u> | <u>\$ 1,142,316</u> | <u>\$ 278,192</u> | <u>\$ 397,174</u> | <u>\$ 1,766,413</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 | | |
|-------------------------------------|---------------------|----------------------|---------------------|
| | 2007 | 2008 | 2009 |
| General Fund | | | |
| Reserved | \$ - | \$ - | \$ 16,083 |
| Unreserved | 7,315,675 | 5,656,131 | 5,318,512 |
| Total general fund | <u>\$ 7,315,675</u> | <u>\$ 5,656,131</u> | <u>\$ 5,334,595</u> |
| All Other Governmental Funds | | | |
| Reserved | \$ 1,445,275 | \$ 515,824 | \$ 657,258 |
| Unreserved, reported in: | | | |
| Special revenue funds | 1,650,823 | 1,395,572 | 1,478,950 |
| Capital project funds | 5,624,483 | 8,764,030 | 7,675,996 |
| Total all other governmental funds | <u>\$ 8,720,581</u> | <u>\$ 10,675,426</u> | <u>\$ 9,812,204</u> |

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

| | FISCAL YEAR | | | |
|-------------------------------------|---------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 |
| General Fund | | | | |
| 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> |
| All Other Governmental Funds | | | | |
| 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.

| FISCAL YEAR (continued) | | |
|--------------------------------|----------------------|----------------------|
| 2014 | 2015 | 2016 |
| \$ 43,316 | \$ 49,188 | \$ 78,329 |
| 1,980,919 | 1,836,324 | 1,786,697 |
| 2,146,192 | 2,342,799 | 3,035,643 |
| <u>\$ 4,170,427</u> | <u>\$ 4,228,311</u> | <u>\$ 4,900,669</u> |
| | | |
| \$ 369,808 | \$ 364,207 | \$ 334,033 |
| 1,999,049 | 1,914,504 | 2,079,656 |
| 9,859,722 | 9,263,363 | 9,190,925 |
| <u>\$ 12,228,579</u> | <u>\$ 11,542,074</u> | <u>\$ 11,604,614</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 | | | |
|---|---------------------|-------------------|-----------------------|-------------------|
| | 2007 | 2008 | 2009 | 2010 |
| Revenues | | | | |
| Taxes | \$ 17,205,046 | \$ 16,903,356 | \$ 16,537,856 | \$ 16,889,474 |
| Intergovernmental | 607,846 | 487,078 | 488,477 | 505,800 |
| Charges for services | 86,802 | 87,151 | 89,125 | 99,478 |
| Rents and royalties | - | - | 22,015 | 33,022 |
| Investment income | 1,271,583 | 240,091 | 151,654 | 415,432 |
| Private donations | 2,357 | 86,621 | 138,664 | 109,307 |
| Miscellaneous revenue | 106,257 | 88,755 | 348,000 | 173,063 |
| Total revenues | <u>19,279,891</u> | <u>17,893,052</u> | <u>17,775,791</u> | <u>18,225,576</u> |
| Expenditures | | | | |
| Culture & recreation | 13,705,627 | 13,984,354 | 14,723,410 | 14,740,638 |
| Capital outlay | 1,479,730 | 2,412,725 | 3,036,455 | 1,553,576 |
| Debt service | | | | |
| Principal | 725,000 | 755,000 | 790,000 | 830,000 |
| Interest | 479,168 | 448,356 | 411,106 | 371,106 |
| Total expenditures | <u>16,389,525</u> | <u>17,600,435</u> | <u>18,960,971</u> | <u>17,495,320</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,890,366</u> | <u>292,617</u> | <u>(1,185,180)</u> | <u>730,256</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 1,193,122 | 4,576,735 | 2,000,000 | 1,298,015 |
| Transfers out | (1,193,122) | (4,576,735) | (2,000,000) | (1,298,015) |
| Issuance of refunding note | - | - | - | - |
| Refund of long term debt | - | - | - | - |
| Sale of capital assets | 1,023 | 2,684 | 422 | 2,346 |
| Total other financing sources (uses) | <u>1,023</u> | <u>2,684</u> | <u>422</u> | <u>2,346</u> |
| Net change in fund balances | <u>\$ 2,891,389</u> | <u>\$ 295,301</u> | <u>\$ (1,184,758)</u> | <u>\$ 732,602</u> |
| Debt service as a percentage of noncapital expenditures (See Note) | 7.8% | 7.5% | 7.3% | 7.2% |

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----|-------------------|---------------------|---------------------|-----------------------|---------------------|-------------------|
| \$ | 17,324,052 | \$ 16,718,736 | \$ 16,130,742 | \$ 15,888,801 | \$ 16,744,182 | \$ 17,121,407 |
| | 333,684 | 458,444 | 470,874 | 497,723 | 651,889 | 519,047 |
| | 112,897 | 112,324 | 111,084 | 127,173 | 130,846 | 128,409 |
| | 44,647 | 60,082 | 77,094 | 85,648 | 81,323 | 77,716 |
| | 196,368 | 527,505 | 288,155 | 330,025 | 106,684 | 325,807 |
| | 48,552 | 104,934 | 107,555 | 116,241 | 99,623 | 83,844 |
| | 47,635 | 158,686 | 205,288 | 226,149 | 190,220 | 261,256 |
| | <u>18,107,835</u> | <u>18,140,711</u> | <u>17,390,792</u> | <u>17,271,760</u> | <u>18,004,767</u> | <u>18,517,486</u> |
| | 14,994,036 | 14,762,291 | 14,893,386 | 15,341,396 | 15,638,086 | 15,325,104 |
| | 932,325 | 1,275,736 | 1,701,242 | 1,904,385 | 1,935,258 | 1,400,789 |
| | 870,000 | 932,000 | 965,000 | 991,000 | 1,009,000 | 1,023,000 |
| | 549,237 | 128,147 | 89,517 | 71,341 | 52,724 | 33,800 |
| | <u>17,345,598</u> | <u>17,098,174</u> | <u>17,649,145</u> | <u>18,308,122</u> | <u>18,635,068</u> | <u>17,782,693</u> |
| | 762,237 | 1,042,537 | (258,353) | (1,036,362) | (630,301) | 734,793 |
| | 1,348,849 | 1,296,774 | 1,296,774 | 3,025,000 | 1,209,547 | 1,233,238 |
| | (1,348,849) | (1,296,774) | (1,296,774) | (3,025,000) | (1,209,547) | (1,233,238) |
| | 5,960,000 | - | - | - | - | - |
| | (5,960,000) | - | - | - | - | - |
| | 2,069 | 1,859 | 3,490 | 2,128 | 1,680 | 105 |
| | <u>2,069</u> | <u>1,859</u> | <u>3,490</u> | <u>2,128</u> | <u>1,680</u> | <u>105</u> |
| \$ | <u>764,306</u> | <u>\$ 1,044,396</u> | <u>\$ (254,863)</u> | <u>\$ (1,034,234)</u> | <u>\$ (628,621)</u> | <u>\$ 734,898</u> |
| | 8.4% | 6.5% | 6.4% | 6.2% | 6.0% | 6.3% |

Schedule 5

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

(in thousands of dollars)

| Tax Year | Fiscal Year | Residential Property | Commercial Property | Agricultural Property | Industrial Property | Non-Taxable Real Property |
|-----------------|--------------------|-----------------------------|----------------------------|------------------------------|----------------------------|----------------------------------|
| 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 | 9,980,655 | 2,253,166 | 1,383,350 | 398,882 | 5,725,143 |
| 2013 | 2014 | 10,033,826 | 2,199,281 | 1,379,222 | 399,131 | 5,766,116 |
| 2014 | 2015 | 10,046,694 | 2,211,408 | 1,374,563 | 388,349 | 5,875,100 |
| 2015 | 2016 | ** 10,689,455 | 2,234,065 | 1,388,943 | 386,242 | 5,953,613 |
| 2016 | 2017 | ** 11,266,557 | 2,368,053 | 1,383,233 | 386,430 | 5,940,538 |

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.

** FY17 Property valuations are per the 1st Certification; the Value Adjustment Board has not completed their process so values may change. FY16 values changed after the completion of the VAB process.

| Personal & Centrally Assessed Property | Less: Tax-Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate * | Total Valuation |
|---|----------------------------------|-------------------------------------|--------------------------------|------------------------|
| 2,786,234 | (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 |
| 3,146,358 | (11,700,780) | 11,186,774 | 18.8714 | 22,887,554 |
| 3,445,001 | (11,982,568) | 11,240,008 | 18.9098 | 23,222,576 |
| 3,846,992 | (11,951,704) | 11,791,403 | 18.9098 | 23,743,107 |
| 3,762,328 | (12,311,375) | 12,103,270 | 18.7503 | 24,414,646 |
| 4,044,852 | (12,758,755) | 12,630,908 | 18.2771 | 25,389,663 |

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 |
| 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 |
| 2015 | 2014 | 8.7990 | 0.2500 | 1.3638 | 0.0950 | 8.4020 | 18.9098 | 0.4143 | 0.3283 | 0.5038 |
| 2016 | 2015 | 8.7950 | 0.1595 | 1.3638 | 0.0900 | 8.3420 | 18.7503 | 0.4104 | 0.3023 | 0.6228 |
| 2017 | 2016 | 8.9290 | - | 1.3371 | 0.0750 | 7.9360 | 18.2771 | 0.4093 | 0.2885 | 0.6325 |

Source: Alachua County Property Appraiser

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

Overlapping Rates (continued)

| MSTU - Sheriff Law Enforcement | MSTU - Fire | City of Alachua | City of Archer | City of Gainesville | City of Hawthorne | City of High Springs | City of Lacrosse | City of Micanopy | City of Newberry | City of Waldo |
|---|------------------------|----------------------------|---------------------------|--------------------------------|------------------------------|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------|
| 1.5329 | 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 |
| 2.1531 | 1.3979 | 5.5000 | 5.2500 | 4.5780 | 5.3194 | 6.1500 | 2.6396 | 8.0000 | 3.8084 | 7.3226 |
| 2.3283 | 1.5507 | 5.9900 | 5.2549 | 4.5079 | 5.3194 | 6.1326 | 5.7173 | 5.9283 | 3.9500 | 7.5180 |
| 2.4342 | 1.7705 | 5.9900 | 5.2549 | 4.5079 | 5.3194 | 6.1326 | 6.6246 | 5.9463 | 5.9089 | 7.5180 |

Schedule 7

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

| <u>Taxpayer</u> | <u>2016*</u> | | | <u>2007</u> | | |
|---|-------------------------------|-------------|--|-------------------------------|-------------|--|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total County Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total County Taxable Assessed Value</u> |
| Gainesville Renewable Energy Center LLC | \$ 314,316,090 | 1 | 2.49% | | | |
| Argos Cement LLC | 148,553,220 | 2 | 1.18% | | | |
| Oaks Mall Gainesville Ltd Partnership | 125,590,400 | 3 | 0.99% | \$ 137,000,000 | 1 | 1.07% |
| Wal-Mart Stores East LP | 96,828,190 | 4 | 0.77% | | | |
| HCA Health Services of Fla Inc | 83,503,400 | 5 | 0.66% | 64,341,400 | 5 | 0.50% |
| AT&T Mobility LLC | 75,737,723 | 6 | 0.60% | | | |
| Duke Energy Florida Inc. | 70,609,535 | 7 | 0.56% | | | |
| North Florida Regional Medical Center Inc | 54,789,240 | 8 | 0.43% | | | |
| Bellsouth Telecommunications Inc | 54,496,790 | 9 | 0.43% | 94,023,744 | 2 | 0.73% |
| Oak Hammock at the Univ of Fla Inc | 53,964,236 | 10 | 0.43% | 59,947,600 | 6 | 0.47% |
| Dolgencorp Inc. | | | | 77,242,090 | 3 | 0.60% |
| Vulcan Materials Company | | | | 65,695,020 | 4 | 0.51% |
| Florida Power Corp | | | | 59,253,270 | 7 | 0.46% |
| S Clark Butler Properties Land Trust | | | | 44,112,100 | 8 | 0.34% |
| Cox Comm Inc. | | | | 40,965,190 | 9 | 0.32% |
| Clay Electric Cooperative Inc | | | | 36,029,739 | 10 | 0.28% |
| | <u>\$ 1,078,388,824</u> | | <u>8.54%</u> | <u>\$ 678,610,153</u> | | <u>5.30%</u> |
| Total taxable valuation of all properties | <u>\$ 12,630,907,941</u> | | | <u>\$ 12,815,621,528</u> | | |

SOURCE: Alachua County Property Appraiser - Overall Taxable Value

* 2016 Taxable Assessed Values 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 | |
| 2007 | 2006 | \$ 17,503,025 | \$ 16,902,829 | 96.6% | \$ 26,245 | \$ 16,929,074 | 96.7% | |
| 2008 | 2007 | 17,359,392 | 16,770,373 | 96.6% | 32,244 | 16,802,617 | 96.8% | |
| 2009 | 2008 | 16,979,757 | 16,419,007 | 96.7% | 32,288 | 16,451,295 | 96.9% | |
| 2010 | 2009 | 17,286,027 | 16,734,007 | 96.8% | 28,758 | 16,762,765 | 97.0% | |
| 2011 | 2010 | 17,767,533 | 17,192,413 | 96.8% | 15,491 | 17,207,904 | 96.9% | |
| 2012 | 2011 | 17,193,782 | 16,604,818 | 96.6% | 50,292 | 16,655,110 | 96.9% | |
| 2013 | 2012 | 16,582,744 | 15,989,796 | 96.4% | 34,618 | 16,024,414 | 96.6% | |
| 2014 | 2013 | 16,433,506 | 15,809,701 | 96.2% | 61,236 | 15,870,937 | 96.6% | |
| 2015* | 2014 | 17,259,207 | 16,595,871 | 96.2% | 26,661 | 16,595,871 | 96.2% | |
| 2016* | 2015 | 17,662,841 | 16,980,309 | 96.1% | N/A | 16,980,309 | 96.1% | |

SOURCE: Alachua County Tax Collector

*Taxes levied changed for FY2015 due to assessment changes made by the Value Adjustment Board. Levies were per the first tax certification and the VAB did not complete their process until after completion of the CAFR. FY16 levies are per the first tax certification and thus may change.

Schedule 9

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

| Fiscal Year | General Obligation Debt Outstanding | Percentage of Personal Income (a) | Per Capita (a) |
|------------------------|--|--|---------------------------|
| 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 | 0.04% | 16.16 |
| 2014 | 3,072,000 | 0.03% | 12.12 |
| 2015 | 2,063,000 | 0.02% | 8.09 |
| 2016 | 1,040,000 | N/A | 4.05 |

Note: Details regarding the Library District's outstanding debt can be found on page 49 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 2016.

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> |
|--------------------|--|---|---------------------------|
| 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 |
| 2014 | 2,702,192 | 0.02% | 10.66 |
| 2015 | 1,698,796 | 0.01% | 6.66 |
| 2016 | 705,967 | 0.01% | 2.75 |

Note: Details regarding the Library District's outstanding debt can be found starting on page 49 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, 2016

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|---|-----------------------------|--|--|
| Direct: | | | |
| Alachua County Library District Bank Note, 2011 | \$ 1,040,000 | 100% | \$ 1,040,000 |
| Total Direct Debt Outstanding | <u>1,040,000</u> | | <u>1,040,000</u> |
| Overlapping: | | | |
| Alachua County: | | | |
| Capital Improvement Revenue Bank Note, 2008 | 4,254,000 | 100% | 4,254,000 |
| Local Options Gas Tax Bank Note, 2011 | 3,925,000 | 100% | 3,925,000 |
| Public Improvement Revenue Note, 2014 | 9,000,000 | 100% | 9,000,000 |
| 2015 Capital Improvement Revenue Note, 2015A* | 3,800,000 | 100% | 3,800,000 |
| 2015 Public Improvement Revenue Refunding Note, 2015B | 12,637,000 | 100% | 12,637,000 |
| Capital Lease Payable ACPA Cama Vision, 2014 | 44,085 | 100% | 44,085 |
| Capital Lease Payable ACSO Radio, 2014 | 392,418 | 100% | 392,418 |
| 2016 Public Improvement Revenue Refunding Note | 24,430,000 | 100% | 24,430,000 |
| 2016 Gas Tax Refunding Bank Note | 10,385,000 | 100% | 10,385,000 |
| Alachua County School Board: | | | |
| State Board of Education Bonds | 571,000 | 100% | 571,000 |
| Certificates of Participation | 58,960,234 | 100% | 58,960,234 |
| Quality Zone Academy Bonds | 1,794,000 | 100% | 1,794,000 |
| Total Overlapping Debt Outstanding | <u>130,192,737</u> | | <u>130,192,737</u> |
| Total Governmental Activities Debt | <u>\$ 131,232,737</u> | | <u>\$ 131,232,737</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> |
|-------------|-------------------|---|---------------------------------------|
| 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 | 9,688,255 | 38,225 |
| 2014 | 253,451 | 9,973,968 | 38,903 |
| 2015 | 254,893 | 10,450,311 | 40,199 |
| 2016 | 257,062 | N/A | N/A |

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
Florida Department of Economic & Demographic Research

Note: Personal and Per Capita Personal Income not available for 2016.

| Median Age | College and University Enrollment | Public School Enrollment | Unemployment Rate |
|-------------------|--|---------------------------------|--------------------------|
| 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% |
| 31 | 64,971 | 29,082 | 4.6% |
| 31.2 | 67,264 | 24,218 | 4.5% |
| 31.1 | 65,066 | 26,705 | 4.4% |

Schedule 14
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND PRIOR YEAR 2005

| <u>Employer</u> | <u>2016</u> | | | <u>2005*</u> | | |
|-------------------------------------|----------------------------|-------------|---|----------------------------|-------------|---|
| | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total County Private Workforce</u> | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total County Private Workforce</u> |
| University of Florida | 27,567 | 1 | 20.64% | 12,212 | 1 | 10.02% |
| UF Health | 12,705 | 2 | 9.51% | 7,508 | 2 | 6.16% |
| Veterans Affairs Medical Center | 6,127 | 3 | 4.59% | 2,700 | 4 | 2.22% |
| Alachua County School Board | 3,904 | 4 | 2.92% | 4,195 | 3 | 3.44% |
| City of Gainesville | 2,072 | 5 | 1.55% | 2,357 | 6 | 1.93% |
| North Florida Regional Medical Ctr | 2,000 | 6 | 1.50% | 1,646 | 10 | 1.35% |
| Gator Dining Service | 1,200 | 7 | 0.90% | | | |
| Nationwide Insurance Company | 960 | 8 | 0.72% | | | |
| Alachua County | 809 | 9 | 0.61% | 1,921 | 8 | 1.58% |
| Publix Supermarkets | 780 | 10 | 0.58% | 1,865 | 9 | 1.53% |
| The Oaks Mall | | | | 2,500 | 5 | 2.05% |
| Florida Dept of Children & Families | | | | 2,119 | 7 | 1.74% |
| Total Private Labor Workforce | <u>133,575</u> | | | <u>121,876</u> | | |

Source: Gainesville Chamber of Commerce, Council for Economic Outreach

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

| <u>Function/Program</u> | FISCAL YEAR | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Administration Services Division | | | | | | | | | | |
| Administration | 11.5 | 11.5 | 11.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 |
| Facilities Services Division | 8 | 10 | 10 | 10 | 9 | 9 | 9 | 9 | 9 | 9 |
| Automated | 11 | 10 | 10 | 10 | 10 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 |
| Public Services Division | | | | | | | | | | |
| Administration | 3 | 6 | 6 | 6 | 6 | 7 | 7 | 7 | 7 | 7 |
| Adult | 16.25 | 16.25 | 16.25 | 16.25 | 14.75 | 13.5 | 12.5 | 12.5 | 12.5 | 12 |
| Alachua | 6.5 | 6.5 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Archer | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| Circulation | 23.5 | 23.5 | 23.5 | 23.5 | 23.5 | 22.5 | 25.25 | 23.75 | 23.75 | 24.25 |
| Cone Park* | N/A | N/A | N/A | N/A | 3.13 | 3.25 | 3.25 | 6.75 | 6.75 | 6.75 |
| Hawthorne | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| High Springs | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 5.5 | 5.5 | 5.5 | 5.5 | 6 |
| Law Library* | N/A | N/A | N/A | N/A | N/A | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Micanopy | 3.2 | 3.26 | 3.26 | 3.26 | 3.26 | 3.38 | 3.38 | 3.38 | 3.38 | 3.38 |
| Millhopper | 19.5 | 19.5 | 19.5 | 19.5 | 21.5 | 21.5 | 21.5 | 22.5 | 22.5 | 22.5 |
| Newberry | 3.5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6.5 |
| Outreach Services | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Partnership Branch* | N/A | N/A | 3.5 | 3.5 | 4.125 | 5.125 | 5.125 | 5.125 | 5.125 | 5.125 |
| Technical Services | 19 | 19 | 19 | 19 | 18 | 17 | 17 | 16 | 16 | 15 |
| Tower Road | 16.5 | 16.5 | 16.5 | 16.5 | 18.625 | 18.625 | 18.625 | 18.625 | 18.625 | 18.625 |
| Youth | 13 | 13 | 13 | 13 | 10.75 | 10.75 | 9 | 9 | 9 | 9 |
| Waldo | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 |
| Total | 185.08 | 191.64 | 195.64 | 196.64 | 198.77 | 198.76 | 198.76 | 200.76 | 200.76 | 200.76 |

*Law Library was added in FY2012. Cone Park Branch opened in 2011 and the Library Neighborhood Resource Partnership Branch opened in 2009. Support Services Division no longer exists. Automated Services 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>2007</u> | <u>2008</u> | <u>2009</u> |
| Culture and recreation: | | | | |
| Circulation: | # of checkouts - Main Library | 1,025,371 | 992,796 | 1,126,714 |
| | # of checkouts - Branch libraries | 1,670,939 | 1,697,156 | 1,736,914 |
| | # of checkouts - Bookmobiles | 60,510 | 57,713 | 54,697 |
| | # of checkouts - other services | 104,227 | 113,273 | 178,190 |
| | Total checkouts | 2,861,047 | 2,860,938 | 3,096,515 |
| | # of Library Visits | 1,286,272 | 1,353,804 | 1,404,869 |
| | # of Virtual Visits | 620,570 | 721,147 | 878,294 |
| | Total # of Registered Borrowers | 188,666 | 196,707 | 199,549 |
| | # of Volunteer Hours | 23,996 | 20,859 | 21,329 |
| | # of Reference Services | 507,447 | 566,638 | 571,235 |
| Programs: | Number presented | 1,825 | 1,954 | 2,456 |
| | Attendance | 59,328 | 57,715 | 54,075 |

Source: Alachua County Library

FISCAL YEAR (continued)

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1,029,819 | 943,612 | 820,640 | 684,206 | 623,535 | 565,643 | 479,730 |
| 1,959,511 | 2,121,575 | 2,094,758 | 2,025,632 | 1,993,214 | 1,896,732 | 1,710,044 |
| 50,939 | 50,302 | 53,170 | 57,634 | 55,160 | 48,990 | 36,570 |
| 334,535 | 536,947 | 671,839 | 808,572 | 890,823 | 1,257,499 | 2,062,981 |
| 3,374,804 | 3,652,436 | 3,640,407 | 3,576,044 | 3,562,732 | 3,768,864 | 4,289,325 |
| 1,476,120 | 1,431,342 | 1,534,385 | 1,567,315 | 1,560,918 | 1,521,420 | 1,461,337 |
| 1,288,744 | 1,523,298 | 1,382,087 | 1,294,365 | 1,303,543 | 1,129,208 | 1,018,627 |
| 204,418 | 216,966 | 198,035 | 185,730 | 164,687 | 164,817 | 156,628 |
| 22,314 | 26,641 | 26,078 | 21,613 | 22,908 | 23,209 | 20,261 |
| 646,802 | 603,653 | 677,157 | 458,279 | 282,482 | 311,880 | 246,670 |
| 3,427 | 3,725 | 4,139 | 5,292 | 6,617 | 7,930 | 7,863 |
| 81,519 | 81,809 | 91,665 | 108,342 | 143,986 | 162,986 | 138,901 |

Schedule 17

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

| | FISCAL YEAR | | | |
|--|--------------------|-------------|-------------|-------------|
| | 2007 | 2008 | 2009 | 2010 |
| <u>Culture & Recreation</u> | | | | |
| # of Library buildings | 10 | 10 | 11 * | 11 |
| # of Acres | 27 | 27 | 27 | 27 |
| # of Vehicles | 21 | 21 | 22 | 21 |
| Library Holdings | | | | |
| # of Books | 928,480 | 916,162 | 921,637 | 951,557 |
| # of Copies - Periodicals | 1,976 | 1,964 | 1,551 | 1,344 |
| # of Titles - Periodicals | 592 | 589 | 498 | 485 |

* Includes new Library Partnership building.

** Includes new Cone Park building.

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

FISCAL YEAR

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 11 | 11 | 11 | 12 ** | 12 | 12 |
| 27 | 27 | 27 | 28 | 28 | 28 |
| 21 | 22 | 21 | 20 | 20 | 20 |
| 804,212 | 802,044 | 772,501 | 756,816 | 751,346 | 744,769 |
| 1,330 | 1,531 | 1,528 | 1,416 | 1,390 | 1,228 |
| 452 | 427 | 417 | 413 | 401 | 332 |



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, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Alachua County Library District (the "District"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated , April 3, 2017.

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.

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida

April 3, 2017