Alachua County, Florida

Library District



Comprehensive Annual

Financial Report

Fiscal Year Ended September 30, 2011



INTRODUCTORY SECTION



ALACHUA COUNTY, FLORIDA

LIBRARY DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2011

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



ALACHUA COUNTY LIBRARY DISTRICT ALACHUA COUNTY, FLORIDA FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS SEPTEMBER 30, 2011

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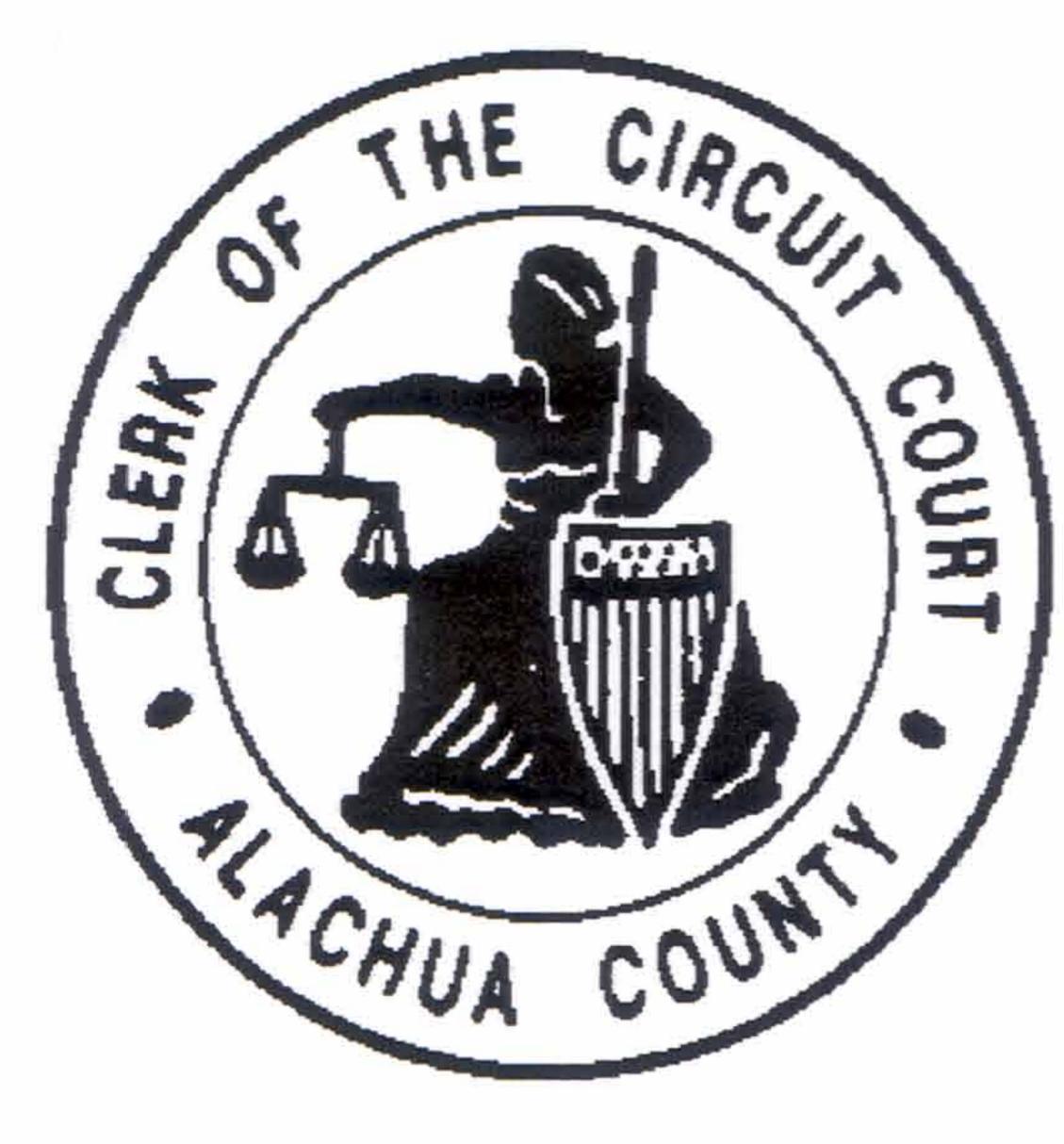
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CLERK OF THE CIRCUIT COURT

Alachua County Courthouse 201 East University Avenue Gainesville, Florida 32601

J.K. IRBY CLERK

TELEPHONE (352) 374-3636

February 9, 2012

The Honorable Scherwin Henry, Chair Library District Governing Board Alachua County, Florida

Dear Governor Henry:

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, 2011. 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 seven years were awarded this certificate. We are submitting the 2011 report for review and we believe that it will also be awarded a certificate.

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

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

Thank you for your attention.

Respectfully Submitted, J. K. Irby Clerk of the Circuit Court





CLERK OF THE CIRCUIT COURT

Alachua County Courthouse 201 East University Avenue Gainesville, Florida 32601

J.K. IRBY CLERK **TELEPHONE** (352) 374-3636

February 9, 2012

The Honorable Scherwin Henry, Chair Library District Governing Board Alachua County, Florida

Dear Governor Henry and the Citizens of Alachua County:

The Comprehensive Annual Financial Report of Alachua County, Florida, Library District, for the fiscal year ended September 30, 2011, 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 Statues, and the Rules of the Florida Auditor General, Chapter 10.550, which requires an annual audit of all Special Districts. Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation, including all disclosures, rest with the Finance and Accounting Department.

Florida Statutes require an audit of the financial statements of the Alachua County Library District by an independent certified public accountant. We have complied with this requirement and the auditors' opinion is included in the Financial Section of this report. Carr, Riggs & Ingram LLC, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Alachua County Library District's financial statements for the year ended September 30, 2011.

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

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

The responsibilities of the Board of Trustees include developing recommendations on policy, budget, and plans for the District, reporting at meetings on matters that may affect the District, responding to requests by the Governing Board for various recommendations, reporting information about Library issues, and listening and responding to citizens who have questions relating to the District and libraries in general.

THE LIBRARY DISTRICT, IT'S ECONOMIC CONDITION AND OUTLOOK

The Alachua County Library District provides public library service to a countywide population of approximately 247,337 (April 1, 2011 estimate), as well as to surrounding counties. The District is a centralized system with a Headquarters Library located in downtown Gainesville and ten branch libraries. One large library (Millhopper Branch) is located in northwest Gainesville; 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 Library Partnership branch located in northeast Gainesville. The municipalities of Alachua, Archer, Hawthorne, High Springs, Micanopy, Newberry and Waldo each have a branch library. In addition, the District also operates two bookmobiles and provides library service to the inmates of the Alachua County Jail through an interlocal agreement with the Alachua County Sheriff.

The District has contracts with the Matheson Historical Center and the Civic Media Center, which provide for the inclusion of the collections owned and maintained by these organizations to be listed in the District's on-line catalog. Prior to these agreements the collections had not been cataloged or made available on-line. There is now increased access to more materials within the community at minimal cost to all agencies. In fiscal year 2011, the Murphree Law Library moved to the headquarters building and an agreement was signed for Library staff to provide assistance for these services and manage the collection.

Summary of Library Use Statistics for FY 2011				
1,431,342	Visits to all Alachua County Libraries			
3,652,436	Items borrowed (circulated)			
216,966	Registered borrowers			
297,392	Materials holdings - Titles			
804,212	Individual items in the Library collection			
603,653	Reference questions answered in person, by phone, or via the internet			
1,523,298	Virtual visits through the internet			
3,725	Programs for children and adults with attendance of 81,809			
5,482	Uses of Library District meeting rooms with an attendance of 67,990			
1,523,298	Website visits			
26,641	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, Alachua County is home to the University of Florida, Santa Micanopy, Newberry and Waldo. Fe College and is a medical center housing a Veterans Administration Hospital, the University of Florida Shands Research and Teaching Hospital, North Florida Regional Hospital and other smaller hospitals and treatment centers. Due to the high number of government entities, the County's economic outlook is somewhat more stable than the rest of economy in the State but is still affected by the financial difficulties of the United States economy as a whole. Expansion of both educational and health care facilities is expected to continue though possibly not at the same rate as in past years.

Long-term Financial Planning

As part of the Library District's budget process, staff develops a Long Range Facilities and Service Plan that projects the needs of the District for a five year period. This plan is under constant revision to incorporate any changes to tax revenues which may affect 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.

Fred Cone Park on the east side of the County is the newest site slated for library expansion of services. Currently bookmobile service has been added and in November of 2011, the district placed a temporary 1,300 square-foot modular building on the site. The district plans to build a permanent building at the site in the next two years, expanding to a structure between 8,000 and 10,000 square feet, with similar services provided at other neighborhood branches.

Major Initiatives

In fiscal year 2011, renovations were completed in the Micanopy Branch, including replacing existing shelving, installing new suspended ceiling, structural improvements to the floor, installation of new carpet and tile, upgrading the network wiring and adding a new "Snuggle Up" area for children.

The Library Partnership in northeast Gainesville – a shared library and community resource center, where social service agencies go to the residents who may not be able to travel to them – has gained national notice and accolades. The Institute of Museum and Library Services awarded the Library District the 2011 National Medal for Museum and Library Service in recognition of its community outreach and civic contributions, one of only five libraries in the

country to receive this award. Included in the partnership are such organizations as Peaceful Paths, Meridian Behavioral Healthcare, the Alachua County Housing Authority, the Alachua County Health Department and Three Rivers Legal Services. This library is a gathering point each day after school for elementary and middle school children.

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, 2010. This was the seventh 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,

Jeld Hutthay

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

NTH/lks

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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, 2010

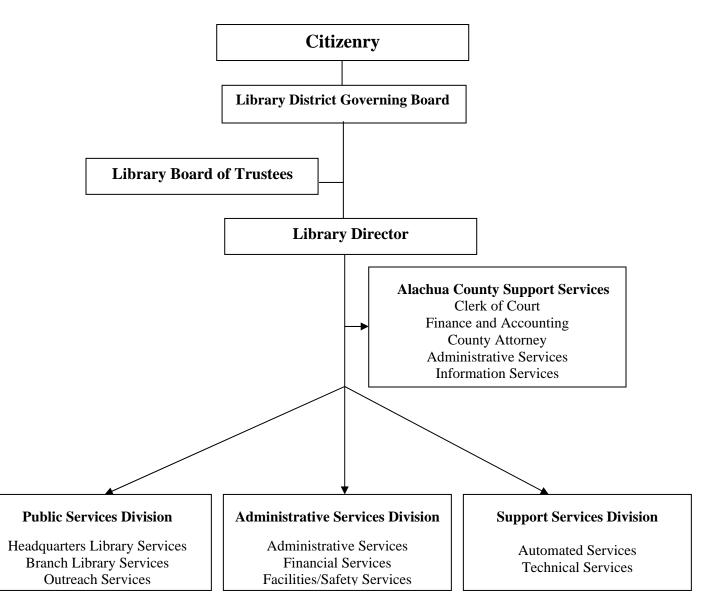
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

Dinta C. Danison President Jeffrey R. Ener



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ALACHUA COUNTY LIBRARY DISTRICT ORGANIZATIONAL CHART



ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

PRINCIPAL OFFICERS

GOVERNING BOARD (As of December 8, 2011)

Scherwin Henry – Chair – City

Paula M. DeLaney – Vice Chair – County

Mike Byerly – County

Thomas Hawkins – City

Lee Pinkoson – County

Barbara Sharpe – School Board

LIBRARY DIRECTOR Shaney T. Livingston

COUNTY ATTORNEY David Wagner

CLERK OF CIRCUIT / COUNTY COURTS AND CLERK TO LIBRARY DISTRICT J. K. Irby

> DIRECTOR OF FINANCE Todd Hutchison, C.P.A., C.G.F.O.

> > http://www.aclib.us

FINANCIAL SECTION



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

SEPTEMBER 30, 2011





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

Independent Auditors' Report

(352) 372-6300 (352) 375-1583 (fax) www.cricpa.com

The Governing Board Alachua County Library District Alachua County, Florida

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Alachua County Library District (the "District"), as of and for the year ended September 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of September 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Governing Board Alachua County Library District Alachua County, Florida

Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the information provided in the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such additional information has not be subjected to the auditing procedures applied in the audit of the basic financial statements.

an, Riggs & Ingram LLC

January 23, 2012 Gainesville, Florida

MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Alachua County Library District Management's Discussion and Analysis presents an overview of the Library District's financial activities for the fiscal year ended September 30, 2011. The Library District's financial performance is discussed and analyzed within the context of the accompanying financial statements & disclosure following this section.

Financial Highlights

Government-wide Statements

- Alachua County Library District's assets exceeded its liabilities at September 30, 2011 by \$24,372,310 (net assets). Of this amount, \$15,743,853 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets of \$24,372,310 are comprised of the following:
 - 1) Capital assets, net of related debt, of \$8,548,511 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 - 2) Net assets of \$79,946 are restricted by constraints imposed from outside the Library District such as debt covenants.
 - 3) \$15,743,853 of governmental net assets represents the portion available to maintain the Library District's continuing obligations to citizens and creditors.
- The Library District's total net assets increased \$1,382,919 over the previous year. The primary reason for this increase is management put tighter spending controls in place resulting in actual expenses being approximately \$2 million less than originally budgeted.

Fund Statements

- At September 30, 2011, the Library District's governmental funds reported combined ending fund balances of \$16,643,707, an increase of \$764,306 from the prior fiscal year.
- At September 30, 2011, unassigned fund balance for the General Fund was \$5,291,720 or 32% of General Fund operating revenue. During the fiscal year, the District transferred \$1.27 million to the Capital Projects Fund and assigned the same amount to be transferred for fiscal year 2012. The remaining fund balance allows the Library District to operate during the first part of the new fiscal year pending receipt of tax revenues.
- Governmental funds' revenues decreased \$117,741 or .6% from the prior fiscal year. This is primarily due to decreases in intergovernmental revenue as a result of lower funding of Library programs by the State of Florida 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 Assets presents information on all of the Library District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Library District is strengthening or weakening.
- The Statement of Activities presents information showing how the government's net assets changed during fiscal year 2011. All changes in net assets are reported as soon as the event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

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

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects fund and Debt Service Fund General Obligation Refunding Series 2001, which are considered to be major funds. Data for the other five governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The Library District adopts an annual budget for its general, special revenue, debt service and capital projects funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance. The General Fund budgetary comparison schedule can be found in the required supplementary information on page 49 and for nonmajor special revenue funds as well as for the Capital Projects and Debt Service funds, major funds, in the supplemental information starting on page 58 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 businesstype 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 25-48 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 53-63 of this report. Required pension fund information is shown on page 51. Information concerning capital assets used in the operation of governmental funds can be found in the notes on page 39.

Government-wide Financial Analysis

Changes in net assets over time may serve as a useful indicator of a government's financial position. In the case of the Library District, assets exceeded liabilities by \$24,372,310 at the end of the fiscal year ended September 30, 2011.

			Total Percent
	Governmental Activities		Change
	2010	2011	
Current and Other Assets	\$ 16,754,102	\$ 17,620,752	5.2%
Unamortized Bond Issue Costs	56,872	37,333	-34.4%
Capital Assets	15,062,177	14,731,523	-2.2%
Total Assets	31,873,151	32,389,608	1.6%
Long-Term Liabilities Outstanding	6,541,214	5,573,434	-14.8%
Other Liabilities	2,342,546	2,443,864	4.3%
Total Liabilities	8,883,760	8,017,298	-9.8%
Net Assets:			
Invested in Capital Assets, Net of			
Related Debt	7,976,363	8,548,511	7.2%
Restricted	245,114	79,946	-67.4%
Unrestricted	14,767,914	15,743,853	6.6%
Total Net Assets	\$ 22,989,391	\$ 24,372,310	6.0%

Alachua County Library District Net Assets

At the end of fiscal year 2011, the Library District is able to report positive balances in all three categories of net assets.

One portion of the Library District's net assets of \$8,548,511 reflects its investment in capital assets (e.g., land, buildings, improvements and equipment, less any related

depreciation expense), less any related outstanding debt used to acquire those assets. The Library District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library District's investment in its capital assets is reported net of related debt, the resources needed to repay this debt are provided from other sources (ad valorem taxes), since the capital assets themselves cannot be used to liquidate these liabilities. For the fiscal year, the District's investment in capital assets, net of related debt, increased by \$572,148. This net increase in due to a reduction in the bonded debt payable due to the scheduled advanced refunding of bonds.

Another portion of the Library District's net assets (\$79,946 or 0.3% of total net assets) represents resources that are subject to external restrictions on how they may be used. Restricted net assets decreased by \$165,168 from 2010 to 2011. The fund balance restricted for debt service was reduced due to reduction in debt service requirements.

The remaining portion of the Library District's net assets is unrestricted net assets (\$15,743,853 or 65%) and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets increased \$975,939 from FY10 to FY11. This increase was a result of management putting tighter spending controls in place.

				Percent
	Governmental Activities		Change	
		2010	 2011	
Revenues:				
Program revenues:				
Charges for services	\$	99,478	\$ 112,897	13.5%
Operating grants and contributions		505,800	333,684	-34.0%
General revenues:				
Property taxes		16,889,474	17,324,052	2.6%
Investment Earnings		415,432	196,368	-52.7%
Miscellaneous		317,738	142,903	-55.0%
Total revenues		18,227,922	 18,109,904	-0.6%
Expenses:				
Culture and recreation - Library Services		16,546,944	16,726,985	1.1%
Total expenses		16,546,944	 16,726,985	1.1%
Increase in net assets		1,680,978	 1,382,919	
Net assets - beginning		21,264,943	22,989,391	
Change in Accounting Principle		43,470	-	
Net assets - beginning as adjusted		21,308,413	 22,989,391	
Net assets - ending	\$	22,989,391	\$ 24,372,310	6.0%

Alachua County Library District Changes in Net Assets

Damast

Governmental Activities

Program Revenues -

The charges for services increased slightly due to an increase in copier revenue, nonresident fees, and fees for library services to the jail. In addition, the operations grants and contributions category decreased due to a one-time funding for a Library Technology grant and operating grant to fund E-government programs during the prior fiscal year.

General Revenues -

Property tax revenues increased due to new construction added to the property tax rolls and the Governing Board's adoption of a higher operating millage rate for FY2011. The millage rate increase was a function of the rollback millage calculation. Note, the Governing Board had reduced the millage rate during 2008 and 2009. Interest earnings on investment decreased due to current economic and market conditions. Miscellaneous revenue decreased due to a decline in private contributions and donations and one-time settlement received in prior fiscal year.

Net Assets -

The Library District's total net assets increased \$1,382,919 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.

Designations of Fund Balance				
Total fund balance	\$ 16,643,707			
Less classified fund balance:				
Nonspendable:				
Prepaid items	6,875			
Restricted for debt service	79,946			
Commited for:				
Library reserve	969,783			
Library materials	293,221			
Assigned for:				
Capital projects	9,512,782			
Library materials	489,380			
Unassigned fund balance	\$ 5,291,720			

As of the end of fiscal year 2011, the Library District's governmental funds reported combined ending fund balances of \$16,643,707 an increase of \$764,306 from the prior year. Of the approximately \$16.6 million total fund balance, unassigned fund balance is \$5,291,720 and is available for spending at the Library District's discretion.

Major Funds

The General Fund, the Capital Projects Fund and Debt Service Fund G.O. Refunding Series 2001 are reported as major funds.

The General Fund is the chief operating fund of the Library District. The total fund balance at September 30, 2011 is \$6,570,369. For the fiscal year, the General Fund had a net increase in fund balance of \$452,589; of this amount, \$261,639 was due to the increase of ad valorem tax millage which increased from 1.2856 to 1.3638 for FY2011. Though the General Fund was still able to transfer \$1.27 million to the Capital Projects fund, this was reduced from a \$2 million transfer in fiscal year 2009 and a \$4.5 million transfer in fiscal year 2008. As a measure of the General Fund's liquidity, it is useful to compare total fund balance to total fund revenues. For fiscal year 2011 the ending fund balance represents a very healthy 40.2% of total General Fund operating revenue. The District plans to transfer an additional \$1.27 million to the Capital Projects Fund in FY 2012.

The Capital Projects fund has a total fund balance of \$8,241,008, all of which is assigned for future expansion and renovations. The net increase in fund balance during the fiscal year in Capital Projects was \$388,782, most of which was due to expenditures for the year being less than the transfer from the General Fund of \$1,271,774.

The Debt Service Fund GO Refunding Series 2001 became major this year due to the activity involved in the advance refunding of the bond. See Note 6.B. on page 46 for details of the refunding.

General Fund Budgetary Highlights

There were no changes to the General Fund's original budget (see schedule on page 49). Overall actual revenues varied from final budgeted revenues positively by \$343,897, while actual expenditures were less than final budgeted expenditures by \$2,149,307 (positive variance). The net difference of actual results compared to final budget was a positive difference of \$2,493,204. By law, property taxes are budgeted at 5% less than the Property Appraisers assessed value and actual collections include amounts from prior years for delinquent taxes resulting in more property tax revenue being collected than originally budgeted. As discussed previously, actual expenditures were \$2.15 million less than budgeted primarily due to tighter spending controls that were put in place by management.

Capital Asset and Debt Administration

Capital Assets

The Library District's investment in capital assets as of September 30, 2011 totals \$14,731,523 (net of accumulated depreciation) and includes land, artwork, buildings and improvements, and equipment and software. The Library District experienced an overall decrease in investment in capital assets over the prior fiscal year of approximately 2.2% due to depreciation of the assets.

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

(net of depreciation)				
	Governmental Activities			
	<u>2010</u>	<u>2011</u>		
Land	\$ 1,221,881	\$ 1,221,881		
Construction in progress	-	132,569		
Buildings and improvements	13,021,953	12,603,869		
Equipment and software	818,343	773,204		
Total	\$ 15,062,177	\$ 14,731,523		

Capital Assets (net of depreciation)

Long-term Debt

At the end of fiscal year 2011, the Library District had total debt outstanding of \$5,960,000.

Outstanding Debt				
		<u>2010</u>	<u>2011</u>	
General Obligation Debt	\$	7,010,000	\$ 5,960,000	

During fiscal year 2011, the Library District's outstanding debt decreased by \$1,050,000, due to the advance refunding of the 2001 G.O. Bond. Additional information on the Library District's debt can be found in Note 6 starting on page 44 of this report.

Economic Factors and Next Year's Budgets and Rates

- The taxable value of residential property decreased by 7.12% and commercial property decreased by 1.38% for fiscal year 2012.
- Population essentially stayed the same as the prior year with an estimated 247,337 at September 30, 2011.

During the current fiscal year, the net change in fund balance for the General Fund was an increase of \$452,589 for a total ending fund balance of \$6,570,369. The ad valorem tax rate for the General Fund for the 2012 fiscal year budget is 1.3638 mills, no change from the prior year rate.

Requests for Information

This financial report is designed to present users with a general overview of the Library District's finances. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Alachua County Clerk of Court, Finance and Accounting, 201 East University Avenue, Gainesville, Florida 32601. Additional financial information can be found on the Library District's web site http://www.aclib.us.



BASIC FINANCIAL STATEMENTS





ALACHUA COUNTY LIBRARY DISTRICT STATEMENT OF NET ASSETS SEPTEMBER 30, 2011

Assets	Primary Government	Component Unit		
Current assets:				
Equity in pooled cash and investments	\$ 16,164,371	\$ -		
Other cash and investments	1,277,355	801,647		
Accounts receivable, net	41,093	-		
Due from other governments	131,058	-		
Prepaid items	6,875			
Total current assets	17,620,752	801,647		
Noncurrent assets:				
Unamortized bond issue costs	37,333	-		
Capital assets:				
Land	1,221,881	-		
Construction in progress	132,569	-		
Buildings	20,154,926	-		
Equipment	2,679,926	-		
Software	220,232	-		
Other improvements	628,163	-		
Less accumulated depreciation	(10,306,174)	-		
Total noncurrent assets	14,768,856			
Total assets	32,389,608	801,647		
Liabilities				
Current liabilities:				
Accounts payable	\$ 974,601	\$ -		
Accrued interest payable	51,185	-		
Due to other governments	2,444	-		
Notes payable	932,000	-		
Accrued compensated absences due within one year	483,634			
Total current liabilities	2,443,864			
Noncurrent liabilities:				
Accrued compensated absences	322,422	-		
Notes payable	5,251,012			
Total noncurrent liabilities	5,573,434	-		
Total liabilities	8,017,298			
Net assets				
Invested in capital assets, net of related debt	8,548,511	-		
Restricted for:				
Debt service	79,946	-		
Unrestricted	15,743,853	801,647		
Total net assets	\$ 24,372,310	\$ 801,647		

ALACHUA COUNTY LIBRARY DISTRICT STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Primary Government	Component Unit
Program expense		
Culture and recreation - Library Services	\$ 16,599,177	\$ 50,139
Interest	127,808	
Total program expense	16,726,985	50,139
Program revenues		
Culture and recreation:		
Charges for services	112,897	-
Operating grants and contributions	333,684	57,487
Total program revenues	446,581	57,487
Net program revenue (expense)	(16,280,404)	7,348
General revenues		
Property taxes	17,324,052	-
Investment earnings	196,368	(3,291)
Miscellaneous	142,903	
Total general revenues	17,663,323	(3,291)
Increase in net assets	1,382,919	4,057
Net assets, beginning	22,989,391	797,590
Net assets, ending	\$ 24,372,310	\$ 801,647

ALACHUA COUNTY LIBRARY DISTRICT BALANCE SHEET - GOVERNMENTAL FUNDS SEPTEMBER 30, 2011

	General	GO Re	Service efunding es 2001	Capital Projects	Go	Other vernmental Funds	Go	Total vernmental Funds
Assets								
Equity in pooled cash and investments	\$ 7,218,650	\$	-	\$ 8,385,172	\$	560,549	\$	16,164,371
Other cash and investments	15,080		-	-		1,262,275		1,277,355
Accounts receivable	23,010		-	17,930		153		41,093
Due from other governments	121,690		-	-		9,368		131,058
Prepaid items	6,875		-	-		-		6,875
Total assets	\$ 7,385,305	\$	-	\$ 8,403,102	\$	1,832,345	\$	17,620,752
Liabilities and fund balances								
Liabilities								
Accounts payable	\$ 812,507	\$	-	\$ 162,094	\$	-	\$	974,601
Due to other governments	2,429		-	-		15		2,444
Total liabilities	814,936		-	 162,094		15		977,045
Fund balances								
Nonspendable:								
Prepaid items	6,875		-	-		-		6,875
Restricted for:								
Debt service	-		-	-		79,946		79,946
Committed for:								
Library reserve	-		-	-		969,783		969,783
Library materials	-		-	-		293,221		293,221
Assigned for:								
Capital projects	1,271,774		-	8,241,008		-		9,512,782
Library materials	-		-	-		489,380		489,380
Unassigned	5,291,720		-	-		-		5,291,720
Total fund balances	6,570,369		-	 8,241,008		1,832,330		16,643,707
Total liabilities and fund balances	\$ 7,385,305	\$	-	\$ 8,403,102	\$	1,832,345	\$	17,620,752

Alachua County Library District Reconciliation of the Balance Sheet to the Statement of Net Assets Governmental Funds September 30, 2011

Fund Balances – total governmental funds	\$16,643,707
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	14,731,523
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in funds. (Bonds Payable and Compensated Absences)	(6,989,068)
Total unamortized bond issuance costs not reported in funds.	37,333
Accrued long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.	(51,185)
Net assets of governmental activities	\$24,372,310

ALACHUA COUNTY LIBRARY DISTRICT STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2011

		General		General		General		(Debt Service GO Refunding Series 2001		Capital Projects		Other Governmental Funds		Total Governmental Funds	
Revenues																	
Property taxes	\$	16,033,124	\$	1,218,527	\$	2	\$	72,399	\$	17,324,052							
Intergovernmental		4,804		-		-		328,880		333,684							
Charges for services		112,897		-		-		-		112,897							
Rents and royalties		44,647		-		-		-		44,647							
Investment income		75,790		4,734		47,064		68,780		196,368							
Private donations		-		-		-		48,552		48,552							
Miscellaneous		47,437		-		198		-		47,635							
Total revenues		16,318,699		1,223,261		47,264		518,611		18,107,835							
Expenditures																	
Current: Culture and recreation																	
Personal services		10,380,324		-		-		-		10,380,324							
Operating expenditures		4,214,012		37,063		-		362,637		4,613,712							
Capital outlay		-		-		932,325		-		932,325							
Debt service																	
Principal		-		870,000		-		-		870,000							
Interest & other charges		-		509,237		-		40,000		549,237							
Total expenditures		14,594,336		1,416,300		932,325		402,637		17,345,598							
Excess (deficiency) of revenues over																	
(under) expenditures		1,724,363		(193,039)		(885,061)		115,974		762,237							
Other financing sources (uses)																	
Transfers in		-		-		1,271,774		77,075		1,348,849							
Transfers out		(1,271,774)		(52,075)		-		(25,000)		(1,348,849)							
Issuance of refunding note		-		5,960,000		-		-		5,960,000							
Refund of long term debt		-		(5,960,000)		-		-		(5,960,000)							
Sale of capital assets		-		-		2,069		-		2,069							
Total other financing sources (uses)		(1,271,774)		(52,075)		1,273,843		52,075		2,069							
Net change in fund balances		452,589		(245,114)		388,782		168,049		764,306							
Fund balances - beginning		6,117,780		245,114		7,852,226		1,664,281		15,879,401							
Fund balances - ending	\$	6,570,369	\$		\$	8,241,008	\$	1,832,330	\$	16,643,707							

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, 2011

Net change in fund balances – total governmental funds	\$764,306
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 (\$796,774) exceeded capital outlay \$467,380 in the	(222,220,4)
current period.	(329,394)
Governmental funds report sale of capital assets as financial resources; the loss on disposal of assets are not reflected in the fund statement.	(1,260)
Repayments of bond principal (\$870,000 less \$2,667 deferred charges plus amortization of deferred amount on refunding \$15,930) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	883,263
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds (compensated absences \$7,444 plus accrued interest expense \$58,560).	66,004
plus acciucu interest expense \$30,300).	00,004
Changes in net assets of governmental activities	\$1,382,919

ALACHUA COUNTY LIBRARY DISTRICT STATEMENT OF FIDUCIARY NET ASSETS SEPTEMBER 30, 2011

		mployee sion Fund
Assets		
Cash & Investments, at fair value:		
Goldman Sachs Money Market Fund Treasury Only	\$	588,978
Vanguard Total Stock Market Index Mutual Fund		7,288,921
Vanguard Inflation Protected Mutual Fund		812,980
Manning & Napier Overseas International Equity MF		1,301,443
Fixed Income Securities:		
U.S. Government obligations		845,260
Mortgage Backed Securities		1,721,945
Corporate bonds		2,773,989
Total cash & investments, at fair value	1	5,333,516
Investment adjustments:		
Receivable for pension investments		47,278
Total assets	1	5,380,794
Total liabilities		4,141
Net assets		
Held in trust for pension benefits	\$ 1	5,376,653

ALACHUA COUNTY LIBRARY DISTRICT STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUND - PENSION TRUST FUND FOR THE YEAR ENDED SEPTEMBER 30, 2011

Additions

Contributions:	
Employer	\$ 1,112,609
Members	157,317
Total contributions	 1,269,926
Investment earnings:	
Net appreciation (depreciation) in fair value of investments	(204,505)
Dividends	194,643
Interest Income	 144,212
Total investment income	134,350
Less investment expense	 (53,000)
Net investment income	81,350
Total additions	 1,351,276
Deductions	
Benefit payments	(547,743)
Refunds of nonvested contributions	(3,710)
Administrative expenses	 (28,000)
Total deductions	 (579,453)
Net increase	771,823
Net assets held in trust for pension benefits - beginning	 14,604,830
Net assets held in trust for pension benefits - ending	\$ 15,376,653



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Note 1 - <u>Summary of Significant Accounting Policies</u>

A. Reporting Entity

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

The Alachua County Library District was established, effective April 1, 1986, by Chapter 85-376 Laws of Florida (the Act) and currently operates under the authority of Chapter 98-502, Laws of Florida as amended by Chapter 2003-375 which changed the composition of the Board of Governors to six members: three members of the Board of County Commissioners of Alachua County, Florida, two members of the Gainesville City Commission and one member of the Alachua County School Board.

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

Discretely Presented Component Unit - Alachua County Library District Foundation

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Alachua County Library District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities of the Alachua County Library District are considered to be governmental activities.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Property taxes are the major revenue source that is susceptible to accrual. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, however, as well as expenditures related to compensated absences, are recorded only when payment is due. Property taxes and all other revenue items are considered to be measurable and available only when cash is received within 30 days of the end the current fiscal period by the Alachua County Library District.

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

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

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

• General Obligation (GO) Refunding Bond Series 2001 (722) – Accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the 2001 Series Refunding Bond. This bond was refunded in fiscal year 2011 – see Note 6.B. for additional information.

Additionally, the government reports the following fiduciary fund:

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

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

D. Budgets and Budgetary Accounting

The Library District has elected to report budgetary information as required supplementary information (RSI). Please refer to the accompanying notes to the RSI on page 50 for the District's budgetary information.

E. Assets, Liabilities and Net Assets

• Encumbrances

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

• Investments

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

• Restricted Net Assets

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

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by Library District policy to include items of a nonconsumable nature with a value of at least \$1,000 and a life of one year or more. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of

donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Assets	Years
Buildings	50
Building Improvements	10-15
Vehicles	5
Equipment & Software	2-15

Accrued Compensated Absences

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

• Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

• Classifications of Fund Balances

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

F. Risk Management

The Library District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors or omissions; injuries to employees and the public, or damage to property of others. The Alachua County Library District has established a risk management program through the purchase of insurance to cover potential losses related to such risks for 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 - <u>Property Taxes</u>

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, 2011, are as follows:

Millages Allocated to:	Allowable Millage	Millage Levied
General Operations	1.5 Mills	1.3638 Mills
Voted Debt	Unlimited*	.1098 Mills

* Determined based upon amount of debt issued.

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

Note 3 - Cash and Investments

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

Deposits and investments as of September 30, 2011 are classified in the accompanying financial statements as follows:

Statement of Net Assets							
Primary Government (including Brady Trust Fund)							
Equity in pooled cash and investments	\$	16,164,371					
Other cash and investments		1,277,355					
Component Unit							
Other cash and investments		801,647					
Statement of fiduciary assets:							
Investments:							
Goldman Sachs MMMF		588,978					
Mutual Fund Equities		7,288,921					
Mutual Fund International Equities		1,301,443					
Mutual Fund TIPS Inflation Protected		812,980					
Fixed Income Securities		5,341,194					
Total cash and investments	\$	33,576,889					
Deposits and investments as of September 30, 2011 consist of the following:							

Library Operating Surplus Governmental Funds	
Deposits with financial institutions	\$ 2,280,645
Investments	13,898,077
Component Unit	
Deposits with financial institutions	190,360
Investments	611,287
Pension Fund	
Investments	15,333,516
Brady Trust Fund (Wells Fargo Advisors)	
Deposits with financial institutions	28,184
Investments	 1,234,820
Total cash and investments	\$ 33,576,889

A. Cash Deposits

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

B. Investments

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

Operating Funds Investment Policy

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

- The State Board of Administration's Florida Local Government Investment Pool (Florida PRIME and SBA Fund B)
- Negotiable direct obligations, or obligations which are unconditionally guaranteed by the United States Government
- Interest-bearing time deposits or savings accounts in certain financial institutions provided that any such deposits are secured by collateral as may be prescribed by law

• Obligations of the Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, or Federal Home Loan Bank or its district banks, including Federal Home Loan Mortgage Corporation participation certificates, or obligations guaranteed by the Government National Mortgage Association.

• Securities of or other interests in, any registered open-end or closed-end management type investment company or investment trust provided the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

Investment Holdings Operating Funds

As of September 30, 2011, the Alachua County Library District had the following investments in its internal investment pool:

Investments	Duration (Years)]	Fair Value
Fidelelity Treasury Money Market fund	0.001	\$	29,858
PFM Funds - Government Series	0.001		1,163,664
Florida Prime (2a7-like)	0.001		2,474,372
SBA Fund B	4.82		228,880
Florida Trust Day to Day Fund	0.001		2,501,490
US Treasuries (PFM)	0.42		2,090,598
FHLB Bond (PFM)	0.38		4,040,341
FFCB Bond (PFM)	0.55		1,368,874
Total holdings in Investment Pool		\$	13,898,077

Brief Description of each Investment Type in Internal Investment Pool

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

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

State Board of Administration's Local Government Investment Pool (Florida Prime Fund and SBA Fund B - The State of Florida's Local Government Investment Pools are administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pools. These rules provide guidance and establish the general operating procedures for the administration of the pools. The SBA provides regulatory oversight

for the Florida PRIME Fund and the SBA Fund B. As a pool participant, the Library District owns a share of the respective pools, not the underlying securities.

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

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

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

Florida Trust Day to Day Fund – A money market product created in January 2009 as part of the Florida Local Government Investment Trust developed through the joint efforts of the Florida Association of Court Clerks and Comptrollers and the Florida Association of Counties. The fund is AAAm rated by Standard and Poor's and is governed by the Florida Local Government Investment Trust Board and Advisory committee. The Fund seeks to preserve and maintain a stable net asset value of \$1.00 per share. The Fund maintains a weighted average maturity of 50 days or less. Additional information on the Florida Trust Day to Day Fund may be obtained from the Florida Local Government Trust (www.floridatrustonline.com).

Federal Agency Securities (FHLB, FFCB) - The Library District contracts with PFM Asset Management LLC, Independent Investment Advisor, to manage a portion of the operating portfolio. PFM is authorized to invest in US Treasury and Federal Agency securities and notes on behalf of the District. At year end, PFM directly managed \$7,499,813 (fair market value) which was invested in Federal Agency securities.

Description of Component Unit Investment Holdings

The Alachua County Library District Foundation may invest in stocks, bonds, or other appropriate investments as governed by action of the Foundation Board of Trustees. The following is a breakdown of the Foundation's investments at September 30, 2011:

US Treasuries	\$ 49,059
Federal Agencies	65,196
Equities	392,353
Mutual Funds	104,679
Total Foundation investments	\$ 611,287

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, 2011, 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		\$ 588,978
Vanguard Total Stock Market Index Mutual Fund		7,288,921
Vanguard Inflation Protected Mutual Fund		812,980
Manning & Napier Overseas International Equity MF		1,301,443
Fixed Income Securities:		
U. S. Government obligations	845,260	
Mortgage Backed Securities	1,721,945	
Corporate bonds	2,773,989	
Subtotal Fixed Income Securities		5,341,194
Total Pension Fund investments	-	\$15,333,516

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 (\$969,783) 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 at September 30, 2011:

Money Market	\$ 29,896
Corporate stocks	1,097,969
Corporate bonds	106,955
Total Brady Trust investments	\$ 1,234,820

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

The District's operating investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2011, 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.

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

The District's operating investment policy requires execution of a third-party custodial safekeeping agreement for all purchased securities, and requires that securities be held in the Library District's name. As of September 30, 2011, 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.

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

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's operating investment policies have a provision that the investment (excluding 2a7- like pools) be rated by a nationally recognized rating agency at the time of purchase in either of its two highest rating categories (within which there

may be sub-categories or gradations indicating relative standing). This policy only applies to the District's operating investments.

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

Investments	Rating (S&P)		Fair Value
Fidelelity Treasury Money Market fund	AAAm	\$	29,858
PFM Funds - Government Series	AAAm		1,163,664
Florida Prime (2a7-like)	AAAm		2,474,372
SBA Fund B	Unrated		228,880
Florida Trust Day to Day Fund	AAA		2,501,490
US Treasuries (PFM)	AA+		2,090,598
FHLB Bond (PFM)	AA+		4,040,341
FFCB Bond (PFM)	AA+	1,368,874	
Total holdings in Investment Pool		\$	13,898,077

Credit Risk – Internal Investment Pool (Operating Investments):

Credit Risk-Component Unit:

At September 30, 2011, the Foundation had investments in US Treasuries totaling \$49,059, Federal Agencies with a AA+ rating totaling \$65,196, unrated closed-end Mutual Funds totaling \$104,679 and Equities totaling \$392,353.

<u>Credit Risk-Pension Trust Fund</u>: 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	\$	588,978
Vanguard Total Stock Market MF	Exempt from disclosure		7,288,921
Vanguard Inflation Protected MF	Unrated		812,980
Manning & Napier Internation Equit	iesExempt from disclosure		1,301,443
U. S. Government Obligations	Aaa		845,260
Mortgage backed securities	Unrated		1,721,945
Corporate Bonds	Aaa, Aaa1, Aaa2, Aaa3		230,601
Corporate Bonds	Aa, Aa1, Aa2, Aa3		743,182
Corporate Bonds	A, A1, A2, A3		1,697,946
Corporate Bonds	Baa, Baa1, Baa2, Baa3		102,260
Total holdings in Pension Tru	ıst	\$	15,333,516

<u>Credit Risk-Brady Trust:</u> The ratings of the Brady Trust's investments in mutual funds and debt securities totaling \$106,955, is summarized below:

Rating (Moody's)	Amount		
A1	\$	27,236	
A2		79,719	
Total	\$	106,955	

<u>Interest Rate Risk - Investments</u> Section 218.415(6), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District has a formal investment policy for operating surplus funds that limits investment maturities to two years as a means of managing its exposure to fair value losses from increasing interest rates. Below is a detailed investment schedule organized by debt type, amount, and segmented time distribution. Overnight investment vehicles such as Money Market Funds & 2a7 Pools have been excluded from the table.

		3 months -		
Type Investment	Fair Value	1 year	1 - 5 Year	>5 year
Library Operating Funds				
US Treasuries	\$ 2,090,598	\$ 942,042	\$ 1,148,556	\$ -
Federal Agency Notes	5,409,215	2,018,361	3,390,854	-
Component Unit				
US Treasuries	49,059	19,836	29,223	-
Federal Agencies	65,196	-	65,196	-
Pension Trust				
US Govt Obligations	845,260	444,650	400,610	-
Mortgage Backed Sec	1,721,945	-	-	1,721,945
Corporate Bonds	2,773,989	460,365	1,207,268	1,106,356
Brady Trust Fund				-
Corporate Bonds	106,955	25,598	52,422	28,935
Total debt investments	\$ 13,062,217	\$ 3,910,852	\$ 6,294,129	\$ 2,857,236

<u>Concentration of Credit Risk</u> - The District's adopted investment policy requires that assets held be diversified to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these instruments are bought or sold. The District places no limit on the amount the District may invest in any one issuer. Diversification strategies within the established guidelines are reviewed and revised periodically as necessary by the appropriate management staff. More than 5 percent of the District's internal investment pool is invested in U. S. Treasuries (27.88%), FHLB Pool (53.87%) and FFCB Pool (18.25%).

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital not being depreciated:				
Land	\$ 1,221,881	\$ -	\$ - 5	\$ 1,221,881
Construction in progress	-	132,569	-	132,569
Total not being depreciated	1,221,881	132,569	-	1,354,450
Capital Assets being depreciated:				
Buildings	20,068,666	86,260	-	20,154,926
Equipment	2,467,142	248,551	(35,767)	2,679,926
Software-Internally Developed	31,828	-	-	31,828
Software	188,404	-	-	188,404
Improvements other than building	628,163	-	-	628,163
Total being depreciated	23,384,203	334,811	(35,767)	23,683,247
Less accumulated depreciation for:				
Buildings	(7,310,686)	(480,557)	-	(7,791,243)
Equipment	(1,705,193)	(267,327)	34,507	(1,938,013)
Software-Internally Developed	(4,420)	(10,610)	-	(15,030)
Software	(159,418)	(14,493)	-	(173,911)
Improvements other than building	(364,190)	(23,787)	-	(387,977)
Total accumulated depreciation	(9,543,907)	(796,774)	34,507	(10,306,174)
Total being depreciated, net	13,840,296	(461,963)	(1,260)	13,377,073
Governmental activities capital assets, net	\$ 15,062,177	\$ (329,394)	\$ (1,260) \$	\$ 14,731,523

Depreciation expense for the year ended September 30, 2011 was \$796,774, all recorded in the Culture & Recreation Program.

Note 5 - Employee Benefits

The Library District Pension Board of Trustees amended the Library District Pension Plan on November 6, 2007 to allow each Library employee hired prior to January 1, 2008 a one-time irrevocable election to either freeze their accrued pension benefit under the pension plan effective

December 31, 2007 and join the Florida Retirement System (FRS) Plan, or remain in the Pension Plan as constituted on the date of election. There were 62 employees who elected to freeze their accrued pension benefit and join the FRS on January 1, 2008. All employees hired after January 1, 2008 will only be allowed to participate in the FRS Plan.

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

• Pension Plan

A. Plan Description

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

At October 1, 2010, the plan membership consisted of:

Inactive transfers to FRS	50
Retirees and beneficiaries currently receiving benefits	37
Vested terminated employees	51
Active employees	108
Total	246

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

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

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

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

B. Summary of Significant Accounting Policies

• Basis of Accounting

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

• Method Used to Value Investments

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

• Payment of Refunds and Benefits

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

• Administrative Expenses

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

C. Funding Policy

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

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

The total (employer and employee) required contribution rate expressed as a percentage of current year payroll is 32.29%. This contribution rate was determined as part of the October 1, 2010, actuarial valuation. Covered employees were required to contribute 4% of their salary to their pension plan. The Library District is required to contribute the difference, which is 28.29% of covered payroll. The total 32.29% contribution rate expressed as a percentage of payroll consisted of 16.88% for normal costs, 14.21% for amortization of the unfunded actuarial liability over a 30 year period using level percent of payroll, and 1.20% for interest on amounts from actuarial valuation date to expected payment dates.

D. Investment Concentrations

As of September 30, 2011, the Pension Trust fund portfolio consisted of three accounts held in Regions Keegan Morgan Trust at Regions Bank. Approximately 3% is invested in a money market account in Regions Bank, 61% in mutual fund account, and 36% in a fixed income account managed by Sawgrass Asset Management, LLC. Regions, as Trustee, or its successor performs custodial and record keeping services for all three accounts in the Pension Trust fund.

E. Determination of Net Pension Obligation (Asset)

The Library District makes employer contributions as a percentage of actual current covered payroll. Thus, as long as the percentage contributed equals the percentage required by the most recent actuarial valuation, the dollar amount of the annual required contribution (ARC) is equal to the actual dollar amount of employer contributions. The Library District made contributions at the actuarial determined rate of 28.29% of current covered payroll for the period ending September 30, 2011. Therefore, annual pension cost is equal to the ARC and the District does not have a net pension obligation.

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

Annual required contribution (28.29% of covered payroll)	\$ 1,112,609
Actual contributions made	 (1,112,609)
Net pension obligation (asset) end of year	\$ -

Three-Year Trend Information

Fiscal Year	Annual Pension Cost	Percentage of APC	Net Pension	
Ending	(APC)	Contributed	Obligation (Asset)	
9/30/2011	\$ 1,112,609	100%	\$0	
9/30/2010	1,073,023	100%	0	
9/30/2009	1,093,517	100%	0	

F. Actuarial Assumptions

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

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

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

G. Funded Status and Funding Progress

As of the most recent valuation date, October 1, 2010, the actuarial value of assets was \$15,600,453, the actuarial accrued liability-entry age was \$21,910,656, and the unfunded accrued liability was \$6,310,203 with a funding ratio of 71%. The total payroll at the valuation date was \$4,044,568 and the unfunded accrued liability of covered payroll was 156.0%.

The schedule of funding progress immediately following the notes to the financial statements (page 51) presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

• Florida Retirement System – Defined Benefit and Defined Contribution Pension Plan

A. Plan Description

The Library District contributes to the Florida Retirement System (FRS), a cost-sharing multipleemployer public retirement pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The FRS offers members both a defined benefit plan (Pension Plan) and/or a defined contribution plan (Investment Plan) to provide retirement, disability, or death benefits for retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues financial statements and required supplementary information for the FRS. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000, or by calling (850) 488-5540.

B. Funded Status

The FRS Annual Report July 1, 2009 – June 30, 2010 available as mentioned above, stated that the FRS pension plan was 86.59% funded at July 1, 2010 since the actuarial value of assets was \$120.93 billion compared to the actuarial accrued liability of \$139.65 billion.

C. Funding Policy

The FRS, beginning July 1, 2011 is funded partially by a contribution of 3% from employees and governmental employers are required to contribute the balance at an actuarially statewide determined rate. The rates for the management portion of the contribution as of September 30, 2011 are as follows: regular employees – 4.91%, senior management service – 6.27%; deferred retirement option (DROP) – 4.42%.

The contribution requirements of plan members and the Library are established and may be amended by the Florida Legislature. The Library's contributions to the FRS for the years ending September 30, 2011, 2010 and 2009 were \$291,520, \$284,993 and \$257,467, respectively, and were equal to the required contributions for each year. Contributions to FRS made by employees for the year ending September 30, 2011 were \$22,768 (for three months only since the change in policy took effect July 1, 2011).

• 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 - <u>Long-Term Obligations</u>

A. Limited General Obligation Notes

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

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

Notes Outstanding – At September 30, 2011, General Obligation Note consisted of the following:

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

\$5,690,000 Alachua County Library District General Obligation Bank Note, Series 2011, due in						
semi-annual installments of \$466,000 to \$520,000 through 2017, interest is 1.870%						
Revenue Source - Property Tax Levy.	Revenue Source - Property Tax Levy.					
Net carrying amount General Obligation Note	\$	5,960,000				
Accrued compensated absences		806,056				
TOTAL LONG-TERM OBLIGATIONS	\$	6,766,056				

Long-Term liability activity for the year ended September 30, 2011, was as follows:

	Ending	Due Within			
	Balance	Increases	(Decreases)	Balance	One Year
General Obligation Bonds	\$ 7,010,000	\$ -	\$(7,010,000)	\$ -	\$ -
General Obligation Bank Note	-	5,960,000	-	5,960,000	932,000
Unamortized premium	75,814	-	(75,814)	-	-
Gain on refunding	-	238,942	(15,930)	223,012	-
Compensated absences	813,500	476,190	(483,634)	806,056	483,634
Total Long-term Obligations	\$ 7,899,314	\$6,675,132	\$(7,585,378)	\$6,989,068	\$1,415,634

Compensated absences are generally liquidated by the general fund.

Fiscal Year	Principal]	Interest		Total		
2012	\$	932,000	\$	128,147		\$	1,060,147	
2013		965,000		89,517			1,054,517	
2014		991,000		71,340			1,062,340	
2015		1,009,000		52,725			1,061,725	
2016		1,023,000		33,800			1,056,800	
2017		1,040,000		14,586			1,054,586	
	\$	5,960,000	\$	390,115	_	\$	6,350,115	

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

B. Advance Refunding of Long-Term Debt

On May 23, 2011, the Library District issued \$5,960,000 in GO Refunding Note Payable with an average interest rate of 1.87% to advance refund \$6,140,000 of outstanding 2001 Series GO Refunding Bonds with an average interest rate of 4.724%. The net proceeds of \$5,960,000 plus an additional \$322,869 of 2001 sinking fund monies were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable money market account with an escrow agent to provide for all future debt service payments on the 2001 Series Bonds. As a result, the 2001 Series Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in the recognition of an accounting gain of \$238,942 for the year ended September 30, 2011; the Library District in effect reduced its aggregate debt service payments by \$622,417 over the next six years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$543,091.

Note 7 - Interfund Transfers

Interfund transfers for the year ended September 30, 2011, were as follows:

Transfer Out		Amount	Transfer In	Purpose			
General Fund		1,271,774	Capital projects fund	Fund capital projects			
Other Governmental funds							
Brady Trust fund		25,000	Other Governmental funds - Budgeted spendable				
			Gifts & Donations	trust funds			
Debt Service-2001 GO Bond		52,075	Debt Service-2011 GO	Unspent fund balance			
			Refunding Bank Note				
Subtotal Other Governmental funds		77,075					
Total interfund transfers	\$	1,348,849					

Note 8 – Commitments and Contingencies

Non-capitalized leases – Rental costs for the year ended September 30, 2011, under cancelable leases are summarized as follows:

Fund Charged	 Amount			
General Fund	\$ 107,954			
Capital Projects	 6,298			
	\$ 114,252			

Note 9 – <u>Related Party Transactions</u>

The Library District has an interlocal agreement with Alachua County Board of County Commissioners. The Library District paid Alachua County Board of County Commissioners \$409,088 for services in fiscal year 2011. 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 - <u>Governmental Fund Balances</u>

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

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

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

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

Committed fund balances are fund balances constrained for specific purposes imposed by the Library District Governing Board when formal action is taken by resolution.

Assigned fund balances are fund balances intended to be used for specific purposes, but are neither restricted nor committed.

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

The fund balance categories of the governmental funds are shown on the face of the Balance Sheet – Governmental Funds in the fund financial statements. The Library District uses restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts prohibiting this. In addition, the Library District uses committed prior to assigned fund balances and assigned fund balances prior to unassigned fund balances.

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

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.

REQUIRED SUPPLEMENTARY INFORMATION



ALACHUA COUNTY LIBRARY DISTRICT SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2011

	General Fund										
		D 1 <i>(</i> 1		_				riance with nal Budget			
		Budgeted	Amo			Actual	Positive				
D		Original		Final		Amounts	(Negative)				
Revenues Deserver to see	\$	15,669,802	\$	15 660 902	\$	16 022 124	\$	262 222			
Property taxes	Э	15,009,802	Ф	15,669,802	Ф	16,033,124	Э	363,322			
Intergovenmental Charges for services		-		-		4,804 112,897		4,804			
0		90,000		90,000				22,897			
Rents and royalties Investment income		- 100,000		-		44,647 75,700		44,647			
Miscellaneous		115,000		100,000 115,000		75,790 47,437		(24,210)			
Total revenues		15,974,802		15,974,802		16,318,699		(67,563) 343,897			
1 otal revenues		15,974,802		15,974,802		10,318,099		343,897			
Expenditures											
Current: Culture and recreation											
Personal services		10,845,965		10,845,965		10,380,324		465,641			
Operating expenditures		5,100,362		5,100,362		4,214,012		886,350			
Reserve for contingencies		797,316		797,316		-		797,316			
Total expenditures		16,743,643		16,743,643		14,594,336		2,149,307			
Excess of revenues over expenditures		(768,841)		(768,841)		1,724,363		2,493,204			
Other financing sources (uses)											
Transfers out		(1,271,774)		(1,271,774)		(1,271,774)		-			
Total other financing sources (uses)		(1,271,774)		(1,271,774)		(1,271,774)		-			
Net change in fund balance		(2,040,615)		(2,040,615)		452,589		2,493,204			
Fund balances - beginning		2,040,615		2,040,615		6,117,780		4,077,165			
Fund balances - ending	\$	-	\$	-	\$	6,570,369	\$	6,570,369			

ALACHUA COUNTY LIBRARY DISTRICT NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2011

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

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

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

ALACHUA COUNTY LIBRARY DISTRICT REQUIRED SUPPLEMENTAL INFORMATION PENSION PLAN SEPTEMBER 30, 2011

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

Actuarial Valuation Date		Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)-Entry Age (B)		Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Total Annual Payroll at Valuation Date (C)	UAAL as % of Covered Payroll (B-A)/C
10/1/2010		\$ 15,600,453	\$	21,910,656	\$ 6,310,203	71.2%	\$ 4,044,568	156.0%
10/1/2009		14,693,897		20,410,898	5,717,001	72.0%	4,034,478	141.7%
10/1/2008		13,754,942		18,965,576	5,210,634	72.5%	4,211,692	123.7%
10/1/2007		13,091,612		17,816,678	4,725,066	73.5%	5,820,894	81.2%
10/1/2006	*	10,597,250		15,815,888	5,218,638	67.0%	5,771,632	90.4%
10/1/2005	*	8,718,771		13,524,327	4,805,556	64.5%	5,653,774	85.0%

Schedule of Funding Progress

Schedule of Employer Contributions

Valuation Date	End of Plan Year to which Valuation Applies	F	Actual Covered Payroll for Current eriod (A/B)	l Ce	Required Employer ontribution mount (A)	yer Contribution ution % Payroll		Actual Employer ntributions	Percentage Contributed
10/1/2010	9/30/2011	\$	3,932,870	\$	1,112,609	28.29%	\$	1,112,609	100%
10/1/2009	9/30/2010		4,073,740		1,073,023	26.34%		1,073,023	100%
10/1/2008	9/30/2009		4,311,976		1,093,517	25.36%		1,093,517	100%
10/1/2007	9/30/2008		4,573,760		872,216	19.07%		872,216	100%
10/1/2006 *	9/30/2007		6,095,995		1,237,487	20.30%		1,237,487	100%
10/1/2005 *	9/30/2006		5,544,803		815,086	14.70%		815,086	100%

* Change in Actuarial assumption/methods

SUPPLEMENTAL INFORMATION





COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR FUNDS

SPECIAL REVENUE FUNDS

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

State Aid to Libraries Program Grant (710) – Provided by the Florida Legislature; the goal is to assist local government in maintaining and developing free professional library service for all Floridians as part of the educational infrastructure. The amounts awarded are proportional to the amount of local funds spent providing library service in the County.

Gifts and Donations (711) – To account for the receipt and use of bequests, donations and gifts as well as an annual transfer from the Brady Trust Fund.

Brady Trust Fund (712) – Accounts for the activities in the Myrna Venable Brady Trust, an unrestricted contribution received by the Library District in 1993. The Library District Governing Board committed the principal to remain intact and a determined amount be transferred annually to the Gifts and Donations Fund to be used for library materials.

DEBT SERVICE FUND

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

MAJOR FUNDS – BUDGETARY COMPARISON ONLY

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

DEBT SERVICE FUND

General Obligation Refunding Bond 2001 (722) - Accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the 2011 bond.

<u>CAPITAL PROJECT FUND</u> (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, 2011

	SPH	ECIAL	REVENUE						
	,	705		710 e Aid to		711			
	Prime Time Grant			s Program rant		Gifts & onations			
Assets									
Equity in pooled cash and investments	\$	-	\$	-	\$	489,380			
Other cash and investments		-		-		-			
Accounts receivable		-		-		-			
Due from other governments	<u> </u>	-	. <u></u>	-		-			
Total assets	\$	-	\$	-	\$	489,380			
Liabilities and fund balances									
Liabilities									
Due to other governments	\$	-	\$	-	\$	-			
Total liabilities		-		-		-			
Fund balances									
Restricted for:									
Debt service		-				-			
Committed for:									
Library reserve		-		-		-			
Library materials		-		-		-			
Assigned for:									
Library materials		-		-		489,380			
Total fund balances		-		-		489,380			
Total liabilities and fund									
balances	\$	-	\$	-	\$	489,380			

FUNDS 712	DEBT SERVICE 723	<u>T</u> otal Nonmajor
Brady Trust Fund	GO Refunding Bank Note 2011	Governmental Funds
\$ 729 1,262,275 - -		1,262,275 153 9,368
\$ 1,263,004	\$ 79,961	\$ 1,832,345
\$ -	<u>\$ 15</u> 15	
	13	15
-	79,946	79,946
969,783	-	969,783
293,221	-	293,221
-	-	489,380
1,263,004	79,946	1,832,330
\$ 1,263,004	\$ 79,961	\$ 1,832,345

ALACHUA COUNTY LIBRARY DISTRICT COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2011

	S	PECIAL	REVENUE						
		705	Sta	710 te Aid to		711			
	Pr	ime Time Grant		ies Program Grant		Gifts & onations			
Revenues									
Property taxes	\$	-	\$	-	\$	-			
Intergovernmental		-		328,880					
Investment income		-		-		-			
Private donations		2,000		-	1	46,552			
Total Revenues		2,000		328,880		46,552			
Expenditures									
Current: Culture and recreation									
Operating expenditures		2,000		328,880		26,647			
Debt service									
Interest & other charges		-		-		-			
Total expenditures		2,000		328,880		26,647			
Excess (deficiency) of revenues									
over (under) expenditures		-		-		19,905			
-									
Other financing sources (uses)									
Transfers in		-		-		25,000			
Transfers out		-		-	1	-			
Total other financing sources (uses)						25,000			
Net change in fund balances		-		-		44,905			
Fund balances - beginning						444,475			
Fund balances - ending	\$	-	\$	_	\$	489,380			

	FUNDS	DEBT	SERVICE						
	712		723	Total Nonmajor Governmental Funds					
Т	Brady rust Fund		Refunding Note 2011						
\$	-	\$	72,399	\$	72,399				
	-		-		328,880				
	68,198		582		68,780				
	-		-		48,552				
	68,198		72,981		518,611				
	-		5,110		362,637				
	-		40,000		40,000				
	-		45,110		402,637				
	<i>c</i> 0 100		07.071		115.074				
	68,198		27,871		115,974				
	-		52,075		77,075				
	(25,000)		-		(25,000)				
	(25,000)		52,075		52,075				
	43,198		79,946		168,049				
	1,219,806			1,664,28					
\$	1,263,004	\$	79,946	\$	1,832,330				

ALACHUA COUNTY LIBRARY DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2011

		SPECIAL Prime Time Grant											
				Prime Ti	ime Gran	t							
	Ori	Budgete	d Amount I	s		ctual nounts	Variance with Final Budget Positive (Negative)						
Revenues		8						0 /					
Intergovernmental	\$	-	\$	2,000	\$	-	\$	(2,000)					
Investment income		-		-		-		-					
Private donations		-		-		2,000		2,000					
Miscellaneous		-		-		-		-					
Total revenues		-		2,000		2,000		-					
Expenditures													
Current: Culture and recreation													
Personal services		-		-		-		-					
Operating expenditures		-		2,000		2,000		-					
Fotal expenditures		-		2,000		2,000		-					
Excess (deficiency) of revenues over (under) expenditures		-		-		-		-					
Other financing sources (uses)													
Transfers in		-		-		-		-					
Transfers out		-		-		-		-					
Total other financing sources (uses)		-	. <u> </u>	-		-		-					
Net change in fund balance		-		-		-		-					
Fund balances - beginning		-	<u></u>	-		-		-					
Fund balances - ending	\$	-	\$	-	\$	-	\$	-					

		REVEN	NUE				FUNDS							
 S	State A	id to Libra	ries Pı	rogram Grai						Gifts and l	Donati	ions		
Budgeted	l Amo			Actual	Variance with Final Budget Positive			Budgeted	Amou			Actual	Fin: I	iance with al Budget Positive
 Driginal		Final	A	mounts	(N	egative)	0	riginal		Final	A	mounts	(N	egative)
\$ 337,651	\$	337,651	\$	328,880	\$	(8,771)	\$	-	\$	-	\$	-	\$	-
-		-		-		-		-		-		-		-
-		-		-		-		20,000		20,000		46,552		26,552
 337,651		337,651		328,880		(8,771)	2	0,000.00		20,000		46,552		26,552
-		-		-		-		-		-		-		-
 337,651		337,651		328,880		8,771		160,000		160,000		26,647		133,353
 337,651		337,651		328,880		8,771		160,000		160,000		26,647		133,353
 						-		(140,000)		(140,000)		19,905		159,905
-		-		-		-		25,000		25,000		25,000		-
 -		-		-		-		-		-		-		-
 						-		25,000		25,000		25,000		-
-		-		-		-		(115,000)		(115,000)		44,905		159,905
 -		-		-		-		115,000		115,000		444,475		329,475
\$ 	\$		\$		\$	-	\$	_	\$		\$	489,380	\$	489,380

ALACHUA COUNTY LIBRARY DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2011

		SPECIAL REVENUE FUNDS										
		Brady T	rust Fund									
	Budgeted Original	Actual Amounts	Variance with Final Budget Positive (Negative)									
Revenues												
Intergovernmental	\$ -	\$ -	\$ -	\$ -								
Investment income	30,600	30,600	68,198	37,598								
Private donations	-	-	-	-								
Miscellaneous	-		-	-								
Total revenues	30,600	30,600	68,198	37,598								
Expenditures												
Current: Culture and recreation												
Personal services	-	-	-	-								
Operating expenditures	-	-	-	-								
Total expenditures	-	-	-	-								
Excess (deficiency) of revenues												
over (under) expenditures	30,600	30,600	68,198	37,598								
Other financing sources (uses)												
Transfers in	-	-	-	-								
Transfers out	(25,000)	(25,000)	(25,000)									
Total other financing sources (uses)	(25,000)	(25,000)	(25,000)	-								
Net change in fund balance	5,600	5,600	43,198	37,598								
Fund balances - beginning			1,219,806	1,219,806								
Fund balances - ending	\$ 5,600	\$ 5,600	\$ 1,263,004	\$ 1,257,404								

ALACHUA COUNTY LIBRARY DISTRICT DEBT SERVICE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2011

	GO REFUNDING BANK NOTE 2011 (723)									
		Budgete	d Amo			Actual	Fina F	iance with al Budget Positive		
-	01	riginal		Final		mounts	(Negative)			
Revenues	.		<i>•</i>	101 1 10	.		.	(20 - 70)		
Property taxes	\$	-	\$	101,149	\$	72,399	\$	(28,750)		
Investment income		-		-		582		582		
Total Revenues		-	·	101,149		72,981		(28,168)		
Expenditures										
Current: Culture and recreation										
Operating expenditures		-		32,873		5,110		27,763		
Debt service										
Interest & other charges		-		43,100		40,000		3,100		
Contingency reserve		-		25,000		-		25,000		
Total expenditures		-		100,973		45,110		55,863		
Excess of revenues										
over expenditures		-	·	176		27,871		27,695		
Other financing sources										
Transfers in		-		-		52,075		52,075		
Total other financing sources		-		-		52,075		52,075		
Net change in fund balance		-		176		79,946		79,770		
Fund balances - beginning		-		(176)		-		176		
Fund balances - ending	\$	_	\$	-	\$	79,946	\$	79,946		

ALACHUA COUNTY LIBRARY DISTRICT DEBT SERVICE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2011

	GO REFUNDING SERIES 2001 (722)									
		Amounts	Actual	Variance with Final Budget Positive						
Revenues	Original	Final	Amounts	(Negative)						
Property taxes	\$ 1,258,750	\$ 1,157,601	\$ 1,218,527	\$ 60,926.00						
Investment income	\$ 1,238,730 7,500	\$ 1,137,001 7,500	\$ 1,218,327 4,734	\$ 00,920.00 (2,766)						
Total Revenues			1,223,261							
10tal Revenues	1,266,250	1,165,101	1,223,201	58,160						
Expenditures										
Current: Culture and recreation										
Operating expenditures	72,000	41,556	37,063	4,493						
Debt service										
Principal	1,200,235	870,000	870,000	-						
Interest & other charges	-	514,010	509,237	4,773						
Contingency reserve	50,000									
Total expenditures	1,322,235	1,425,566	1,416,300	9,266						
Excess (deficiency) of revenues										
over (under) expenditures	(55,985)	(260,465)	(193,039)	67,426						
Other financing sources (uses)										
Transfers out	-	-	(52,075)	(52,075)						
Issuance of refunding note	-	5,960,000	5,960,000	-						
Refund of long term debt	-	(5,960,000)	(5,960,000)	-						
Total other financing sources (uses)	-		(52,075)	(52,075)						
Net change in fund balance	(55,985)	(260,465)	(245,114)	15,351						
Fund balances - beginning	55,985	260,465	245,114	(15,351)						
Fund balances - ending	\$ -	\$ -	\$ -	\$ -						

ALACHUA COUNTY LIBRARY DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2011

	CAPITAL PROJECTS FUND						
	Budgeted	l Amounts	Actual	Variance with Final Budget Positive			
	Original	Final	Amounts	(Negative)			
Revenues							
Property taxes	\$ -	\$ -	\$ 2	\$ 2			
Investment income	95,000	95,000	47,064	(47,936)			
Miscellaneous			198	198			
Total revenues	95,000	95,000	47,264	(47,736)			
Expenditures							
Current: Culture and recreation							
Capital outlay	1,465,200	1,465,200	932,325	532,875			
Total expenditures	1,465,200	1,465,200	932,325	532,875			
(Deficiency) of revenues (under)							
expenditures	(1,370,200)	(1,370,200)	(885,061)	485,139			
Other financing sources (uses)							
Transfers in	1,271,774	1,271,774	1,271,774	-			
Proceeds from sale of capital assets	-	-	2,069	2,069			
Total other financing sources (uses)	1,271,774	1,271,774	1,273,843	2,069			
Net change in fund balance	(98,426)	(98,426)	388,782	487,208			
Fund balances - beginning	98,426	98,426	7,852,226	7,753,800			
Fund balances - ending	\$ -	\$ -	\$ 8,241,008	\$ 8,241,008			



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, 2011

Assets	
Other cash and investments	\$ 801,647
Total assets	\$ 801,647
Liabilities and fund balances	
Total liabilities	\$ -
Fund balances Fund balances:	
Assigned	801,647
Total fund balances	801,647
Total liabilities and fund balance	\$ 801,647

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, 2011

Revenues	
Investment income (loss)	\$ (3,291)
Private donations	 57,487
Total Revenues	54,196
Expenditures Current: Culture and recreation	50,139
Total expenditures	 50,139
Excess of revenues over expenditures	4,057
Fund balances - beginning	 797,590
Fund balances - ending	\$ 801,647

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, 2011

	Library Foundation							
	0	Budgeted Amounts Actual Original Final Amounts			Fin	Variance with Final Budget Positive (Negative)		
Revenues		- 8						
Investment income (loss)	\$	-	\$	-	\$	(3,291)	\$	(3,291)
Private donations		22,200		22,200		57,487		35,287
Total revenues		22,200		22,200		54,196		31,996
Expenditures								
Current: Culture and recreation		22,200		22,200		50,139		(27,939)
Excess of revenues over expenditures		-		-		4,057		4,057
Fund balances - beginning						797,590		797,590
Fund balances - ending	\$	_	\$	_	\$	801,647	\$	801,647

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.

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Financial Trends 70 These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

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.

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.

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.

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

Schedule 1

ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

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

		FISCAL YEAR			
2006	2007	2008	2009	2010	2011
\$ 1,129,891 2,187,373 10,209,889	\$ 2,552,293 812,212 14,508,960	\$ 4,348,293 460,299 15,105,188	\$ 6,938,971 350,751 13,975,221	\$ 7,976,363 245,114 14,767,914	\$ 8,548,511 79,946 15,743,853
\$ 13,527,153	\$ 17,873,465	\$ 19,913,780	\$ 21,264,943	\$ 22,989,391	\$ 24,372,310

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

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

FISCAL YEAR							
2006	2007	2008	2009	2010	2011		
\$ 13,134,592	\$ 14,611,036	\$ 15,342,484	\$ 16,019,496	\$ 16,190,042	\$ 16,599,177		
503,236	473,662	510,066	397,068	356,902	127,808		
13,637,828	15,084,698	15,852,550	16,416,564	16,546,944	16,726,985		
13,637,828	15,084,698	15,852,550	16,416,564	16,546,944	16,726,985		
64,122	86,802	87,151	89,125	99,478	112,897		
598,485	555,346	483,170	476,947	505,800	333,684		
-	52,500	3,908	11,530	-	-		
662,607	694,648	574,229	577,602	605,278	446,581		
662,607	694,648	574,229	577,602	605,278	446,581		
(12,975,221)	(14,390,050)	(15,278,321)	(15,838,962)	(15,941,666)	(16,280,404)		
\$(12,975,221)	\$ (14,390,050)	\$ (15,278,321)	\$ (15,838,962)	\$ (15,941,666)	\$ (16,280,404)		
\$ 14,891,546	\$ 17,205,046	\$ 16,903,356	\$ 16,537,856	\$ 16,889,474	\$ 17,324,052		
854,561	1,271,583	240,091	151,654	415,432	196,368		
182,087	259,733	175,189	500,615	317,738	142,903		
15,928,194	18,736,362	17,318,636	17,190,125	17,622,644	17,663,323		
\$ 15,928,194	\$ 18,736,362	\$ 17,318,636	\$ 17,190,125	\$ 17,622,644	\$ 17,663,323		
\$ 2,952,973	\$ 4,346,312	\$ 2,040,315	\$ 1,351,163	\$ 1,680,978	\$ 1,382,919		
\$ 2,952,973	\$ 4,346,312	\$ 2,040,315	\$ 1,351,163	\$ 1,680,978	\$ 1,382,919		

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"

	2002	2003	2004	2005
General Fund				
Reserved	\$ -	\$ -	\$ 656	\$ -
Unreserved	1,843,816	1,729,545	2,103,088	3,099,105
Total general fund	\$ 1,843,816	\$ 1,729,545	\$ 2,103,744	\$ 3,099,105
All Other Governmental Fu	nds			
Reserved	\$ 4,179,639	\$ 3,597,897	\$ 3,239,137	\$ 2,664,088
Unreserved, reported in:				
Special revenue funds	1,105,890	1,316,101	1,409,080	1,437,596
Capital project funds	769,080	1,562,135	2,419,925	3,418,987
Debt service funds	408,532	-	-	-
Total all other				
governmental funds	\$ 6,463,141	\$ 6,476,133	\$ 7,068,142	\$ 7,520,671

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

		2010	2011		
General Fund					
Nonspendable	\$	6,875	\$	6,875	
Committed		1,271,774		1,271,774	
Unassigned		4,839,131		5,291,720	
Total general fund	\$	6,117,780	\$	6,570,369	
All Other Governmental Funds	5				
Restricted	\$	245,114	\$	79,946	
Committed		1,664,281		1,263,004	
Assigned		8,252,226		8,730,388	
Total all other					
governmental funds	\$	9,761,621	\$	10,073,338	

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.

2006	2007	2008	2009	2010
\$ 4,436	\$ -	\$ -	\$ 16,083	\$ 6,875
4,729,331	7,315,675	5,656,131	5,318,512	6,110,905
\$ 4,733,767	\$ 7,315,675	\$ 5,656,131	\$ 5,334,595	\$ 6,117,780
\$ 2,336,339	\$ 1,445,275	\$ 515,824	\$ 657,258	\$ 289,669
1,493,802	1,650,823	1,395,572	1,478,950	1,664,281
4,580,959	5,624,483	8,764,030	7,675,996	7,807,671
4,500,959	3,024,403	8,704,030	7,075,990	7,007,071
-	-	-	-	-
\$ 8,411,100	\$ 8,720,581	\$ 10,675,426	\$ 9,812,204	\$ 9,761,621

Schedule 4 ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	FISCAL YEAR							
-		2002		2003		2004		2005
Revenues								
Taxes	\$	10,768,385	\$	11,507,342	\$	12,592,946	\$	13,761,327
Intergovernmental		731,456		710,159		680,677		702,258
Charges for services		33,174		33,598		35,139		35,341
Rents and royalties		-		-		-		-
Investment income		104,610		344,944		274,342		513,515
Private donations		89,744		98,979		49,061		45,173
Miscellaneous revenue		25,289		50,259		142,251		147,295
Total revenues		11,752,658		12,745,281		13,774,416		15,204,909
Expenditures								
Culture & recreation		10,366,057		11,348,007		11,297,284		11,879,272
Capital outlay		68,678		298,885		313,574		679,231
Debt service		,		,		,		,
Principal		585,000		610,000		635,000		665,000
Interest		614,160		589,668		563,744		536,756
Total expenditures		11,633,895		12,846,560		12,809,602		13,760,259
Excess (deficiency) of revenues								
over (under) expenditures		118,763		(101,279)		964,814		1,444,650
Other Financing Sources (Uses)								
Transfers in		710,537		761,885		831,664		902,031
Transfers out		(710,537)		(761,885)		(831,664)		(902,031)
Issuance of refunding note		-		-		-		-
Refund of long term debt		-		-		-		-
Sale of capital assets		-		-		1,394		3,240
Total other financing sources (uses)		-		-		1,394		3,240
Net change in fund balances	\$	118,763	\$	(101,279)	\$	966,208	\$	1,447,890
Debt service as a percentage of noncapital expenditures (See Note)		10.4%		9.6%		9.4%		8.8%

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

FISCAL YEAR											
	2006		2007		2008		2009		2010		2011
\$	14,891,546	\$	17,205,046	\$	16,903,356	\$	16,537,856	\$	16,889,474	\$	17,324,052
	598,485		607,846		487,078		488,477		505,800		333,684
	64,122		86,802		87,151		89,125		99,478		112,897
	-		-		-		22,015		33,022		44,647
	854,561		1,271,583		240,091		151,654		415,432		196,368
	28,924		2,357		86,621		138,664		109,307		48,552
	149,051		106,257		88,755		348,000		173,063		47,635
	16,586,689		19,279,891		17,893,052		17,775,791		18,225,576		18,107,835
	12,278,405		13,705,627		13,984,354		14,723,410		14,740,638		14,994,036
	587,351		1,479,730		2,412,725		3,036,455		1,553,576		932,325
	690,000		725,000		755,000		790,000		830,000		870,000
	508,494		479,168		448,356		411,106		371,106		549,237
	14,064,250		16,389,525		17,600,435		18,960,971		17,495,320		17,345,598
	2,522,439		2,890,366		292,617		(1,185,180)		730,256		762,237
	1,010,976		1,193,122		4,576,735		2,000,000		1,298,015		1,348,849
	(1,010,976)		(1,193,122)		(4,576,735)		(2,000,000)		(1,298,015)		(1,348,849)
	-		-		-		-		-		5,960,000
	-		-		-		-		-		(5,960,000)
	2,652		1,023		2,684		422		2,346		2,069
	2,652		1,023		2,684		422		2,346		2,069
\$	2,525,091	\$	2,891,389	\$	295,301	\$	(1,184,758)	\$	732,602	\$	764,306
	8.7%		7.8%		7.5%		7.3%		7.2%		8.4%

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	
2002	2003		\$ 6,124,854	\$	1,296,021	\$	882,437	\$	229,480	\$	2,527,797	
2003	2004		6,837,209		1,419,435		926,592		253,667		2,568,342	
2004	2005		7,697,475		1,543,085		978,008		278,755		3,452,059	
2005	2006		8,930,088		1,682,537		1,057,069		299,514		3,757,174	
2006	2007		10,694,871		1,962,850		1,172,312		327,599		4,150,482	
2007	2008		12,387,230		2,267,524		1,300,060		380,711		4,333,750	
2008	2009		12,936,749		2,418,934		1,453,097		474,446		4,679,231	
2009	2010		12,297,297		2,432,165		1,485,314		461,587		4,553,950	
2010	2011	**	11,324,537		2,328,960		1,439,909		415,202		5,243,853	
2011	2012	**	10,518,320		2,296,801		1,385,363		399,881		5,750,413	

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.

** FY11 Property valuations are per the 1st Certification; the Value Adjustment Board has not completed their process so values may change. FY10 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		
\$	2,046,051	\$	(5,963,310)	\$	7,143,329	\$	21.1179	\$		13,106,639
	2,104,176		(6,246,303)		7,863,117		20.7343			14,109,420
	2,092,296		(7,510,767)		8,530,911		20.1193			16,041,678
	2,096,661		(8,186,416)		9,636,627		19.8647			17,823,043
	2,260,438		(9,357,020)		11,211,533		19.2712			20,568,553
	2,786,234		(10,639,887)		12,815,622		17.6478			23,455,508
	2,624,919		(11,915,602)		12,671,775		17.5204			24,587,377
	3,125,214		(11,796,697)		12,558,830		19.0846			24,355,527
	3,019,338		(11,718,900)		12,052,899		19.2069			23,771,798
	3,428,608		(12,111,826)		11,667,560		19.4166			23,779,386

Schedule 6

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

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

			Coun	ty Direct]	Overlapping Rates					
Fiscal Year	Tax Year	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
2002	2001	8.9887	0.0122	1.5000	0.1789	10.4360	21.1158	0.4914	0.4620	3.4817
2003	2002	8.9887	-	1.5000	0.1632	10.4660	21.1179	0.4914	0.4620	1.7001*
2004	2003	8.9887	0.2500	1.5000	0.1566	9.8390	20.7343	0.4914	0.4620	1.7001
2005	2004	8.9887	0.2500	1.5000	0.1566	9.2240	20.1193	0.4914	0.4620	1.7001
2006	2005	8.9887	0.2500	1.4475	0.1445	9.0340	19.8647	0.4914	0.4620	1.7001
2007	2006	8.8887	0.2500	1.4475	0.1140	8.5710	19.2712	0.4914	0.4620	0.4470**
2008	2007	7.6468	0.2500	1.2645	0.0915	8.3950	17.6478	0.4399	0.4158	0.3869
2009	2008	7.5708	0.2500	1.2491	0.0915	8.3590	17.5204	0.4399	0.4158	0.3847
2010	2009	8.0495	0.2500	1.2856	0.0915	9.4080	19.0846	0.4399	0.4158	0.4124
2011	2010	8.3763	0.2500	1.3638	0.1098	9.1070	19.2069	0.4399	0.4158	0.4124
2012	2011	8.5956	0.2500	1.3638	0.1152	9.0920	19.4166	0.4143	0.3313	0.4124

Source: Alachua County Property Appraiser

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

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

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

MSTU - Sheriff Law Enforcement	MSTU - Fire	City of Alachua	•	City of Gainesville	City of Hawthorne	City of High Springs	City of Lacrosse	City of Micanopy	City of Newberry	City of Waldo
-	-	5.7000	4.0000	4.9416	5.4185	6.2500	3.9420	6.0000	4.0000	5.0314
1.7816*	-	5.7000	4.0000	4.9416	5.4185	6.2500	3.9490	6.0000	4.5000	5.3140
1.7816	-	5.7000	4.0000	4.9416	5.4185	6.2500	3.5970	6.0000	4.5000	5.0314
1.7816	-	5.7000	4.5000	4.9416	5.4185	6.2500	3.2760	8.0000	4.5000	5.0314
1.7816	-	5.7000	4.7500	4.9355	4.5000	6.2500	2.9060	8.0000	4.6000	5.0314
1.7676	1.2531**	5.5000	4.7500	4.8509	6.5000	6.2500	2.4611	8.0000	4.4500	5.0314
1.5329	1.1077	4.6480	4.5000	4.2544	5.4258	6.2500	1.8317	8.0000	3.6946	5.0314
1.5208	1.1013	4.6966	4.5000	4.2544	5.3194	6.1500	2.0272	8.0000	3.9990	5.8686
1.6252	1.1804	5.5000	5.0000	4.3963	5.3194	6.1500	2.1444	8.0000	3.8500	5.8686
1.6710	1.3391	5.5000	5.0000	4.2544	5.3194	6.1500	2.2908	8.0000	3.8500	5.8686
1.6710	1.3391	5.5000	5.2000	4.2544	5.3194	6.1500	2.5777	8.0000	3.8500	5.8686

Overlapping Rates (continued)

Schedule 7 ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR* AND TEN YEARS AGO

	2010*				2002			
<u>Taxpaver</u>	Та	xable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	A	Taxable ssessed Value	Rank	Percentage of Total County Taxable Assessed Value
Oaks Mall Gainesville Ltd Partnership	\$	132,224,700	1	1.10%	\$	52,652,800	4	0.74%
Wal-Mart Stores East LP		85,175,100	2	0.71%		-		-
Florida Rock Industries Inc		84,316,740	3	0.70%		60,274,260	2	0.84%
Bellsouth Telecommunications Inc		69,404,320	4	0.58%		116,936,300	1	1.64%
HCA Health Services of Fla Inc		67,860,200	5	0.56%		30,019,100	8	0.42%
Oak Hammock at the Univ of Fla Inc		59,595,700	6	0.49%		-		-
Florida Power Corp		56,211,195	7	0.47%		59,807,680	3	0.84%
Dolgencorp Inc		48,700,150	8	0.40%		33,563,543	7	0.47%
S Clark Butler Properties Land Trust		44,388,600	9	0.37%		-		-
ELPH Gainesville LLC		35,260,000	10	0.29%		-		-
Cox Communications Inc		-		-		38,479,750	5	0.54%
Atlantic Financial Group Ltd.		-		-		36,377,300	6	0.51%
Clay Electric Cooperative Inc		-		-		29,976,370	9	0.42%
Metal Container Corporation		-	-	-		24,463,300	10	0.34%
	\$	683,136,705	-	5.67%	\$	482,550,403	-	6.76%
Total taxable valuation of all properties	\$	12,052,898,624			\$	7,143,329,037		

SOURCE: Alachua County Property Appraiser - Overall Taxable Value

* 2010 most current year information available

Schedule 8 ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

			Collected within the Fiscal Year of the Levy		_		Total Colle	ections to Date	
Fiscal Year Ended September 30	Tax Year	Taxes Levied for the Fiscal Year		Amount	Percentage of Levy	Collections in Subsequent Years		Amount	Percentage of Levy
2002	2001	\$ 11,149,549	\$	10,691,140	95.9%	\$	101,166	\$ 10,792,306	96.8%
2003	2002	11,879,524		11,408,141	96.0%		90,457	11,498,599	96.8%
2004	2003	13,002,749		12,499,332	96.1%		81,058	12,580,390	96.8%
2005	2004	14,102,085		13,597,540	96.4%		39,302	13,636,842	96.7%
2006	2005	15,315,558		14,749,470	96.3%		59,596	14,809,066	96.7%
2007	2006	17,502,810		16,902,829	96.6%		20,878	16,923,707	96.7%
2008	2007	17,358,479		16,770,373	96.6%		22,200	16,792,573	96.7%
2009	2008	16,978,565		16,419,007	96.7%		19,230	16,438,237	96.8%
2010*	2009	17,284,574		16,734,007	96.8%		5,742	16,739,749	96.8%
2011*	2010	17,775,127		17,192,413	96.7%		na	17,192,413	96.7%

SOURCE: Alachua County Tax Collector

*Taxes levied changed for FY2010 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. FY11 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)
2002	\$ 12,710,000	0.22%	\$ 57.65
2003	12,100,000	0.20%	54.68
2004	11,465,000	0.17%	51.51
2005	10,800,000	0.15%	44.86
2006	10,110,000	0.13%	41.47
2007	9,385,000	0.11%	37.91
2008	8,630,000	0.10%	34.19
2009	7,840,000	0.09%	30.60
2010	7,010,000	na	28.34
2011	5,960,000	na	24.10

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

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

Personal Income not yet available for fiscal years 2010 and 2011.

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

Fiscal Year		ral Obligation t Outstanding	8		
2002	\$	12,710,000	0.18%	\$	pita (b) 57.65
2003	·	12,100,000	0.15%		54.68
2004		11,465,000	0.13%		51.51
2005		10,800,000	0.11%		44.86
2006		10,110,000	0.09%		41.47
2007		9,385,000	0.07%		37.91
2008		8,630,000	0.07%		34.19
2009		7,840,000	0.06%		30.60
2010		7,010,000	0.06%		28.34
2011		5,960,000	0.05%		24.10

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

(a) See Schedule 5 for property value data.

(b) Population data can be found in Schedule 13

Schedule 11 ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF SEPTEMBER 30, 2011

Governmental Unit	Del	ot Outstanding	Estimated Percentage Applicable	 nated Share of rlapping Debt
Direct:				
Alachua County Library District Bank Note, 2011	\$	5,960,000	100%	\$ 5,960,000
Total Direct Debt Outstanding		5,960,000		 5,960,000
Overlapping:				
Alachua County:				
Public Improvement Revenue 2007, Refunding		52,050,000	100%	52,050,000
Transportation Improvement Revenue Bonds, 2006		11,190,000	100%	11,190,000
Transportation Improvement Revenue Bonds, 2008		15,105,000	100%	15,105,000
Local Options Gas Tax Bank Note, 2011		9,500,000	100%	9,500,000
Capital Improvement Revenue Bank Note, 2008		6,630,000	100%	6,630,000
General Obligation Bank Note, 2010		15,000,000	100%	15,000,000
Alachua County School Board:				
General Obligation Bonds		4,735,000	100%	4,735,000
State School Motor Vehicle Tax Revenue Bonds		4,305,000	100%	4,305,000
Certificates of Participation		85,688,400	100%	85,688,400
Total Overlapping Debt Outstanding	, <u> </u>	204,203,400		 204,203,400
		201,200,100		 201,200,100
Total Governmental Activities Debt	\$	210,163,400		\$ 210,163,400

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 recoginzes that, when considering the county's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

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

Schedule 13 ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Year	Population	sonal Income ousands of dollars)	Per Capita Personal Income
2002	220,472	\$ 5,763,050	25,729
2003	221,287	5,953,231	26,358
2004	222,568	6,732,793	29,485
2005	240,764	7,295,960	31,469
2006	243,779	7,866,102	33,162
2007	247,561	8,265,232	34,410
2008	252,388	8,405,119	34,713
2009	256,232	8,664,631	35,573
2010	247,336	na	na
2011	247,337	na	na

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

Note: Personal and Per Capita Personal Income not available for 2010 and 2011.

Median Age	College and University Enrollment	Public School Enrollment	Unemployment Rate
29.0	61,185	30,302	2.5%
29.0	62,346	29,026	2.6%
27.0	62,100	28,843	2.2%
26.4	63,896	28,568	2.6%
29.4	66,891	28,329	2.4%
29.3	66,537	27,622	2.9%
29.3	66,815	27,571	4.5%
29.7	67,070	27,562	7.9%
29.4	68,538	25,077	8.3%
30.1	69,491	26,856	7.4%

Schedule 14 ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA PRINCIPAL EMPLOYERS CURRENT YEAR 2011 AND PRIOR YEAR 2003

	2011			2003*			
Employer	Number of Employees		of Total County Private Workforce	Number of Employees	Rank	of Total County Private Workforce	
University of Florida	14,723	1	10.72%	12,212	1	10.02%	
Shands Hospital	12,588	2	9.17%	7,508	2	6.16%	
Veterans Affairs Medical Center	4,317	3	3.14%	2,700	4	2.22%	
Alachua County School Board	4,299	4	3.13%	4,195	3	3.44%	
City of Gainesville	2,200	5	1.60%	2,357	6	1.93%	
Publix Supermarkets	2,056	6	1.50%	1,865	9	1.53%	
Alachua County	2,029	7	1.48%	1,874	8	1.54%	
North Florida Regional Medical Ctr	1,700	8	1.24%	1,646	10	1.35%	
Nationwide Insurance Company	1,300	9	0.95%	-		-	
Santa Fe (Community) College	796	10	0.58%	-		-	
The Oaks Mall	-		-	2,500	5	2.05%	
Fla Dept of Children & Families	-		-	2,119	7	1.74%	
Total Private Labor Workforce	137,300	:		121,876	·		

Source: Council for Economic Outreach, Alachua County *2003 - only available information.

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

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program										
Administration Services Division										
Administration	9	8	10.5	10	10	11.5	11.5	11.5	12.5	12.5
Facilities Services Division	7	8	8	8	8	8	10	10	10	9
Public Services Divison										
Administration	n/a	n/a	n/a	n/a	n/a	3	6	6	6	6
Adult	16.25	14.5	13	14.8	15.75	16.25	16.25	16.25	16.25	14.75
Alachua	6.5	6.5	6.5	6.5	6.5	6.5	6.5	7	7	7
Archer	3.5	3.5	3.5	3.5	3.63	3.5	3.5	3.5	3.5	3.5
Circulation	24.5	24.13	21	23	26	23.5	23.5	23.5	23.5	23.5
Cone Park*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.13
Hawthorne	6.5	6.5	6.5	6.5	5.75	6.5	6.5	6.5	6.5	6.5
High Springs	5.5	6.5	6.5	5.5	6.5	6.5	6.5	6.5	6.5	6.5
Micanopy	3.25	3.25	3.25	3.25	3.25	3.2	3.26	3.26	3.26	3.26
Millhopper	17.5	18.5	18.5	17.5	19.5	19.5	19.5	19.5	19.5	21.5
Newberry	3.5	3.5	3.5	3	2	3.5	6	6	6	6
Outreach Services	10.5	10.13	11.13	10	11	11	11	11	11	11
Partnership Branch*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.5	3.5	4.125
Tower Road	16	14	15.5	16	16	16.5	16.5	16.5	16.5	18.625
Youth	17.57	15	14.5	15.5	13.5	13	13	13	13	10.75
Waldo	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13
Support Services Division										
Automated	12	11	12	11	11	11	10	10	10	10
Technical Services	17.5	16.75	16	16.5	16.5	19	19	19	19	18
Total	179.7	172.89	173.01	173.68	178.01	185.08	191.64	195.64	196.64	198.77

*Cone Park Branch opened in 2011 and the Library Neighborhood Resource Partnership Branch opened in 2009.

Source: Library Administration

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

		FISCAL YEAR					
Function/Program	Description	2002	2003	2004			
Culture and recreation	n:						
Circulation:	# of checkouts - Main Library	994,306	958,209	980,971			
	# of checkouts - Branch libraries	1,401,267	1,540,507	1,516,932			
	# of checkouts - Bookmobiles	41,770	55,273	56,809			
	# of checkouts - other services	71,057	92,329	65,553			
	Total checkouts	2,508,400	2,646,318	2,620,265			
# of Library Visits		1,036,867	1,103,936	1,121,867			
# of Virtual Vis	its	na	500,790	836,821			
Total # of Regis	stered Borrowers	174,592	192,222	208,073			
# of Volunteer	Hours	11,077	13,802	15,501			
# of Reference S	Services	124,182	108,620	113,739			
Programs:	Number presented	1,427	1,909	1,720			
	Attendance	80,681	73,784	69,170			

Source: Alachua County Library

	FISCAL YEAR (continued)									
2005	2006	2007	2008	2009	2010	2011				
1,030,897	1,058,838	1,025,371	992,796	1,126,714	1,029,819	943,612				
1,547,908	1,611,994	1,670,939	1,697,156	1,736,914	1,959,511	2,121,575				
63,897	63,671	60,510	57,713	54,697	50,939	50,302				
74,934	113,895	104,227	113,273	178,190	334,535	536,947				
2,717,636	2,848,398	2,861,047	2,860,938	3,096,515	3,374,804	3,652,436				
1,152,388	1,227,697	1,286,272	1,353,804	1,404,869	1,476,120	1,431,342				
878,153	573,229	620,570	721,147	878,294	1,288,744	1,523,298				
160,671	177,035	188,666	196,707	199,549	204,418	216,966				
17,379	20,713	23,996	20,859	21,329	22,314	26,641				
386,090	366,530	507,447	566,638	571,235	646,802	603,653				
1,652	1,771	1,825	1,954	2,456	3,427	3,725				
65,739	60,385	59,328	57,715	54,075	81,519	81,809				

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

	FISCAL YEAR					
-	2002	2003	2004	2005		
Culture & Recreation						
# of Library buildings	10	10	10	10		
# of Acres	25	26	26	26		
# of Vehicles	20	20	20	20		
Library Holdings						
# of Books	905,602	952,033	965,732	971,976		
# of Copies - Periodicals	2,228	2,207	2,161	2,021		
# of Titles - Periodicals	978	754	644	638		

* Includes new Library Partnership building.

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

	FISCAL YEAR							
2006	2007	2008	2009	2010	2011			
10	10	10	11*	11	11			
26	27	27	27	27	27			
20	21	21	22	21	21			
981,653	928,480	916,162	921,637	951,557	804,212			
1,938	1,976	1,964	1,551	1,344	1,330			
600	592	589	498	485	452			



COMPLIANCE SECTION



CONTINUING DISCLOSURE REQUIREMENTS

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

Alachua County Library District Refunding, Series 2001

I. Assessed Value Tax Property in District

	2009	2010	2011 *
Total Valuations	\$24,355,527,368	\$23,771,798,340	\$23,779,386,220
Less: Real Property Exemptions/Adjustments			
Governmental Exemptions	3,851,493,520	4,516,668,003	4,852,452,910
Homestead Exemptions	2,339,843,098	2,353,876,148	2,299,136,337
Historic Property Exemptions	2,255,900	2,224,100	2,216,500
Agriculture Adjustments	992,069,000	967,933,300	921,802,900
Pollution Control Adjustments	-	-	2,564,730
Institutional Exemptions	659,436,183	669,235,346	885,134,293
Disability Exemptions	47,845,552	47,167,308	59,842,668
Widow's Exemptions	1,752,810	1,758,470	1,718,020
Renewable Energy Source Exemptions	-	-	-
Disabled Veterans' Homestead Discount	263,511	274,356	349,746
Deployed Service Member's Homestead Exemptions	-	-	679,095
Land Dedicated in Perpetuity for Conservation Purposes	-	416,200	122,200
Assessment Differential Value of Capped Parcels (1)	1,731,568,060	1,116,226,290	697,574,500
Property Differential Value of Capped Parcels (2)	15,466,797	10,543,420	6,673,320
Real Property Differential Value of Capped Parcels (3)	132,230,081	88,154,240	57,910,300
Total Real Property Exemptions/Adjustments	9,774,224,512	9,774,477,181	9,788,177,519
Less: Personal Property Exemptions/Adjustments			
Government Exemptions	1,316,354,469	1,315,809,191	1,482,787,352
Institutional Exemptions	606,666,103	537,717,854	752,323,677
Homestead Exemptions	96,809,237	89,095,406	86,234,004
Total Personal Property Exemptions/Adjustments	2,019,829,809	1,942,622,451	2,321,345,033
Less: Centrally Assessed Property Exemptions/Adjustmen	ts		
Homestead Exemptions	1,909,699	1,800,084	1,681,677
Real Property Differential Value of Capped Parcels (3)	733,056		622,039
Total Personal Property Exemptions/Adjustments	2,642,755	1,800,084	2,303,716
Taxable Valuation	\$12,558,830,292	\$12,052,898,624	\$11,667,559,952

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

(1) Sum of the (Just Value - Capped Value) 193.155 F.S. Effective for the 2009 - 2011 Assessment Rolls
 (2) Sum of the (Just Value - Capped Value) 193.1554 F.S. Effective for the 2009 - 2011 Assessment Rolls

(2) Sum of the (Just Value - Capped Value) 193.1554 F.S. Effective for the 2009 - 2011 Assessment Rolls
 (3) Sum of the (Just Value - Capped Value) 193.1555 F.S. Effective for the 2009 - 2011 Assessment Rolls
 Source: Alachua County Property Appraiser

II. <u>Property Tax Rates District</u>

LIBRARY DISTRICT	2009	2010	2011
Operations	1.2491	1.2856	1.3638
Debt Service	0.0915	0.0915	0.1098
TOTAL	1.3406	1.3771	1.4736

III. County-wide Tax Levies and Collections

	Tax		Current Tax	Percent of Current Taxes		utstanding elinguent	Ratio of Delinquent Taxes
Fiscal Year		Total Tax Levy		Collected	D	Taxes	to Total Levy
2008 - 2009	2008	\$115,749,530	\$111,932,511	96.7%	\$	95,083	0.08%
2009 - 2010	2009	121,068,003	117,208,999	96.8%		115,995	0.10%
2010-2011	2010	121,428,954	117,458,240	96.7%		178,474	0.15%

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

(2) These figures include tax collections for the Board of County commissioners only.

					Percent of	0		Ratio of
	Tax	Total Tax	C	Current Tax	Current Taxes		tstanding linquent	Delinquent Taxes to Total
Fiscal Year	Year	Levy	(Collections	Collected		Taxes	Tax Levy
2008 - 2009	2008	\$ 16,978,565	\$	16,419,007	96.7%	\$	14,570	0.09%
2009 - 2010	2009	17,284,574		16,734,007	96.8%		17,037	0.10%
2010 - 2011	2010	17,775,127		17,192,413	96.7%		27,546	0.15%

IV. District Tax Levies and Collections

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

V. <u>Computation of Direct/Overlapping Underlying Debt</u>

	Percentage Applicable to				
	Gross Debt	Alachua	County's Share		
Name of Governmental Agency	Outstanding (1)	County(2)	of Gross Debt		
Direct: Alachua County Library District Bank Note, 2011 Total Direct	\$5,960,000	100.00%	\$5,960,000 \$5,960,000		
Overlapping/Underlying: School Board District Refunding G.O. Bonds Series 2003, Refunding Total Overlapping/Underlying Total Direct, Overlapping Debt	4,735,000	100.00%	4,735,000 4,735,000 \$10,695,000		

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

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

Source: Alachua County Finance Department

School Board District

VI. <u>Material Litigation</u>

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

VII. Significant Events

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

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

- H. There have been **No** calls on the 2001 Bonds (other than mandatory redemptions of the 2001 Bonds resulting from application of amortization installments).
- I. The Library District's Series 2001 Bonds maturing on August 1, 2011 through August 1, 2017 are being advanced refunded pursuant to the plan of refinancing for the Series 2011 Bank Note.
- J. There have been **No** rating changes.
- K. There have been **No** notices of failure on the part of the Issuer or any other Obligated Person to meet the requirements of Provision of Annual Information.

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

VIII. Cusip Numbers 2001 Bonds

MATURITY	RATE	AMOUNT	CUSIP
8/1/2012	4.40%	\$ 915,000	01069DCD7
8/1/2013	4.50%	950,000	01069DCE5
8/1/2014	4.60%	1,000,000	01069DCF2
8/1/2015	4.70%	1,045,000	01069DCG0
8/1/2016	4.80%	1,090,000	01069DCH8
8/1/2017	4.85%	1,140,000	01069DCJ4





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

The Governing Board Alachua County Library District Alachua County, Florida

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Alachua County Library District (the "District") as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated January 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. The Governing Board Alachua County Library District Alachua County, Florida Page 2

Compliance and Other Matters

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

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

Can, Riggs & Ingram LLC

January 23, 2012 Gainesville, Florida