

Alachua County Library District



Alachua County, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended
September 30, 2004

**INTRODUCTORY
SECTION**

ALACHUA COUNTY, FLORIDA

LIBRARY DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2004

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



ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

PRINCIPAL OFFICERS

GOVERNING BOARD

Lee Pinkoson - Chair - County

Craig Lowe - Vice Chair - City

Cynthia Moore Chestnut - County

Pegeen Hanrahan - City

Rodney J. Long - County

Virginia S. Childs - School Board

LIBRARY DIRECTOR

Sol Hirsch

COUNTY ATTORNEY

David Wagner

CLERK OF CIRCUIT / COUNTY COURTS

AND

CLERK TO LIBRARY DISTRICT

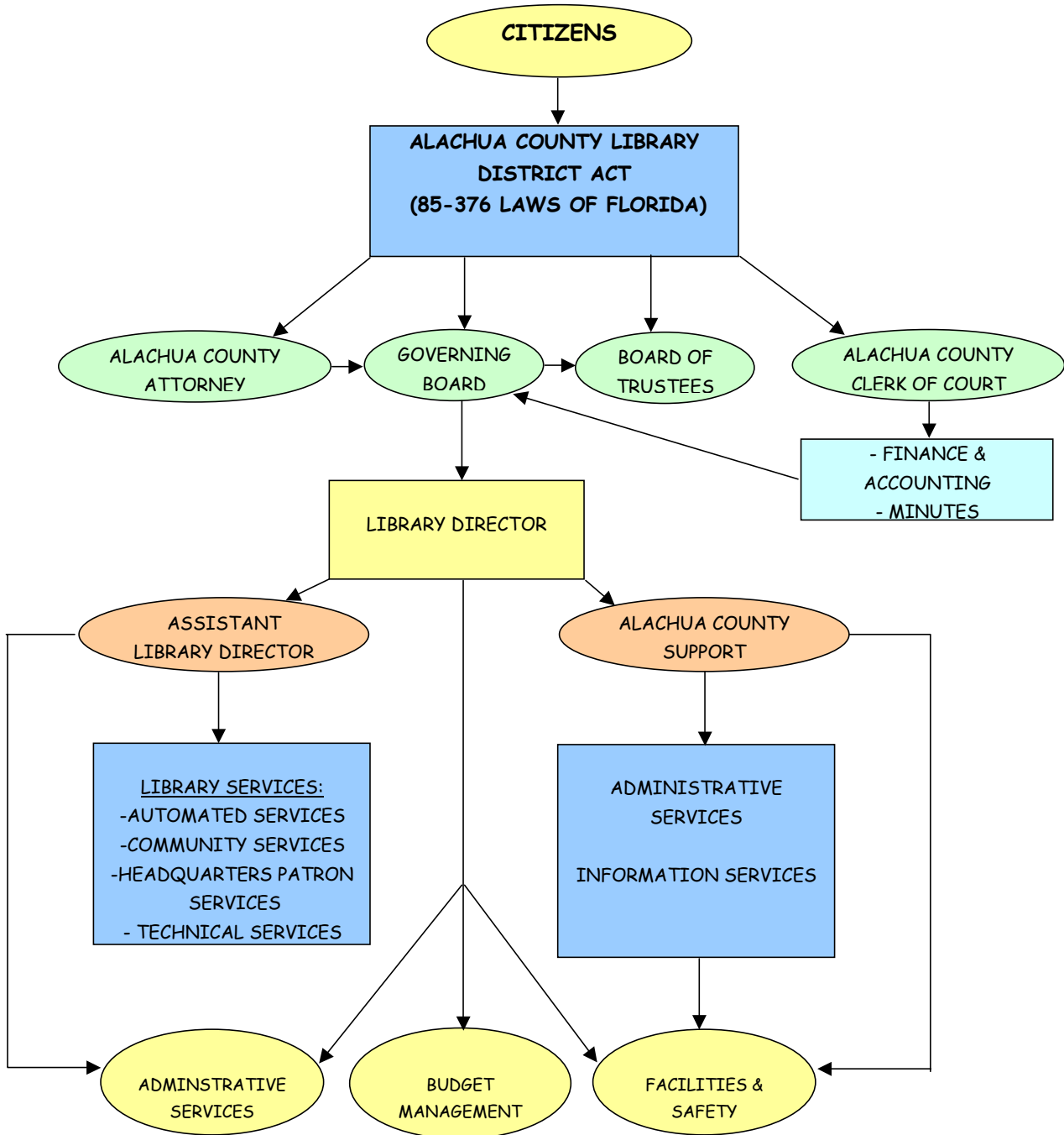
J. K. "Buddy" Irby

DIRECTOR OF FINANCE

Steven J. Carr, C.P.A., C.G.F.O.

<http://www.acld.lib.fl.us>

ALACHUA COUNTY LIBRARY DISTRICT ORGANIZATIONAL CHART



**ALACHUA COUNTY LIBRARY DISTRICT
ALACHUA COUNTY, FLORIDA
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS
SEPTEMBER 30, 2004**

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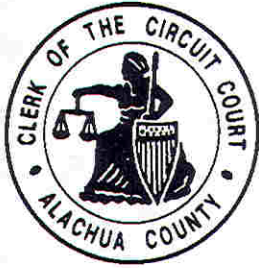
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CLERK OF THE CIRCUIT COURT

Alachua County Courthouse
Post Office Box 600
Gainesville, Florida 32602

J.K. "BUDDY" IRBY
CLERK

TELEPHONE
(352) 374-3636

February 10, 2005

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

Dear Governor Pinkoson:

I am pleased to present to you, The Library District Governing Board and the Citizens of Alachua County, the Comprehensive Annual Financial Report of the Alachua County, Florida Library District, for the fiscal year ended September 30, 2004. 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. This is the first year that a comprehensive annual financial report has been prepared for the District, and the first year that the District has participated in this program. We are submitting the 2004 report for review and we believe that it will be awarded a certificate.

The financial statements of the District have been audited by Purvis, Gray and Company, Certified Public Accountants. Their opinion is included in the financial section of this report.

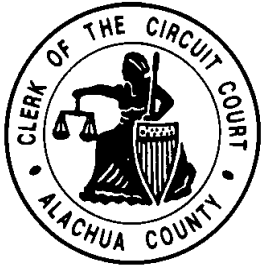
The preparation of this report could not have been accomplished without the dedicated effort of the Finance Director and his entire staff. Their efforts over the past years toward upgrading the accounting and financial reporting systems of the District have led to an improved quality of information being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

Thank you for your attention.

Respectfully Submitted,


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





CLERK OF THE CIRCUIT COURT

**Alachua County Courthouse
Post Office Box 600
Gainesville, Florida 32602**

**J.K. "BUDDY" IRBY
CLERK**

**TELEPHONE
(352) 374-3636**

February 10, 2005

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

Dear Mr. Pinkoson and the Citizens of Alachua County:

The Comprehensive Annual Financial Report of Alachua County, Florida , Library District, for the fiscal year ended September 30, 2004, is respectfully submitted. This report was prepared by the Finance and Accounting Department under the supervision of the Clerk of the Circuit Court. The report fulfills the requirements set forth in Section 218.39, Florida Statutes, and the Rules of the Florida Auditor General, Chapter 10.550, which requires an annual audit of all Special Districts. Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation, including all disclosures, rest with the Finance and Accounting Department.

REPORT ORGANIZATION AND CONTENT

This report contains four major sections: the Introductory, the Financial, the Statistical and the Compliance Sections. The Introductory Section is designed to give the reader of the financial report some basic background information about the District. The Financial Section is divided into (1) management's discussion and analysis and the basic financial statements, and (2) the combining and individual fund financial statements. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of the District. The Compliance Section includes bond continuing disclosure data per SEC Rule 15c2-12.

The District has prepared the financial statements to meet the requirements of Governmental Accounting Standards Board Statement 34 (GASB 34), Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB 34 establishes a reporting model that is reported in five parts:

1. Management’s Discussion and Analysis, which is a narrative report providing significant information about the District and how the District’s financial position has changed from September 30, 2003, to September 30, 2004, and the reasons for the change,
2. Government-wide Financial Statements, which report on the governmental assets, liabilities, expenses and revenues of the District,
3. Fund Financial Statements, which report on the major individual governmental funds of the District,
4. Budgetary Comparisons for the District’s General fund and major Special Revenue funds, and
5. the Notes to the Financial Statements.

THE REPORTING ENTITY

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. The District and Alachua County’s boundaries are congruent. This Comprehensive Annual Financial Report (CAFR) includes the funds of the primary government (the Alachua County Library District).

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. These “Governors” are selected by their respective entities to serve on the Library District Governing Board. In addition to the Governing Board, there is also a Board of Trustees, which is made up of seven members. Three of the seven members are Alachua County representatives, three are City of Gainesville representatives, and one is a representative of the Alachua County League of Cities. The Governing Board appoints the Board of Trustee members after nominees are forwarded to them from the County, City of Gainesville, and the 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 plan, 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 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 county-wide population of approximately 236,174.

The District is a centralized system with a Headquarters Library located in downtown Gainesville. Two branches are located in the northwest (Millhopper Branch) and southwest (Tower Road Branch) areas of Gainesville, and seven branches reside in the municipalities of Alachua, Archer, Hawthorne, High Springs, Micanopy, Newberry and Waldo. In addition to these facilities, the District operates two bookmobiles and provides library service to the inmates of the Alachua County Jail through an interlocal agreement with the Alachua County Sheriff.

In addition to reciprocal borrowing agreements, the District has contracts with the Murphree

Law Library, the Matheson Historical Center and the Civic Media Center, which provide for the inclusion of the collections owned and maintained by these organizations to be listed in the District's on-line catalog. Prior to these agreements the collections had not been cataloged or made available on-line. There is now increased access to more materials within the community at minimal cost to all agencies.

Summary of Library Use Statistics for FY2003 - 2004	
1,121,867	Visits to the Alachua County Libraries
2,620,265	Items Borrowed (Circulated)
208,073	Registered Borrowers
286,051	Titles
965,732	Individual Items in the Library Collection
113,739	Reference Questions Answered in Person or by Phones
836,821	Virtual Visits to the Webcat
1,720	Programs for Children and Adults with attendance of 69,170
3,558	Uses of Library District Meeting Rooms with an Attendance of 43,841

The Alachua County Library District has essentially the same economic and demographic composition as Alachua County. The future economic outlook appears to be consistent with recent trends of moderate growth and an essentially stable economy. Expansion of both educational and health care facilities are expected to continue at approximately the same rate as the past five years.

FINANCIAL INFORMATION

Readers of this report are encouraged to read Management's Discussion and Analysis (MD&A). The MD&A provides basic financial information about the Library and an overview of the District's activities. The government-wide financial statements, consisting of a statement of net assets and a statement of activities, provide a comprehensive financial picture of the Library.

These statements are prepared using the economic resources measurement focus and the accrual basis of accounting, where all assets, liabilities, revenues, and expenses of the District are reported.

The fund financial statements provide information concerning the District's funds and are prepared from the District's accounting records. The District's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when services or goods are received and the liabilities are incurred. The District operates on a fiscal year (FY) from October 1 through September 30.

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.

FY04 RESULTS OF OPERATIONS

The Alachua Library District's government-wide revenues for the year were \$13.8 million and government-wide expenses for the year were \$12.6 million. The net assets for the District increased by \$1.1 million. The ending net assets for the Alachua County Library District as of September 30, 2004 are \$8.8 million.

CASH MANAGEMENT

In accordance with Section 218.415 and Section 112.661, Florida Statutes, the District adopted investment policies, which guide the investment of District surplus funds and the District Pension Trust Fund, respectively. For the District's governmental funds, the policy establishes investment objectives, maturity and liquidity requirements, portfolio composition, risk and diversification requirements, and authorized investments. The primary objectives of investment activities are to preserve capital and maintain sufficient liquidity to meet anticipated cash flow needs. The secondary objective is to obtain competitive returns on the investment of the District's surplus funds.

Surplus funds (other than the Brady Trust Fund) were invested in the State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool (SBA). The Brady Trust Fund is composed of a portfolio of money market funds, stocks, bonds or other appropriate investments as governed by action of the Board. During FY2004, approximately \$275,000 was earned on investments.

The investment policy in place for the District's Pension Trust Fund establishes investment objectives for the manager of the investment activities. These funds are fiduciary in nature, and are not considered to be an asset of the District. The primary objective of the Policy is the protection of the District's Pension Trust Fund. The secondary objective is to maximize a long-term rate of return, while controlling risks and increasing diversification. Investments were made in stocks, bonds or other appropriate investments as governed by the investment policy. During FY2004 the Pension Trust Fund earned approximately \$606,391 on investments.

INDEPENDENT AUDIT

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.

REPORTING ACHIEVEMENT

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governmental entities for their Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR's must satisfy both generally accepted accounting principles and applicable legal requirements.

The Alachua County Library District is submitting this report to the program for the first time. We believe our report conforms to the Certificate of Achievement Program requirements, and believe it will be awarded a certificate.

ACKNOWLEDGMENTS

I would like to specially acknowledge the many years of service and dedication that Ann Williams gave to the Alachua County Library District. After 31+ years, Ann retired from her position as Library Director, during the 2004 fiscal year. She helped and encouraged our finance department to obtain the best audit results for the District. We will miss Ann and her special touch with the District.

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 great 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 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,



Steven J. Carr, C.P.A.
Assistant Clerk/Finance Director

SJC/krs



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

The Governing Board
Alachua County Library District
Alachua County, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Alachua County Library District, as of and for the year ended September 30, 2004, which collectively comprise the Alachua County Library District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Alachua County Library District's nonmajor funds presented as supplemental information in the accompanying combining and individual fund financial statements as of and for the year ended September 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the management of the Alachua County Library District. Our responsibility is to express an opinion 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Alachua County Library District at September 30, 2004, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund and the major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each of the nonmajor funds of the Alachua County Library District as of September 30, 2004, 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.

Certified Public Accountants

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Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Governing Board
Alachua County Library District
Alachua County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2004, on our consideration of the Alachua County Library District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 5 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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 Alachua County Library District's basic financial statements and the financial statements of each of the nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The pension information presented on pages 46 through 47 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them. We applied certain limited procedures to the pension information, which consisted principally of inquiries of management regarding the methods of measurement and presentation. However, we did not audit the pension information and express no opinion on it.

November 12, 2004
Gainesville, Florida

Purvis, Gray and Company

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Alachua County Library District's management discussion and analysis presents an overview of the Library District's financial activities for the fiscal year ended September 30, 2004. The Library District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

Financial Highlights

Government-wide Statements

- Alachua County Library District's assets exceeded its liabilities at September 30, 2004 by \$8,849,718 (*net assets*). Of this amount, \$5,182,792 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets Of \$8,849,718 are comprised of the following:
 - 1) Capital assets, net of related debt, of \$427,788 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 \$3,239,138 are restricted by constraints imposed from outside of the Library District such as debt covenants and capital restrictions of past millage receipts.
 - 3) \$5,182,792 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 \$1,140,507 over the previous year.

Fund Statements

- At September 30, 2004, the Library District's governmental funds reported combined ending fund balances of \$9,171,886 an increase of \$966,208 in comparison with the prior fiscal year.
- At September 30, 2004, unreserved fund balance for the General Fund was \$2,103,088 or 18% of General Fund operating revenue. Considering that there are essentially no revenue collections for the first one and one half months of the new fiscal year to offset expenditures, this amount is considered very healthy.
- Governmental funds revenues increased \$1,029,135 or 8.1% over the prior fiscal year due mostly to increased property tax revenues and increase in investment fair market value.

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*, which consist of the following two 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 2004. All changes in net assets are reported as soon as the underlying 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 can be divided into two categories: governmental funds, and 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 may be 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 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, Brady Trust, Debt Service, and Capital Projects, which are considered to be major funds. Data from the other four governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The Library District adopts an annual budget for its general, special revenue, debt service and capital projects funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund statements can be found on pages **18-27** of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Library District's own programs. The accounting used for fiduciary funds is similar to business-type accounting.

The basic fiduciary fund financial statements can be found on pages **28-29** 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 **31-45** of this report.

Other Information

Combining statements referred to earlier, present a more detailed view of non-major funds. This section includes budget to actual schedules for non-major special revenue funds, debt service and capital project funds. Also included is required supplementary information for pension funding status. Pension and combining and individual fund schedules can be found on

pages 46-47 of this report. Information concerning Capital Assets used in the operation of governmental funds can be found on pages 60-61, and, additional information about the Library District, which may be of interest to the reader, is found under the Statistical section on pages 63-76. Continuing disclosures required by SEC Rule 15c2-12 can be found on pages 77-81.

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Library District, assets exceeded liabilities by \$8,849,718 at the close of the fiscal year ended September 30, 2004.

**Alachua County Library District
Net Assets**

	Governmental Activities		Total Percent Change
	2003	2004	
Current and Other Assets	\$8,963,302	\$9,829,808	9.7%
Capital Assets	12,327,927	11,892,788	-3.5%
Total Assets	21,291,229	21,722,596	2.0%
Long-Term Liabilities Outstanding	11,618,476	10,942,382	-5.8%
Other Liabilities	1,963,542	1,930,496	-1.7%
Total Liabilities	13,582,018	12,872,878	-5.2%
 Net Assets:			
Invested in Capital Assets, Net of Related Debt	227,927	427,788	87.7%
Restricted	3,597,897	3,239,138	-10.0%
Unrestricted	3,883,387	5,182,792	33.5%
Total Net Assets	7,709,211	8,849,718	14.8%

At the end of fiscal year 2004, the Library District is able to report positive balances in all three categories of net assets.

The smallest portion of the Library District's net assets \$427,788 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, it should be noted that the

resources needed to repay this debt is provided from other sources (ad valorem taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Library District's net assets (\$3,239,138 or 36.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$5,182,792 or 58.6%) may be used to meet the government's ongoing obligations to citizens and creditors.

Restricted net assets in the Library District decreased by \$358,759 from 2003 to 2004. This was due to the spend-out of restricted tax revenue sources for capital projects, and a planned reduction of reserves available for debt service payments.

Unrestricted net assets increased \$1,299,405, primarily due to an increase in the tax base, and a very small increase in expenses.

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

	Governmental Activities		Total Percent Change
	<u>2003</u>	<u>2004</u>	
Revenues:			
Program revenues:			
Charges for services	\$33,598	\$35,139	4.6%
Operating grants and contributions	710,159	680,677	-4.2%
General revenues:			
Property taxes	11,507,342	12,592,946	9.4%
Other	494,182	466,661	-5.6%
Total revenues	<u>12,745,281</u>	<u>13,775,423</u>	8.1%
Expenses:			
Culture and recreation - Library Service	<u>12,566,670</u>	<u>12,634,916</u>	0.5%
Total expenses	<u>12,566,670</u>	<u>12,634,916</u>	0.5%
Increase in net assets	<u>178,611</u>	<u>1,140,507</u>	
Net Assets - Beginning	<u>7,530,600</u>	<u>7,709,211</u>	
Net Assets - Ending	<u><u>\$7,709,211</u></u>	<u><u>\$8,849,718</u></u>	

Governmental Activities

General Revenues -

Property Tax revenues increased due to an increase in the tax base, increases in property values, and new construction. Grants and Contributions revenues decreased, primarily due to a reduction in Alachua County's portion of the State Aid to Libraries.

Net Assets -

The Library District's total net assets increased \$1,140,507 over the previous year. The reasons for these changes are the same as enumerated in the discussion of the statement of net assets on the preceding page.

Fund Financial Analysis

As noted earlier, the Library District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The primary purpose of the Library District's *governmental funds* are to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the Library District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Alachua County Library District Reserved and Unreserved Fund Balance

Total fund balance	\$9,171,886
Less reserved fund balance:	
Encumbrances	656
Debt Service	259,527
Capital Projects	2,979,610
Unreserved fund balance	<u><u>\$5,932,093</u></u>

As of the end of fiscal year 2004, the Library District's governmental funds reported combined ending fund balances of \$9,171,886, an increase of \$966,208 in comparison with the prior year. Of the approximately \$9 million total fund balance, *Unreserved fund balance* is \$5,932,093 and is available for spending at the Library District's discretion.

Major Funds

The *General*, *Brady Trust*, *Debt Service*, and *Capital Projects* are reported as major funds.

The *General Fund* is the chief operating fund of the Library District. The *General Fund* had an increase in fund balance of \$374,199. The total fund balance was \$2,103,744, of which \$656 is reserved for encumbrances. The cash balance at the end of the year was \$2,537,154. As a measure of the *General Fund's* liquidity, it may be useful to compare total fund balance to total fund revenues. Fund balance represents 18% of total *General fund Operating Revenue*. The *Government Finance Officers Association, Best Practices guidelines* calls for an unreserved fund balance level of 5%-15% of *General Fund operating revenues*.

The *Brady Trust* has a total fund balance of \$1,149,798. This fund is a donation invested in stocks and bonds, managed by A.G.Edwards. The *Library District Governing Board* has made a decision to only spend the interest proceeds on books, and retain the principal. Fund balance increased \$73,878, due to favorable market conditions.

Debt Service has a total fund balance of \$259,527. This fund is primarily used for making principal and interest payment on long-term debt. Fund balance had a planned decreased of \$45,186.

Capital Projects has a total fund balance of \$5,399,535. Of this amount \$2,979,610 is reserved, specifically for *Capital projects*, due to a 15-year millage restriction that ended in 2001. The unreserved fund balance for *Capital Projects* is \$2,419,925, and is available for spending at the *Library District's* discretion. However, the current *Library Governing Board* has chosen to earmark it for *Capital Projects*. The net increase in fund balance during the fiscal year in *Capital Projects* was \$544,216.

General Fund Budgetary Highlights

There were no differences between the *General Fund's* original budget and final amended budget. Actual revenues varied from final budgeted revenues negatively by \$242,480, while actual expenditures varied from final budgeted expenditures, positively by \$420,865. The net difference of actual compared to final budget was a positive difference of \$178,385.

Capital Asset and Debt Administration

Capital Assets

The *Library District's* investment in capital assets as of September 30, 2004 totals to \$11,892,788 (net of accumulated depreciation) and includes land, artwork, buildings, improvements other than buildings, and equipment. The *Library District* experienced an overall decrease in investment in capital assets over the prior fiscal year of approximately 3.5% due primarily to depreciation of assets and sale of obsolete assets. Further

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

**Alachua County Library District
Capital Assets
(net of depreciation)**

	Governmental Activities		Total Percent Change
	<u>2003</u>	<u>2004</u>	
	Land	\$1,075,385	
Buildings	10,825,221	10,502,295	-3.0%
Improvements other than Buildings	15,466	12,649	-18.2%
Equipment	411,855	302,459	-26.6%
Total	<u><u>\$12,327,927</u></u>	<u><u>\$11,892,788</u></u>	-3.5%

Long-term Debt

At the end of fiscal year 2004, the Library District had total bonded debt outstanding of \$11,465,000. The Library District's debt represents bonds secured solely by general obligation bonds.

**Alachua County Library District
Outstanding Debt**

	General Obligation Bond	
	2003	2004
General Obligation Bonds	<u><u>\$ 12,100,000</u></u>	<u><u>\$ 11,465,000</u></u>

The Library District's outstanding bonded debt, decreased by \$635,000 during fiscal year 2004. This decrease was due to scheduled principal retirements of bonded debt payable.

Additional information on the Library District's debt can be found in Note 6 on page 44 of this report.

Economic Factors and Next Year's Budgets and Rates

- The taxable value of commercial and residential property increased 7.7% and 12.6%, respectively, in the 2004 fiscal year.
- Population increased approximately 2.1% from the prior year to 236,174 at September 30, 2004.

During the current fiscal year, unreserved fund balance in the general fund increased to \$2,103,088. The Library District has appropriated \$566,882 of this amount for spending in the 2005 fiscal year budget. The ad valorem tax rate for the general fund was not increased for the 2005 fiscal year budget and is 1.5 Mills.

Requests for Information

This financial report is designed to present users with a general overview of the Library District's finances and to demonstrate the Library District's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Alachua County Clerk of Court, Finance and Accounting, P.O. Box 939, Gainesville, Florida 32602. Additional financial information can be found on our web site <http://www.clerk-alachua-fl.org>.



**BASIC
FINANCIAL
STATEMENTS**



**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004**

Assets

Current Assets:

Cash and Investments	\$9,621,082
Accounts Receivable, Net	47,100
Due from Other Governments	54,818
Total Current Assets	9,723,000

Noncurrent Assets:

Unamortized Bond Issue Costs	106,808
Capital Assets:	
Land	1,075,385
Buildings	15,651,774
Equipment	2,288,572
Other Improvements	314,402
Less Accumulated Depreciation	(7,437,345)
Total Noncurrent Assets	11,999,596

Total Assets

\$21,722,596

Liabilities

Current Liabilities:

Accounts Payable	\$540,999
Accrued Interest Payable	89,398
Due to Other Governments	10,115
Bonds Payable	665,000
Accrued Compensation Absences	624,984
Total Current Liabilities	1,930,496

Noncurrent Liabilities:

Bonds Payable	10,942,382
Accrued Compensated Absences	-
Total Noncurrent Liabilities	10,942,382

Total Liabilities

12,872,878

Net Assets

Invested in Capital Assets, Net of Related Debt	427,788
Restricted For:	
Restricted for Debt Service	259,528
Restricted for Capital Projects	2,979,610
Unrestricted	5,182,792

Total Net Assets

\$8,849,718

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

Program Expenses

Culture and Recreation - Library Services	
Personal Services	\$ 7,225,486
Operating Expenditures	4,353,756
Depreciation	496,798
Interest	558,876
(Total Program Expenses)	<u>(12,634,916)</u>

Program Revenues

Charges for Services	35,139
Operating Grants and Contributions	680,677
Total Program Revenues	<u>715,816</u>

(Net Program Expenses)	<u>(11,919,100)</u>
-------------------------------	---------------------

General Revenues

Property Taxes	12,592,946
Investment Earnings	274,342
Miscellaneous	192,319
Total General Revenues	<u>13,059,607</u>

Increase in Net Assets	1,140,507
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Net Assets, Beginning of Year	<u>7,709,211</u>
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Net Assets, End of Year	<u><u>\$ 8,849,718</u></u>
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See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004**

	<u>General</u>	<u>Brady Trust Special Revenue Fund</u>
Assets		
Equity in Pooled Cash and Investments	\$ 2,523,574	\$ 326
Other Cash and Investments	13,580	1,149,472
Receivables	46,584	-
Due from Other Governments	49,304	-
Total Assets	<u><u>\$ 2,633,042</u></u>	<u><u>\$ 1,149,798</u></u>
 Liabilities and Fund Balances		
Liabilities		
Accounts Payable	519,258	-
Due to Other Governments	10,040	-
Total Liabilities	<u><u>529,298</u></u>	<u><u>-</u></u>
 Fund Balances		
Reserved for Capital Projects	-	-
Reserved for Debt Service	-	-
Reserved for Encumbrances	656	-
Unreserved, Reported in:		
General Fund	2,103,088	-
Special Revenue Funds	-	347,116
Special Revenue Funds - Designated	-	802,682
Capital Project Fund	-	-
Total Fund Balances	<u><u>2,103,744</u></u>	<u><u>1,149,798</u></u>
 Total Liabilities and Fund Balances	 <u><u>\$ 2,633,042</u></u>	 <u><u>\$ 1,149,798</u></u>

See accompanying notes.

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 254,352	\$ 5,415,996	\$ 263,782	\$ 8,458,030
-	-	-	1,163,052
-	-	516	47,100
5,226	288	-	54,818
<u>\$ 259,578</u>	<u>\$ 5,416,284</u>	<u>\$ 264,298</u>	<u>\$ 9,723,000</u>
-	16,741	5,000	540,999
51	8	16	10,115
<u>51</u>	<u>16,749</u>	<u>5,016</u>	<u>551,114</u>
-	2,979,610	-	2,979,610
259,527	-	-	259,527
-	-	-	656
-	-	-	2,103,088
-	-	259,282	606,398
-	-	-	802,682
-	2,419,925	-	2,419,925
<u>259,527</u>	<u>5,399,535</u>	<u>259,282</u>	<u>9,171,886</u>
<u>\$ 259,578</u>	<u>\$ 5,416,284</u>	<u>\$ 264,298</u>	<u>\$ 9,723,000</u>



**Alachua County Library District
Reconciliation of the Balance Sheet
to the Statement of Net Assets Governmental Funds
For the Year Ended September 30, 2004**

Fund Balances - Total Governmental Funds	\$9,171,886
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.	11,892,788
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in funds.	(12,125,558)
Accrued general long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.	<u>(89,398)</u>
Net assets of governmental activities	<u>\$8,849,718</u>

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	General	Brady Trust Special Revenue Fund
Revenues		
Property taxes	11,399,479	-
Intergovernmental	-	-
Charges for services	35,139	-
Investment income	68,920	122,696
Miscellaneous	140,948	1,182
Total revenues	11,644,486	123,878
Expenditures		
Current: Culture and recreation		
Personal services	7,192,656	-
Operating expenditures	3,297,361	-
Capital outlay	-	-
Debt service	-	-
Total expenditures	10,490,017	-
Excess (deficiency) of revenues over (under) expenditures	1,154,469	123,878
Other financing sources (uses)		
Transfers in	-	-
Transfers out	(781,664)	(50,000)
Proceeds from sale of capital assets	1,394	-
Total other financing sources (uses)	(780,270)	(50,000)
Net change in fund balances	374,199	73,878
Fund balances - beginning	1,729,545	1,075,920
Fund balances - ending	\$ 2,103,744	\$ 1,149,798

See accompanying notes.

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
1,191,368	2,099	-	\$ 12,592,946
-	-	680,677	680,677
-	-	-	35,139
10,003	72,723	-	274,342
-	1,304	47,878	191,312
<u>1,201,371</u>	<u>76,126</u>	<u>728,555</u>	<u>13,774,416</u>
-	-	-	7,192,656
47,813	-	759,454	4,104,628
-	313,574	-	313,574
1,198,744	-	-	1,198,744
<u>1,246,557</u>	<u>313,574</u>	<u>759,454</u>	<u>12,809,602</u>
<u>(45,186)</u>	<u>(237,448)</u>	<u>(30,899)</u>	<u>964,814</u>
-	781,664	50,000	831,664
-	-	-	(831,664)
-	-	-	1,394
<u>-</u>	<u>781,664</u>	<u>50,000</u>	<u>1,394</u>
(45,186)	544,216	19,101	966,208
304,713	4,855,319	240,181	8,205,678
<u>\$ 259,527</u>	<u>\$ 5,399,535</u>	<u>\$ 259,282</u>	<u>\$ 9,171,886</u>



Achua 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, 2004

Net Change in Fund Balances - Total Governmental Funds \$966,208

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 \$496,798 exceeded capital outlay (\$62,046) in the current period. (434,752)

Governmental funds report sale of general fixed assets as financial resources, the loss on disposal of general fixed assets are not reflected in the fund statement. (387)

Repayments of bond principal ((\$635,000) less \$11,094 premium expense plus \$8,323 deferred charges) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 637,771

Some expenditures 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 (\$32,830 and Accrued Interest Expense \$4,497). (28,333)

Changes in net assets of governmental activities \$1,140,507

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Property taxes	\$ 11,746,966	\$ 11,746,966	\$ 11,399,479	\$ (347,487)
Charges for services	30,000	30,000	35,139	5,139
Investment income	90,000	90,000	68,920	(21,080)
Miscellaneous	20,000	20,000	140,948	120,948
Total revenues	<u>11,886,966</u>	<u>11,886,966</u>	<u>11,644,486</u>	<u>(242,480)</u>
Expenditures				
Current: Culture and recreation				
Personal services	7,447,333	7,447,333	7,192,656	254,677
Operating expenditures	3,463,549	3,463,549	3,297,361	166,188
Total expenditures	<u>10,910,882</u>	<u>10,910,882</u>	<u>10,490,017</u>	<u>420,865</u>
Excess of revenues over expenditures	976,084	976,084	1,154,469	178,385
Other financing sources (uses)				
Transfers out	(781,664)	(781,664)	(781,664)	-
Proceeds from sale of capital assets	-	-	1,394	1,394
Total other financing sources (uses)	<u>(781,664)</u>	<u>(781,664)</u>	<u>(780,270)</u>	<u>1,394</u>
Net change in fund balance	194,420	194,420	374,199	179,779
Fund balances - beginning	<u>(194,420)</u>	<u>(194,420)</u>	<u>1,729,545</u>	<u>1,923,965</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,103,744</u>	<u>\$ 2,103,744</u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	Brady Trust Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Investment income	\$ 50,000	\$ 50,000	\$ 122,696	\$ 72,696
Miscellaneous	-	-	1,182	1,182
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>123,878</u>	<u>73,878</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	50,000	50,000	123,878	73,878
Other financing sources (uses)				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	-	-	73,878	73,878
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>1,075,920</u>	<u>1,075,920</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,149,798</u></u>	<u><u>\$ 1,149,798</u></u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - EMPLOYEE RETIREMENT PLAN
SEPTEMBER 30, 2004**

Assets

Cash and Cash Investments	\$ 668,020
Government Obligations	3,149,555
Corporate Stocks	4,077,728
Interest and Dividends Receivable	51,404

Total Assets 7,946,707

Net Assets

Held in Trust for Pension Benefits	<u><u>\$ 7,946,707</u></u>
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See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

Additions

Contributions:

Employer \$ 603,804

Members 201,143

Total contributions 804,947

Investment earnings:

Net appreciation in fair value of investments 415,799

Interest and dividends 190,592

Total investment income 606,391

(Less investment expense) (91,853)

Net investment income 514,538

Total additions 1,319,485

Deductions

Benefit payments 102,998

Refunds of nonvested contributions 25,106

(Total deductions) (128,104)

Net increase 1,191,381

Net assets held in trust for pension

benefits - beginning 6,755,326

Net assets held in trust for pension

benefits - ending \$ 7,946,707

See accompanying notes.



**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

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**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

The Alachua County Library District was established, effective April 1, 1986, by Chapter 85-376 Laws of Florida (the Act) and currently operates under the authority of Chapter 98-502, Laws of Florida. It is governed by a six-member governing (Board of Governors) board, composed of three members of the Board of County Commissioners of Alachua County, Florida, two members of the Gainesville City Commission and one member of the Alachua County School Board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Alachua County Library District. For the most part, 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 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

ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

- The **General Fund** is the Alachua County Library District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- The **Brady Trust Special Revenue Fund** accounts for the activities in the Marna Venable Brady Trust.

- The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

- The **Capital Projects Fund** accounts for financial resources to be used for the acquisition or construction of major capital facilities.

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).

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting

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 in the accompanying financial statements 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.

E. Assets, Liabilities and Net Assets

■ **Encumbrances**

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

■ **Investments**

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

■ **Restricted Assets**

Certain funds of the Library District are classified as restricted 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 and past 15-year

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Net Assets (Continued)

▪ **Restricted Assets (Concluded)**

millage restriction for Capital Projects that ended in 2001. 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 Florida Statute 274.02 to include items of a nonconsumable nature with a value of at least \$1,000 and a life of one year or more. The Library District Governing Board has elected to include items with a value of at least \$750 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:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	15
Vehicles	7
Equipment	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. Nonparticipants of the pension plan with at least five years of service are 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, for example, 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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Net Assets (Continued)

▪ **Long-Term Obligations (Concluded)**

discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

▪ **Reserves and Designations of Fund Balances**

In the fund financial statements, reserves of fund balance represent portions of fund balances that cannot be appropriated for expenditures or which have been legally segregated for specific future uses. Debt Service and Capital Outlay have millage restrictions, as discussed in the Restricted Assets section of this note. Designations indicate management's tentative spending plans.

In the Brady Trust Special Revenue Fund, the Alachua County Library District's Board of Governors has designated the amount of the original contribution plus an amount representing inflation to remain intact indefinitely, with all remaining net assets available for transfer to the gifts and donation fund to be used for library books. In the Brady Trust Special Revenue Fund, designated fund balances have increased by \$21,019 to \$802,682 representing a 2.54% increase in the consumer price index.

F. Risk Management

The Alachua County 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.

Note 2 - Property Taxes

The Legislative Act (the Act), which created the Alachua County Library District, allowed for the levy of ad valorem taxes. The millages allowed under the Act and the millages levied during fiscal year ended September 30, 2004, are as follows:

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 2 - Property Taxes (Concluded)

	<u>Allowable Millage</u>	<u>Millage Levied</u>
Millages Allocated to:		
General Operations	1.5 Mills	1.5 Mills
Voted Debt Service	Unlimited*	.1566 Mills

* Determined based upon debt issued and the capital improvement millage must be reduced by an equal amount.

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 a cash and investment pool for all Alachua County Library District funds, 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."

■ **Cash Deposits**

At September 30, 2004, the carrying amount of the Alachua County Library District's deposits was \$362,193. 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 cash deposits of the Alachua County Library District are placed with qualified financial institutions and are classified as category one credit risk, which means they are insured or collateralized.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 3 - Cash and Investments (Continued)

■ **Investments**

The Alachua County Library District's investment practices are governed by Resolution 95-2, which provides for the investment of surplus public funds in the following instruments, none of which shall be in the form of derivatives.

- The Florida Local Government Surplus Funds Trust Fund
- 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.

Investments of the Pension Trust Fund and Brady Trust Special Revenue Fund may be made in stocks, bonds or other appropriate investments as governed by bond resolution, general law or action of the Board.

The following chart lists the Library District's deposits and investments at year-end and breaks the total down into the accounts, which are listed in the Statement of Net Assets. When applicable, investments are categorized in this chart to give an indication of the level of risk assumed by the Library District.

Category 1 - credit risk investments include investments that are insured or registered, or securities the government or its agent holds in the government's name.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 3 - Cash and Investments (Concluded)

■ **Investments (Concluded)**

Category 2 - includes uninsured and unregistered investments held by the counterparty's trust department or agent in the government's name.

Category 3 - includes uninsured and unregistered investments held by the counterparty, or by its trust department or agent, but not in the government's name.

Listed below is a summary of the Alachua County Library District's investments at September 30, 2004, including the carrying value and risk categorization:

	Category			Carrying Value
	1	2	3	
Investments Subject to Categorization				
Investments with A.G. Edward - Brady Trust	\$0	\$0	\$1,149,472	\$1,149,472
Pension Investments - State Street Bank - Trustee	7,895,303	0	0	7,895,303
Total Investments Subject to Categorization	\$7,895,303	\$0	\$1,149,472	\$9,044,775
Investments Not Subject to Categorization				
State Board of Administration Investment Pool (2a7-like)				8,160,821
Total Investments				\$17,205,596
Cash in Banks (Including CD and Public Interest on Checking)				362,193
Total Cash and Investments				\$17,567,789

Following is a breakdown of the Brady Trust Special Revenue Fund Investments at September 30, 2004:

Cash Equivalents	\$ 51,732
Corporate Stocks	859,238
Corporate Bonds	238,502
Total	\$1,149,472

Pension Investments are comprised of:

Cash Equivalents	\$668,020
Corporate Stocks	4,077,728
Corporate and Government Bonds	3,149,555
Total	\$7,895,303

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2004, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 1,075,385	-	-	\$ 1,075,385
Total not being depreciated	<u>1,075,385</u>	<u>-</u>	<u>-</u>	<u>1,075,385</u>
Capital Assets being depreciated:				
Buildings	15,651,774	-	-	15,651,774
Equipment	2,438,443	62,045	(211,916)	2,288,572
Improvements other than Building	314,402	-	-	314,402
Total being depreciated	<u>18,404,619</u>	<u>62,045</u>	<u>(211,916)</u>	<u>18,254,748</u>
Less accumulated depreciation for:				
Buildings	(4,826,553)	(322,926)	-	(5,149,479)
Equipment	(2,026,587)	(171,055)	211,530	(1,986,113)
Improvements other than Building	(298,936)	(2,817)	-	(301,753)
Total accumulated depreciation	<u>(7,152,076)</u>	<u>(496,798)</u>	<u>211,530</u>	<u>(7,437,345)</u>
Total being depreciated, net	<u>11,252,543</u>	<u>(434,753)</u>	<u>(386)</u>	<u>10,817,403</u>
Governmental activities capital assets, net	<u><u>\$ 12,327,928</u></u>	<u><u>\$ (434,753)</u></u>	<u><u>\$ (386)</u></u>	<u><u>\$ 11,892,788</u></u>

Depreciation expense for the year ended September 30, 2004 was \$496,798.

Note 5 - Employee Benefits

■ **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. The plan covers substantially all employees; some managerial employees (6) belong to the ICMA Deferred Compensation Plan. For managers who elected to move from the deferred compensation plan (3) as of October 1, 1996, credited service shall begin as of that date for benefit accrual purposes. 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.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 5 - Employee Benefits (Continued)

■ **Pension Plan (Continued)**

A. **Plan Description (Concluded)**

At October 1, 2003, the plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	8
Vested Terminated Employees	19
Active Employees	<u>193</u>
Total	<u><u>220</u></u>

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 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 investing purposes. For purposes of calculation of the accrued benefit, the transferring employee shall accrue credited service under this plan only after October 1, 1996.

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 as revenue in the period in which employee services are performed 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 value. Investment policies are determined by the Pension Board of Trustees. Net appreciation or (depreciation) in the fair value of investments represents both realized and unrealized gains and losses.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 5 - Employee Benefits (Continued)

B. Summary of Significant Accounting Policies (Concluded)

➤ **Refunds**

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.

➤ **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. Contributions Required and Contributions Made

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 entry age normal actuarial funding method. The required contribution rate for the District for the current fiscal year is 11.97% of the covered payroll.

Covered employees were required to contribute 4% of their salary to their pension plan. The Alachua County Library District is required to contribute the remaining amounts necessary to finance the coverage of its own employees.

The actual contribution for the plan year ended September 30, 2004, of \$804,947 (employer \$603,804; employee \$201,143) was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2003. The contribution consisted of: (1) \$627,681 normal costs, and (2) \$177,266, amortization of the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is funded as a level percent of projected payroll over a thirty-year period.

D. Investment Concentrations

As of September 30, 2004, all (100%) investments were held by State Street Bank, Custodian for the Alachua County Library District.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 5 - Employee Benefits (Concluded)

E. Determination of Net Pension Obligation (Asset)

The methods and assumptions that apply for the calculation of the net pension obligation (NPO) are those used for amortizing actuarial experience gains and losses in determining the District's contribution rates for the years indicated. The amortization factors incorporate those methods and assumptions.

In accordance with GASB Statement No. 27, the calculation of NPO assumes a zero liability at the beginning of the calculation period. The District's first contribution deficiency (excess) occurred in fiscal year 1988 and, therefore, the first NPO balance occurred at the end of that year. The District applied the required adjustment procedures beginning in fiscal year 1989 and works forward year-by-year.

F. Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/04	566,066	106.7	(192,034)
9/30/03	535,280	106.2	(154,108)
9/30/02	440,559	101.3	(121,023)

■ **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 456 and, accordingly, all assets and income of the plans are held in trust for the exclusive benefit of the participants and their beneficiaries.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 6 - Long-Term Obligations

The Alachua County Library District has the following long-term obligations outstanding as of September 30, 2004:

\$13,295,000 Alachua County Library District Refunding Bonds, Series 2001 Due in Annual Installments of \$585,000 to \$1,140,000 through 2017, Interest from 4.25% to 5.00% and Secured by Property Taxes (Refunded Series 1991 General Obligation Bond)	\$11,465,000
Plus Unamortized Premium	142,382
Net Carrying Amount	11,607,382
Accrued Compensated Absences	624,984
Total Long-term Obligations	\$12,232,366

Long-Term liability activity for the year ended September 30, 2004, was as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance	Due within One Year
General Obligation					
Bonds	\$12,100,000	\$0	(\$635,000)	\$11,465,000	\$665,000
Unamortized Premium	153,476	0	(11,094)	142,382	0
Compensated Absences	592,154	32,830	0	624,984	624,984
Total Long-term Obligations	\$12,845,630	\$32,830	(\$646,094)	\$12,232,366	\$1,289,984

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

Year	Principal	Interest
2005	\$665,000	\$536,385
2006	690,000	508,123
2007	725,000	478,798
2008	755,000	447,985
2009	790,000	410,235
2010-2014	4,565,000	1,433,905
2015-2017	3,275,000	319,625
Total	11,465,000	4,135,056
Plus: Unamortized Bond Premium	142,382	0
Total	\$11,607,382	\$4,135,056

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

Note 7 - Interfund Transfers

Interfund transfers for the year ended September 30, 2004, were as follows:

<u>Transfer Out</u>	<u>Amount</u>	<u>Transfer In</u>	<u>Purpose</u>
General Fund	\$781,664	Capital Projects Fund	Fund Capital Projects
Brady Trust Special Revenue Fund	50,000	Gifts and Donations Fund	Budgeted Spendable Trust Funds
Total Interfund Transfers	<u>\$831,664</u>		

Note 8 - Related Party Transactions

The Library District has an interlocal agreement with Alachua County Board of County Commissioners. The Library District paid Alachua County Board of County Commissioners \$368,748 for services in fiscal year 2004. These services included Accounting, Auditing, Treasury, Miscellaneous Administrative Services, Information and Telecommunications Services, and the County Attorney services.

Note 9 - 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 Budget Column

Certain funds show an excess of expenditures over revenue in the budget column of the statement of revenue, expenditures and changes in fund balances, budget and actual. This excess is due to the use of fund balance (which is not reported in the budget or variance column) during the fiscal year.

C. 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.

**ALACHUA COUNTY LIBRARY DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2004**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll (b-a)/c
10/01/03	\$ 6,966,779	\$ 10,600,230	\$ 3,633,451	65.7%	\$ 4,730,893	76.8%
10/01/02*	\$ 6,479,693	\$ 9,445,509	\$ 2,965,816	68.6%	\$ 4,643,532	63.9%
10/01/01**	\$ 6,315,599	\$ 8,235,573	\$ 1,919,974	76.7%	\$ 4,174,964	46.0%
10/01/00	\$ 6,131,260	\$ 5,882,819	\$ (248,441)	104.2%	\$ 3,795,763	(6.5)%
10/01/99*	\$ 5,646,419	\$ 4,958,325	\$ (688,094)	113.9%	\$ 3,492,555	(19.7)%
10/01/98	\$ 4,619,234	\$ 4,647,229	\$ 27,995	99.4%	\$ 3,088,912	.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation Date	End of Plan Year to Which Valuation Applies	Total Annual Payroll at Valuation Date	Required Employer Contribution		Actual Employer Contributions	Percentage Contributed
			Amount	% Payroll		
10/01/03	09/30/04	\$ 4,730,893	\$ 566,066	11.97%	\$ 603,804	107%
10/01/02	09/30/03	\$ 4,643,532	\$ 535,280	11.53%	\$ 568,365	106%
10/01/01**	09/30/02	\$ 4,174,964	\$ 440,559	10.55%	\$ 446,350	101%
10/01/00	09/30/01	\$ 3,795,763	\$ 268,031	7.06%	\$ 271,874	101%
10/01/99*	09/30/00	\$ 3,492,555	\$ 178,095	5.10%	\$ 188,948	106%
10/01/98	09/30/99	\$ 3,088,912	\$ 269,048	8.71%	\$ 278,224	103%

* Change in actuarial assumptions/methods.

** Plan amendment.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2004**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	10/01/03
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent - 30 Years -Closed
Remaining Amortization Period	Approximately 30 Years
Asset Valuation Method	Four Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	8.5%
Projected Salary Increases	6% (Comprised of 3% from Inflation and 3% Other)
Payroll Growth	6.5% Per Year
Post-Retirement Benefit Increases	Annual COLA Based Upon CPI with 2% Annual Maximum
Expenses	Prior Year Net Expenses Plus 15%



**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

ALACHUA COUNTY LIBRARY DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2004

	SPECIAL REVENUE FUNDS				
	State Grant Interlibrary Cooperative	Gifts and Donations	Black History Month	Staying Connected Computer Grant	Total Nonmajor Governmental Funds
Assets					
Equity in pooled cash	\$ 5,000	\$ 258,058	\$ 708	\$ 16	\$ 263,782
Accounts receivable	-	516	-	-	516
Total assets	\$ 5,000	258,574	708	\$ 16	264,298
 Liabilities and fund balances					
Liabilities					
Accounts payable	5,000	-	-	-	5,000
Due to other governments	-	-	-	16	16
Total liabilities	5,000	-	-	16	5,016
 Fund balances					
Fund balances:					
Unreserved	-	258,574	708	-	259,282
Total liabilities and fund balances	\$ 5,000	\$ 258,574	\$ 708	\$ 16	\$ 264,298

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	SPECIAL REVENUE FUNDS				Total Nonmajor Governmental Funds
	State Grant Interlibrary Cooperative	Gifts and Donations	Black History Month	Staying Connected Computer Grant	
Revenues					
Intergovernmental	\$ 675,877	\$ -	\$ -	\$ 4,800	\$ 680,677
Miscellaneous	-	47,878	-	-	47,878
Total Revenues	675,877	47,878	-	4,800	728,555
Expenditures					
Current: Culture and recreation					
Personal services	-	-	-	-	-
Operating expenditures	675,877	78,500	277	4,800	759,454
Total expenditures	675,877	78,500	277	4,800	759,454
Excess (deficiency) of revenues over (under) expenditures	-	(30,622)	(277)	-	(30,899)
Other financing sources (uses)					
Transfers in	-	50,000	-	-	50,000
Net change in fund balances	-	19,378	(277)	-	19,101
Fund balances - beginning	-	239,196	985	-	240,181
Fund balances - ending	\$ -	\$ 258,574	\$ 708	-	\$ 259,282

See accompanying notes.



**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	SPECIAL			
	State Grant Interlibrary Cooperation			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 702,659	\$ 702,659	\$ 675,877	\$ (26,782)
Miscellaneous	-	-	-	-
Total revenues	<u>702,659</u>	<u>702,659</u>	<u>675,877</u>	<u>(26,782)</u>
Expenditures				
Current: Culture and recreation				
Personal services	-	-	-	-
Operating expenditures	702,659	702,659	675,877	26,782
Total expenditures	<u>702,659</u>	<u>702,659</u>	<u>675,877</u>	<u>26,782</u>
Excess of revenues over expenditure	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

REVENUE		FUNDS		
				<i>Gifts and Donations</i>
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ -	\$ -	\$ -	\$ -	
33,500	33,500	47,878	14,378	
<u>33,500</u>	<u>33,500</u>	<u>47,878</u>	<u>14,378</u>	
-	-	-	-	
86,000	86,000	78,500	7,500	
<u>86,000</u>	<u>86,000</u>	<u>78,500</u>	<u>7,500</u>	
(52,500)	(52,500)	(30,622)	21,878	
50,000	50,000	50,000	-	
(2,500)	(2,500)	19,378	21,878	
2,500	2,500	239,196	236,696	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,574</u>	<u>\$ 258,574</u>	

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	SPECIAL			Variance with Final Budget Positive (Negative)
	Black History Month			
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current: Culture and recreation				
Personal services	-	-	-	-
Operating expenditures	-	985	277	708
Total expenditures	-	985	277	708
Excess of revenues over expenditures	-	(985)	(277)	708
Other financing sources (uses)				
Transfers in	-	-	-	-
Net change in fund balance	-	(985)	(277)	708
Fund balances - beginning	-	985	985	-
Fund balances - ending	\$ -	\$ -	\$ 708	\$ 708

See accompanying notes.

REVENUE		FUNDS		
<i>Gates Staying Connected Computer Grant</i>				
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ -	\$ 4,800	\$ 4,800	\$ -	
-	-	-	-	
-	4,800	4,800	-	
-	-	-	-	
-	4,800	4,800	-	
-	(4,800)	(4,800)	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
\$ -	\$ -	\$ -	\$ -	

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	DEBT SERVICE FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Property taxes	\$ 1,224,086	\$ 1,224,086	\$ 1,191,368	\$ (32,718)
Investment income	5,000	5,000	10,003	5,003
Total Revenues	1,229,086	1,229,086	1,201,371	(27,715)
Expenditures				
Current: Culture and recreation				
Operating expenditures	75,000	75,000	47,813	27,187
Debt service	1,200,000	1,200,000	1,198,744	1,256
Contingency reserve	50,000	50,000	-	50,000
Total expenditures	1,325,000	1,325,000	1,246,557	78,443
Net change in fund balance	(95,914)	(95,914)	(45,186)	50,728
Fund balances - beginning	95,914	95,914	304,713	208,799
Fund balances - ending	\$ -	\$ -	\$ 259,527	\$ 259,527

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	CAPITAL PROJECTS FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ 2,099	\$ 2,099
Investment income	58,781	58,781	72,723	13,942
Miscellaneous	-	-	1,304	1,304
Total revenues	58,781	58,781	76,126	17,345
Expenditures				
Current: Culture and recreation				
Operating expenditures	-	-	-	-
Capital outlay	1,655,020	1,655,020	313,574	1,341,446
Total expenditures	1,655,020	1,655,020	313,574	1,341,446
(Deficiency) of revenues (under) expenditures	(1,596,239)	(1,596,239)	(237,448)	1,358,791
Other financing sources (uses)				
Transfers in	781,664	781,664	781,664	-
Net change in fund balance	(814,575)	(814,575)	544,216	1,358,791
Fund balances - beginning	814,575	814,575	4,855,319	4,040,744
Fund balances - ending	\$ -	\$ -	\$ 5,399,535	\$ 5,399,535

See accompanying notes.



**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

ALACHUA COUNTY LIBRARY DISTRICT
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 SEPTEMBER 30, 2004

GOVERNMENTAL FUNDS CAPITAL ASSETS

Land	\$	1,075,385
Buildings and Improvements		15,966,176
Equipment		2,288,572
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$	<u>19,330,133</u>

INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE

General Fund	\$	5,903,320
Capital Projects		13,294,319
Special Revenue		95,985
Donations		36,509
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$	<u>19,330,133</u>

See accompanying notes.

ALACHUA COUNTY LIBRARY DISTRICT
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2004

	GOVERNMENT FUNDS CAPITAL ASSETS OCTOBER 1, 2003	ADDITIONS	DELETIONS	GOVERNMENT FUNDS CAPITAL ASSETS SEPTEMBER 30, 2004
CULTURE/RECREATION				
Libraries	19,480,004	62,045	(211,916)	19,330,133
TOTAL CULTURE/RECREATION	<u>19,480,004</u>	<u>62,045</u>	<u>(211,916)</u>	<u>19,330,133</u>
 TOTAL GOVERNMENT FUNDS CAPITAL ASSETS	 <u>\$ 19,480,004</u>	 <u>\$ 62,045</u>	 <u>\$ (211,916)</u>	 <u>\$ 19,330,133</u>

SCHEDULE BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2004

	LAND	BUILDINGS AND IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
CULTURE/RECREATION				
Libraries	1,075,385	15,966,176	2,288,572	19,330,133
TOTAL CULTURE/RECREATION	<u>1,075,385</u>	<u>15,966,176</u>	<u>2,288,572</u>	<u>19,330,133</u>
 TOTAL GOVERNMENT FUNDS CAPITAL ASSETS	 <u>\$ 1,075,385</u>	 <u>\$ 15,966,176</u>	 <u>\$ 2,288,572</u>	 <u>\$ 19,330,133</u>

See accompanying notes.



**STATISTICAL
SECTION**

TABLE I
 ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
 GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (1)
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED	CULTURE & RECREATION	DEBT SERVICE	CAPITAL OUTLAY	TOTALS
1995	\$ 5,820,473	\$ 1,283,608	\$ 389,672	\$7,493,753
1996	6,402,465	1,325,485	408,032	8,135,982
1997	6,799,507	1,337,107	518,967	8,655,581
1998	7,448,095	1,333,171	991,053	9,772,319
1999	8,135,340	1,340,810	1,538,826	11,014,976
2000	8,683,437	1,345,783	925,803	10,955,023
2001	9,291,226	1,102,366	696,128	11,089,720
2002	10,366,057	1,199,160	68,678	11,633,895
2003	11,348,007	1,199,668	298,885	12,846,560
2004	11,297,284	1,198,744	313,574	12,809,602

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

SOURCE: Alachua County Finance Department

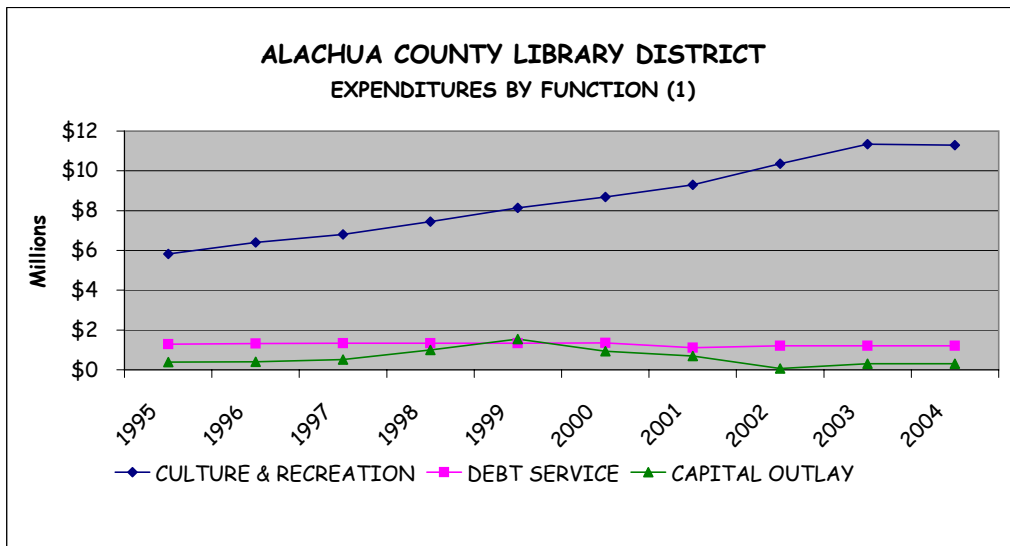


TABLE II
 ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
 GENERAL GOVERNMENT REVENUE BY SOURCE (1)
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED	TAXES	INTER-GOVERNMENTAL	CHARGES FOR SERVICES	INVESTMENT INCOME	MISCELLANEOUS	TOTAL
1995	\$ 6,935,956	\$ 602,934	\$ 35,610	\$ 138,879	\$ 267,594	\$ 7,980,973
1996	7,475,982	555,879	38,059	401,403	71,197	8,542,520
1997	7,955,835	587,957	30,382	412,220	26,817	9,013,211
1998	8,475,973	995,759	28,743	557,580	52,051	10,110,106
1999	9,045,738	689,285	26,494	453,802	246,862	10,462,181
2000	10,245,427	714,002	26,838	610,385	170,554	11,767,206
2001	11,022,943	791,982	26,033	471,968	168,937	12,481,863
2002	10,726,699	731,456	33,174	104,610	115,033	11,710,972
2003	11,507,342	710,159	33,598	344,944	149,238	12,745,281
2004	12,592,946	680,677	35,139	274,342	191,312	13,774,416

(1) Includes General, Special Revenue, Debt Service and Capital Project Funds.

SOURCE: Alachua County Finance Department.

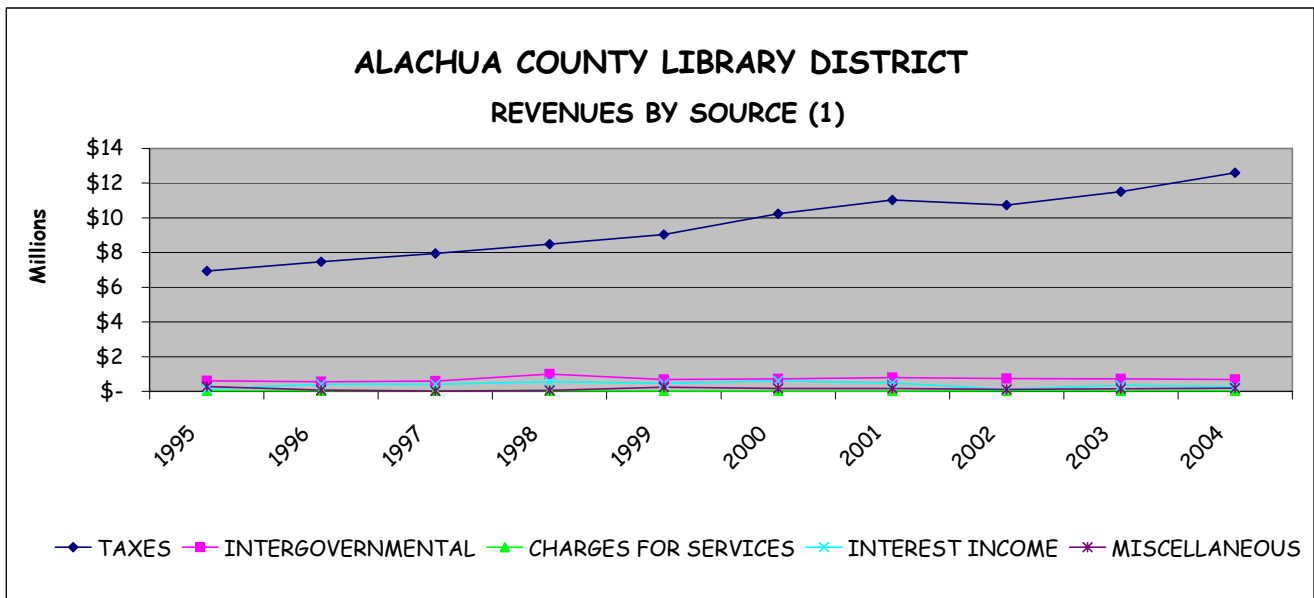


TABLE III
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENT
(PER \$1000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED	ALACHUA COUNTY, FLORIDA				INDEPENDENT DISTRICTS			
	GENERAL FUND (1)	DEBT SERVICE FUNDS	MSTU FUNDS	TOTALS	LIBRARY DISTRICT	SCHOOL BOARD DISTRICT (1)	CITIES (1)	TOTALS
1995	9.2500	0.0310	3.4949	12.7759	1.8408	12.1770	41.7162	55.7340
1996	9.2500	0.0310	3.4949	12.7759	1.8408	12.1770	41.2322	55.2500
1997	9.2500	0.0310	3.4949	12.7759	1.8408	12.1770	43.8887	57.9065
1998	9.0000	0.0290	3.4949	12.5239	1.8107	12.1770	44.3215	58.3092
1999	8.7500	0.0200	3.4949	12.2649	1.8107	11.8240	44.5005	58.1352
2000	8.7500	0.0200	3.4949	12.2649	1.9000	10.9560	44.4525	57.3085
2001	8.7500	0.0150	3.4949	12.2599	1.9000	10.8030	44.7215	57.4245
2002	8.9887	0.0122	3.4817	12.4826	1.6789	10.4360	45.2835	57.3984
2003	8.9887	0.0000	3.4817	12.4704	1.6632	10.4660	45.7905	57.9197
2004	8.9887	0.2500	3.4817	12.7204	1.6566	9.8390	45.4385	56.9341

(1) School district limited to 10 mills for operations. Counties and municipalities are limited to 10 mills for operations.

SOURCE: Alachua County Tax Collector

TABLE IV
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
ASSESSED VALUATION AND ESTIMATED MARKET VALUE
LAST TEN FISCAL YEARS

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
TOTAL VALUATIONS	\$8,787,330,507	\$9,397,040,709	\$10,230,937,615	\$10,640,074,453
LESS: REAL PROPERTY				
EXEMPTIONS/ADJUSTMENTS				
Governmental Exemptions	1,885,664,300	2,173,839,400	2,280,435,290	2,295,805,680
Homestead Exemptions	937,613,327	969,195,002	998,733,138	1,026,578,914
Historic Property Exemption	-	-	-	-
Agricultural Adjustments	484,464,855	483,357,200	500,080,300	521,933,900
Institutional Exemptions	177,344,091	180,050,793	224,033,619	238,656,396
Disability Exemptions	13,558,990	14,566,295	16,394,355	18,151,015
Widow's Exemptions	1,663,310	1,693,900	1,715,500	1,736,100
Renewable Energy Source Exemptions	333,890	270,290	254,020	254,020
Assessment Differential Value of Capped Parcels (1)	48,685,890	72,539,050	169,494,000	216,263,340
LESS: PERSONAL PROPERTY				
EXEMPTIONS/ADJUSTMENTS				
Government Exemptions	901,050,770	901,132,970	902,272,710	901,294,810
Institutional Exemptions	127,930,773	132,803,900	270,896,220	243,304,934
TOTAL EXEMPTIONS/ADJUSTMENTS	<u>\$4,578,310,196</u>	<u>\$4,929,448,800</u>	<u>\$5,364,309,152</u>	<u>\$5,463,979,109</u>
TAXABLE VALUATION	<u>\$4,209,020,311</u>	<u>\$4,467,591,909</u>	<u>\$4,866,628,463</u>	<u>\$5,176,095,344</u>
LEVEL OF ASSESSMENT (2)	100.00%	100.00%	100.00%	100.00%
ESTIMATED MARKET VALUE OF TAXABLE PROPERTY BASED ON LEVEL OF ASSESSMENT (3)	\$4,209,020,311	\$4,467,591,909	\$4,866,628,463	\$5,176,095,344

(1) Sum of the (Just Value - Capped Value) 193.155 F.S. Effective for the 1995 - 2004 Assessment Rolls

(2) The State of Florida Department of Revenue examines the County's assessment procedures and determines the level of assessment for the tax roll as it compares to what the Department of Revenue determines the actual market value to be that year. The method for calculating this percentage changed beginning 1980

(3) Estimated Market Value is calculated by dividing the Taxable Valuation by the Level of Assessment.

SOURCE: Alachua County Property Appraiser.

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>\$11,254,749,876</u>	<u>\$11,765,772,999</u>	<u>\$12,638,786,207</u>	<u>\$13,106,639,126</u>	<u>\$14,109,419,913</u>	<u>\$16,041,677,784</u>
2,301,603,140	2,315,209,500	2,506,541,200	2,335,153,300	2,341,821,500	3,203,370,600
1,052,437,498	1,079,518,525	1,097,147,475	1,133,254,592	1,157,453,120	1,190,251,512
-	-	-	632,140	788,150	861,410
578,007,400	591,350,000	612,146,000	596,550,800	618,304,800	641,061,800
253,644,985	258,108,560	280,263,457	289,194,435	316,495,795	360,942,985
19,951,405	21,060,829	23,555,752	26,480,777	32,964,485	37,161,230
1,736,000	1,803,000	1,814,000	1,842,500	1,853,000	1,808,000
234,290	226,790	117,400	-	-	-
319,324,110	346,535,300	389,404,220	533,791,890	695,770,530	997,748,650
900,964,500	901,129,928	900,979,540	900,762,670	900,455,630	900,312,610
240,590,700	190,860,215	170,855,877	145,646,985	180,396,130	177,248,075
<u>\$5,668,494,028</u>	<u>\$5,705,802,647</u>	<u>\$5,982,824,921</u>	<u>\$5,963,310,089</u>	<u>\$6,246,303,140</u>	<u>\$7,510,766,872</u>
<u>\$5,586,255,848</u>	<u>\$6,059,970,352</u>	<u>\$6,655,961,286</u>	<u>\$7,143,329,037</u>	<u>\$7,863,116,773</u>	<u>\$8,530,910,912</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$5,586,255,848	\$6,059,970,352	\$6,655,961,286	\$7,143,329,037	\$7,863,116,773	\$8,530,910,912

TABLE V
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>TAX YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS (2)</u>	<u>PERCENT OF CURRENT TAXES COLLECTED</u>
1994-1995	1994	\$112,838,758	\$107,977,868	95.7%
1995-1996	1995	121,500,058	116,463,580	95.9%
1996-1997	1996	128,564,598	123,168,582	95.8%
1997-1998	1997	138,916,137	133,145,382	95.8%
1998-1999	1998	145,080,127	138,913,589	95.7%
1999-2000	1999	152,410,647	145,835,896	95.7%
2000-2001	2000	163,906,080	155,848,995	95.1%
2001-2002	2001	177,557,372	169,815,421	95.6%
2002-2003	2002	191,198,779	183,583,857	96.0%
2003-2004	2003	207,645,262	199,006,888	95.8%

(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, taxes 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 not later than June 1 of each year.

(2) These figures include tax collections for the Library District and all other political jurisdictions within Alachua County.

* The information is unavailable at this time.

SOURCE: Alachua County Tax Collector and Finance Department.

<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS (2)</u>	<u>RATIO OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES</u>	<u>RATIO OF DELINQUENT TAXES TO TOTAL TAX LEVY</u>
\$293,393	\$108,271,261	96.0%	\$1,141,284	1.01%
320,916	116,784,496	96.1%	1,008,361	0.83%
298,034	123,466,616	96.0%	1,147,110	0.89%
466,487	133,611,869	96.2%	1,145,556	0.82%
516,108	139,429,697	96.1%	1,302,152	0.90%
*	*	*	1,479,160	0.97%
*	*	*	2,630,590	1.60%
403,861	170,219,282	95.9%	1,811,515	1.02%
1,274,883	184,858,740	96.7%	1,510,027	0.79%
794,433	199,801,321	96.2%	1,890,155	0.91%

TABLE VI
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
SPECIAL ASSESSMENT COLLECTIONS

The Library District has no Special Assessments.

TABLE VII
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION
BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

<u>FISCAL YEAR ENDED</u>	<u>POPULATION (1)</u>	<u>ASSESSED VALUE (in Thousands)</u>	<u>GROSS BONDED DEBT (2)</u>	<u>DEBT SERVICE MONIES AVAILABLE</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET DEBT PER CAPITA</u>
1995	203,700	\$4,209,020	\$15,090,000	\$337,142	\$14,752,858	0.35%	72.42
1996	206,601	4,467,592	14,745,000	375,019	14,369,981	0.32%	69.55
1997	210,096	4,866,628	14,380,000	359,455	14,460,893	0.30%	68.83
1998	212,707	5,176,095	13,995,000	176,095	14,157,647	0.27%	66.56
1999	215,847	5,586,256	13,590,000	176,115	13,413,885	0.24%	62.15
2000	218,295	6,059,970	13,160,000	222,310	12,937,690	0.21%	59.27
2001	220,156	6,655,961	13,295,000	493,573	12,801,427	0.19%	58.15
2002	221,973	7,143,329	12,710,000	409,196	12,300,804	0.17%	55.42
2003	231,296	7,863,117	12,100,000	304,739	11,795,261	0.15%	51.00
2004	236,174	8,530,911	11,465,000	259,579	11,205,421	0.13%	47.45

(1) Bureau of Economic and Business Research.

(2) All long-term general obligation debt for Library District, excluding long-term revenue debt, accrued compensated absences, notes payable and capital leases.

Note: Florida Statutes and local ordinances do not limit amounts of debt issued by Alachua County Library District.

SOURCE: Alachua County Finance Department.

TABLE VIII
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
COMPUTATION OF DIRECT, OVERLAPPING
AND UNDERLYING GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2004

<u>NAME OF GOVERNMENTAL AGENCY</u>	<u>GROSS DEBT OUTSTANDING (1)</u>	<u>PERCENTAGE APPLICABLE TO ALACHUA COUNTY (2)</u>	<u>COUNTY'S SHARE OF GROSS DEBT</u>
Direct:			
Alachua County Library District, 2002	\$11,465,000	100.0%	\$11,465,000
Total Direct			<u>11,465,000</u>
Overlapping/Underlying:			
Alachua County Forever G. O. Bond Series, 2003	\$12,785,000	100.0%	\$12,785,000
School Board District, 6/30/88 1968 and 1987	\$52,140,000	100.0%	<u>52,140,000</u>
Total Overlapping/Underlying			<u>64,925,000</u>
TOTAL DIRECT, OVERLAPPING, UNDERLYING DEBT			<u><u>\$76,390,000</u></u>

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

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

SOURCE: Alachua County Finance Department
School Board District and City of Gainesville

TABLE IX
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
LEGAL DEBT MARGIN
SEPTEMBER 30, 2004

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

TABLE X
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL
GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>FISCAL YEAR ENDED</u>	<u>PRINCIPAL (1)</u>	<u>INTEREST AND OTHER COSTS</u>	<u>TOTAL DEBT SERVICE (1)</u>	<u>TOTAL GENERAL (2) EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</u>
1995	\$320,000	\$963,608	\$1,283,608	\$7,493,753	17.13%
1996	345,000	980,485	1,325,485	8,135,982	16.29%
1997	365,000	972,107	1,337,107	8,655,581	15.45%
1998	385,000	948,171	1,333,171	9,772,319	13.64%
1999	405,000	935,810	1,340,810	11,014,976	12.17%
2000	430,000	915,783	1,345,783	10,955,023	12.28%
2001	455,000	647,366	1,102,366	11,089,720	9.94%
2002	585,000	614,160	1,199,160	11,633,895	10.31%
2003	610,000	589,668	1,199,668	12,846,560	9.34%
2004	635,000	563,744	1,198,744	12,809,602	9.36%

(1) General Obligation Bonds only for the Library District.

(2) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

TABLE XI
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
SCHEDULE OF REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

The Library District has had no Revenue Bond Coverage for the last ten years.

TABLE XII
 ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED	POPULATION (1)	PER CAPITA INCOME (2)	MEDIAN AGE(3)	COLLEGE AND UNIVERSITY ENROLLMENT (4)	PUBLIC SCHOOL ENROLLMENT (5)	UNEMPLOYMENT RATE (6)
1995	203,700	\$19,496	29.2	51,016	30,108	2.9%
1996	206,601	20,117	30.2	51,197	31,000	2.6%
1997	210,096	20,926	30.2	53,526	31,337	2.4%
1998	212,707	22,207	30.2	54,603	30,564	2.1%
1999	215,847	22,821	28.5	56,083	30,303	2.1%
2000	218,295	23,996	28.5	57,859	30,200	1.7%
2001	220,156	24,563	28.5	59,453	30,706	2.2%
2002	221,973	25,280	29	61,185	30,302	2.5%
2003	231,296	25,572	29	62,346	29,026	2.6%
2004	236,174	25,280	27	62,100	28,843	2.6%

SOURCES:

- (1) Bureau of Economic and Business Research.
- (2) United States Department of Commerce
- (3) Sales and Marketing Management, "Survey of Buying Power".
 The source for 1994 - 2001 is Bureau of Economic and Business Research.
 The source for 2002 - 2003 is Gainesville Chamber of Commerce.
 The source for 2004 is Gainesville Council for Economic Outreach.
- (4) University of Florida and Santa Fe Community College.
- (5) School Board of Alachua County
- (6) Bureau of Labor Statistics

TABLE XIII
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS
(DOLLAR AMOUNTS IN THOUSANDS)

FISCAL YEAR ENDED	OTHER CONSTRUCTION (2)		RESIDENTIAL CONSTRUCTION (2)		SAVINGS AND LOAN/ BANK DEPOSITS (3)	REAL PROPERTY JUST VALUE * (1)		
	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE		COMMERCIAL	RESIDENTIAL	NONTAXABLE
1995	43	\$58,373	944	\$108,487	\$1,433,867	\$1,721,678	\$3,475,051	\$1,931,058
1996	273	77,144	1,026	99,097	1,483,174	1,753,161	3,691,016	2,218,867
1997	253	105,161	1,148	128,657	1,528,811	1,873,386	4,094,376	2,358,274
1998	285	35,235	839	126,788	1,612,365	1,982,729	4,385,407	2,375,352
1999	439	43,773	836	153,691	1,557,467	2,119,467	4,798,746	2,399,618
2000	417	50,340	1,011	172,053	1,666,264	2,213,573	5,178,392	2,427,857
2001	244	132,534	874	189,634	1,783,383	2,378,121	5,593,903	2,638,417
2002	349	87,731	1,892	162,324	1,939,585	2,407,937	6,124,854	2,527,797
2003	347	61,249	2,283	188,859	2,054,790	2,599,693	6,837,209	2,568,342
2004	350	170,274	2,404	194,726	2,203,097	2,799,847	7,697,475	3,452,059

* Florida law requires just value to effectively equal market value.

SOURCES:

(1) Alachua County Property Appraiser

(2) The source for these figures is the Alachua County Property Appraiser, and includes all of Alachua County; "other" includes commercial, industrial, governmental, institutional, agricultural, and utilities.

(3) Florida Banker's Association

TABLE XIV
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2004

<u>TOP TEN PRINCIPAL TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>	<u>VALUE</u>	<u>% OF PRINCIPAL TAXPAYERS</u>	<u>% OF TOTAL VALUE</u>
1. BellSouth, Inc.	Telecommunications	\$113,474,470	21.98%	1.33%
2. Thompson D Baker/Florida Rock	Manufacturing	83,309,000	16.14%	0.98%
3. Florida Power Corp.	Electric Utility	63,068,550	12.22%	0.74%
4. Oaks Mall Gainesville Ltd Partnership	Real Estate	60,277,650	11.68%	0.71%
5. Cox Cable University City, Inc.	Telecommunications	38,477,200	7.45%	0.45%
6. Atlantic Financial Group, LTD	Retail	38,475,020	7.45%	0.45%
7. Dollar General Store # 1394	Retail	33,484,300	6.49%	0.39%
8. HCA Health Services of Florida Inc	Health Care	31,309,890	6.07%	0.37%
9. Clay Electric Cooperative, Inc.	Electric Utility	31,196,020	6.04%	0.37%
10. Metal Container Corporation	Manufacturing	23,161,860	4.49%	0.27%
		<u>\$516,233,960</u>		
TOTAL 2004 TAXABLE VALUATIONS OF ALL PROPERTIES		<u>\$8,530,910,912</u>		

SOURCE: Alachua County Property Appraiser Annual Report

TABLE XV
 ALACHUA COUNTY, FLORIDA
 MISCELLANEOUS STATISTICAL DATA
 SEPTEMBER 30, 2004

Date of Incorporation	1986
Form of Government	Independent Special Taxing District
Area in County (square miles)	977
Library District Locations:	Headquarters - downtown Gainesville Millhopper Road - Northwest Tower Road - Southwest Alachua Archer Hawthorne High Springs Micanopy Newberry Waldo Two Bookmobiles Library Service to the Alachua County Jail
Library Use Statistics 2003-2004	
Visits to all libraries	1,121,867
Items borrowed (circulated)	2,620,265
Registered borrowers	208,073
Titles in library collections	286,051
Individual items in collections	965,732
Reference questions answered by phone or in person	113,739
Programs for children & adults	1,720 with attendance of 69,170
Uses of District meeting rooms	3,558 with attendance of 43,841
Other Libraries	
College and University	10
College and University - volumes	4,085,837
Employees:	
Eligible for union membership	181
Not eligible for union membership	26

COMPLIANCE SECTION

CONTINUING DISCLOSURE REQUIREMENTS

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

Alachua County Library District Refunding, Series 2001

I. Assessed Value Tax Property in District

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Total Valuations	<u>\$13,106,639,126</u>	<u>\$14,109,419,913</u>	<u>\$16,041,677,784</u>
Less: Real Property Exemptions/Adjustments			
Governmental Exemptions	2,335,153,300	2,341,821,500	3,203,370,600
Homestead Exemptions	1,133,254,592	1,157,453,120	1,190,251,512
Historic Property Exemptions	632,140	788,150	861,410
Agriculture Adjustments	596,550,800	618,304,800	641,061,800
Institutional Exemptions	289,194,435	316,495,795	360,942,985
Disability Exemptions	26,480,777	32,964,485	37,161,230
Widow's Exemptions	1,842,500	1,853,000	1,808,000
Renewable Energy Source Exemptions	-	-	-
Assessment Differential Value of Capped Parcels (1)	<u>533,791,890</u>	<u>695,770,530</u>	<u>997,748,650</u>
Total Real Property Exemptions/Adjustments	<u>4,916,900,434</u>	<u>5,165,451,380</u>	<u>6,433,206,187</u>
Less: Personal Property Exemptions/Adjustments			
Government Exemptions	900,762,670	900,455,630	900,312,610
Institutional Exemptions	<u>145,646,985</u>	<u>180,396,130</u>	<u>177,248,075</u>
Total Personal Property Exemptions/Adjustments	<u>1,046,409,655</u>	<u>1,080,851,760</u>	<u>1,077,560,685</u>
Taxable Valuation	<u><u>\$7,143,329,037</u></u>	<u><u>\$7,863,116,773</u></u>	<u><u>\$8,530,910,912</u></u>

(1) Sum of the (Just Value - Capped Value) 193.155 F.S. Effective for the 2002 - 2004 Assessment Rolls
Source: Alachua County Property Appraiser

II. Property Tax Rates District

LIBRARY DISTRICT	2002	2003	2004
Operations	1.5000	1.5000	1.5000
Debt Service	0.1789	0.1632	0.1566
TOTAL	<u>1.6789</u>	<u>1.6632</u>	<u>1.6566</u>

County-wide Tax Levies and Collections

Fiscal Year	Tax Year	Total Tax Levy	Current Tax Collections (2)	Percent of Current Taxes Collected	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Levy
2001 - 2002	2001	177,557,372	169,815,421	95.6%	1,811,515	1.02%
2002 - 2003	2002	191,198,779	183,583,857	96.0%	1,510,027	0.79%
2003-2004	2003	207,645,262	199,006,888	95.8%	1,890,155	0.91%

(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, taxes will not be 100% of tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1 of each year.

(2) These figures include tax collections for the Board of County commissioners and all other political jurisdictions within Alachua County.

III. District Tax Levies and Collections

Fiscal Year	Tax Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2002 - 2003	2002	\$11,888,887	\$11,385,835	95.8%	\$102,247	0.86%
2003 - 2004	2003	13,083,557	\$12,499,332	95.5%	\$50,399	0.39%

(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, taxes will not be 100% of tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1 of each year.

(2) These figures include tax collections for the Library District only.

IV. Computation of Direct/Overlapping Underlying Debt

Name of Governmental Agency	Gross Debt Outstanding (1)	Percentage Applicable to Alachua County(2)	County's Share of Gross Debt
Direct:			
Alachua County Forever G. O. Bond, 2003	\$12,785,000	100.00%	\$12,785,000
Alachua County Library District, 2001	11,465,000	100.00%	11,465,000
Total Direct			<u>\$24,250,000</u>
Overlapping/Underlying:			
School Board District, 06/30/88 1968 and 1987	\$52,140,000	100.00%	\$52,140,000
Total Overlapping/Underlying			<u>\$52,140,000</u>
Total Direct, Overlapping Debt			<u><u>\$76,390,000</u></u>

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

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

Source: Alachua County Finance Department
School Board District and City of Gainesville

V. Material Litigation

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

VI. Significant Events

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

- A. There have been **No** principal or interest payment delinquencies.
- B. There have been **No** nonpayment related defaults under the Resolution.
- C. Since the Library District has a Debt Service Reserve Surety, there can be **No** unscheduled draws on the Reserve Account.
- D. There have been **No** unscheduled draws on credit enhancement reflecting financial difficulties.
- E. There has been **No** substitution of credit or liquidity providers or their failure to perform.

- F. There have been **No** adverse tax opinions or events affecting the Tax-Exempt status of the 2001 Bonds.
- G. There have been **No** modifications to the rights of the 2001 Bondholders.
- H. There have been **No** calls on the 2001 Bonds (other than mandatory redemptions of the 2001 Bonds resulting from application of amortization installments).
- I. There has been **No** defeasance of the 2001 Bonds.
- J. There have been **No** rating changes.
- K. There have been **No** notice 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.

VII. Cusip Numbers 2001 Bonds

MATURITY	RATE	AMOUNT	CUSIP
8/1/2005	4.25%	665,000	01069DBW6
8/1/2006	4.25%	690,000	01069DBX4
8/1/2007	4.25%	725,000	01069DBY2
8/1/2008	5.00%	755,000	01069DBZ9
8/1/2009	5.00%	790,000	01069DCA3
8/1/2010	5.00%	830,000	01069DCB1
8/1/2011	5.00%	870,000	01069DCC9
8/1/2012	4.40%	915,000	01069DCD7
8/1/2013	4.50%	950,000	01069DCE5
8/1/2014	4.60%	1,000,000	01069DCF2
8/1/2015	4.70%	1,045,000	01069DCG0
8/1/2016	4.80%	1,090,000	01069DCH8
8/1/2017	4.85%	1,140,000	01069DCJ4

