

Alachua County Library District



Alachua County, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2006

INTRODUCTORY SECTION

ALACHUA COUNTY, FLORIDA
LIBRARY DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2006

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



ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

PRINCIPAL OFFICERS

GOVERNING BOARD

Cynthia Moore Chestnut – Chair – County

Virginia S. Childs– Vice Chair – School Board

Pegeen Hanrahan – City

Rodney J. Long – County

Craig Lowe – City

Lee Pinkoson – County

LIBRARY DIRECTOR

Sol Hirsch

COUNTY ATTORNEY

David Wagner

CLERK OF CIRCUIT / COUNTY COURTS

AND

CLERK TO LIBRARY DISTRICT

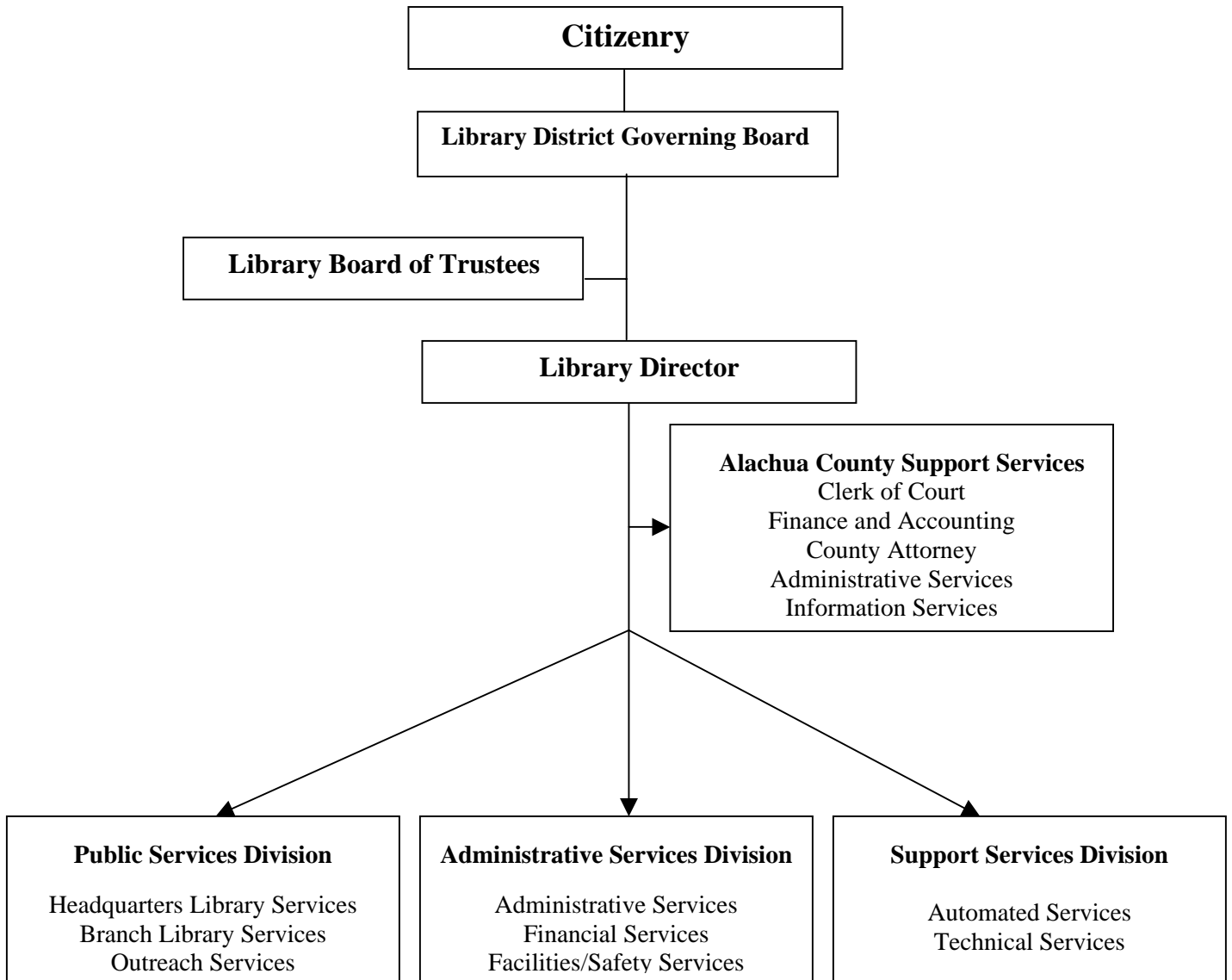
J. K. “Buddy” Irby

DIRECTOR OF FINANCE

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

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

**ALACHUA COUNTY LIBRARY DISTRICT
ORGANIZATIONAL CHART**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Alachua County Library
District, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

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



President

Executive Director



**ALACHUA COUNTY LIBRARY DISTRICT
ALACHUA COUNTY, FLORIDA
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS
SEPTEMBER 30, 2006**

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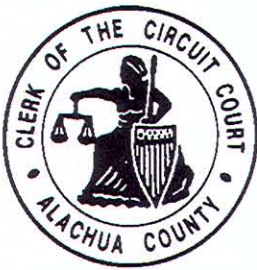
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CLERK OF THE CIRCUIT COURT

Alachua County Courthouse
Post Office Box 600
Gainesville, Florida 32602

J.K. "BUDDY" IRBY
CLERK

TELEPHONE
(352) 374-3636

February 22, 2007

The Honorable Cynthia Moore Chestnut, Chair
Library District Governing Board
Alachua County, Florida

Dear Governor Chestnut:

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, 2006. The Finance Department prepared this report and we are responsible for its accuracy and completeness.

Information in the report is presented in a manner that enables the reader to gain an understanding of the District's financial activity. The Finance Director's transmittal letter further discusses the District's financial activities and internal controls.

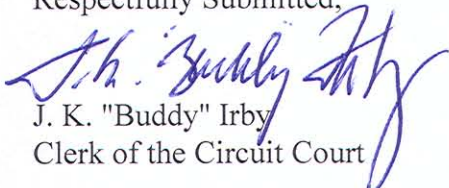
This report was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). GFOA awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose comprehensive annual financial reports meet the Program's strict criteria. The Library's comprehensive annual financial report for last year was awarded this certificate. We are submitting the 2006 report for review and we believe that it will also 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.

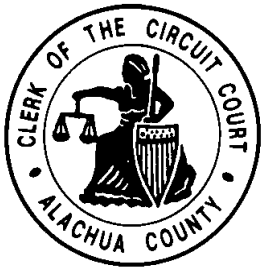
Thank you for your attention.

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 22, 2007

The Honorable Cynthia Moore Chestnut, Chair
Library District Governing Board
Alachua County, Florida

Dear Governor Chestnut and the Citizens of Alachua County:

The Comprehensive Annual Financial Report of Alachua County, Florida, Library District, for the fiscal year ended September 30, 2006, 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: Introductory, Financial, Statistical and Compliance. 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 the Management's Discussion and Analysis, the basic Financial Statements, and Required Supplementary Information, which includes Pension fund information and the combining and individual fund financial statements. The Statistical Section contains tables with social and economic data, financial trends and the fiscal capacity of the District. The Compliance Section includes bond disclosure data required by the SEC Rule 15c2-12.

The District's financial statements were prepared 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, 2005, to September 30, 2006, 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.
5. 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. The board members 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 that is made up of seven members. Three 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 plans, lease or purchase property, contract for services, receive grants, and take any other action necessary to provide public library services to the people of Alachua County.

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

THE LIBRARY DISTRICT, IT'S ECONOMIC CONDITION AND OUTLOOK

The Alachua County Library District provides public library service to a countywide population of approximately 243,779 (as of April 1, 2006).

The District is a centralized system with a Headquarters Library located in downtown Gainesville and nine branch libraries. One large library (Millhopper Branch) is located in northwest Gainesville and another large library (Tower Road Branch) is located in unincorporated Alachua County southwest of Gainesville, just outside of the city limits. The municipalities of Alachua, Archer, Hawthorne, High Springs, Micanopy, Newberry and Waldo each have a branch library. The District also operates two bookmobiles and provides library service to the inmates of the Alachua County Jail through an interlocal agreement with the Alachua County Sheriff.

The District has contracts with the 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 FY 2006	
1,227,697	Visits to the Alachua County Libraries
2,848,398	Items borrowed (circulated)
177,035	Registered borrowers
300,024	Titles
981,653	Individual items in the Library collection
367,692	Reference questions answered in person, by phones, or via the internet
573,229	Virtual visits through the internet
1,771	Programs for children and adults with attendance of 60,385
4,770	Uses of Library District meeting rooms with an attendance of 52,444

Alachua County’s 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.

MAJOR CAPITAL INITIATIVES

Planning and design has begun for expansion of the Alachua and Millhopper branch libraries with \$31,463 spent to date. Renovations in the Headquarter’s building include upgrading Meeting Room B, enclosure of the north porch for additional office space, and renovation of the balcony to provide limited food service for the public. Approximately \$10,000 has been spent to date on these projects.

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 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.

FY 2006 RESULTS OF OPERATIONS

The Alachua Library District's government-wide revenues for the year were \$16.5 million and government-wide expenses for the year were \$13.6 million. The net assets for the District increased \$2.9 million. The ending net assets for the Alachua County Library District as of September 30, 2006 are \$13.5 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 fiscal year 2006, \$854,561 was earned on investments.

The investment policy 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 fiscal year 2006 the pension trust fund earned \$739,971 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) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Alachua County Library District for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2005. 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.

A Certificate of Achievement is valid for a period of one year only. The Alachua County Library District has received a Certificate of Achievement for the last two consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

A comprehensive financial report of this nature could not have been prepared without the dedicated efforts of all staff members concerned. I would like to express my appreciation to the staff of Finance and Accounting in helping produce this report and for the interest and support of the Clerk of the Court. I would also like to thank the Library administrative staff as well as the Library District Governing Board for their work in planning and conducting the fiscal operations of the District.

Respectfully Submitted,



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

NTH/lks



FINANCIAL SECTION

**INDEPENDENT AUDITORS' REPORT
FOR
COMPREHENSIVE ANNUAL FINANCIAL REPORT
ALACHUA COUNTY, FLORIDA
LIBRARY DISTRICT
SEPTEMBER 30, 2006**



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, 2006, 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, 2006, 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 as of September 30, 2006, 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, 2006, and the respective changes in financial position thereof and the respective budgetary comparison for each nonmajor fund, 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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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
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 January 3, 2007, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 5 through 13 and the pension information on page 45 are not a required part of the basic financial statements but are 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 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.

January 3, 2007
Gainesville, Florida

Purvis, Gray and Company, LLP

**MANAGEMENT'S
DISCUSSION
& ANALYSIS
(MD&A)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Alachua County Library District Management's Discussion and Analysis presents an overview of the Library District's financial activities for the fiscal year ended September 30, 2006. 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, 2006 by \$13,527,153 (*net assets*). Of this amount, \$10,209,889 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets of \$13,527,153 are comprised of the following:
 - 1) Capital assets, net of related debt, of \$1,129,891 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 \$2,187,373 are restricted by constraints imposed from outside the Library District such as debt covenants and capital restrictions of past millage receipts.
 - 3) \$10,209,889 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 \$2,952,973 over the previous year. This increase is due in large part to increased property tax revenues and higher interest income earned on investments.

Fund Statements

- At September 30, 2006, the Library District's governmental funds reported combined ending fund balances of \$13,144,867, an increase of \$2,525,091 in comparison with the prior fiscal year.
- At September 30, 2006, unreserved fund balance for the General Fund was \$4,729,331 or 33% of General Fund operating revenue. This fund balance allows the Library District to operate during the first month and a half of the new fiscal year pending receipt of revenue taxes.
- Governmental funds' revenues increased \$1,381,780 or 8.3% over the prior fiscal year due mostly to increased property tax revenues and an increase in investment fair market value and higher interest rates.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Library District's basic financial statements. The Library District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the Library District's finances, in a manner similar to a private sector business.

- The *Statement of Net Assets* presents information on all of the Library District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Library District is strengthening or weakening.
- The *Statement of Activities* presents information showing how the government's net assets changed during fiscal year 2006. All changes in net assets are reported as soon as the event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

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

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information 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 **18-26** 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 **27-28** 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 **29-44** 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. Combining and individual fund schedules can be found on pages **47-57** of this report. Required pension fund information is shown

on page 45. Information concerning capital assets used in the operation of governmental funds can be found in the notes on page 39 and additional information about the Library District, which may be of interest to the reader, is found under the Statistical section on pages 59-83. Continuing disclosures required by SEC Rule 15c2-12 can be found on pages 85-89.

Government-wide Financial Analysis

Changes in net assets over time may serve as a useful indicator of a government's financial position. In the case of the Library District, assets exceeded liabilities by \$13,527,153 at the end of the fiscal year ended September 30, 2006.

**Alachua County Library District
Net Assets**

	Governmental Activities		Percent Change
	2005	2006	
Current and other assets	\$11,389,233	\$13,944,074	22.4%
Capital assets	11,569,692	11,269,920	-2.6%
Total assets	22,958,925	25,213,994	9.8%
Long-term liabilities outstanding	10,296,952	9,515,798	-7.5%
Other liabilities	1,992,015	2,171,043	9.0%
Total liabilities	12,288,967	11,686,841	-4.8%
Net assets:			
Invested in capital assets, net of related debt	769,692	1,129,891	46.7%
Restricted	2,631,626	2,187,373	-16.9%
Unrestricted	7,268,640	10,209,889	40.4%
Total net assets	\$10,669,958	\$13,527,153	26.8%

At the end of fiscal year 2006, the Library District is able to report positive balances in all three categories of net assets.

One portion of the Library District's net assets of \$1,129,891 reflects its investment in capital assets (e.g., land, buildings, improvements and equipment, less any related depreciation expense), less any related outstanding debt used to acquire those assets. The Library District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library District's investment in its capital assets is reported net of related debt, the resources needed to repay this debt are provided from other sources (ad valorem taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the Library District's net assets (\$2,187,373 or 16.1% of total net assets) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$10,209,889 or 75.4%) may be used to meet the government's ongoing obligations to citizens and creditors.

Restricted net assets decreased by \$444,253 from 2005 to 2006. This was due to the expenditure of restricted tax revenue sources for capital projects, and a planned reduction of reserves available for debt service payments.

Unrestricted net assets increased \$2,941,249 primarily due to an increase in the tax base.

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

	Governmental Activities		Percent Change
	<u>2005</u>	<u>2006</u>	
Revenues:			
Program revenues:			
Charges for services	\$35,341	\$64,122	81.4%
Operating grants and contributions	702,258	598,485	-14.8%
General revenues:			
Property taxes	13,761,327	14,891,546	8.2%
Other	709,223	1,036,648	46.2%
Total revenues	<u>15,208,149</u>	<u>16,590,801</u>	9.1%
Expenses:			
Culture and recreation - Library Services	<u>13,387,909</u>	<u>13,637,828</u>	1.9%
Total expenses	<u>13,387,909</u>	<u>13,637,828</u>	1.9%
Increase in net assets	<u>1,820,240</u>	<u>2,952,973</u>	
Net assets - beginning as originally reported	8,849,718	10,669,958	
Change in Accounting Principal	-	(95,778)	
Net assets - beginning as adjusted	<u>8,849,718</u>	<u>10,574,180</u>	
Net assets - ending	<u>\$10,669,958</u>	<u>\$13,527,153</u>	26.8%

Governmental Activities

Program Revenues –

The charges for services increase was due to a change in funding per the Jail Services Agreement with the Sheriff's Office and to a change in the manner copier revenue was collected.

General Revenues –

Property tax revenues increased due to an increase in the tax base, increases in property values, and new construction. Interest rates have continued to rise, accounting for a 32.7% increase in "other" revenues.

Net Assets –

The Library District's total net assets increased \$2,857,195 over the previous year. The increase in net assets is due to increased property tax revenues and higher interest income earned on investments.

Fund Financial Analysis

The Library District uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

Governmental Funds

The primary purpose of the Library District's *governmental funds* 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	\$ 13,144,867
Less reserved fund balance:	
Encumbrances	153,402
Debt service	474,344
Capital projects	<u>1,713,029</u>
Unreserved fund balance	<u><u>\$ 10,804,092</u></u>

As of the end of fiscal year 2006, the Library District's governmental funds reported combined ending fund balances of \$13,144,867 an increase of \$2,525,091 from the prior year. Of the approximately \$13.1 million total fund balance, unreserved fund balance is \$10,804,092 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 \$1,634,662. The total fund balance at September 30, 2006 was \$4,733,767. The cash balance at the end of the year was \$5,189,354. These increases were due primarily to only a small increase in expenditures, but correspondingly higher revenues in property taxes and interest earned. As a measure of the General Fund's liquidity, it is useful to compare total fund balance to total fund revenues. Fund balance represents 33% 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 \$1,298,570. 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 \$54,126, due to favorable market conditions.

Debt Service has a total fund balance of \$474,344. This fund is used for making principal and interest payment on long-term debt. Fund balance has a planned increase of \$143,099.

Capital Projects has a total fund balance of \$6,442,954. Of this amount \$1,713,029 is reserved specifically for capital projects, due to a 15-year millage restriction that ended in 2001. An additional amount of \$148,966 is reserved for encumbrances. The unreserved fund balance for Capital Projects is \$4,580,959, but 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 \$693,276 due primarily to higher interest earnings than anticipated and delays in current projects.

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 \$67,275, while actual expenditures varied from final budgeted expenditures, positively by \$458,736. The net difference of actual compared to final budget was a positive difference of \$391,461. Actual revenues varied from final budgeted revenues due to property tax revenues being budgeted in excess of actual revenues collected. This was offset by a substantial increase in investment income due to increases in interest rates. Personal services and operating expenditures were less than anticipated due to a departmental restructuring.

Capital Asset and Debt Administration

Capital Assets

The Library District's investment in capital assets as of September 30, 2006 totals \$11,269,920 (net of accumulated depreciation) and includes land, artwork, buildings and improvements, and equipment. The Library District experienced an overall decrease in investment in capital assets over the prior fiscal year of approximately 2.6% due to depreciation of assets and the change in the capital asset threshold from \$750 to \$1,000 which removed assets costing \$228,863 with a net book value of \$133,075 from the Library District's inventory resulting in a change to beginning net assets of \$95,788.

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

Alachua County Library District Capital Assets (net of depreciation)

	Governmental Activities	
	<u>2005</u>	<u>2006</u>
Land	\$ 1,075,385	\$ 1,075,385
Construction in progress	-	47,545
Buildings and improvements	10,202,200	9,964,642
Equipment	<u>292,107</u>	<u>182,348</u>
Total	<u>\$ 11,569,692</u>	<u>\$ 11,269,920</u>

Long-term Debt

At the end of fiscal year 2006, the Library District had total bonded debt outstanding of \$10,110,000. The Library District's debt represents bonds secured solely by general obligation bonds.

Alachua County Library District Outstanding Debt

	<u>2005</u>	<u>2006</u>
General Obligation Bonds	<u>\$ 10,800,000</u>	<u>\$ 10,110,000</u>

The Library District's outstanding bonded debt decreased by \$690,000 during fiscal year 2006. 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 **43** of this report.

Economic Factors and Next Year's Budgets and Rates

- The taxable value of commercial and residential property increased 14% and 16%, respectively, in the 2006 fiscal year.
- Population increased approximately 1.3% from the prior year to an estimated 243,779 at September 30, 2006.

During the current fiscal year, unreserved fund balance in the General Fund increased by \$1,630,226 to \$4,729,331. The ad valorem tax rate for the general fund for the 2007 fiscal year budget is 1.4475 mills.

Requests for Information

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



**BASIC
FINANCIAL
STATEMENTS**



**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2006**

Assets

Current assets:

Cash and investments	\$ 13,730,397
Accounts receivable, net	5,240
Due from other governments	118,274
Total current assets	13,853,911

Noncurrent assets:

Unamortized bond issue costs	90,163
Capital assets:	
Land	1,075,385
Construction in progress	47,545
Buildings	15,714,013
Equipment	2,003,504
Other improvements	355,043
Less accumulated depreciation	(7,925,570)
Total noncurrent assets	11,360,083
Total assets	\$ 25,213,994

Liabilities

Current liabilities:

Accounts payable	\$ 647,334
Accrued interest payable	79,800
Deferred revenue	52,500
Due to other governments	9,210
Bonds payable	725,000
Accrued compensated absences	657,199
Total current liabilities	2,171,043

Noncurrent liabilities:

Bonds and notes payable (including unamortized premium)	9,505,192
Accrued compensated absences	10,606
Total noncurrent liabilities	9,515,798
Total liabilities	11,686,841

Net assets

Invested in capital assets, net of related debt	1,129,891
Restricted for:	
Restricted for debt service	474,344
Restricted for capital projects	1,713,029
Unrestricted	10,209,889
Total net assets	\$ 13,527,153

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Program expenses	
Culture and recreation - Library Services	\$ 13,134,592
Interest	503,236
(Total program expenses)	<u>(13,637,828)</u>
Program revenues	
Culture and recreation:	
Charges for services	64,122
Operating grants and contributions	598,485
Total program revenues	<u>662,607</u>
(Net program expenses)	<u>(12,975,221)</u>
General revenues	
Property taxes	14,891,546
Investment earnings	854,561
Miscellaneous	182,087
Total general revenues	<u>15,928,194</u>
Increase in net assets	2,952,973
Net assets, beginning as originally reported	10,669,958
Change in accounting principal (See page 44, Note 9.D.)	<u>(95,778)</u>
Net assets, beginning, as adjusted	<u>10,574,180</u>
Net assets, end of year	<u><u>\$ 13,527,153</u></u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006**

	General	Brady Trust Special Revenue Fund
Assets		
Equity in pooled cash and investments	\$ 5,189,354	\$ 729
Other cash and investments	13,580	1,297,841
Accounts receivable	5,120	-
Estimated uncollectible accounts receivable	(248)	-
Due from other governments	107,483	-
Total assets	\$ 5,315,289	\$ 1,298,570
 Liabilities and fund balances		
Liabilities		
Accounts payable	\$ 572,312	\$ -
Deferred revenue	-	-
Due to other governments	9,210	-
Total liabilities	581,522	-
 Fund balances		
Reserved for capital projects	-	-
Reserved for debt service	-	-
Reserved for encumbrances	4,436	-
Unreserved, reported in:		
General Fund	4,729,331	-
Special revenue funds	-	440,341
Special revenue funds - designated	-	858,229
Capital project fund	-	-
Total fund balances	4,733,767	1,298,570
 Total liabilities and fund balances	\$ 5,315,289	\$ 1,298,570

See accompanying notes.

Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 463,603	\$ 6,517,558	\$ 247,732	\$ 12,418,976
-	-	-	1,311,421
-	368	-	5,488
-	-	-	(248)
10,741	50	-	118,274
<u>\$ 474,344</u>	<u>\$ 6,517,976</u>	<u>\$ 247,732</u>	<u>\$ 13,853,911</u>

\$ -	\$ 75,022	\$ -	\$ 647,334
-	-	52,500	52,500
-	-	-	9,210
<u>-</u>	<u>75,022</u>	<u>52,500.00</u>	<u>709,044</u>

-	1,713,029	-	1,713,029
474,344	-	-	474,344
-	148,966	-	153,402
-	-	-	4,729,331
-	-	195,232	635,573
-	-	-	858,229
-	4,580,959	-	4,580,959
<u>474,344</u>	<u>6,442,954</u>	<u>195,232</u>	<u>13,144,867</u>
<u>\$ 474,344</u>	<u>\$ 6,517,976</u>	<u>\$ 247,732</u>	<u>\$ 13,853,911</u>



**Alachua County Library District
Reconciliation of the Balance Sheet
to the Statement of Net Assets Governmental Funds
September 30, 2006**

Fund Balances – Total Governmental Funds	\$13,144,867
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.	11,269,920
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in funds.	(10,807,834)
Accrued general long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.	<u>(79,800)</u>
Net assets of governmental activities	<u>\$13,527,153</u>

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	General	Brady Trust Special Revenue Fund
Revenues		
Property taxes	\$ 13,537,738	\$ -
Intergovernmental	-	-
Charges for services	64,122	-
Investment income	388,210	103,722
Miscellaneous	147,849	404
Total revenues	14,137,919	104,126
Expenditures		
Current: Culture and recreation		
Personal services	7,762,310	-
Operating expenditures	3,780,913	-
Capital outlay	-	-
Debt service	-	-
Total expenditures	11,543,223	-
Excess (deficiency) of revenues over (under) expenditures	2,594,696	104,126
Other financing sources (uses)		
Transfers in	-	-
Transfers out	(960,976)	(50,000)
Proceeds from sale of capital assets	942	-
Total other financing sources (uses)	(960,034)	(50,000)
Net change in fund balances	1,634,662	54,126
Fund balances - beginning	3,099,105	1,244,444
Fund balances - ending	\$ 4,733,767	\$ 1,298,570

See accompanying notes.

Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,352,287	\$ 1,521	\$ -	\$ 14,891,546
-	-	598,485	598,485
-	-	-	64,122
47,007	315,622	-	854,561
-	798	28,924	177,975
<u>1,399,294</u>	<u>317,941</u>	<u>627,409</u>	<u>16,586,689</u>
-	-	-	7,762,310
57,701	-	677,481	4,516,095
-	587,351	-	587,351
1,198,494	-	-	1,198,494
<u>1,256,195</u>	<u>587,351</u>	<u>677,481</u>	<u>14,064,250</u>
143,099	(269,410)	(50,072)	2,522,439
-	960,976	50,000	1,010,976
-	-	-	(1,010,976)
-	1,710	-	2,652
<u>-</u>	<u>962,686</u>	<u>50,000</u>	<u>2,652</u>
143,099	693,276	(72)	2,525,091
<u>331,245</u>	<u>5,749,678</u>	<u>195,304</u>	<u>10,619,776</u>
<u>\$ 474,344</u>	<u>\$ 6,442,954</u>	<u>\$ 195,232</u>	<u>\$ 13,144,867</u>

See accompanying notes.

Alachua County Library District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2006

Net change in fund balances – Total Governmental Funds \$2,525,091

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 \$440,130 exceeded capital outlay (\$234,678) in the current period. (205,452)

Donations/contributions of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. 1,459

Repayments of bond principal (\$690,000) less \$11,095 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. 692,772

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 \$65,784 and accrued interest expense \$4,887). (60,897)

Changes in net assets of governmental activities \$2,952,973

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Property taxes	\$ 14,055,194	\$ 14,055,194	\$ 13,537,738	\$ (517,456)
Charges for services	45,000	45,000	64,122	19,122
Investment income	70,000	70,000	388,210	318,210
Miscellaneous	35,000	35,000	147,849	112,849
Total revenues	<u>14,205,194</u>	<u>14,205,194</u>	<u>14,137,919</u>	<u>(67,275)</u>
Expenditures				
Current: Culture and recreation				
Personal services	8,033,877	8,033,877	7,762,310	271,567
Operating expenditures	3,968,082	3,968,082	3,780,913	187,169
Total expenditures	<u>12,001,959</u>	<u>12,001,959</u>	<u>11,543,223</u>	<u>458,736</u>
Excess of revenues over expenditures	2,203,235	2,203,235	2,594,696	391,461
Other financing sources (uses)				
Transfers out	(960,976)	(960,976)	(960,976)	-
Proceeds from sale of capital assets	-	-	942	942
Total other financing sources (uses)	<u>(960,976)</u>	<u>(960,976)</u>	<u>(960,034)</u>	<u>942</u>
Net change in fund balance	1,242,259	1,242,259	1,634,662	392,403
Fund balances - beginning	<u>(1,242,259)</u>	<u>(1,242,259)</u>	<u>3,099,105</u>	<u>4,341,364</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,733,767</u>	<u>\$ 4,733,767</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, 2006**

Brady Trust Special Revenue Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 80,000	\$ 80,000	\$ 103,722	\$ 23,722
Miscellaneous	-	-	404	404
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>104,126</u>	<u>24,126</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	80,000	80,000	104,126	24,126
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	30,000	30,000	54,126	24,126
Fund balances - beginning	<u>(30,000)</u>	<u>(30,000)</u>	<u>1,244,444</u>	<u>1,274,444</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,298,570</u>	<u>\$ 1,298,570</u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2006**

	Employee Pension Fund	Agency Fund
Assets		
Cash and equivalents	\$ 279,425	\$ 191
Year-end pension contributions receivable	40,510	
Prepaid pension benefits	15,230	-
S & P Small Cap Pooled Index Fund	980,848	-
S & P Mid Cap Pooled Index Fund	979,859	-
S & P 500 Index Fund	4,734,666	-
Lehman Aggregate Index Fund	3,566,712	
Total assets	\$ 10,597,250	\$ 191
Liabilities		
Accounts payable	\$ -	\$ 191
Total liabilities	\$ -	\$ 191
Net assets		
Held in trust for pension benefits or other purposes	\$ 10,597,250	\$ -

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND - PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Additions

Contributions:

Employer	\$ 815,086
Members	221,828
Total contributions	1,036,914

Investment earnings:

Net appreciation in fair value of investments	594,678
Interest and dividends	145,293
Total investment income	739,971

(Less investment expense)	(128,600)
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Net investment income	611,371
Total additions	1,648,285

Deductions

Benefit payments	174,554
Refunds of nonvested contributions	26,946
(Total deductions)	(201,500)

Net increase	1,446,785
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Net assets held in trust for pension benefits - beginning	9,150,465
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Net assets held in trust for pension benefits - ending	\$ 10,597,250
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See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

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**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

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. 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 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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

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. Property taxes and all other revenue items are considered to be measurable and available only when cash is received within 30 days of the end the current fiscal period by the Alachua County Library District.

Fiduciary funds include trust funds and agency funds. All trust funds use the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds are unlike all other types of funds and report only assets and liabilities. Therefore, agency funds do not have a measurement focus, but do use an *accrual basis of accounting* to recognize receivables and payables.

The 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 as well as all capital equipment purchases.

Additionally, the government reports the following fiduciary funds:

- 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.
- The **Combination Agency Fund** is used to account for any unclaimed payables that are held in trust for claimants.

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).

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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 Net Assets**

Certain funds of the Library District are classified as restricted net assets on the statement of net assets because a restriction is either imposed by law through constitutional provisions or enabling legislation, or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, applicable laws and regulations limit their use. The Library District has a current millage restriction for Debt Service and past 15-year 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. 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.

**ALACHUA COUNTY LIBRARY DISTRICT
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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 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

**ALACHUA COUNTY LIBRARY DISTRICT
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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 balance increased by \$840,886 to \$858,229 representing a 2% increase in the consumer price index.

F. Risk Management

The Library District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors or omissions; injuries to employees and the public, or damage to property of others. The Alachua County Library District has established a risk management program through the purchase of insurance to cover potential losses related to such risks for property and automobile liabilities. For workers compensation claims the Library District participates in Alachua County’s self-insured plan. This plan is self-sustaining through premiums based on actuarial assessments needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

The Library District also participates in the County’s group health insurance program administered by the County in a self-insured plan. Payments are assessed based on actuarial estimates of the amounts needed to pay current year claims and to establish a reserve for catastrophic losses.

There was no significant reduction in coverage from prior years. No settlements have exceeded coverage for each of the past three fiscal years. Additional information may be obtained from the Alachua County Comprehensive Financial Report, available from the Alachua County Clerk of Court, Finance & Accounting, P. O. Box 939, Gainesville, Florida 32602.

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, 2006, are as follows:

	<u>Allowable Millage</u>	<u>Millage Levied</u>
Millages Allocated to:		
General Operations	1.5 Mills	1.4475 Mills
Voted Debt Service	Unlimited*	.1445 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.

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

The Alachua County Library District, for accounting and investment purposes, maintains 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, 2006, the carrying amount of the Alachua County Library District's deposits was \$315,876. 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.

■ **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.

**ALACHUA COUNTY LIBRARY DISTRICT
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- 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.

The following schedule details the cash and investments as shown in the financial statements:

Cash and Investments at September 30, 2006

Government-wide

State Board of Administration Investment Pool (2a7-like)	\$ 12,116,871
Investments with A.G. Edward – Brady Trust (see detail below)	1,297,841
Cash in banks (including CD and public interest on checking)	315,876
Total cash and investments – Government-wide	13,730,588

Pension fund

Pension investments – Rhumblin Advisors – Trustee	10,262,085
Cash in bank (including CD and public interest on checking)	279,425
Total cash and investments – Pension fund	10,541,510

Total cash and investments \$24,272,098

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 is a breakdown of the Brady Trust Special Revenue Fund Investments at September 30, 2006:

Cash equivalents	\$ 24,442
Corporate stocks	1,048,120
Corporate bonds	225,279
Total	\$ 1,297,841

The following is a breakdown of the Pension Trust Fund Investments at September 30, 2006:

S & P Small Cap Pooled Index Fund	\$ 980,848
S & P Mid Cap Pooled Index Fund	979,859
S & P 500 Pooled Index Fund	4,734,666
Lehman Aggregate Index Fund	3,566,712
Total	\$10,262,085

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SEPTEMBER 30, 2006**

Credit Risk – Pension Trust Fund The Library District’s pension trust fund is expected to concentrate and trade its investments in bonds, which are included but not limited to, in the Lehman Brothers Aggregate Bond Index Fund. This index consists of all publicly issued investment grade, fixed income rate debt with a maturity greater than one year and at least \$250 million par outstanding. The Lehman Brothers Bond Index defines investment grade securities as those with a Baa3 or better rating by Moody’s Investor Securities. All investment decisions have the prime objective of tracking the assigned benchmark, Lehman Brothers Aggregate Bond Index, as closely as possible. It is expected that the annual tracking error will be +/- 50 basis points.

Rating	Amount
AAA	\$ 2,792,379
AA-	194,386
A	291,400
BBB	279,987
BB+	4,637
B	3,923
Total	\$ 3,566,712

The Library District’s investment in Rhumblin’s Pooled Index Funds is not rated by a nationally recognized statistical rating agency.

Credit Risk - Investments Investments with a fair value of \$12,116,871 at September 30, 2006, are in the State board of Administration pool with an average maturity of 32 days. The Library District’s investment in the State Board of Administration Local Government Investment Pool is not rated by a nationally recognized statistical rating agency.

Interest Rate Risk - Investments Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Custodial Credit Risk - Investments The investment in the Brady Trust Special Revenue Fund carries a *custodial credit risk*. This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

In March of 1993, the Alachua County Library District received a donation of the Marna Venable Brady Trust. Upon recommendation of the Alachua County Library District Governing Board approved the proceeds from this donation be restricted to the purchase of books for the Library District. The Library District accepted ownership of the Brady Trust as it was currently invested. The Brady Trust consists of an investment portfolio with a money market account and assorted stocks and bonds invested through the brokerage firm A.G. Edwards & Sons, Inc. The

**ALACHUA COUNTY LIBRARY DISTRICT
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SEPTEMBER 30, 2006**

Library District has entered into an agreement with A.G. Edwards & Sons, Inc. to perform investing services for the Brady Trust which include: purchasing or acquiring, selling or disposing of securities only on order of the Clerk or his designee along with the Library Director or his designee. A.G. Edwards & Sons, Inc. holds such securities in the name of the District as Trustee for the District.

The following table summarizes the ratings of bonds in the Brady Trust:

Rating	Amount
AAA	\$ 74,528
AA-	74,980
A+	26,545
A	25,132
B	24,094
	<u>\$ 225,279</u>

As of September 30, 2006, the Library pension trust fund and the Brady Trust Special Revenue fund had the following debt securities:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Corporate Bonds	\$ 225,279	3.36
Lehman Aggregate Core Bond Index	3,566,712	6.07
Total fair value	<u>\$ 3,791,991</u>	
Portfolio weighted average maturity		<u>4.72</u>

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2006, was as follows:

	Beginning			Ending
	Balance	Additions	Disposals	Balance
Governmental Activities:				
Capital not being depreciated:				
Land	\$ 1,075,385	\$ -	\$ -	\$ 1,075,385
Construction in progress	-	47,545	-	47,545
Total not being depreciated	<u>1,075,385</u>	<u>47,545</u>	<u>-</u>	<u>1,122,930</u>
Capital Assets being depreciated:				
Buildings	15,664,774	49,239	-	15,714,013
Equipment	2,351,504	97,253	(445,253)	2,003,504
Improvements other than building	314,402	40,641	-	355,043
Total being depreciated	<u>18,330,680</u>	<u>187,133</u>	<u>(445,253)</u>	<u>18,072,560</u>
Less accumulated depreciation for:				
Buildings	(5,472,406)	(324,282)	-	(5,796,688)
Equipment	(2,059,397)	(112,692)	350,933	(1,821,156)
Improvements other than building	(304,570)	(3,156)	-	(307,726)
Total accumulated depreciation	<u>(7,836,373)</u>	<u>(440,130)</u>	<u>350,933</u>	<u>(7,925,570)</u>
Total being depreciated, net	<u>10,494,307</u>	<u>(252,997)</u>	<u>(94,320)</u>	<u>10,146,990</u>
Governmental activities capital assets, net	<u>\$ 11,569,692</u>	<u>\$ (205,452)</u>	<u>\$ (94,320)</u>	<u>\$ 11,269,920</u>

Depreciation expense for the year ended September 30, 2006 was \$440,130, all recorded in the Culture & Recreation program.

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 (3) belong to the ICMA Deferred Compensation Plan. The Alachua County Library District accounts for the plan as a pension trust fund. The plan is also governed by certain provisions of Chapter 112, Florida Statutes.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

At October 1, 2005, the plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	16
Vested terminated employees	23
Active employees	<u>204</u>
Total	<u><u>243</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 vesting purposes. For purposes of calculation of the accrued benefit, the transferring employee shall accrue credited service under this plan only after October 1, 1996.

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

B. Summary of Significant Accounting Policies

➤ **Basis of Accounting**

The pension trust fund is presented using the accrual basis of accounting. Employer and employee contributions are recognized 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. The Pension Board of Trustees determines investment policies. Net appreciation or (depreciation) in the fair value of investments represents both realized and unrealized gains and losses.

➤ **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.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

➤ **Administrative Expenses**

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

C. Funding Policy

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

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

The total (employer & employee) required contribution rate expressed as a percentage of current year payroll is 18.7%. This contribution rate was determined as part of the October 1, 2005, actuarial valuation. Covered employees were required to contribute 4% of their salary to their pension plan. The Library District is required to contribute the difference, which is 14.7% of covered payroll. The total 18.7% contribution rate expressed as a percentage of payroll consisted of 12.84% for normal costs, 5.12% for amortization of the unfunded actuarial liability over a 30 year period using level percent of payroll, and .74% for interest on amounts from actuarial valuation date to expected payment dates.

D. Investment Concentrations

As of September 30, 2006, the pension fund portfolio consisted of four pooled trust funds managed by Rhumblin Advisers. Approximately 45% of the portfolio is invested in Rhumblin S&P 500 Index Pooled Trust, 10% in Rhumblin S&P Mid-Cap Pooled Trust, 10% in Rhumblin S&P Small-Cap Pooled Trust, and 35% in Rhumblin Core Bond Pooled Trust. State Street Bank and Trust Company, as Trustee, or its successor performs custodial and record keeping services for all four pooled trust funds.

E. Determination of Net Pension Obligation (Asset)

The Library District makes employer contributions as a percentage of actual current covered payroll. Thus, as long as the percentage contributed equals the percentage required by the most recent actuarial valuation, the dollar amount of the annual required contribution (ARC) is equal to the actual dollar amount of employer contributions. The Library District made contributions at the actuarial determined rate of 14.7% of current covered payroll for the period ending September 30, 2006. Therefore, annual pension cost is equal to the ARC and the District does not have a net pension obligation.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

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

Annual required contribution (14.7% of covered payroll)	\$ 815,086
Actual contributions made	(815,086)
Net pension obligation (asset) end of year	\$ 0

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/06	\$815,086	100.0	\$0
9/30/05	698,905	100.0	0
9/30/04	603,804	100.0	0

F. Actuarial Assumptions

Below is a list of actuarial assumptions used as part of the valuation report dated October 1, 2005.

Valuation date	10/01/05
Actuarial cost method	Entry age normal
Amortization method	Level percent - 30 Years - Closed
Equivalent single amortization period	26 years
Asset valuation method	Four year smoothed market
Actuarial Assumptions:	
Investment rate of return	7.75%, net of expenses
Projected salary increases	Salary scale table – salary increases of 2% to 20% based on age group and part-time or full-time status
Payroll growth	4.0% per year
Post-retirement benefit increases	Annual COLA of 2.2% per year
Expenses	Prior year net expenses plus 15%

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

▪ **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, 2006**

Note 6 - Long-Term Obligations

The Alachua County Library District has the following long-term obligations outstanding as of September 30, 2006:

\$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)	\$10,110,000
Plus unamortized premium	120,192
Net carrying amount – General Obligation Bonds	10,230,192
Accrued compensated absences	667,805
Total long-term obligations	\$10,897,997

Long-Term liability activity for the year ended September 30, 2006, was as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance	Due within One Year
General obligation bonds	\$10,800,000	\$ 0	\$ (690,000)	\$10,110,000	\$725,000
Unamortized premium	131,287	0	(11,095)	120,192	0
Compensated absences	602,021	722,983	(657,199)	667,805	657,199
Total long-term obligations	\$11,533,308	\$722,983	\$(1,358,294)	\$10,897,997	\$1,382,199

Compensated absences are generally liquidated by the general fund.

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

Fiscal year	Principal	Interest	Total
2007	\$ 725,000	\$ 478,798	\$ 1,203,798
2008	755,000	447,985	1,202,985
2009	790,000	410,235	1,200,235
2010	830,000	370,735	1,200,735
2011	870,000	329,235	1,199,235
2012-2016	5,000,000	998,270	5,998,270
2017	1,140,000	55,290	1,195,290
	10,110,000	3,090,548	13,200,548
Plus: Unamortized Bond Premium	120,192	-	120,192
Total	\$10,230,192	\$3,090,548	\$13,320,740

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

Note 7 - Interfund Transfers

Interfund transfers for the year ended September 30, 2006, were as follows:

Transfer Out	Amount	Transfer In	Purpose
General Fund	\$ 960,976	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>\$1,010,976</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 \$390,441 for services in fiscal year 2006. These services included Accounting, Auditing, Treasury, Miscellaneous Administrative Services, Information and Telecommunications Services, and the County Attorney services. In addition, the Library District participates in the County's Self Insurance fund for workers compensation and in the County's self-insured Health Insurance Fund for employee group health insurance.

Note 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.

D. Change in Accounting Principal

The capital asset threshold was changed from \$750 to \$1,000 effective October 1, 2005 resulting in a \$95,788 adjustment to beginning net assets.

**ALACHUA COUNTY LIBRARY DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2006**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL)-Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Total Annual Payroll at Valuation Date (C)	UAAL as % of Covered Payroll (B-A)/C
10/1/05 *	\$ 8,718,771	\$ 13,524,327	\$ 4,805,556	64.5%	\$ 5,653,774	85.0%
10/1/04 *	7,512,159	12,648,547	5,136,388	59.4%	5,237,851	98.1%
10/1/03	6,966,779	10,600,230	3,633,451	65.7%	4,730,893	76.8%
10/1/02 *	6,479,693	9,445,509	2,965,816	68.6%	4,643,532	63.9%
10/1/01 **	6,315,599	8,235,573	1,919,974	76.7%	4,174,964	46.0%
10/1/00	6,131,260	5,882,819	(248,441)	104.2%	3,795,763	-6.5%
10/1/99 *	5,646,419	4,958,325	(688,094)	113.9%	3,492,555	-19.7%

Schedule of Employer Contributions

Valuation Date	End of Plan Year to Which Valuation Applies	Actual Covered Payroll for Current Period	Required Employer Contribution		Actual Employer Contributions	Percentage Contributed
			Amount	% Payroll		
10/1/05 *	9/30/06	\$ 5,544,800	\$ 815,086	14.70%	\$ 815,086	100%
10/1/04 *	9/30/05	5,290,727	698,905	13.21%	698,905	100%
10/1/03	9/30/04	5,044,311	603,804	11.97%	603,804	100%
10/1/02	9/30/03	4,929,445	568,365	11.53%	568,365	100%
10/1/01 **	9/30/02	4,230,806	446,350	10.55%	446,350	100%
10/1/00	9/30/01	3,850,907	271,874	7.06%	271,874	100%
10/1/99 *	9/30/00	3,704,863	188,948	5.10%	188,948	100%

* Change in actuarial assumptions/methods

** Plan amendment.



**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

NONMAJOR SPECIAL REVENUE FUNDS

PUBLIC ACCESS COMPUTING HARDWARE GRANT (707) - The Library District received a grant from the Florida Department of State, Division of Library and Informations Services, for Public Access Computing Hardware Upgrades. Funding for this grant is provided through the Bill and Melinda Gates Foundation.

STATE AID TO LIBRARIES PROGRAM GRANT (710) – Provided by the Florida Legislature, the goal is to assist local government in maintaining and developing free professional library service for all Floridians as part of the educational infrastructure. The amounts awarded are proportional to the amount of local funds spent providing library service in the County.

GIFTS AND DONATIONS (711) – To account for the receipt and use of bequests, donations and gifts as well as an annual transfer of \$50,000 from the Brady Trust Fund

BLACK HISTORY MONTH (713) – To account for funds used to present programs for Black History Month.

**ALACHUA COUNTY LIBRARY DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006**

	SPECIAL		REVENUE
	Public Access Computer Upgrade Grant	State Grant Interlibrary Cooperative	Gifts and Donations
Assets			
Equity in pooled cash	\$ 52,500	\$ -	\$ 194,621
Accounts receivable	-	-	-
Total assets	\$ 52,500	-	194,621
Liabilities and fund balances			
Liabilities			
Accounts payable	-	-	-
Deferred revenue	52,500	-	-
Due to other governments	-	-	-
Total liabilities	52,500	-	-
Fund balances			
Fund balances:			
Reserved for encumbrances	-	-	-
Unreserved	-	-	194,621
Total fund balances	-	-	194,621
Total liabilities and fund balances	\$ 52,500	\$ -	\$ 194,621

See accompanying notes.

<u>FUNDS</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Black History Month</u>		
\$ 611		\$ 247,732
-		-
<u>611</u>		<u>\$ 247,732</u>
-		-
-		52,500
-		-
<u>-</u>		<u>52,500</u>
-		-
611		195,232
<u>611</u>		<u>195,232</u>
<u>\$ 611</u>		<u>\$ 247,732</u>

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, 2006**

	SPECIAL REVENUE		
	Public Access Computer Upgrade Grant	State Grant Interlibrary Cooperative	Gifts and Donations
Revenues			
Intergovernmental	\$ -	\$ 598,485	\$ -
Miscellaneous	-	-	28,924
Total Revenues	<u>-</u>	<u>598,485</u>	<u>28,924</u>
Expenditures			
Current: Culture and recreation			
Personal services	-	-	-
Operating expenditures	-	598,485	78,696
Total expenditures	<u>-</u>	<u>598,485</u>	<u>78,696</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(49,772)
Other financing sources (uses)			
Transfers in	-	-	50,000
Net change in fund balances	-	-	228
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>194,393</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,621</u>

See accompanying notes.

FUNDS	Total
Black	Nonmajor
History	Governmental
Month	Funds
\$ -	\$ 598,485
-	28,924
-	627,409
-	-
300	677,481
300	677,481
(300)	(50,072)
-	50,000
(300)	(72)
911	195,304
\$ 611	\$ 195,232

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	SPECIAL			
	Gates Public Access Computer Upgrade Grant			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	-
Miscellaneous	-	-	-	-
Private donations	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current: Culture and recreation				
Personal services	-	-	-	-
Operating expenditures	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

See accompanying notes.

REVENUE		FUNDS		
State Grant Interlibrary Cooperation				
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ 675,877	\$ 675,877	\$ 598,485	\$ (77,392)	
-	-	-	-	
-	-	-	-	
<u>675,877</u>	<u>675,877</u>	<u>598,485</u>	<u>(77,392)</u>	
-	-	-	-	
<u>675,877</u>	<u>675,877</u>	<u>598,485</u>	<u>77,392</u>	
<u>675,877</u>	<u>675,877</u>	<u>598,485</u>	<u>77,392</u>	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	SPECIAL			Variance with Final Budget Positive (Negative)
	Gifts and Donations			
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Private donations	118,500	119,000	28,924	(90,076)
Total revenues	<u>118,500</u>	<u>119,000</u>	<u>28,924</u>	<u>(90,076)</u>
Expenditures				
Current: Culture and recreation				
Personal services	-	-	-	-
Operating expenditures	196,500	197,000	78,696	118,304
Total expenditures	<u>196,500</u>	<u>197,000</u>	<u>78,696</u>	<u>118,304</u>
Excess of revenues over expenditures	(78,000)	(78,000)	(49,772)	28,228
Other financing sources (uses)				
Transfers in	50,000	50,000	50,000	-
Net change in fund balance	(28,000)	(28,000)	228	28,228
Fund balances - beginning	<u>28,000</u>	<u>28,000</u>	<u>194,393</u>	<u>166,393</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,621</u>	<u>\$ 194,621</u>

See accompanying notes.

REVENUE		FUNDS		
				Black History Month
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	911	300	611	611
-	911	300	611	611
-	(911)	(300)	611	611
-	-	-	-	-
-	(911)	(300)	611	611
-	911	911	-	-
\$ -	\$ -	\$ 611	\$ 611	611

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	DEBT SERVICE FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 1,393,109	\$ 1,393,109	\$ 1,352,287	\$ (40,822)
Investment income	15,000	15,000	47,007	32,007
Miscellaneous	-	-	0	0
Total Revenues	<u>1,408,109</u>	<u>1,408,109</u>	<u>1,399,294</u>	<u>(8,815)</u>
Expenditures				
Current: Culture and recreation				
Operating expenditures	72,000	72,000	57,701	14,299
Debt service	1,201,000	1,201,000	1,198,494	2,506
Contingency reserve	50,000	50,000	-	50,000
Total expenditures	<u>1,323,000</u>	<u>1,323,000</u>	<u>1,256,195</u>	<u>66,805</u>
Net change in fund balance	85,109	85,109	143,099	57,990
Fund balances - beginning	<u>(85,109)</u>	<u>(85,109)</u>	<u>331,245</u>	<u>416,354</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 474,344</u>	<u>\$ 474,344</u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	CAPITAL PROJECTS FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ 1,521	\$ 1,521
Investment income	64,610	64,610	315,622	251,012
Miscellaneous	-	-	798	798
Total revenues	<u>64,610</u>	<u>64,610</u>	<u>317,941</u>	<u>253,331</u>
Expenditures				
Current: Culture and recreation				
Operating expenditures	-	-	-	-
Capital outlay	1,627,900	1,627,900	587,351	1,040,549
Total expenditures	<u>1,627,900</u>	<u>1,627,900</u>	<u>587,351</u>	<u>1,040,549</u>
(Deficiency) of revenues (under) expenditures	(1,563,290)	(1,563,290)	(269,410)	1,293,880
Other financing sources (uses)				
Transfers in	960,976	960,976	960,976	-
Proceeds from sale of capital assets	-	-	1,710	1,710
Total other financing sources (uses)	<u>960,976</u>	<u>960,976</u>	<u>962,686</u>	<u>1,710</u>
Net change in fund balance	(602,314)	(602,314)	693,276	1,295,590
Fund balances - beginning	<u>602,314</u>	<u>602,314</u>	<u>5,749,678</u>	<u>5,147,364</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,442,954</u>	<u>\$ 6,442,954</u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

The Combination Agency fund is used to account for any unclaimed payables that are held in trust for claimants.

	Balance October 1, 2005	Additions	Deductions	Balance September 30, 2006
<u>COMBINATION AGENCY FUND</u>				
ASSETS				
Cash and equivalents	\$ -	\$ 191	\$ -	\$ 191
LIABILITIES				
Accounts payable	\$ -	\$ 191	\$ -	\$ 191

See accompanying notes.

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	60
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	66
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	72
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	76
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	80

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

Schedule 1
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets, net of related debt	\$ (149,010)	\$ 227,927	\$ 427,788	\$ 769,692	\$ 1,129,891
Restricted	4,588,171	3,597,897	3,239,138	2,631,626	2,187,373
Unrestricted	3,091,439	3,883,387	5,182,792	7,268,640	10,209,889
Total governmental activities net assets	<u>\$ 7,530,600</u>	<u>\$ 7,709,211</u>	<u>\$ 8,849,718</u>	<u>\$ 10,669,958</u>	<u>\$ 13,527,153</u>

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Expenses					
Governmental activities:					
Culture & recreation	\$ 11,260,861	\$ 11,984,095	\$ 12,076,040	\$ 12,856,235	\$ 13,134,592
Interest on long-term debt	607,244	582,575	558,876	531,674	503,236
Total governmental activities expenses	<u>11,868,105</u>	<u>12,566,670</u>	<u>12,634,916</u>	<u>13,387,909</u>	<u>13,637,828</u>
Total primary government expenses	<u>11,868,105</u>	<u>12,566,670</u>	<u>12,634,916</u>	<u>13,387,909</u>	<u>13,637,828</u>
Program Revenues					
Governmental activities:					
Charges for services	33,174	33,598	35,139	35,341	64,122
Operating grants and contributions	731,456	710,159	680,677	702,258	598,485
Total governmental activities program revenues	<u>764,630</u>	<u>743,757</u>	<u>715,816</u>	<u>737,599</u>	<u>662,607</u>
Total primary government program revenues	<u>764,630</u>	<u>743,757</u>	<u>715,816</u>	<u>737,599</u>	<u>662,607</u>
Net (Expense)Revenue					
Governmental activities	(11,103,475)	(11,822,913)	(11,919,100)	(12,650,310)	(12,975,221)
Total primary governmental net expense	<u>\$ (11,103,475)</u>	<u>\$ (11,822,913)</u>	<u>\$ (11,919,100)</u>	<u>\$ (12,650,310)</u>	<u>\$ (12,975,221)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 10,726,699	\$ 11,507,342	\$ 12,592,946	\$ 13,761,327	\$ 14,891,546
Interest earnings	104,610	344,944	274,342	513,515	854,561
Miscellaneous	156,719	149,238	192,319	195,708	182,087
Total governmental activities	<u>10,988,028</u>	<u>12,001,524</u>	<u>13,059,607</u>	<u>14,470,550</u>	<u>15,928,194</u>
Total primary government	<u>\$ 10,988,028</u>	<u>\$ 12,001,524</u>	<u>\$ 13,059,607</u>	<u>\$ 14,470,550</u>	<u>\$ 15,928,194</u>
Change in Net Assets					
Governmental activities	\$ (115,447)	\$ 178,611	\$ 1,140,507	\$ 1,820,240	\$ 2,952,973
Total primary government	<u>\$ (115,447)</u>	<u>\$ 178,611</u>	<u>\$ 1,140,507</u>	<u>\$ 1,820,240</u>	<u>\$ 2,952,973</u>

Schedule 3
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	1997	1998	1999	2000
General Fund				
Reserved	\$ 717,234	\$ 11,888	\$ 1,957	\$ 64,015
Unreserved	<u>2,282,011</u>	<u>3,193,080</u>	<u>1,710,357</u>	<u>1,820,298</u>
Total general fund	<u><u>\$ 2,999,245</u></u>	<u><u>\$ 3,204,968</u></u>	<u><u>\$ 1,712,314</u></u>	<u><u>\$ 1,884,313</u></u>
All Other Governmental Funds				
Reserved	\$ 108,720	\$ 367,018	\$ 509,395	\$ 417,673
Unreserved, reported in:				
Special revenue funds	16,956	25,042	139,303	37,938
Capital project funds	1,469,482	1,631,328	2,348,837	3,236,128
Debt service funds	<u>287,304</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u><u>\$ 1,882,462</u></u>	<u><u>\$ 2,023,388</u></u>	<u><u>\$ 2,997,535</u></u>	<u><u>\$ 3,691,739</u></u>

Fiscal Year (continued)

2001	2002	2003	2004	2005	2006
\$ -	\$ -	\$ -	\$ 656	\$ -	\$ 4,436
<u>1,944,721</u>	<u>1,843,816</u>	<u>1,729,545</u>	<u>2,103,088</u>	<u>3,099,105</u>	<u>4,729,331</u>
<u><u>\$ 1,944,721</u></u>	<u><u>\$ 1,843,816</u></u>	<u><u>\$ 1,729,545</u></u>	<u><u>\$ 2,103,744</u></u>	<u><u>\$ 3,099,105</u></u>	<u><u>\$ 4,733,767</u></u>
\$ 493,488	\$ 4,179,639	\$ 3,597,897	\$ 3,239,137	\$ 2,664,088	\$ 2,336,339
82,156	1,105,890	1,316,101	1,409,080	1,437,596	1,493,802
4,576,450	769,080	1,562,135	2,419,925	3,418,987	4,580,959
<u>-</u>	<u>408,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>\$ 5,152,094</u></u>	<u><u>\$ 6,463,141</u></u>	<u><u>\$ 6,476,133</u></u>	<u><u>\$ 7,068,142</u></u>	<u><u>\$ 7,520,671</u></u>	<u><u>\$ 8,411,100</u></u>

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

(modified accrual basis of accounting)

	Fiscal Year			
	1997	1998	1999	2000
Revenues				
Taxes (See Exhibit B-9)	\$ 8,021,222	\$ 8,551,347	\$ 9,126,392	\$ 10,388,393
Intergovernmental	587,957	995,759	689,285	714,002
Charges for services	30,382	28,743	26,494	26,838
Investment income	412,220	557,580	453,802	610,385
Other revenues	26,817	52,051	246,862	170,554
Total revenues	<u>9,078,598</u>	<u>10,185,480</u>	<u>10,542,835</u>	<u>11,910,172</u>
Expenditures				
Culture & recreation	6,799,507	7,448,095	8,135,340	8,683,437
Capital outlay	518,967	991,053	1,538,826	925,803
Debt service				
Interest	972,107	948,171	935,810	915,783
Principal	365,000	385,000	405,000	430,000
Total expenditures	<u>8,655,581</u>	<u>9,772,319</u>	<u>11,014,976</u>	<u>10,955,023</u>
Excess of revenues over (under) expenditures	423,017	413,161	(472,141)	955,149
Other Financing Sources (Uses)				
Proceeds from refunding	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	20,000	20,000	1,520,000	20,000
Transfers out	(20,000)	(20,000)	(1,520,000)	(20,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 423,017</u>	<u>\$ 413,161</u>	<u>\$ (472,141)</u>	<u>\$ 955,149</u>
Debt service as a percentage of noncapital expenditures	16.4%	15.2%	14.1%	13.4%

Fiscal Year (continued)						
2001	2002	2003	2004	2005	2006	
\$ 11,098,821	\$ 10,768,385	\$ 11,507,342	\$ 12,592,946	\$ 13,761,327	\$ 14,891,546	
791,982	731,456	710,159	680,677	702,258	598,485	
26,033	33,174	33,598	35,139	35,341	64,122	
471,968	104,610	344,944	274,342	513,515	854,561	
168,937	115,033	149,238	191,312	192,468	177,975	
<u>12,557,741</u>	<u>11,752,658</u>	<u>12,745,281</u>	<u>13,774,416</u>	<u>15,204,909</u>	<u>16,586,689</u>	
9,291,226	10,366,057	11,348,007	11,297,284	11,879,272	12,278,405	
696,128	68,678	298,885	313,574	679,231	587,351	
647,366	614,160	589,668	563,744	536,756	508,494	
455,000	585,000	610,000	635,000	665,000	690,000	
<u>11,089,720</u>	<u>11,633,895</u>	<u>12,846,560</u>	<u>12,809,602</u>	<u>13,760,259</u>	<u>14,064,250</u>	
1,468,021	118,763	(101,279)	964,814	1,444,650	2,522,439	
15,598	-	-	-	-	-	
-	-	-	1,394	3,240	2,652	
20,000	710,537	761,885	831,664	902,031	1,010,976	
(20,000)	(710,537)	(761,885)	(831,664)	(902,031)	(1,010,976)	
<u>15,598</u>	<u>-</u>	<u>-</u>	<u>1,394</u>	<u>3,240</u>	<u>2,652</u>	
<u>\$ 1,483,619</u>	<u>\$ 118,763</u>	<u>\$ (101,279)</u>	<u>\$ 966,208</u>	<u>\$ 1,447,890</u>	<u>\$ 2,525,091</u>	
10.6%	10.4%	9.6%	9.6%	9.2%	8.9%	

Schedule 5

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

(in thousands of dollars)

Fiscal Year Ended September 30	Residential Property	Commercial Property	Agricultural Property	Industrial Property
1997	4,094,376	1,029,038	708,141	136,208
1998	4,385,407	1,097,000	741,286	144,443
1999	4,798,746	1,144,733	818,424	156,309
2000	5,178,392	1,198,928	851,100	163,545
2001	5,593,903	1,274,774	885,976	217,371
2002	6,124,854	1,296,021	882,437	229,480
2003	6,837,209	1,419,435	926,592	253,667
2004	7,697,475	1,543,085	978,008	278,755
2005	8,930,088	1,682,537	1,057,069	299,514
2006	10,615,922	1,962,850	1,172,312	327,599

Source: Alachua County Property Appraiser (form DR-403)

Note: Assessed values are determined as of January 1 for each fiscal year.

All property is assessed at 100% of estimated market value as required by the Florida State Constitution
The actual taxed value is limited to a 3% per year increase by the Save Our Homes legislation.

* The total direct tax rate refers to Alachua County as a whole, not the Library District only.

<u>Non-Taxable Real Property</u>	<u>Personal & Centrally Assessed Property</u>	<u>Less: Tax- Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate *</u>
2,358,274	1,904,902	(5,364,309)	4,866,628	24.5980
2,375,352	1,896,586	(5,463,979)	5,176,095	22.4047
2,399,618	1,936,919	(5,668,494)	5,586,256	21.6260
2,427,857	1,945,951	(5,705,803)	6,059,970	21.4680
2,638,417	2,028,345	(5,982,825)	6,655,961	21.1158
2,527,797	2,046,051	(5,963,310)	7,143,329	21.1179
2,568,342	2,104,176	(6,246,303)	7,863,117	20.7343
3,452,059	2,092,296	(7,510,767)	8,530,911	20.1193
3,757,174	2,096,661	(8,186,416)	9,636,627	19.8647
4,150,410	2,260,438	(9,357,020)	11,132,512	19.2712

Schedule 6

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

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

Fiscal Year	County Direct Rates							Overlapping Rates		
	Basic Rate	General Obligation Debt Service	Alachua County Library District	Library Capital Outlay	Library Debt Service	School Board	Total Direct	Suwannee River Water Mgmt. District	St. Johns River Water Mgmt. District	MSTU - Unincorporated Areas
1998	9.0000	0.0290	1.4000	1.7570	0.2350	12.1770	24.5980	0.4914	0.4820	3.4949
1999	8.7500	0.0200	1.4000	0.1480	0.2627	11.8240	22.4047	0.4914	0.4820	0.3495
2000	8.7500	0.0200	1.4000	0.2531	0.2469	10.9560	21.6260	0.4914	0.4820	3.4949
2001	8.7500	0.0150	1.4000	0.2751	0.2249	10.8030	21.4680	0.4914	0.4720	3.4949
2002	8.9887	0.0122	1.5000	-	0.1789	10.4360	21.1158	0.4914	0.4620	3.4817
2003	8.9887	-	1.5000	-	0.1632	10.4660	21.1179	0.4914	0.4620	1.7001*
2004	8.9887	0.2500	1.5000	-	0.1566	9.8390	20.7343	0.4914	0.4620	1.7001
2005	8.9887	0.2500	1.5000	-	0.1566	9.2240	20.1193	0.4914	0.4620	1.7001
2006	8.9887	0.2500	1.4475	-	0.1445	9.0340	19.8647	0.4914	0.4620	1.7001
2007	8.8887	0.2500	1.4475	-	0.1140	8.5710	19.2712	0.4914	0.4620	0.4470**

Source: Alachua County Property Appraiser

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

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

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

Overlapping Rates (continued)

MSTU - Sheriff Law Enforcement	MSTU - Fire	City of Alachua	City of Archer	City of Gainesville	City of Hawthorne	City of High Springs	City of Lacrosse	City of Micanopy	City of Newberry	City of Waldo
-	-	5.5000	4.0000	4.9416	4.9185	6.2500	4.5900	6.0000	3.0900	5.0314
-	-	5.5000	4.0000	4.9416	5.4185	6.2500	4.1790	6.0000	3.1800	5.0314
-	-	5.5000	4.0000	4.9416	5.4185	6.2500	4.1310	6.0000	3.1800	5.0314
-	-	5.9000	4.0000	4.9416	5.4185	6.2500	4.0000	6.0000	3.1800	5.0314
-	-	5.7000	4.0000	4.9416	5.4185	6.2500	3.9420	6.0000	4.0000	5.0314
1.7816*	-	5.7000	4.0000	4.9416	5.4185	6.2500	3.9490	6.0000	4.5000	5.3140
1.7816	-	5.7000	4.0000	4.9416	5.4185	6.2500	3.5970	6.0000	4.5000	5.0314
1.7816	-	5.7000	4.5000	4.9416	5.4185	6.2500	3.2760	8.0000	4.5000	5.0314
1.7816	-	5.7000	4.7500	4.9355	4.5000	6.2500	2.9060	8.0000	4.6000	5.0314
1.7676	1.2531**	5.5000	4.7500	4.8509	6.5000	6.2500	2.4611	8.0000	4.4500	5.0314

Schedule 7

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

<u>Taxpayer</u>	<u>2005*</u>			<u>1996</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Oaks Mall Gainesville Ltd Partnership	\$ 140,444,800	1	1.46%	\$ -	-	-
Bellsouth Telecommunications Inc	102,638,130	2	1.07%	105,007,260	1	2.35%
DolgenCorp Inc	70,237,490	3	0.73%	-	-	-
Florida Rock Industries Inc	63,011,910	4	0.65%	-	-	-
Florida Power Corp	60,039,800	5	0.62%	52,252,538	2	1.17%
HCA Health Services of Fla Inc	57,455,300	6	0.60%	-	-	-
Oak Hammock at the Univ of Fla Inc	56,457,600	7	0.59%	-	-	0.00%
S Clark Butler Properties Lan, Trust	37,610,100	8	0.39%	24,134,670	7	0.54%
Clay Electric Cooperative Inc	32,057,160	9	0.33%	25,525,430	6	0.57%
Anheuser Busch Companies	30,529,840	10	0.32%	-	-	-
Prudential Insurance	-	-	-	40,733,300	3	0.91%
Columbia/HCA Corp.	-	-	-	34,265,490	4	0.77%
Metal Container Corporation	-	-	-	32,045,020	5	0.72%
Energizer Battery Co.	-	-	-	23,729,940	8	0.53%
Kriser, Sidney P.	-	-	-	22,979,640	9	0.51%
Cox Cable University City Inc	-	-	-	16,187,770	10	0.36%
	<u>\$ 650,482,130</u>		<u>6.75%</u>	<u>\$ 376,861,058</u>		<u>8.44%</u>
Total taxable valuation of all properties	<u>\$ 9,636,626,680</u>			<u>\$ 4,467,591,909</u>		

SOURCE: Alachua County Property Appraiser

* 2005 most current year available

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 128,280,091	\$ 123,684,862	96.4%	\$ 585,311	\$ 124,270,173	96.9%
1998	138,630,591	133,644,432	96.4%	561,633	134,206,065	96.8%
1999	144,870,700	139,542,120	96.3%	703,580	140,245,700	96.8%
2000	152,108,622	146,678,008	96.4%	523,275	147,201,283	96.8%
2001	163,613,723	156,641,508	95.7%	693,395	157,334,903	96.2%
2002	177,378,311	170,132,721	95.9%	694,521	170,827,242	96.3%
2003	191,095,782	183,583,857	96.1%	689,584	184,273,441	96.4%
2004	207,120,455	199,006,888	96.1%	673,139	199,680,027	96.4%
2005	219,019,716	211,076,952	96.4%	52,428	211,129,380	96.4%
2006	244,588,259	235,416,992	96.3%	na	235,416,992	96.3%

SOURCE: Alachua County Tax Collector

Schedule 9

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

Fiscal Year	General Obligation Bonds	Percentage of Personal Income (a)	Per Capita (a)
1997	\$ 14,380,000	0.31%	\$ 68.44
1998	13,995,000	0.28%	65.79
1999	13,590,000	0.27%	62.96
2000	13,160,000	0.24%	60.29
2001	13,295,000	0.25%	60.62
2002	12,710,000	0.23%	57.65
2003	12,100,000	0.21%	54.68
2004	11,465,000	0.18%	51.51
2005	10,800,000	na	44.86
2006	10,110,000	na	41.47

Note: Details regarding the Library District's outstanding debt can be found on page 43 in the Notes to the Financial Statements.

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

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

Fiscal Year	General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bond		
1997	\$ 14,380,000	0.30%	\$ 68,444.90
1998	13,995,000	0.27%	65,794.73
1999	13,590,000	0.24%	62,961.26
2000	13,160,000	0.22%	60,285.39
2001	13,295,000	0.20%	60,617.25
2002	12,710,000	0.18%	57,649.04
2003	12,100,000	0.15%	54,680.12
2004	11,465,000	0.13%	51,512.35
2005	10,800,000	0.11%	44,857.20
2006	10,110,000	na	41,471.99

Note: Details regarding the Library District's outstanding debt can be found on page 43 in the Notes to the Financial Statements.

(a) See Schedule 5 for property value data.

(b) Population data can be found in Schedule 13

Schedule 11

**ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2006**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Alachua County Library District, 2001	\$10,110,000	100.0%	\$10,110,000
Alachua County Foerever G.O. Bond Series, 2003	10,265,000	100.0%	10,265,000
Gas Tax Revenue Bond, 2006	15,400,000	100.0%	15,400,000
Overlapping:			
Alachua County School Board District Refunding G. O. Bonds:			
Series 2001, Refunding	12,795,000	100.0%	12,795,000
Series 2003, Refunding	26,040,000	100.0%	26,040,000

Sources: Alachua County Finance Department and Alachua County School Board

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

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

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

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income
1997	210,096	4,606,245	21,924
1998	212,707	4,938,462	23,217
1999	215,847	5,121,350	23,727
2000	218,295	5,422,791	24,842
2001	219,327	5,418,264	24,704
2002	220,472	5,519,952	25,037
2003	221,287	5,770,506	26,077
2004	222,568	6,210,549	27,904
2005	240,764	na	na
2006	243,779	na	na

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

Median Age	College and University Enrollment	Public School Enrollment	Unemployment Rate
30.2	53,526	31,337	2.4%
30.2	54,603	30,564	2.1%
28.5	56,083	30,303	2.1%
28.5	57,859	30,200	1.7%
28.5	59,453	30,706	2.2%
29.0	61,185	30,302	2.5%
29.0	62,346	29,026	2.6%
27.0	62,100	28,843	2.2%
26.4	63,896	28,568	2.6%
29.4	66,891	28,329	2.4%

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

<u>Employer</u>	2005		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
University of Florida	12,212	1	14.78%
Shands Hospital	7,508	2	9.09%
Alachua County School Board	4,195	3	5.08%
Veterans Affairs Medical Center	2,700	4	3.27%
The Oaks Mall	2,500	5	3.03%
City of Gainesville	2,357	6	2.85%
Fla Dept of Children & Families	2,119	7	2.56%
Alachua County	1,921	8	2.33%
Publix Supermarkets	1,865	9	2.26%
North Florida Regional Medical Ctr	1,646	10	1.99%
Tachachale	1,500	11	1.82%
Nationwide Insurance Company	1,099	12	1.33%
Total Labor Force	<u>82,616</u>		

Source: Council for Economic Outreach

Note: Prior year comparative data not available.

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

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Culture & recreation					
Administration					
Administration	9	8	10.5	10	10
Automated services	12	11	12	11	11
Outreach services	10.5	10	11	10	11
Technical services	17.5	17	16.5	16.5	16.5
Facilities division	7	8	8	8	8
Library Headquarters-Patron Services	55	53.5	50	53.5	55.5
Library - Branches					
Millhopper	17	18	18.5	17	19
Tower Road	16	16.5	15.5	16	16
Hawthorne	7	6.5	6.5	6.5	5.5
High Springs	5.5	6.5	6.5	5.5	6.5
Alachua	6.5	6.5	5	6.5	6.5
Archer	3.5	3.5	3.5	3.5	3.5
Newberry	3.5	3.5	3.5	3.5	2
Micanopy	2.5	2.5	2.5	2.5	2.5
Waldo	2.5	2.5	2.5	2.5	2.5
Total	175.0	173.5	172.0	172.5	176.0

Source: Finance and Accounting Department

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

<u>Function/Program</u>	<u>Description</u>	<u>Fiscal Year</u>		
		<u>1997</u>	<u>1998</u>	<u>1999</u>
Culture and recreation:				
Circulation:	# of checkouts - Main Library	903,345	881,656	912,427
	# of checkouts - Branch libraries	1,253,425	1,240,120	1,203,545
	# of checkouts - Bookmobiles	35,284	46,263	44,551
	# of checkouts - other services	76,582	140,046	108,889
	Total checkouts	2,268,636	2,308,085	2,269,412
	# of Library Visits	na	1,067,808	1,006,347
	# of Virtual Visits	na	na	na
	Total # of Registered Borrowers	158,933	171,936	173,747
	# of Volunteer Hours	24,284	24,351	22,716
	# of Reference Services	193,730	136,414	161,912
Programs:	Number presented	1,187	1,251	1,305
	Attendance	57,337	58,154	64,244

Source: Alachua County Library

Fiscal Year (continued)

2000	2001	2002	2003	2004	2005	2006
885,584	971,000	994,306	958,209	980,971	1,030,897	1,058,838
1,222,250	1,393,288	1,401,267	1,540,507	1,516,932	1,547,908	1,611,994
22,190	25,136	41,770	55,273	56,809	63,897	63,671
68,080	87,809	71,057	92,329	65,553	74,934	113,895
2,198,104	2,477,233	2,508,400	2,646,318	2,620,265	2,717,636	2,848,398
1,004,764	1,035,650	1,036,867	1,103,936	1,121,867	1,152,388	1,227,697
na	na	na	500,790	836,821	878,153	573,229
189,609	204,256	174,592	192,222	208,073	160,671	177,035
18,609	15,001	11,077	13,802	15,501	17,379	20,713
171,293	152,899	124,182	108,620	113,739	386,090	366,530
1,370	1,673	1,427	1,909	1,720	1,652	1,771
64,779	57,545	80,681	73,784	69,170	65,739	60,385

Schedule 17

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

	Fiscal Year				
	1997	1998	1999	2000	2001
<u>Culture & Recreation</u>					
# of Library buildings	10	10	10	10	10
# of Acres	25	25	25	25	25
# of Vehicles	16	16	16	17	20
Library Holdings					
# of Books	892,008	814,235	858,318	863,026	918,821
# of Copies - Periodicals	na	na	na	2,692	2,502
# of Titles - Periodicals	na	na	na	1,012	995

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

Fiscal Year (continued)

2002	2003	2004	2005	2006
10	10	10	10	10
25	26	26	26	26
20	20	20	20	20
905,602	952,033	965,732	971,976	981,653
2,228	2,207	2,161	2,021	1,938
978	754	644	638	600



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

	2004	2005	2006
Total Valuations	<u>\$16,041,677,784</u>	<u>\$17,823,042,535</u>	<u>\$20,568,552,759</u>
Less: Real Property Exemptions/Adjustments			
Governmental Exemptions	3,203,370,600	3,414,028,500	3,737,385,900
Homestead Exemptions	1,190,251,512	1,224,187,380	1,253,420,454
Historic Property Exemptions	861,410	888,630	900,090
Agriculture Adjustments	641,061,800	679,796,500	763,997,900
Institutional Exemptions	360,942,985	415,015,585	497,342,765
Disability Exemptions	37,161,230	39,243,120	44,558,521
Widow's Exemptions	1,808,000	1,773,500	1,756,000
Renewable Energy Source Exemptions	-	-	-
Assessment Differential Value of Capped Parcels (1)	<u>997,748,650</u>	<u>1,350,504,930</u>	<u>1,877,892,110</u>
Total Real Property Exemptions/Adjustments	<u>6,433,206,187</u>	<u>7,125,438,145</u>	<u>8,177,253,740</u>
Less: Personal Property Exemptions/Adjustments			
Government Exemptions	900,312,610	900,367,390	746,289,555
Institutional Exemptions	<u>177,248,075</u>	<u>160,610,320</u>	<u>433,476,257</u>
Total Personal Property Exemptions/Adjustments	<u>1,077,560,685</u>	<u>1,060,977,710</u>	<u>1,179,765,812</u>
Taxable Valuation	<u><u>\$8,530,910,912</u></u>	<u><u>\$9,636,626,680</u></u>	<u><u>\$11,211,533,207</u></u>

(1) Sum of the (Just Value - Capped Value) 193.155 F.S. Effective for the 2004 - 2006 Assessment Rolls
Source: Alachua County Property Appraiser

II. Property Tax Rates District

LIBRARY DISTRICT	2004	2005	2006
Operations	1.5000	1.5000	1.4475
Debt Service	0.1566	0.1566	0.1445
TOTAL	<u>1.6566</u>	<u>1.6566</u>	<u>1.5920</u>

III. 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
2003 - 2004	2003	\$207,645,262	\$199,006,888	95.8%	\$1,890,155	0.91%
2004 - 2005	2004	219,154,813	211,076,952	96.3%	881,460	0.40%
2005 - 2006	2005	244,588,259	235,416,992	96.3%	1,112,568	0.45%

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

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

IV. 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
2003 - 2004	2003	\$13,083,557	\$12,499,332	95.5%	\$50,399	0.39%
2004 - 2005	2004	14,119,707	13,597,540	96.3%	57,289	0.41%
2005 - 2006	2005	15,326,209	14,749,470	96.2%	70,551	0.46%

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

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

V. 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	\$10,265,000	100.00%	\$10,265,000
Alachua County Library District, 2001	10,110,000	100.00%	10,110,000
Gas Tax Revenue Bond, 2006	15,400,000	100.00%	15,400,000
Total Direct			\$35,775,000
Overlapping/Underlying:			
School Board District Refunding G.O. Bonds Series 2001, Refunding	\$12,795,000		
Series 2003, Refunding	26,040,000	100.00%	\$38,835,000
Total Overlapping/Underlying			\$38,835,000
Total Direct, Overlapping Debt			\$74,610,000

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

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

Source: Alachua County Finance Department
School Board District

VI. Material Litigation

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

VII. Significant Events

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

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

- G. There have been **No** modifications to the rights of the 2001 Bondholders.
- H. There have been **No** calls on the 2001 Bonds (other than mandatory redemptions of the 2001 Bonds resulting from application of amortization installments).
- I. 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.

VIII. Cusip Numbers 2001 Bonds

MATURITY	RATE	AMOUNT	CUSIP
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

