

Alachua County Library District



Alachua County, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2017



INTRODUCTORY SECTION



ALACHUA COUNTY, FLORIDA
LIBRARY DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017

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



**ALACHUA COUNTY LIBRARY DISTRICT
ALACHUA COUNTY, FLORIDA
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS
SEPTEMBER 30, 2017**

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditors' Report	1-4
Management's Discussion and Analysis.....	5-13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities.....	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Fiduciary Net Position	22
Statement of Changes in Fiduciary Net Position – Fiduciary Fund – Pension Trust Fund.....	23
Notes to Financial Statements.....	25-58
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	59
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Brady Trust Fund	60
Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	61
Florida Retirement System:	
Schedules of Proportionate Share of the Net Pension Liability.....	62
Schedules of Employer Contributions.....	63
Alachua County Library Pension Plan:	
Schedule of Changes in the Net Pension Liability (NPL) and Related Ratios.....	64
Schedule of Employer Contributions	66
Schedule of Investment Returns	68

FINANCIAL SECTION – CONTINUED

Alachua County Library OPEB Plan:
 Schedule of the Library’s Proportionate Share of the Net OPEB Liability 69
 Schedule of the Library Contributions 70

Supplementary Information:
 Combining and Individual Fund Statements and Schedules 71
 Combining Balance Sheet - Nonmajor Governmental Funds 72-73
 Combining Statement of Revenues, Expenditures, and Changes
 in Fund Balances - Nonmajor Governmental Funds 74-75

Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual:
 Nonmajor Special Revenue Funds:
 State Aid to Libraries Program Grant 76
 Gifts and Donations 77
 Debt Service Funds
 General Obligation Refunding Bank Note 2011 78
 Capital Projects Fund 79

Discretely Presented Component Unit – Library Foundation 81
 Balance Sheet 82
 Schedule of Revenues, Expenditures and Changes in Fund Balance 83
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual 84

STATISTICAL INFORMATION (UNAUDITED)

Description of Statistical Tables 85

Schedule 1 – Net Position by Component - Last Ten Fiscal Years 86-87

Schedule 2 - Change in Net Position - Last Ten Fiscal Years 88-89

Schedule 3 – Fund Balances, Governmental Funds - Last Ten Fiscal Years 90-91

Schedule 4 – Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years 92-93

Schedule 5 – Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years 94-95

Schedule 6 – Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years 96-97

Schedule 7 – Principal Property Taxpayers – Current and Ten Years Ago 98

Schedule 8 – Property Tax Levies and Collections – Last Ten Fiscal Years 99

Schedule 9 – Ratios of Outstanding Debt by Type – Last Ten Fiscal Years 100

Schedule 10 - Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years 101

Schedule 11 – Direct and Overlapping Governmental Activities Debt 102

Schedule 12 –Legal Debt Margin 103

Schedule 13 – Demographic and Economic Statistics – Last Ten Calendar Years 104-105

Schedule 14 – Principal Employers 106

Schedule 15 – Full-time Equivalent Library Government Employees by Function/Program – Last Ten FY’s 107

Schedule 16 – Operating Indicators by Function/Program – Last Ten Fiscal Years 108-109

Schedule 17 – Capital Asset Statistics by Function/Program – Last Ten Fiscal Years 110-111

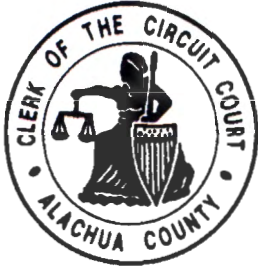
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL AND ON COMPLIANCE

Independent Auditors’ Report on Internal Control Over Financial Reporting and On Compliance and Other Matters 113-114

Management Letter 115-116

Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes 117

Management Response 118



CLERK OF THE CIRCUIT COURT

Alachua County Courthouse
201 East University Avenue
Gainesville, Florida 32601

J.K. "JESS" IRBY
CLERK

TELEPHONE
(352) 374-3636

April 30, 2018

The Honorable Ken Cornell, Chair
Library District Governing Board
Alachua County, Florida

Dear Governor Cornell:

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, 2017. The Finance Department prepared this report and we are responsible for its accuracy and completeness.

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

This report was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). GFOA awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose comprehensive annual financial reports meet the Program's strict criteria. The Library's comprehensive annual financial reports for the preceding thirteen years were awarded this certificate. We are submitting the 2017 report for review and we believe that it will also be awarded a certificate.

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

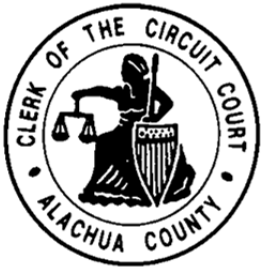
The preparation of this report could not have been accomplished without the dedicated effort of the Finance Director and his entire staff. Their efforts over the past years have led to an improved quality of information being reported to the Governing Board, State, Oversight Boards and the Citizens of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

Thank you for your attention.

Respectfully Submitted,

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





CLERK OF THE CIRCUIT COURT

Alachua County Courthouse
201 East University Avenue
Gainesville, Florida 32601

J.K. "JESS" IRBY
CLERK

TELEPHONE
(352) 374-3636

April 30, 2018

The Honorable Ken Cornell, Chair
Library District Governing Board
Alachua County, Florida

Dear Governor Cornell and the Citizens of Alachua County:

The Comprehensive Annual Financial Report of Alachua County, Florida, Library District, for the fiscal year ended September 30, 2017, is respectfully submitted. This report was prepared by the Finance and Accounting Department under the supervision of the Clerk of the Circuit Court. The report fulfills the requirements set forth in Section 218.39, Florida Statutes, and the Rules of the Florida Auditor General, Chapter 10.550, which requires an annual audit of all Special Districts. Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation, including all disclosures, rest with the Finance and Accounting Department.

Florida Statutes require an audit of the financial statements of the Alachua County Library District by an independent certified public accountant. We have complied with this requirement and the auditor's opinion is included in the Financial Section of this report. Carr, Riggs & Ingram LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Alachua County Library District's financial statements for the year ended September 30, 2017.

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

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

The responsibilities of the Board of Trustees include developing recommendations on policy, budget, and plans for the District, reporting at meetings on matters that may affect the District,

responding to requests by the Governing Board for various recommendations, reporting information about Library issues, and listening and responding to citizens who have questions relating to the District and libraries in general.

**THE LIBRARY DISTRICT, ITS
ECONOMIC CONDITION AND OUTLOOK**

The Alachua County Library District provides public library service to a countywide population of approximately 260,003 (April 1, 2017 estimate), as well as to surrounding counties. The District is a centralized system with a Headquarters Library located in downtown Gainesville and eleven branch libraries. One large library (Millhopper Branch) is located in northwest Gainesville; another large library (Tower Road Branch) is located in unincorporated Alachua County southwest of Gainesville, just outside of the city limits. The District operates a storefront library in collaboration with the Partnership for Strong Families in northeast Gainesville and Cone Park Branch is located in east Gainesville. The municipalities of Alachua, Archer, Hawthorne, High Springs, Micanopy, Newberry and Waldo each have a branch library. In addition, the District also operates two bookmobiles and provides library service to the inmates of the Alachua County Jail through an interlocal agreement with the Alachua County Sheriff.

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

Summary of Library Use Statistics for FY 2017	
1,333,876	Visits to all Alachua County Libraries
4,034,721	Items borrowed (circulated)
150,746	Registered borrowers
331,776	Materials holdings - Titles
700,228	Individual items in the Library collection
297,894	Reference questions answered in person, by phone, or via the internet
888,900	Virtual visits through the internet
8,300	Programs for children and adults with attendance of 129,187
10,223	Uses of Library District meeting rooms with an attendance of 86,128
21,765	Volunteer hours

Local Economy

Alachua County with the City of Gainesville as its county seat, serves as the cultural, educational and commercial center for the North Central Florida region of the State of Florida. Alachua County encompasses approximately 965 square miles and is included in the Gainesville Metropolitan Statistical Area. Alachua County is located almost midway between the Atlantic and Gulf coasts, approximately 145 miles southeast of Tallahassee, the State Capital, and 100 miles southwest of Jacksonville. In addition to Gainesville, eight other growing municipalities are located within the County: Alachua, Archer, Hawthorne, High Springs, LaCrosse, Micanopy, Newberry and Waldo. Alachua County is home to the University of Florida, Santa Fe College and is a medical center housing a Veterans Administration Hospital, the University of Florida Health Research and Teaching Hospital, North Florida Regional Hospital and other smaller hospitals and treatment centers. Due to the high number of government entities, the County's economic outlook is somewhat more stable than the rest of the economy in the State but is still affected by the financial difficulties of the United States economy as a whole. Expansion of both educational and health care facilities is expected to increase over the next several years.

Long-term Financial Planning

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

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

Major Initiatives

In Fiscal year 2017, the District continued work on the expansion and renovation of the Tower Road Branch Library for a combined cost of \$2 million in capital expenses. The enhancements at the Tower Road Branch include quiet reading room, teen space, snuggle center and foodie space. The District also began architectural and engineering work for the Waldo Branch Library expansion and renovation. Also, land was purchased for the new Library Partnership Branch for approximately \$228,000.

**AWARDS AND
ACKNOWLEDGEMENTS**

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Alachua County Library District for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016. This was the thirteenth consecutive year that the Library District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. Also, the report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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

Respectfully Submitted,



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

NTH/rdg



Government Finance Officers Association

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

Presented to

**Alachua County
Florida Library District**

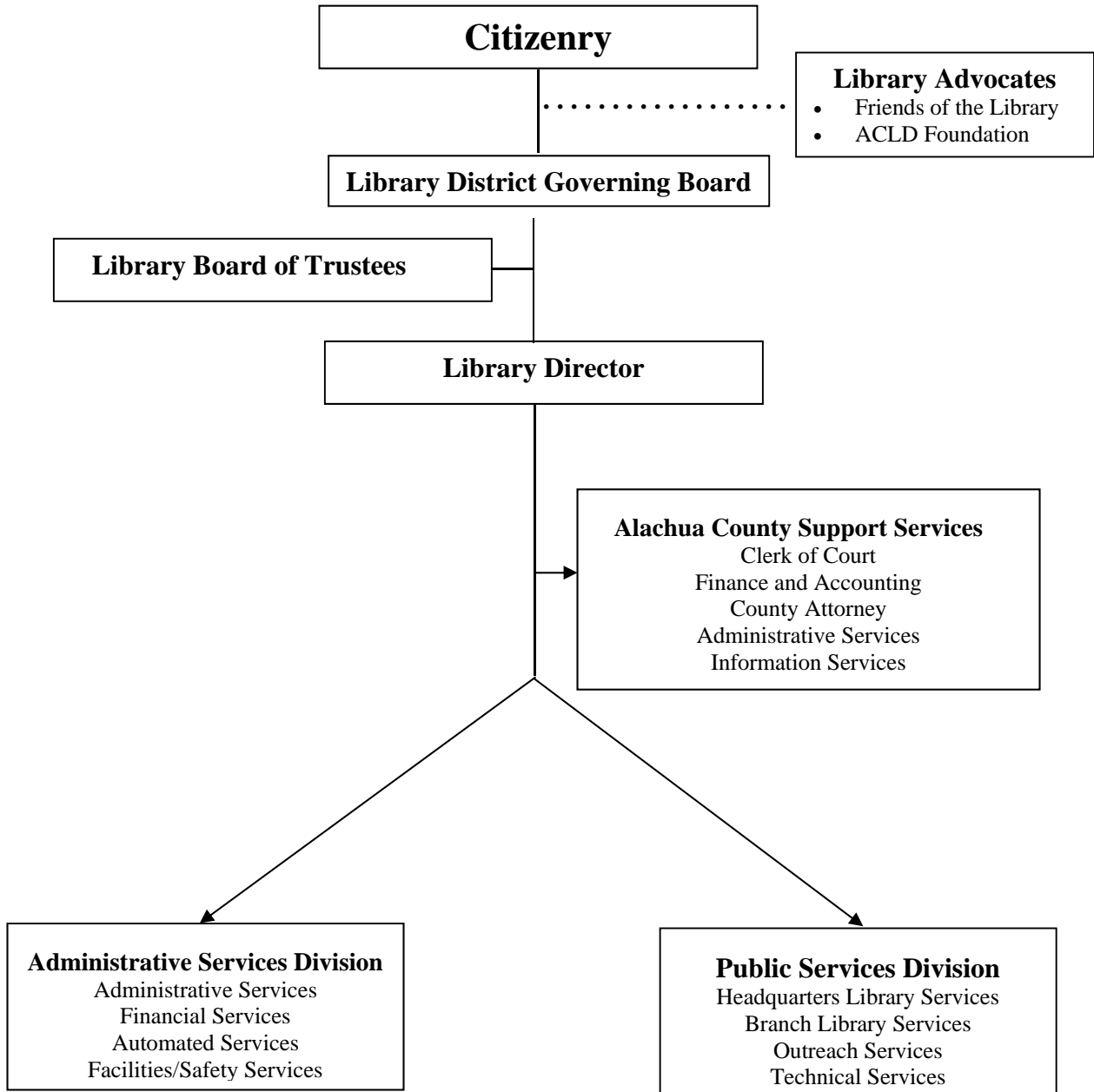
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO

**ALACHUA COUNTY LIBRARY DISTRICT
ORGANIZATIONAL CHART**



ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

PRINCIPAL OFFICERS

GOVERNING BOARD

Ken Cornell – Chair – County

Leanetta McNealy – Vice Chair – School Board

Charles S. Chestnut, IV – County

Lee Pinkoson – County

Charles E. Goston – City

Helen K. Warren – City

LIBRARY DIRECTOR

Shaney T. Livingston

COUNTY ATTORNEY

Michele L. Lieberman

CLERK OF CIRCUIT / COUNTY COURTS

AND

CLERK TO LIBRARY DISTRICT

J. K. “Jess” Irby

DIRECTOR OF FINANCE

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

<http://www.aclib.us>

FINANCIAL SECTION





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

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

INDEPENDENT AUDITOR'S REPORT

The Governing Board
Alachua County Library District
Alachua County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Alachua County Library District (the "District"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the District, as of September 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 11(C) to the financial statements, in 2017 the District adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the trend information for the pension and OPEB plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Cary Riggs & Ingram, L.L.C.

Gainesville, Florida

April 30, 2018



**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, 2017. The Library District's financial performance is discussed and analyzed within the context of the accompanying financial statements & disclosure following this section.

Financial Highlights

Government-wide Statements

- Alachua County Library District's assets and deferred outflows exceeded its liabilities and deferred inflow of resources at September 30, 2017 by \$20,231,151 (net position). Of this amount, \$2,692,550 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position of \$20,231,151 is comprised of the following:
 - 1) Net investment in capital assets of \$17,538,601 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 - 2) Net position of \$ 0 is restricted by constraints imposed from outside the Library District such as debt covenants. During FY2017, the Alachua County Library District's debt was redeemed.
 - 3) \$2,692,550 of governmental net position represents the portion available to maintain the Library District's continuing obligations to citizens and creditors.

The Library District's total net position decreased by \$697,337 over the previous year. Net position decreased due to implementing the provision of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which requires employers providing other postemployment benefits to report a net OPEB liability and an increase in the net pension liability.

Fund Statements

- At September 30, 2017, the Library District's governmental funds reported combined ending fund balances of \$15,752,699, a decrease of \$752,584 from the prior fiscal year.
- At September 30, 2017, the total fund balance for the General Fund was \$5,650,501 or 33% of operating revenue. The District assigned General Fund ending fund balance of \$1,327,669 million for a one-time transfer to the Capital Project Fund in fiscal year 2018 and assigned an additional \$1,330,133 to balance the General Fund's operating budget in fiscal year 2018.

- Total governmental funds' revenues had a net increase of \$218,994 from the prior fiscal year. This is primarily due to increases in property taxes collection and additional intergovernmental revenue not received in prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

- The Statement of Net Position presents financial information on all of the Library District's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library District is strengthening or weakening.
- The Statement of Activities presents information showing how the government's net position changed during fiscal year 2017. All changes in net position are reported as soon as the event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

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

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Brady Trust Special Revenue Fund, and the Capital Projects Fund, which are considered to be major funds. Data for the other three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules in the supplementary information section of this report.

The Library District adopts an annual budget for its general, special revenue, debt service and capital projects funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance. The General Fund budgetary comparison schedule can be found in the required supplementary information on page 59 and for nonmajor special revenue funds as well as for the Capital Projects and Debt Service funds, major funds, in the supplementary information starting on page 76 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 22-23 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-58 of this report.

Other Information

Combining statements, referred to earlier, present a more detailed view of nonmajor funds. This section includes budget to actual schedules for nonmajor special revenue funds, debt service and capital project funds. Combining and individual fund schedules can be found on pages 71-79 of this report. Required pension fund information is shown on pages 62-68 and required OPEB information is shown on pages 69-70. Information concerning capital assets used in the operation of governmental funds can be found in the notes on page 40.

Government-wide Financial Analysis

Changes in net position over time may serve as a useful indicator of a government's financial position. In the case of the Library District, assets exceeded liabilities and deferred inflow of resources by \$20,231,151 at the end of the fiscal year ended September 30, 2017.

Alachua County Library District Net Position

	<u>Governmental Activities</u>		<u>Total Percent</u>
	<u>2016</u>	<u>2017</u>	<u>Change</u>
Current and Other Assets	\$ 17,762,273	\$ 17,631,991	-0.7%
Capital Assets	15,773,792	17,538,601	11.2%
Total Assets	<u>33,536,065</u>	<u>35,170,592</u>	4.9%
Deferred outflows pension	3,802,304	2,499,508	
Total Deferred Outflow of Resources	<u>3,802,304</u>	<u>2,499,508</u>	
Long-Term Liabilities Outstanding	12,295,612	14,190,080	15.4%
Other Liabilities	2,805,942	2,256,097	-19.6%
Total Liabilities	<u>15,101,554</u>	<u>16,446,177</u>	8.9%
Deferred charge on refunding	31,859	-	
Deferred inflows opeb and pensions	1,276,468	992,772	
Total Deferred Inflow of Resources	<u>1,308,327</u>	<u>992,772</u>	-24.1%
Net Position:			
Net investment in Capital Assets	14,701,933	17,538,601	19.3%
Restricted	334,033	-	-100.0%
Unrestricted	5,892,522	2,692,550	-54.3%
Total Net Position	<u>\$ 20,928,488</u>	<u>\$ 20,231,151</u>	-3.3%

At the end of fiscal year 2017, the Library District is able to report positive balances in all three categories of net position.

One portion of the Library District's net position of \$17,538,601 or 86.8% of total net position reflects its investment in capital assets (e.g., land, buildings, improvements and equipment, less any related depreciation expense), less any related outstanding debt used to acquire those assets. The Library District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library District's investment in its capital assets is reported net of related debt, the resources needed to repay this debt are provided from other sources (ad valorem taxes), since the capital assets themselves cannot be used to liquidate these liabilities. For the fiscal year, the District's net investment in capital assets increased by \$2,836,668. This net increase is due to planned capital expenses for future expansions and renovations of library facilities.

Another portion of the Library District's net position (\$0 or 0.0% of total net position) represents resources that are subject to external restrictions on how they may be used. Restricted net position decreased by \$334,033 from 2016 to 2017. The final principal and interest payment was made during FY2017 and Library's debt is redeemed.

The remaining portion of the Library District's net position is unrestricted net position (\$2,692,550 or 13.3%) and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net position decreased \$3,199,972 from FY16 to FY17. This decrease was due to implementing the provision of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which requires employers providing other postemployment benefits to report a net OPEB liability and an increase in the net pension liability.

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

	Governmental Activities		Percent Change
	2016	2017	
Revenues:			
Program revenues:			
Charges for services	\$ 128,409	\$ 122,725	-4.4%
Capital grants and contributions	69,771	218,800	213.6%
Operating grants and contributions	519,047	457,456	-11.9%
General revenues:			
Property taxes	17,121,407	17,306,961	1.1%
Investment Earnings	325,807	411,465	26.3%
Miscellaneous	391,381	406,253	3.8%
Total revenues	<u>18,555,822</u>	<u>18,923,660</u>	2.0%
Expenses:			
Culture and recreation - Library Services	<u>16,789,409</u>	<u>18,354,107</u>	
Total expenses	<u>16,789,409</u>	<u>18,354,107</u>	9.3%
Change in net position	<u>1,766,413</u>	<u>569,553</u>	
Net position - beginning, as previously reported	19,162,075	20,928,488	
Net OPEB liability	-	(1,266,890)	
Net position - beginning as restated	<u>19,162,075</u>	<u>19,661,598</u>	
Net position - ending	<u>\$ 20,928,488</u>	<u>\$ 20,231,151</u>	-3.3%

Governmental Activities

Program Revenues –

The capital grants and contributions category increased due to the Library District being awarded a construction grant for the expansion of the Tower Road Branch Library.

General Revenues –

Interest earnings on investments increased due to an improvement in economic and market conditions. Miscellaneous revenue increased due to reimbursement revenue received via E-Rate program offered with Universal Service Administrative Company Bear during FY2017.

Net Position –

The Library District's total ending net position decreased \$697,337 over the previous year.

Fund Financial Analysis

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

Governmental Funds

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

**Alachua County Library District
Classifications of Fund Balance**

Total fund balance	\$ 15,752,699
Less classified fund balance:	
Nonspendable:	
Prepaid items	39,871
Committed for:	
Library reserve	1,054,968
Library materials	1,270,197
Assigned for:	
Capital projects	8,496,172
Library materials	608,530
FY17 Appropriated Fund Balance	1,330,133
Unassigned fund balance	\$ 2,952,828

As of the end of fiscal year 2017, the Library District’s governmental funds reported combined ending fund balances of \$15,752,699 a decrease of \$752,584 from the prior year.

Major Funds

The General Fund, the Capital Projects Fund and the Brady Trust Fund are reported as major funds.

The General Fund is the chief operating fund of the Library District. The total fund balance at September 30, 2017 is \$5,650,501. For the fiscal year, the General Fund had a net increase in fund balance of \$749,832. This net increase was the result of property tax revenue increase and a decrease in operating expenditures. As a measure of the General Fund’s liquidity, it is useful to compare total fund balance to total fund revenues. For fiscal year 2017 the ending fund balance represents a 33.31% of total General Fund operating revenue. The District plans to transfer an additional \$1.3 million of fund balance to the Capital Projects Fund in FY 2018 to fund capital projects on a pay-as-you go basis.

The Capital Projects fund has a total fund balance of \$7,168,503, all of which is assigned for future expansion and renovations. The net decrease in fund balance during the fiscal year in Capital Projects was \$1.4 million. The decrease was due to a consistent capital outlay cost and a decrease in private donations.

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

General Fund Budgetary Highlights

There were no changes to the General Fund's original budget (see schedule on page 59). Overall actual revenues varied from final budgeted revenues positively by \$501,025. This positive variance is primarily due to the fact that by law, property taxes are budgeted at 95% of the Property Appraisers assessed taxable value, yet actual collections by the Tax Collector are generally around 97%, including amounts from prior years for delinquent taxes. Actual expenditures were less than final budgeted expenditures by \$2,015,904 (positive variance). The Governing Board did not have to use any of the \$808,929 budgeted in reserves for the fiscal year and the remaining net difference of actual results compared to final budget was positive due to tighter spending controls that were put in place by District management.

Capital Asset and Debt Administration

Capital Assets

The Library District's investment in capital assets as of September 30, 2017 totals \$17,538,601 (net of accumulated depreciation) and includes land, artwork, buildings and improvements, and equipment and software. The Library District experienced an overall increase in investment in capital assets over the prior fiscal year of approximately 11.19% due to the implementation of the Tower Road Branch expansion.

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

Alachua County Library District Capital Assets (net of depreciation)

	Governmental Activities	
	<u>2016</u>	<u>2017</u>
Land	\$ 1,387,970	\$ 1,616,731
Artwork	103,577	103,577
Construction in progress	87,890	2,149,168
Buildings and improvements	13,299,315	12,793,267
Equipment and software	895,040	875,858
Total	<u>\$ 15,773,792</u>	<u>\$ 17,538,601</u>

Long-term Debt

At the end of fiscal year 2017, the Library District no longer has any general obligation debt outstanding.

Alachua County Library District		
Outstanding Debt		
	<u>2016</u>	<u>2017</u>
General Obligation Debt	<u>\$ 1,040,000</u>	<u>\$ -</u>

During fiscal year 2017, the Library District's outstanding general obligation debt decreased by \$1,040,000, to a zero balance. This decrease was due to scheduled principal retirements of the note payable. Additional information on the Library District's debt can be found in Note 6 starting on page 55 of this report.

Economic Factors and Next Year's Budgets and Rates

- The assessed value of residential property increased by 12.30% and commercial property increased by 17.71% for fiscal year 2018.
- Population increased by approximately 1.14% from the prior year to an estimated 260,003 at September 30, 2017.

During the current fiscal year, the net change in fund balance for the General Fund was an increase of \$749,832 for a total ending fund balance of \$5,650,501. The ad valorem tax rate for the General Fund for the upcoming 2017 fiscal year budget is 1.2655 mills, a 5.35% decrease from the prior year rate of 1.3371 mills.

Requests for Information

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



**BASIC
FINANCIAL
STATEMENTS**





ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF NET POSITON
SEPTEMBER 30, 2017

	Primary Government	Component Unit
Assets		
Current assets:		
Equity in pooled cash and investments	\$ 14,904,488	\$ -
Other cash and investments	2,327,516	1,229,887
Accounts receivable, net	186,884	-
Due from other governments	173,232	-
Prepaid items	39,871	-
Total current assets	17,631,991	1,229,887
Noncurrent assets:		
Capital assets:		
Land	1,616,731	-
Artwork	103,577	-
Construction in progress	2,149,168	-
Buildings	23,242,293	-
Equipment	3,052,436	-
Software	548,071	-
Other improvements	810,737	-
Less accumulated depreciation	(13,984,412)	-
Total noncurrent assets	17,538,601	-
Total assets	35,170,592	1,229,887
Deferred Outflow of Resources		
Deferred amounts related to pensions	2,499,508	-
Total deferred outflow of resources	2,499,508	-
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,485,535	\$ -
Due to other governments	243,757	-
Accrued compensated absences due within one year	480,805	-
Net pension liability due within one year	46,000	-
Total current liabilities	2,256,097	-
Noncurrent liabilities:		
Accrued compensated absences	320,536	-
Net OPEB liability	1,240,956	-
Net pension liability	12,628,588	-
Total noncurrent liabilities	14,190,080	-
Total liabilities	16,446,177	-
Deferred Inflows of Resources		
Deferred amounts related to OPEB	7,662	-
Deferred amounts related to pensions	985,110	-
Total deferred inflows of resources	992,772	-
Net position		
Net investment in capital assets	17,538,601	-
Restricted for:		
Unrestricted	2,692,550	1,229,887
Total net position	\$ 20,231,151	\$ 1,229,887

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Primary Government	Component Unit
Program expense		
Culture and recreation - Library Services	\$ 18,346,301	\$ 74,658
Interest	7,806	-
Total program expense	<u>18,354,107</u>	<u>74,658</u>
 Program revenues		
Culture and recreation:		
Charges for services	122,725	-
Capital grants and contributions	218,800	-
Operating grants and contributions	457,456	53,057
Total program revenues	<u>798,981</u>	<u>53,057</u>
 Net program revenue (expense)	<u>(17,555,126)</u>	<u>(21,601)</u>
 General revenues		
Property taxes	17,306,961	-
Investment earnings (loss)	411,465	86,817
Miscellaneous	406,253	-
Total general revenues	<u>18,124,679</u>	<u>86,817</u>
 Change in net position	569,553	65,216
 Net position, beginning, as previously reported	20,928,488	1,164,671
Net OPEB Liability	(1,266,890)	-
Net position, beginning, as restated	<u>19,661,598</u>	<u>1,164,671</u>
 Net position, ending	<u>\$ 20,231,151</u>	<u>\$ 1,229,887</u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	General	Special Revenue Fund Brady Trust Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and investments	\$ 6,522,097	\$ 729	\$ 7,765,092	\$ 616,570	\$ 14,904,488
Other cash and investments	3,080	2,324,436	-	-	2,327,516
Accounts receivable	172,753	-	14,131	-	186,884
Due from other governments	22,208	-	151,024	-	173,232
Prepaid items	39,871	-	-	-	39,871
Total assets	\$ 6,760,009	\$ 2,325,165	\$ 7,930,247	\$ 616,570	\$ 17,631,991
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 865,751	\$ -	\$ 611,744	\$ 8,040	\$ 1,485,535
Due to other governments	243,757	-	-	-	243,757
Total liabilities	1,109,508	-	611,744	8,040	1,729,292
Deferred Inflows of Resources					
Intergovernmental revenue-unavailable	-	-	150,000	-	150,000
Total deferred inflows of resources	-	-	150,000	-	150,000
Fund balances					
Nonspendable:					
Prepaid items	39,871	-	-	-	39,871
Restricted for:					
Library materials	-	-	-	608,530	608,530
Committed for:					
Library reserve	-	1,054,968	-	-	1,054,968
Library materials	-	1,270,197	-	-	1,270,197
Assigned for:					
Capital projects	1,327,669	-	7,168,503	-	8,496,172
FY18 Appropriated Fund Balance	1,330,133	-	-	-	1,330,133
Unassigned	2,952,828	-	-	-	2,952,828
Total fund balances	5,650,501	2,325,165	7,168,503	608,530	15,752,699
Total liabilities, deferred inflows of resources and fund balances	\$ 6,760,009	\$ 2,325,165	\$ 7,930,247	\$ 616,570	\$ 17,631,991

See accompanying notes.

**Alachua County Library District
Reconciliation of the Balance Sheet
To the Statement of Net Position - Governmental Funds
September 30, 2017**

Fund Balances – total governmental funds	\$15,752,699
--	--------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	17,538,601
--	------------

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

Compensated absences	(801,341)	
Net OPEB liability	(1,240,956)	
Net pension liability	(12,674,588)	(14,716,885)

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

Deferred outflow on pension liabilities	2,499,508	
Deferred inflow on OPEB liabilities	(7,662)	
Deferred inflow on pension liabilities	(985,110)	1,506,736

Certain receivables are not “available” in the current period and therefore are not recognized as revenues in governmental funds.	150,000
---	---------

Net position of governmental activities	\$20,231,151
---	--------------

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>General</u>	<u>Special Revenue Fund Brady Trust Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 16,385,219	\$ -	\$ 2,309	\$ 919,433	\$ 17,306,961
Intergovernmental	-	-	-	457,456	457,456
Charges for services	122,725	-	-	-	122,725
Rents and royalties	80,441	-	-	-	80,441
Investment income (loss)	92,824	270,509	44,117	4,015	411,465
Private donations	-	-	60,800	13,750	74,550
Miscellaneous	282,882	-	-	-	282,882
Total revenues	<u>16,964,091</u>	<u>270,509</u>	<u>107,226</u>	<u>1,394,654</u>	<u>18,736,480</u>
Expenditures					
Culture and recreation					
Personal services	10,607,968	-	-	-	10,607,968
Operating expenditures	4,363,632	-	-	547,555	4,911,187
Capital outlay	-	-	2,920,941	-	2,920,941
Debt service					
Principal	-	-	-	1,040,000	1,040,000
Interest & other charges	-	-	-	14,289	14,289
Total expenditures	<u>14,971,600</u>	<u>-</u>	<u>2,920,941</u>	<u>1,601,844</u>	<u>19,494,385</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,992,491</u>	<u>270,509</u>	<u>(2,813,715)</u>	<u>(207,190)</u>	<u>(757,905)</u>
Other financing sources (uses)					
Transfers in	-	-	1,411,181	25,000	1,436,181
Transfers out	(1,242,659)	(25,000)	-	(168,522)	(1,436,181)
Sale of capital assets	-	-	5,321	-	5,321
Total other financing sources (uses)	<u>(1,242,659)</u>	<u>(25,000)</u>	<u>1,416,502</u>	<u>(143,522)</u>	<u>5,321</u>
Net change in fund balances	749,832	245,509	(1,397,213)	(350,712)	(752,584)
Fund balances - beginning	<u>4,900,669</u>	<u>2,079,656</u>	<u>8,565,716</u>	<u>959,242</u>	<u>16,505,283</u>
Fund balances - ending	<u>\$ 5,650,501</u>	<u>\$ 2,325,165</u>	<u>\$ 7,168,503</u>	<u>\$ 608,530</u>	<u>\$ 15,752,699</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, 2017

Net change in fund balances – total governmental funds	(\$752,584)
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 (\$731,587) was less than capital outlay \$2,498,172 in the current period.	1,766,585
Governmental funds report sale of capital assets as financial resources; the loss on disposal of assets are not reflected in the fund statement.	(1,776)
Deferred gains on debt refunding are recorded and amortized in the government-wide statements but not in the fund statements.	31,859
Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,040,000
The net change in net pension liability, deferred outflows, and deferred inflows are reported in the statement of activities, but not in governmental funds.	
Change in net pension liability	(629,623)
Change in deferred outflows	(1,302,796)
Change in deferred inflows	291,358
	(1,641,061)
The net change in net OPEB liability and deferred inflows are reported in the statement of activities, but not in governmental funds.	
Change in net OPEB liability	25,934
Change in deferred inflows	(7,662)
	18,272
Accrued intergovernmental revenues reported in the Statement of Activities are not considered available current financial resources and therefore are not reported as revenue in the governmental funds.	150,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds (increase in compensated absences \$48,225 less decrease accrued interest expense \$6,483).	(41,742)
Changes in net position of governmental activities	\$569,553
See accompanying notes.	

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2017**

	<u>Employee Pension Fund</u>
Assets	
Investments, at fair value:	
Goldman Sachs Money Market Fund Treasury Only	\$ 468,824
Vanguard Total Stock Market Index Mutual Fund	17,606,965
PIMCO Diversified Income Mutual Fund	1,023,214
Fixed income securities:	
U.S. Government obligations	1,930,461
Mortgage backed securities	1,730,231
Corporate bonds	4,434,865
Total investments, at fair value	<u>27,194,560</u>
Investment adjustments:	
Receivable for pension investments	<u>53,069</u>
Total assets	<u>27,247,629</u>
Total liabilities	<u>8,904</u>
Net position	
Restricted for pension benefits	<u><u>\$ 27,238,725</u></u>

See accompanying notes.

**ALACHUA COUNTY LIBRARY DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND - PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Additions

Contributions:

Employer	\$ 946,703
Members	92,000
Total contributions	1,038,703

Investment earnings:

Net appreciation (depreciation) in fair value of investments	2,351,672
Dividends	407,533
Interest Income	207,946
Total investment income (loss)	2,967,151

Less investment expense	(29,012)
-------------------------	----------

Net investment income	2,938,139
-----------------------	-----------

Total additions	3,976,842
------------------------	------------------

Deductions

Benefit payments	(1,544,201)
Refund of contributions	-
Administrative expenses	(64,775)
Total deductions	(1,608,976)

Change in net position	2,367,866
-------------------------------	-----------

Net position restricted for pension benefits - beginning	24,870,859
---	-------------------

Net position restricted for pension benefits - ending	\$ 27,238,725
--	----------------------

See accompanying notes.



Notes - Table of Contents

1.	Summary of Significant Accounting Policies	26
	A. Reporting Entity.....	26
	B. Government-wide and Fund Financial Statements.....	27
	C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....	28
	D. Budgets and Budgetary Accounting.....	28
	E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position.....	28
	Encumbrances.....	28
	Investments.....	28
	Prepaid Items.....	28
	Restricted Net Position.....	28
	Capital Assets.....	29
	Accrued Compensated Absences.....	29
	Long-term Obligations.....	29
	Pensions.....	29
	Post-employment Benefits Other than Pensions (OPEB).....	30
	Deferred Inflows/Outflows.....	30
	Classifications of Fund Balances.....	30
	F. Risk Management.....	31
2.	Property Taxes.....	31
3.	Cash and Investments.....	31
	A. Cash Deposits.....	32
	B. Investments.....	33
	C. Fair Value Measurements.....	39
4.	Capital Assets.....	40
5.	Employee Benefits.....	41
	A. State of Florida Pension Plans.....	41
	B. Library Pension Plan.....	46
	C. Other Post-Employment Benefits Plan.....	51
	D. Deferred Compensation Plan.....	55
6.	Long-term Obligations.....	55
	A. Limited General Obligation Notes.....	55
7.	Interfund Transfers.....	56
8.	Commitments and Contingencies.....	56
9.	Related Party Transactions.....	57
10.	Governmental Fund Balances.....	57
11.	Other Disclosures.....	58
	A. Excess of Expenditures over Appropriations.....	58
	B. Excess of Expenditures Over Revenue in the Actual Column.....	58
	C. Change in Accounting Principle.....	58
	D. Future Accounting Pronouncements.....	58

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Discretely Presented Component Unit - Alachua County Library District Foundation

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

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

B. Government-wide and Fund Financial Statements

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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

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

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

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

Fiduciary funds include trust funds and agency funds. All trust funds use the economic resources measurement focus and the accrual basis of accounting. The Library currently has no agency funds.

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

- The **General Fund** is the Alachua County Library District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The **Brady Trust Fund** accounts for the activities in the Marna Venable Brady Trust, an unrestricted contribution received by the Library District in 1993. The Library District Governing Board committed the principal to remain intact and a determined amount be transferred annually to the Gifts and Donations Fund to be used for library materials.
- The **Capital Projects Fund** accounts for financial resources to be used for the acquisition or construction of major capital facilities as well as all capital equipment purchases.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Additionally, the government reports the following fiduciary fund:

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

D. Budgets and Budgetary Accounting

The Library District has elected to report budgetary information as required supplementary information (RSI). Please refer to the accompanying notes to the RSI on page 59 for the District's budgetary information.

E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position

- **Encumbrances**

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

- **Investments**

Investments are reported at fair value in accordance with GASB Statement No. 72.

- **Prepaid Items**

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

- **Restricted Net Position**

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

- **Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by Library District policy to include items of a non-consumable nature with a value of at least \$5,000 and a life of one year or more. Beginning June 1, 2017 of this fiscal year, the capital threshold changed from \$1,000 to \$5,000. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	10-15
Vehicles	5
Equipment & Software	2-15

- **Accrued Compensated Absences**

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

- **Long-Term Obligations**

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

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

- **Pensions**

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

- **Post-Employment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Alachua County OPEB Plan and additions to/deductions from Alachua County OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Alachua County OPEB Plan. For this purpose, the Alachua County OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

- **Deferred Inflows/Outflows**

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

- **Classifications of Fund Balances**

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

F. Risk Management

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

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

There was no significant reduction in coverage from prior years. No settlements have exceeded coverage for each of the past three fiscal years. Additional information may be obtained from the Alachua County Comprehensive Annual Financial Report, available from the Alachua County Clerk of Court, Finance & Accounting, 201 East University Avenue, Gainesville, Florida 32601.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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, 2017, are as follows:

<u>Millages Allocated to:</u>	<u>Allowable Millage</u>	<u>Millage Levied</u>
General Operations	1.5 Mills	1.2655 Mills
Voted Debt	Unlimited*	.0000 Mills

* Determined based upon amount of debt issued.

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March.

Note 3 - Cash and Investments

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

Deposits and investments as of September 30, 2017 are classified in the accompanying financial statements as follows:

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Statement of Net Position

Primary Government

Equity in pooled cash and investments	\$ 14,904,488
Other cash and investments	2,327,516

Component Unit

Other cash and investments	1,229,887
----------------------------	-----------

Statement of Fiduciary Net Position:

Investments	
Goldman Sachs MMMF	468,824
Mutual Fund Equities	17,606,965
PIMCO Diversified Income Mutual Fund	1,023,214
Fixed Income Securities	8,095,557
Total cash and investments	\$ 45,656,451

Deposits and investments as of September 30, 2017 consist of the following:

Library Operating Surplus Governmental Funds

Deposits with financial institutions	\$ 268,460
Investments	14,638,378

Component Unit

Deposits with financial institutions	30,374
Investments	1,199,513

Pension Fund

Investments	27,194,560
-------------	------------

Brady Trust Fund (Wells Fargo Advisors)

Deposits with financial institutions	164,595
Investments	2,160,571
Total cash and investments	\$ 45,656,451

A. Cash Deposits

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

B. Investments

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

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

- The State Board of Administration’s Florida Local Government Investment Pool (Florida PRIME)
- Negotiable direct obligations, or obligations which are unconditionally guaranteed by the United States Government
- Interest-bearing time deposits or savings accounts in certain financial institutions provided that any such deposits are secured by collateral as may be prescribed by law
- Obligations of the Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, or Federal Home Loan Bank or its district banks, including Federal Home Loan Mortgage Corporation participation certificates, or obligations guaranteed by the Government National Mortgage Association.
- Securities of or other interests in, any registered open-end or closed-end management type investment company or investment trust provided the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

Investment Holdings Operating Funds: As of September 30, 2017, the Alachua County Library District had the following investments in its internal investment pool:

Investments	Duration (Years)	Fair Value
Fidelity Treasury Money Market fund	35 days	\$ 37,541
Florida Prime	51 days	4,078,152
Freddie Mac Global Notes (PFM)	0.37	465,704
Fannie Mae Global Notes (PFM)	2.00	2,658,983
Federal Home Loan Bank (PFM)	0.92	1,772,726
Municipal Bonds/Notes (PFM)	0.68	433,956
US Treasuries (PFM)	1.94	3,537,385
Florida Local Government Investment Trust	1.74	1,653,931
Total holdings in Investment Pool		<u>\$ 14,638,378</u>

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Brief Description of each Investment Type in Internal Investment Pool:

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

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

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

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

Florida Local Government Investment Trust: Is a Short term bond fund created in December 12, 1991 through the joint efforts of the Florida Court Clerks and Comptrollers and the Florida Association of Counties. It is the longest running member-owned and member-governed local government investment pool in the State of Florida. The Fund is rated AA+ by Standard and Poors. The Fund is structured to maintain safety of principal and maximize available yield through a balance of quality and diversification.

US Treasuries; Federal Agency Securities; and Municipal Obligations: The Library District contracts with PFM Asset Management LLC, Independent Investment Advisor, to manage a portion of the operating portfolio. PFM is authorized to invest in US Treasuries, Federal Agencies and Municipal Bonds on behalf of the District. At year end, PFM directly managed \$8,868,754 (fair value) which was invested in the following sectors: \$3,537,385 - US Treasuries; \$4,897,413 - Federal Agencies and \$433,956 - Municipal Bonds/Notes.

Description of Component Unit Investment Holdings:

The Alachua County Library District Foundation may invest in stocks, bonds, or other appropriate investments as governed by action of the Foundation Board of Trustees. As of September 30, 2017, \$1,199,513 was invested in mutual funds.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Description of Pension Trust Fund Investments:

The Library District Governing Board adopted a Pension Trust Fund Investment Policy that applies to all funds and assets held by the Alachua County Library District for the benefit of the Pension Trust Fund. Investments of the Pension Trust Fund may be made in stocks, bonds or other appropriate investments as governed by the adopted pension investment policy, general law or action of the Governing Board.

As of September 30, 2017, the Pension Trust Fund investments were held in custody by Regions Keegan Morgan Trust at Regions Bank. The following is a breakdown of the investments:

Goldman Sachs Money Market Mutual Fund		\$ 468,824
Vanguard Total Stock Market Index Mutual Fund		17,606,965
PIMCO Diversified Income Mutual Fund		1,023,214
 Fixed Income Securities:		
U. S. Government obligations	1,930,461	
Mortgage Backed Securities	1,730,231	
Corporate bonds	4,434,865	
Subtotal Fixed Income Securities		8,095,557
Total Pension Fund investments		\$ 27,194,560

Brady Trust Fund Investments:

In March of 1993, the Alachua County Library District received a donation of the Marna Venable Brady Trust. The Alachua County Library District Governing Board set the policy that the proceeds from this donation be committed to the purchase of books for the Library District and committed that the amount of the original contribution plus an amount representing inflation remain intact indefinitely. This portion (\$1,054,969) is considered committed according to the new fund balance policy. The Library District accepted ownership of the Brady Trust as it was currently invested. The Brady Trust consists of an investment portfolio with a money market account and assorted stocks and bonds invested through the brokerage firm Wells Fargo. The Library District has entered into an agreement with Wells Fargo to perform investing services for the Brady Trust which include purchasing or acquiring, selling or disposing of securities only on order of the Clerk or his designee along with the Library Director or her designee. Wells Fargo holds such securities in the name of the District as Trustee for the District.

The following is a breakdown of the Brady Trust Special Revenue Fund Investments as of September 30, 2017:

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Mutual Fund	\$	74,961
Corporate stocks		1,999,290
Corporate bonds		86,320
Total Brady Trust investments		\$ 2,160,571

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

The District’s operating investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2017, all District bank deposits were in qualified public depositories and collateralized by the Bureau of Collateral Securities, Division of the Treasury, State Department of Insurance.

In addition, all Pension Fund, Brady Trust, and Component Unit deposits are either entirely insured or collateralized by the Federal Depository Insurance Corporation or the Bureau of Collateral Securities, Division of the Treasury, State Department of Insurance.

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

The District’s operating investment policy requires execution of a third-party custodial safekeeping agreement for all purchased securities, and requires that securities be held in the Library District’s name. As of September 30, 2017, all of the District’s investments are held in Region Bank’s trust department in the District’s name.

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

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Credit Risk:

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

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

Credit Risk – Internal Investment Pool (Operating Investments):

Investments	Rating (S&P)	Fair Value
Fidelity Treasury Money Market fund	AAAm	\$ 37,541
Florida Prime	AAAm	4,078,152
Florida Local Government Investment Trust	AAAf	1,653,931
US Treasuries (PFM)	Exempt from disclosure	3,537,385
Federal Home Loan Bank	AA+	1,772,726
Freddie Mac Global Notes (PFM)	AA+	465,704
Fannie Mae Global Notes (PFM)	AA+	2,658,983
State of Mississippi	AA	15,000
Illinois Regional Transportation Authority	AA	249,700
State of Connecticut	AA-	169,256
Total holdings in Investment Pool		<u><u>\$ 14,638,378</u></u>

Credit Risk-Component Unit:

At September 30, 2017, the Foundation had investments in unrated closed-end Mutual Funds totaling \$1,199,513.

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

Investments	Rating (Moody's)	Fair Value
Goldman Sachs MMMF	Aaa	\$ 468,824
U. S. Government Obligations	Exempt from disclosure	1,930,461
Corporate Bonds	Aa, Aa1, Aa2, Aa3	339,511
Corporate Bonds	A, A1, A2, A3	2,884,711
Corporate Bonds	Baa, Baa1, Baa2, Baa3	1,210,643
Vanguard Total Stock Market MF	Exempt from disclosure	17,606,965
Mortgage backed securities	Unrated	1,730,231
PIMCO Diversified Income Mutual Fund	Unrated	1,023,214
Total holdings in Pension Trust		<u><u>\$ 27,194,560</u></u>

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Credit Risk-Brady Trust: The ratings of the Brady Trust's investments in debt securities totaling \$86,320, is summarized below:

<u>Rating (Moody's)</u>	<u>Amount</u>
A3	\$ 10,218
BAA1	76,102
Total	<u>\$ 86,320</u>

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

<u>Type Investment</u>	<u>Fair Value</u>	<u>3 months -</u>		
		<u>1 year</u>	<u>1 - 5 year</u>	<u>> 5 year</u>
Library Operating Funds				
US Treasuries	\$ 3,537,385	\$ -	\$ 3,537,385	\$ -
Federal Agencies	4,897,413	497,056	4,400,357	-
Municipal Obligations	433,956	433,956	-	-
Pension Trust				
US Govt Obligations	1,930,461	490,477	1,367,956	72,028
Mortgage Backed Sec	1,730,231	-	-	1,730,231
Corporate Bonds	4,434,865	317,797	942,306	3,174,762
Brady Trust Fund				
Corporate Bonds	86,320	86,320	-	-
Total debt investments	<u>\$ 17,050,631</u>	<u>\$ 1,825,606</u>	<u>\$ 10,248,004</u>	<u>\$ 4,977,021</u>

Concentration of Credit Risk: The District's adopted investment policy requires that assets held be diversified to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these instruments are bought or sold. The District places no limit on the amount the District may invest in any one issuer. Diversification strategies within the established guidelines are reviewed and revised periodically as necessary by the appropriate management staff. More than 5 percent of the District's investments are invested in Federal Home Loan Bank (12.11%) and Fannie Mae (18.16%).

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

C. Fair Value Measurements

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

The District relied on a third party company to obtain fair value quotes for all investments. A matrix pricing model is used to value the District's investments based on the investments' relationship to benchmark quoted prices. The following table summarizes the District's assets (and liabilities) as of September 30, 2017, for which fair values are determined on a recurring basis:

Type Investment	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments by fair value level				
US Treasuries	\$ 3,537,385	\$ 3,138,336	\$ 399,049	\$ -
Federal Agencies	4,897,413	4,897,413	-	-
Municipal Obligations	433,956	-	433,956	-
Fidelity Treasury Money Market Fund	37,541	37,541	-	-
Component Unit investments by fair value				
Mutual Funds	1,199,513	1,199,513	-	-
Pension Trust investments by fair value level				
US Govt Obligations	1,930,461	1,562,240	368,221	-
Mortgage Backed Sec	1,730,231	-	1,730,231	-
Corporate Bonds	4,434,865	3,541,792	893,073	-
Mutual Funds	19,099,003	19,099,003	-	-
Brady Trust investments by fair value level				
Corporate Stocks	1,999,290	1,999,290	-	-
Corporate Bonds	86,320	-	86,320	-
Mutual Funds	74,961	74,961	-	-
Total investments by fair value level	<u>\$ 39,460,939</u>	<u>\$ 35,550,089</u>	<u>\$ 3,910,850</u>	<u>\$ -</u>
Operating investments measured at the net asset value (NAV)				
Florida Government Investment Trust	<u>\$ 1,653,931</u>			
Total investments measured at NAV	<u>1,653,931</u>			
Total	<u><u>\$ 41,114,870</u></u>			

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Governmental Activities:					
Capital not being depreciated:					
Land	\$ 1,387,970	\$ 228,761	\$ -	\$ -	\$ 1,616,731
Artwork	103,577	-	-	-	103,577
Construction in progress	87,890	2,061,278	-	-	2,149,168
Total not being depreciated	1,579,437	2,290,039	-	-	3,869,476
Capital Assets being depreciated:					
Buildings	23,242,293	-	-	-	23,242,293
Equipment	2,933,914	208,133	(89,611)	-	3,052,436
Software-Internally Developed	31,828	-	-	-	31,828
Software	516,243	-	-	-	516,243
Improvements other than building	810,737	-	-	-	810,737
Total being depreciated	27,535,015	208,133	(89,611)	-	27,653,537
Less accumulated depreciation for:					
Buildings	(10,229,237)	(475,263)	-	-	(10,704,500)
Equipment	(2,225,304)	(192,720)	87,835	-	(2,330,189)
Software-Internally Developed	(31,828)	-	-	-	(31,828)
Software	(329,813)	(32,820)	-	-	(362,633)
Improvements other than building	(524,478)	(30,784)	-	-	(555,262)
Total accumulated depreciation	(13,340,660)	(731,587)	87,835	-	(13,984,412)
Total being depreciated, net	14,194,355	(523,454)	(1,776)	-	13,669,125
Governmental activities capital assets, net	\$15,773,792	\$ 1,766,585	\$ (1,776)	\$ -	\$17,538,601

Depreciation expense for the year ended September 30, 2017 was \$731,587, all recorded in the Culture & Recreation Program.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Note 5 - Employee Benefits

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

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

A. State of Florida Pension Plans

Defined Benefit Plans

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

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

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the Library are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Library's contribution rates as of September 30, 2017, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	6.26%	1.66%
Senior Management Service Class	21.05%	1.66%
Elected Officials	43.84%	1.66%
DROP from FRS	11.60%	1.66%

The Library's contributions for the year ended September 30, 2017, were \$266,883 to the FRS and \$83,759 to the HIS.

Pension Liabilities and Pension Expense - At September 30, 2017, the Library reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2017. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2017. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2016, rolled-forward using standard actuarial procedures. The Library's proportions of the net pension liabilities were based on the Library's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

	<u>FRS</u>	<u>HIS</u>
Net pension liability at September 30, 2017	\$ 3,133,813	\$ 1,710,387
Proportion at:		
September 30, 2017	0.01059%	0.01600%
September 30, 2016	0.01002%	0.01505%
Pension expense (benefit), year ended		
September 30, 2017	\$ 587,659	\$ 178,723

Deferred Outflows/Inflows of Resources Related to Pensions - At September 30, 2017, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 287,609	\$ (17,360)	\$ -	\$ (3,561)
Changes of assumptions	1,053,182	-	240,422	(147,899)
Net difference between projected and actual earnings on pension plan investments	-	(77,664)	949	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	219,494	-	220,561	-
Employer contributions subsequent to the measurement date	68,647	-	19,444	-
Total	\$ 1,628,932	\$ (95,024)	\$ 481,376	\$ (151,460)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2018. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Year ending September 30,	FRS	HIS
2018	\$ 227,653	\$ 76,501
2019	501,721	76,501
2020	342,243	76,501
2021	85,600	54,184
2022	227,712	31,889
Thereafter	80,332	(5,104)
Total	\$ 1,465,261	\$ 310,472

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2017. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2017. The total pension liability for the HIS Program was determined by an actuarial valuation dated July 1, 2016, rolled-forward using standard actuarial procedures. Both plans use the entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Discount Rate	7.10%	3.58%
Investment rate of return	7.10%	N/A

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

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

The following changes in actuarial assumptions occurred in 2017:

FRS: The long-term expected investment rate of return and the discount rate used to determine the total pension liability decreased from 7.60% to 7.10%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.85% to 3.58%.

The long-term expected rate of return was not based on historical returns, but instead was based on forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset classification.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
Cash	1.00%	3.00%	3.00%
Fixed income	18.00%	4.50%	4.40%
Global Equity	53.00%	7.80%	6.60%
Real estate (property)	10.00%	6.60%	5.90%
Private equity	6.00%	11.50%	7.80%
Strategic investments	12.00%	6.10%	5.60%
	<u>100.00%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.10%. The FRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 7.1% rate of return assumption is reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27).

The discount rate used for calculating the total HIS pension liability is equal to the single rate that results in the same actuarial present value as would be calculated by using two different discount rates for the discount at the long-term expected rate of return for benefit payments prior to the projected depletion of the fiduciary net pension (trust assets) and the discount at a municipal bond rate for benefit payments after the projected depletion date. Because the HIS Program is essentially funded on a pay-as-you-go basis and the depletion date is considered to be immediate, the single municipal bond rate of 3.58% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease (6.10)	Rate (7.10)	1% Increase (8.10)	1% Decrease (2.58)	Rate (3.58)	1% Increase (4.58)
Employer's proportionate share of the net pension liability	\$ 5,672,012	\$ 3,133,813	\$ 1,026,526	\$ 1,951,778	\$ 1,710,387	\$ 1,509,322

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2017, totaled \$87,394.

B. Library Pension Plan

Plan Description

The Alachua County Library District Pension Plan ("Plan") is administered by the Alachua County Library Pension Board of Trustees which is comprised of three appointed County Commissioners, two appointed City Commissioners, and one appointed School Board Member. The Plan is a contributory defined benefit single-employer pension plan with an effective date of October 1, 1986. The Library District accounts for the Plan as a Pension Trust Fund. The Plan is also governed by certain provisions of Chapter 112, Florida Statutes.

At October 1, 2016, the plan membership consisted of:

Inactive members of beneficiaries currently receiving benefits	96
Inactive members entitled to but not yet receiving benefits	86
Active members all of whom are vested as of 10/1/16	<u>56</u>
Total	<u>238</u>

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Benefits Provided

The Plan provides retirement benefits, as well as death benefits. All benefits vest after five years of credited service (by plan amendment effective October 1, 1996).

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

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

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

Contributions

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

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

The total (employer and employee) required contribution rate expressed as a percentage of current year payroll is 45.36%. This contribution rate was determined as part of the October 1, 2016, actuarial valuation. Covered employees were required to contribute 4% of their salary to the Plan. The Library District is required to contribute the difference, which is 41.36% of covered payroll. The Library's contributions for the year ended September 30, 2017, were \$946,703.

Pension Liabilities and Pension Expense

At the measurement date, September 30, 2017, the Library reported a liability for the Plan's net pension liability of \$7,830,388. The Library recognized pension expense of \$2,172,024 for the year ended September 30, 2017.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2017, the Library reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 285,831	\$ -
Changes of assumptions	103,369	-
Net difference between projected and actual earnings on pension plan investments	-	(738,626)
Total	\$ 389,200	\$ (738,626)

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

Year ending September 30,	Plan
2018	\$ 271,099
2019	30,346
2020	(407,510)
2021	(243,361)
2022	-
Thereafter	-
Total	\$ (349,426)

Actuarial Assumptions

The total pension liability for the Plan was determined by an actuarial valuation using present values and obligations based on employee data as of the plan year beginning October 1, 2016, and rolled forward using actuarial methods to the measurement date of September 30, 2017. The Plan's valuation used the entry age normal actuarial cost method and the following significant actuarial assumptions:

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Mortality assumptions were based on the RP2000 Small Plan Combined Mortality Table by gender and updated from Scale AA to Scale BB.

The actuarial assumptions used in the October 1, 2016 valuation were based on the results of an extensive actuarial experience study that was completed in 2012 for the period October 1, 2006, through September 30, 2011.

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

Asset Class	Target Allocation	Annual Arithmetic Return
Domestic Equity	50.00%	10.00%
International Equity	10.00%	11.00%
Domestic Bonds	35.00%	5.00%
International Bonds	5.00%	6.00%
	100.00%	

Discount Rate

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 09/30/2016	\$ 32,632,018	\$ 24,870,859	\$ 7,761,159
Changes for the year:			
Service Cost	224,732		224,732
Interest	2,246,840		2,246,840
Differences between expected and actual experience	257,807		257,807
Changes of Assumptions	1,251,917		1,251,917
Contributions-employer		946,703	(946,703)
Contributions-employee		92,000	(92,000)
Net investment income		2,938,139	(2,938,139)
Benefit payments, including refunds of employee contributions	(1,544,201)	(1,544,201)	-
Administrative expense		(64,775)	64,775
Net changes	2,437,095	2,367,866	69,229
Balances at 09/30/2017	\$ 35,069,113	\$ 27,238,725	\$ 7,830,388

Sensitivity Analysis

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

	Plan		
	Current Discount		
	1% Decrease (6.00%)	Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 12,107,379	\$ 7,830,388	\$ 4,281,386

Pension Plan's Fiduciary Net Position

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Other Pension Plan Information

Below is a summary of net pension liability, deferred outflows, deferred inflows and pension expense for all three pension plans:

	Florida Retirement			
	System	HIS Program	Library Pension	Total
Net pension liability	\$ 3,133,813	\$ 1,710,387	\$ 7,830,388	\$ 12,674,588
Deferred outflows of resources related to pensions	1,628,932	481,376	389,200	2,499,508
Deferred inflows of resources related to pensions	(95,024)	(151,460)	(738,626)	(985,110)
Pension expense	587,659	178,723	2,172,024	2,938,406

C. Other Post-Employment Benefits Plan

Plan Description – Library District employees are provided with OPEB through the Alachua County OPEB Plan, a cost-sharing multiple employer defined benefit OPEB Plan administered by the Alachua County Board of County Commissioners (“the County”). The County can amend the benefit provisions provided by the OPEB Plan. The County established the Alachua County OPEB Trust, a qualifying trust, with the adoption of resolution 08-104. A separate stand-alone financial statement for the OPEB Plan is not prepared.

Benefits Provided - The OPEB Plan provides post-employment life insurance benefits, as well as, both an explicit and implicit health insurance subsidy for retirees and eligible dependents of the Clerk of Court, Supervisor of Elections, Property Appraiser, Sheriff, Tax Collector, Library District, and County.

The life insurance benefit is provided at no charge to retirees. The life insurance benefit is \$15,000 for all retirees under the age of 65 and \$5,000 for retirees age 65 and older.

An explicit monthly health insurance subsidy is provided to retirees with at least 6 years of service who retire and begin receiving benefits from the Florida Retirement System (FRS) or the Library District Pension Plan (LDPP). Retirees must maintain health care coverage after employment to be eligible for the subsidy. The amount of the monthly subsidy is based on the number of years of total service with the Library District and is equal to three dollars a month for each year of service. The minimum monthly subsidy is \$18 and the maximum monthly subsidy is \$90 for employees that retire with 30 or more years of service.

Additionally, in accordance with Florida Statutes 112.0801, currently, active Library employees who retire and immediately begin receiving benefits from FRS or LDPP have the option of paying premiums to continue in the County’s Self-funded Health Insurance Plan at the same group rate as active employees. The retiree pays 100% of the blended group rate premium therefore receiving an implicit subsidy.

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Contributions - The contribution requirements of plan members and the participating employers are established and may be amended by the County. The Library's required contribution, actuarially determined, is based on a combination of projected pay-as-you-go financing, with an additional amount to prefund benefits when earned. Contributions are not based on a measure of pay. Contributions by the Library and library plan members are accounted for in the County's Self-funded Health Insurance Fund. The Library's contractually required contribution for the year ended September 30, 2017, was \$145,577. Actual contributions to the OPEB Plan from the Library were \$155,000 for the year ended September 30, 2017. Library retiree plan members receiving benefits contributed to pay-as-you-go financing through their required contributions of \$492.62 per month for retiree-only coverage, \$1,177.28 per month for retiree and spouse coverage and \$1,659.72 per month for family coverage.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At September 30, 2017, the Library reported a liability of \$1,240,956 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2017, and was determined by an actuarial valuation as of October 1, 2016. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. The Library's proportion of the net OPEB liability was based on the Library's projected long-term contribution effort to the OPEB Plan as compared to the total projected long-term contribution effort of all employers. At September 30, 2017, the Library's proportion of net OPEB liability was 11.24%.

For the year ended September 30, 2017, the Library recognized OPEB expense of \$150,570. At September 30, 2017, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual investments	-	(7,662)
Total	<u>\$ -</u>	<u>\$ (7,662)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Year ending September 30,	Amount
2018	\$ (1,915)
2019	(1,915)
2020	(1,915)
2021	(1,917)
2022	-
Thereafter	-
Total	\$ (7,662)

Actuarial Methods and Assumptions – The total OPEB liability in the October 1, 2016, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation Rate	2.5%
Projected annual salaries increase	3.5%
Investment rate of return	7.85%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	7.0% initial year reduced 0.5% each year until reaching ultimate trend rate of 4.5%
Mortality	RP-2014 generational table scaled using MP-16 & applied on a gender-specific basis

An actuarial experience study has not yet been performed for the plan.

The long-term expected rate of return is based on plan investments where assets are projected to cover all future benefit payments. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Asset Class	Target Allocation	Rate of Return (with Inflation)
Broad Market HQ Bond Fund	14.90%	3.50%
Core Plus Fixed Income	22.50%	2.80%
High Quality Growth	8.00%	10.70%
Diversified Value	8.40%	12.50%
Russell 1000 Enhanced Index	23.30%	11.90%
Diversified Small to Mid Cap	11.30%	15.00%
International Blend	10.40%	3.20%
Cash (T-bill)	1.20%	0.00%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability was 7.85%. The discount rate is based on the expected long-term rate of return on plan investments where assets are projected to cover all future benefit payments.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate -

The following presents the Library’s proportionate share of the net OPEB liability, as well as what the Library’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (6.85%) or 1 percent point higher (8.85%) than the current discount rate:

	1% Decrease (6.85%)	Current Discount Rate (7.85%)	1% Increase (8.85%)
Net OPEB Liability	\$ 1,368,204	\$ 1,240,956	\$ 1,093,271

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate- The following presents the Library’s proportionate share of the net OPEB liability, as well as what the Library’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower (6.0%) or 1 percent point higher (8.0%) than the current healthcare cost trend rates:

	1% Decrease (6.00%) decreasing to 3.50%)	Current Discount Rate (7.00%) decreasing to 4.50%)	1% Increase (8.00%) decreasing to 5.50%)
Net OPEB Liability	\$ 1,178,950	\$ 1,240,956	\$ 1,278,230

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

OPEB plan fiduciary net position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued Alachua County Board of County Commissioners annual financial report.

D. Deferred Compensation Plan

The Alachua County Library District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The Alachua County Library District has complied with the requirements of subsection (g) of Internal Revenue Code Section 457 and, accordingly, all assets and income of the plans are held in trust for the exclusive benefit of the participants and their beneficiaries.

Note 6 - Long-Term Obligations

A. Limited General Obligation Notes

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

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

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

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Long-Term liability activity for the year ended September 30, 2017, was as follows:

	Beginning Balance (Restated)	Increases	(Decreases)	Ending Balance	Due Within One Year
General Obligation Bank Note	\$ 1,040,000	\$ -	\$ (1,040,000)	\$ -	\$ -
Compensated absences	753,116	529,030	(480,805)	801,341	480,805
Net pension liability - Plan	7,761,159	69,229	-	7,830,388	-
Net pension liability - FRS	2,529,540	604,273	-	3,133,813	-
Net pension liability - HIS	1,754,266	-	(43,879)	1,710,387	46,000
Net OPEB liability	1,266,890	-	(25,934)	1,240,956	-
Total Long-term Obligations	\$ 15,104,971	\$ 1,202,532	\$ (1,590,618)	\$ 14,716,885	\$ 526,805

Compensated absences are generally liquidated by the general fund.

Note 7 - Interfund Transfers

For the year ended September 30, 2017, interfund transfers were as follows:

	Transfers from Other Funds	Transfers to Other Funds
Governmental Funds:		
General Fund	\$ -	\$ 1,242,659
Brady Trust Fund	-	25,000
Capital Projects	1,411,181	-
Other Governmental Funds	25,000	168,522
Total	\$ 1,436,181	\$ 1,436,181

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

Note 8 - Commitments and Contingencies

Non-capitalized leases – Rental costs for the year ended September 30, 2017, under cancelable leases are summarized as follows:

Fund Charged	Amount
General Fund	\$ 149,417
Capital Projects	61,191
Total	\$ 210,608

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Note 9 – Related Party Transactions

The Library District has an interlocal agreement with Alachua County Board of County Commissioners. The Library District paid Alachua County Board of County Commissioners \$450,683 for services in fiscal year 2017. These services included Accounting, Auditing, Treasury, Miscellaneous Administrative Services, Information and Telecommunications Services, and the County Attorney services. In addition, the Library District participates in the County's Self Insurance fund for workers compensation and in the County's self-insured Health Insurance Fund for employee group health insurance.

Note 10 - Governmental Fund Balances

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

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

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

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

Committed fund balances are fund balances constrained for specific purposes imposed by the Library District Governing Board when formal action is taken by resolution. The same formal action is required to be taken to modify or rescind a fund balance commitment.

Assigned fund balances are fund balances intended to be used for specific purposes, but are neither restricted nor committed. Assignments may be made only by the Library District Governing Board, Library Director, or the Library Director's Designee per the District's Fund Balance Policy.

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

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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

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

Note 11 - Other Disclosures

A. Excess of Expenditures Over Appropriations

The Library Foundation, discretely presented component unit, had an excess of expenditures over appropriations of \$44,658. The Foundation received additional private donations in excess of the budget that was spent on behalf of the Library District.

B. Excess of Expenditures Over Revenue in the Actual Column

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

C. Change in Accounting Principle

The Library District restated beginning net position to implement provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*:

	Primary Government
Net position - beginning of year, as previously reported	\$ 20,928,488
Restatement:	
Net OPEB liability	<u>(1,266,890)</u>
Net position - beginning of year, as restated	<u><u>\$ 19,661,598</u></u>

D. Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in 2018. The statements address:

- Split-interest agreements;
- Various practice issues (Omnibus); and
- Certain debt extinguishment issues.

The Library District is currently evaluating the effects that these statements will have on its 2018 financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**



**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Property taxes	\$ 16,071,071	\$ 16,071,071	\$ 16,385,219	\$ 314,148
Intergovernmental	66,885	66,885	-	(66,885)
Charges for services	52,401	52,401	122,725	70,324
Rents and royalties	78,000	78,000	80,441	2,441
Investment income	60,000	60,000	92,824	32,824
Miscellaneous	134,709	134,709	282,882	148,173
Total revenues	16,463,066	16,463,066	16,964,091	501,025
Expenditures				
Culture and recreation				
Personal services	11,312,469	11,312,469	10,607,968	704,501
Operating expenditures	4,866,106	4,866,106	4,363,632	502,474
Reserve for contingencies	808,929	808,929	-	808,929
Total expenditures	16,987,504	16,987,504	14,971,600	2,015,904
Excess of revenues over expenditures	(524,438)	(524,438)	1,992,491	2,516,929
Other financing sources (uses)				
Transfers out	(1,242,659)	(1,242,659)	(1,242,659)	-
Total other financing sources (uses)	(1,242,659)	(1,242,659)	(1,242,659)	-
Net change in fund balances	(1,767,097)	(1,767,097)	749,832	2,516,929
Fund balances - beginning	1,767,097	1,767,097	4,900,669	3,133,572
Fund balances - ending	\$ -	\$ -	\$ 5,650,501	\$ 5,650,501

**ALACHUA COUNTY LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BRADY TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Brady Trust Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 270,509	270,509
Total revenues	<u>-</u>	<u>-</u>	<u>270,509</u>	<u>270,509</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>270,509</u>	<u>270,509</u>
Other financing sources (uses)				
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balances	(25,000)	(25,000)	245,509	270,509
Fund balances - beginning	<u>25,000</u>	<u>25,000</u>	<u>2,079,656</u>	<u>2,054,656</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,325,165</u>	<u>\$ 2,325,165</u>

**ALACHUA COUNTY LIBRARY DISTRICT
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

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

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

**Alachua County Library District
Required Supplementary Information
Schedules of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years***

Florida Retirement System (FRS)	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.0106%	0.0100%	0.0098%
Employer's proportionate share of the net pension liability (asset)	\$ 3,133,813	\$ 2,529,540	\$ 1,265,068
Employer's covered payroll	\$ 5,100,692	\$ 4,565,408	\$ 4,457,332
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	61.44%	55.41%	28.38%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%

Health Insurance Subsidy Program (HIS)	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.0160%	0.0151%	0.0143%
Employer's proportionate share of the net pension liability (asset)	\$ 1,710,387	\$ 1,754,266	\$ 1,461,538
Employer's covered payroll	\$ 5,100,692	\$ 4,565,408	\$ 4,457,332
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.53%	38.43%	32.79%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%

Notes to schedules:

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

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

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

Florida Retirement System	2017	2016	2015
Contractually required contribution	\$ 263,883	\$ 261,285	\$ 239,611
Contributions in relation to the contractually required contribution	<u>263,883</u>	<u>261,285</u>	<u>239,611</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 5,046,648	\$ 4,565,408	\$ 4,450,712
Contributions as a percentage of covered payroll	5.23%	5.72%	5.38%

Health Insurance Subsidy Program	2017	2016	2015
Contractually required contribution	\$ 83,759	\$ 77,950	\$ 60,120
Contributions in relation to the contractually required contribution	<u>83,759</u>	<u>77,950</u>	<u>60,120</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 5,046,648	\$ 4,565,408	\$ 4,450,712
Contributions as a percentage of covered payroll	1.66%	1.71%	1.35%

Notes to schedules:

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

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

	2017
Total Pension Liability	
Service Cost	\$ 224,732
Interest	2,246,840
Differences between expected and actual experience	257,807
Changes of assumptions	1,251,917
Benefit payments, including refunds of employee contributions	(1,544,201)
Net change in total pension liability	2,437,095
Total pension liability-beginning	32,632,018
Total pension liability-ending(a)	\$ 35,069,113
Plan fiduciary net position	
Contributions-employer	\$ 946,703
Contributions-employee	92,000
Net investment income (loss)	2,938,139
Benefit payments, including refunds of employee contributions	(1,544,201)
Administrative expense	(64,775)
Net change in plan fiduciary net position	2,367,866
Plan fiduciary net position-beginning	24,870,859
Plan fiduciary net position-ending(b)	\$ 27,238,725
Net pension liability-ending (a) - (b)	\$ 7,830,388
Plan fiduciary net position as a percentage of the total pension liability	77.67%
Covered payroll	\$ 2,409,749
Net pension liability as a percentage of covered payroll	324.95%

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

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 239,999	\$ 253,536	\$ 239,185
2,208,953	2,081,041	1,984,501
(399,790)	835,507	-
-	-	314,324
<u>(1,442,828)</u>	<u>(1,219,425)</u>	<u>(1,128,528)</u>
606,334	1,950,659	1,409,482
32,025,684	30,075,025	28,665,543
<u>\$ 32,632,018</u>	<u>\$ 32,025,684</u>	<u>\$ 30,075,025</u>
\$ 793,587	\$ 974,658	\$ 1,111,008
102,660	112,636	117,652
2,414,555	(183,132)	2,208,418
(1,442,828)	(1,219,425)	(1,128,528)
<u>(67,825)</u>	<u>(71,700)</u>	<u>(65,550)</u>
1,800,149	(386,963)	2,243,000
23,070,710	23,457,673	21,214,673
<u>\$ 24,870,859</u>	<u>\$ 23,070,710</u>	<u>\$ 23,457,673</u>
<u>\$ 7,761,159</u>	<u>\$ 8,954,974</u>	<u>\$ 6,617,352</u>
76.22%	72.04%	78.00%
\$ 2,720,460	\$ 2,932,783	\$ 2,996,542
285.29%	305.34%	220.83%

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

Library Pension Plan	2017	2016
Actuarially determined contribution	\$ 946,703	\$ 793,587
Contributions in relation to the actuarially determined contribution	946,703	793,587
Contribution deficiency (excess)	\$ -	\$ -
Employer's covered payroll	\$ 2,409,749	\$ 2,720,460
Contributions as a percentage of covered payroll	39.29%	29.17%

Notes to schedule:

Valuation date: October 1, 2016

Methods and assumptions used to determine contribution rates:

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

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

<u>2015</u>	<u>2014</u>
\$ 974,658	\$ 1,111,008
<u>974,658</u>	<u>1,111,008</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 2,932,783	\$ 2,996,542
<u>33.23%</u>	<u>37.08%</u>

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

Library Pension Plan	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-weighted rate of return, net of investment expense	11.69%	9.78%	-1.09%	10.14%

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

**Achua County Library District
 Required Supplementary Information
 Schedule of the Library's Proportionate Share of the Net OPEB Liability
 Achua County OPEB Plan
 Last 10 Fiscal Years***

		2017
Library's proportion of the net OPEB liability		11.24%
Library's proportionate share of the net OPEB liability	\$	1,240,956
Plan fiduciary net position as a percentage of the total OPEB liability		13.75%

Notes to schedules:

Contributions to the OPEB plan are not based on a measure of pay, therefore, no measure of payroll is presented.

Changes of benefit terms - In the October 1, 2016, actuarial valuation, there were no changes of benefit terms.

Changes of assumptions - In the October 1, 2016, actuarial valuation, there were no changes of assumptions.

*** Fiscal year 2017 was the first year of implementation, therefore only one year is shown.**

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

		2017
Contractually required contribution	\$	145,577
Contributions in relation to the contractually required contribution		155,000
Contribution deficiency (excess)	\$	(9,423)

Notes to schedules:

Contributions to the OPEB plan are not based on a measure of pay, therefore, no measure of payroll is presented.

Changes of benefit terms - In the October 1, 2016, actuarial valuation, there were no changes of benefit terms.

Changes of assumptions - In the October 1, 2016, actuarial valuation, there were no changes of assumptions.

*** Fiscal year 2017 was the first year of implementation, therefore only one year is shown.**

**SUPPLEMENTARY
INFORMATION**



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR FUNDS

SPECIAL REVENUE FUNDS

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

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

DEBT SERVICE FUND

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

MAJOR FUND – BUDGETARY COMPARISON ONLY

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

CAPITAL PROJECT FUND (731) – accounts for financial resources used for the acquisition or construction of major capital facilities as well as capital equipment purchases.

**ALACHUA COUNTY LIBRARY DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2017**

	SPECIAL REVENUE FUNDS		DEBT SERVICE
	710	711	723
	State Aid to Libraries Program Grant	Gifts & Donations	GO Refunding Bank Note 2011
Assets			
Equity in pooled cash and investments	\$ -	\$ 616,570	\$ -
Total assets	\$ -	\$ 616,570	\$ -
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ -	\$ 8,040	\$ -
Total liabilities	\$ -	\$ 8,040	\$ -
Fund balances			
Restricted for:			
Library materials	-	608,530	-
Total fund balances	-	608,530	-
Total liabilities and fund balances	\$ -	\$ 616,570	\$ -

**Total
Nonmajor
Governmental
Funds**

\$ 616,570

\$ 616,570

\$ 8,040

\$ 8,040

608,530

608,530

\$ 616,570

**ALACHUA COUNTY LIBRARY DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	SPECIAL REVENUE FUNDS		DEBT SERVICE
	710	711	723
	State Aid to Libraries Program Grant	Gifts & Donations	GO Refunding Bank Note 2011
Revenues			
Property taxes	\$ -	\$ -	\$ 919,433
Intergovernmental	457,456	-	-
Investment income	-	-	4,015
Private donations	-	13,750	-
Total Revenues	457,456	13,750	923,448
Expenditures			
Culture and recreation			
Operating expenditures	457,456	55,429	34,670
Debt service			
Principal	-	-	1,040,000
Interest & other charges	-	-	14,289
Total expenditures	457,456	55,429	1,088,959
Excess (deficiency) of revenues over (under) expenditures	-	(41,679)	(165,511)
Other financing sources (uses)			
Transfers in	-	25,000	-
Transfers out	-	-	(168,522)
Total other financing sources (uses)	-	25,000	(168,522)
Net change in fund balances	-	(16,679)	(334,033)
Fund balances - beginning	-	625,209	334,033
Fund balances - ending	\$ -	\$ 608,530	\$ -

**Total
Nonmajor
Governmental
Funds**

\$	919,433
	457,456
	4,015
	13,750
	<u>1,394,654</u>

547,555

1,040,000

14,289

1,601,844

(207,190)

25,000

(168,522)

(143,522)

(350,712)

959,242

\$ 608,530

**ALACHUA COUNTY LIBRARY DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	STATE AID TO LIBRARIES PROGRAM GRANT			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 478,610	\$ 478,610	\$ 457,456	\$ (21,154)
Private donations	-	-	-	-
Total Revenues	478,610	478,610	457,456	(21,154)
Expenditures				
Culture and recreation				
Operating expenditures	478,610	478,610	457,456	21,154
Total expenditures	478,610	478,610	457,456	21,154
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

SPECIAL REVENUE FUND				
GIFTS AND DONATIONS				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Private donations	31,600	31,600	13,750	(17,850)
Total Revenues	<u>31,600</u>	<u>31,600</u>	<u>13,750</u>	<u>(17,850)</u>
Expenditures				
Culture and recreation				
Operating expenditures	48,230	58,230	55,429	2,801
Total expenditures	<u>48,230</u>	<u>58,230</u>	<u>55,429</u>	<u>2,801</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(16,630)</u>	<u>(26,630)</u>	<u>(41,679)</u>	<u>(15,049)</u>
Other financing sources (uses)				
Transfers in(out)	25,000	25,000	25,000	-
Total other financing sources (uses)	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balances	8,370	(1,630)	(16,679)	(15,049)
Fund balances - beginning	<u>(8,370)</u>	<u>1,630</u>	<u>625,209</u>	<u>623,579</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 608,530</u>	<u>\$ 608,530</u>

**ALACHUA COUNTY LIBRARY DISTRICT
DEBT SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	GO REFUNDING BANK NOTE 2011			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 948,335	\$ 948,335	\$ 919,433	\$ (28,902)
Investment income	3,000	3,000	4,015	1,015
Total Revenues	<u>951,335</u>	<u>951,335</u>	<u>923,448</u>	<u>(27,887)</u>
Expenditures				
Culture and recreation				
Operating expenditures	60,000	60,000	34,670	25,330
Debt service				
Principal	1,054,586	1,054,586	1,040,000	14,586
Interest & other charges	-	-	14,289	(14,289)
Reserve for contingency	25,000	25,000	-	25,000
Total expenditures	<u>1,139,586</u>	<u>1,139,586</u>	<u>1,088,959</u>	<u>50,627</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(188,251)</u>	<u>(188,251)</u>	<u>(165,511)</u>	<u>22,740</u>
Other financing sources (uses)				
Transfers out	-	-	(168,522)	(168,522)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(168,522)</u>	<u>(168,522)</u>
Net change in fund balances	(188,251)	(188,251)	(334,033)	(145,782)
Fund balances - beginning	<u>188,251</u>	<u>188,251</u>	<u>334,033</u>	<u>145,782</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALACHUA COUNTY LIBRARY DISTRICT
CAPITAL PROJECTS FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	CAPITAL PROJECTS FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ 2,309	\$ 2,309
Investment income	65,700	65,700	44,117	(21,583)
Private donations	-	-	60,800	60,800
Total revenues	<u>65,700</u>	<u>65,700</u>	<u>107,226</u>	<u>41,526</u>
Expenditures				
Culture and recreation				
Capital outlay	<u>3,942,208</u>	<u>3,942,208</u>	<u>2,920,941</u>	<u>1,021,267</u>
Total expenditures	<u>3,942,208</u>	<u>3,942,208</u>	<u>2,920,941</u>	<u>1,021,267</u>
(Deficiency) of revenues (under) expenditures	<u>(3,876,508)</u>	<u>(3,876,508)</u>	<u>(2,813,715)</u>	<u>1,062,793</u>
Other financing sources (uses)				
Transfers in	1,242,659	1,242,659	1,411,181	168,522
Sale of capital assets	-	-	5,321	5,321
Total other financing sources (uses)	<u>1,242,659</u>	<u>1,242,659</u>	<u>1,416,502</u>	<u>173,843</u>
Net change in fund balances	(2,633,849)	(2,633,849)	(1,397,213)	1,236,636
Fund balances - beginning	<u>2,633,849</u>	<u>2,633,849</u>	<u>8,565,716</u>	<u>5,931,867</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,168,503</u>	<u>\$ 7,168,503</u>



COMPONENT UNIT – DISCRETELY PRESENTED

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

**ALACHUA COUNTY LIBRARY DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT-LIBRARY FOUNDATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Revenues	
Investment income (loss)	\$ 86,817
Private donations	53,057
Total Revenues	139,874
 Expenditures	
Culture and recreation	74,658
Total expenditures	74,658
 Excess (deficiency) of revenues over (under) expenditures	65,216
 Fund balance - beginning	1,164,671
 Fund balance - ending	\$ 1,229,887

**ALACHUA COUNTY LIBRARY DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT - LIBRARY FOUNDATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Library Foundation			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Investment income (loss)	\$ -	\$ -	\$ 86,817	\$ 86,817
Private donations	30,000	30,000	53,057	23,057
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>139,874</u>	<u>109,874</u>
Expenditures				
Culture and recreation	<u>30,000</u>	<u>30,000</u>	<u>74,658</u>	<u>(44,658)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	65,216	65,216
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>1,164,671</u>	<u>1,164,671</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,229,887</u>	<u>\$ 1,229,887</u>

STATISTICAL SECTION



STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	86
Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	94
Debt Capacity These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	100
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	104
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	108

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

Schedule 1

ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	FISCAL YEAR		
	2008	2009	2010
Governmental activities			
Net investment in capital assets	\$ 4,348,293	\$ 6,938,971	\$ 7,976,363
Restricted	460,299	350,751	245,114
Unrestricted	15,105,188	13,975,221	14,767,914
Total governmental activities net position	<u>\$ 19,913,780</u>	<u>\$ 21,264,943</u>	<u>\$ 22,989,391</u>

FISCAL YEAR

2011	2012	2013	2014	2015	2016	2017
\$ 8,548,511	\$ 9,416,416	\$ 10,816,441	\$ 12,160,176	\$ 13,366,277	\$ 14,701,933	\$ 17,538,601
79,946	284,066	434,937	369,808	367,207	334,033	-
15,743,853	16,604,421	16,164,908	15,164,494	5,428,591	5,892,522	2,692,550
\$ 24,372,310	\$ 26,304,903	\$ 27,416,286	\$ 27,694,478	\$ 19,162,075	\$ 20,928,488	\$ 20,231,151

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

	FISCAL YEAR		
	2008	2009	2010
Expenses			
Governmental activities:			
Culture & recreation	\$ 15,342,484	\$ 16,019,496	\$ 16,190,042
Interest on long-term debt	510,066	397,068	356,902
Total governmental activities expenses	<u>15,852,550</u>	<u>16,416,564</u>	<u>16,546,944</u>
Total primary government expenses	<u>15,852,550</u>	<u>16,416,564</u>	<u>16,546,944</u>
Program Revenues			
Governmental activities:			
Charges for services	87,151	89,125	99,478
Operating grants and contributions	483,170	476,947	505,800
Capital grants and contributions	3,908	11,530	-
Total governmental activities program revenues	<u>574,229</u>	<u>577,602</u>	<u>605,278</u>
Total primary government program revenues	<u>574,229</u>	<u>577,602</u>	<u>605,278</u>
Net (Expense)Revenue			
Governmental activities	(15,278,321)	(15,838,962)	(15,941,666)
Total primary governmental net expense	<u>\$ (15,278,321)</u>	<u>\$ (15,838,962)</u>	<u>\$ (15,941,666)</u>
General Revenues and Other Changes in Net Position			
Governmental activities:			
Property taxes	\$ 16,903,356	\$ 16,537,856	\$ 16,889,474
Interest earnings	240,091	151,654	415,432
Miscellaneous	175,189	500,615	317,738
Total governmental activities	<u>17,318,636</u>	<u>17,190,125</u>	<u>17,622,644</u>
Total primary government	<u>\$ 17,318,636</u>	<u>\$ 17,190,125</u>	<u>\$ 17,622,644</u>
Change in Net Position			
Governmental activities	<u>\$ 2,040,315</u>	<u>\$ 1,351,163</u>	<u>\$ 1,680,978</u>
Total primary government	<u>\$ 2,040,315</u>	<u>\$ 1,351,163</u>	<u>\$ 1,680,978</u>

FISCAL YEAR

2011	2012	2013	2014	2015	2016	2017
\$ 16,599,177	\$ 16,139,904	\$ 16,268,035	\$ 16,968,763	\$ 17,601,068	\$ 16,761,986	\$ 18,346,301
<u>127,808</u>	<u>108,303</u>	<u>83,502</u>	<u>65,164</u>	<u>46,435</u>	<u>27,423</u>	<u>7,806</u>
<u>16,726,985</u>	<u>16,248,207</u>	<u>16,351,537</u>	<u>17,033,927</u>	<u>17,647,503</u>	<u>16,789,409</u>	<u>18,354,107</u>
<u>16,726,985</u>	<u>16,248,207</u>	<u>16,351,537</u>	<u>17,033,927</u>	<u>17,647,503</u>	<u>16,789,409</u>	<u>18,354,107</u>
112,897	112,324	111,084	127,173	130,846	128,409	122,725
333,684	458,444	470,874	497,723	651,889	519,047	218,800
-	-	-	96,600	85,529	69,771	457,456
<u>446,581</u>	<u>570,768</u>	<u>581,958</u>	<u>721,496</u>	<u>868,264</u>	<u>717,227</u>	<u>798,981</u>
<u>446,581</u>	<u>570,768</u>	<u>581,958</u>	<u>721,496</u>	<u>868,264</u>	<u>717,227</u>	<u>798,981</u>
<u>(16,280,404)</u>	<u>(15,677,439)</u>	<u>(15,769,579)</u>	<u>(16,312,431)</u>	<u>(16,779,239)</u>	<u>(16,072,182)</u>	<u>(17,555,126)</u>
<u>\$ (16,280,404)</u>	<u>\$ (15,677,439)</u>	<u>\$ (15,769,579)</u>	<u>\$ (16,312,431)</u>	<u>\$ (16,779,239)</u>	<u>\$ (16,072,182)</u>	<u>\$ (17,555,126)</u>
\$ 17,324,052	\$ 16,718,736	\$ 16,130,742	\$ 15,888,801	\$ 16,744,182	\$ 17,121,407	\$ 17,306,961
196,368	527,505	288,155	330,025	106,684	325,807	411,465
<u>142,903</u>	<u>363,791</u>	<u>492,998</u>	<u>371,797</u>	<u>325,547</u>	<u>391,381</u>	<u>406,253</u>
<u>17,663,323</u>	<u>17,610,032</u>	<u>16,911,895</u>	<u>16,590,623</u>	<u>17,176,413</u>	<u>17,838,595</u>	<u>18,124,679</u>
<u>\$ 17,663,323</u>	<u>\$ 17,610,032</u>	<u>\$ 16,911,895</u>	<u>\$ 16,590,623</u>	<u>\$ 17,176,413</u>	<u>\$ 17,838,595</u>	<u>\$ 18,124,679</u>
\$ 1,382,919	\$ 1,932,593	\$ 1,142,316	\$ 278,192	\$ 397,174	\$ 1,766,413	\$ 569,553
<u>\$ 1,382,919</u>	<u>\$ 1,932,593</u>	<u>\$ 1,142,316</u>	<u>\$ 278,192</u>	<u>\$ 397,174</u>	<u>\$ 1,766,413</u>	<u>\$ 569,553</u>

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

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

	<u>2008</u>	<u>2009</u>
General Fund		
Reserved	\$ -	\$ 16,083
Unreserved	5,656,131	5,318,512
Total general fund	<u>\$ 5,656,131</u>	<u>\$ 5,334,595</u>
All Other Governmental Funds		
Reserved	\$ 515,824	\$ 657,258
Unreserved, reported in:		
Special revenue funds	1,395,572	1,478,950
Capital project funds	8,764,030	7,675,996
Total all other governmental funds	<u>\$ 10,675,426</u>	<u>\$ 9,812,204</u>

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

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

Note: GASB Statement No. 54 was implemented in fiscal year 2011.

Fiscal year 2010 data was restated for presentation comparable to GASB Statement No. 54.

FISCAL YEAR (continued)			
2014	2015	2016	2017
\$ 43,316	\$ 49,188	\$ 78,329	\$ 39,871
1,980,919	1,836,324	1,786,697	2,657,802
2,146,192	2,342,799	3,035,643	2,952,828
<u>\$ 4,170,427</u>	<u>\$ 4,228,311</u>	<u>\$ 4,900,669</u>	<u>\$ 5,650,501</u>
\$ 369,808	\$ 364,207	\$ 334,033	\$ -
1,999,049	1,914,504	2,079,656	2,325,165
9,859,722	9,263,363	9,190,925	7,777,033
<u>\$ 12,228,579</u>	<u>\$ 11,542,074</u>	<u>\$ 11,604,614</u>	<u>\$ 10,102,198</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			
	2008	2009	2010	2011
Revenues				
Taxes	\$ 16,903,356	\$ 16,537,856	\$ 16,889,474	\$ 17,324,052
Intergovernmental	487,078	488,477	505,800	333,684
Charges for services	87,151	89,125	99,478	112,897
Rents and royalties	-	22,015	33,022	44,647
Investment income	240,091	151,654	415,432	196,368
Private donations	86,621	138,664	109,307	48,552
Miscellaneous revenue	88,755	348,000	173,063	47,635
Total revenues	<u>17,893,052</u>	<u>17,775,791</u>	<u>18,225,576</u>	<u>18,107,835</u>
Expenditures				
Culture & recreation	13,984,354	14,723,410	14,740,638	14,994,036
Capital outlay	2,412,725	3,036,455	1,553,576	932,325
Debt service				
Principal	755,000	790,000	830,000	870,000
Interest	448,356	411,106	371,106	549,237
Total expenditures	<u>17,600,435</u>	<u>18,960,971</u>	<u>17,495,320</u>	<u>17,345,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>292,617</u>	<u>(1,185,180)</u>	<u>730,256</u>	<u>762,237</u>
Other Financing Sources (Uses)				
Transfers in	4,576,735	2,000,000	1,298,015	1,348,849
Transfers out	(4,576,735)	(2,000,000)	(1,298,015)	(1,348,849)
Issuance of refunding note	-	-	-	5,960,000
Refund of long term debt	-	-	-	(5,960,000)
Sale of capital assets	2,684	422	2,346	2,069
Total other financing sources (uses)	<u>2,684</u>	<u>422</u>	<u>2,346</u>	<u>2,069</u>
Net change in fund balances	<u>\$ 295,301</u>	<u>\$ (1,184,758)</u>	<u>\$ 732,602</u>	<u>\$ 764,306</u>
Debt service as a percentage of noncapital expenditures (See Note)	7.5%	7.3%	7.2%	8.4%

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

FISCAL YEAR

	2012	2013	2014	2015	2016	2017
\$	16,718,736	\$ 16,130,742	\$ 15,888,801	\$ 16,744,182	\$ 17,121,407	\$ 17,306,961
	458,444	470,874	497,723	651,889	519,047	457,456
	112,324	111,084	127,173	130,846	128,409	122,725
	60,082	77,094	85,648	81,323	77,716	80,441
	527,505	288,155	330,025	106,684	325,807	411,465
	104,934	107,555	116,241	99,623	83,844	74,550
	158,686	205,288	226,149	190,220	261,256	282,882
	<u>18,140,711</u>	<u>17,390,792</u>	<u>17,271,760</u>	<u>18,004,767</u>	<u>18,517,486</u>	<u>18,736,480</u>
	14,762,291	14,893,386	15,341,396	15,638,086	15,325,104	15,519,155
	1,275,736	1,701,242	1,904,385	1,935,258	1,400,789	2,920,941
	932,000	965,000	991,000	1,009,000	1,023,000	1,040,000
	128,147	89,517	71,341	52,724	33,800	14,289
	<u>17,098,174</u>	<u>17,649,145</u>	<u>18,308,122</u>	<u>18,635,068</u>	<u>17,782,693</u>	<u>19,494,385</u>
	<u>1,042,537</u>	<u>(258,353)</u>	<u>(1,036,362)</u>	<u>(630,301)</u>	<u>734,793</u>	<u>(757,905)</u>
	1,296,774	1,296,774	3,025,000	1,209,547	1,233,238	1,436,181
	(1,296,774)	(1,296,774)	(3,025,000)	(1,209,547)	(1,233,238)	(1,436,181)
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,859	3,490	2,128	1,680	105	5,321
	<u>1,859</u>	<u>3,490</u>	<u>2,128</u>	<u>1,680</u>	<u>105</u>	<u>5,321</u>
\$	<u>1,044,396</u>	<u>(254,863)</u>	<u>(1,034,234)</u>	<u>(628,621)</u>	<u>734,898</u>	<u>(752,584)</u>
	6.5%	6.4%	6.2%	6.0%	6.3%	5.7%

Schedule 5

ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(in thousands of dollars)

Tax Year	Fiscal Year	Residential Property	Commercial Property	Agricultural Property	Industrial Property	Non-Taxable Real Property
2008	2009	\$ 12,936,749	\$ 2,418,934	\$ 1,453,097	\$ 474,446	\$ 4,679,231
2009	2010	12,297,297	2,432,165	1,485,314	461,587	4,553,950
2010	2011	11,324,537	2,328,960	1,439,909	415,202	5,243,853
2011	2012	10,518,320	2,289,880	1,384,286	399,881	5,750,413
2012	2013	9,980,655	2,253,166	1,383,350	398,882	5,725,143
2013	2014	10,033,826	2,199,281	1,379,222	399,131	5,766,116
2014	2015	10,046,694	2,211,408	1,374,563	388,349	5,875,100
2015	2016 *	10,689,455	2,234,065	1,388,943	386,242	5,953,613
2016	2017 **	11,265,526	2,361,108	1,383,288	384,899	5,940,849
2017	2018 **	12,651,676	2,779,287	1,425,341	475,375	6,162,892

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

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

All property is assessed at 100% of estimated market value as required by the Florida State Constitution

The actual taxable value is limited to 3% or CPI change per year increase by the Save Our Homes legislation.

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

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

Personal & Centrally Assessed Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate *	Total Valuation
\$ 2,624,919	\$ (11,915,602)	\$ 12,671,775	\$ 17.5204	\$ 24,587,377
3,125,214	(11,796,697)	12,558,830	19.0846	24,355,527
3,019,338	(11,718,900)	12,052,899	19.2069	23,771,798
3,379,733	(12,111,876)	11,610,637	19.4166	23,722,513
3,146,358	(11,700,780)	11,186,774	18.8714	22,887,554
3,445,001	(11,982,568)	11,240,008	18.9098	23,222,576
3,846,992	(11,951,704)	11,791,403	18.9098	23,743,107
3,762,328	(12,311,375)	12,103,270	18.7503	24,414,646
4,029,029	(12,758,437)	12,606,261	18.2771	25,364,698
3,905,396	(13,769,066)	13,630,901	17.3553	27,399,967

Schedule 6

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

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

Fiscal Year	Tax Year	County Direct Rates						Overlapping Rates		
		Basic Rate	General Obligation Debt Service	Alachua County Library District	Library Debt Service	School Board	Total Direct	Suwannee River Water Mgmt. District	St. Johns River Water Mgmt. District	MSTU - Unincorporated Areas
2009	2008	7.5708	0.2500	1.2491	0.0915	8.3590	17.5204	0.4399	0.4158	0.3847
2010	2009	8.0495	0.2500	1.2856	0.0915	9.4080	19.0846	0.4399	0.4158	0.4124
2011	2010	8.3763	0.2500	1.3638	0.1098	9.1070	19.2069	0.4399	0.4158	0.4124
2012	2011	8.5956	0.2500	1.3638	0.1152	9.0920	19.4166	0.4143	0.3313	0.4124
2013	2012	8.5956	0.2500	1.3638	0.1130	8.5490	18.8714	0.4143	0.3313	0.4124
2014	2013	8.7990	0.2500	1.3638	0.0950	8.4020	18.9098	0.4143	0.3283	0.5038
2015	2014	8.7990	0.2500	1.3638	0.0950	8.4020	18.9098	0.4143	0.3283	0.5038
2016	2015	8.7950	0.1595	1.3638	0.0900	8.3420	18.7503	0.4104	0.3023	0.6228
2017	2016	8.9290	-	1.3371	0.0750	7.9360	18.2771	0.4093	0.2885	0.6325
2018	2017	8.4648	-	1.2655	-	7.6250	17.3553	0.4027	0.2724	-

Source: Alachua County Property Appraiser

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

Overlapping Rates (continued)

MSTU - Sheriff Law Enforcement	MSTU - Fire	City of Alachua	City of Archer	City of Gainesville	City of Hawthorne	City of High Springs	City of Lacrosse	City of Micanopy	City of Newberry	City of Waldo
1.5208	1.1013	4.6966	4.5000	4.2544	5.3194	6.1500	2.0272	8.0000	3.9990	5.8686
1.6252	1.1804	5.5000	5.0000	4.3963	5.3194	6.1500	2.1444	8.0000	3.8500	5.8686
1.6710	1.3391	5.5000	5.0000	4.2544	5.3194	6.1500	2.2908	8.0000	3.8500	5.8686
1.6710	1.3391	5.5000	5.2000	4.2544	5.3194	6.1500	2.5777	8.0000	3.8500	5.8686
1.6710	1.3391	5.5000	5.2500	4.4946	5.3194	6.1500	2.6989	8.0000	3.8084	5.8686
2.1531	1.3979	5.5000	5.2500	4.5780	5.3194	6.1500	2.6396	8.0000	3.8084	7.3226
2.1531	1.3979	5.5000	5.2500	4.5780	5.3194	6.1500	2.6396	8.0000	3.8084	7.3226
2.3283	1.5507	5.9900	5.2549	4.5079	5.3194	6.1326	5.7173	5.9283	3.9500	7.5180
2.4342	1.7705	5.9900	5.2549	4.5079	5.3194	6.1326	6.6246	5.9463	5.9089	7.5180
3.7240	-	5.3900	5.2549	4.7474	5.3194	5.9972	6.3534	5.8114	5.9999	7.5180

Schedule 7

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

<u>Taxpayer</u>	<u>2017*</u>			<u>2008</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Gainesville Renewable Energy Center LLC	\$ 301,247,900	1	2.21%			
Argos Cement LLC	151,760,610	2	1.11%			
Oaks Mall Gainesville Ltd Partnership	137,760,630	3	1.01%	\$ 132,224,700	1	1.05%
Wal-Mart Stores East LP	98,911,970	4	0.73%	84,454,800	3	0.67%
HCA Health Services of Fla Inc	82,134,250	5	0.60%	68,710,800	5	0.54%
Duke Energy Florida Inc.	77,893,413	6	0.57%			
AT&T Mobility LLC	67,961,543	7	0.50%			
Robert E Stanley Trustee	66,068,500	8	0.48%			
Bellsouth Telecommunications Inc	63,788,606	9	0.47%	87,773,250	2	0.69%
North Florida Regional Medical Center Inc	59,142,690	10	0.43%			
Dolgenercorp Inc.				72,681,480	4	0.57%
Vulcan Materials Company				68,455,500	6	0.54%
Oak Hammock at the Univ of Fla Inc				62,020,600	7	0.49%
S Clark Butler Properties Land Trust				46,532,100	8	0.37%
ELPF Gainesville LLC LIC, Gainesville				42,296,300	9	0.33%
Clay Electric Cooperative Inc				38,025,028	10	0.30%
	<u>\$ 1,106,670,112</u>		<u>8.12%</u>	<u>\$ 703,174,558</u>		<u>5.56%</u>
Total taxable valuation of all properties	<u>\$ 13,630,900,972</u>			<u>\$ 12,651,317,168</u>		

SOURCE: Alachua County Property Appraiser - Overall Taxable Value

* 2017 Taxable Assessed Values are per 1st Certification Tax Roll; Value Adjustment Board has not completed their process so values may change.

Schedule 8

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

Fiscal Year Ended September 30	Tax Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2008	2007	\$ 17,359,392	\$ 16,770,373	96.6%	\$ 32,954	\$ 16,803,327	96.8%
2009	2008	16,979,757	16,419,007	96.7%	33,508	16,452,515	96.9%
2010	2009	17,286,027	16,734,007	96.8%	30,110	16,764,117	97.0%
2011	2010	17,767,533	17,192,413	96.8%	17,556	17,209,969	96.9%
2012	2011	17,193,782	16,604,818	96.6%	53,094	16,657,912	96.9%
2013	2012	16,582,567	15,989,796	96.4%	42,041	16,031,837	96.7%
2014	2013	16,433,633	15,809,701	96.2%	65,461	15,875,162	96.6%
2015	2014	17,257,551	16,595,871	96.2%	41,920	16,637,791	96.4%
2016*	2015	17,659,127	16,980,309	96.2%	33,655	17,013,964	96.3%
2017*	2016	17,891,249	17,214,907	96.2%	N/A	17,214,907	96.2%

SOURCE: Alachua County Tax Collector

*Taxes levied changed for FY2016 due to assessment changes made by the Value Adjustment Board. Levies were per the first tax certification and the VAB did not complete their process until after completion of the CAFR. FY17 levies are per the first tax certification and thus may change.

Schedule 9

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

Fiscal Year	General Obligation Debt Outstanding	Percentage of Personal Income (a)	Per Capita (a)
2008	\$ 8,630,000	0.10%	\$ 34.19
2009	7,840,000	0.09%	30.60
2010	7,010,000	0.08%	28.34
2011	5,960,000	0.07%	24.10
2012	5,028,000	0.05%	20.16
2013	4,063,000	0.04%	16.16
2014	3,072,000	0.03%	12.12
2015	2,063,000	0.02%	8.09
2016	1,040,000	0.01%	4.05
2017	-	N/A	-

Note: Details regarding the Library District's outstanding debt can be found on page 55 in the Notes to the Financial Statements.

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

Personal Income not yet available for fiscal year 2017.

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

<u>Fiscal Year</u>	<u>General Obligation Debt Outstanding (a)</u>	<u>Percentage of Actual Taxable Value of Property (b)</u>	<u>Per Capita (c)</u>
2008	\$ 8,169,701	0.06%	\$ 32.37
2009	7,489,249	0.06%	29.23
2010	6,764,886	0.06%	27.35
2011	5,880,054	0.05%	23.77
2012	4,743,934	0.04%	19.02
2013	3,628,063	0.03%	14.43
2014	2,702,192	0.02%	10.66
2015	1,698,796	0.01%	6.66
2016	705,967	0.01%	2.75
2017	-	N/A	-

Note: Details regarding the Library District's outstanding debt can be found starting on page 55 in the Notes to the Financial Statements.

(a) Debt Outstanding is net the amount restricted for debt service.

(b) See Schedule 5 for property value data.

(c) Population data can be found in Schedule 13

Schedule 11

ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping:			
Alachua County:			
Local Options Gas Tax Bank Note, 2011	\$ 2,645,000	100%	\$ 2,645,000
Public Improvement Revenue Note, 2014	8,081,000	100%	8,081,000
Capital Improvement Revenue Note, 2015A	3,457,000	100%	3,457,000
Public Improvement Revenue Refunding Note, 2015B	12,507,000	100%	12,507,000
Capital Lease Payable ACSO Radio, 2014	271,220	100%	271,220
Public Improvement Revenue Refunding Note, 2016	23,545,000	100%	23,545,000
Gas Tax Refunding Bank Note, 2016	8,360,000	100%	8,360,000
Public Improvement Revenue Note, 2017	2,120,000	100%	2,120,000
Capital Improvement Revenue Refunding Note, 2017	3,791,000	100%	3,791,000
Alachua County School Board:			
State Board of Education Bonds	225,000	100%	225,000
Certificates of Participation	54,393,724	100%	54,393,724
Quality Zone Academy Bonds	1,794,000	100%	1,794,000
Total Overlapping Debt Outstanding	<u>121,189,944</u>		<u>121,189,944</u>
Total Governmental Activities Debt	<u>\$ 121,189,944</u>		<u>\$ 121,189,944</u>

Sources: Alachua County Finance Department and Alachua County School Board

Note: The District no longer has direct governmental activities debt. 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
2008	252,388	\$ 8,405,119	\$ 34,713
2009	256,232	8,664,631	35,573
2010	247,336	8,624,675	34,859
2011	247,337	8,931,208	35,816
2012	249,365	9,652,584	38,393
2013	251,417	9,688,255	38,225
2014	253,451	9,973,968	38,903
2015	254,893	10,450,311	40,199
2016	257,062	10,805,342	41,008
2017	260,003	N/A	N/A

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

Note: Personal and Per Capita Personal Income not available for 2017.

Median Age	College and University Enrollment	Public School Enrollment	Unemployment Rate
29.3	66,815	27,571	4.5%
29.7	67,070	27,562	7.9%
29.4	68,538	25,077	8.3%
30.1	69,491	26,856	7.4%
30.1	66,333	26,877	6.2%
29.4	65,743	26,800	4.9%
31	64,971	29,082	4.6%
31.2	67,264	24,218	4.5%
31.1	65,066	26,705	4.4%
31.1	64,916	28,836	3.1%

Schedule 14
ALACHUA COUNTY LIBRARY DISTRICT, FLORIDA
PRINCIPAL EMPLOYERS
2016 AND PRIOR YEAR 2008

<u>Employer</u>	<u>2016*</u>			<u>2008</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Private Workforce</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Private Workforce</u>
University of Florida	27,567	1	20.64%	14,723	1	10.72%
UF Health	12,705	2	9.51%	12,588	2	9.17%
Veterans Affairs Medical Center	6,127	3	4.59%	4,317	3	3.14%
Alachua County School Board	3,904	4	2.92%	4,299	4	3.13%
City of Gainesville	2,072	5	1.55%	2,200	5	1.60%
North Florida Regional Medical Ctr	2,000	6	1.50%	1,700	8	1.24%
Gator Dining Service	1,200	7	0.90%			
Nationwide Insurance Company	960	8	0.72%	1,300	9	0.95%
Alachua County	809	9	0.61%	2,029	7	1.48%
Publix Supermarkets	780	10	0.58%	2,056	6	1.50%
Santa Fe (Community) College				796	10	0.58%
Total Private Labor Workforce	<u>133,575</u>			<u>137,300</u>		

Source: Gainesville Chamber of Commerce, Council for Economic Outreach

*Note: 2017 data not available

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

<u>Function/Program</u>	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Administration Services Division										
Administration	11.5	11.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	13
Facilities Services Division	10	10	10	9	9	9	9	9	9	9
Automated	10	10	10	10	10.5	10.5	10.5	10.5	10.5	10.5
Public Services Division										
Administration	6	6	6	6	7	7	7	7	7	6
Adult	16.25	16.25	16.25	14.75	13.5	12.5	12.5	12.5	12	12.5
Alachua	6.5	7	7	7	7	7	7	7	7	7
Archer	3.5	3.5	3.5	3.5	4.5	4.5	4.5	4.5	4.5	4.5
Circulation	23.5	23.5	23.5	23.5	22.5	25.25	23.75	23.75	24.25	24.25
Cone Park*	N/A	N/A	N/A	3.13	3.25	3.25	6.75	6.75	6.75	6.75
Hawthorne	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
High Springs	6.5	6.5	6.5	6.5	5.5	5.5	5.5	5.5	6	6
Law Library*	N/A	N/A	N/A	N/A	0.5	0.5	0.5	0.5	0.5	0
Micanopy	3.26	3.26	3.26	3.26	3.38	3.38	3.38	3.38	3.38	3.38
Millhopper	19.5	19.5	19.5	21.5	21.5	21.5	22.5	22.5	22.5	22.5
Newberry	6	6	6	6	6	6	6	6	6.5	6.5
Outreach Services	11	11	11	11	11	11	11	11	11	9
Partnership Branch*	N/A	3.5	3.5	4.125	5.125	5.125	5.125	5.125	5.125	6.125
Technical Services	19	19	19	18	17	17	16	16	15	15
Tower Road	16.5	16.5	16.5	18.625	18.625	18.625	18.625	18.625	18.625	18.625
Youth	13	13	13	10.75	10.75	9	9	9	9	9
Waldo	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13
Total	191.64	195.64	196.64	198.77	198.76	198.76	200.76	200.76	200.76	199.26

*Law Library was added in FY2012. Cone Park Branch opened in 2011 and the Library Neighborhood Resource Partnership Branch opened in 2009. Support Services Division no longer exists. Automated Services moved to Administrative Services Division and Technical Services moved to Public Services Division in FY2012.

Source: Library Administration

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

<u>Function/Program</u>	<u>Description</u>	<u>FISCAL YEAR</u>		
		<u>2008</u>	<u>2009</u>	<u>2010</u>
Culture and recreation:				
Circulation:	# of checkouts - Main Library	992,796	1,126,714	1,029,819
	# of checkouts - Branch libraries	1,697,156	1,736,914	1,959,511
	# of checkouts - Bookmobiles	57,713	54,697	50,939
	# of checkouts - other services	113,273	178,190	334,535
	Total checkouts	2,860,938	3,096,515	3,374,804
	# of Library Visits	1,353,804	1,404,869	1,476,120
	# of Virtual Visits	721,147	878,294	1,288,744
	Total # of Registered Borrowers	196,707	199,549	204,418
	# of Volunteer Hours	20,859	21,329	22,314
	# of Reference Services	566,638	571,235	646,802
Programs:	Number presented	1,954	2,456	3,427
	Attendance	57,715	54,075	81,519

Source: Alachua County Library

FISCAL YEAR (continued)

2011	2012	2013	2014	2015	2016	2017
943,612	820,640	684,206	623,535	565,643	479,730	445,007
2,121,575	2,094,758	2,025,632	1,993,214	1,896,732	1,710,044	1,531,747
50,302	53,170	57,634	55,160	48,990	36,570	28,837
536,947	671,839	808,572	890,823	1,257,499	2,062,981	2,029,130
3,652,436	3,640,407	3,576,044	3,562,732	3,768,864	4,289,325	4,034,721
1,431,342	1,534,385	1,567,315	1,560,918	1,521,420	1,461,337	1,333,876
1,523,298	1,382,087	1,294,365	1,303,543	1,129,208	1,018,627	888,900
216,966	198,035	185,730	164,687	164,817	156,628	150,746
26,641	26,078	21,613	22,908	23,209	20,261	21,765
603,653	677,157	458,279	282,482	311,880	246,670	296,480
3,725	4,139	5,292	6,617	7,930	7,863	8,300
81,809	91,665	108,342	143,986	162,986	138,901	129,187

Schedule 17

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

	FISCAL YEAR			
	2008	2009	2010	2011
<u>Culture & Recreation</u>				
# of Library buildings	10	11 *	11	11
# of Acres	27	27	27	27
# of Vehicles	21	22	21	21
Library Holdings				
# of Books	916,162	921,637	951,557	804,212
# of Copies - Periodicals	1,964	1,551	1,344	1,330
# of Titles - Periodicals	589	498	485	452

* Includes new Library Partnership building.

** Includes new Cone Park building.

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

FISCAL YEAR

2012	2013	2014	2015	2016	2017
11	11	12 **	12	12	12
27	27	28	28	28	29
22	21	20	20	20	18
802,044	772,501	756,816	751,346	744,769	700,228
1,531	1,528	1,416	1,390	1,228	1,169
427	417	413	401	332	330



COMPLIANCE SECTION





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

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

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

The Governing Board
Alachua County Library District
Alachua County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Alachua County Library District (the “District”), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated April 30, 2018.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
April 30, 2018

**MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Governing Board
Alachua County Library District
Alachua County, Florida

We have audited the financial statements of the Alachua County Library District (the "District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated, April 30, 2018.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The District has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the District has not met one or more of the conditions described in Section 218.503(1), Florida Statutes, that are indicative of a state of financial emergency.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the District's annual financial report for the fiscal year ended September 30, 2017, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2017.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Governing Board, management, and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

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

Gainesville, Florida
April 30, 2018

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Governing Board
Alachua County Library District
Alachua County, Florida

We have examined the Alachua County Library District's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2017.

This report is intended solely for the information and use of management and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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

Gainesville, Florida
April 30, 2018



alachua county
library district

...thinking outside the book

Alachua County Library District
Administration
401 East University Avenue
Gainesville, FL 32601-5453
(352) 334-3910 FAX (352) 334-3918
www.aclib.us

June 14, 2018

Honorable Sherrill F. Norman, CPA
Auditor General, State of Florida
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman:

This is in response to the Independent Auditors' Management Letter for Alachua County Library District, for the fiscal year ended September 30, 2017. We are happy to report that for the twenty-fifth year, the Auditors found no reportable conditions.

Thank you for your attention.

Sincerely,

Ken Cornell, Chair
Library District Governing Board

J. K. "Jess" Irby
Alachua County Clerk to the Board

rdg