

2019

City of Alachua, Florida

Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2019

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF ALACHUA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Prepared by:
Finance and Administrative Services

**CITY OF ALACHUA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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INTRODUCTORY SECTION

City of Alachua

Mayor and City Commissioners

Gib Coerper, Mayor
Dayna Miller, Vice-Mayor
Shirley Green Brown, Commissioner
Gary Hardacre, Commissioner
Robert Wilford, Commissioner

Adam Boukari, City Manager
Marian Rush, City Attorney



Government Finance Officers Association

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

Presented to

**City of Alachua
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO



City of Alachua

MAYOR GIB COERPER

Vice-Mayor Dayna Miller
Commissioner Shirley Green Brown
Commissioner Gary Hardacre
Commissioner Robert Wilford

OFFICE OF THE CITY MANAGER
ADAM BOUKARI

April 22, 2020

The Honorable Mayor
Members of the City of Alachua Commission
Citizens of the City of Alachua, Florida

Dear Honorable Mayor Coerper:

The Comprehensive Annual Financial Report of the City of Alachua, Florida (the "City") for the fiscal year ended September 30, 2019, is respectfully submitted as required by Florida Statutes. This report was prepared by the City's Finance and Administrative Services Department in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data presented in this report is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position as measured by the financial activities of its various funds, and all disclosures that are necessary to enable the reader to gain a general understanding of the City's financial activities have been included.

INDEPENDENT AUDIT

Purvis Gray and Company, a firm of licensed certified public accountants, has audited the City's basic financial statements. The goal of an independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the basic financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended September 30, 2019, are presented fairly and in conformity with GAAP.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors. The remainder of this letter provides an overview of the City government, as well as local economic conditions and prospects for the future.

PROFILE OF THE GOVERNMENT

The City of Alachua is geographically located in North Central Florida. The City’s boundaries encompass about 36.5 square miles. Alachua was established in 1884 on a railroad line, after the railroad had bypassed nearby Newnansville, Florida. Alachua got a post office in 1887, and was officially incorporated on April 12, 1905, at which time it had a population of 526 people. According to the University of Florida Bureau of Economic and Business Research (BEBR), the City’s population was approximately 10,298 as of September 30, 2019. The City has a charter government structure approved by referendum of the electors pursuant to the Constitution and laws of the State of Florida. The City operates under the City Manager form of government with a commission comprised of an elected Mayor and four elected Commissioners. The elections are non-partisan and each Commissioner represents the entire City.

REPORTING ENTITY AND ITS SERVICES

The City provides a variety of services including road maintenance, utility (electric, water and wastewater) services, police, community development, solid waste collection (via contract) and recreational-cultural activities. Fire protection is provided within municipal boundaries by Alachua County and is funded through a county-imposed assessment.

This Comprehensive Annual Financial Report (CAFR) includes the funds of the primary government and the following component units:

- The Community Redevelopment Agency (CRA). The CRA is a separate legal entity created in accordance to Chapter 163, Florida Statutes to carry out community redevelopment activities and is a blended component unit of the City due to the existence of a financial benefit/burden relationship. The City Commission sits as the board of this organization and approves its budget.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City’s accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls 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 therefrom and the evaluation of costs and benefits requires estimates and judgments by management. We believe all internal control evaluations occur within this framework and that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget serves as the foundation for the City's financial planning and control. All departments and component units of the City are required to submit requests for appropriation to the City's Finance and Administrative Services Department. The City Manager submits to the City Commission a proposed operating budget by fund, except for the General Fund which is at the department level, for the fiscal year commencing the following October 1. The City Commission is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 30, the close of the City's fiscal year. The budget is legally enacted through the passage of a resolution and adoption of the budget document. Management may not make changes to the adopted budget without the approval of a majority vote of the City Commission. Budgets are monitored at varying levels of detail; however, budgetary control is legally maintained at the fund level, except for the General Fund which is maintained at the department level.

MAJOR FUND PRESENTATION

An important element of the financial reporting model is the focus on reporting significant financial activity by fund type, with emphasis on major funds in both governmental and proprietary fund financial statements. In following GASB 34, the City is required to separate major funds from nonmajor funds. Only major funds are shown separately in the basic financial statements, while nonmajor funds are combined together and reported as a single column. Nonmajor funds are disclosed separately in the combining and individual fund financial statements and schedules section of this report.

GASB requires that the General Fund always be considered a major fund. The statement also requires other governmental and enterprise funds to be shown as major funds if they meet the following criteria:

- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total of all funds of that category; and,
- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least five percent (5%) of the total for all governmental and enterprise funds combined.

ECONOMIC CONDITION AND OUTLOOK

LOCAL ECONOMY

The area's economy is expanding as evidenced by the City's growth indicators, particularly, those related to infrastructure (water and wastewater) connections when compared to prior levels. This growth comes as a result of increased demand for utility services. The City continues to pursue increasing the commercial, technology and industrial customer base by attracting firms to locate their enterprises within City limits. This helps create additional jobs and provides for a stable tax base.

The City's major challenges are to provide the infrastructure and services needed to maintain the quality of life, which has attracted considerable growth to our community. History has shown that great emphasis on support systems such as transportation, potable water, wastewater and electric capacity must be balanced carefully with quality of life amenities that include parks, recreation and cultural opportunities to maintain the natural beauty and attractiveness of a community. For our City, these natural attributes take shape as tree canopies, and rolling green fields for agriculture, which provide the great atmosphere of North Central Florida living.

LONG-TERM FINANCIAL PLANNING

In order to meet the service demands of residents, businesses and visitors, the City continues to address the long-term financing necessary in order to fund capital projects essential to the creation, improvement, enhancement and preservation of public facilities and infrastructure.

The City's Fiscal Year 2018-2019 five-year Capital Improvement Plan (CIP), covering the period from October 1, 2018 through September 30, 2023, has earmarked funding estimated at \$43.3 million for 33 projects throughout the City. Public Works projects account for the largest portion of the total Capital Improvement Plan funding at \$11.5 million or 26.7%. Electric utility system projects are the second largest, accounting for \$9.6 million, or 22.1%, and Water utility system projects are the third largest accounting for \$5.7 million, or 13.1%, of the Capital Improvement Plan.

City utility revenues (capital facility charges, utility charges, etc.) represent the largest share of funding for the five-year Capital Improvement Plan, accounting for 39.9% of the value. Loans represent 18.5% of CIP funding. General government funding for the CIP is 22.3% and the remaining 19.3% of the funding is provided by Federal, State, Local, Tax Increment, assessment, and private sources.

MAJOR INITIATIVES

ECONOMIC ENVIRONMENT

The Community Redevelopment Agency (CRA) continued the implementation of the recommendations of the CRA Market Study & Economic Development Implementation Plan. Branding and marketing efforts continue in order to promote business within the CRA area. The cost of these branding activities was approximately \$20,000. Marketing effort costs were approximately \$35,000. Despite not expending any funds, considerable time was spent continuing to secure land rights for construction of a downtown parking lot along N. W. 142 Terrace and N. W. 150 Avenue during the fiscal year.

TRANSPORTATION

The City's major transportation-related efforts during FY 19 involved the initiation of roadway construction related to a \$700,000 Community Development Block Grant (CDBG) – Neighborhood Revitalization Category and a \$1.26 million Community Development Block Grant (CDBG) – Economic Development Category. Approximately \$667,000 was expended amongst both grants. Also, \$82,068 Beautification Grant from the Florida Department of Transportation and the repaving of NW 145th Avenue and NW 121st Terrace, at an approximate cost of \$120,000, were completed during the fiscal year. Most notable of all is the initiation of design and procurement activities related to construction of the San Felasco Parkway. This roadway and infrastructure construction is being funded by a \$6.75 million Florida Job Growth Grant. Approximately \$1.5 million was spent by end of the fiscal year.

GENERAL GOVERNMENT

Much of fiscal year 2018-2019 was focused on administering and managing open grant contracts and projects totaling approximately \$9.5 million. Additionally, the City completed the annexation of nine parcels. City staff completed the technological implementation of a total user management software system and a compensation study was initiated to help secure continued investment into this municipality's human resources.

PUBLIC SAFETY

The Alachua Police Department continued to upgrade its technology and equipment in order to more efficiently process operations of the department. Equipment purchased included three sport utility vehicles, seven patrol tablets, four radars and an interview recording system. Additionally, three computer workstations were purchased. The total cost for the equipment and vehicles was \$173,783.

PARKS AND RECREATION

Substantial completion of planned improvements related to the construction of an amphitheater, two multipurpose fields and a concession/restroom facility at the Project Legacy site was achieved. This facility allows for outdoor sporting events, primarily soccer and lacrosse, as well as diverse public activities ranging to art and theater productions. The project cost of approximately \$3.3 million was funded by proceeds from Wild Spaces Public Places (WSPP) surtax. The General Fund provided a loan in anticipation of future WSPP proceeds of almost \$1.5 million and the City received an Alachua County WSPP grant in the amount of \$500,000.

The City also spent approximately \$100,000 renovating neighborhood recreation facilities. New playground equipment, fencing, signage and water fountains were installed at the Gerald Criswell and Maude Lewis Neighborhood Parks.

PHYSICAL ENVIRONMENT

Improvement and expansion of infrastructure was at the forefront of the City's enterprise activities. A \$4.5 million bank note was obtained in order to augment \$1.5 million of utility funds to expand water and sewer infrastructure along US Highway 441. This infrastructure improves existing infrastructure and enables future growth along this corridor. Total spent on this project during FY 2018-2019 was approximately \$4.1 million. The electric utility expended approximately \$200,000 for design and geotechnical work that will lead to the construction of a second substation. This substation would allow energy to be received from Duke Energy and other wholesale providers around the state. This project will provide diversification of power sources, redundancy and the necessary infrastructure for future City growth and development.

RELEVANT FINANCIAL INFORMATION

The readers of this report should also review the MD&A. The MD&A gives basic financial information about the City and a summary of the City's activities. The Government-wide Financial Statements, consisting of a Statement of Net Position and a Statement of Activities, offer an across-the-board financial depiction of the City, divided between governmental and business-type activities.

These statements are prepared by distinguishing functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recoup all, or a sizeable portion of, their costs through user fees and charges. The fund financial statements provide data about the City's funds and are created from the City's accounting reports. Governmental funds are accounted for on the modified accrual basis, where revenues are recorded when they become measurable and available, and expenses are generally recorded when the related fund liability is incurred, except for debt service expenditures, compensated absences, and claims and judgments. Proprietary funds are accounted for using the accrual basis of accounting. Under this method, revenues are recorded when they are earned and expenses are recorded when the related liability is incurred. This City's fiscal year is from October 1 through September 30.

AWARDS AND ACKNOWLEDGEMENTS

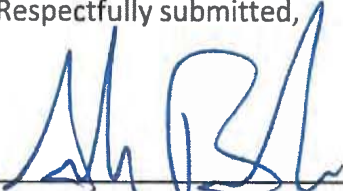
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alachua for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2018. This was the ninth consecutive year that the City 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. 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 our current report continues to conform to the Certificate of Achievement program requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was made possible through the efficient, dedicated and professional efforts of the entire staff of the Finance and Administrative Services Department. The substantial amount of year-end closing procedures required prior to the audit, could not have been completed without much hard work and personal sacrifice. Each member of the department has our sincere appreciation for the contributions made to assist in the preparation of this report. Sincere appreciation is also expressed to the Mayor, Commissioners, Department Directors, and all City employees for their cooperation and assistance in all matters pertaining to the financial affairs of the City.

Respectfully submitted,

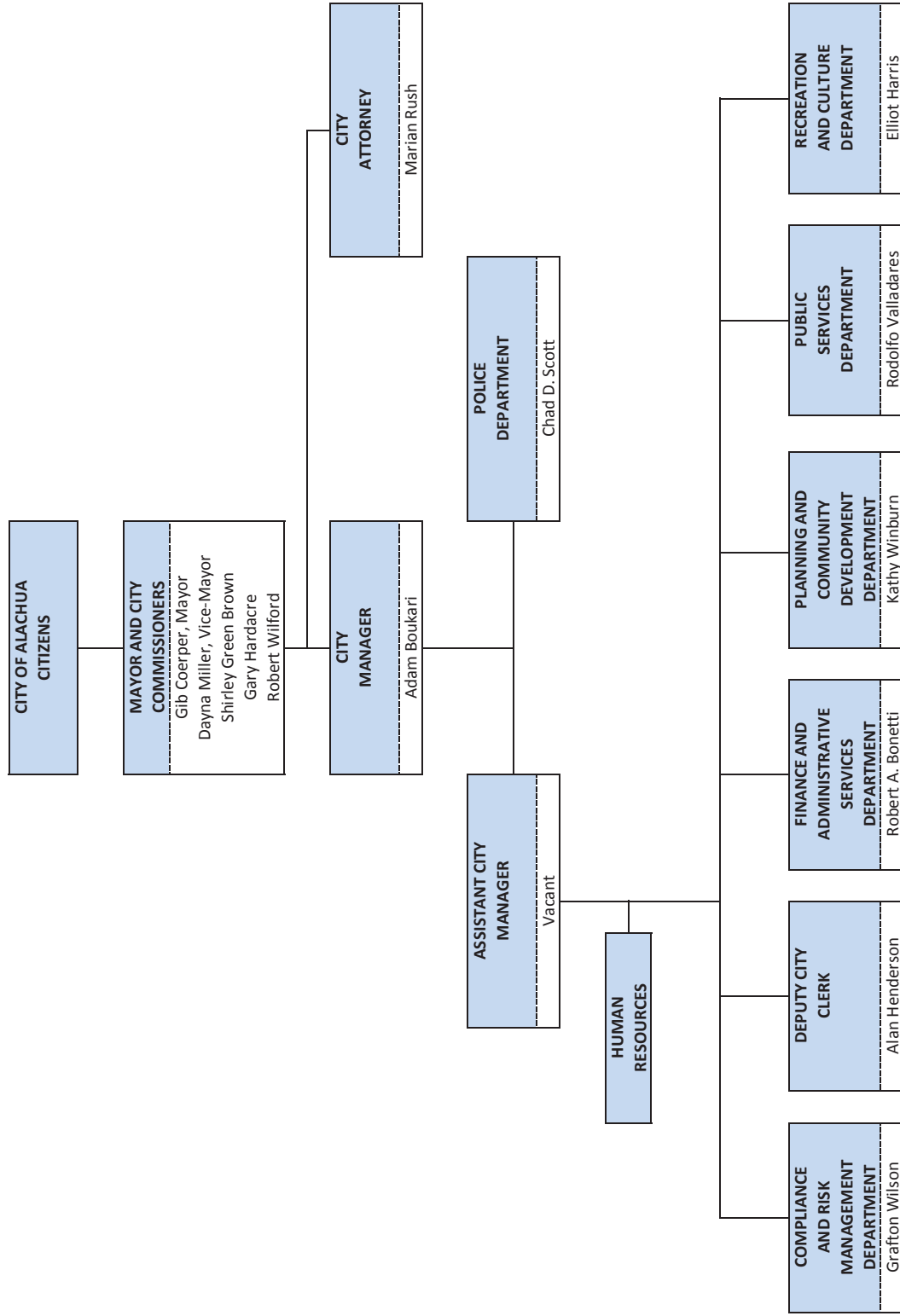


Adam Boukari
City Manager



Robert A. Bonetti
Finance & Administrative Services Director

CITY OF ALACHUA ORGANIZATIONAL CHART



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alachua, Florida (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City'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 City'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 City'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.

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*Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA.*

Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

INDEPENDENT AUDITOR'S REPORT

We believe 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of change in other postemployment benefit and related ratios, schedules of proportionate share of the net pension liability, and schedule of contributions on pages 4 through 15 and 60 through 66 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 City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, *Rules of the Auditor General*.

The combining and individual non-major fund financial statements, budgetary schedules, and the schedule of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 non-major fund financial statements, budgetary schedules, and the schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

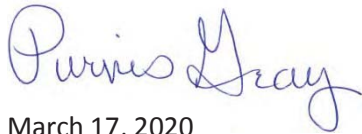
Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

INDEPENDENT AUDITOR'S REPORT

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 March 17, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

March 17, 2020
Gainesville, Florida

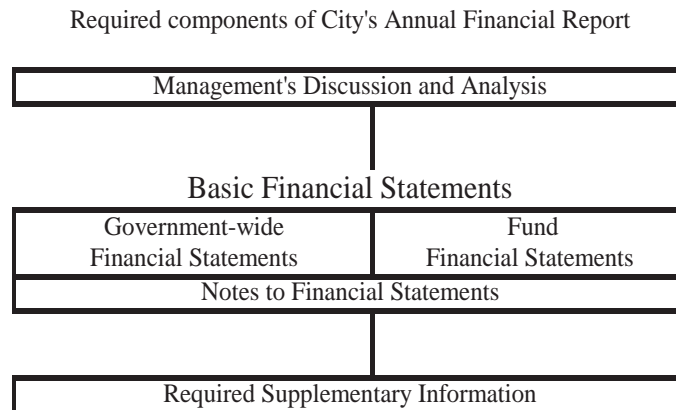
**CITY OF ALACHUA, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

The City of Alachua’s (the “City”) Management’s Discussion and Analysis (MD&A) is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City’s financial activity, (c) identify changes in the City’s financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the City’s financial statements (beginning on page 16). Please note the City provides prior year comparative financial information as required by Governmental Accounting Standards Board (GASB) Statement No. 34.

Financial Highlights

The following chart is provided to assist in understanding the component parts of the financial statements:



Government-wide Financial Statements

- The City of Alachua’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2019, by \$72.1 million, which is an 11.94% increase from the previous year. Unrestricted net position was at \$8.6 million, which is a 23.08% decrease from the previous year.
- The City’s total net position increased by \$7,687,004 over the prior reported period. Despite the property tax rate remaining at 5.3900 mills, an increased net position was achieved, primarily, through an increase in assets resulting from grant-funded infrastructure expansion and an increase in revenues.
- The City of Alachua’s total long-term debt (due in more than one year) increased by \$2,935,488 during the current fiscal year. This increase is due to the issuance of the Capital Improvement Note, Series 2019.
- Other Post-Employment Benefits (OPEB), Net Pension Liability, and Compensated Absences increased by \$1,192,459 due, primarily, to an increase in the Net Pension Liability.
- Total net position (\$72.1 million) is comprised of the following:
 1. The \$62.0 million net investment in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

2. \$1.5 million of net position is restricted by constraints imposed from outside of the City such as debt covenants, grantors, laws, or regulations, or by enabling legislation.
3. \$8.6 million of unrestricted net position.

Fund Financial Statements

- At September 30, 2019, the City's governmental funds reported combined ending fund balances of \$5.40 million, a decrease of \$1.95 million, in comparison with the prior fiscal year. This decrease is mostly the result of grant-related activities and resulting deferred revenues.
- Governmental fund revenues were \$12,876,968 or \$3.1 million more than the previous fiscal year. General Fund revenues increased by \$843 thousand, primarily, due to an increase of revenues resulting from increased taxes, charges for services and intergovernmental revenues.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City'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 City's finances, in a manner similar to a private sector business, and consist of the following two statements:

- The *statement of net position* presents information on all of the City's assets, liabilities, deferred outflows of resources, and deferred inflows of resources, with the difference between these elements 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 City is strengthening or weakening.
- The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, economic environment, and parks and recreation. The business-type activities of the City include physical environment (electric, water, wastewater, and mosquito control utilities).

The government-wide financial statements include not only the City itself (known as the primary government), but also several component units. The City of Alachua Public Finance Authority for Affordable Housing, a legally separate entity created by the City Commission, has had no financial transactions since its creation; therefore, no amounts related to its operations are reported in the accompanying financial statements. The Community Redevelopment Agency, a legally separate entity created by the City Commission has been reported in the basic financial statements as a major governmental fund (pages 18 and 20).

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

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The City does not report any fiduciary funds.

Fund Financial Statements

	Governmental Funds	Proprietary Funds
Scope	Includes the City's basic services such as police, cultural activities, traffic control, and parks.	Services provided by the City that are operated similar to private businesses and for which the City charges a fee.
Examples	Police, street maintenance, parks, recreational activities.	Electric, water, sewer, mosquito control.
Required financial statements	Balance sheet; Statement of revenues, expenditures, and changes in fund balances.	Statement of net position; Statement of revenues, expenses and changes in net position; Statement of cash flows.
Accounting basis and measurement focus	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included.	All assets and liabilities, both financial and capital, and short and long-term.
Type of inflow/ outflow information	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Because of the different measurement focus (current financial resources versus total economic resources), a reconciliation of the governmental fund Balance Sheet to the government-wide Statement of Net Position and a reconciliation of the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the government-wide Statement of Activities is provided (see pages 19 and 21) to facilitate the comparison between governmental funds and governmental activities. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-wide statements).

The City reports fifteen (15) 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 and Community Redevelopment Agency, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The City adopts an annual budget for its general, special revenue, debt service, and capital projects funds. Budgetary comparison schedules have been provided as required supplementary information for the General Fund and Community Redevelopment Fund to demonstrate budgetary compliance. Budgetary comparison schedules have been provided for all of the other governmental funds that have adopted budgets in the supplementary information section.

The basic governmental fund statements can be found on pages 18 and 20 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise Funds* are used to report business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Public Utilities System (Electric, Water, Wastewater, and Mosquito Control). *Internal Service Funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Utility Billing, Utility Administration, Utility Operations, Utility Safety Operations, Warehouse Operations, and Distribution and Collection Operations. These services have been included within the government-wide financial statements as business-type activities.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The Enterprise Fund financial statements provide separate information for the Public Utility System. The Internal Service Fund is also presented in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 22-27.

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 28 through 59 of this report.

Other Information

The combining statements referred to earlier, present a more detailed view of the non-major governmental funds. Also included are budgetary comparison schedules for the debt service, special revenue, and capital project funds. The combining statements and budgetary comparisons can be found on pages 67 through 83 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$72.1 million at the close of the fiscal year ended September 30, 2019.

A portion of the City's net position, \$1,487,591, represents resources that are subject to external restriction on how they may be used.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

The largest portion of the City's net position (\$61,950,320 or 86%) reflects its investment in capital assets (e.g., land, infrastructure, buildings and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Reported below is a condensed Statement of Net Position to demonstrate the changes from year to year. For more detailed information, see the Statement of Net Position on page 16.

City of Alachua
Statement of Net Position
As of September 30, 2019 and 2018

	Governmental Activities		Business-type Activities		Total		Total % Change 2018-2019
	2019	2018	2019	2018	2019	2018	
Current Assets & Other Assets	\$ 8,678,765	7,814,297	20,997,341	19,112,277	29,676,106	26,926,574	10.21%
Capital Assets	44,566,797	37,543,633	45,479,925	41,140,097	90,046,722	78,683,730	14.44%
Total Assets	\$ 53,245,562	45,357,930	66,477,266	60,252,374	119,722,828	105,610,304	13.36%
Deferred Outflows	\$ 2,370,150	2,656,492	816,927	866,094	3,187,077	3,522,586	-9.52%
Total Assets and Deferred Outflows	\$ 55,615,712	48,014,422	67,294,193	61,118,468	122,909,905	109,132,890	12.62%
Long-term liabilities outstanding	\$ 20,882,308	20,634,905	19,904,228	16,023,684	40,786,536	36,658,589	11.26%
Other liabilities	2,391,644	644,101	7,082,357	6,742,425	9,474,001	7,386,526	28.26%
Total Liabilities	\$ 23,273,952	21,279,006	26,986,585	22,766,109	50,260,537	44,045,115	14.11%
Deferred Inflows	\$ 444,896	553,091	144,182	161,399	589,078	714,490	-17.55%
Total Liabilities and Deferred Inflows	\$ 23,718,848	21,832,097	27,130,767	22,927,508	50,849,615	44,759,605	13.61%
Net Position							
Net Investment in Capital Assets	\$ 31,404,781	23,893,386	30,545,539	27,305,901	61,950,320	51,199,287	21.00%
Restricted	720,643	1,118,805	766,948	845,867	1,487,591	1,964,672	-24.28%
Unrestricted	(228,560)	1,170,134	8,850,939	10,039,192	8,622,379	11,209,326	-23.08%
Total Net Position	\$ 31,896,864	26,182,325	40,163,426	38,190,960	72,060,290	64,373,285	11.94%

Normal Impacts

There are six (6) basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

- Net Results of Activities: will impact (increase/decrease) current assets and liabilities, and unrestricted net position.
- Borrowing of Capital: will increase current assets and long-term debt.
- Spending Borrowed Proceeds on New Capital: will reduce current assets and increase capital assets with a secondary impact being that an increase in invested capital assets, and an increase in related net debt will not change the net investment in capital assets.
- Spending of Non-Borrowed Current Assets on New Capital: will reduce current assets, increase capital assets, reduce unrestricted net position, and increase net investment in capital assets.
- Principal Payment on Debt: will reduce current assets and reduce long-term debt, reduce unrestricted net position, and increase net investment in capital assets.
- Reduction of Capital Assets through Depreciation: will reduce net investment in capital assets.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

City of Alachua
Changes in Net Position
For the Years Ended September 30, 2019 and 2018

	Governmental Activities		Business-type Activities		Totals		Totals % change 2018-2019
	2019	2018	2019	2018	2019	2018	
Revenues:							
Program Revenues:							
Charges for Services	\$ 1,891,065	1,650,354	18,317,606	18,215,905	20,208,671	19,866,259	1.72%
Operating Grants and Contributions	399,811	243,010	75,407	-	475,218	243,010	95.55%
Capital Grants and Contributions	5,292,668	1,864,531	768,000	350,000	6,060,668	2,214,531	173.68%
General Revenues:							
Property Tax	4,280,381	4,090,645	-	-	4,280,381	4,090,645	4.64%
Utility Tax	1,506,043	1,450,979	-	-	1,506,043	1,450,979	3.79%
Other Tax	994,066	978,831	-	-	994,066	978,831	1.56%
Intergovernmental	853,502	823,041	-	-	853,502	823,041	3.70%
Other	255,339	155,580	311,439	157,873	566,778	313,453	80.82%
Total Revenues	\$ 15,472,875	11,256,971	19,472,452	18,723,778	34,945,327	29,980,749	16.56%
Expenses:							
General Government	\$ 3,929,844	3,599,652	-	-	3,929,844	3,599,652	9.17%
Public Safety	4,005,543	3,654,092	-	-	4,005,543	3,654,092	9.62%
Physical Environment	697,179	728,897	-	-	697,179	728,897	-4.35%
Transportation	1,146,987	1,009,907	-	-	1,146,987	1,009,907	13.57%
Economic Environment	361,475	347,468	-	-	361,475	347,468	4.03%
Parks and Recreation	1,240,993	1,113,466	-	-	1,240,993	1,113,466	11.45%
Electric	-	-	10,993,671	10,421,132	10,993,671	10,421,132	5.49%
Water and Sewer	-	-	4,376,020	3,861,470	4,376,020	3,861,470	13.33%
Mosquito Control	-	-	64,968	43,389	64,968	43,389	49.73%
Interest on long-term debt	441,643	458,943	-	-	441,643	458,943	-3.77%
Total Expenses	\$ 11,823,664	10,912,425	15,434,659	14,325,991	27,258,323	25,238,416	8.00%
Increase (decrease) in net position before transfers	\$ 3,649,211	344,546	4,037,793	4,397,787	7,687,004	4,742,333	62.09%
Transfers	\$ 2,065,328	2,362,597	(2,065,328)	(2,362,597)	-	-	0.00%
Increase (decrease) in net position	\$ 5,714,539	2,707,143	1,972,465	2,035,190	7,687,004	4,742,333	62.09%
Net position - beginning	26,182,325	23,464,142	38,190,961	36,148,612	64,373,286	59,612,754	7.99%
Adjustment to net position	-	11,040	-	7,159	-	18,199	100.00%
Net position - beginning, as restated	26,182,325	23,475,182	38,190,961	36,155,771	64,373,286	59,630,953	7.95%
Net position - ending	\$ 31,896,864	26,182,325	40,163,426	38,190,961	72,060,290	64,373,286	11.94%

Government-wide Net Position

The City's total net position at the end of fiscal year 2019 improved by \$7,687,005 resulting from an increase of \$5,714,539 in governmental activities and an increase of \$1,972,466 in business-type activities.

Governmental Activities

The City's net position within governmental activities was improved by \$5,714,539 during fiscal year 2019. This net position increase was, primarily, the result of an increase within governmental sources of funding.

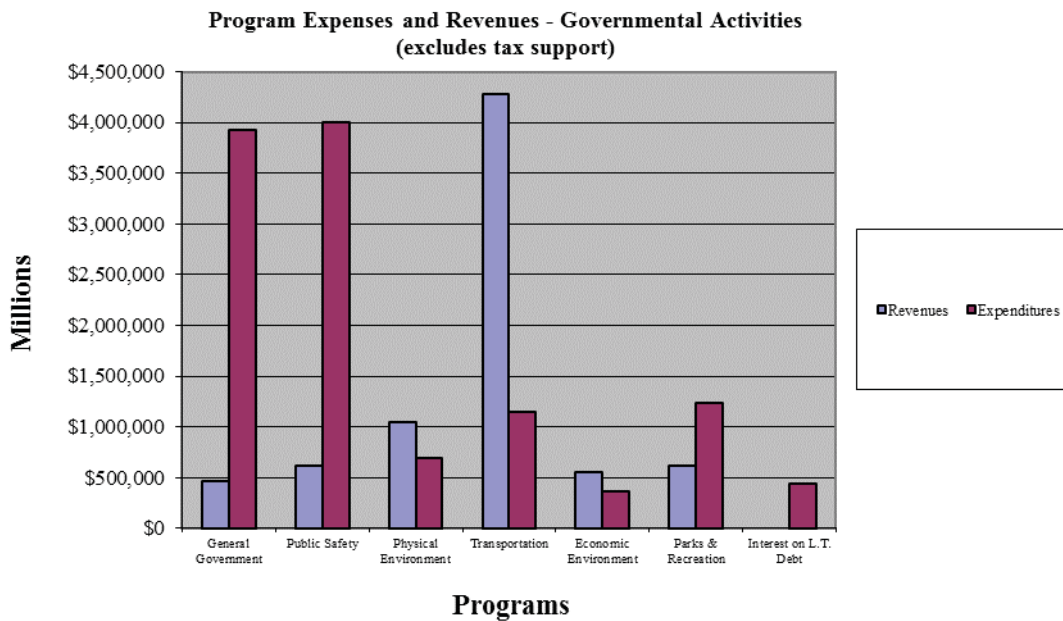
Major changes in revenues were caused by the following:

- For fiscal year ending September 30, 2019, property taxes increased by \$189,736, primarily, due to the increased property valuation. Other taxes increased by \$100,760 due to the economic and commercial growth that has occurred within the City.

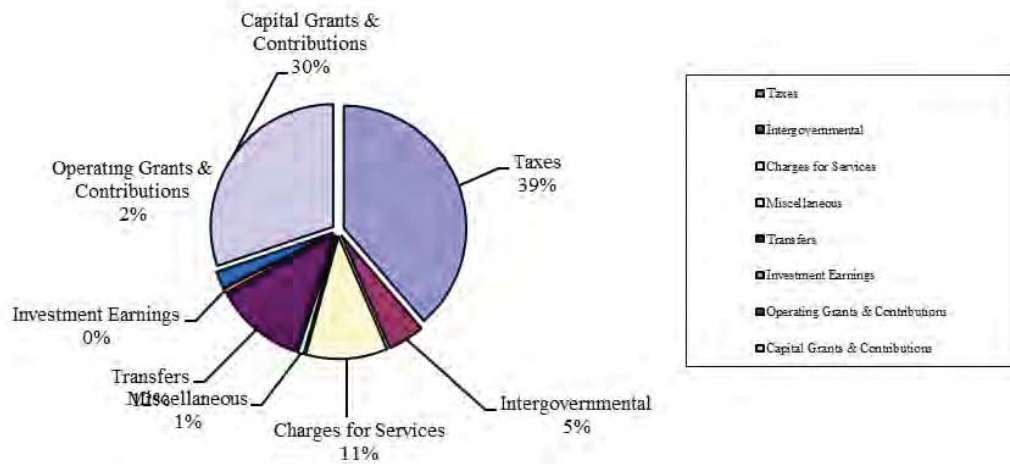
**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Major changes in expenses were caused by the following:

- Expenses for governmental activities experienced an increase of \$330,192. This increase was the result of across-the-board increases in staffing costs related to increased levels of service and benefit costs.



Revenue by Source - Governmental Activities



**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

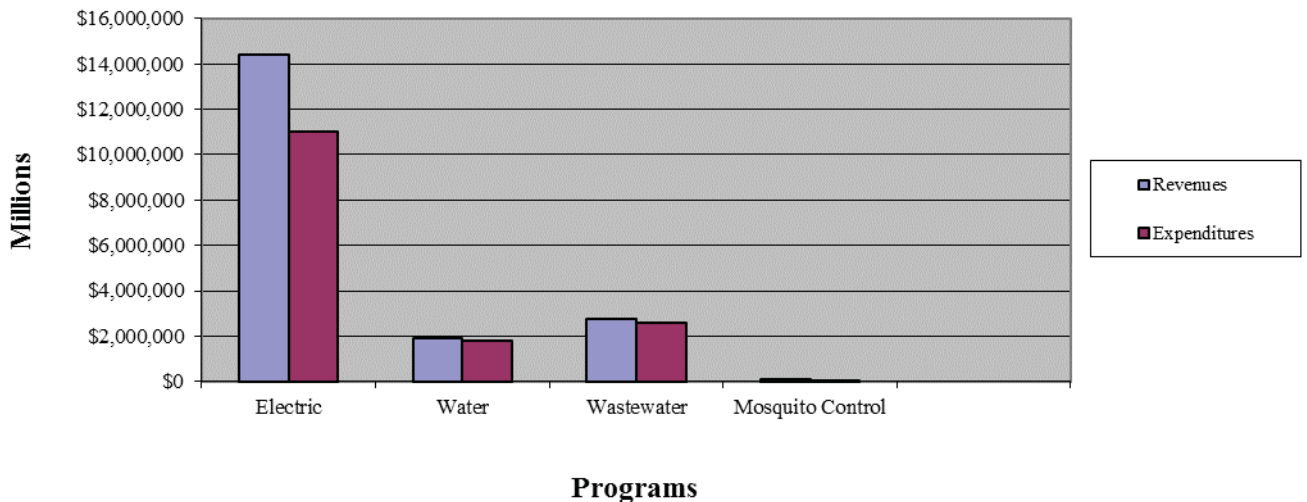
Business-type Activities

The City's net position within business-type activities was improved by \$1,972,466 during fiscal year 2019.

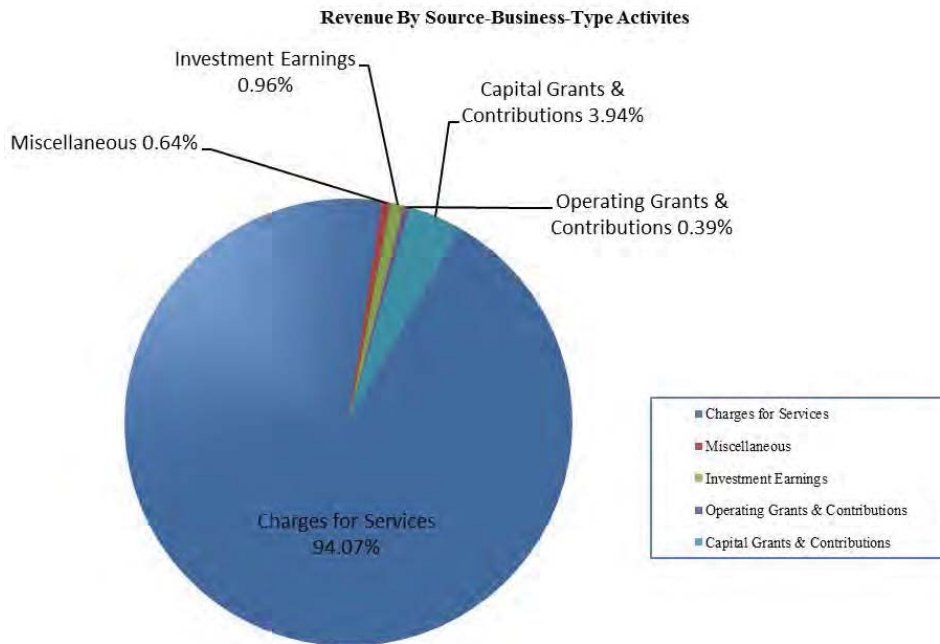
Net position increased in part due an increase of business-type charges for services of \$101,701. Other revenues also increased by \$646,973 due to capital contributions from accepted development infrastructure made to the City in 2019, grants and interest revenue. Business-type expenses increased by \$1,108,688 largely due to water and sewer capital project expenses during the fiscal year.

- The Electric Utility of the City operates at 7.2/12.47kV. The City purchases power from Gainesville Regional Utilities (GRU) at two different locations. The majority of the customers are supplied from the Alachua No. 1 Substation, which is connected to GRU's 138 kV transmission system. The second point of services, identified as Hague Point of Service, exists as a distribution source supplied by GRU.
- The Water Utility obtains its water supply from the upper portion of the Floridan Aquifer. Three wells with depths of approximately 365 feet withdraw water from the Ocala limestone and discharge it into the City's distribution system. The quality of the City's water supply is such that chlorination and fluoridation are the only treatments required prior to distribution. The system's wells range in age from 27 to 50 years old.
- Wastewater generated through the utility is collected through a gravity sewer system and pumped to the City's wastewater treatment plant. The collected wastewater is treated in an activated sludge treatment facility, which has a current capacity of 1,500,000 gallons per day. The effluent from the treatment facility is chlorinated and disposed of by spray irrigation, and is also resold as reclaimed water.

Expenses and Program Revenues - Business-Type Activities



**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**



Fund Financial Analysis

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The primary purpose of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *assigned and 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.

As of the end of fiscal year 2019, the City's governmental funds reported combined ending fund balances of \$5,448,552, a decrease of \$1,954,341 in comparison with the prior year.

Major Funds

The General Fund and the Community Redevelopment Agency Fund are major governmental funds.

The General Fund is the chief operating fund of the City. The General Fund had an increase in fund balance of \$1,167,830. This increase resulted from an overall increase in revenues coupled with a slight decrease in transfers as compared to fiscal year 2018. The total fund balance was \$7,051,389 of which \$2,705,928 was unassigned. The cash balance at the end of the year was \$4,280,645. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represents 28.1% of the total General Fund operating revenue, while total fund balance represents 73.6% of that same figure. The Government Finance Officers Association (GFOA), Best Practices guidelines calls for an unassigned fund balance level of two (2) months of operating revenues. Total fund balance includes committed, assigned, and unassigned fund balance.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

The Wild Spaces Public Places Fund is being reported as a major fund this year as a result of expenses related to construction of an amphitheater, multi-purpose fields, and a concession/restroom facility. The Wild Spaces Public Places Fund relies on revenues from a voted sales surtax. The facilities are being constructed with a General Fund loan in anticipation of future revenues, which accounts for the \$1.75 million deficit in fund balance.

Fund balance for the Community Redevelopment Agency (CRA) increased by \$78,250 from fiscal year 2018. The increase was due to a slight increase in revenues from property tax values combined with a decrease in expenditures in fiscal year 2019. Fund balance within the CRA is restricted for uses that relate to CRA purposes.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The Electric, Water and Wastewater Funds are reported as major funds.

The major utility system funds are used to account for the operations of the City's electric, water, and wastewater utilities. Each utility operates like a business, where the rates established by the City generally generate sufficient funds to pay the costs of current operations and provide for long-term asset acquisitions. Total assets and deferred outflows of resources as of September 30, 2019, were \$62.3 million, total liabilities and deferred inflows were \$23.8 million. Net position was \$38.5 million.

General Fund Budgetary Highlights with Variances

The General Fund Budget was \$9,134,530 at the beginning of fiscal year 2019. The final amended budget amount of \$9,174,715 was brought about by the following amendments:

- \$2,000: Increase to appropriate funds for the use of forfeiture funds by the Alachua Police Department.
- \$8,285: Increase to provide budget for expenses of the Alachua Police Department related to an Edward Byrne Memorial Justice Assistance Grant (JAG).
- \$29,900: Increase to appropriate unanticipated interest income to provide for extraordinary operating expenses related to elections, planning and recreational activities/programs.

General Fund Actual Results Highlights with Variances

At September 30, 2019, the City's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of \$522,415. This was mainly due to conservative budgetary projection pertaining to intergovernmental revenues. Also, the revenue received from charges for service and investment income exceeded the budgetary forecast. The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of \$1,768,596. This was primarily due to unspent operating and capital expense appropriations related to Police, Information Technology, Facilities Management and Public Works.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

Capital Asset and Debt Administration

The City's capital assets for its governmental and business-type activities as of September 30, 2019, totaled \$90.0 million (net of accumulated depreciation), and includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress.

City of Alachua
Capital Assets
(in thousands)

	Governmental		Business-type		Total		Total %
	Activities		Activities				Change
	2019	2018	2019	2018	2019	2018	2018-2019
Land	\$ 7,841	7,422	586	586	8,427	8,008	5.2%
Buildings	16,793	16,800	9,972	9,977	26,765	26,777	0.0%
Improvements other than buildings	7,591	7,070	7,013	5,930	14,604	13,000	12.3%
Infrastructure	14,845	13,318	43,124	41,221	57,969	54,539	6.3%
Furniture, fixtures, and equipment	4,397	3,976	3,094	2,970	7,491	6,946	7.8%
Construction in progress	6,791	1,390	4,442	1,659	11,233	3,049	268.4%
Less: accumulated depreciation	(13,692)	(12,432)	(22,751)	(21,203)	(36,443)	(33,635)	8.3%
Total Assets	<u>\$ 44,566</u>	<u>37,544</u>	<u>45,480</u>	<u>41,140</u>	<u>90,046</u>	<u>78,684</u>	14.4%

The City of Alachua continued to focus on expanding and maintaining its current infrastructure capabilities both in the governmental and business-type activities.

Major capital asset events during the current fiscal year for governmental activities included construction of Legacy Park Phase II and road/infrastructure projects, which were commenced utilizing CDBG Neighborhood Revitalization, CDBG Economic Development and Florida Job Growth grant funding. Three additional city roadways were resurfaced solely utilizing General Fund resources.

Major capital asset events for the business-type activities included the conversion/expansion of a major sewer lift station, the beginning of construction relative to the expansion of water and sewer lines along US Highway 441N, and the commencement of engineering/geotechnical work related to the building of a new electrical substation.

Additional information on the City's capital assets can be found in Note 6 starting on page 39 of this report.

Long-term Debt

At the end of fiscal year 2019, the City had total long-term debt outstanding of approximately \$30.5 million. The City's debt represents bonds, notes, and loans secured by specific revenue sources (i.e., revenue bonds/notes).

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

CITY OF ALACHUA
OUTSTANDING DEBT
GENERAL OBLIGATION, REVENUE BONDS/NOTES AND LOANS

	Governmental		Business-type		Total		Total %
	Activities		Activities				Change
	2019	2018	2019	2018	2019	2018	2018-2019
Revenue Bonds	\$ 12,399,021	12,622,858	5,131,383	6,010,471	17,530,404	18,633,329	-5.9%
Revenue Notes	377,995	467,389	4,500,000	-	4,877,995	467,389	943.7%
Loans	385,000	560,000	7,720,082	7,917,275	8,105,082	8,477,275	-4.4%
Total Assets	\$ 13,162,016	13,650,247	17,351,465	13,927,746	30,513,481	27,577,993	10.6%

The City's outstanding principal debt increased \$2,935,488 during fiscal year 2019. Debt activity included normal principal/interest payments and the issuance of Capital Improvement Note, Series 2019.

Additional information on the City's debt can be found in Note 7 starting on page 40 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Gainesville MSA at September 30, 2019, was 2.5%, which includes the City of Alachua. This is a 26.5% decrease from the previous fiscal year's rate of 3.4%.
- The final certified citywide taxable value of property increased to \$820 million, representing an increase of 4.8%.
- The population increased approximately 1.4% from the prior year to an estimate of 10,298 at September 30, 2019.
- During the current fiscal year, ad valorem taxes increased by \$189,736 to \$4,280,381 due to a millage rate decrease from the prior fiscal year. The ad valorem tax rate was 5.3900 mills.

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Finance and Administrative Department, P.O. Box 9, Alachua, Florida, 32616-0009. Additional information can be found on our website: www.cityofalachua.com.

BASIC FINANCIAL STATEMENTS

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and Cash Equivalents	\$ 4,578,642	\$ 13,059,126	\$ 17,637,768
Receivables, Net of Allowance	114,433	2,380,755	2,495,188
Due from Other Governments	2,278,434	-	2,278,434
Inventories	-	917,095	917,095
Prepaid and Other Assets	82,171	122,790	204,961
Restricted Assets:			
Cash and Cash Equivalents	1,177,548	4,965,112	6,142,660
Capital Assets Not Being Depreciated:			
Land	7,841,280	586,447	8,427,727
Construction in Progress	6,791,390	4,441,925	11,233,315
Depreciable Capital Assets, Net	29,934,127	40,451,553	70,385,680
Internal Balances	447,537	(447,537)	-
Total Assets	53,245,562	66,477,266	119,722,828
Deferred Outflows of Resources			
Unamortized Refunding Loss	-	56,130	56,130
OPEB Related	6,657	3,132	9,789
Pension Related	2,363,493	757,665	3,121,158
Total Deferred Outflows of Resources	2,370,150	816,927	3,187,077
Liabilities			
Accounts Payable	1,872,748	1,580,034	3,452,782
Accrued Expenses	241,567	60,998	302,565
Due to Other Governments	695	74,648	75,343
Accrued Interest Payable	3,138	-	3,138
Unearned Revenue	49,801	-	49,801
Rate Stabilization Credit	-	3,451,356	3,451,356
Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	223,695	175,153	398,848
Customer Deposit	-	1,740,168	1,740,168
Non-Current Liabilities:			
Due Within One Year	754,841	1,153,311	1,908,152
Due in More Than One Year	12,986,829	16,441,133	29,427,962
Net Pension Liability	7,002,596	2,244,823	9,247,419
Other Postemployment Benefits Liability	138,042	64,961	203,003
Total Liabilities	23,273,952	26,986,585	50,260,537
Deferred Inflows of Resources			
OPEB Related	10,419	4,902	15,321
Pension Related	434,477	139,280	573,757
Total Deferred Inflows of Resources	444,896	144,182	589,078
Net Position			
Net Investment in Capital Assets	31,404,781	30,545,539	61,950,320
Restricted for:			
Debt Service	32,227	516,948	549,175
Renewal and Replacement	-	250,000	250,000
Economic Environment	552,946	-	552,946
Physical Environment	95,764	-	95,764
Parks and Recreation	19,103	-	19,103
Law Enforcement	20,603	-	20,603
Unrestricted	(228,560)	8,850,939	8,622,379
Total Net Position	\$ 31,896,864	\$ 40,163,426	\$ 72,060,290

See accompanying notes.

**CITY OF ALACHUA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Function/Program	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 3,929,844	\$ 465,209	-	\$ -	\$ (3,464,635)	\$ -	\$ (3,464,635)
Public Safety	4,005,543	460,845	144,803	11,685	(3,388,210)	-	(3,388,210)
Physical Environment	697,179	811,177	-	231,230	345,228	-	345,228
Transportation	1,146,987	40,108	246,995	3,993,723	3,133,839	-	3,133,839
Economic Environment	361,475	-	-	556,030	194,555	-	194,555
Parks and Recreation	1,240,993	113,726	8,013	500,000	(619,254)	-	(619,254)
Interest on Long-Term Debt	441,643	-	-	-	(441,643)	-	(441,643)
Total Governmental Activities	11,823,664	1,891,065	399,811	5,292,668	(4,240,120)	-	(4,240,120)
Business-Type Activities							
Electric	10,993,671	14,098,831	15,849	283,000	-	3,404,009	3,404,009
Water	1,769,498	1,675,024	-	210,000	-	115,526	115,526
Wastewater	2,606,522	2,483,264	5,382	275,000	-	157,124	157,124
Mosquito Control	64,968	60,487	54,176	-	-	49,695	49,695
Total Business-Type Activities	15,434,659	18,317,606	75,407	768,000	-	3,726,354	3,726,354
Total Primary Government	27,258,323	20,208,671	475,218	6,060,668	(4,240,120)	3,726,354	(513,766)
General Revenues							
Ad Valorem					4,280,381	-	4,280,381
Utility Service Taxes					1,506,043	-	1,506,043
Discretionary Sales Surtax					609,820	-	609,820
Communication Service Taxes					332,749	-	332,749
Business License Taxes					51,497	-	51,497
Half-Cent Sales Tax					629,546	-	629,546
State Revenue Sharing					223,956	-	223,956
Investment Earnings					114,730	187,324	302,054
Miscellaneous					140,609	124,115	264,724
Transfers					2,065,328	(2,065,328)	-
Total General Revenues and Transfers					9,954,659	(1,753,889)	8,200,770
Change in Net Position					5,714,539	1,972,465	7,687,004
Net Position, Beginning of Year					26,182,325	38,190,961	64,373,286
Net Position, End of Year					\$ 31,896,864	\$ 40,163,426	\$ 72,060,290

See accompanying notes.

CITY OF ALACHUA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Wild Spaces Public Places</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
Assets					
Cash and Cash Equivalents	\$ 4,280,645	\$ 632,249	\$ -	\$ 843,296	\$ 5,756,190
Receivables:					
Accounts	48,171	-	-	106	48,277
Taxes	32,874	-	-	-	32,874
Franchise Fees	33,282	-	-	-	33,282
Due from Other Governments	100,998	-	544,632	1,632,804	2,278,434
Prepaid Items	68,028	597	-	-	68,625
Advances to Other Funds	3,036,075	-	-	-	3,036,075
Other Assets	6,072	7,474	-	-	13,546
Total Assets	<u>7,606,145</u>	<u>640,320</u>	<u>544,632</u>	<u>2,476,206</u>	<u>11,267,303</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	285,414	10,663	819,784	756,887	1,872,748
Accrued Liabilities	218,846	3,752	-	18,969	241,567
Due to Other Governments	695	-	-	-	695
Deferred Revenue	-	-	-	-	-
Unearned Revenue	49,801	-	-	-	49,801
Advances from Other Funds	-	72,362	1,470,497	1,045,679	2,588,538
Total Liabilities	<u>554,756</u>	<u>86,777</u>	<u>2,290,281</u>	<u>1,821,535</u>	<u>4,753,349</u>
Deferred Inflows of Resources					
Unavailable Revenues	-	-	-	1,065,402	1,065,402
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065,402</u>	<u>1,065,402</u>
Fund Balances					
Nonspendable:					
Prepays	68,028	597	-	-	68,625
Advances to Other Funds	3,036,075	-	-	-	3,036,075
Restricted for:					
Law Enforcement	12,824	-	-	7,779	20,603
Physical Environment	-	-	-	95,764	95,764
Economic Environment	-	552,946	-	-	552,946
Parks and Recreation	-	-	-	19,103	19,103
Debt Service	-	-	-	32,227	32,227
Assigned for:					
Subsequent Year Budget	1,228,534	-	-	-	1,228,534
Debt Service	-	-	-	491,462	491,462
Unassigned	2,705,928	-	(1,745,649)	(1,057,066)	(96,787)
Total Fund Balances	<u>7,051,389</u>	<u>553,543</u>	<u>(1,745,649)</u>	<u>(410,731)</u>	<u>5,448,552</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,606,145</u>	<u>\$ 640,320</u>	<u>\$ 544,632</u>	<u>\$ 2,476,206</u>	<u>\$ 11,267,303</u>

See accompanying notes.

CITY OF ALACHUA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Fund Balance - Total Governmental Funds \$ 5,448,552

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Cost of Assets	\$ 58,259,331	
(Accumulated Depreciation)	<u>(13,692,534)</u>	44,566,797

Certain receivables are not available for use in the current period and, therefore, are not recognized as revenues in governmental funds.		1,065,402
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Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

2015A Section 108 Loan	(385,000)	
2016 Capital Improvement and Refunding Bonds	(11,738,075)	
Bond Issuance Premium	(660,949)	
2013 Redevelopment Note	(377,994)	
Compensated Absences	<u>(579,652)</u>	(13,741,670)

Other postemployment benefits liability does not require the use of current financial resources and, therefore, is not reported as a liability in the governmental funds.		(138,042)
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The Net Pension Obligation is reported in the government-wide financial statements but not reported in the governmental fund financial statements.		(7,002,596)
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Deferred Outflows and Inflows of Resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred Outflows and Inflows of Resources at year-end consist of:

Deferred Outflows Related to Pensions	2,363,493	
Deferred Inflows Related to Pensions	(434,477)	
Deferred Outflows Related to OPEB	6,657	
Deferred Inflows Related to OPEB	<u>(10,419)</u>	1,925,254

Interest on long-term debt is accrued as a liability in the statement of net position, but is not recognized in the governmental funds until paid:

Accrued Interest Payable		<u>(226,833)</u>
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Net Position of Governmental Activities		<u><u>\$ 31,896,864</u></u>
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See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>General</u>	<u>Community Redevelopment Fund</u>	<u>Wild Spaces Public Places</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 6,429,524	\$ -	\$ 609,820	\$ -	\$ 7,039,344
Permits, Fees, and Special Assessments	554,231	-	-	10,629	564,860
Intergovernmental Revenues	1,235,005	278,224	500,000	1,710,221	3,723,450
Charges for Services	1,217,916	-	-	-	1,217,916
Fines and Forfeitures	39,576	-	-	39,234	78,810
Investment Income	104,008	5,342	3,698	1,682	114,730
Miscellaneous	116,870	12,975	-	8,013	137,858
Total Revenues	<u>9,697,130</u>	<u>296,541</u>	<u>1,113,518</u>	<u>1,769,779</u>	<u>12,876,968</u>
Expenditures					
Current:					
General Government	3,332,416	-	-	-	3,332,416
Public Safety	3,257,589	-	-	3,584	3,261,173
Physical Environment	690,705	-	-	6,420	697,125
Transportation	604,504	-	-	62,705	667,209
Economic Environment	-	300,062	-	-	300,062
Parks and Recreation	872,406	-	-	4,104	876,510
Debt Service:					
Principal	-	89,397	-	374,800	464,197
Interest and Fiscal Charges	-	9,883	-	461,999	471,882
Capital Outlay	821,204	-	3,362,758	2,642,101	6,826,063
(Total Expenditures)	<u>(9,578,824)</u>	<u>(399,342)</u>	<u>(3,362,758)</u>	<u>(3,555,713)</u>	<u>(16,896,637)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>118,306</u>	<u>(102,801)</u>	<u>(2,249,240)</u>	<u>(1,785,934)</u>	<u>(4,019,669)</u>
Other Financing Sources (Uses)					
Transfers in	2,000,000	181,051	-	834,754	3,015,805
Transfers (out)	(950,476)	-	-	-	(950,476)
Total Other Financing Sources (Uses)	<u>1,049,524</u>	<u>181,051</u>	<u>-</u>	<u>834,754</u>	<u>2,065,329</u>
Net Change in Fund Balance	1,167,830	78,250	(2,249,240)	(951,180)	(1,954,340)
Fund Balance, Beginning of Year	<u>5,883,559</u>	<u>475,293</u>	<u>503,591</u>	<u>540,449</u>	<u>7,402,892</u>
Fund Balance, End of Year	<u>\$ 7,051,389</u>	<u>\$ 553,543</u>	<u>\$ (1,745,649)</u>	<u>\$ (410,731)</u>	<u>\$ 5,448,552</u>

See accompanying notes.

**CITY OF ALACHUA, FLORIDA
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, 2019**

Net Change in Fund Balance - Total Governmental Funds		\$ (1,954,340)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense:		
Expenditures for Capital Assets	\$ 6,826,063	
Depreciation Expense	<u>(1,330,158)</u>	5,495,905
Donations of capital assets are not recorded in governmental funds.		
However, in the statement of activities, the fair values of those assets are recorded as revenue.		
		1,530,500
Certain revenues in the Statement of Activities are not considered available current financial resources and, therefore, are not reported as revenue in the governmental funds.		
		1,065,402
Governmental funds report proceeds from sales of capital assets as current financial resources. The gain or loss on disposal of capital assets is not reflected in the governmental funds:		
Loss on Disposal of Capital Assets		(987)
Repayment of long-term liabilities are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position.		
		464,197
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 governmental funds:		
Amortization of Premium	24,034	
Change in Accrued Interest Payable	6,206	
Change in Compensated Absences Liability	<u>(42,178)</u>	(11,938)
The net change in other postemployment benefit obligation liability and deferred inflows and outflows related to pensions is reported in the statement of activities, but not in the fund statements.		
		(11,340)
The net change in the net pension liability and deferred inflows and outflows related to pensions is reported in the statement of activities, but not in the fund statements.		
		<u>(862,860)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 5,714,539</u></u>

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type Activities
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 10,842,027	\$ 362,289	\$ 518,609	\$ 99,079	\$ 11,822,004	\$ 1,237,122
Receivables	1,951,022	176,605	248,507	2,640	2,378,774	1,981
Prepaid Items	6,870	6,825	18,814	148	32,657	18,661
Inventories	816,978	96,295	3,822	-	917,095	-
Restricted Assets:						
Cash and Cash Equivalents	236,466	53,436	245,986	-	535,888	78,106
Total Current Assets	<u>13,853,363</u>	<u>695,450</u>	<u>1,035,738</u>	<u>101,867</u>	<u>15,686,418</u>	<u>1,335,870</u>
Non-Current Assets:						
Restricted Assets:						
Cash and Cash Equivalents	1,349,218	1,607,549	1,394,351	-	4,351,118	-
Total Restricted Assets	<u>1,349,218</u>	<u>1,607,549</u>	<u>1,394,351</u>	<u>-</u>	<u>4,351,118</u>	<u>-</u>
Capital Assets:						
Land	92,630	-	163,310	-	255,940	330,507
Construction in Progress	1,156,161	2,169,361	1,111,863	-	4,437,385	4,540
Property, Plant and Equipment (Accumulated Depreciation)	15,698,532 (8,106,046)	7,025,145 (4,789,296)	34,641,654 (9,327,478)	115,475 (76,123)	57,480,806 (22,298,943)	5,721,646 (451,956)
Total Net Capital Assets	<u>8,841,277</u>	<u>4,405,210</u>	<u>26,589,349</u>	<u>39,352</u>	<u>39,875,188</u>	<u>5,604,737</u>
Other Assets:						
Advances to Other Funds	1,873,343	-	-	76,793	1,950,136	215,065
Unamortized Bond Insurance Cost	-	-	-	-	-	68,472
Other Assets	-	-	-	-	-	3,000
Total Other Assets	<u>1,873,343</u>	<u>-</u>	<u>-</u>	<u>76,793</u>	<u>1,950,136</u>	<u>286,537</u>
Total Non-Current Assets	<u>12,063,838</u>	<u>6,012,759</u>	<u>27,983,700</u>	<u>116,145</u>	<u>46,176,442</u>	<u>5,891,274</u>
Total Assets	<u>25,917,201</u>	<u>6,708,209</u>	<u>29,019,438</u>	<u>218,012</u>	<u>61,862,860</u>	<u>7,227,144</u>
Deferred Outflows of Resources						
Unamortized Refunding Loss	12,358	12,181	31,591	-	56,130	-
OPEB Related	783	196	293	-	1,272	1,860
Pension Related	218,525	44,480	93,100	1,624	357,729	399,936
Total Deferred Outflows of Resources	<u>231,666</u>	<u>56,857</u>	<u>124,984</u>	<u>1,624</u>	<u>415,131</u>	<u>401,796</u>
Total Assets and Deferred Outflows	<u>26,148,867</u>	<u>6,765,066</u>	<u>29,144,422</u>	<u>219,636</u>	<u>62,277,991</u>	<u>7,628,940</u>

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019
(Concluded)

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type Activities
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Liabilities						
Current Liabilities:						
Accounts Payable	\$ 891,300	\$ 494,845	\$ 176,091	\$ 1,231	\$ 1,563,467	\$ 16,567
Accrued Expenses	17,963	3,732	7,778	76	29,549	31,449
Due to Other Governments	74,648	-	-	-	74,648	-
Rate Stabilization Credit	3,451,356	-	-	-	3,451,356	-
Compensated Absences	41,827	6,571	24,869	-	73,267	64,733
Current Portion of Long-Term Debt	239,237	33,224	223,619	-	496,080	80,389
Payable from Restricted Assets:						
Accrued Interest Payable	3,884	11,260	81,903	-	97,047	78,106
Current Portion of Long-Term Debt	232,582	42,176	164,084	-	438,842	-
Total Current Liabilities	4,952,797	591,808	678,344	1,307	6,224,256	271,244
Non-Current Liabilities:						
Advances from Other Funds	-	997,749	1,614,989	-	2,612,738	-
Other Postemployment Benefits Liability	16,240	4,060	6,090	-	26,390	38,571
Compensated Absences	31,818	4,998	18,918	-	55,734	49,245
Net Pension Liability	647,449	131,787	275,838	4,811	1,059,885	1,184,938
Long-Term Debt	-	2,250,000	9,745,158	-	11,995,158	4,340,996
Payable from Restricted Assets:						
Customer Deposits	1,185,428	266,142	288,598	-	1,740,168	-
Total Non-Current Liabilities	1,880,935	3,654,736	11,949,591	4,811	17,490,073	5,613,750
Total Liabilities	6,833,732	4,246,544	12,627,935	6,118	23,714,329	5,884,994
Deferred Inflows of Resources						
OPEB Related	1,226	306	459	-	1,991	2,911
Pension Related	40,171	8,177	17,114	298	65,760	73,520
Total Deferred Inflows of Resources	41,397	8,483	17,573	298	67,751	76,431
Net Position						
Net Investment in Capital Assets	8,381,816	3,403,697	17,537,322	39,352	29,362,187	1,183,352
Restricted for:						
Renewal and Replacement Fund	163,790	29,701	56,509	-	250,000	-
Debt Service	232,582	42,176	164,084	-	438,842	78,106
Capital Improvements	-	-	-	-	-	-
Unrestricted	10,495,550	(965,535)	(1,259,001)	173,868	8,444,882	406,057
Total Net Position	19,273,738	2,510,039	16,498,914	213,220	38,495,911	1,667,515
Total Liabilities, Deferred Inflows, and Net Position	\$ 26,148,867	\$ 6,765,066	\$ 29,144,422	\$ 219,636	\$ 62,277,991	\$ 7,628,940
Net Position - Above					\$ 38,495,911	
Internal Service Fund Net Position in the Enterprise Funds					1,667,515	
Net Position of Business-Type Activities					\$ 40,163,426	

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities - Enterprise Funds					Business-Type Activities Internal Service Fund	
	Major Funds			Non-Major Fund	Total		
	Electric	Water	Wastewater	Mosquito	Enterprise		
				Control	Funds		
Operating Revenues							
Charges for Services	\$ 14,098,831	\$ 1,675,024	\$ 2,483,264	\$ 60,487	\$ 18,317,606	\$ -	
Inter-Fund Charges	-	-	-	-	-	2,474,472	
Total Operating Revenues	14,098,831	1,675,024	2,483,264	60,487	18,317,606	2,474,472	
Operating Expenses							
Electric Power Expenses:							
Purchased Power	8,124,374	-	-	-	8,124,374	-	
Personal Services	1,114,956	229,642	465,434	6,466	1,816,498	1,725,676	
Contractual Services	89,786	88,721	77,584	-	256,091	74,130	
Supplies	77,353	14,808	76,833	37,425	206,419	70,514	
Repairs and Maintenance	200,151	11,238	110,791	43	322,223	159,612	
Billing and Administrative	892,165	1,082,965	483,755	15,587	2,474,472	-	
Depreciation	411,797	152,813	871,581	4,161	1,440,352	163,813	
Other Expenses	51,111	130,078	266,182	1,073	448,444	162,177	
(Total Operating Expenses)	(10,961,693)	(1,710,265)	(2,352,160)	(64,755)	(15,088,873)	(2,355,922)	
Operating Income	3,137,138	(35,241)	131,104	(4,268)	3,228,733	118,550	
Nonoperating Revenues							
(Expenses)							
Investment Earnings	138,564	10,197	12,150	1,322	162,233	25,093	
Intergovernmental Revenue	14,575	-	4,949	49,821	69,345	6,061	
Interest and Fiscal Charges	(19,809)	(44,461)	(247,764)	-	(312,034)	(152,302)	
Gain (Loss) on Disposal of Capital Assets	(2,346)	(3,490)	-	-	(5,836)	-	
Miscellaneous	52,904	-	59,916	-	112,820	17,131	
Total Nonoperating Revenues							
(Expenses)	183,888	(37,754)	(170,749)	51,143	26,528	(104,017)	
Income Before Capital							
Contributions and Transfers	3,321,026	(72,995)	(39,645)	46,875	3,255,261	14,533	

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Concluded)

	<u>Business-Type Activities - Enterprise Funds</u>					<u>Business-Type Activities Internal Service Fund</u>	
	<u>Major Funds</u>			<u>Non-Major Fund</u>	<u>Total</u>		
	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Mosquito Control</u>	<u>Enterprise Funds</u>		
Contributions and Transfers							
Capital Contributions	\$ 283,000	\$ 210,000	\$ 275,000	\$ -	\$ 768,000	\$ -	
Transfers (out)	(2,000,000)	-	(65,329)	-	(2,065,329)	-	
Total Contributions and Transfers	<u>(1,717,000)</u>	<u>210,000</u>	<u>209,671</u>	<u>-</u>	<u>(1,297,329)</u>	<u>-</u>	
Change in Net Position	1,604,026	137,005	170,026	46,875	1,957,932	14,533	
Net Position, Beginning of Year	17,669,712	2,373,034	16,328,888	166,345	36,537,979	1,652,982	
Total Net Position, End of Year	<u>\$ 19,273,738</u>	<u>\$ 2,510,039</u>	<u>\$ 16,498,914</u>	<u>\$ 213,220</u>	<u>\$ 38,495,911</u>	<u>\$ 1,667,515</u>	
Change in Net Position - Above					\$ 1,957,932		
Internal Service Fund Activities in the Enterprise Funds					14,533		
Change in Net Position of Business-Type Activities					<u>\$ 1,972,465</u>		

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total Enterprise Funds	Business-Type Activities Internal Service Fund
	Electric	Water	Wastewater	Mosquito Control		
Cash Flows from Operating Activities						
Receipts from Customers	\$ 14,426,366	\$ 1,691,497	\$ 2,515,898	\$ 62,983	\$ 18,696,744	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	2,474,471
Cash from Other Sources	52,904	-	59,916	-	112,820	17,139
Payments to Suppliers for Goods and Services	(9,343,565)	231,299	(364,560)	(37,899)	(9,514,725)	(444,761)
Payments for Inter-Fund Services Used	(892,165)	(1,082,965)	(483,755)	(15,587)	(2,474,472)	-
Payments to Employees for Services	(945,687)	(202,115)	(416,725)	(6,241)	(1,570,768)	(1,519,742)
Net Cash Provided by (Used in) Operating Activities	3,297,853	637,716	1,310,774	3,256	5,249,599	527,107
Cash Flows from Noncapital Financing Activities						
Loans/Advances and Repayments from (to) Other Funds	91,000	(45,000)	(46,000)	-	-	-
Transfers in (out)	(2,000,000)	-	(65,329)	-	(2,065,329)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(1,909,000)	(45,000)	(111,329)	-	(2,065,329)	-
Cash Flows from Capital and Related Financing Activities						
Acquisition and Construction of Capital Assets	(815,166)	(2,378,529)	(2,714,170)	(32,214)	(5,940,079)	(7,403)
Capital Contributions	283,000	210,000	275,000	-	768,000	-
Grants and Donations-Federal	14,575	-	4,949	49,821	69,345	6,061
Debt Principal Payments	(455,336)	(82,570)	(459,286)	-	(997,192)	(79,089)
Debt Interest Payments and Other Charges	(15,372)	(26,474)	(222,910)	-	(264,756)	(149,077)
Proceeds from Capital Debt	-	2,250,000	2,250,000	-	4,500,000	-
Proceeds from the Disposition of Capital Assets	(2,346)	-	-	-	(2,346)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(990,645)	(27,573)	(866,417)	17,607	(1,867,028)	(229,508)
Cash Flows from Investing Activities						
Interest Received	138,564	10,197	12,150	1,322	162,233	25,093
Net Cash Provided by (Used in) Investing Activities	138,564	10,197	12,150	1,322	162,233	25,093
Net Increase (Decrease) in Cash and Cash Equivalents	536,772	575,340	345,178	22,185	1,479,475	322,692
Cash and Cash Equivalents, Beginning of Year	11,890,939	1,447,934	1,813,768	76,894	15,229,535	992,536
Cash and Cash Equivalents, End of Year	\$ 12,427,711	\$ 2,023,274	\$ 2,158,946	\$ 99,079	\$ 16,709,010	\$ 1,315,228

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Concluded)

	Business-Type Activities - Enterprise Funds					Business-Type Activities Internal Service Fund
	Major Funds			Non-Major Fund	Total	
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	
Reconciliation of Cash and Cash Equivalents to Statement of Net Position						
Current Assets:						
Cash and Cash Equivalents	\$ 10,842,027	\$ 362,289	\$ 518,609	\$ 99,079	\$ 11,822,004	\$ 1,237,122
Restricted Assets:						
Cash and Cash Equivalents	236,466	53,436	245,986	-	535,888	78,106
Non-Current Assets:						
Restricted Assets:						
Cash and Cash Equivalents	1,349,218	1,607,549	1,394,351	-	4,351,118	-
Total	\$ 12,427,711	\$ 2,023,274	\$ 2,158,946	\$ 99,079	\$ 16,709,010	\$ 1,315,228
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ 3,137,138	\$ (35,241)	\$ 131,104	\$ (4,268)	\$ 3,228,733	\$ 118,550
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation and Amortization	411,797	152,813	871,581	4,161	1,440,352	163,813
Miscellaneous Income (Expense)	52,904	-	59,916	-	112,820	17,131
(Increase) Decrease in:						
Accounts Receivable, Net	(1,862)	(1,281)	17,299	2,494	16,650	8
Prepaid Items	(168)	(495)	(1,371)	(15)	(2,049)	6,748
Inventory	(96,078)	(13,156)	-	-	(109,234)	-
Increase (Decrease) in:						
Accounts Payable	(708,886)	488,926	166,775	1,069	(52,116)	7,732
Accrued Expenses	4,342	868	1,736	(410)	6,536	7,193
Due to Other Governments	3,275	-	-	-	3,275	-
Rate Stabilization Credit	363,590	-	-	-	363,590	-
Compensated Absences	22,294	340	3,282	-	25,916	11,586
Customer Deposits	(37,466)	17,754	15,333	-	(4,379)	-
Net Pension Liability	143,104	27,026	44,463	225	214,818	189,154
OPEB Liability	3,869	162	656	-	4,687	5,192
Net Cash Provided by (Used in) Operating Activities	\$ 3,297,853	\$ 637,716	\$ 1,310,774	\$ 3,256	\$ 5,249,599	\$ 527,107
Non-Cash Investing, Capital and Financing Activities						
Amortization of Discount and Refunding Loss	\$ 8,239	\$ 8,121	\$ 21,061	\$ -	\$ 37,421	\$ 4,980

See accompanying notes.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of Alachua, Florida, (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below:

Reporting Entity

The City is a political subdivision of the State of Florida, established in 1905 under the legal authority of Chapter 165, Florida Statutes, and is located in Alachua County. The legislative branch of the City is composed of a five-member elected commission. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager, who is appointed by the Commission.

The City's major operations include various utility services, electric, water and wastewater, as well as police protection, road and street maintenance, parks, recreation, and other general government services. Fire services are provided by Alachua County by means of a property assessment. The City leases the fire station and equipment to Alachua County at no cost. Sanitation services are provided by a private company, but billed by the City to its customers. The City retains an administrative fee on sanitation services.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the accompanying financial statements include all funds for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. GASB has set forth criteria for consideration in determining financial accountability. These criteria include appointing a majority of an organization's governing body and: (1) the ability of the City to impose its will on that organization; or, (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City. Other considerations are whether the organization is legally separate, whether the City holds the corporate powers of the organization, and whether there is fiscal dependency by the organization on the City.

■ **Community Redevelopment Agency**

The Community Redevelopment Agency (the CRA) was created by the City Commission in 1982 pursuant to Ordinance 82-5 to carry out the community redevelopment purposes of Florida Statute, Chapter 163. Subsequent amendments were made to the CRA through Ordinances 98-14, 98-24, 99-03, and 13-07. The City Council serves as the CRA board and the City maintains operational responsibility for the CRA's activity. Although legally separate, the CRA is appropriately blended as a governmental fund type component unit into the primary government. Separate financial statements for the CRA are not presently developed.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 activities of the City. For the most part, the effect of the inter-fund 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 proprietary 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits, claims and judgments, and pension benefits are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, such as in grants and similar items, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility), and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measureable until actually received. Utility services, investment earnings, franchise fees, and utility taxes are recorded as earned, since they are measureable and available.

Property taxes are recognized as revenue at the time an enforceable legal claim is established. This is determined to occur November 1, of each year. The assessment roll is validated July 1, and the millage resolution is approved by September 30. The City's property tax becomes a lien on October 1, and the tax is levied by Alachua County each November 1, for real and personal property located in the City. Property taxes are due before April 1, with the maximum discount available, if payment is made on or before November 30. If payment remains delinquent, a tax certificate for the full amount of any unpaid taxes is sold no later than June 1. Under this arrangement, there are no property tax receivables at the end of the fiscal year on September 30.

The government reports the following major governmental funds:

■ **General Fund**

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

■ **Community Redevelopment Agency Fund (CRA)**

The CRA is a special revenue fund used to account for the expenditure of incremental tax funds contributed by Alachua County and the City for the CRA district.

■ **Wild Spaces Public Places Fund**

The Wild Spaces Public Places Fund is a special revenue fund used to account for the revenues and expenditures of the half-cent discretionary sales surtax for recreation activities.

The government reports the following major proprietary funds:

■ **Electric Fund**

The Electric Fund accounts for the revenues and expenses associated with the City's electric utility service.

■ **Water Fund**

The Water Fund accounts for the revenues and expenses associated with the City's water distribution system.

■ **Wastewater Fund**

The Wastewater Fund accounts for the revenues and expenses associated with the City's wastewater treatment plant, wastewater pumping stations, and collection system.

In addition, the government reports the following fund type:

■ **Internal Service Fund**

The Internal Service Fund accounts for goods or services provided by programs that provide support to the Electric, Water, Wastewater, and Mosquito Control Funds. These activities include Utility Administration, Utility Operations, Utility Billing, Warehouse Operations, Water Distribution and Collection, Safety and Compliance, Information Technology, and the Operations Center Capital Projects divisions.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

The effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's electric, water and wastewater function, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City's enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

■ **Deposits and Investments**

The City maintains a cash pool that is available for use by all funds. Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on average daily balances.

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid instruments with original maturities of three months or less from the date of acquisition.

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as qualified public depositories, a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions providing full insurance for public deposits. The City had deposits only with qualifying institutions as of September 30, 2019.

Investments of the City are held in the Florida PRIME portion of the State Investment Pool. These investments are classified as cash and cash equivalents and reported at amortized cost, which approximates fair value.

■ **Receivable and Payables**

Outstanding balances between funds are reported as "due to/from other funds" or "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Receivables are reported net of an allowance of uncollectibles. The City has recorded a \$36,098 allowance for uncollectibles in the Electric Fund and \$56,140 in the General Fund.

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

■ **Inventory**

Inventories are valued at cost, which approximates market value, using the first-in, first-out (FIFO) method. Generally, the costs of governmental fund type inventories are recorded as expenditures when consumed (consumption method) rather than when purchased.

■ **Prepays**

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. Prepaid items are accounted for by use of the consumption method.

■ **Restricted Assets**

Certain resources are set aside for debt reserves, customer deposits, unspent bond proceeds, and other purposes. These resources are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, ordinances, or regulations.

■ **Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value rather than fair value.

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 of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10-50 Years
Improvements	10-35 Years
Infrastructure	40-55 Years
Furniture, Fixtures, and Equipment	3-20 Years

■ **Compensated Absences**

Accumulated unpaid vacation time, compensatory time, and sick time amounts, including the related direct and incremental salary-related payments, accrues in the enterprise funds, and appear as increases in salary expenses in the proprietary financial statements. In the governmental funds, these costs are recognized when payments are made to employees or when the costs mature as a result of an employee resignation or retirement. All vacation, compensatory and sick pay accrues when incurred in the government-wide financial statements.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

■ **Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the bond premium or discount. Bond issuance costs are expensed when incurred, with the exception of bond insurance, which is amortized over the term of the related debt.

In the fund financial statements, governmental fund types record bond premiums and discounts, as well as bond issuance costs in the year incurred. The face amount of debt issued is 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, are reported as debt service expenditures.

■ **Deferred Inflows and Outflows of Resources**

Deferred outflows of resources represent the consumption of net position that is applicable to a future reporting period and will not be recognized as an outflow of resources until that future time. Deferred inflows of resources represent the acquisition of net position that is applicable to a future reporting period and will not be recognized as an inflow of resources until that future time. Deferred outflows have a positive effect on net position, similar to assets, while deferred inflows have a negative effect on net position, similar to liabilities. The City reports deferred outflows of resources related to unamortized refunding losses, as well as pension and OPEB related deferred inflows and outflows of resources.

- **Unamortized Refunding Loss**—Losses resulting from the refunding of debt are reported as a deferred outflow of resources and recognized as a component of interest expense over the remaining life of the refunded debt or the new debt, whichever is shorter.
- **Pension and OPEB Related**—The difference between expected and actual experience with regard to economic or demographic factors and changes to assumption in the measurement of total pension and OPEB liability, the differences between expected and actual earnings on pension plan and OPEB investments, and the change in the proportionate share of the net pension liability and OPEB liability resulting from a change in proportion are reported as deferred inflows or outflows of resources, to be recognized in expense. Contributions made subsequent to the measurement date, but prior to the reporting date, are reported as deferred outflows of resources.

■ **Fund Balance**

Fund balance classifications comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned, and unassigned:

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items and principal (corpus) of an endowment fund. On the governmental funds balance sheet, the prepaid balances reported is offset by a non-spendable fund balance classification which indicates it does not constitute “available spendable resources” even though it is a component of current assets.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (i.e., by ordinance) of the organization’s governing authority (the City Council). These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that the City intends to use for a specific purpose as determined by the City Council in accordance with the City’s fiscal policies. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund, as approved by the City Council through the budget process.
- **Unassigned**—This classification is used for: (a) deficit unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is generally the practice of the City to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the City’s practice to use committed resources first, then assigned, and then unassigned as needed.

■ **Net Position**

Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position invested in capital assets, net of related debt excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations. Net position not reported as net position invested in capital assets, net of related debt or restricted net position, are reported as unrestricted net position.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as needed.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Upcoming Governmental Accounting Standards Board (GASB) Pronouncements

GASB has recently issued two new accounting and financial reporting pronouncements which will become effective for the City's 2020 and 2021 fiscal year reporting periods:

- GASB Statement No. 84 – *Fiduciary Activities*, establishes criteria for identifying fiduciary activities by focusing on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This statement becomes effective for the fiscal 2020 reporting period.
- GASB Statement No. 87 – *Leases*, changes the accounting and financial reporting related to lease agreements for both lessees and lessors. Upon adoption, there will no longer be a distinction between the traditional capital and operating leases. The new guidance establishes that leases are a financing arrangement for the right to use an underlying asset. This statement becomes effective for the fiscal 2021 reporting period.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The City's procedures in preparing and adopting the annual budgets are as follows:

- The City Manager is responsible for preparing a proposed operating budget for the upcoming year prior to September 30 that includes estimated revenues, proposed expenditures, and other financing sources and uses.
- Two public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of a resolution.
- The City Manager is authorized to transfer budgeted amounts within any department, but may not revise total departmental expenditures without the approval of the City Commission.
- The budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level for the general fund and the fund level for all other governmental funds.
- Unused appropriations lapse at the end of the year.
- Budgets are adopted on a basis consistent with GAAP.

Budgeted amounts in the accompanying financial statements are as originally adopted, or as amended by the appropriate authority.

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed throughout the fiscal year as an operating tool for budgeted funds. Encumbrances outstanding at year-end are reported as assigned, committed, or restricted fund balance in the governmental funds.

Deficit Fund Equity

At September 30, 2019, the following funds had deficit fund balances:

<u>Fund</u>	<u>Type</u>	<u>Deficit</u>
Wild Spaces Public Places	Major Governmental	\$ (1,745,649)
CDBG Neighborhood Revitalization	Non-Major Governmental	(27,573)
Mill Creek Sink Fund	Non-Major Governmental	(13,756)
Florida Job Growth Grant	Non-Major Governmental	(991,738)
CDBG Economic Development	Non-Major Governmental	(23,998)

The City anticipates that the deficit in the Wild Spaces Public Places fund will be recovered with sales tax receipts. The deficits from the Non-Major Governmental funds will be recovered through the future grant reimbursements.

Note 3 - Cash, Cash Equivalents, and Investments

Deposits and investments as of September 30, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 17,637,768
Restricted:	
Cash and Cash Equivalents	<u>6,142,660</u>
Total Cash and Investments	<u><u>\$ 23,780,428</u></u>

Deposits and investments consist of the following:

Cash Deposits	\$ 22,724,548
Investments	<u>1,055,880</u>
Total Cash and Investments	<u><u>\$ 23,780,428</u></u>

Deposits

All of the City's cash deposits are held in banks that qualify as a public depository under the *Florida Security for Public Deposits Act* as required by Chapter 280, Florida Statutes. Under the *Act*, all qualified 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 pledged level. The pledging level may range from 25% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Investments

The City’s investment are summarized below, at September 30, 2019:

	<u>Fair Value</u>	<u>FMV Level</u>
Florida PRIME, at Amortized Costs	\$ 1,055,880	N/A

Fair Market Value Hierarchy

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value; Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Florida PRIME

The City’s investments in the Florida Prime Investment Pool (Florida PRIME) are similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 31, as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds’ executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

Credit Risk—The City’s policy limits investments of governmental and business-type funds to U.S. Treasury and agency obligations, federal instrumentalities, interest-bearing time deposit or saving accounts, repurchase agreements, money market funds, and intergovernmental investment pools. Investments in mutual funds must maintain a rating of AAm or AAm-G or better by Standard & Poor’s, or the equivalent by another rating agency. Florida PRIME is rated by Standards & Poor’s and has a rating at September 30, 2019, of AAAM.

Interest Rate Risk—The City’s investment policy permits the investment of current operating funds with maturities of no longer than two years. Investments of non-operating funds such as bond reserves shall have a term appropriate to the need for funds and in accordance with debt covenants, but not exceeding five years. Custodians are primarily bank trust departments, insurance companies, brokerage firms, the State of Florida, and SBA. The dollar weighted-average days to maturity (WAM) of the Florida PRIME at September 30, 2019, is 37 days.

Custodial Credit Risk—For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City generally utilizes third party custodians to help manage custodial credit risk.

Concentration of Credit Risk—The City’s investment policy requires diversification of investments in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. All of the City’s investments are in external investment pools.

**CITY OF ALACHUA, FLORIDA
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SEPTEMBER 30, 2019**

Note 4 - Restricted Assets

Restricted cash and investments at September 30, 2019, are as follows:

	Governmental Activities	Business-Type Activities
Cash and Cash Equivalents		
Debt Service Reserve and Sinking Funds	\$ 32,227	\$ 586,956
Cash with Fiscal Agent	425,802	27,039
Customer Deposit	-	1,740,168
Renewal and Replacement	-	250,000
Unspent Debt Proceeds	-	2,360,949
Economic Environment	632,249	-
Parks and Recreation	3,824	-
Public Safety	20,569	-
Physical Environment	22,864	-
Infrastructure	24,734	-
Other	15,279	-
Net Restricted Cash and Cash Equivalents	\$ 1,177,548	\$ 4,965,112

Note 5 - Inventory

Inventory at September 30, 2019, consists of the following:

Business-Type Activities	Balance
Electric Utility Supplies	\$ 490,284
Transformers	306,018
Meters	20,675
Water/Wastewater Supplies	100,118
Total	\$ 917,095

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 6 - Capital Assets

The following is a summary of changes in capital assets for the governmental activities for the year ended September 30, 2019:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 7,422,504	\$ 418,776	\$ -	\$ 7,841,280
Construction in Progress	1,389,730	5,680,926	(279,266)	6,791,390
Total Capital Assets Not Being Depreciated	<u>8,812,234</u>	<u>6,099,702</u>	<u>(279,266)</u>	<u>14,632,670</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	16,800,111	-	(6,854)	16,793,257
Improvements Other Than Building	7,069,671	533,077	(12,012)	7,590,736
Infrastructure	13,318,340	1,527,000	-	14,845,340
Furniture, Fixtures, and Equipment	3,975,704	479,151	(57,527)	4,397,328
Total Capital Assets Being Depreciated	<u>41,163,826</u>	<u>2,539,228</u>	<u>(76,393)</u>	<u>43,626,661</u>
Less Accumulated Depreciation:				
Building	(2,458,317)	(339,218)	-	(2,797,535)
Improvements Other Than Buildings	(1,588,605)	(315,233)	508	(1,903,330)
Infrastructure	(5,949,460)	(289,235)	-	(6,238,695)
Furniture, Fixtures, and Equipment	(2,436,045)	(386,472)	69,543	(2,752,974)
Total Accumulated Depreciation	<u>(12,432,427)</u>	<u>(1,330,158)</u>	<u>70,051</u>	<u>(13,692,534)</u>
Total Capital Assets Being Depreciated, Net	<u>28,731,399</u>	<u>1,209,070</u>	<u>(6,342)</u>	<u>29,934,127</u>
Governmental Activities Capital Depreciated, Net	<u>\$ 37,543,633</u>	<u>\$ 7,308,772</u>	<u>\$ (285,608)</u>	<u>\$ 44,566,797</u>

The following is a summary of changes in capital assets for the business-type activities for the year ended September 30, 2019:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 586,447	\$ -	\$ -	\$ 586,447
Construction in Progress	1,659,229	4,757,752	(1,975,056)	4,441,925
Total Capital Assets Not Being Depreciated	<u>2,245,676</u>	<u>4,757,752</u>	<u>(1,975,056)</u>	<u>5,028,372</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	9,977,316	-	(5,300)	9,972,016
Improvements Other Than Building	5,929,738	1,086,626	(3,069)	7,013,295
Infrastructure	41,220,912	1,902,642	-	43,123,554
Furniture, Fixtures, and Equipment	2,969,619	177,868	(53,900)	3,093,587
Total Capital Assets Being Depreciated	<u>60,097,585</u>	<u>3,167,136</u>	<u>(62,269)</u>	<u>63,202,452</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(4,127,281)	(108,786)	5,300	(4,230,767)
Improvements Other Than Building	(2,623,355)	(220,470)	719	(2,843,106)
Infrastructure	(12,431,066)	(992,841)	-	(13,423,907)
Furniture, Fixtures, and Equipment	(2,021,462)	(282,068)	50,411	(2,253,119)
Total Accumulated Depreciation	<u>(21,203,164)</u>	<u>(1,604,165)</u>	<u>56,430</u>	<u>(22,750,899)</u>
Total Capital Assets Being Depreciated, Net	<u>38,894,421</u>	<u>1,562,971</u>	<u>(5,839)</u>	<u>40,451,553</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 41,140,097</u>	<u>\$ 6,320,723</u>	<u>\$ (1,980,895)</u>	<u>\$ 45,479,925</u>

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Depreciation expense was charged to functions of the governmental activities as follows:

Governmental Activities	
General Government	\$ 272,040
Public Safety	234,913
Physical Environment	54
Transportation	448,955
Economic Environment	53,737
Parks and Recreation	<u>320,459</u>
Total	<u>\$ 1,330,158</u>

Depreciation expense was charged to functions of the Business-Type activities as follows:

Business-Type Activities	
Electric	\$ 411,797
Water	152,813
Wastewater	871,581
Mosquito	4,161
Internal Service	<u>163,813</u>
Total	<u>\$ 1,604,165</u>

Note 7 - Long-Term Liabilities

Governmental Activities

The following schedule summarizes the changes in the City's governmental long-term liabilities during the year ended September 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Section 108 Government Guaranteed Participation Certificates, Series HUD 2015A	\$ 560,000	\$ -	\$ (175,000)	\$ 385,000	\$ 185,000
Capital Improvement and Refunding Revenue Bonds, Series 2016 Plus Premium	11,937,875	-	(199,800)	11,738,075	203,500
2013 Redevelopment Note	684,983	-	(24,037)	660,946	24,034
Compensated Absences	467,389	-	(89,394)	377,995	91,392
	<u>540,073</u>	<u>396,533</u>	<u>(356,952)</u>	<u>579,654</u>	<u>250,915</u>
Total	<u>\$ 14,190,320</u>	<u>\$ 396,533</u>	<u>\$ (845,183)</u>	<u>\$ 13,741,670</u>	<u>\$ 754,841</u>

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

■ **Section 108 Government Guaranteed Participation Certificates, Series HUD 2015A – Direct Placement**

On August 2, 2001, the City executed a loan agreement with the U.S. Department of Housing and Urban Development (the Sponsor) to borrow \$2,250,000 from the Sponsor's \$313,756,000 Section 108 Government Guaranteed Participation Certificates, Series HUD 2001A. The Sponsor guarantees timely payment of the notes issued by local governmental agencies. The City used the proceeds of the note to repay the outstanding balances on its Taxable Sales Tax Revenue Note, Series 1999A, and Sales Tax Revenue Note, Series 1999B and finance other costs related to economic development. On May 28, 2015, the remaining principal balance was refinanced with Section 108 Government Guaranteed Participation Certificates, Series HUD 2015A. This refinancing was made at the request of the Sponsor and had no significant changes to annual debt service or economic gains to disclose.

The note is secured by the City's local government half-cent sales tax, utility franchise fees, and state revenue sharing. Principal is payable annually and interest semiannually for twenty years. Interest accrues at the certificates' rates which vary from 0.28% to 2.35% over the life of the note.

■ **Redevelopment Revenue Note, Series 2013 – Direct Placement**

On May 23, 2013, the City executed a loan agreement with BB&T Governmental Finance for the purposes of funding or financing redevelopment activities within the Redevelopment District. The City is required to expend the funds, together with the investment earnings thereon, within three years of the date of issue to pay the costs of the redevelopment project according to the City's Redevelopment Plan.

The note is secured by a lien upon the tax increment revenues of the Redevelopment District. Interest is payable semiannually for ten years on June 1 and December 1 at a fixed interest rate of 2.22%. Principal payments are also due semiannually on June 1 and December 1.

■ **Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 – Direct Placement**

On April 11, 2016, the City issued bonds in the amount of \$16,545,000 to pay the cost of: (1) the construction of the new recreation facility at Legacy Park, including the acquisition and installation of furniture, fixtures, and equipment; (2) the construction of the City's new operations center, including acquisition and installation of furniture, fixtures, and equipment; (3) the refunding of the City's outstanding Capital Improvement and Refunding Revenue Bonds, Series 2006; and (4) to pay certain costs of issuance incurred with respect to the issue.

The bonds are secured by a covenant to budget and pledge of the legally available non-ad valorem revenues of the City. Interest is payable semiannually on April 1 and October 1, each year at interest rates ranging from 3.00% to 5.00%. Principal payments are due annually on October 1 with a maturity date of October 1, 2046.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

■ **Compensated Absences**

Compensated absences reported as governmental activities in the statement of net position are liquidated by the fund which pays the employee's payroll expenses.

The following schedule summarizes the retirement of the governmental long-term debt by fiscal year (excluding compensated absences):

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 503,926	\$ 455,024	\$ 958,950
2021	539,469	439,423	978,892
2022	348,953	421,352	770,305
2023	521,285	403,495	924,780
2024	442,134	381,424	823,558
2025-2029	2,536,272	1,567,718	4,103,990
2030-2034	3,091,272	1,035,436	4,126,708
2035-2039	2,299,472	597,987	2,897,459
2040-2044	1,744,472	327,954	2,072,426
2045-2049	1,134,761	57,255	1,192,016
Total	<u>\$ 13,162,016</u>	<u>\$ 5,687,068</u>	<u>\$ 18,849,084</u>

Business-Type Activities

The following schedule summarizes the changes in the City's business-type long-term liabilities during the year ended September 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Utility Acquisition Bonds, Series 1993	\$ 105,000	\$ -	\$ (105,000)	\$ -	\$ -
2009 State Revolving Fund Loan – Florida Department of Environmental Protection	7,917,275	-	(197,193)	7,720,082	224,922
Utility Refunding Bonds, 2013	1,405,000	-	(695,000)	710,000	710,000
2016 Capital Improvement and Refunding Revenue Bonds, Series 2016 Plus Premium	4,247,126	-	(70,200)	4,176,926	71,500
	253,346	-	(8,889)	244,457	8,889
Capital Improvement Revenue Note, Series 2019	-	4,500,000	-	4,500,000	-
Compensated Absences	205,478	214,509	(177,008)	242,979	138,000
Total	<u>\$ 14,133,225</u>	<u>\$ 4,714,509</u>	<u>\$ (1,253,290)</u>	<u>\$17,594,444</u>	<u>\$ 1,153,311</u>

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

■ **Utility Acquisition Bonds, Series 1993 – Direct Placement**

On October 18, 1993, the City adopted Resolution R-93-24 authorizing the issuance of \$1,300,000 Utility Acquisition Bonds, Series 1993 to provide the necessary funds for the acquisition of the private water and wastewater systems in the Turkey Creek recreational residential community in the City. The bonds are secured by the net utility revenues of the combined electric, water, and wastewater utility systems of the City, but are subordinate to the secured interests of the bondholders in the other outstanding revenue bonds of the City. The bonds were issued without premium or discount and are payable at 7% interest. Interest is payable semiannually on October 1 and April 1, and principal is payable annually on October 1. The bonds matured October 1, 2018.

■ **2009 State Revolving Fund Loan – Florida Department of Environmental Protection – Direct Borrowing**

In June 2009, the City authorized a loan agreement to finance construction costs related to the wastewater control facility in the amount of \$10,000,000 with additional increases in 2010 and 2011 of \$10,000,000 and \$550,074, respectively. The total loan was \$20,550,074, of which \$11,841,733 was forgiven pursuant to the loan agreement. Principal and interest are payable semiannually on November 15 and May 15 of each year until all amounts due under the agreement have been fully paid. Interest is payable at rates ranging from 2.24% to 2.67%.

Net utility revenues of the system and excise taxes are pledged as collateral for the loan. These pledged revenues are subordinate to the Utility Acquisition Bonds, Series 1993 and the Utility Systems Utility Revenue Bonds, Series 2013.

■ **Utility Systems Utility Revenue Bonds, Series 2013 – Direct Placement**

On January 30, 2013, the City adopted Resolution R-13-07, authorizing the issuance of the Utility Systems Utility Revenue Bonds, Series 2013. The bonds were issued at a par amount of \$4,800,000 to provide the funds required to refund the City's outstanding Utilities Revenue Bond of 1979 and Utility Refunding Revenue Bonds, Series 2003 and to pay certain expenses related to the issuance of the Series 2013 bonds. The bonds bear interest from 1.67% and mature annually on April 1 until final maturity April 1, 2020. Interest is payable semiannually on April 1 and October 1 of each year.

Net utility revenues of the system and excise taxes are pledged as collateral for the revenue bonds. The Series 2013 Bonds are superior to the City's outstanding Utility Acquisition Bonds, Series 1993 and 2009 State Revolving Fund Loan as to lien upon and pledge of the pledged funds.

■ **Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 – Direct Placement**

On April 11, 2016, the City issued bonds in the amount of \$16,545,000 to pay the cost of: (1) the construction of the new recreation facility at Legacy Park, including the acquisition and installation of furniture, fixtures, and equipment; (2) the construction of the City's new operations center, including acquisition and installation of furniture, fixtures, and equipment; (3) the refunding of the City's outstanding Capital Improvement and Refunding Revenue Bonds, Series 2006; and (4) to pay certain costs of issuance incurred with respect to the issue.

The bonds are secured by a covenant to budget and pledge of the legally available non-ad valorem revenues of the City. Interest is payable semiannually on April 1 and October 1, each year at interest rates ranging from 3.00% to 5.00%. Principal payments are due annually on October 1 with a maturity date of October 1, 2046.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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■ **Capital Improvement Revenue Note, Series 2019 – Direct Placement**

On January 14, 2019, the City adopted Resolution R-19-03, authorizing the issuance of the Capital Improvement Revenue Note, Series 2019. The note was issued at a par amount of \$4,500,000 to finance the cost of certain capital improvements related to the City’s water and wastewater capital improvement projects. Revenues pledged to cover the debt service related to the note include all Non-Ad Valorem Revenues of the City. The note carries a fixed interest rate of 3.29% payable semiannually on April 1 and October 1 of each year with a maturity date of October 1, 2035.

The following schedule summarizes the principal retirement for bonds and notes for business-type debt by fiscal year (excluding compensated absences liability):

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,015,311	\$ 435,849	\$ 1,451,160
2021	754,617	412,061	1,166,678
2022	778,968	386,866	1,165,834
2023	650,681	365,710	1,016,391
2024	674,262	342,563	1,016,825
2025-2029	3,728,146	1,672,608	5,400,754
2030-2034	4,308,051	1,064,208	5,372,259
2035-2039	3,486,078	477,025	3,963,103
2040-2044	1,502,802	142,258	1,645,060
2045-2049	452,549	20,117	472,666
Total	<u>\$ 17,351,465</u>	<u>\$ 5,319,265</u>	<u>\$ 22,670,730</u>

Interest

During the year, the City incurred \$926,334 of interest costs.

Debt Covenants

The City has covenanted to establish and collect fees from users of the Utility System (gross revenues of the System, as defined in the bond ordinance) sufficient to pay the costs of operation and maintenance of the System (as defined in the bond ordinance) plus 100% of the bond service requirements for that year. In addition, the rate covenants require the City to establish and collect fees from users of the System and excise taxes sufficient to pay the costs of operation and maintenance of the System plus 120% of the bond service requirements.

The debt purchase agreement rate covenant requires that the City establish and collect fees from users of the System sufficient to provide supplemental pledged revenues (as defined in the debt purchase agreement) equal to or exceeding 115% of the State Revolving Fund (SRF) loan debt service requirements.

The City has also covenanted to establish a special fund called the “Bond and Interest Sinking Fund,” to be used exclusively for debt service payments on certain bonds.

As of September 30, 2019, the City has met its debt covenants.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 8 - Pledged Revenues

The City has pledged certain revenues to repay bonds and notes outstanding as of September 30, 2019. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2019:

<u>Pledged Revenue</u>	<u>Description of Bonds</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Estimated Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
Half-cent Sales Tax		\$ 629,546				
Utility Franchise Fees		369,123				
State Revenue Sharing		<u>311,526</u>				
	Section 108, HUD 2015A Series	<u>\$ 1,310,195</u>	<u>\$ 186,653</u>	14%	<u>\$ 398,063</u>	2021
Non-Ad Valorem	Capital Improvement and Refunding Revenue Bonds, Series 2016	<u>\$ 6,437,605</u>	<u>\$ 877,562</u>	14%	<u>\$ 24,257,959</u>	2047
Non-Ad Valorem	Capital Improvement Revenue Note Series, 2019	<u>\$ 6,437,605</u>	-	0%	<u>\$ 4,500,000</u>	2035
Incremental Tax Revenue	2013 Redevelopment Note	<u>\$ 459,275</u>	<u>\$ 99,279</u>	22%	<u>\$ 397,118</u>	2023
Net Utility Revenues		\$ 4,860,137				
Excise Taxes		<u>1,839,813</u>				
	Utility Bonds - Series 1993 and 2013	<u>\$ 6,699,950</u>	<u>\$ 842,139</u>	13%	<u>\$ 721,857</u>	2020
Net Utility Revenues	State Revolving Fund Loan - 2009	<u>\$ 4,860,137</u>	<u>\$ 387,438</u>	8%	<u>\$ 10,014,466</u>	2041

Non-ad valorem revenues consist of local government half-cent sales tax, franchise fees, solid waste disposal fees, occupational license taxes, local communication services tax, guaranteed entitlement funds, utility tax, mobile home license fees, alcoholic beverages license fees, fines and forfeitures, licenses and permits, certain fees and charges, and surplus utility revenues.

Note 9 - Inter-Fund Receivables, Payables, and Transfers

The following is a summary of inter-fund receivables and payables at September 30, 2019:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 1,045,678
General Fund	Water Utility	235,663
General Fund	Wild Spaces Public Places	1,470,497
General Fund	Wastewater Utility	211,874
General Fund	Community Redevelopment Agency	72,363
Electric Utility	Water Utility	470,228
Electric Utility	Wastewater Utility	1,403,115
Non-Major Enterprise Fund	Water Utility	76,793
Internal Service Fund	Water Utility	<u>215,065</u>
Total		<u>\$ 5,201,276</u>

CITY OF ALACHUA, FLORIDA
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SEPTEMBER 30, 2019

The outstanding balances between funds result from the time lag between the dates that: (1) inter-fund goods and services are provided, or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made. Additionally, certain inter-fund loans were made to fund deficit unrestricted equity in pooled cash. All outstanding inter-fund balances are reported as long-term advances as of September 30, 2019.

Inter-Fund Transfers:

<u>Transfers (Out)</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Community Redevelopment Agency</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ -	\$ 181,051	\$ 769,425	\$ 950,476
Electric Utility	2,000,000	-	-	2,000,000
Wastewater Utility	-	-	65,329	65,329
Total	<u>\$ 2,000,000</u>	<u>\$ 181,051</u>	<u>\$ 834,754</u>	<u>\$ 3,015,805</u>

Transfers are normally recurring and are approved by the City commission during the budget process. A transfer in the amount of \$2,000,000 from the Electric Fund to the General Fund is in support of general government operations to the extent moneys are available after paying operating expenses and debt service on outstanding bonds. A transfer in the amount of \$769,425 from the General Fund to the Non-Major Governmental Funds is for debt service. A transfer in the amount of \$181,051 from the General Fund to the Community Redevelopment Agency is the City's required portion of tax incremental funding and additional funding for construction projects being completed by the Community Redevelopment Agency. A transfer in the amount of \$65,329 from the Wastewater Utility Fund to the Non-Major Governmental Fund is for debt service.

Note 10 - Contingent Liabilities

Amounts received or receivable for grants are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures or expenses that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

Note 11 - Restricted Net Position

Net position is restricted within governmental activities and business-type activities as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Debt Service	\$ 32,227	\$ 516,948
Renewal and Replacement	-	250,000
Economic Environment	552,946	-
Law Enforcement	20,603	-
Physical Environment	95,764	-
Parks and Recreation	19,103	-
Total	<u>\$ 720,643</u>	<u>\$ 766,948</u>

**CITY OF ALACHUA, FLORIDA
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SEPTEMBER 30, 2019**

The City's restricted net position includes \$552,946 restricted by enabling legislation.

Note 12 - Power Purchase Agreements

City of Gainesville

The City entered into a wholesale electric service contract with the City of Gainesville, Florida, on January 21, 1987, for the purchase of the majority of the City's electric power requirements beginning January 6, 1988. The City constructed a 138 x 69 - 12.47Y/7.2kV substation to receive the power, which was placed into operation on that date. The substation is located in such a manner that the City has reasonable access to the transmission lines of both the City of Gainesville and Florida Power Corporation. A portion of the substation is owned by the City of Gainesville. The initial term of the contract was five years, with options for additional annual extensions. The contract was renegotiated on October 2, 1992, and extended for an additional fifteen years, beginning on December 31, 1992, with automatic extensions for succeeding periods of one year each. This contract was amended again on November 22, 2010, extending the contract for an initial ten-year term, with automatic extensions for up to three succeeding periods of one year each. Effective April 1, 2016, the City renewed its wholesale electric contract with the City of Gainesville. Provisions of the new agreement changed the pricing structure to a flat fifty-eight dollars per megawatt/hour. Total payments to the City of Gainesville for 2019 were \$7,862,136.

St. Lucie No. 2 Power Purchase Agreement

The City has negotiated a long-term agreement with Florida Power and Light Corporation through FMPA to purchase 0.3044 megawatts of generating capacity and a corresponding amount of energy monthly from the St. Lucie No. 2 nuclear generating plant. The plant became operational in 1984. Total payments for 2019 were \$260,001.

Florida Municipal Power Agency (FMPA) Solar Power Project

Effective May 16, 2018, the City entered into a solar project power sales contact with FMPA. As a participant in the project, the City is entitled to receive nine megawatts of electric power generated by the project. The project is currently under construction and is expected to become commercially operational June 30, 2020. Also effective May 16, 2018, the City entered into an agreement with FMPA for the repurchase of the City's solar project entitlement until March 31, 2022, at which time the City of Gainesville purchase power agreement ends.

Note 13 - Defined Benefit Pension Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

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Essentially all regular employees of the City are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

The City's pension expense totaled \$2,046,494 for the fiscal year ended September 30, 2019. This included \$1,860,921 of expenses related to the FRS Pension Plan and \$185,573 related to the Health Insurance Subsidy Plan (HIS).

FRS Pension Plan

Plan Description. The FRS Pension Plan (the Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership applicable to the City are as follows:

- *Regular Class*—Members of the FRS who do not qualify for membership in the other classes.
- *Elected Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)*—Members in senior management level positions.
- *Special Risk Class*—Members who are employed in special risk careers, such as law enforcement or fire rescue, and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the 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 class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for FRS during the City’s 2018-19 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2019</u> <u>Percent of Gross Salary</u>		<u>Year Ended June 30, 2020</u> <u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer⁽¹⁾</u>	<u>Employee</u>	<u>Employer⁽¹⁾</u>
Regular	3.00	6.54	3.00	6.75
Elected Officers	3.00	46.98	3.00	47.10
Senior Management				
Service	3.00	22.34	3.00	23.69
Special Risk Regular	3.00	22.78	3.00	23.76
DROP	N/A	12.37	N/A	12.94

⁽¹⁾ These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for the Retiree Health Insurance Subsidiary of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The City’s contributions, to the Plan totaled \$1,860,921 for the fiscal year ended September 30, 2019. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2019, the City reported a liability of \$7,159,220 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City’s proportionate share of the net pension liability was based on the City’s contributions during the Plan’s fiscal year relative to the contributions of all participating members in the same fiscal year. At June 30, 2019, the City’s proportionate share increased .00014705342% from its proportion measured as of June 30, 2018.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>(Deferred</u> <u>Inflows of</u> <u>Resources)</u>
Employer Contributions after Measurement Date	\$ 194,917	\$ -
Difference Between Expected and Actual		
Experience	424,634	4,443
Changes of Assumptions	1,838,796	-
Changes in Proportion and Difference Between City’s		
Contributions and Proportionate Share of Contributions	-	396,085
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	246,338	-
Total	<u>\$ 2,704,685</u>	<u>\$ 400,528</u>

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The deferred outflows of resources related to pensions, totaling \$194,917, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2020	\$ 756,239
2021	267,565
2022	547,492
2023	404,921
2024	107,352
2025	25,669
Total	\$ 2,109,238

Actuarial Assumptions. The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.90%
Investment Rate of Return	7.20%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of the 2019 Experience Study.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Annual Target Allocation ⁽¹⁾	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1%	3.3%	3.3%	1.2%
Fixed Income	18%	4.1%	4.1%	3.5%
Global Equity	54%	8.0%	6.8%	16.5%
Real Estate	10%	6.7%	6.1%	11.7%
Private Equity	11%	11.2%	8.4%	25.8%
Strategic Investments	6%	5.9%	5.7%	6.7%
Total	100%			
Assumed Inflation – Mean			2.6%	1.7%

⁽¹⁾ As Outlined in the FRS Pension Plan's Investment Policy.

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Discount Rate. The discount rate used to measure the total pension liability was 6.90%. The 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 discount rate was 6.90% in the July 1, 2019, valuation.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City’s Proportionate Share of the Net Pension Liability	\$ 12,375,907	\$ 7,159,220	\$ 2,802,404

Pension Plan Fiduciary Net Position. Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS-participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ending June 30, 2019 and 2018, the contribution rates were both 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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The City's contributions to the HIS Plan totaled \$185,572 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2019, the City reported a net pension liability of \$2,088,199 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's contributions during the Plan's fiscal year relative to the contributions of all participating members in the same fiscal year. At June 30, 2019, the City's proportionate share was increased 0.0004683449% from its proportionate share measured as of June 30, 2018.

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions after Measurement Date	\$ 29,842	\$ -
Difference Between Expected and Actual		
Experience	25,364	2,557
Changes of Assumptions	241,794	170,672
Changes in Proportion and Difference between		
City Contributions and Proportionate Share of		
Contributions	1,347	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	118,126	-
Total	<u>\$ 416,473</u>	<u>\$ 173,229</u>

The deferred outflows of resources related to pensions, totaling \$29,842, resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2020	\$ 66,018
2021	56,087
2022	40,216
2023	8,877
2024	17,732
2025	24,472
Total	<u>\$ 213,402</u>

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Actuarial Assumptions. The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
City's Proportionate Share of the Net Pension Liability	\$ 2,383,786	\$ 2,088,199	\$ 1,842,008

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS - Defined Contribution Pension Plan

The City contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

**CITY OF ALACHUA, FLORIDA
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As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members’ accounts (employer and employee) during the 2018-19 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30%
FRS, Elected County Officers	11.34%
FRS, Senior Management Service	7.67%
FRS, Special Risk Regular	14.00%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-Vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City’s Investment Plan expense totaled \$91,806 for the fiscal year ended September 30, 2019.

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Note 14 - Other Postemployment Benefits (OPEB)

The City of Alachua’s Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City’s retirement plans to continue medical, vision and dental insurance coverage as a participant in the City’s Plan. For purposes of applying Paragraph 4 under GASB Statement No. 75, the Plan does not meet the requirements for an OPEB plan administered through a trust.

The City subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The City does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The authority for establishing and amending the funding policy rests with the City Council. The OPEB Plan does not issue a stand-alone financial report.

Membership of the Plan consisted of the following:

<u>Date of Actuarial Valuation</u>	<u>September 30, 2017</u>
Retirees and Beneficiaries Receiving Benefits	4
Active Plan Members	<u>117</u>
Total	<u><u>121</u></u>

Changes in the Total OPEB Plan Liability

The following table shows the change in the City’s OPEB Plan liability:

	Increase/ (Decrease) in Total OPEB Liability
Reporting Period Ending September 30, 2018	<u>\$ 192,039</u>
Changes for the Year:	
Service Cost	19,968
Interest	7,584
Changes of Assumptions	(9,227)
Benefit Payments	<u>(7,361)</u>
Net Changes	<u>10,964</u>
Reporting Period Ending September 30, 2019	<u><u>\$ 203,003</u></u>

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As of September 30, 2019, the total OPEB Plan liability was \$203,003, and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$6,240,140, and the ratio of the total OPEB Plan liability to the covered payroll was 3.25%. Covered Employee Payroll was projected two years forward from the valuation date of September 30, 2017 for the reporting period ending September 30, 2019.

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funding status of a plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2016, actuarial valuation of the Florida Retirements System (FRS) Benefit Pension Plan.

The mortality rates are mandated by Chapter 2015-157, Florida Statutes for pension plans. This law mandates the use of the assumptions used in either of the two most recent valuations of the FRS. The rates are those outlined in Milliman’s July 1, 2016, FRS valuation report.

Healthcare inflation rates reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries.

The discount rate used has been updated to utilize the mandated discount rate based on the 20-year Municipal Bond Rate as of the measurement date, as required under GASB Statement No. 75.

The valuation results were calculated using the Entry Age cost method. This is required cost method under GASB Statement Nos. 74 and 75 standards.

On September 30, 2019, the Sponsor 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
Changes of Assumptions	\$ -	\$ 15,321
Employer Contributions Subsequent to the Measurement Date	9,789	-
Total	\$ 9,789	\$ 15,321

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Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Year Ended September 30,	Amount
2020	\$ (2,042)
2021	(2,042)
2022	(2,042)
2023	(2,042)
2024	(2,042)
Thereafter	(5,111)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB Liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease	Current Discount	1% Increase
	3.18%	Rate	5.18%
	4.18%	4.18%	5.18%
Total OPEB Liability	\$ 220,281	\$ 203,003	\$ 186,642

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Total OPEB Liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost	1% Increase
	3.00%-7.50%	Trend	5.00%-9.50%
	4.00%-8.50%	4.00%-8.50%	5.00%-9.50%
Total OPEB Liability	\$ 175,237	\$ 203,003	\$ 236,595

Note 15 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. Insurance against losses is provided by Florida Municipal Investment Trust for the following types of risk:

**CITY OF ALACHUA, FLORIDA
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■ **Florida Municipal Insurance Trust**

- Workers' Compensation and Employer's Liability
- General Liability and Automobile Liability
- Real and Personal Property Damage
- Automobile Physical Damage
- Public Employees' Blanket Bond
- Boiler Officials' Liability
- Law Enforcement Officers' Professional Liability and Other Mandated Coverage
- Accidental Death and Dismemberment
- Auxiliary Reserve Policy

The City's coverage for workers' compensation is under a retrospectively related policy. Premiums are accrued based on the ultimate cost to date of the City's experience.

Note 16 - Commitments

As of September 30, 2019, the City had the following commitments related to significant unfinished capital projects:

	Expended as of September 30, 2019	Remaining Commitment
Water/Waste Water Infrastructure US 441W	\$ -	\$ 41,585
Mill Creek Sink Water Quality Improvements	108,355	87,026
Electrical Substation Design/Construction	177,405	188,516
Turkey Creek Storage Tank Maintenance	-	129,174
US Hwy 441 Water/Sewer Expansion	3,045,368	1,062,629
CDBG-ED High Point Crossing	285,281	766,673
CDBG-NR NW Street Improvements	429,830	505,160
Job Growth Grant San Felasco Parkway	1,508,390	5,236,019
Road Resurfacing Projects	119,809	56,173
Total	<u>\$ 5,674,438</u>	<u>\$ 8,072,955</u>

The City utilizes encumbrance accounting in its governmental funds. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which a purchase order, contract, or other commitment is issued. Unexpended items at year-end must be reappropriated in the subsequent year.

Note 17 - Subsequent Events

The COVID-19 pandemic has created economic disruptions throughout the country as of the date of this report causing significant declines in the financial markets and economic activity overall. The City expects to experience losses of various local and state shared revenues, declines in user fees, declines in investment values for both the government and in pension plans which could result in increased pension contributions and declines in financial reserves as a result. Depending upon the length and severity of the economic disruption the City may also not be able to meet all debt covenants. The ultimate effects of these items is expected to be significant but is not quantifiable at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 6,363,438	\$ 6,363,438	\$ 6,429,524	\$ 66,086
Permits, Fees, and Special Assessments	598,000	598,000	554,231	(43,769)
Intergovernmental Revenues	965,964	974,249	1,235,005	260,756
Charges for Services	1,128,828	1,128,828	1,217,916	89,088
Fines and Forfeitures	25,000	27,000	39,576	12,576
Investment Income	20,000	49,900	104,008	54,108
Miscellaneous	33,300	33,300	116,870	83,570
Total Revenues	<u>9,134,530</u>	<u>9,174,715</u>	<u>9,697,130</u>	<u>522,415</u>
Expenditures				
Current:				
General Government:				
Legislative	130,210	130,210	126,902	3,308
Executive	637,494	642,444	601,555	40,889
Finance	1,456,801	1,456,801	1,337,922	118,879
Information Technology	415,755	415,755	270,860	144,895
Legal	156,000	156,000	131,552	24,448
Planning and Zoning	889,078	906,978	836,780	70,198
Other	279,699	279,699	209,651	70,048
Public Safety:				
Police	3,437,295	3,447,580	3,236,317	211,263
Fire	10,854	10,854	9,630	1,224
Protective Inspections	201,541	188,541	185,424	3,117
Physical Environment:				
Solid Waste	699,312	699,312	690,705	8,607
Transportation:				
Streets and Roads	1,281,279	1,281,279	933,646	347,633
Parks and Recreation	989,502	1,009,552	1,007,880	1,672
Reserve for Contingency	200,000	200,000	-	200,000
(Total Expenditures)	<u>(10,784,820)</u>	<u>(10,825,005)</u>	<u>(9,578,824)</u>	<u>1,246,181</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,650,290)</u>	<u>(1,650,290)</u>	<u>118,306</u>	<u>1,768,596</u>
Other Financing Sources (Uses)				
Transfers in	2,000,000	2,000,000	2,000,000	-
Transfers (out)	(2,704,457)	(2,704,457)	(950,476)	1,753,981
Total Other Financing Sources (Uses)	<u>(704,457)</u>	<u>(704,457)</u>	<u>1,049,524</u>	<u>1,753,981</u>
Net Change in Fund Balance	(2,354,747)	(2,354,747)	1,167,830	3,522,577
Fund Balance, Beginning of Year	<u>5,455,153</u>	<u>5,455,153</u>	<u>5,883,559</u>	<u>428,406</u>
Fund Balance, End of Year	<u>\$ 3,100,406</u>	<u>\$ 3,100,406</u>	<u>\$ 7,051,389</u>	<u>\$ 3,950,983</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 284,119	\$ 284,119	\$ 278,224	\$ (5,895)
Investment Income	1,000	1,000	5,342	4,342
Miscellaneous	7,500	7,500	12,975	5,475
Total Revenues	<u>292,619</u>	<u>292,619</u>	<u>296,541</u>	<u>3,922</u>
Expenditures				
Current:				
Economic Environment	400,368	401,994	300,062	101,932
Debt Service:				
Principal	89,397	89,397	89,397	-
Interest and Fiscal Charges	9,883	9,883	9,883	-
Capital Outlay	160,574	158,948	-	158,948
Reserve for Contingency	10,000	10,000	-	10,000
(Total Expenditures)	<u>(670,222)</u>	<u>(670,222)</u>	<u>(399,342)</u>	<u>270,880</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(377,603)</u>	<u>(377,603)</u>	<u>(102,801)</u>	<u>274,802</u>
Other Financing Sources (Uses)				
Transfers in	181,232	181,232	181,051	(181)
Total Other Financing Sources (Uses)	<u>181,232</u>	<u>181,232</u>	<u>181,051</u>	<u>(181)</u>
Net Change in Fund Balance	(196,371)	(196,371)	78,250	274,621
Fund Balance, Beginning of Year	<u>462,276</u>	<u>462,276</u>	<u>475,293</u>	<u>13,017</u>
Fund Balance, End of Year	<u>\$ 265,905</u>	<u>\$ 265,905</u>	<u>\$ 553,543</u>	<u>\$ 287,638</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
WILD SPACES PUBLIC PLACES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 604,596	\$ 604,596	\$ 609,820	\$ 5,224
Intergovernmental	500,000	500,000	500,000	-
Investment Income	1,000	1,000	3,698	2,698
Total Revenues	<u>1,105,596</u>	<u>1,105,596</u>	<u>1,113,518</u>	<u>7,922</u>
Expenditures				
Capital Outlay	3,358,388	3,358,388	3,362,758	(4,370)
(Total Expenditures)	<u>(3,358,388)</u>	<u>(3,358,388)</u>	<u>(3,362,758)</u>	<u>(4,370)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,252,792)</u>	<u>(2,252,792)</u>	<u>(2,249,240)</u>	<u>3,552</u>
Other Financing Sources (Uses)				
Transfers in	1,700,000	1,700,000	-	(1,700,000)
Total Other Financing Sources (Uses)	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>	<u>(1,700,000)</u>
Net Change in Fund Balance	(552,792)	(552,792)	(2,249,240)	(1,696,448)
Fund Balance, Beginning of Year	<u>552,792</u>	<u>552,792</u>	<u>503,591</u>	<u>(49,201)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,745,649)</u>	<u>\$ (1,745,649)</u>

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE IN OTHER POSTEMPLOYMENT BENEFIT (OPEB)
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
CITY OF ALACHUA, FLORIDA

<u>Reporting Period Ending</u>	<u>2019</u>	<u>2018</u>
Service Date		
Service Cost	\$ 19,968	\$ 21,024
Interest	7,584	6,074
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	(9,227)	(9,152)
Benefit Payments	(7,361)	(6,769)
Net Change in Total OPEB Liability	<u>10,964</u>	<u>11,177</u>
Total OPEB Liability - Beginning	<u>192,039</u>	<u>180,862</u>
Total OPEB Liability - Ending	<u><u>\$ 203,003</u></u>	<u><u>\$ 192,039</u></u>
Covered Employee Payroll*	<u><u>\$ 6,240,140</u></u>	<u><u>\$ 6,000,134</u></u>
Sponsor's Total OPEB Liability as Percentage of Covered Employee Payroll	3.25%	3.20%

* Covered Employee Payroll was projected two years forward from the valuation date for the reporting period ending September 30, 2019

Notes to Schedules

Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

Fiscal Year 2019	4.18%
Fiscal Year 2018	3.64%
Fiscal Year 2017	3.06%

There are no assets accumulated in a trust to pay related benefits.

**CITY OF ALACHUA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
LAST 10 FISCAL YEARS*
(UNAUDITED)**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Proportion of the FRS Net Pension Plan	0.020788355%	0.020641302%	0.020019883%	0.018830837%	0.018337949%
Proportionate Share of the FRS Net Pension Plan	\$ 7,159,220	\$ 6,217,267	\$ 5,921,747	\$ 4,754,801	\$ 2,368,592
Covered Payroll**	6,434,997	5,939,507	5,642,229	5,284,260	5,024,124
Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered-Employee Payroll	111.25%	104.68%	104.95%	89.98%	47.14%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	84.26%	83.89%	84.88%	92.00%

* GASB No. 68 was adopted for the 2015 Fiscal Year and 10-year trend information will be developed from 2015 forward.

**The amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered payroll is for the year shown.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Proportion of the HIS Net Pension Plan	0.018662965%	0.018194623%	0.017692579%	0.017117360%	0.017073473%
Proportionate Share of the HIS Net Pension Plan	\$ 2,088,199	\$ 1,925,739	\$ 1,891,772	\$ 1,994,957	\$ 1,741,226
Covered Payroll**	6,434,997	5,939,507	5,642,229	5,284,260	5,024,124
Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered-Employee Payroll	32.45%	32.42%	33.53%	37.75%	34.66%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.63%	2.15%	1.64%	0.97%	0.50%

* GASB No. 68 was adopted for the 2015 Fiscal Year and 10-year trend information will be developed from 2015 forward.

** The amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered payroll is for the year shown.

**CITY OF ALACHUA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2019**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 644,589	\$ 588,261	\$ 521,167	\$ 459,220	\$ 447,095
FRS Contribution in Relation to the Contractually Required Contribution	<u>(644,589)</u>	<u>(588,261)</u>	<u>(521,167)</u>	<u>(459,220)</u>	<u>(447,095)</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (FYE 9/30)	\$ 6,434,997	\$ 5,929,911	\$ 5,783,990	\$ 5,338,129	\$ 5,222,630
FRS Contributions as a Percentage of Covered-Employee Payroll	10%	10%	9%	9%	9%

* GASB No. 68 was adopted for the 2015 Fiscal Year and 10-year trend information will be developed from 2015 forward.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 103,634	\$ 98,670	\$ 93,634	\$ 87,737	\$ 65,265
HIS Contribution in Relation to the Contractually Required Contribution	<u>(103,634)</u>	<u>(98,670)</u>	<u>(93,634)</u>	<u>(87,737)</u>	<u>(65,265)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (FYE 9/30)	\$ 6,434,997	\$ 5,929,911	\$ 5,783,990	\$ 5,338,129	\$ 5,222,630
HIS Contributions as a Percentage of Covered-Employee Payroll	1.61%	1.66%	1.62%	1.64%	1.25%

* GASB No. 68 was adopted for the 2015 Fiscal Year and 10-year trend information will be developed from 2015 forward.

CITY OF ALACHUA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019

Note 1 - Basis of Presentation

The budget was prepared on the modified accrual basis of accounting. The budget was adopted on a basis consistent with generally accepted accounting principles, except as noted below.

Expenditures were controlled at the department level. All annual appropriations lapse at year-end.

Note 2 - Legally Adopted Budgets

The City legally adopted budgets for all funds with activity during the year. No budget has been legally adopted for the Municipal Complex capital project funds.

Note 3 - Pension Liability

A. Changes in Benefit Terms

There were no significant changes in benefit terms during the Pension Plan's fiscal year ended June 30, 2019 or 2018.

B. Changes in Assumption

- FRS—In the July 1, 2014, actuarial valuation, the inflation rate assumption was decreased from 3.00% to 2.60%, the real payroll growth assumption was decreased from 1.00% to 0.65%, and the overall payroll growth rate assumption was decreased from 4.00% to 3.25%. The long-term expected rate of return decreased from 7.75% to 7.65%.

In the July 1, 2015, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 7.65% to 7.60%.

In the July 1, 2016, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 7.60% to 7.50%.

In the July 1, 2017, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 7.50% to 7.40%.

In the July 1, 2018, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 7.40% to 7.20%.

- HIS—In the July 1, 2014, actuarial valuation, the municipal rate used to determine total pension liability decreased from 4.29% to 3.80%.

In the July 1, 2015, actuarial valuation, the municipal rate used to determine total pension liability decreased from 3.80% to 2.85%.

In the July 1, 2016, actuarial valuation, the municipal rate used to determine total pension liability increased from 2.85% to 3.58%.

In the July 1, 2017, actuarial valuation, the municipal rate used to determine total pension liability increased from 3.58% to 3.87%.

In the July 1, 2018, actuarial valuation, the municipal rate used to determine total pension liability increased from 3.87% to 3.50%.

**COMBINING AND INDIVIDUAL FUND INFORMATION AND OTHER
SUPPLEMENTARY INFORMATION**

**NON-MAJOR GOVERNMENTAL FUNDS
CITY OF ALACHUA, FLORIDA**

DEBT SERVICE FUND

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

SPECIAL REVENUE FUNDS

The *Special Revenue Funds* are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

- The *Additional Court Costs Fund*—is used to account for the revenues and expenditures of funds received from court costs assessed under Florida Statute 318.18(11)(d) for certain non-criminal traffic infractions. These revenues will be used to fund criminal justice education degree programs and training courses.
- The *Donations Fund*—is used to account for the revenues and expenditures of donated funds from private sources for the intended purpose designated by the donor.
- The *Police Explorers Fund*—is used to account for the revenues and expenditures of funds received from the Alachua Police Explorers Program.
- The *TK Basin Special Assessment Fund*—is used to account for the revenues and expenditures of funds received from a special assessment to property owners for stormwater maintenance services.
- The *Tree Bank Fund*—is used to account for revenues and expenditures related to violations of Ordinance 06-11. The revenue received will be used for tree mitigation related to development.

CAPITAL PROJECT FUNDS

The *Capital Project Funds* are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- The *San Felasco Conservation Corridor Fund*—is used to account for improvements made to the San Felasco Corridor.
- The *Heritage Oaks Improvement Fund*—is used to account for expenditures for infrastructure improvements in the Heritage Oaks subdivision.

**NON-MAJOR GOVERNMENTAL FUNDS
CITY OF ALACHUA, FLORIDA**

CAPITAL PROJECT FUNDS

- The *CDBG Neighborhood Revitalization Fund*—is used to account for grant revenues and capital expenditures for projects approved under the Community Development Block Grant – Neighborhood Revitalization category.
- *Mill Creek Sink Fund*—is used to account for grant revenues and capital expenditures from the Suwannee River Water Management District to ensure safe water recharge of the Florida aquifer.
- *Florida Job Growth Grant Fund*—is used to account for grant revenues and capital expenditures from the Florida Growth Grant Fund related to the San Felasco Parkway Improvement Project.
- *CDBG Economic Development*—is used to account for grant revenues and capital expenditures for project approved under the Community Development Block Grant – Economic Development category.

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	<u>Debt Service Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
Assets				
Cash and Cash Equivalents	\$ 620,588	\$ 113,323	\$ 109,385	\$ 843,296
Accounts Receivable	-	106	-	106
Due from Other Governments	-	-	1,632,804	1,632,804
Total Assets	<u>620,588</u>	<u>113,429</u>	<u>1,742,189</u>	<u>2,476,206</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	-	372	756,515	756,887
Accrued Liabilities	-	-	18,969	18,969
Deferred Revenue	-	-	-	-
Advances from Other Funds	96,899	-	948,780	1,045,679
Total Liabilities	<u>96,899</u>	<u>372</u>	<u>1,724,264</u>	<u>1,821,535</u>
Deferred Inflows of Resources				
Unavailable Revenues	-	-	1,065,402	1,065,402
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,065,402</u>	<u>1,065,402</u>
Fund Balances				
Restricted for:				
Law Enforcement	-	7,779	-	7,779
Physical Environment	-	89,999	5,765	95,764
Parks and Recreation	-	15,279	3,824	19,103
Debt Service	32,227	-	-	32,227
Assigned	491,462	-	-	491,462
Unassigned	-	-	(1,057,066)	(1,057,066)
Total Fund Balances	<u>523,689</u>	<u>113,057</u>	<u>(1,047,477)</u>	<u>(410,731)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 620,588</u>	<u>\$ 113,429</u>	<u>\$ 1,742,189</u>	<u>\$ 2,476,206</u>

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Revenues				
Permits, Fees, and Special Assessments	\$ -	\$ 10,629	\$ -	\$ 10,629
Intergovernmental Revenues	-	-	1,710,221	1,710,221
Fines and Forfeitures	-	39,234	-	39,234
Investment Income	397	1,226	59	1,682
Miscellaneous	-	8,013	-	8,013
Total Revenues	<u>397</u>	<u>59,102</u>	<u>1,710,280</u>	<u>1,769,779</u>
Expenditures				
Current:				
Public Safety	-	3,584	-	3,584
Physical Environment	-	6,420	-	6,420
Transportation	-	-	62,705	62,705
Parks and Recreation	-	4,104	-	4,104
Debt Service:				
Principal	374,800	-	-	374,800
Interest	461,999	-	-	461,999
Capital Outlay	-	-	2,642,101	2,642,101
(Total Expenditures)	<u>(836,799)</u>	<u>(14,108)</u>	<u>(2,704,806)</u>	<u>(3,555,713)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(836,402)</u>	<u>44,994</u>	<u>(994,526)</u>	<u>(1,785,934)</u>
Other Financing Sources (Uses)				
Transfers in	834,754	-	-	834,754
Total Other Financing Sources (Uses)	<u>834,754</u>	<u>-</u>	<u>-</u>	<u>834,754</u>
Net Change in Fund Balance	(1,648)	44,994	(994,526)	(951,180)
Fund Balance, Beginning of Year	<u>525,337</u>	<u>68,063</u>	<u>(52,951)</u>	<u>540,449</u>
Fund Balance, End of Year	<u>\$ 523,689</u>	<u>\$ 113,057</u>	<u>\$ (1,047,477)</u>	<u>\$ (410,731)</u>

**CITY OF ALACHUA, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2019**

	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Tree Bank	Total
Assets						
Cash and Cash						
Equivalents	\$ 1,845	\$ 15,279	\$ 5,900	\$ 22,864	\$ 67,435	\$ 113,323
Accounts Receivable	106	-	-	-	-	106
Total Assets	<u>1,951</u>	<u>15,279</u>	<u>5,900</u>	<u>22,864</u>	<u>67,435</u>	<u>113,429</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	-	-	72	300	-	372
Total Liabilities	<u>-</u>	<u>-</u>	<u>72</u>	<u>300</u>	<u>-</u>	<u>372</u>
Fund Balances						
Restricted for:						
Law Enforcement	1,951	-	5,828	-	-	7,779
Physical						
Environment	-	-	-	22,564	67,435	89,999
Parks and						
Recreation	-	15,279	-	-	-	15,279
Total Fund Balances	<u>1,951</u>	<u>15,279</u>	<u>5,828</u>	<u>22,564</u>	<u>67,435</u>	<u>113,057</u>
Total Liabilities and Fund Balances	<u>\$ 1,951</u>	<u>\$ 15,279</u>	<u>\$ 5,900</u>	<u>\$ 22,864</u>	<u>\$ 67,435</u>	<u>\$ 113,429</u>

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Tree Bank	Total
Revenues						
Permits, Fees, and Special Assessments	\$ -	\$ -	\$ -	\$ 10,629	\$ -	\$ 10,629
Fines and Forfeitures	3,234	-	-	-	36,000	39,234
Investment Income	12	222	-	404	588	1,226
Miscellaneous	-	8,013	-	-	-	8,013
Total Revenues	3,246	8,235	-	11,033	36,588	59,102
Expenditures						
Current:						
Public Safety	2,503	-	1,081	-	-	3,584
Physical Environment	-	-	-	6,420	-	6,420
Parks and Recreation	-	4,104	-	-	-	4,104
Total (Expenditures)	(2,503)	(4,104)	(1,081)	(6,420)	-	(14,108)
Excess (Deficiency) of Revenues Over (Under) Expenditures	743	4,131	(1,081)	4,613	36,588	44,994
Net Change in Fund Balances	743	4,131	(1,081)	4,613	36,588	44,994
Fund Balance, Beginning of Year	1,208	11,148	6,909	17,951	30,847	68,063
Fund Balance, End of Year	\$ 1,951	\$ 15,279	\$ 5,828	\$ 22,564	\$ 67,435	\$ 113,057

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2019**

	<u>San Felasco Conservation Corridor</u>	<u>Heritage Oaks Improvement</u>	<u>CDBG Neighborhood Revitalization</u>
Assets			
Cash and Cash Equivalents	\$ 3,824	\$ 24,734	\$ -
Due from Other Governments	-	-	364,730
Total Assets	<u>3,824</u>	<u>24,734</u>	<u>364,730</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	-	-	38,373
Accrued Liabilities	-	18,969	-
Advances from Other Funds	-	-	317,457
Total Liabilities	<u>-</u>	<u>18,969</u>	<u>355,830</u>
Deferred Inflows of Resources			
Unavailable Revenues	-	-	36,473
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>36,473</u>
Fund Balances			
Restricted for:			
Physical Environment	-	5,765	-
Parks and Recreation	3,824	-	-
Unassigned	-	-	(27,573)
Total Fund Balances	<u>3,824</u>	<u>5,765</u>	<u>(27,573)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,824</u>	<u>\$ 24,734</u>	<u>\$ 364,730</u>

Mill Creek Sink Fund	Florida Job Growth Grant	CDBG Economic Development	Total
\$ 80,827	\$ -	\$ -	\$ 109,385
28,518	991,175	248,381	1,632,804
<u>109,345</u>	<u>991,175</u>	<u>248,381</u>	<u>1,742,189</u>
13,756	460,205	244,181	756,515
-	-	-	18,969
<u>95,590</u>	<u>531,533</u>	<u>4,200</u>	<u>948,780</u>
<u>109,346</u>	<u>991,738</u>	<u>248,381</u>	<u>1,724,264</u>
<u>13,756</u>	<u>991,175</u>	<u>23,998</u>	<u>1,065,402</u>
<u>13,756</u>	<u>991,175</u>	<u>23,998</u>	<u>1,065,402</u>
-	-	-	5,765
-	-	-	3,824
<u>(13,757)</u>	<u>(991,738)</u>	<u>(23,998)</u>	<u>(1,057,066)</u>
<u>(13,757)</u>	<u>(991,738)</u>	<u>(23,998)</u>	<u>(1,047,477)</u>
<u>\$ 109,345</u>	<u>\$ 991,175</u>	<u>\$ 248,381</u>	<u>\$ 1,742,189</u>

**CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>San Felasco Conservation Corridor</u>	<u>Heritage Oaks Improvement</u>	<u>CDBG Neighborhood Revitalization</u>
Revenues			
Intergovernmental Revenues	\$ -	\$ -	\$ 328,257
Investment Income	59	-	-
Total Revenues	<u>59</u>	<u>-</u>	<u>328,257</u>
Expenditures			
Current:			
Transportation	-	-	24,317
Capital Outlay	-	-	364,730
(Total Expenditures)	<u>-</u>	<u>-</u>	<u>(389,047)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>59</u>	<u>-</u>	<u>(60,790)</u>
Net Change in Fund Balances	59	-	(60,790)
Fund Balance, Beginning of Year	<u>3,765</u>	<u>5,765</u>	<u>33,217</u>
Fund Balance, End of Year	<u>\$ 3,824</u>	<u>\$ 5,765</u>	<u>\$ (27,573)</u>

Mill Creek Sink Fund	Florida Job Growth Grant	CDBG Economic Development	Total
\$ 606,843	\$ 521,313	\$ 253,808	\$ 1,710,221
-	-	-	59
<u>606,843</u>	<u>521,313</u>	<u>253,808</u>	<u>1,710,280</u>
-	562	37,825	62,704
<u>525,010</u>	<u>1,512,380</u>	<u>239,981</u>	<u>2,642,101</u>
<u>(525,010)</u>	<u>(1,512,942)</u>	<u>(277,806)</u>	<u>(2,704,805)</u>
<u>81,833</u>	<u>(991,629)</u>	<u>(23,998)</u>	<u>(994,525)</u>
81,833	(991,629)	(23,998)	(994,525)
<u>(95,590)</u>	<u>(109)</u>	<u>-</u>	<u>(52,952)</u>
<u>\$ (13,757)</u>	<u>\$ (991,738)</u>	<u>\$ (23,998)</u>	<u>\$ (1,047,477)</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Investment Income	\$ 150	\$ 397	\$ 247
Total Revenues	<u>150</u>	<u>397</u>	<u>247</u>
Expenditures			
Debt Service:			
Principal	374,800	374,800	-
Interest and Fiscal Charges	461,999	461,999	-
(Total Expenditures)	<u>(836,799)</u>	<u>(836,799)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(836,649)</u>	<u>(836,402)</u>	<u>247</u>
Other Financing Sources (Uses)			
Transfers in	834,754	834,754	-
Total Other Financing Sources (Uses)	<u>834,754</u>	<u>834,754</u>	<u>-</u>
Net Change in Fund Balance	(1,895)	(1,648)	247
Fund Balance, Beginning of Year	<u>1,895</u>	<u>525,337</u>	<u>523,442</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 523,689</u>	<u>\$ 523,689</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Additional Court Costs</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 1,800	\$ 3,234	\$ 1,434
Investment Income	-	12	12
Miscellaneous	-	-	-
Total Revenues	<u>1,800</u>	<u>3,246</u>	<u>1,446</u>
Expenditures			
Current:			
Public Safety	3,800	2,503	1,297
Physical Environment	-	-	-
Parks and Recreation	-	-	-
(Total Expenditures)	<u>(3,800)</u>	<u>(2,503)</u>	<u>1,297</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	743	2,743
Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(2,000)	743	2,743
Fund Balance, Beginning of Year	<u>2,000</u>	<u>1,208</u>	<u>(792)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 1,951</u>	<u>\$ 1,951</u>

Donations			Police Explorers		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	222	222	-	-	-
23,000	8,013	(14,987)	-	-	-
<u>23,000</u>	<u>8,235</u>	<u>(14,765)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	6,909	1,081	5,828
15,000	-	15,000	-	-	-
8,000	4,104	3,896	-	-	-
<u>(23,000)</u>	<u>(4,104)</u>	<u>18,896</u>	<u>(6,909)</u>	<u>(1,081)</u>	<u>5,828</u>
-	4,131	4,131	(6,909)	(1,081)	5,828
-	-	-	-	-	-
-	4,131	4,131	(6,909)	(1,081)	5,828
12,856	11,148	(1,708)	6,909	6,909	-
<u>\$ 12,856</u>	<u>\$ 15,279</u>	<u>\$ 2,423</u>	<u>\$ -</u>	<u>\$ 5,828</u>	<u>\$ 5,828</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Concluded)

	TK Basin Special Assessment		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Permits, Fees, and Special Assessments	\$ 10,560	\$ 10,629	\$ 69
Intergovernmental Revenues	-	-	-
Fines and Forfeitures	-	-	-
Investment Income	170	404	234
Total Revenues	<u>10,730</u>	<u>11,033</u>	<u>303</u>
Expenditures			
Current:			
General Government	-	-	-
Physical Environment	31,105	6,420	24,685
Capital Outlay	-	-	-
(Total Expenditures)	<u>(31,105)</u>	<u>(6,420)</u>	<u>24,685</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,375)	4,613	24,988
Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(20,375)	4,613	24,988
Fund Balance, Beginning of Year	20,375	17,951	(2,424)
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 22,564</u>	<u>\$ 22,564</u>

Tree Bank		
Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
-	36,000	36,000
-	588	588
-	36,588	36,588
-	-	-
30,843	-	30,843
-	-	-
(30,843)	-	30,843
(30,843)	36,588	67,431
-	-	-
(30,843)	36,588	67,431
30,843	30,847	4
\$ -	\$ 67,435	\$ 67,435

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	San Felasco Conservation Corridor		Variance With Final Budget
	Final Budget	Actual	
Revenues			
Investment Income	\$ -	\$ 59	\$ 59
Total Revenues	<u>-</u>	<u>59</u>	<u>59</u>
Expenditures			
Current:			
Physical Environment	-	-	-
Parks and Recreation	3,727	-	3,727
Capital Outlay	-	-	-
(Total Expenditures)	<u>(3,727)</u>	<u>-</u>	<u>3,727</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,727)</u>	<u>59</u>	<u>3,786</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,727)</u>	<u>59</u>	<u>3,786</u>
Fund Balance, Beginning of Year	<u>3,727</u>	<u>3,765</u>	<u>38</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 3,824</u>	<u>\$ 3,824</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Continued)

	Heritage Oaks Improvement		Variance With Final Budget
	Final Budget	Actual	
Revenues			
Investment Income (Loss)	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
Physical Environment	5,765	-	5,765
Parks and Recreation	-	-	-
Capital Outlay	-	-	-
(Total Expenditures)	<u>(5,765)</u>	<u>-</u>	<u>5,765</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,765)</u>	<u>-</u>	<u>5,765</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(5,765)	-	5,765
Fund Balance, Beginning of Year	<u>5,765</u>	<u>5,765</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 5,765</u>	<u>\$ 5,765</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Continued)

	CDBG Neighborhood Revitalization			Mill Creek Sink Fund		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Intergovernmental Revenues	\$ 700,000	\$ 328,257	\$ (371,743)	\$ 1,380,611	\$ 606,843	\$ (773,768)
Total Revenues	<u>700,000</u>	<u>328,257</u>	<u>(371,743)</u>	<u>1,380,611</u>	<u>606,843</u>	<u>(773,768)</u>
Expenditures						
Current:						
Physical Environment	-	-	-	-	-	-
Transportation	-	24,317	(24,317)	-	-	-
Economic Environment	-	-	-	-	-	-
Parks and Recreation	35,500	-	35,500	-	-	-
Capital Outlay	700,000	364,730	335,270	1,380,611	525,010	855,601
(Total Expenditures)	<u>(735,500)</u>	<u>(389,047)</u>	<u>346,453</u>	<u>(1,380,611)</u>	<u>(525,010)</u>	<u>855,601</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(35,500)</u>	<u>(60,790)</u>	<u>(25,290)</u>	<u>-</u>	<u>81,833</u>	<u>81,833</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(35,500)	(60,790)	(25,290)	-	81,833	81,833
Fund Balance, Beginning of Year	35,500	33,217	(2,283)	-	(95,590)	(95,590)
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ (27,573)</u>	<u>\$ (27,573)</u>	<u>\$ -</u>	<u>\$ (13,757)</u>	<u>\$ (13,757)</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Concluded)

	Florida Job Growth Grant Fund			CDBG Economic Development		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Intergovernmental Revenues	\$ 6,755,000	\$ 521,313	\$ (6,233,687)	\$ 1,251,964	\$ 253,808	\$ (998,156)
Total Revenues	<u>6,755,000</u>	<u>521,313</u>	<u>(6,233,687)</u>	<u>1,251,964</u>	<u>253,808</u>	<u>(998,156)</u>
Expenditures						
Current:						
Physical Environment	109	-	109	-	-	-
Transportation	-	562	(562)	-	37,825	(37,825)
Economic Environment	-	-	-	92,797	-	92,797
Parks and Recreation	-	-	-	-	-	-
Capital Outlay	6,754,891	1,512,380	5,242,511	1,159,167	239,981	919,186
(Total Expenditures)	<u>(6,755,000)</u>	<u>(1,512,942)</u>	<u>5,242,058</u>	<u>(1,251,964)</u>	<u>(277,806)</u>	<u>974,158</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(991,629)</u>	<u>(991,629)</u>	<u>-</u>	<u>(23,998)</u>	<u>(23,998)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(991,629)	(991,629)	-	(23,998)	(23,998)
Fund Balance, Beginning of Year	-	(109)	(109)	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ (991,738)</u>	<u>\$ (991,738)</u>	<u>\$ -</u>	<u>\$ (23,998)</u>	<u>\$ (23,998)</u>

STATISTICAL SECTION (Unaudited)

This part of the City of Alachua, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends Information	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	84
Revenue Capacity Information	
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, which is property taxes.	94
Debt Capacity Information	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. The City has no legal debt margin, thus it is not reported in these schedules.	99
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	106
Operating Information	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	109
Sources: <i>Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.</i>	

FINANCIAL TRENDS INFORMATION

Schedule 1
CITY OF ALACHUA, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities				
Invested in capital assets, net of related debt	\$ 12,924,412	13,306,758	14,518,014	15,054,392
Restricted	2,642,617	2,768,100	2,302,270	2,104,955
Unrestricted	(487,329)	1,321,909	2,461,909	3,250,642
Total governmental activities net position	<u>\$ 15,079,700</u>	<u>17,396,767</u>	<u>19,282,193</u>	<u>20,409,989</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 21,128,470	22,062,135	21,041,023	25,448,736
Restricted	1,274,753	2,934,138	2,927,873	1,067,119
Unrestricted	12,635	2,294,312	2,992,216	3,139,610
Total business-type activities net position	<u>\$ 22,415,858</u>	<u>27,290,585</u>	<u>26,961,112</u>	<u>29,655,465</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 34,052,882	35,368,893	35,559,037	40,503,128
Restricted	3,917,370	5,702,238	5,230,143	3,172,074
Unrestricted	(474,694)	3,616,221	5,454,125	6,390,252
Total primary government net position	<u>\$ 37,495,558</u>	<u>44,687,352</u>	<u>46,243,305</u>	<u>50,065,454</u>

Note: Net position for FY 2015, in both Governmental and Business-type Activities, includes a prior period adjustment of beginning net position as a result of the GASB 68 implementation. The effect of GASB 68 resulted in a change in net position in Governmental Activities by \$(3,186,541) and in Business-type Activities of \$(807,347).

Fiscal Year					
2014	2015	2016	2017	2018	2019
15,864,924	17,393,955	19,616,277	22,463,590	23,893,386	31,404,781
1,328,668	1,933,806	697,533	965,855	1,118,805	720,643
3,752,120	810,604	1,596,788	34,697	1,170,134	(228,560)
<u>20,945,712</u>	<u>20,138,365</u>	<u>21,910,598</u>	<u>23,464,142</u>	<u>26,182,325</u>	<u>31,896,864</u>
26,121,070	27,034,352	26,925,962	27,105,739	27,305,901	30,545,539
688,818	737,724	803,328	829,815	845,867	766,948
4,979,974	5,141,346	7,524,704	8,213,058	10,039,192	8,850,939
<u>31,789,862</u>	<u>32,913,422</u>	<u>35,253,994</u>	<u>36,148,612</u>	<u>38,190,960</u>	<u>40,163,426</u>
41,985,994	44,428,307	46,542,239	49,569,329	51,199,287	61,950,320
2,017,486	2,671,530	1,500,861	1,795,670	1,964,672	1,487,591
8,732,094	5,951,950	9,121,492	8,247,755	11,209,326	8,622,379
<u>52,735,574</u>	<u>53,051,787</u>	<u>57,164,592</u>	<u>59,612,754</u>	<u>64,373,285</u>	<u>72,060,290</u>

Schedule 2
CITY OF ALACHUA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	\$ 2,771,143	2,897,711	3,080,777	2,813,888
Public safety	3,031,037	2,882,263	3,009,977	3,085,939
Physical environment	767,582	761,634	737,191	795,886
Transportation	755,262	675,861	708,219	694,479
Economic environment	168,590	185,242	148,614	176,463
Parks and recreation	868,434	722,994	748,726	758,883
Interest on long-term debt	448,741	435,371	426,780	435,587
Total governmental activities expenses	<u>8,810,789</u>	<u>8,561,076</u>	<u>8,860,284</u>	<u>8,761,125</u>
Business-type Activities				
Electric	11,841,903	10,903,730	9,745,061	10,083,138
Water and sewer	2,893,843	3,121,021	4,715,831	3,634,733
Mosquito control	45,886	47,326	55,105	49,446
Total business-type activities	<u>14,781,632</u>	<u>14,072,077</u>	<u>14,515,997</u>	<u>13,767,317</u>
Total primary government expenses	23,592,421	22,633,153	23,376,281	22,528,442
Program Revenues				
Governmental activities:				
Charges for services:				
General government	377,226	395,496	346,639	495,774
Public safety	145,175	155,580	156,036	54,418
Physical environment	806,932	785,330	816,165	809,118
Transportation	11,720	11,843	12,200	12,565
Economic environment	0	0	0	0
Parks and recreation	43,050	31,174	40,295	32,615
Operating grants and contributions	342,416	218,571	217,569	270,027
Capital grants and contributions	1,590,710	1,168,258	1,033,364	756,335
Total governmental activities program revenues	<u>\$ 3,317,229</u>	<u>2,766,252</u>	<u>2,622,268</u>	<u>2,430,852</u>
Business-type activities:				
Charges for services:				
Electric	\$ 14,673,991	14,392,269	12,519,393	13,073,827
Water and sewer	2,251,328	3,257,081	2,952,806	3,144,427
Mosquito control	49,775	49,877	50,073	54,585
Operating grants and contributions	0	1,627,198	0	551,284
Capital grants and contributions	11,420,846	2,139,510	138,066	1,321,644
Total business-type activities program revenues	<u>28,395,940</u>	<u>21,465,935</u>	<u>15,660,338</u>	<u>18,145,767</u>
Total primary government program revenues	<u>31,713,169</u>	<u>24,232,187</u>	<u>18,282,606</u>	<u>20,576,619</u>
Net (Expense) Revenue				
Governmental activities	(5,493,560)	(5,794,824)	(6,238,016)	(6,330,273)
Business-type activities	13,614,308	7,393,858	1,144,341	4,378,450
Total primary government net expense	<u>\$ 8,120,748</u>	<u>1,599,034</u>	<u>(5,093,675)</u>	<u>(1,951,823)</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
2,719,659	2,690,754	3,028,258	3,486,727	3,599,652	3,929,844
3,164,017	3,215,211	3,610,483	4,085,731	3,654,092	4,005,543
789,404	840,642	828,282	724,084	728,897	697,179
758,198	813,619	918,754	982,780	1,009,907	1,146,987
212,978	192,386	239,226	237,578	347,468	361,475
1,318,191	892,715	741,416	730,895	1,113,466	1,240,993
418,674	413,851	567,472	472,693	458,943	441,643
<u>9,381,121</u>	<u>9,059,178</u>	<u>9,933,891</u>	<u>10,720,488</u>	<u>10,912,425</u>	<u>11,823,664</u>
11,863,813	12,377,194	11,250,351	10,487,281	10,421,132	10,993,671
3,621,216	3,365,172	3,403,639	3,974,417	3,861,470	4,376,020
53,461	41,815	43,026	33,859	43,389	64,968
<u>15,538,490</u>	<u>15,784,181</u>	<u>14,697,016</u>	<u>14,495,557</u>	<u>14,325,991</u>	<u>15,434,659</u>
24,919,611	24,843,359	24,630,907	25,216,045	25,238,416	27,258,323
317,475	371,184	398,171	356,558	424,864	465,209
297,144	237,108	294,121	334,904	320,734	460,845
823,782	842,168	864,936	805,619	796,313	811,177
13,370	14,656	23,104	33,871	34,790	40,108
0	0	0	0	0	0
27,243	31,901	30,654	34,865	73,653	113,726
251,953	485,404	266,003	300,985	243,010	399,811
577,993	1,029,007	1,032,140	763,611	1,864,531	5,292,668
<u>2,308,960</u>	<u>3,011,428</u>	<u>2,909,129</u>	<u>2,630,413</u>	<u>3,757,895</u>	<u>7,583,544</u>
15,171,323	15,693,189	15,129,466	13,736,261	14,066,610	14,098,831
3,350,473	3,429,227	3,969,605	3,852,329	4,089,464	4,158,288
56,291	57,115	57,991	58,909	59,831	60,487
24,527	24,527	0	0	0	75,407
662,887	0	0	0	350,000	768,000
<u>19,265,501</u>	<u>19,204,058</u>	<u>19,157,062</u>	<u>17,647,499</u>	<u>18,565,905</u>	<u>19,161,013</u>
<u>21,574,461</u>	<u>22,215,486</u>	<u>22,066,191</u>	<u>20,277,912</u>	<u>22,323,800</u>	<u>26,744,557</u>
(7,072,161)	(6,047,750)	(7,024,762)	(8,090,075)	(7,154,530)	(4,240,120)
<u>3,727,011</u>	<u>3,419,877</u>	<u>4,460,046</u>	<u>3,151,942</u>	<u>4,239,914</u>	<u>3,726,354</u>
<u>(3,345,150)</u>	<u>(2,627,873)</u>	<u>(2,564,716)</u>	<u>(4,938,133)</u>	<u>(2,914,616)</u>	<u>(513,766)</u>

Schedule 2 (Concluded)
CITY OF ALACHUA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 4,241,001	4,051,946	3,695,306	3,650,565
Utility taxes	959,321	1,233,554	1,191,592	1,120,707
Discretionary Sales Surtax	0	0	0	0
Communications services taxes	428,155	408,414	379,347	333,439
Local option gas tax	0	0	0	0
Business license tax	47,034	48,780	49,898	49,723
Franchise fees	0	0	0	0
Intergovernmental revenue	548,753	565,093	600,600	626,460
Unrestricted investment earnings	31,071	11,159	15,289	13,401
Miscellaneous	72,712	90,378	637,528	150,228
Capital asset transfers	0	0	0	0
Gain on disposal of capital assets	0	10,775	0	0
Special item	0	0	0	0
Transfers	1,431,153	1,691,792	1,553,882	1,698,102
Total governmental activities	<u>7,759,200</u>	<u>8,111,891</u>	<u>8,123,442</u>	<u>7,642,625</u>
Business-type activities:				
Unrestricted investment earnings	7,931	10,154	17,395	11,665
Miscellaneous	69,944	83,366	62,673	80,881
Capital asset transfers	0	0	0	0
Gain on disposal of capital assets	0	752	0	0
Special item	0	(921,611)	0	0
Transfers	(1,431,153)	(1,691,792)	(1,553,882)	(1,698,102)
Total business-type activities	<u>(1,353,278)</u>	<u>(2,519,131)</u>	<u>(1,473,814)</u>	<u>(1,605,556)</u>
Total primary government	<u>\$ 6,405,922</u>	<u>5,592,760</u>	<u>6,649,628</u>	<u>6,037,069</u>
Change in Net Position				
Governmental activities	\$ 2,265,640	2,317,067	1,885,426	1,312,352
Business-type activities	12,261,030	4,874,727	(329,473)	2,772,894
Total primary government	<u>\$ 14,526,670</u>	<u>7,191,794</u>	<u>1,555,953</u>	<u>4,085,246</u>

Note: Net position for FY 2015, in both Governmental and Business-type Activities, includes a prior period adjustment of beginning net position as a result of the GASB 68 implementation. The effect of GASB 68 resulted in a change in net position in Governmental Activities by \$(3,186,541) and in Business-type Activities of \$(807,347).

Fiscal Year					
2014	2015	2016	2017	2018	2019
3,650,563	3,638,572	3,982,499	4,171,075	4,090,645	4,280,381
1,118,050	1,165,926	1,387,113	1,423,860	1,450,979	1,506,043
0	0	0	368,655	605,530	609,820
313,826	346,275	338,750	311,859	323,331	332,749
0	0	0	0	0	0
46,691	49,645	48,398	48,649	49,970	51,497
0	0	0	0	0	0
657,312	703,123	743,242	801,244	823,041	853,502
8,321	6,617	25,692	32,812	58,385	114,730
114,923	902,230	194,070	103,364	97,195	140,609
0	0	0	0	0	0
0	0	0	0	0	0
0	(3,186,541)	(123,628)	0	0	0
<u>1,698,198</u>	<u>1,614,556</u>	<u>2,200,859</u>	<u>2,382,101</u>	<u>2,362,597</u>	<u>2,065,328</u>
<u>7,607,884</u>	<u>5,240,403</u>	<u>8,796,995</u>	<u>9,643,619</u>	<u>9,861,673</u>	<u>9,954,659</u>
7,330	4,280	7,166	23,498	99,537	187,324
98,254	117,079	74,219	101,279	58,336	124,115
0	0	0	0	0	0
0	0	0	0	0	0
0	(803,120)	0	0	0	0
<u>(1,698,198)</u>	<u>(1,614,556)</u>	<u>(2,200,859)</u>	<u>(2,382,101)</u>	<u>(2,362,597)</u>	<u>(2,065,328)</u>
<u>(1,592,614)</u>	<u>(2,296,317)</u>	<u>(2,119,474)</u>	<u>(2,257,324)</u>	<u>(2,204,724)</u>	<u>(1,753,889)</u>
<u>6,015,270</u>	<u>2,944,086</u>	<u>6,677,521</u>	<u>7,386,295</u>	<u>7,656,949</u>	<u>8,200,770</u>
535,723	(807,347)	1,772,233	1,553,544	2,707,143	5,714,539
<u>2,134,397</u>	<u>1,123,560</u>	<u>2,340,572</u>	<u>894,618</u>	<u>2,035,190</u>	<u>1,972,465</u>
<u>2,670,120</u>	<u>316,213</u>	<u>4,112,805</u>	<u>2,448,162</u>	<u>4,742,333</u>	<u>7,687,004</u>

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

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Nonspendable	\$ 0	1,754,694	1,768,547	1,819,012
Restricted	0	44,769	15,478	12,626
Assigned	0	162,624	157,490	653,673
Unassigned	0	1,438,093	2,384,803	2,689,621
Reserved	2,446,216	0	0	0
Unreserved	(362,329)	0	0	0
Total general fund	<u>\$ 2,083,887</u>	<u>3,400,180</u>	<u>4,326,318</u>	<u>5,174,932</u>
All Other Governmental Funds				
Nonspendable	\$ 0	18,285	9,549	13,621
Restricted	0	2,884,071	2,453,267	2,072,294
Assigned	0	0	0	0
Unassigned	0	(1,646,843)	(1,402,080)	(1,216,869)
Reserved	98,969	0	0	0
Unreserved, reported in:				
Special revenue funds	1,162,252	0	0	0
Debt service funds	103,379	0	0	0
Capital projects funds	(718,530)	0	0	0
Total all other governmental funds	<u>\$ 646,070</u>	<u>1,255,513</u>	<u>1,060,736</u>	<u>869,046</u>

Note: GASB Statement No. 54 was implemented in fiscal year 2011, which changed the presentation of fund balance components.

Fiscal Year					
2014	2015	2016	2017	2018	2019
1,411,513	1,726,625	1,128,744	627,675	750,470	3,104,103
15,462	26,154	26,167	10,448	3,693	12,824
727,248	549,035	2,050,825	306,543	2,354,747	1,228,534
3,434,709	3,324,514	2,931,335	3,813,331	2,774,649	2,705,928
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,588,932</u>	<u>5,626,328</u>	<u>6,137,071</u>	<u>4,757,997</u>	<u>5,883,559</u>	<u>7,051,389</u>
23,607	10,999	12,226	21,826	5,693	597
1,459,511	2,065,728	4,635,975	955,407	1,115,112	707,819
0	0	697,959	559,861	494,228	0
(1,282,361)	(1,194,361)	(667,489)	(300,000)	(95,699)	(2,802,715)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	491,462
0	0	0	0	0	0
<u>200,757</u>	<u>882,366</u>	<u>4,678,671</u>	<u>1,237,094</u>	<u>1,519,334</u>	<u>(1,602,837)</u>

Schedule 4
CITY OF ALACHUA, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Taxes	\$ 6,341,335	6,111,452	5,531,359	5,364,716
Permits, fees, and special assessments	388,256	426,656	410,673	448,531
Intergovernmental revenues	1,509,711	953,409	1,481,397	1,038,824
Charges for services	933,276	904,161	918,349	906,021
Fines and forfeitures	51,071	47,813	41,023	48,181
Interest	31,071	11,159	15,289	13,401
Miscellaneous	314,097	145,019	793,738	174,019
Total revenues	<u>9,568,817</u>	<u>8,599,669</u>	<u>9,191,828</u>	<u>7,993,693</u>
Expenditures				
General government	2,515,519	2,667,416	2,798,685	2,534,198
Public safety	2,867,877	2,755,777	2,869,912	2,916,255
Physical environment	748,023	761,580	737,137	795,832
Transportation	524,382	454,041	475,306	473,721
Economic environment	162,431	176,300	136,857	161,923
Parks and recreation	771,309	624,179	645,313	657,592
Debt service:				
Principal	234,169	227,398	210,000	215,000
Interest and fiscal charges	441,966	431,476	420,787	430,470
Capital outlay	1,446,133	435,301	1,733,572	1,746,650
Total expenditures	<u>9,711,809</u>	<u>8,533,468</u>	<u>10,027,569</u>	<u>9,931,641</u>
Excess (deficiency) of revenues over (under) expenditures	(142,992)	66,201	(835,741)	(1,937,948)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	38,988	167,743	13,220	11,270
Proceeds from borrowing	0	0	0	885,500
Payments to refunding bond escrow agent	0	0	0	0
Insurance proceeds	0	0	0	0
Transfers in	2,728,129	2,852,909	3,182,229	2,454,088
Transfers out	(1,291,454)	(1,161,117)	(1,628,347)	(755,986)
Total other financing sources (uses)	<u>1,475,663</u>	<u>1,859,535</u>	<u>1,567,102</u>	<u>2,594,872</u>
Net change in fund balances	<u>\$ 1,332,671</u>	<u>1,925,736</u>	<u>731,361</u>	<u>656,924</u>
Debt service as a percentage of noncapital expenditures	8.2%	8.1%	7.6%	7.9%

Source: City of Alachua Financial Reports

Note:

A) Section 108, Series 2001A loan refinanced in FY 2015.

B) Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 issued in FY 2016. Issue refunded \$7.1 million of outstanding Capital Improvement and Refunding Revenue Bonds, Series 2006.

Fiscal Year					
2014	2015	2016	2017	2018	2019
5,344,809	5,430,545	6,004,417	6,574,325	6,771,785	7,039,344
507,102	495,716	491,381	491,187	536,096	564,860
1,149,737	1,887,631	1,796,689	1,594,494	1,241,335	3,723,450
902,045	947,960	1,067,509	982,949	1,060,719	1,217,916
63,393	43,769	34,312	64,531	29,230	78,810
8,321	6,617	25,692	32,812	58,385	114,730
171,720	998,455	192,843	107,699	89,425	137,858
<u>8,147,127</u>	<u>9,810,693</u>	<u>9,612,843</u>	<u>9,847,997</u>	<u>9,786,975</u>	<u>12,876,968</u>
2,511,783	2,560,365	2,741,395	3,064,460	3,156,600	3,332,416
3,004,179	3,128,641	3,283,396	3,555,867	3,133,453	3,261,173
789,349	840,588	828,228	724,030	728,843	697,125
474,618	488,529	566,945	563,055	562,857	667,209
197,491	172,559	197,743	186,235	294,475	300,062
710,454	789,635	640,079	592,608	793,078	876,510
304,621	321,840	418,711	482,911	534,888	464,197
421,513	424,885	474,815	486,444	489,477	471,882
1,685,606	1,979,202	4,339,117	7,395,139	1,048,099	6,826,063
<u>10,099,614</u>	<u>10,706,244</u>	<u>13,490,429</u>	<u>17,050,749</u>	<u>10,741,770</u>	<u>16,896,637</u>
(1,952,487)	(895,551)	(3,877,586)	(7,202,752)	(954,795)	(4,019,669)
0	0	0	0	0	0
0	1,150,000	13,207,453	0	0	0
0	(1,150,000)	(7,100,000)	0	0	0
0	0	0	0	0	0
2,557,976	2,979,434	3,437,126	5,478,044	3,398,431	3,015,805
(859,778)	(1,364,878)	(1,236,267)	(3,095,943)	(1,035,834)	(950,476)
<u>1,698,198</u>	<u>1,614,556</u>	<u>8,308,312</u>	<u>2,382,101</u>	<u>2,362,597</u>	<u>2,065,329</u>
<u>(254,289)</u>	<u>719,005</u>	<u>4,430,726</u>	<u>(4,820,651)</u>	<u>1,407,802</u>	<u>(1,954,340)</u>
8.6%	8.6%	9.8%	10.0%	10.6%	9.3%

REVENUE CAPACITY INFORMATION

Schedule 5
CITY OF ALACHUA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Residential Property	Commercial Property	Agricultural Property	Industrial Property
2010	\$ 531,600,770	\$ 113,537,800	\$ 69,227,500	\$ 158,400,600
2011	319,077,965	104,257,104	60,791,620	145,987,301
2012	275,660,490	104,238,080	59,247,070	129,060,290
2013	279,161,950	106,282,970	57,665,520	130,863,550
2014	281,698,170	106,926,610	56,734,615	128,789,230
2015	287,733,692	106,342,560	57,151,050	122,327,400
2016	298,701,155	107,851,700	57,903,000	120,895,840
2017	309,304,486	113,985,346	53,879,730	121,952,410
2018	335,714,108	103,460,140	54,743,787	176,570,660
2019	357,724,814	106,719,620	60,071,970	179,366,290

Source: Alachua County Property Appraiser

Non-Taxable Real Property	Personal and Centrally Assessed Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 108,260,600	\$ 141,482,934	\$ 321,027,840	\$ 801,482,364	5.5000
261,136,703	144,519,173	272,288,306	763,481,560	5.5000
260,266,024	146,380,912	272,929,424	701,923,442	5.5000
286,179,813	103,588,381	281,978,533	681,763,651	5.5000
285,937,360	108,914,101	281,927,200	687,072,886	5.5000
290,459,714	103,433,849	284,232,894	683,215,371	5.5000
287,466,114	100,745,527	285,472,955	688,090,381	5.9900
291,778,105	107,092,736	286,363,129	711,629,684	5.9900
306,847,540	107,354,328	302,079,280	782,611,283	5.3900
323,835,410	110,932,918	318,382,990	820,268,032	5.3900

Schedule 6
CITY OF ALACHUA, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

Fiscal Year Ended Sept. 30,	Direct			Overlapping							
	Basic Rate	General Obligation Debt Service	Total City	Alachua BOCC	Alachua BOCC GO Debt	Alachua County Library District	Library Capital Outlay	Library Debt Service	School Board	Suwannee River Water Management District	St. Johns River Water Management District
2010	5.5000	0.0000	5.5000	8.0495	0.2500	1.2856	0.0000	0.0915	9.4080	0.4399	0.4158
2011	5.5000	0.0000	5.5000	8.3763	0.2500	1.3638	0.0000	0.1098	9.1070	0.4399	0.4158
2012	5.5000	0.0000	5.5000	8.5956	0.2500	1.3638	0.0000	0.1152	9.0920	0.4143	0.3313
2013	5.5000	0.0000	5.5000	8.5956	0.2500	1.3638	0.0000	0.1130	8.5490	0.4143	0.3313
2014	5.5000	0.0000	5.5000	8.7990	0.2500	1.3638	0.0000	0.0950	8.4020	0.4143	0.3283
2015	5.5000	0.0000	5.5000	8.7990	0.2500	1.3638	0.0000	0.0950	8.4100	0.0420	0.3164
2016	5.9900	0.0000	5.9900	8.7950	0.1595	1.4538	0.0000	0.0900	8.3420	0.4104	0.3023
2017	5.9900	0.0000	5.9900	8.9290	0.0000	1.3371	0.0000	0.0750	7.9360	0.4093	0.2885
2018	5.3900	0.0000	5.3900	8.4648	0.0000	1.2655	0.0000	0.0000	7.6250	0.4027	0.2724
2019	5.3900	0.0000	5.3900	8.2829	0.0000	1.2303	0.0000	0.0000	7.2640	0.3948	0.2562

Source: Alachua County Property Appraiser

Schedule 7
CITY OF ALACHUA, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS PRIOR

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
			Value			Value
SNH Medical Office Properties, Trust	\$ 40,553,153	1	4.94%	\$ 0		0.00%
Dolgencorp, Inc.	36,877,212	2	4.50%	69,095,010	2	8.62%
Ology Bioservices, Inc.	34,973,137	3	4.26%	0		0.00%
Wal-Mart Stores East LP	33,812,143	4	4.12%	84,825,830	1	10.58%
Baugh Southeast Cooperative, Inc.	27,414,300	5	3.34%	46,782,620	3	5.84%
Alachua Development, LLC	16,232,975	6	1.98%	13,259,200	5	1.65%
Regeneration Technologies, Inc.	12,792,639	7	1.56%	24,341,390	4	3.04%
Alachua FL 0716 LLC	7,032,700	8	0.86%	0		0.00%
Lowes Home Centers, Inc.	6,357,655	9	0.78%	0		0.00%
Waco Properties, Inc.	5,552,343	10	0.68%	11,414,000	6	1.42%
MAS Holding Company, Inc.	0		0.00%	6,545,800	8	0.82%
Hunter Marine Corporation	0		0.00%	6,874,270	7	0.86%
Innovation Partners, Ltd.	0		0.00%	4,262,300	9	0.53%
Maronda Homes	0		0.00%	4,121,500	10	0.51%
	<u>\$ 221,598,257</u>		<u>27.02%</u>	<u>\$ 271,521,920</u>		<u>33.87%</u>

Source: Alachua County Property Appraiser

Schedule 8
CITY OF ALACHUA, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 4,408,153	\$ 4,234,528	96.1%	\$ 6,473	\$ 4,241,001	96.2%
2011	4,199,149	4,042,368	96.3%	9,578	4,051,947	96.5%
2012	3,860,579	3,688,577	95.5%	6,729	3,695,307	95.7%
2013	3,749,700	3,612,853	96.4%	37,712	3,650,565	97.4%
2014	3,778,901	3,643,042	96.4%	7,521	3,650,563	96.6%
2015	3,757,685	3,632,904	96.7%	5,669	3,638,573	96.8%
2016	4,130,829	3,975,018	96.2%	7,481	3,982,499	96.4%
2017	4,262,662	4,164,772	97.7%	6,303	4,171,075	97.9%
2018	4,230,837	4,085,398	96.6%	5,247	4,090,645	96.7%
2019	4,404,414	4,296,687	97.6%	(16,306)	4,280,381	97.2%

Sources: City of Alachua Financial System Data
Department of Revenue
Alachua County Property Appraiser
Alachua County Tax Collector

DEBT CAPACITY INFORMATION

Schedule 9
 CITY OF ALACHUA, FLORIDA
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				
	Gen. Govt. Revenue Bonds	Gen. Govt. Participation Certificates	Sales Tax Revenue Notes	Tax Increment Revenue Note	Financing Loans / Capital Leases
2010	\$ 7,676,057	\$ 1,600,000	\$ 0	\$ 27,398	\$ 0
2011	7,577,363	1,500,000	0	0	0
2012	7,478,669	1,390,000	0	0	0
2013	7,379,974	1,275,000	0	885,500	0
2014	7,281,279	1,150,000	0	805,879	500,000
2015	7,177,584	1,015,000	0	724,038	500,000
2016	12,937,326	875,000	0	640,370	680,085
2017	12,839,292	725,000	0	554,834	506,710
2018	12,622,858	560,000	0	467,389	0
2019	12,399,024	385,000	0	377,994	0

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Business-Type Activities

Utility Acquisition Bonds	Utility Refunding Bonds	Utility Revenue Bonds	Loans/ Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 725,000	\$ 7,105,000	\$ 351,000	\$ 5,724,755	\$ 23,209,210	7.16%	2,443
665,000	6,515,000	319,000	9,504,291	26,080,654	7.79%	2,767
600,000	5,905,000	286,000	10,193,012	25,852,681	8.14%	2,838
530,000	4,695,000	0	8,362,907	23,128,381	7.00%	2,532
455,000	4,060,000	0	8,411,413	22,663,571	6.41%	2,437
375,000	3,410,000	0	8,345,992	21,547,614	5.86%	2,254
290,000	2,750,000	4,611,853	8,229,683	31,014,317	7.91%	3,135
200,000	2,085,000	4,576,964	8,086,990	29,574,790	7.36%	2,977
105,000	1,405,000	4,500,471	7,917,275	27,577,993	6.51%	2,716
0	710,000	4,421,382	12,220,079	30,513,479	6.95%	2,963

Schedule 10
CITY OF ALACHUA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Capital Improvement Revenue and Revenue Refunding Bonds, 2016	\$ 12,399,024	100.00%	\$ 12,399,024
Redevelopment Revenue Note, 2013	377,994	100.00%	377,994
HUD Section 108 Loan, 2015	385,000	100.00%	385,000
Total direct debt			13,162,018
Overlapping:			
Alachua County Board of County Commissioners:			
Public Improvement Revenue Note, 2014	6,184,000	5.73%	354,527
Capital Improvement Revenue Note, 2015A	2,747,000	5.73%	157,485
Public Improvement Revenue Refunding Note, 2015B	11,118,000	5.73%	637,392
Public Improvement Revenue Refunding Note, 2016	16,160,000	5.73%	926,448
Gas Tax Revenue Note, 2016	4,233,000	5.73%	242,677
Public Improvement Revenue Note, 2017	1,720,000	5.73%	98,607
Capital Improvement Revenue Refunding Note, 2017	2,581,000	5.73%	147,968
Capital Lease Payable ACSO Radio, 2014	11,807	5.73%	677
Local Option Gas Tax Revenue Note, 2018	9,240,000	5.73%	529,727
School Board of Alachua County:			
State Board of Education Bonds	16,000	5.08%	812
Certificates of Participation	44,772,818	5.08%	2,273,418
Quality Zone Academy Bonds	1,794,000	5.08%	91,093
Total overlapping debt			5,460,831
Total direct and overlapping debt			\$ 18,622,849

Sources: City of Alachua Finance Department and the Alachua County Finance Department.

Notes:

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and the businesses of Alachua. This process recognizes that, when considering the City'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.

(2) Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Alachua.

Schedule 11
CITY OF ALACHUA, FLORIDA
PLEDGED-REVENUE COVERAGE
GENERAL GOVERNMENT DEBT
LAST TEN FISCAL YEARS

Fiscal Year	Pledged Revenue	Section 108 Loan Debt Service		Coverage
		Principal	Interest	
2010	\$ 904,314	\$ 95,000	\$ 107,392	4.47
2011	928,496	100,000	101,930	4.60
2012	946,444	110,000	96,130	4.59
2013	966,702	115,000	89,530	4.73
2014	1,006,475	125,000	82,538	4.85
2015	1,057,098	135,000	77,762	4.97
2016	1,133,662	140,000	16,405	7.25
2017	1,190,516	150,000	15,242	7.20
2018	1,235,434	165,000	13,848	6.91
2019	1,310,196	175,000	11,654	7.02

Fiscal Year	Pledged Revenue	Series 2006 Capital Improvement Debt Service		Coverage
		Principal	Interest	
2010	\$ 14,871,989	\$ 100,000	\$ 331,258	34.49
2011	8,681,466	100,000	327,758	20.30
2012	3,795,453	100,000	324,258	8.95
2013	6,255,215	100,000	320,695	14.87
2014	6,123,156	100,000	316,883	14.69
2015	6,024,910	105,000	312,783	14.42
2016	6,402,248	110,000	304,448	15.45
2017	0	0	0	N/A
2018	0	0	0	N/A
2019	0	0	0	N/A

Notes:

(1) Pledged revenue for the Section 108 Loan consists of Half Cent Sales Tax, Franchise Fees, and Guaranteed Entitlement Revenue.

(2) Original Section 108 Loan Series 2001A was refinanced by HUD in FY 2014-2015.

(3) Pledged revenue for the Series 2006 bonds consists of various non ad valorem revenue. This issue was in FY 2016 by the covenant-to-budget Series 2016 Capital Improvement and Revenue Refunding bonds.

Schedule 12
CITY OF ALACHUA, FLORIDA
PLEDGED-REVENUE COVERAGE
SALES TAX REVENUE NOTES
LAST TEN FISCAL YEARS

Fiscal Year	Sales Tax Revenue	Sales Tax Rev Note-1995 Debt Service			Sales Tax Rev Note-1999A Debt Service		
		Principal	Interest	Coverage	Principal	Interest	Coverage
2010	\$ 0	\$ 0	\$ 0	0.00	\$ 0	\$ 0	0.00
2011	0	0	0	0.00	0	0	0.00
2012	0	0	0	0.00	0	0	0.00
2013	0	0	0	0.00	0	0	0.00
2014	0	0	0	0.00	0	0	0.00
2015	0	0	0	0.00	0	0	0.00
2016	0	0	0	0.00	0	0	0.00
2017	0	0	0	0.00	0	0	0.00
2018	0	0	0	0.00	0	0	0.00
2019	0	0	0	0.00	0	0	0.00

Fiscal Year	Sales Tax Revenue	Sales Tax Rev Note-1999B Debt Service			Sales Tax Rev Note-2000 Debt Service		
		Principal	Interest	Coverage	Principal	Interest	Coverage
2010	\$ 0	\$ 0	\$ 0	0.00	\$ 0	\$ 0	0.00
2011	0	0	0	0.00	0	0	0.00
2012	0	0	0	0.00	0	0	0.00
2013	0	0	0	0.00	0	0	0.00
2014	0	0	0	0.00	0	0	0.00
2015	0	0	0	0.00	0	0	0.00
2016	0	0	0	0.00	0	0	0.00
2017	0	0	0	0.00	0	0	0.00
2018	0	0	0	0.00	0	0	0.00
2019	0	0	0	0.00	0	0	0.00

Notes:

(1) The Sales Tax 1995 and 2000 were paid off in Fiscal Year 2006 with proceeds from Series 06 Capital Improvement/Refunding Bonds.

(2) The Sales Tax 1999A and 1999B were paid off in Fiscal Year 2001 with proceeds from Section 108 Loan.

Schedule 13
CITY OF ALACHUA, FLORIDA
PLEDGED-REVENUE COVERAGE
TAX INCREMENT REVENUE NOTES
LAST TEN FISCAL YEARS

Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2009	\$ 475,191	\$ 39,169	\$ 2,915	\$ 42,084	11.29
2011	461,621	27,399	1,389	28,788	16.04
2012	451,046	0	0	0	N/A
2013	440,175	0	0	0	N/A
2014	445,355	79,622	19,658	99,280	4.49
2015	430,915	81,841	17,439	99,280	4.34
2016	446,504	83,668	15,612	99,280	4.50
2017	461,807	85,535	13,744	99,279	4.65
2018	442,610	87,445	11,835	99,280	4.46
2019	459,275	89,397	9,882	99,279	4.63

Notes:

- (1) The Tax Increment Revenue Notes are backed by the property tax revenue produced by the property tax rate of the City of Alachua and Alachua County applied to the increase in taxable assessed values above the base year taxable assessed valued multiplied by 95%.
- (2) 2000 Tax Increment Note paid off during FY 2010-2011.
- (3) 2013 Redevelopment Note Debt Service payment began in FY 2013-2014.

Schedule 14
CITY OF ALACHUA, FLORIDA
PLEDGED-REVENUE COVERAGE
UTILITY SYSTEM BONDS
LAST TEN FISCAL YEARS

Net Debt Service Requirements

Fiscal Year	Net Utility Revenue Available	Excise Taxes	Revenue Available for Debt Service	Total Debt	Coverage
2010	\$ 3,464,866	\$ 1,387,476	\$ 4,852,342	\$ 1,143,225	4.24
2011	5,035,639	1,641,968	6,677,607	1,114,203	5.99
2012	3,921,653	1,570,939	5,492,592	1,040,865	5.28
2013	4,555,312	1,454,146	6,009,458	1,162,198	5.17
2014	3,840,677	1,431,876	5,272,553	1,000,935	5.27
2015	3,295,525	1,512,201	4,807,726	1,120,818	4.29
2016	3,949,967	1,725,863	5,675,830	1,142,493	4.97
2017	3,042,563	1,735,719	4,778,282	1,158,811	4.12
2018	3,587,827	1,774,310	5,362,137	1,184,685	4.53
2019	3,137,138	1,838,792	4,975,930	1,214,577	4.10

Source: City of Alachua Financial Statements (Combining Statements of Revenues, Expenses, and Changes In Fund Net Position).

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 15
CITY OF ALACHUA, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	City Population	Gainesville MSA Population	Per Capita Personal Income	Total Personal Income	Unemployment Rate
2010	9,500	277,030	\$ 34,122	\$ 324,159,000	8.30%
2011	9,424	281,475	35,543	334,957,232	7.70%
2012	9,108	266,369	34,859	317,495,772	6.90%
2013	9,134	268,232	36,179	330,458,986	4.80%
2014	9,300	270,382	38,045	353,818,500	5.50%
2015	9,561	273,377	38,462	367,735,182	4.20%
2016	9,892	277,163	39,650	392,217,800	4.40%
2017	9,936	280,708	40,444	401,851,584	4.50%
2018	10,155	280,715	41,718	423,646,290	3.40%
2019	10,298	285,072	42,663	439,343,574	2.50%

Notes:

A) Per Capita Personal Income figures are based on Gainesville Metropolitan Statistical Area.

B) Unemployment rate figures are based on the Gainesville Metropolitan Statistical Area.

C) Population estimate as published by University of Florida Bureau of Economic and Business Research (BEBR).

Schedule 16
CITY OF ALACHUA, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS PRIOR

Employer	Type of Business	Fiscal Year 2019		
		Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	800	1	26.20%
Dollar General Distribution Center	Retail	678	2	22.21%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	400	3	13.10%
School Board of Alachua County	Public Education	270	4	8.84%
Ology Bioservices, Inc.	Biologic Technologies	179	5	5.90%
Publix Supermarkets	Retail	180	6	5.86%
Lowe's	Retail	143	7	4.68%
Baugh Southeast Cooperative, Inc. (Sysco)	Retail	136	8	4.45%
Greenway Health (Vitera)	Healthcare Management	134	9	4.39%
City of Alachua	City Government	133	10	4.36%
	Total City Employment	3,053		

Source: Individual Employers, Council for Economic Opportunity

Employer	Fiscal Year 2010			
	Type of Business	Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	736	1	24.11%
Dollar General Distribution Center	Retail	624	2	20.44%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	365	3	11.96%
Hunter Marine Corporation	Manufacturing	325	4	10.65%
School Board of Alachua County	Public Education	269	5	8.81%
Sage Software	Healthcare Management	220	6	4.91%
Sandvik Mining & Construction USA, LLC	Manufacturing	150	7	7.21%
State of Florida	State Government	144	8	4.91%
Hitchcock & Sons, Inc.	Grocery	129	9	4.72%
City of Alachua	City Government	114	10	3.73%
Total City Employment		3,076		

Source: Individual Employers, Council for Economic Opportunity

Notes: Total City Employment Figure for 2009 from 2000 Census figures

OPERATING INFORMATION

Schedule 17
CITY OF ALACHUA, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Administration	21.50	18.00	18.00	18.00	18.00	19.00	13.00	12.00	13.00	13.00
Culture and Recreation	7.50	6.00	6.00	7.00	7.00	7.00	7.00	5.00	6.00	7.00
Finance/Administrative Services	13.00	14.00	14.00	14.00	14.00	14.00	20.00	25.00	26.00	26.00
Police	34.50	29.50	29.50	29.50	29.50	30.00	31.50	32.50	34.50	34.50
Community Development and Planning	8.00	10.00	10.00	10.00	10.00	10.00	10.50	11.00	13.00	13.00
Public Services	38.00	38.00	38.00	38.00	38.00	37.00	38.00	38.00	40.00	40.00
Total	122.50	115.50	115.50	116.50	116.50	117.00	120.00	123.50	132.50	133.50

Source: City of Alachua Annual Budget

Notes:

- A) Community Development and Planning includes Compliance and Risk Management - 3.5 FTE in FY 2016.
- B) Purchasing, IT, and Facilities consolidated under Finance & Administrative Services during FY 2016.
- C) FTE for Electric System Planner added to Public Services during FY 2016.
- D) Recreation maintenance staff consolidated with Facilities in FY 2017.

Schedule 18
CITY OF ALACHUA, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2010	2011	2012	2013
Public Safety:				
Arrests	197	191	162	228
Traffic citations issued	2,594	2,516	2,307	3,149
Planning and Development:				
New local business tax receipts issued	90	121	83	73
Building permits issued	482	348	441	489
Culture and Recreation:				
Participants in Summer Recreation Program	68	0	0	0
Electric Utility:				
Number of residential customers	3,561	3,569	3,605	3,645
Kilowatts per hour sold-residential	43,832,940	42,672,474	39,334,834	39,441,390
Number of commercial customers	808	801	819	855
Kilowatts per hour sold-commercial	80,307,626	79,834,390	78,085,867	73,371,218
Water Utility:				
Number of residential customers	3,082	3,127	3,166	3,244
Gallons sold	232,781,197	232,392,400	208,178,387	184,798,177
Number of commercial customers	481	481	493	505
Gallons sold	187,245,207	174,406,479	162,035,512	146,422,961
Wastewater Utility:				
Number of customers	2,642	2,656	2,702	2,755
Gallons of wastewater billed to customers	275,937,716	270,628,629	251,098,965	240,707,541
Reclaimed Water:				
Number of customers	0	0	0	0
Gallons of wastewater billed to customers	0	0	0	0
Solid Waste:				
Number of customers	3,247	3,269	3,300	3,343

Source: Various City Departments

Notes:

(A) Reclaimed Water became available for sale in Fiscal Year 2014.

2014	2015	2016	2017	2018	2019
161	206	217	247	320	304
3,491	1,941	2,196	1,889	1,144	1,813
46	76	58	42	49	54
539	642	605	531	948	668
0	0	0	0	42	165
3,721	3,790	3,866	3,855	3,828	3,881
41,192,449	42,873,312	44,908,136	49,536,179	43,899,437	45,432,789
868	845	850	833	939	1,086
75,053,504	76,684,358	76,684,358	88,739,370	85,042,289	86,828,532
3,296	3,377	3,455	3,435	3,481	3,532
205,179,769	181,027,654	195,392,511	239,218,578	190,649,990	203,401,990
530	534	544	524	526	534
150,610,000	160,707,699	183,371,258	151,993,571	185,630,701	192,225,666
2,820	2,886	2,977	2,953	2,984	3,035
240,160,431	238,979,271	239,973,349	271,199,248	266,929,170	281,685,710
1	1	1	1	1	1
103,205,640	138,011,490	220,200	58,655,900	177,262,500	173,520,740
3,411	3,490	3,532	3,554	3,604	3,685

Schedule 19
CITY OF ALACHUA, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety:										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	1	1	1	1	1	1	1	1	1	1
Public Services:										
Streets (miles)	50.37	55.77	55.77	48.00	48.00	48.00	48.00	49.10	49.97	52.00
Culture and Recreation:										
Parks	6	6	6	6	6	6	6	7	7	7
Tennis courts	2	2	2	2	2	2	2	2	2	2
Ball fields	11	11	11	11	11	11	11	11	11	11
Community centers	3	3	3	3	3	3	3	3	3	3
Skate park	1	1	1	1	1	1	1	1	1	1
Spray pool	1	1	1	1	1	1	1	1	1	1
Electric Utility:										
Substations	1	1	1	1	1	1	1	1	1	1
Water Utility:										
Wells	3	3	3	3	3	3	3	3	3	3
Wastewater Utility:										
Treatment capacity (millions of gallons per day)	0.97	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

Source: Various City Departments

**OTHER INDEPENDENT AUDITOR'S
REPORTS AND SCHEDULES**

**CITY OF ALACHUA
SCHEDULE OF STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<u>State Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
Department of Environmental Protection			
Florida Springs Initiative Grant Program-Mill Creek Sink	37.052	16/17-182	\$ 525,010
Department of Economic Opportunity			
Florida Job Growth Grant Fund	40.043	442902-1-54-01	1,512,943
Department of Transportation			
Highway Beautification Grant-Keep Florida Beautiful	55.003	442808-1-74-01	64,268
Department of Law Enforcement			
Violent Crime Investigations	71.004	N/A	<u>19,849</u>
Total Expenditures of State Awards			<u><u>\$ 2,122,070</u></u>

**NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE PROJECTS
CITY OF ALACHUA, FLORIDA**

Note 1 - General

The accompanying schedule of expenditures of state financial assistance projects presents the activity of all state financial assistance projects of the City of Alachua, Florida (the City).

The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2019. All state financial assistance received directly from state agencies, as well as state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of state financial assistance projects is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis, as described in Note 1 to the City's financial statements.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF ALACHUA, FLORIDA**

1. Summary of Audit Results

Financial Statements

I. Type of Audit Report Issued on Financial Statements

Unmodified Opinion

II. Significant Deficiency and/or Material Weaknesses in Internal Control

Audit disclosed no significant deficiencies in internal control over financial reporting.

III. Non-Compliance Material to Auditee Financial Statements

Audit disclosed no material instances of non-compliance.

State Awards

IV. Significant Deficiencies and/or Material Weaknesses in Internal Control Over Major State Projects

Audit disclosed no significant deficiencies and/or material weaknesses in internal control over major state projects that are required to be reported in the schedule of findings and questioned costs.

V. Type of Audit Report Issued on Compliance with Requirements Applicable to Major State Projects

Unmodified Opinion

VI. Audit Findings Relative to Major State Projects

The audit disclosed no findings required to be reported.

VII. Projects Tested as Major State Projects Included

■ **State Projects**

Florida Springs Initiative Grant Program
Florida Job Growth Grant Fund

CSFA No.

37.052
40.043

VIII. Dollar Threshold Used to Distinguish Between Type A and Type B State Projects

■ **State Projects**

\$300,000

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF ALACHUA, FLORIDA**

Financial Statement Findings

No matters are reported

State Awards Findings and Questioned Costs

No matters are reported

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

Report on Compliance for Each Major State Project

We have audited the City of Alachua, Florida’s, (the City) compliance with the types of compliance requirements described in the Department of Financial Services’ State Projects *Compliance Supplement* that could have a direct and material effect on the City’s major state projects for the year ended September 30, 2019. The City’s major state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state projects.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for the City’s major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, *Rules of the Auditor General*. These standards and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state projects. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state projects for the year ended September 30, 2019.

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Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

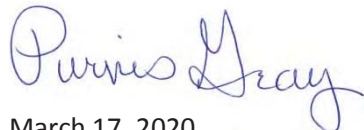
Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



March 17, 2020
Gainesville, Florida

**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***

Honorable Mayor, City Commissioners, and
City Manager
Alachua, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alachua, Florida (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 17, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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.

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Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

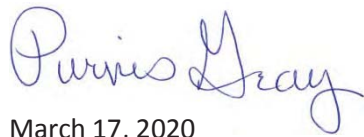
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 17, 2020
Gainesville, Florida

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

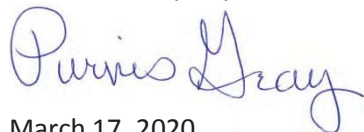
Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

We have examined the City of Alachua, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2019, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Commissioners, and management and is not intended to be and should not be used by anyone other than these specified parties.



March 17, 2020
Gainesville, Florida

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MANAGEMENT LETTER

Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Alachua, Florida (the City) as of and for the year ended September 30, 2019, and have issued our report thereon dated March 17, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards* and independent accountant's report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 17, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no such findings in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. These disclosures can be found in Note 1 to the financial statements.

Financial Condition and Management

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

MANAGEMENT LETTER

- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

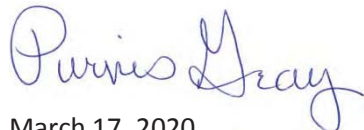
Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, 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 our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



March 17, 2020
Gainesville, Florida

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Honorable Mayor and City Council
City of Alachua, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alachua, Florida, (the City), for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 9, 2019. Professional standards also require that we communicate to you the following information related to our audit:

Qualitative Aspects of Accounting Practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Upcoming Governmental Accounting Standards Board (GASB) Pronouncements

GASB has recently issued two new accounting and financial reporting pronouncements which will become effective for the City's 2020 and 2021 fiscal year reporting periods:

- GASB Statement No. 84 – *Fiduciary Activities*, establishes criteria for identifying fiduciary activities by focusing on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This statement becomes effective for the fiscal 2020 reporting period.
- GASB Statement No. 87 – *Leases*, changes the accounting and financial reporting related to lease agreements for both lessees and lessors. Upon adoption, there will no longer be a distinction between the traditional capital and operating leases. The new guidance establishes that leases are a financing arrangement for the right to use an underlying asset. This statement becomes effective for the fiscal 2021 reporting period.

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City of Alachua, Florida

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- **Accumulated Depreciation and Depreciation Expense**

Management estimates accumulated depreciation and depreciation expense for capital assets using the straight-line method of depreciation and by determining estimated useful lives based on the classes of depreciable property described in the notes to the financial statements.

- **Unbilled Revenue Receivable and Revenues**

Management's estimate of the unbilled revenue receivable on the statement of net position consists of actual cycle billings that are billed subsequent to year-end for consumption prior to September 30, 2019, multiplied by the average percentage of the cycle bills applicable to fiscal year 2019.

- **Cost of Roads and Right-of-Ways**

Management's estimate of the cost of roads and related right-of-ways is based on historical costs and an analysis of peer group cost estimates.

- **Other Postemployment Benefit Obligations (OPEB)**

The OPEB liability represents the estimated cost to fund the health insurance costs of employees of the City after they retire. This estimate is based on an actuarial study performed by a qualified actuary. The OPEB liability, deferred inflows, and deferred outflows are allocated between the governmental and business-type activities. There are underlying assumptions in the actuarial study, which if changed, could significantly affect the amount reported.

- **Net Pension Liability, Pension Related Deferred Outflows and Inflows of Resources, and Pension Expense**

The City's share of the net pension liability, deferred outflows, deferred inflows, and pension expense of the Florida Retirement System's Pension and Health Insurance Subsidy plans are estimates based on actuarial studies performed by a qualified actuary retained by the Florida Division of Retirement.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Honorable Mayor and City Council
City of Alachua, Florida

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 17, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures on the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

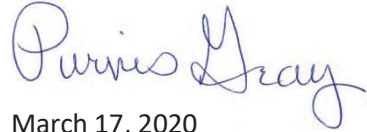
We were engaged to report on the supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Honorable Mayor and City Council
City of Alachua, Florida

Restriction on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

March 17, 2020
Gainesville, Florida