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# Alachua County, Florida

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## Single Audit Report

For the Fiscal Year Ended September 30, 2017

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**ALACHUA COUNTY, FLORIDA**  
**SINGLE AUDIT REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2017**

Prepared by:  
Finance and Accounting Department  
Clerk to the Board of County Commissioners  
J.K. "Jess" Irby

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**ALACHUA COUNTY, FLORIDA**  
**SINGLE AUDIT REPORT**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**  
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**INDEPENDENT AUDITOR'S REPORT  
FOR  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
ALACHUA COUNTY, FLORIDA**

**September 30, 2017**



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## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
and Constitutional Officers  
Alachua County, 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 discretely presented component unit and remaining fund information of Alachua County, Florida (the "County"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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



## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County, as of September 30, 2017, and the respective changes in financial position and cash flows, where applicable, 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 and the required supplementary information identified in the table of contents 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.

### *Schedule of Federal and State Financial Assistance*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of federal and state financial assistance, as required by Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Carly Riggs & Ingram, L.L.C.*

Gainesville, Florida  
June 28, 2018

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

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2017. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the Transmittal Letter, which precedes Management's Discussion and Analysis.

### *Financial Highlights*

#### **Government-wide Statements**

- Alachua County's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at September 30, 2017 by \$490.9 million (net position). The county provides a defined benefit pension plan for its employees. The county implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which requires employers providing other postemployment benefits to report a net OPEB liability. As a result of reporting the net OPEB and pension liability, the county reported a (\$49.3) million unrestricted net position deficit.
- Total net position of \$490.9 million is comprised of the following:
  - 1) Net investment in capital assets of \$471.6 includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of those capital assets.
  - 2) \$68.6 million of net position are restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations.
  - 3) (\$60.2) million of unrestricted deficit governmental net position and \$10.9 million of unrestricted business-type net position.
- The County's total net position decreased \$2.6 million over the previous year with a decrease of \$1.6 from governmental activities and a decrease of \$1.0 million from business activities. This decrease in total net position is primarily due to implementation of GASB 75 and the increase in the net pension liability.

#### **Fund Statements**

- At September 30, 2017, the County's governmental funds reported combined ending unassigned fund balances of \$18.1 million and total fund balances of \$114.9 million. Total fund balances had an increase of \$6.4 million from the prior fiscal year.
- At September 30, 2017, unassigned fund balance for the General Fund was \$18.1 million or 13.20% of General Fund operating revenue. Assigned fund balance includes \$4 million subsequent year's reserve for contingency and \$7.2 million for FY18 appropriated fund balance. General Fund balance increased by \$2.3 million from the prior fiscal year.
- Governmental funds revenues increased overall by \$18.1 million or 7.96% from the prior fiscal year. The overall change in governmental funds revenues can primarily be attributed to the following: \$6.1 million increase in property taxes and a \$7.6 million increase due to the voter approved tax referendum for Wild Spaces Public Places.
- Along with making regularly scheduled debt service payments for the year, the County had a net decrease in notes payables of \$3.9 million.

## ***Overview of the Financial Statements***

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

Both of these financial statements distinguish functions of the County 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 County include administration, community services, corrections, courts, culture and recreation, tourist development, emergency services, environmental services, growth management, law enforcement, solid waste collection, and transportation. The business-type activities of the County include the solid waste system and codes enforcement.

The government-wide financial statements include not only the County itself (known as the primary government), but also the following legally separate component units: the Alachua County Housing Finance Authority and the John A. H. Murphree Law Library. Financial information for these component units is reported separately from the financial information presented for the primary government itself; these component units do not issue separate financial statements.

The government-wide financial statements can be found on pages 22-25 of this report.

### **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 County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All County funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### ***Governmental Funds***

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

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

The County maintains twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the County-wide General Fund, Community Health Program Offering Innovative Care and Health Education Services (CHOICES), Municipal Service Taxing Unit (Unincorporated, Law Enforcement and Fire Protection), Gas Tax Uses, Emergency Services, Debt Service and Transportation Trust which are considered to be major funds. Data from the other seventeen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the Supplemental Information section of this report; the breakdown of the County-wide General Fund by Board of County Commissioners and Constitutional Officer is also presented in this section.

The County adopts an annual budget for its general, special revenue, debt service and capital projects funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance; major funds budgetary comparison (excluding Debt Service and Capital Project funds) is in the Required Supplementary Information starting on page 87 and for non-major, Debt Service and Capital Project funds in the Supplementary Information section starting on page 107.

The basic governmental fund statements can be found on pages 26-32 of this report.

### ***Proprietary Funds***

The County maintains two different types of proprietary funds. Enterprise funds are used to report business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to Solid Waste and Codes Enforcement. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Computer Replacement, Vehicle Replacement, Fleet Management, Telephone Service, Self-Insurance Liability and Health Insurance operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the government-wide financial statements as governmental activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste System, as well as the only non-major enterprise fund, Codes Enforcement Fund. Internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the Supplementary Information section of this report.

The basic proprietary fund financial statements can be found on pages 35-37 of this report.

## ***Fiduciary Funds***

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

The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-86 of this report, with the index to the notes on the first page of that section.

## **Other Information**

Supplemental information in the form of combining statements referred to earlier, present a more detailed view of non-major funds used in governmental and enterprise funds. The sub-funds of the General Fund are presented first, followed by the budget to actual schedules for non-major special revenue funds, the debt service fund and all capital projects funds. Also included are statements for internal service and agency funds as well as component unit information. Combining and individual fund schedules can be found on pages 99-130 of this report. Additional information about the County that may be of interest to the reader is found under the Statistical section on pages 153-183 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 County, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$490.9 million at the close of the fiscal year ended September 30, 2017 (see table next page).

At the end of fiscal year 2017, the County is able to report positive balances in two categories of net position, for the government as a whole, and all three categories for its separate business-type activities.

Current and other assets increased by 5.2% over the prior year due to voter approved infrastructure tax referendum for Wild Spaces Public Places. Net investment in capital assets, less any outstanding debt used to acquire those assets, increased by 1.4% due to the completion of several road resurfacing projects, and renovations of several county buildings.



**Alachua County, Florida**  
**Net Position**  
(in millions)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Percent Change</b>
	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	
Current and other assets	\$154.7	\$163.7	\$20.0	\$20.0	\$174.7	\$183.7	5.2%
Capital assets	521.0	526.2	9.6	9.5	530.6	535.7	1.0%
Total assets	<u>675.7</u>	<u>689.9</u>	<u>29.6</u>	<u>29.5</u>	<u>705.3</u>	<u>719.4</u>	<u>2.0%</u>
Deferred Outflows	\$84.1	\$69.4	\$1.63	\$1.4	\$85.7	\$70.8	-17.4%
Current liabilities	40.4	42.3	2.0	2.1	42.4	44.4	4.9%
Long-term liabilities outstanding	220.2	235.1	7.4	8.1	227.6	243.3	6.9%
Total liabilities	<u>260.6</u>	<u>277.5</u>	<u>9.3</u>	<u>10.2</u>	<u>269.9</u>	<u>287.7</u>	<u>6.6%</u>
Deferred Inflows	\$26.97	\$11.4	\$0.52	\$0.2	\$27.50	\$11.6	-57.8%
Net investment in capital assets	455.6	462.1	9.6	9.5	465.2	471.6	1.4%
Net position - restricted	65.5	68.6	-	-	65.5	68.6	4.6%
Net position - unrestricted (deficit)	(49.0)	(60.2)	11.8	10.9	(37.2)	(49.3)	32.7%
Total net position	<u>\$472.1</u>	<u>\$470.5</u>	<u>\$21.4</u>	<u>\$20.4</u>	<u>\$493.5</u>	<u>\$490.9</u>	<u>-0.5%</u>

(Note: Due to rounding, the totals shown may not be the addition of numbers presented in this table, but are the true net position rounded totals.)

Current liabilities and long-term liabilities in total increased from the previous year by 6.6% due to implementation of GASB 75 and recognition of net OPEB liability.

Total net position at year end is \$490.9 million. The largest portion of the County's net position (\$471.6 million or 96.1%) reflects its investment in capital assets (e.g., land, infrastructure, buildings and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County'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 liabilities.

An additional portion of the County's net position (\$68.6 million or 14%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position deficit (\$49.3 million or -10.1%). The \$49.3 million unrestricted deficit in net position reflects the shortfall the county would face in the event it would have to liquidate all of its non-capital liabilities, including insurance claims payable, compensated absences, and other post-employment benefits, at September 30, 2017. A deficit in unrestricted net position should not be considered, solely, as evidence of economic financial difficulties.

Restricted net position in the governmental activities and business-type activities had a net increase of \$3.1 million or 4.6% from 2016 to 2017. This portion of net position represents restrictions from specific revenue sources and grants. Main components of the net increase include:

- Net increase of \$2.9 million in restricted assets for debt due to issuance of debt
- Net decrease of \$1.7 million in restricted assets for tourist development
- Decrease of \$2.9 million in restricted assets for road construction reduction bond proceeds
- Increase of \$6.8 million in restricted assets for Wild Spaces Public Places
- Decrease of \$2.0 in restricted assets for transportation impact fees

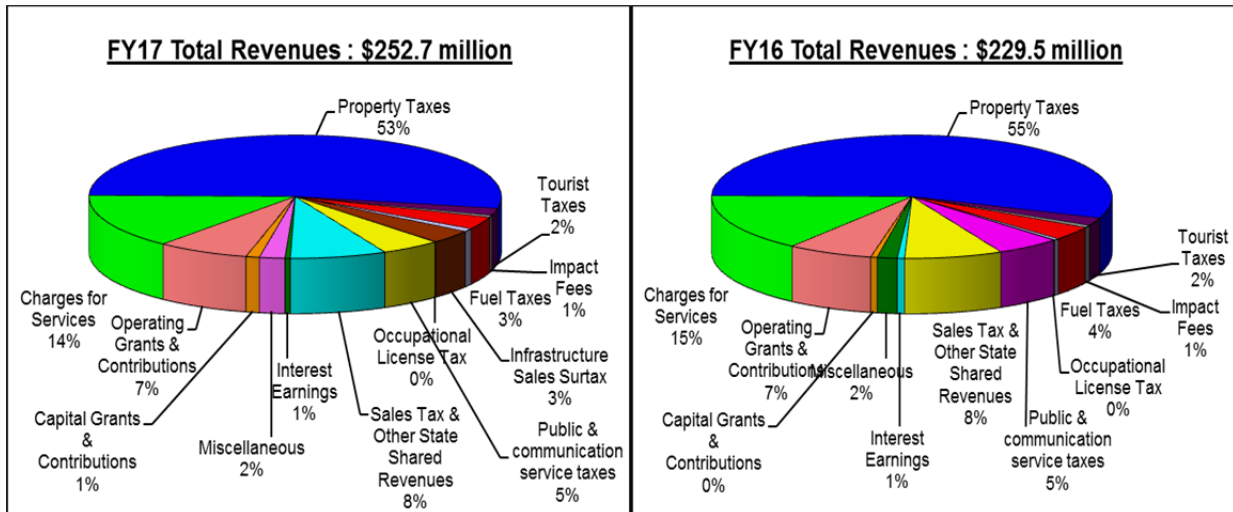
Unrestricted net position in the governmental type activities, decreased by \$11.2 million, due to the recognition of a net OPEB liability and increase to the net pension liability.

**Alachua County, Florida**  
**Changes in Net Position**  
(in millions)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2016	2017	2016	2017	2016	2017	
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$34.6	\$36.0	\$14.6	\$15.1	\$49.2	\$51.1	4.0%
Operating grants and contributions	15.8	18.2	-	-	15.8	18.2	15.3%
Capital grants and contributions	1.2	2.7	-	-	1.2	2.7	124.1%
General revenues:							
Property taxes	127.3	133.4	-	-	127.3	133.4	4.8%
Other taxes	25.1	33.8	-	-	25.1	33.8	34.9%
Other	25.6	28.6	2.2	2.6	27.9	31.3	12.2%
Total revenues	229.5	252.7	16.8	17.8	246.4	270.5	9.8%
<b>Expenses:</b>							
Administration	46.7	50.4	-	-	46.7	50.4	7.9%
Community services	15.7	16.5	-	-	15.7	16.5	5.3%
Corrections	34.2	35.6	-	-	34.2	35.6	4.3%
Courts	24.3	23.2	-	-	24.3	23.2	-4.6%
Culture and recreation	2.8	2.9	-	-	2.8	2.9	2.2%
Tourist development	4.5	6.5	-	-	4.5	6.5	44.8%
Emergency services	37.8	39.7	-	-	37.8	39.7	4.8%
Environmental services	3.6	3.6	-	-	3.6	3.6	-1.7%
Growth management	4.4	2.9	-	-	4.4	2.9	-33.7%
Law enforcement	36.4	37.7	-	-	36.4	37.7	3.8%
Solid waste collection	5.2	5.3	-	-	5.2	5.3	1.9%
Transportation	18.6	18.9	-	-	18.6	18.9	1.5%
Interest on long-term debt	1.4	1.3	-	-	1.4	1.3	-2.3%
Solid waste disposal system	-	-	15.0	16.7	15.0	16.7	11.5%
Codes enforcement	-	-	1.2	1.4	1.2	1.4	15.8%
Total expenses	235.7	244.6	16.2	18.2	252.0	262.8	4.3%
Increase (decrease) in net position before transfers	(6.2)	8.1	0.5	(0.4)	(5.7)	7.7	
Transfers	0.0	0.0	(0.0)	(0.0)	-	-	
Increase (decrease) in net position	(6.2)	8.1	0.5	(0.4)	(5.7)	7.7	
Net Position - Beginning as previously reported	478.3	472.1	20.9	21.4	499.2	493.5	
Change in accounting principle	0.0	(9.7)	0.0	(0.5)	0.0	(10.3)	
Net Position-beginning-as restated	478.3	462.4	20.9	20.9	499.2	483.2	
Net Position - Ending	\$ 472.1	\$ 470.5	\$ 21.4	\$ 20.4	\$ 493.5	\$ 490.9	-0.5%

(Note: Due to rounding, the totals shown may not be the addition of numbers presented in this table, but are the true net position rounded totals.)

The following charts show a graphical comparison of governmental revenues by source.

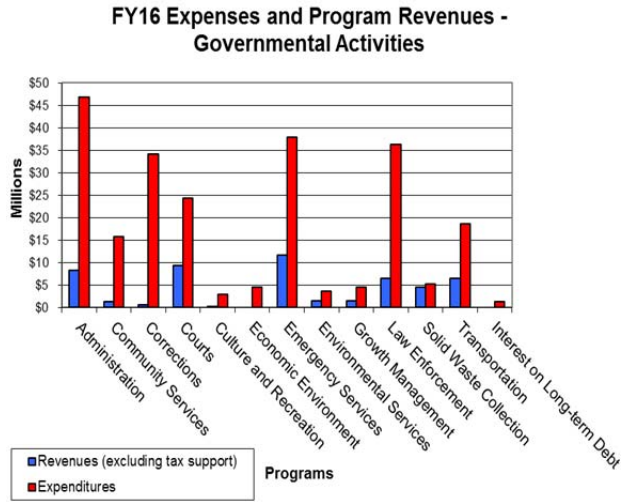
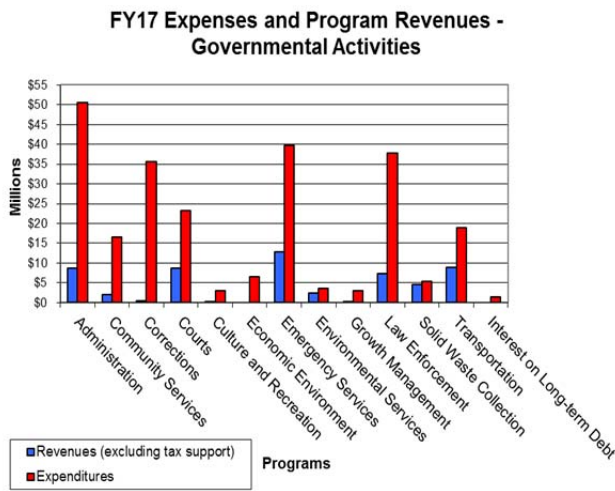


### Governmental Activities

The County's total net position decreased \$2.6 million over the previous year with a decrease of \$1.6 million from governmental activities and a decrease of \$1.0 million from business activities.

Major changes in revenues were caused by the following:

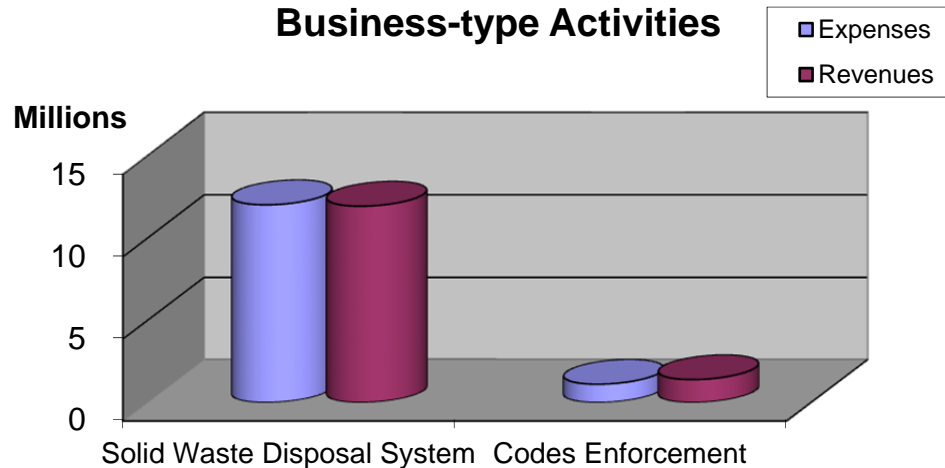
- Capital Grants and Contributions increased overall by 124.1%. During the prior year FY2017, Alachua County received a donation of \$2.5 million of infrastructure and right-of-ways for new construction occurring within the County.
- Property tax revenue increased by \$6.1 million. Property tax revenue increased due to growth in new construction.
- Other taxes increase by \$8.7 million or by 34.9%. The majority of this increase is due to the approved voter infrastructure tax referendum for Wild Spaces Public Places.



Major changes in expenses were caused by the following:

- Court expenses decreased by 4.6% or \$3.7 million. The primary component of the decrease CJMHSA Mental Health and Metamorphosis grant expenses and decrease in circuit-wide billing expenses over prior fiscal year within court division.
- Tourist development expenses increased by \$2.0 million or 44.8%, due to increase in aid provided to other governmental agencies to promote tourism within Alachua County.
- Emergency services expenses increased by 4.8% or \$1.9 million. Expenses increased over prior year for the expansion and delivery of emergency services within Alachua County.
- Growth management services decreased by 33.7% or \$1.5 million. During FY2017, the expenses decreased due to expenses for the prior year in the Community Development Block Grant program.
- Interest expense decreased by 3.2% or \$.1 million. During FY2017, the 2008 Capital Improvement Note was refunded, as a result the interest expense decreased.

## Expenses and Program Revenues - Business-type Activities



### Business-type Activities

Business-type activities net position remained the same from previous year.

- The Solid Waste Transfer Station went into operation in 1999. The 27,520 square foot Transfer Station is operated by approximately 34 employees and has eight tractor-trailers, two grapples, and a front-end loader. Approximately 500-600 tons per day of household and commercial waste is hauled to the Transfer Station and ultimately routed to the New River Solid Waste Facility in Raiford, Florida. For the year, operating revenues fell short of operating expenses by \$1 million. After accounting for non-operating revenues and transfers-in, the Transfer Station had a change in net position for the year of negative \$1.2 million. The primary reason for the negative change in net position is due to the County taking over the operations of the Material Recovery Facility at the Leveda Brown Environmental Park.
- Codes Enforcement furnishes services to the development community and citizens. Codes Enforcement operating revenues exceeded operating expenses by \$0.4 million in fiscal year 2017. Revenues increase slightly for fines, with the majority being in residential remodel and re-roofing. Total permits issued in fiscal year 2017 were 6,608 versus 6,592 permits issued in fiscal year 2016.

### *Fund Financial Analysis*

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

### **Governmental Funds**

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

**Alachua County, Florida**  
**Designations of Fund Balance**

Total fund balance	\$ 114,856,025
Fund balance designation:	
Nonspendable	657,484
Restricted	68,230,033
Assigned	<u>27,872,538</u>
Unassigned fund balance	<u><u>\$ 18,095,970</u></u>

As of the end of fiscal year 2017, the County’s governmental funds reported combined unassigned ending fund balances of \$18 million, an increase of \$1.6 million from the prior year. The increase in unassigned fund balance from the prior year is primarily due to an overall increase in the total fund balance for the general fund.

**Major Funds**

The General Fund, CHOICES, Municipal Service Taxing Unit (separated into Unincorporated Services, Law Enforcement and Fire Protection), Gas Tax Uses, Emergency Services, Debt Service, and Transportation Trust are reported as major funds.

The General Fund is the chief operating fund of the County and consists of six sub-fund categories: BOCC Countywide General Fund, Clerk of Court General Fund, Property Appraiser General Fund, Sheriff General Fund, Supervisor of Elections General Fund, and Tax Collector General Fund. The General Fund had an increase in fund balance of \$2.3 million. The total fund balance was \$29.7 million of which \$18.1 million was unassigned. The cash & investment balance at the end of the year was \$25.5 million. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total fund operating revenues. The unassigned fund balance represents 13.20% of total actual FY17 General Fund operating revenue and 11.05% of projected FY18 operating revenues. The General Fund’s spendable unrestricted fund balance (the sum of committed, assigned, & unassigned fund balance) totaled \$29.3 million and met the minimum fund balance recommendation of the Government Finance Officers Association which defines a minimum unrestricted fund balance of no less than two months of regular General Fund operating revenues or operating expenditures.

The CHOICES Program was approved by the voters on August 31, 2004. The program is funded by a ¼ cent sales tax which was approved through December 2011. As of September 30, 2017, the total fund balance for CHOICES was \$8 million. During the year CHOICES had \$0.1 million in investment and miscellaneous income. \$0.8 million was spent for program costs resulting in a net change in fund balance of (\$0.6) million.

The Municipal Service Taxing Unit (MSTU) – Unincorporated Services Fund provides services to citizens in the unincorporated area of the County, including recreation, environmental services, transportation and development related activities such as codes enforcement and planning. Slight decrease in overall transfers out resulted in an overall increase in fund balance during the year of \$0.1 million. The fund has an ending fund balance of \$1.1 million. The ending fund balance represents 18.41% of the MTSU - Unincorporated Services operating revenue.

The MSTU - Law Enforcement Fund pays for the majority of the Sheriff’s patrol in the unincorporated area of the County through transfers of \$19.6 million to the Sheriff. The increase in fund balance during

the year was \$0.2 million. This increase was the result of an increase in charges for services, resulting in an ending fund balance of \$1.9 million. The \$2.4 million borrowed in fiscal year 2009 from the General Fund is still outstanding.

The MSTU - Fire Protection Fund provides fire fighting and related services to citizens in the unincorporated area of the County. The fund has an ending fund balance of \$1 million, a decrease of \$0.1 million dollars from the prior year. The ending fund balance represents 6.88% of the MSTU – Fire Protection Services operating revenue.

The Gas Tax Uses Fund is the primary operating fund of the Public Works – Road & Bridge Department. The primary revenue source for this fund is fuel taxes as well as transfers-in which totaled \$3.6 million from unrestricted debt service collections on Gas Tax Revenue Bonds. This year \$7.9 million was spent on maintenance of County roads. Revenues including transfers were more than expenditures by \$0.8 million resulting in an ending fund balance of \$4.9 million.

The Debt Service fund accounts for the resources accumulated and payments made for principal and interest on long-term obligations of debt of governmental funds. The 2006 and 2008 series Gas Tax Revenue Bonds were refunded during the fiscal year. The fund has an ending balance of \$9.5 million, an increase of \$2.9 million from fiscal year 2016, due to reduction in annual debt payments because of previous year refunding.

The Emergency Services Fund accounts for revenues and expenditures of grant funds used for various emergency services within the county. This year \$0.6 million was spent on FEMA (Hurricane Irma) related expenses. The fund balance had a slight increase of \$0.7 million.

The Transportation Trust Fund accounts for capital transportation projects. The fund has an ending fund balance of \$19.3 million, an increase of \$0.3 million dollars from the prior year. The slight increase was due to a reduction in debt expenditures.

### **Proprietary Funds**

The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The Solid Waste System fund is reported as a major fund.

The Solid Waste System fund is used to account for the operation of the County's off-site collection centers, recycling, transfer station and the monitoring and remediation activities of the County's closed landfills. The Solid Waste System operates like a business, where the rates established by the County generate sufficient funds to pay the costs of current operations and provide for long-term asset acquisitions. As required by the State Department of Environmental Protection, the County has set aside over \$3.5 million for long term care of the closed landfills. Total assets as of September 30, 2017 were \$26.5 million, of which \$9.5 million are capital assets, net of depreciation. Total liabilities were \$9.1 million. Net position increased by \$1.2 million, for an ending net position of \$18.3 million.

### ***General Fund Budgetary Highlights***

There was a slight increase between the General Fund's original and final budgeted operating revenues, excluding other financial sources.

The differences between the original and final General Fund budget for current operating expenditures was partially the result of moving budget from the Reserve for Contingencies for the following:

- \$1 million – FEMA Disaster Recovery Fund Creation (Irma)
- \$336,000 – Restoration at Combined Communication Center and Work Release
- \$100,000 – Sheriff request for Hurricane Irma

Other major changes between the original and final General Fund budget for current operating expenditures included the following major adjustment:

- \$1.5 million– carry forward of prior year purchase orders and mid-year fund balance adjustments.

General Fund actual revenues overall were \$3.7 million more than the final amended budgeted revenues. \$1.7 million of this amount is due to more taxes being collected than budgeted; per Florida Statute 129.01, only 95 percent of anticipated receipts may be budgeted. Actual operating expenditures overall were \$10.9 million less than was budgeted; this was primarily due to a \$2.1 million savings in general government expenses, \$2.4 million savings in public safety expenses, and unused reserve for contingency balance of \$5.8 million.

### ***Capital Asset and Debt Administration***

#### **Capital Assets**

The County’s investment in capital assets for its governmental and business-type activities as of September 30, 2017 totals \$535.7 million (net of accumulated depreciation) and includes land, buildings, improvements other than buildings, leasehold improvements, equipment, infrastructure, and construction in progress. The County experienced an overall increase in investment in capital assets over the prior fiscal year of approximately .96%.

**Alachua County, Florida**  
**Capital Assets**  
**(net of depreciation, in millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Percent Change</b>
	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	
Land	\$ 255.8	\$ 257.8	\$ 3.4	\$ 3.5	\$ 259.2	\$ 261.3	0.81%
Art	0.1	0.1	-	-	0.1	0.1	0.00%
Infrastructure	103.0	98.0	-	-	103.0	98.0	-4.85%
Buildings	86.5	93.9	1.2	1.1	87.7	95.0	8.32%
Improvements other than buildings	5.6	5.2	2.5	2.3	8.1	7.5	-7.41%
Equipment	25.3	24.1	1.8	1.9	27.1	26.0	-4.06%
Construction in progress	44.7	47.1	0.7	0.7	45.4	47.8	5.29%
<b>Total</b>	<b>\$ 521.0</b>	<b>\$ 526.2</b>	<b>\$ 9.6</b>	<b>\$ 9.5</b>	<b>\$ 530.6</b>	<b>\$ 535.7</b>	<b>0.96%</b>

(Note: Due to rounding, the totals shown may not be the addition of numbers presented in this table, but are the true rounded totals.)

As shown in the above table, construction in progress increased due primarily to building and road construction.



Major capital asset events during the current fiscal year included the following:

- Road resurfacing and widening projects completed in 2017 using contractors:
  - CR 236 - reconstruction of CR 236 from the City of High Springs to I-75 \$2.5 million spent to date
  - NW 69th Terrace – resurfacing completed \$68,000 spent to date
  
- Planning, design and construction began or continued on the following major road resurfacing and widening projects this fiscal year for:
  - Tower Road rehabilitating existing pavement, adding turn lanes, and bus turnouts (\$28,000 spent to date)
  - SW 62nd Avenue/SW 63rd Boulevard - milling and resurfacing (\$363,508 spent to date)
  - SW 8th Avenue Connector - milling, resurfacing and connection to a new road segment (\$801,633 spent to date)
  
- County Buildings
  - Tax Collector administration building – redesigns and remodel to accommodate new services offered to the public completed in the amount of \$1.1 million.
  - Alachua County Fire Station #33 in Waldo – construction of new fire station completed in the amount of \$1.9 million.
  - Alachua County Fire Station #40 in Gainesville – construction of new fire station completed in the amount of \$2.7 million.
  - Public Defender building – completed construction on the public defender building in the amount of \$4.8 million.

Additional information on the County’s capital assets can be found in Note 6 on pages 63-64 of this report.

### **Long-term Debt**

At the end of fiscal year 2017, the County had total notes payable outstanding of \$64.5 million. The County’s debt represents notes payables secured by specified revenue sources.

**Alachua County, Florida**  
**Outstanding Debt**

	2016	2017
Notes Payable		
2008 Capital Improvement bank loan	\$ 4,254,000	\$ -
2011 Local Option Gas Tax bank loan	3,925,000	2,645,000
2014 Public Improvement bank loan	9,000,000	8,081,000
2015A Capital Improvement bank loan	3,800,000	3,457,000
2015B Public Improvement bank loan	12,637,000	12,507,000
2016 Public Improvement bank loan	24,430,000	23,545,000
2016 Gas Tax Revenue bank loan	10,385,000	8,360,000
2017 Public Improvement bank loan	-	2,120,000
2017 Capital Improvement bank loan	-	3,791,000
Total	\$ 68,431,000	\$ 64,506,000

After making regularly scheduled debt service payments for the year, the County had a net decrease in notes payable of \$3.9 million from the prior fiscal year.

Additional information on the County's debt can be found in Note 8 on pages 66-71 of this report.

***Economic Factors and Next Year's Budgets and Rates***

- The unemployment rate for the County at September 30, 2017 was 3.1%. This represents a decrease of 29.5% from the prior year, and is one of the lowest rates in the state.
- The total taxable assessed value increased 8.13% for the FY18 budget year with a tax base of \$13.6 billion.
- There were 6,608 building permits issued in the County for fiscal year 2017, up 0.24% from the previous fiscal year total of 6,592.
- Estimated population increased by 1.14% from an estimate of 257,062 to 260,003.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$18.1 million with a total fund balance of \$29.7 million. The fiscal year 2017 ad valorem millage rate for the General Fund dropped to 8.7945 mills and the tax rate decreased to 8.4648 for fiscal year 2018.

### ***Requests for Information***

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Alachua County Clerk of Courts, Finance and Accounting, 201 East University Avenue, Gainesville, Florida 32601. Additional financial information, including financial reports from prior fiscal years, can also be found on our website <http://www.alachuacounty.us/Depts/Clerk/Pages/FinancialReports.aspx>.

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**BASIC  
FINANCIAL  
STATEMENTS**

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ALACHUA COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets:</b>				
Current Assets:				
Equity in pooled cash & investments	\$ 126,574,728	\$ 15,369,602	\$ 141,944,330	\$ 264,497
Cash with claims administrator	200,000	-	200,000	-
Other cash and equivalents	9,941,906	250	9,942,156	-
Investments	1,548,720	-	1,548,720	-
Receivables (net)	4,220,885	1,202,571	5,423,456	522
Due from other governments	11,522,032	42,164	11,564,196	1,434
Internal balances	(180,881)	180,881	-	-
Inventories or assets held for sale	837,378	-	837,378	-
Prepaid items	1,666,213	-	1,666,213	-
Total current non-restricted assets	<u>156,330,981</u>	<u>16,795,468</u>	<u>173,126,449</u>	<u>266,453</u>
Current Restricted Assets:				
Sinking fund cash & cash reserves	7,386,404	-	7,386,404	-
Total current restricted assets	<u>7,386,404</u>	<u>-</u>	<u>7,386,404</u>	<u>-</u>
Total current assets (restricted & non-restricted)	<u>163,717,385</u>	<u>16,795,468</u>	<u>180,512,853</u>	<u>266,453</u>
Noncurrent Assets:				
Noncurrent restricted assets:				
Restricted equity in pooled cash and investments	-	26,203	26,203	-
Restricted investments	-	3,122,139	3,122,139	-
Restricted interest receivable	-	24,123	24,123	-
Total noncurrent restricted assets	<u>-</u>	<u>3,172,465</u>	<u>3,172,465</u>	<u>-</u>
Capital Assets:				
Land	257,739,268	3,480,357	261,219,625	-
Artwork	91,390	-	91,390	-
Infrastructure	507,869,381	-	507,869,381	-
Buildings	159,640,918	2,806,998	162,447,916	-
Improvements other than buildings	15,379,966	13,298,268	28,678,234	-
Equipment and software	85,506,008	5,372,351	90,878,359	-
Construction in progress	47,147,599	643,369	47,790,968	-
Less accumulated depreciation	(547,158,047)	(16,107,426)	(563,265,473)	-
Total capital assets	<u>526,216,483</u>	<u>9,493,917</u>	<u>535,710,400</u>	<u>-</u>
Total noncurrent assets (restricted & non-restricted)	<u>526,216,483</u>	<u>12,666,382</u>	<u>538,882,865</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 689,933,868</u>	<u>\$ 29,461,850</u>	<u>\$ 719,395,718</u>	<u>\$ 266,453</u>
<b>Deferred Outflow of Resources:</b>				
Deferred amounts related to pensions	68,435,418	1,399,011	69,834,429	-
Deferred loss on refunding	959,647	-	959,647	-
<b>Total Deferred Outflow of Resources</b>	<u>69,395,065</u>	<u>1,399,011</u>	<u>70,794,076</u>	<u>-</u>

The accompanying notes are an integral part of the financial statements.



	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Liabilities:</b>				
Current Liabilities (payable from current assets):				
Accounts payable	\$ 15,178,623	\$ 1,308,004	\$ 16,486,627	\$ 1,075
Accrued interest payable	595,922	-	595,922	-
Estimated liability for self insurance losses	2,130,455	-	2,130,455	-
Contracts payable	853,366	-	853,366	-
Due to other governments	2,990,437	51,691	3,042,128	-
Deposits	44,805	105,025	149,830	-
Unearned revenue	2,075,128	-	2,075,128	-
Accrued compensated absences	7,660,460	263,654	7,924,114	-
Accrued landfill closure cost	-	379,010	379,010	-
Capital lease payable	126,785	-	126,785	-
Notes payable	9,790,000	-	9,790,000	-
Net pension liability	860,095	19,805	879,900	-
<b>Total current liabilities (payable from current assets)</b>	<b>42,306,076</b>	<b>2,127,189</b>	<b>44,433,265</b>	<b>1,075</b>
Noncurrent Liabilities:				
Accrued compensated absences	8,100,890	266,326	8,367,216	-
Estimated liability for self insurance losses	3,553,553	-	3,553,553	-
Capital lease payable	144,435	-	144,435	-
Notes payable (net of amortization on discounts & premiums)	54,716,000	-	54,716,000	-
Net OPEB liability	9,304,860	489,729	9,794,589	-
Net pension liability	159,330,192	3,362,919	162,693,111	-
<b>Total noncurrent liabilities (payable from noncurrent assets)</b>	<b>235,149,930</b>	<b>4,118,974</b>	<b>239,268,904</b>	<b>-</b>
Noncurrent Liabilities (payable from restricted assets):				
Accrued landfill closure cost	-	3,989,951	3,989,951	-
<b>Total noncurrent liabilities (payable from restricted assets)</b>	<b>-</b>	<b>3,989,951</b>	<b>3,989,951</b>	<b>-</b>
<b>Total noncurrent liabilities</b>	<b>235,149,930</b>	<b>8,108,925</b>	<b>243,258,855</b>	<b>-</b>
<b>Total Liabilities</b>	<b>277,456,006</b>	<b>10,236,114</b>	<b>287,692,120</b>	<b>1,075</b>
<b>Deferred Inflows of Resources:</b>				
Deferred amounts related to OPEB	57,448	3,024	60,472	-
Deferred amounts related to pensions	11,361,602	178,870	11,540,472	-
<b>Total Deferred Inflow of Resources</b>	<b>11,419,050</b>	<b>181,894</b>	<b>11,600,944</b>	<b>-</b>
<b>Net Position:</b>				
Net investment in capital assets	462,084,658	9,493,917	471,578,575	-
Restricted for:				
Restricted for debt service	7,386,404	-	7,386,404	-
Restricted for debt requirements	2,096,677	-	2,096,677	-
Restricted for CHOICES	8,005,818	-	8,005,818	-
Restricted for Wild Spaces & Public Places	6,806,495	-	6,806,495	-
Restricted for tourist development	4,204,317	-	4,204,317	-
Restricted for road construction	9,967,842	-	9,967,842	-
Restricted for Alachua County Forever land program	1,976,135	-	1,976,135	-
Restricted for public improvement revenue projects	442,244	-	442,244	-
Restricted for impact fee - fire	547,928	-	547,928	-
Restricted for impact fee - parks	302,473	-	302,473	-
Restricted for impact fee - transportation	4,796,439	-	4,796,439	-
Restricted for multi-modal mitigation fee - transportation	4,223,648	-	4,223,648	-
Restricted for enabling legislation	15,176,300	-	15,176,300	-
Restricted for grants and other purposes	2,630,260	-	2,630,260	-
Unrestricted (Deficit)	(60,193,761)	10,948,936	(49,244,825)	265,378
<b>Total Net Position</b>	<b>\$ 470,453,877</b>	<b>\$ 20,442,853</b>	<b>\$ 490,896,730</b>	<b>\$ 265,378</b>

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

Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
Administration	\$ 50,454,018	\$ 7,344,204	\$ 2,087,290	\$ -
Community services	16,517,085	365,033	1,656,350	-
Corrections	35,643,925	447,591	34,800	-
Courts	23,207,734	6,208,948	2,480,721	-
Culture and recreation	2,898,848	78,535	10,780	-
Tourist development	6,501,171	-	-	-
Emergency services	39,659,121	12,104,768	710,560	-
Environmental services	3,569,213	533,927	1,927,669	-
Growth management	2,930,046	163,509	-	-
Law enforcement	37,727,320	2,874,294	4,297,726	155,619
Solid waste collection	5,314,515	4,488,619	175	-
Transportation	18,909,373	1,420,362	5,006,626	2,505,711
Interest on long-term debt	1,345,550	-	-	-
Total governmental activities	<u>244,677,919</u>	<u>36,029,790</u>	<u>18,212,697</u>	<u>2,661,330</u>
Business-type activities:				
Solid waste disposal system	16,729,526	13,245,019	-	-
Codes enforcement	1,425,825	1,867,002	-	-
Total business-type activities	<u>18,155,351</u>	<u>15,112,021</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 262,833,270</u>	<u>\$ 51,141,811</u>	<u>\$ 18,212,697</u>	<u>\$ 2,661,330</u>
<b>Component Units:</b>				
Murphree Law Library	\$ 16,759	\$ 38,662	\$ -	\$ -
Alachua County Housing Finance Authority	23,152	-	-	-
Total component units	<u>\$ 39,911</u>	<u>\$ 38,662</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
Property taxes
Tourist development taxes
Impact fees
Multi-modal mitigation fees
Fuel taxes
Infrastructure sales surtaxes (Wild Spaces & Public Places)
Local business taxes
Public & communication service taxes
Sales tax & other state shared revenue-unrestricted
Interest earnings
Miscellaneous
Total general revenues
Changes in net position before transfers
Transfers
Changes in net position
Net position - beginning, as previously reported
Net OPEB liability
Eliminate Net OPEB Asset
Net position-beginning as restated
Net position - ending

The accompanying notes are an integral part of the financial statements.

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component</b>
<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>	<b>Units</b>
<b>Activities</b>	<b>Activities</b>		
\$ (41,022,524)	\$ -	\$ (41,022,524)	
(14,495,702)	-	(14,495,702)	
(35,161,534)	-	(35,161,534)	
(14,518,065)	-	(14,518,065)	
(2,809,533)	-	(2,809,533)	
(6,501,171)	-	(6,501,171)	
(26,843,793)	-	(26,843,793)	
(1,107,617)	-	(1,107,617)	
(2,766,537)	-	(2,766,537)	
(30,399,681)	-	(30,399,681)	
(825,721)	-	(825,721)	
(9,976,674)	-	(9,976,674)	
(1,345,550)	-	(1,345,550)	
(187,774,102)	-	(187,774,102)	
-	(3,484,507)	(3,484,507)	
-	441,177	441,177	
-	(3,043,330)	(3,043,330)	
(187,774,102)	(3,043,330)	(190,817,432)	
			\$ 21,903
			(23,152)
			(1,249)
133,392,313	-	133,392,313	-
4,671,484	-	4,671,484	-
1,392,824	-	1,392,824	-
2,096,454	-	2,096,454	-
8,298,449	-	8,298,449	-
8,846,400	-	8,846,400	-
198,433	-	198,433	-
11,810,180	-	11,810,180	-
19,018,746	-	19,018,746	-
1,050,017	101,961	1,151,978	1,185
5,016,915	2,539,741	7,556,656	52,108
195,792,215	2,641,702	198,433,917	53,293
8,018,113	(401,628)	7,616,485	52,044
47,862	(47,862)	-	-
8,065,975	(449,490)	7,616,485	52,044
472,131,744	21,411,234	493,542,978	213,334
(9,321,299)	(490,595)	(9,811,894)	-
(422,543)	(28,296)	(450,839)	-
462,387,902	20,892,343	483,280,245	213,334
\$ 470,453,877	\$ 20,442,853	\$ 490,896,730	\$ 265,378

ALACHUA COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017

	GENERAL	CHOICES	MSTU UNINCORPORATED SERVICES	MSTU LAW ENFORCEMENT
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 25,459,313	\$ 8,051,750	\$ 1,537,588	\$ 3,405,013
Other cash and equivalents	5,992,860	-	100	-
Sinking fund cash and cash reserves	-	-	-	-
Investments	-	-	-	-
Accounts receivable	6,271,388	16,565	39,800	142,426
Allowance for estimated uncollectables	(4,261,545)	-	-	-
Assessment receivable	-	-	-	-
Due from other funds	6,328,299	-	56,915	230,146
Due from other governments	208,864	-	235,778	650,896
Inventories or assets held for resale	408,236	-	-	-
Prepaid Items	-	-	-	-
Total assets	<u>\$ 40,407,415</u>	<u>\$ 8,068,315</u>	<u>\$ 1,870,181</u>	<u>\$ 4,428,481</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 8,462,074	\$ 47,042	\$ 204,820	\$ -
Contracts payable	-	-	-	-
Due to individuals	3,635	-	-	-
Due to other funds	1,062,790	-	10	2,400,000
Due to other governments	749,932	15,455	499,275	-
Deposits	16,027	-	18,033	-
Unearned revenue	2,950	-	-	-
Total liabilities	<u>10,297,408</u>	<u>62,497</u>	<u>722,138</u>	<u>2,400,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Tax revenue - unavailable	-	-	42,013	168,052
Intergovernmental revenue - unavailable	11,740	-	-	-
Special Assessment revenue - unavailable	-	-	-	-
Charges for services - unavailable	417,561	-	-	-
Total deferred inflows of resources	<u>429,301</u>	<u>-</u>	<u>42,013</u>	<u>168,052</u>
<b>Fund balances:</b>				
Non-spendable	408,236	-	-	-
Restricted	-	8,005,818	-	-
Assigned	11,176,500	-	1,106,030	1,860,429
Unassigned	18,095,970	-	-	-
Total fund balances	<u>29,680,706</u>	<u>8,005,818</u>	<u>1,106,030</u>	<u>1,860,429</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,407,415</u>	<u>\$ 8,068,315</u>	<u>\$ 1,870,181</u>	<u>\$ 4,428,481</u>

The accompanying notes are an integral part of the financial statements.

MSTU FIRE PROTECTION	GAS TAX USES	EMERGENCY SERVICES	DEBT SERVICE	TRANSPORTATION TRUST
\$ 767,417	\$ 4,976,584	\$ 5,831,268	\$ 1,485,135	\$ 20,273,676
-	1,000	-	-	-
-	-	-	7,386,404	-
-	-	-	-	-
122,957	200	388,614	16,997	639,635
-	-	-	-	-
-	-	-	-	301,624
185,379	8,207	157,081	-	376,923
452,684	692,177	1,099,120	3,509,682	66,085
-	190,771	-	-	-
-	-	-	-	-
<u>\$ 1,528,437</u>	<u>\$ 5,868,939</u>	<u>\$ 7,476,083</u>	<u>\$ 12,398,218</u>	<u>\$ 21,657,943</u>
\$ 422,423	\$ 567,717	\$ 252,545	\$ 15,118	\$ 774,648
-	-	-	-	633,540
-	-	-	-	29,560
-	1,305	1,701,059	1,172,889	367,000
1,819	58,880	150,205	-	196,941
-	2,650	-	-	-
-	-	-	-	-
<u>424,242</u>	<u>630,552</u>	<u>2,103,809</u>	<u>1,188,007</u>	<u>2,001,689</u>
126,039	296,496	-	335,567	-
3,229	27,485	792,214	1,391,563	-
-	-	-	-	301,624
-	-	27,476	-	-
<u>129,268</u>	<u>323,981</u>	<u>819,690</u>	<u>1,727,130</u>	<u>301,624</u>
-	190,771	-	-	-
-	-	2,002,957	9,483,081	19,354,630
974,927	4,723,635	2,549,627	-	-
-	-	-	-	-
<u>974,927</u>	<u>4,914,406</u>	<u>4,552,584</u>	<u>9,483,081</u>	<u>19,354,630</u>
<u>\$ 1,528,437</u>	<u>\$ 5,868,939</u>	<u>\$ 7,476,083</u>	<u>\$ 12,398,218</u>	<u>\$ 21,657,943</u>

ALACHUA COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017

PAGE 2 OF 2

	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 31,815,045	\$ 103,602,789
Other cash and equivalents	3,827,946	9,821,906
Sinking fund cash and cash reserves	-	7,386,404
Investments	1,548,720	1,548,720
Accounts receivable	363,904	8,002,486
Allowance for estimated uncollectables	(162)	(4,261,707)
Assessment receivable	(733)	300,891
Due from other funds	181,713	7,524,663
Due from other governments	4,565,602	11,480,888
Inventories or assets held for resale	-	599,007
Prepaid Items	58,477	58,477
Total assets	<u>\$ 42,360,512</u>	<u>\$ 146,064,524</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,602,892	\$ 12,349,279
Contracts payable	219,826	853,366
Due to individuals	360,346	393,541
Due to other funds	1,818,459	8,523,512
Due to other governments	1,308,550	2,981,057
Deposits	8,095	44,805
Unearned revenue	43,214	46,164
Total liabilities	<u>5,361,382</u>	<u>25,191,724</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Tax revenue - unavailable	1,210,558	2,178,725
Intergovernmental revenue - unavailable	865,158	3,091,389
Special Assessment revenue - unavailable	-	301,624
Charges for services - unavailable	-	445,037
Total deferred inflows of resources	<u>2,075,716</u>	<u>6,016,775</u>
Fund balances:		
Non-spendable	58,477	657,484
Restricted	29,383,547	68,230,033
Assigned	5,481,390	27,872,538
Unassigned	-	18,095,970
Total fund balances	<u>34,923,414</u>	<u>114,856,025</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,360,512</u>	<u>\$ 146,064,524</u>

The accompanying notes are an integral part of the financial statements.

**Alachua County, Florida**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2017**

Fund balances – total governmental funds (page 28) \$114,856,025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements. The cost of capital assets is \$1,073,374,530 and the accumulated depreciation is \$547,158,047.

Total governmental activities capital assets	\$526,216,483	
Remove Internal Service capital assets	<u>(5,863,645)</u>	520,352,838

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

Notes payable	(\$64,506,000)	
Capital lease payable	(271,220)	
Self-insured losses	(5,684,008)	
Accrued compensated absences	(15,761,350)	
Net OPEB Liability	(9,304,860)	
Net Pension Liability	(160,190,287)	
Less amounts reported in Internal Service funds:		
Self-insured losses	5,684,008	
Accrued compensated absences	221,153	
Net OPEB Liability	195,892	
Net Pension Liability	<u>1,353,090</u>	(248,263,582)

Accrued long-term debt interest payable is not current and therefore is not reported in the fund statements. (595,922)

Deferred outflows and inflows of resources do not affect current financial resources, and therefore, are not reported in the government funds.

Deferred outflow on pension liabilities	67,875,813	
Deferred inflow on OPEB liabilities	(56,239)	
Deferred inflow on pension liabilities	(11,290,054)	
Deferred outflow loss on refunding	<u>959,647</u>	57,489,167

Certain receivables are not “available” in the current period and therefore are not recognized as revenues in governmental funds. 6,016,775

The assets and liabilities of the Internal Service Funds are included in governmental activities. 18,990,840

Prepaid Items originally expensed in full, reclassified as an asset. 1,607,736

Net Position of governmental activities (page 23) \$470,453,877

The accompanying notes are an integral part of the financial statements.

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

	GENERAL	CHOICES	MSTU UNINCORPORATED SERVICES	MSTU LAW ENFORCEMENT
<b>REVENUES</b>				
Taxes	\$ 109,151,877	\$ -	\$ 4,581,139	\$ 18,035,617
Permits and fees	21,541	-	102,991	-
Intergovernmental	6,124,940	-	1,024,667	27,090
Charges for services	18,684,046	-	130,593	920,490
Fines and forfeitures	8,102	-	-	-
Investment income	595,930	41,221	16,217	25,760
Special assessments and impact fees	-	-	-	-
Private donations	5,325	-	-	-
Miscellaneous	2,474,163	45,876	150,898	2,197
Total revenues	<u>137,065,924</u>	<u>87,097</u>	<u>6,006,505</u>	<u>19,011,154</u>
<b>EXPENDITURES</b>				
Current:				
General government	32,227,376	-	1,126,152	247,175
Public safety	89,455,407	-	426,637	103,398
Physical environment	1,935,960	-	540,008	-
Transportation	280,867	-	1,987,017	-
Economic environment	6,729,103	-	969,404	-
Human services	13,484,701	715,926	-	-
Culture and recreation	497,080	-	1,028,590	-
Court cost	9,588,524	-	-	-
Debt service:				
Principal	165,284	-	-	-
Interest and fiscal charges	19,002	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>154,383,304</u>	<u>715,926</u>	<u>6,077,808</u>	<u>350,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,317,380)</u>	<u>(628,829)</u>	<u>(71,303)</u>	<u>18,660,581</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	29,956,246	-	277,511	1,110,122
Transfers out	(10,488,390)	-	(50,931)	(19,595,657)
Payment to escrow agent	-	-	-	-
Issuance of debt	-	-	-	-
Sale of capital assets	151,299	-	-	-
Total other financing sources and (uses)	<u>19,619,155</u>	<u>-</u>	<u>226,580</u>	<u>(18,485,535)</u>
Net change in fund balances	2,301,775	(628,829)	155,277	175,046
Fund balances - beginning	27,378,931	8,634,647	950,753	1,685,383
Fund balances - ending	<u>\$ 29,680,706</u>	<u>\$ 8,005,818</u>	<u>\$ 1,106,030</u>	<u>\$ 1,860,429</u>

The accompanying notes are an integral part of the financial statements.



<u>MSTU FIRE PROTECTION</u>	<u>GAS TAX USES</u>	<u>EMERGENCY SERVICES</u>	<u>DEBT SERVICE</u>	<u>TRANSPORTATION TRUST</u>
\$ 13,284,104	\$ 3,938,406	\$ -	\$ 4,381,259	\$ -
(2,450)	-	-	-	137,512
24,704	96,539	5,163,523	16,831,778	50,982
835,593	1,083,809	383,511	521,793	714,654
-	-	255,388	-	-
33,526	-	9,413	34,752	96,960
-	-	-	-	3,353,516
-	-	-	-	-
978	12,791	-	2	6,725
<u>14,176,455</u>	<u>5,131,545</u>	<u>5,811,835</u>	<u>21,769,584</u>	<u>4,360,349</u>
180,266	-	-	-	-
14,251,119	-	2,401,233	-	-
-	-	-	-	-
-	7,982,905	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	6,118,000	-
-	-	-	1,441,237	-
-	-	-	-	9,111,875
<u>14,431,385</u>	<u>7,982,905</u>	<u>2,401,233</u>	<u>7,559,237</u>	<u>9,111,875</u>
<u>(254,930)</u>	<u>(2,851,360)</u>	<u>3,410,602</u>	<u>14,210,347</u>	<u>(4,751,526)</u>
847,164	3,620,711	5,200,954	713,406	5,069,917
(741,660)	-	(7,887,830)	(12,049,285)	-
-	-	-	(3,718,000)	-
-	-	-	3,791,000	-
-	-	-	-	-
<u>105,504</u>	<u>3,620,711</u>	<u>(2,686,876)</u>	<u>(11,262,879)</u>	<u>5,069,917</u>
(149,426)	769,351	723,726	2,947,468	318,391
1,124,353	4,145,055	3,828,858	6,535,613	19,036,239
<u>\$ 974,927</u>	<u>\$ 4,914,406</u>	<u>\$ 4,552,584</u>	<u>\$ 9,483,081</u>	<u>\$ 19,354,630</u>

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

	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>		
Taxes	\$ 12,319,409	\$ 165,691,811
Permits and fees	270,558	530,152
Intergovernmental	6,241,838	35,586,061
Charges for services	5,450,128	28,724,617
Fines and forfeitures	1,418,535	1,682,025
Investment income	162,455	1,016,234
Special assessments and impact fees	4,664,319	8,017,835
Private donations	93,483	98,808
Miscellaneous	1,796,814	4,490,444
Total revenues	<u>32,417,539</u>	<u>245,837,987</u>
<b>EXPENDITURES</b>		
Current:		
General government	338,925	34,119,894
Public safety	3,321,937	109,959,731
Physical environment	7,833,982	10,309,950
Transportation	521,359	10,772,148
Economic environment	6,971,734	14,670,241
Human services	1,683,115	15,883,742
Culture and recreation	1,290,169	2,815,839
Court cost	6,813,715	16,402,239
Debt service:		
Principal	-	6,283,284
Interest and fiscal charges	-	1,460,239
Capital outlay	7,986,537	17,098,412
Total expenditures	<u>36,761,473</u>	<u>239,775,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,343,934)</u>	<u>6,062,268</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	4,474,062	51,270,093
Transfers out	(2,470,106)	(53,283,859)
Payment to escrow agent	-	(3,718,000)
Issuance of debt	2,120,000	5,911,000
Sale of capital assets	-	151,299
Total other financing sources and (uses)	<u>4,123,956</u>	<u>330,533</u>
Net change in fund balances	(219,978)	6,392,801
Fund balances - beginning	35,143,392	108,463,224
Fund balances - ending	<u>\$ 34,923,414</u>	<u>\$ 114,856,025</u>

The accompanying notes are an integral part of the financial statements.

**Alachua County, 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, 2017**

Net change in fund balances – total governmental funds (page 32) \$6,392,801

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of \$23,717,138 were more than depreciation (\$20,042,736) in the current period.

Total governmental activities capital outlay expenditures	\$24,687,508	
Remove Internal Service capital outlay expenditures	(970,370)	
Total capital outlay expenditures excluding Internal Service	\$23,717,138	
Total governmental activities depreciation	(\$21,629,268)	
Remove Internal Service depreciation	1,586,532	
Total depreciation excluding Internal Service	(\$20,042,736)	3,674,402

Donations/contributions of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. 2,454,729

Governmental funds report sale of capital assets as financial resources; the loss on disposal of capital assets are not reflected in the fund statement.

Total capital outlay loss per Capital Asset Schedule	(\$181,082)	
Remove gain Internal Service	(75,260)	
Total capital outlay loss excluding Internal Service	(\$256,342)	(256,342)

Repayments of bond, note, and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 6,283,284

Issuance of debt provide current financial resources to governmental funds, but debt increases long-term liabilities in the Statement of Net Position. (5,911,000)

Paid to refunding bond escrow agent 3,718,000

The net change in net pension liability, deferred outflows, and deferred inflows are reported in statement of activities, but not in governmental funds.

Change in pension liabilities	(\$12,346,070)	
Less: Change internal service pension liabilities	139,293	
Net change in pension liabilities	(\$12,206,777)	
Change in deferred outflows	(\$14,496,460)	
Less: Change in internal service deferred outflows	94,300	
Net change in deferred outflows	(\$14,402,160)	
Change in deferred inflows	\$15,610,765	
Less: Change in internal service deferred inflows	(137,575)	
Net change in deferred inflows	\$15,473,190	(11,135,747)

Change in the deferred loss on refunding is not reported in governmental funds. (178,394)

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2017**

The net change in net OPEB liability, and deferred inflows are reported in statement of activities, but not in governmental funds.

Total change in net OPEB liability	\$16,439	
Remove change in net OPEB liability Internal Service	(346)	
Net change in OPEB liabilities	<u>\$16,093</u>	
Change in deferred inflows	(57,448)	
Less: Change in internal service deferred inflows	<u>1,209</u>	
Total change in deferred inflows	<u>(\$56,239)</u>	(40,146)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Net change in compensated absences	(\$1,028,940)	
Net change in Medicaid payable	883,429	
Net change in accrued interest payable	<u>42,078</u>	
Net adjustment	<u>(\$103,433)</u>	(103,433)

Internal service funds are used by management to charge the costs of insurance, computer replacement, fleet services, and telephone services to individual funds. Total net loss for internal service funds is reported with governmental activities. 171,766

Certain accrued revenues reported in the Statement of Activities are not considered available current financial resources and therefore are not reported as revenue in the governmental funds. 3,187,519

Prepaid items originally expensed in full, reclassified as an asset. (191,464)

Changes in net position of governmental activities (page 25) \$8,065,975

The accompanying notes are an integral part of the financial statements

ALACHUA COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND	TOTAL	
		410 CODES ENFORCEMENT		
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash and investments	\$ 12,463,911	\$ 2,905,691	\$ 15,369,602	\$ 22,971,939
Other cash and equivalents	250	-	250	120,000
Cash with claims administrator	-	-	-	200,000
Accounts receivable	1,202,571	-	1,202,571	179,215
Due from other funds	180,889	-	180,889	817,968
Due from other governments	41,062	1,102	42,164	41,144
Inventories	-	-	-	238,371
Total current assets	<u>13,888,683</u>	<u>2,906,793</u>	<u>16,795,476</u>	<u>24,568,637</u>
Noncurrent assets:				
Restricted assets:				
Equity in pooled cash and investments	26,203	-	26,203	-
Investments	3,122,139	-	3,122,139	-
Interest receivable	24,123	-	24,123	-
Total restricted assets	<u>3,172,465</u>	<u>-</u>	<u>3,172,465</u>	<u>-</u>
Capital assets:				
Capital assets	25,457,931	143,412	25,601,343	20,525,807
Less accumulated depreciation	<u>(16,001,154)</u>	<u>(106,272)</u>	<u>(16,107,426)</u>	<u>(14,662,162)</u>
Total capital assets (net of depreciation)	<u>9,456,777</u>	<u>37,140</u>	<u>9,493,917</u>	<u>5,863,645</u>
Total noncurrent assets	<u>12,629,242</u>	<u>37,140</u>	<u>12,666,382</u>	<u>5,863,645</u>
Total assets	<u>26,517,925</u>	<u>2,943,933</u>	<u>29,461,858</u>	<u>30,432,282</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts related to pensions	<u>1,056,348</u>	<u>342,663</u>	<u>1,399,011</u>	<u>559,605</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	1,238,402	69,602	1,308,004	2,435,803
Unearned revenue	-	-	-	2,028,964
Due to other funds	-	8	8	-
Due to other governments	40,604	11,087	51,691	9,380
Deposits	105,025	-	105,025	-
Accrued compensated absences of a year or less	193,763	69,891	263,654	119,934
Accrued landfill post closure cost	379,010	-	379,010	-
Estimated liability for self insured losses	-	-	-	2,130,455
Net pension liability due within one year	<u>14,853</u>	<u>4,952</u>	<u>19,805</u>	<u>7,922</u>
Total current liabilities	<u>1,971,657</u>	<u>155,540</u>	<u>2,127,197</u>	<u>6,732,458</u>
Noncurrent liabilities:				
Accrued compensated absences more than a year	245,834	20,492	266,326	101,219
Estimated liability for self insured losses	-	-	-	3,553,553
Net OPEB liability	367,296	122,433	489,729	195,892
Net pension liability	2,539,696	823,223	3,362,919	1,345,168
Noncurrent liabilities payable from restricted assets:				
Accrued landfill post closure cost	<u>3,989,951</u>	<u>-</u>	<u>3,989,951</u>	<u>-</u>
Total noncurrent liabilities	<u>7,142,777</u>	<u>966,148</u>	<u>8,108,925</u>	<u>5,195,832</u>
Total liabilities	<u>9,114,434</u>	<u>1,121,688</u>	<u>10,236,122</u>	<u>11,928,290</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts related to OPEB	2,268	756	3,024	1,209
Deferred amounts related to pensions	<u>141,388</u>	<u>37,482</u>	<u>178,870</u>	<u>71,548</u>
Total deferred inflows of resources	<u>143,656</u>	<u>38,238</u>	<u>181,894</u>	<u>72,757</u>
<b>NET POSITION</b>				
Net investment in capital assets	9,456,777	37,140	9,493,917	5,863,645
Restricted for cash reserves	-	-	-	1,776,824
Unrestricted	<u>8,859,406</u>	<u>2,089,530</u>	<u>10,948,936</u>	<u>11,350,371</u>
Total net position	<u>\$ 18,316,183</u>	<u>\$ 2,126,670</u>	<u>\$ 20,442,853</u>	<u>\$ 18,990,840</u>

The accompanying notes are an integral part of the financial statements.

ALACHUA COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND		
		410 CODES ENFORCEMENT	TOTAL	
Operating revenues:				
Charges for services	\$ 9,909,109	\$ 12,220	\$ 9,921,329	\$ 31,413,022
Fines and forfeitures	-	40,606	40,606	-
Permits, licenses and franchise fees	306,760	1,814,176	2,120,936	-
Special assessments and impact fees	3,029,150	-	3,029,150	-
Miscellaneous revenue	2,523,843	5,255	2,529,098	1,719,357
Total operating revenues	<u>15,768,862</u>	<u>1,872,257</u>	<u>17,641,119</u>	<u>33,132,379</u>
Operating expenses:				
Personal services	3,640,296	1,178,936	4,819,232	2,029,796
Depreciation	783,387	6,444	789,831	1,586,532
Indirect costs	437,384	88,709	526,093	246,064
Supplies and materials	1,394,716	30,509	1,425,225	3,089,325
Other services and charges	10,473,743	121,227	10,594,970	5,423,451
Claims and losses	-	-	-	22,833,289
Total operating expenses	<u>16,729,526</u>	<u>1,425,825</u>	<u>18,155,351</u>	<u>35,208,457</u>
Operating income (loss)	<u>(960,664)</u>	<u>446,432</u>	<u>(514,232)</u>	<u>(2,076,078)</u>
Nonoperating revenues:				
Net gain (loss) on disposal of capital assets	10,643	-	10,643	75,260
Investment Income	101,961	-	101,961	35,956
Private donations	-	-	-	75,000
Total nonoperating revenues (expenses)	<u>112,604</u>	<u>-</u>	<u>112,604</u>	<u>186,216</u>
Income (loss) before capital contributions and transfers	<u>(848,060)</u>	<u>446,432</u>	<u>(401,628)</u>	<u>(1,889,862)</u>
Transfers:				
Transfers in	2,138	-	2,138	2,061,628
Transfers (out)	-	(50,000)	(50,000)	-
Total transfers	<u>2,138</u>	<u>(50,000)</u>	<u>(47,862)</u>	<u>2,061,628</u>
Change in net position	<u>(845,922)</u>	<u>396,432</u>	<u>(449,490)</u>	<u>171,766</u>
Net position - beginning, as previously reported	19,552,554	1,858,680	21,411,234	19,024,745
Net OPEB Liability	(367,946)	(122,649)	(490,595)	(196,238)
Eliminate net OPEB asset	(22,503)	(5,793)	(28,296)	(9,433)
Total net position - beginning, as restated	<u>19,162,105</u>	<u>1,730,238</u>	<u>20,892,343</u>	<u>18,819,074</u>
Total net position - ending	<u>\$ 18,316,183</u>	<u>\$ 2,126,670</u>	<u>\$ 20,442,853</u>	<u>\$ 18,990,840</u>

The accompanying notes are an integral part of the financial statements.

ALACHUA COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND		
		410 ENFORCEMENT	TOTAL	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 10,238,377	\$ 1,778,936	\$ 12,017,313	\$ 31,628,390
Cash received from special assessments & franchise fees	3,029,150	-	3,029,150	-
Miscellaneous cash receipts	2,523,843	5,255	2,529,098	1,719,357
Cash paid to outside parties	(12,074,398)	(150,736)	(12,225,134)	(32,261,006)
Cash paid to employees	(3,365,040)	(1,101,981)	(4,467,021)	(1,861,867)
Net cash provided (used) by operating activities	<u>351,932</u>	<u>531,474</u>	<u>883,406</u>	<u>(775,126)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Due from other funds	(169,775)	-	(169,775)	(112,946)
Due from other governments	16,565	3,116	19,681	(18,647)
Private donations	-	-	-	75,000
Transfers in (out)	2,138	(50,000)	(47,862)	2,061,628
Net cash provided (used) by noncapital financing activities	<u>(151,072)</u>	<u>(46,884)</u>	<u>(197,956)</u>	<u>2,005,035</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>				
Payments for capital assets	(609,081)	(35,808)	(644,889)	(970,370)
Proceeds from sale of capital assets	10,643	-	10,643	81,622
Net cash provided (used) by capital & related financing activities	<u>(598,438)</u>	<u>(35,808)</u>	<u>(634,246)</u>	<u>(888,748)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	101,961	-	101,961	35,956
Proceeds from investments	159,518	-	159,518	-
Net cash provided (used) by investing activities	<u>261,479</u>	<u>-</u>	<u>261,479</u>	<u>35,956</u>
Net increase (decrease) in cash and cash equivalents	(136,099)	448,782	312,683	377,117
Cash and cash equivalents, October 1, 2016	<u>12,626,463</u>	<u>2,456,909</u>	<u>15,083,372</u>	<u>22,914,822</u>
Cash and cash equivalents, September 30, 2017	<u>\$ 12,490,364</u>	<u>\$ 2,905,691</u>	<u>\$ 15,396,055</u>	<u>\$ 23,291,939</u>
Cash and cash equivalents classified as:				
Equity in pooled cash and investments	\$ 12,463,911	\$ 2,905,691	\$ 15,369,602	\$ 22,971,939
Other cash and equivalents	250	-	250	120,000
Cash with claims administrator	-	-	-	200,000
Restricted equity in pooled cash and investments	26,203	-	26,203	-
Total	<u>\$ 12,490,364</u>	<u>\$ 2,905,691</u>	<u>\$ 15,396,055</u>	<u>\$ 23,291,939</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (960,664)	\$ 446,432	\$ (514,232)	\$ (2,076,078)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	783,387	6,444	789,831	1,586,532
Pension expense adjustment	180,036	60,011	240,047	96,018
OPEB expense adjustment	1,618	540	2,158	863
Increase (decrease) in estimated landfill post closure cost	(100,316)	-	(100,316)	-
Increase (decrease) in estimated liability for self insured losses	-	-	-	(322,259)
(Increase) decrease in accounts receivable	291,719	163	291,882	(76,245)
Increase (decrease) in user deposits	(13,526)	-	(13,526)	-
Increase (decrease) in accrued compensated absences	14,732	(9,887)	4,845	28,982
Increase (decrease) in unearned revenue	-	(3,000)	(3,000)	427,979
(Increase) decrease in inventories	-	-	-	(9,051)
Increase (decrease) in accounts payable	154,946	30,771	185,717	(431,867)
Total adjustments	<u>1,312,596</u>	<u>85,042</u>	<u>1,397,638</u>	<u>1,300,952</u>
Net cash provided (used) by operating activities	<u>\$ 351,932</u>	<u>\$ 531,474</u>	<u>\$ 883,406</u>	<u>\$ (775,126)</u>

The accompanying notes are an integral part of the financial statements.

ALACHUA COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2017

	AGENCY FUNDS	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 10,543	\$ -
Other cash and equivalents	7,871,126	21,111
Investments		
FMPTF Bond fund	-	1,738,113
Due from individuals	281,963	-
Due from other governments	9,452	-
<b>Total assets</b>	<b>8,173,084</b>	<b>1,759,224</b>
<b>LIABILITIES</b>		
Assets held for others	2,264,519	-
Due to other governments	1,306,514	-
Deposits held in escrow	53,611	-
Deposits - installment taxes	4,548,440	-
<b>Total liabilities</b>	<b>8,173,084</b>	<b>-</b>
<b>NET POSITION</b>		
Restricted for OPEB	-	1,759,224
<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ 1,759,224</b>

The accompanying notes are an integral part of the financial statements.



ALACHUA COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	OPEB TRUST FUND
Additions	
Contributions:	
Employer	\$ -
Members	-
Total contributions	-
Investment earnings:	
Net appreciation in fair value of investments	207,015
Interest and dividends	-
Total investment income (loss)	207,015
Less investment expense	-
Net investment income (loss)	207,015
Total additions	207,015
Deductions	
Benefit payments	-
Refunds of nonvested contributions	-
Administrative expenses	-
Total deductions	-
Net decrease	207,015
Net position restricted for other postemployment benefits - beginning	1,552,209
Net position restricted for other postemployment benefits - ending	\$ 1,759,224

The accompanying notes are an integral part of the financial statements.

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**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Alachua County is a political subdivision of the State of Florida and is governed by a five-member elected Board of County Commissioners (“Board”) that derives its authority from the County Charter and Florida Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: the Sheriff, Supervisor of Elections, Property Appraiser, Clerk of the Circuit Court, and Tax Collector. The Constitutional Officers, except for the Supervisor of Elections, maintain separate accounting records and budgets.

The Board funds the operations of both the Sheriff and the Supervisor of Elections. The Board of County Commissioners, the Library District, the St. Johns River Water Management District and the Suwannee River Water Management District fund the operations of the Property Appraiser. The Clerk’s duties as Clerk to the Board and Clerk of the County Court are funded from fees and charges authorized under Chapter 2009-61 and 2009-204 Laws of Florida and the Board of County Commissioners. The Tax Collector’s operations are funded by fees collected by the Officer.

The accompanying financial statements present the County (primary government), and its Component Units.

**Discretely Presented Component Units**

The government-wide financial statements include the financial data of the County’s Component Units. They are included because if excluded the County’s financial statements would be misleading. Two Component Units are discretely presented in the government-wide financial statements to emphasize their legal separation from the County. The following Component Units are included in the statements:

**1. John A. H. Murphree Law Library**

The John A. H. Murphree Law Library, a dependent special district established by Special Act (57-1118) during the 1957 Florida Legislative session, is a discretely presented component unit that benefits the Courts, County Officials, and the public at large. The Board of Trustees for the Law Library consists of one County Commissioner and several other local law community individuals. The Board of Trustees has full power and authority to establish, operate and maintain the Law Library. The Board of County Commissioners is authorized to appropriate other available funds for the use of the Law Library. There are no separately issued financial statements.

**2. Alachua County Housing Finance Authority**

The Alachua County Housing Finance Authority (Chapter 159.601, Florida Statutes), a dependent special district is a discretely presented component unit that provides financing for low-income housing. The Authority is required to obtain Board approval for all its fiscal activities. The Authority is governed by a separate board and does not provide services exclusively to the County. There are no separately issued financial statements.

The fiscal year end for both discretely presented component units is September 30th.

**Related Organizations**

The Alachua County Library District (Chapter 98-502 as amended by 03-375, Laws of Florida) provides library system services and facilities for all citizens of Alachua County, Florida. The Alachua County Health Facilities Authority (Chapter 154.201, Florida Statutes) assists in financing health care facilities. The Alachua County Housing Authority (Section 421.27, Florida Statutes) assists in providing safe and sanitary dwelling accommodations to persons of low income. Alachua County is not able to impose its will on these organizations, and there is no financial benefit/burden relationship between these

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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organizations and the County. Therefore, these organizations are not component units and are not included in the accompanying financial statements.

As of September 30, 2017, Alachua County had not participated in any joint ventures with any other governmental entities.

**B. Government-wide and Fund Financial Statements**

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

**1. Government-wide Financial Statements**

Government-wide financial statements (the Statement of Net Position and the Statement of Activities) provide financial information on County government as a whole, except for fiduciary activities.

These statements include separate columns for the government and business-type activities of the primary government and its component units. The effect of interfund activity has been eliminated 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The Statement of Activities shows 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 related to a specific function or segment. *Program revenues* include a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and b) grants and contributions that are restricted to meeting specific requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

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

**2. Fund Financial Statements**

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the County's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements show information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

The Governmental Accounting Standards Board Statement (GASB) 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the supplemental information section.

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**Governmental Major Funds**

*General Fund* - The General Fund is the general operating fund of the County. It is used to account for all financial resources not accounted for and reported in another fund. The County-wide General Fund is subdivided into the following 6 categories: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

*The Community Health Offering Innovative Care and Educational Services Program (CHOICES)* – Pursuant to the August 2004 sales tax referendum, the County received .25% sales tax from January 2005 through December 2011. This discretionary sales surtax provides a broad range of health care services to the adult working uninsured Alachua County residents. The Board of County Commissioners has changed the initial requirements for use of the funds allowing more residents to qualify.

*Municipal Services Taxing Unit (MSTU)* – This fund was established September 9, 1976 by Alachua County ordinances 76-85 and 86, and in accordance with Florida Statute 125.01(1)(q) to account for expanded Sheriff services, improved fire protection services, Animal Control services, Codes Enforcement activities and Solid Waste enforcement and administration. Funding is primarily provided from ad valorem taxes and revenues generated by various charges and fees for services provided by the departments. In fiscal year 2003 the MSTU fund was split in order to segregate law enforcement services and other services. The Sheriff's Law Enforcement services are accounted for in MSTU Law Enforcement, and other unincorporated services are accounted for in MSTU Unincorporated Services. In fiscal year 2007 the MSTU Unincorporated Services was split further to separate MSTU Fire Protection Services.

*Gas Tax Uses* – This fund was established by the Alachua County Board of County Commissioners Resolution 00-85 in accordance with Florida Statute 336.025 to account for fuel tax revenues which are collected from the Local Option Gas Tax, Seventh Cent County Gas Tax and intragovernmental services charges disbursed to Alachua County to be expended in activities related to its transportation system. These activities include road and bridge maintenance, the Transportation Improvement Program, support for bus services for the disadvantaged, and fulfillment of related debt service requirements.

*Emergency Services Fund* – This fund accounts for the revenues and expenditures of grant funds used for fire rescue, emergency management, E-911 and disaster relief. All services provided by the Fire Rescue Department are provided under the authority of the Alachua County Codes/Ordinances, Florida Statutes, adopted 2004 Fire/EMS Master Plan and 2012 Update, BoCC Fire Service Delivery Core Principals, and National Fire Protection Association (NFPA).

*Debt Service Fund* – This fund accounts for the resources accumulated to make payments for principal and interest on long-term obligation debt of governmental funds. Revenues from ad valorem taxes, sales and gas taxes are committed by the Board of County Commissioners to pay the County's long term obligations.

*Transportation Trust Fund* – This capital project fund is used to account for capital transportation projects, such as roads and multi-modal improvements and maintenance, using money transferred from the General fund and from the Transportation Improvement Revenue Bonds, Series 2008. The fund was established March 8, 2005 by resolution 05-20.

**Enterprise Major Fund**

*Solid Waste System* – This fund accounts for revenues and expenses associated with refuse/garbage disposal, recyclable reclaiming, care of closed of landfills, and collection activities outside the mandated designated Alachua County collection area.

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**Enterprise Non-major Fund**

*Codes Enforcement* – This fund was established on October 1, 1998 to account for revenues and expenses associated with licenses, permits, fines and fees for services of the Department of Growth Management, Office of Codes Enforcement.

**Other Fund Types**

*Internal Service Funds* – Internal service funds account for services provided primarily to other departments of the County on a cost-reimbursement basis and include the Computer Replacement, Self-insurance, Fleet Management, Telephone Service, Vehicle Replacement and Health Insurance funds.

*Trust and Agency Funds* – Trust and agency funds are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals; examples are cash bonds, traffic fines, support payments, other post-employment benefits trust and ad valorem taxes.

**Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires non-current governmental assets, such as land and buildings, non-current governmental liabilities such as general obligation bonds, and revenue bonds and capital leases, to be reported in the governmental activities column in the government-wide Statement of Net Position.

**C. Measurement Focus, Basis of Accounting, and Financial Statement presentation**

**1. Government-wide Financial Statements**

The government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 – Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government’s citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenses. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce the County’s long-term indebtedness are reported as a reduction of related liability, rather than as expenses.

The effect of interfund activity has been eliminated from the government-wide financial statements. The County chooses to eliminate indirect costs between governmental activities to avoid a doubling up effect.

**2. Governmental Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the County receives cash.



**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of available spendable resources. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or funds liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**3. Proprietary Fund Financial Statements**

The County's enterprise funds and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting and the economic resources measurement focus. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses include those costs associated with the principal activities of the funds; currently there are no non-operating expenses in the County's proprietary funds

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenses. Proceeds of long-term debt would be recorded as a liability in the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness would be reported as a reduction of the related liabilities, rather than as an expense. Currently, the proprietary funds carry no debt.

**4. Fiduciary Fund Financial Statements**

Fiduciary funds include trust funds and agency funds. All trust funds use the economic resources measurement focus and accrual basis of accounting. The County has one trust fund – the Other Post-employment Benefits (OPEB) fund. Agency funds are unlike all other types of funds and report only assets and liabilities. So, agency funds do not have a measurement focus, but do use an accrual basis of accounting to recognize receivables and payables.

**D. Assets, Liabilities, Deferred Inflows/Outflows and Net Position**

**1. Cash and Equivalents**

Cash and equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. This includes cash in banks, repurchase agreements with financial institutions, petty cash, cash with claims administrators, balances in the State Board of Administration Investment Pool, money market funds, certificates of deposit and US Treasury securities.

**2. Investments**

Investments for the County are reported at fair value.

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**3. Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as Due 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.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance designation in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**4. Inventories, Prepaid Items and Assets Held for Resale**

Inventories, consisting primarily of expendable items (materials and supplies), are determined by physical count at the County's fiscal year-end and valued at cost on the basis of the first-in first-out method of accounting. Inventory shown in the Governmental Funds consists of fuel, veterinary and medical supplies, vehicle parts and road materials. Inventory is recorded as an expenditure when consumed (consumption method) rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Inventories and prepaid items are reported as nonspendable fund balance in governmental funds. Assets held for resale include homes rehabilitated through the Neighborhood Stabilization Program whose proceeds upon sale are used to purchase additional homes.

**5. Restricted Assets**

Certain funds of the County are classified as restricted assets on the Statement of Net Position because a restriction is either imposed by law through constitutional provisions or enabling legislation, or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, applicable laws and regulations limit their use. It is the practice of the County to utilize restricted net position before unrestricted net position.

Certain Solid Waste System Enterprise Fund assets are required to be segregated from other current assets. These assets are legally restricted for specific purposes, such as landfill post closure care. A portion of net position is restricted for current annual post closure costs. See Note 1.D.8.

**6. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, right of ways, bridges, sidewalks, traffic signals, storm water drainage and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Alachua County defines capital assets to include items of a non-consumable nature with a value of at least \$5,000 and a life of more than one year. Software costing over \$100,000 with a life greater than one year is also capitalized.

Roads, bridges, traffic signals, and storm water basins constructed prior to October 1, 2000 are reported at estimated historical cost. Donated capital assets are recorded at estimated acquisition value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The County's capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Buildings/improvements	10 - 50
Equipment/Software	2 - 20
Infrastructure	10 - 50

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**7. Capitalization of Interest**

GASB 37 requires capitalization of bond issue interest costs during the construction period for proprietary activities. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the County did not have any capitalized interest.

**8. Landfill Post Closure Care Costs**

The County has adopted a policy based on U.S. Environmental Protection Agency rules and in accordance with Florida Law sets aside funds for the post closure care costs of the County's closed landfills.

The County has no landfills that are currently accepting waste. Within the Solid Waste System Enterprise Fund, deposits are made to the fund's other cash and equivalents account for the purpose of complying with the escrow requirements of Rule 17-701.630, Florida Administrative Code. This rule requires the County to annually deposit funds in an interest-bearing escrow account for the purpose of funding the estimated landfill post closure cost. This amount is represented as Restricted Assets on the Statement of Net Position. Per the above rule, an audited report is filed each year with the Florida Department of Environmental Protection.

The liability on the face of the statements is equal to the total estimated cost of post closure care. The estimates are reviewed and adjusted each year for changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

**9. Unearned Revenue**

If assets have been received by the County for services to be rendered in future periods, asset balances have been offset by an unearned revenue liability account.

**10. Accrued Compensated Absences**

The County accrues accumulated unpaid vacation and sick leave when earned by employees. The amount estimated to be used in the following fiscal year is the current amount. The amount estimated to be used in subsequent fiscal years is the non-current amount. The current and non-current amounts for government funds are maintained separately and represent a reconciling item between the fund and the government-wide presentations.

**11. Obligation for Bond Arbitrage Rebate**

Pursuant to Section 148(f) of the U. S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the revenue reduction approach in accounting for rebatable arbitrage, which treats excess earnings as a reduction of revenue.

**12. Bond Discounts/Premiums**

Bond discounts and premiums associated with the issuance of governmental bonds are amortized according to the straight-line method. For financial reporting, unamortized bond discounts and premiums are netted against the applicable long-term debt.

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

**13. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of monies are recorded in order to reserve that amount of the applicable appropriation, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures; encumbrances are reported as restricted, committed or assigned fund balances at year-end, depending on the level of constraint and are

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**SEPTEMBER 30, 2017**

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reappropriated the following year.

**14. Pensions**

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

**15. Post-employment Benefits Other than Pensions (OPEB)**

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

**16. Deferred Inflows/Outflows**

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

**17. Classifications of Fund Balances and Net Position**

The County follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which classifies fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. The fund balance classifications are described below:

- *Nonspendable Fund Balance* - The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Items included in this classification are not expected to be converted to cash.
- *Restricted Fund Balance* - The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balances* are those that can only be used for specific purposes pursuant to constraints by formal action of the County's highest level of decision-making authority, which is an ordinance. The County has no committed fund balances.
- *Assigned Fund Balances* are amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent may be expressed by formal action of the BOCC, other than ordinances, or by the County Manager or acting administrative official as permitted by the BOCC's adopted Purchasing Policy.
- *Unassigned Fund Balance* - Unassigned fund balance is the residual classification for the General Fund, the only fund that can report a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted,

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The County's policy is to expend resources in the following order of priority: restricted, committed, assigned, and unassigned. It is the County's policy that unassigned fund balance of the General Fund, at fiscal year-end, not be less than 10% of the following year's projected operating revenue. In any fiscal year where the County is unable to maintain the minimum unassigned fund balance, the County shall reestablish the minimum amount over a 3 year period. During the reestablishment period, the County shall not appropriate any amounts of unassigned fund balance for the purpose of balancing the budget until the 10% minimum is reached.

Net position of the Self Insurance Fund is restricted for cash reserve requirements.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The County uses the following procedures in establishing the budgetary data reflected in the Required Supplementary Information and Supplementary Information sections of this financial statement.

- (1) The County adopts its budget in accordance with Chapters 129 and 200 of the Florida Statutes, the County Charter, and County Policy. The County and County Manager follow an internal hearing process to set the proposed tentative budget and millage. Public hearings are then held to adopt both a tentative budget and millage, and a final budget and millage, in accordance with Chapters 129 and 200, Florida Statutes.
- (2) Level of Control - Expenditures may not exceed appropriations and are controlled in the following manner: The budget is controlled according to Chapter 129, Florida Statutes, at the total fund level. The County has adopted more stringent policies that control expenditures on the major category (Personal Services, Operating, Capital Outlay, Debt Service, and Non-Operating) level within funds. The County, additionally, has adopted a Budget Amendment Policy that allows the County Manager to transfer budget amounts between departments within funds. The Board must authorize all budget changes between funds.
- (3) Budgets for the governmental and proprietary fund types are adopted on a basis consistent with generally accepted accounting principles.
- (4) Appropriations for the County lapse at the close of a fiscal year. Encumbered appropriations are re-appropriated in the ensuing year's budget.
- (5) Budget for the Clerk's Fine and Forfeiture special revenue fund is approved by the Florida Clerk of Courts Operations Corporation and the Board. The Florida Department of Revenue approves the Property Appraiser's and the Tax Collector's respective budgets.
- (6) Formal budgetary integration is used as a management control device for all funds of the County.

The following is a comparison of the appropriations to total expenses for the proprietary funds for the fiscal year ended September 30, 2017:

		<b>Appropriations</b>	<b>Total Expenses</b>	<b>Variance with Final budget Positive/(Negative)</b>
<b>Enterprise funds</b>	Solid Waste System	\$ 21,419,198	\$ 16,729,951	\$ 4,689,247
	Codes Enforcement	1,635,425	1,425,965	209,460
<b>Internal Service funds</b>	Computer Replacement	1,227,612	687,933	539,679
	Self Insurance	4,263,984	3,615,212	648,772
	Fleet Management	4,649,770	3,911,161	738,609
	Telephone Service	1,391,171	1,246,233	144,938
	Vehicle Replacement	4,589,765	1,160,600	3,429,165
	Health Insurance	26,338,146	24,587,544	1,750,602

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**GOVERNMENTAL FUNDS**  
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**NOTE 3 - FUND BALANCE CLASSIFICATION AND RESTRICTED NET POSITION**  
**A. GOVERNMENTAL FUND BALANCE CLASSIFICATION**

	GENERAL	CHOICES	MSTU UNINCORPORATED SERVICES	MSTU LAW ENFORCEMENT	MSTU FIRE PROTECTION
<b>Non-spendable</b>					
Advances to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	408,236	-	-	-	-
Prepaid items	-	-	-	-	-
Total non-spendable	<u>408,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restricted for:</b>					
Bond covenants-cash reserves	-	-	-	-	-
Debt service	-	-	-	-	-
CHOICES referendum	-	8,005,818	-	-	-
Wild Space Public Places referendum	-	-	-	-	-
Tourist development	-	-	-	-	-
Road construction	-	-	-	-	-
Capital Improvement revenue bond projects	-	-	-	-	-
Public Improvement revenue bond projects	-	-	-	-	-
Alachua County Forever	-	-	-	-	-
Impact fee - Fire	-	-	-	-	-
Impact fee - Parks	-	-	-	-	-
Impact fee - Transportation	-	-	-	-	-
Multi-Modal Transportation Mitigation	-	-	-	-	-
State & Federal grants & other purposes	-	-	-	-	-
Enabling legislation*	-	-	-	-	-
Total restricted	<u>-</u>	<u>8,005,818</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Assigned for:</b>					
Subsequent year's reserve for contingency	3,919,918	-	-	-	-
FY18 Appropriated Fund Balance	7,256,582	-	-	-	-
Capital maintenance & preservation	-	-	-	-	-
Capital projects	-	-	-	-	-
Courts	-	-	-	-	-
Culture & recreation	-	-	1,106,030	-	-
Economic environment	-	-	-	-	-
Human Services	-	-	-	-	-
Physical environment	-	-	-	-	-
Public safety	-	-	-	1,860,429	974,927
Transportation	-	-	-	-	-
Total assigned	<u>11,176,500</u>	<u>-</u>	<u>1,106,030</u>	<u>1,860,429</u>	<u>974,927</u>
Unassigned	<u>18,095,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 29,680,706</u>	<u>\$ 8,005,818</u>	<u>\$ 1,106,030</u>	<u>\$ 1,860,429</u>	<u>\$ 974,927</u>

\*Enabling legislation - see detail on page 54

GAS TAX USES	EMERGENCY SERVICES	DEBT SERVICE	TRANSPORTATION TRUST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190,771	-	-	-	-	599,007
-	-	-	-	58,477	58,477
190,771	-	-	-	58,477	657,484
-	-	7,386,404	-	-	7,386,404
-	-	2,096,677	-	-	2,096,677
-	-	-	-	-	8,005,818
-	-	-	-	6,473,548	6,473,548
-	-	-	-	4,204,317	4,204,317
-	-	-	9,967,842	-	9,967,842
-	-	-	-	-	-
-	-	-	-	442,244	442,244
-	-	-	-	1,976,135	1,976,135
-	-	-	-	547,928	547,928
-	-	-	-	302,473	302,473
-	-	-	4,796,439	-	4,796,439
-	-	-	4,223,648	-	4,223,648
-	-	-	366,701	2,263,559	2,630,260
-	2,002,957	-	-	13,173,343	15,176,300
-	2,002,957	9,483,081	19,354,630	29,383,547	68,230,033
-	-	-	-	-	3,919,918
-	-	-	-	-	7,256,582
-	-	-	-	556,735	556,735
-	-	-	-	2,707,862	2,707,862
-	-	-	-	204,846	204,846
-	-	-	-	138,986	1,245,016
-	-	-	-	1,762,436	1,762,436
-	-	-	-	53,943	53,943
-	-	-	-	56,582	56,582
-	2,549,627	-	-	-	5,384,983
4,723,635	-	-	-	-	4,723,635
4,723,635	2,549,627	-	-	5,481,390	27,872,538
-	-	-	-	-	18,095,970
\$ 4,914,406	\$ 4,552,584	\$ 9,483,081	\$ 19,354,630	\$ 34,923,414	\$ 114,856,025

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**B. NET POSITION RESTRICTED BY ENABLING LEGISLATION**

<u>Program</u>	<u>Amount</u>
Administration	\$ 476,222
Culture & recreation	499,184
Corrections	708,355
Courts	3,278,264
Community services	181,985
Environmental services	129,555
Emergency services	2,002,957
Law enforcement	2,417,434
Solid waste collection	5,482,344
Total	<u>\$ 15,176,300</u>

**NOTE 4 - CASH AND INVESTMENTS**

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

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

**Statement of Net Position**

**Primary Government**

Equity in pooled cash and investments	\$141,944,330
Cash with claims administrator	200,000
Other cash and equivalents	9,942,156
Sinking fund cash and equivalents	7,386,404
Other investments	1,548,720
Restricted cash and investments:	
Equity in pooled cash and investments	26,203
Investments	3,122,139

**Component Units**

Equity in pooled cash and investments	264,497
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**Statement of Fiduciary Net Position**

Equity in pooled cash and investments	10,543
Other cash and investments	7,892,237
Investments	1,738,113
Total cash and investments	<u>\$174,075,342</u>



**ALACHUA COUNTY, FLORIDA**  
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**Deposits and investments as of September 30, 2017 consist of the following:**

Primary Government	
Deposits with financial institutions	\$37,459,051
Investments	126,710,901
Component Units	
Investments	264,497
Fiduciary Assets	
Deposits with financial institutions	7,902,780
Investments	1,738,113
Total cash and investments	\$174,075,342

**A. Cash Deposits**

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

**B. Investments**

The County has formally adopted investment policies for Operating Funds and Component Units as described below.

Operating Funds and Component Units Investment Policy

The County adopted the Operating Fund Investment Policy with Ordinance 95-8, which provides for the investment of surplus operating public funds in the following instruments, none of which shall be in the form of derivatives. The following types of investments are allowed by the policy:

- The State Board of Administration's Florida Local Government Investment Pool (Florida PRIME)
- Negotiable direct obligations, or obligations which are unconditionally guaranteed by the United States Government
- Interest-bearing time deposits or savings accounts in certain financial institutions provided that any such deposits are secured by collateral as may be prescribed by law
- Obligations of the Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, or Federal Home Loan Bank or its district banks, including Federal Home Loan Mortgage Corporation participation certificates, or obligations guaranteed by the Government National Mortgage Association.

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

Investment Holdings

As of September 30, 2017, the County had the following investments:

<b>Investments</b>	<b>WAM (Years)</b>	<b>Fair Value</b>
<b>Primary Government</b>		
Fidelity Treasury MMF	35 days	\$ 76,577
FLGIT	1.74	2,037,940
Florida Trust Day to Day Fund	44.98 day	5,025,108
Florida PRIME	50 days	20,301,745
Federal Agency Bond (PFM)	1.65	45,878,413
US Treasury Bond/Note (PFM)	1.72	24,812,306
Municipal Bonds (PFM)	0.71	4,253,872
Supra-National Bond/Note (PFM)	2.54	5,155,216
Corporate Note (PFM)	2.40	15,011,808
Asset-Backed Security (PFM)	2.28	4,157,916
<b>Subtotal Primary Government</b>		<b>126,710,901</b>
<b>Component Unit</b>		
Florida PRIME	50 days	264,497
<b>Fiduciary</b>		
FMPTF Broad Market HQ Bond Fund	4.74	262,124
FMPTF Core Plus Fixed Income Fund	2.24	395,826
FMPTF HQ Growth Portfolio	n/a	140,738
FMPTF Large Cap Diversified Value	n/a	147,775
FMPTF Russell 1000 Enhanced Index	n/a	409,899
FMPTF Diversified Small Cap Equity	n/a	198,792
FMPTF International Equity Portfolio	n/a	182,959
<b>Total Fiduciary</b>		<b>1,738,113</b>
<b>Total Holdings</b>		<b>\$ 128,713,511</b>

Brief Description of each Investment Type (Primary Government)

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

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*Florida Local Government Investment Trust* – This is a short term bond fund created in December 12, 1991 through the joint efforts of the Florida Court Clerks and Comptrollers and the Florida Association of Counties. It is the longest running member-owned and member-governed local government investment pool in the State of Florida. The fund is rated AAAs by Standard and Poor's. The fund is structured to maintain safety of principal and maximize available yield through a balance of quality and diversification.

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

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

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

*US Treasury, Federal Agencies & Municipal Bond Securities* - The County contracts with PFM Asset Management LLC, Independent Investment Advisor, to manage a portion of the operating portfolio. PFM is authorized to invest in US Treasury, Federal Agency, and Municipal bonds and notes on behalf of the County. At year end, PFM directly managed \$99,269,531 (fair value) as noted in the table on page 58 and 59.

Description of Component Unit Investment Holdings

The John A. H. Murphree Law Library and Alachua County Housing Finance Authority, the County's discretely presented component units, invest in the County's internal investment pool. Their investment balances at September 30, 2017 are \$66,719 and \$197,778 respectively and the funds were invested in the Florida PRIME Fund. As participants in the internal investment pool the component units are subject to the same investment policy used for the County's operating funds.

Description of Fiduciary Asset Investment Holdings

The Other Post Employment Benefit (OPEB) Trust invests with the Florida League of Cities' Florida Municipal Pension Trust Fund (FMPTF). The FMPTF is considered a Local Government Investment Pool (LGIP). The OPEB Trust owned shares in the LGIP at September 30, 2017 with a fair market value of \$1,738,113.

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

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

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and collateralized by the Bureau of Collateral Securities, Division of the Treasury, State Department of Insurance.

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

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

Credit Risk

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

Presented below is the rating as of year-end for each major investment type and classification:

<b>Investments</b>	<b>Ratings</b>	<b>Fair Value</b>
<b>Primary Government</b>		
Regions MMF	AAAm	\$76,577
FLGIT	AAAf	2,037,940
Florida Trust Day to Day Fund	AAAm	5,025,108
Florida PRIME	AAAm	20,301,745
Federal Agency Bond (PFM)	AA+	45,878,413
US Treasury Bond/Note (PFM)	Exempt from Disclosure	24,812,306
Municipal Bonds (PFM)		
Regional Trans Auth, IL TXBL Rev	AA	2,372,150
CT ST TXBL GO Bonds	A+	1,881,722
Supra-Nationals Bond/Note (PFM)		
Supra-Nationals Bond/Note (PFM)	AAA	4,163,741
Supra-Nationals Bond/Note (PFM)	NR	991,475
Corporate Note (PFM)		
Corporate Note (PFM)	AAA	502,059
Corporate Note (PFM)	AA+	1,761,513
Corporate Note (PFM)	AA-	2,709,111
Corporate Note (PFM)	A+	2,745,891
Corporate Note (PFM)	A	3,127,618
Corporate Note (PFM)	A-	2,008,581
Corporate Note (PFM)	BBB+	2,157,035
Asset-Backed Security (PFM)		
Asset-Backed Security (PFM)	AAA	3,159,415

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Asset-Backed Security (PFM)	NR	998,501
<b>Subtotal Primary Government</b>		<b>126,710,901</b>
<b>Component Unit</b>		
Florida Prime	AAAm	264,497
<b>Fiduciary</b>		
FMPTF Broad Market HQ Bond Fund	AAf/S4	262,124
FMPTF Core Plus Fixed Income Fund	Unrated	395,826
FMPTF HQ Growth Portfolio	Unrated	140,738
FMPTF Large Cap Diversified Value	Unrated	147,775
FMPTF Russell 1000 Enhanced Index	Unrated	409,899
FMPTF Diversified Small Cap Equity	Unrated	198,792
FMPTF International Equity Portfolio	Unrated	182,959
<b>Total Fiduciary</b>		<b>1,738,113</b>
<b>Total Holdings</b>		<b>\$128,713,511</b>

*Interest Rate Risk - Investments* Section 218.415(6), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The County has a formal investment policy for operating surplus funds that limits investment maturities to two years as a means of managing its exposure to fair value losses from increasing interest rates. Investment of non-operating funds, including bond reserves can have maturities that do not exceed ten years. Below is a detailed investment schedule organized by investment type, amount, and segmented time distribution:

Investment	Fair value	3 Months -		
		0 - 3 Months	1 year	> 1 year
Federal Agency Bond (PFM)	\$ 45,878,413	\$ -	\$ 4,473,508	\$ 41,404,905
US Treasury Bond / Note (PFM)	24,812,306	-	-	24,812,306
Municipal Bonds (PFM)	4,253,872	-	4,253,872	-
Supra-Nationals Bond/Note (PFM)	5,155,216	-	-	5,155,216
Corporate Note (PFM)	15,011,808	-	-	15,011,808
Asset-Backed Security (PFM)	4,157,916	-	-	4,157,916
<b>Total</b>	<b>\$ 99,269,531</b>	<b>\$ -</b>	<b>\$ 8,727,380</b>	<b>\$ 90,542,151</b>

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*Concentration of Credit Risk* - The County's adopted investment policy requires that assets held are diversified to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these instruments are bought or sold. The County places no limit on the amount the County may invest in any one issuer. Diversification strategies within the established guidelines are reviewed and revised periodically as necessary by the appropriate management staff. The County held investments of greater than 5% in the following investment categories:

<u>Category</u>	<u>Percentage of Total Cash &amp; Investments</u>
Federal National Mortgage Assn.	17.93%
Federal Home Loan Mortgage Corp.	5.61%
Federal Home Loan Bank Notes	12.67%

**C. Restricted Cash and Investments**

The following chart illustrates cash and investments restricted by bond covenants or used to fund post-closure of the landfill, including the funding of cash reserve requirements as a result of bond issuer downgrades:

	<u>Sinking Fund</u>	<u>Lanfill Post Closure</u>
2011 Local Option Gas Tax Bank Loan	\$ 1,351,802	\$ -
2014 Public Improvement Revenue Loan	931,122	-
Capital Improvement Revenue Note, Series 2015A	354,159	-
Refunding Improvement Refunding Note, Series 2015B	239,170	-
2016 Public Improvement Refunding Note	4,049,167	-
2016 Gas Tax Refunding Note	360,531	-
2017 Public Improvement Revenue Note	100,453	-
Solid Waste System	-	3,148,342
<b>Total Restricted Cash and Investments</b>	<u>\$ 7,386,404</u>	<u>\$ 3,148,342</u>

**D. Fair Value Measurements**

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

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

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Type Investment	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Operating investments by fair value level</b>				
Federal Agency Bond (PFM)	\$ 45,878,413	\$ 40,650,293	\$ 5,228,120	\$ -
US Treasury Bond / Note (PFM)	24,812,306	24,812,306	-	-
Municipal Bonds (PFM)	4,253,872	-	4,253,872	-
Supra-Nationals Bond / Note (PFM)	5,155,216	-	5,155,216	-
Corporate Note (PFM)	15,011,808	15,011,808	-	-
Asset-Backed Securities (PFM)	4,157,916	-	4,157,916	-
Fidelity Treasury Money Market Fund	76,577	76,577	-	-
<b>Fiduciary investments by fair value level</b>				
FMPTF Broad Market HQ Bond fund	262,124	262,124	-	-
FMPTF Core Plus Fixed Income Fund	395,826	-	-	395,826
FMPTF HQ Growth Portfolio	140,738	140,738	-	-
FMPTF Large Cap Diversified Value	147,775	147,775	-	-
FMPTF Russell 1000 Enhanced Index	409,899	409,899	-	-
FMPTF Diversified Small Cap Equity	198,792	198,792	-	-
FMPTF International Equity Portfolio	182,959	182,959	-	-
Total investments by fair value level	<u>\$ 101,084,221</u>	<u>\$ 81,893,271</u>	<u>\$ 18,795,124</u>	<u>\$ 395,826</u>

**Operating investments measured at the net asset value (NAV)**

Florida Prime	\$ 20,566,242
Florida Government Investment Trust	2,037,940
Florida Trust Day to Day Fund	5,025,108
Total investments measured at NAV	<u>27,629,290</u>
Total investments measured at fair value	<u>\$ 128,713,511</u>

**NOTE 5 - PROPERTY TAX**

**A. Real Property Taxes** pursuant to Section 193.122(3), Florida Statutes, notice of second certification was extended pursuant to F.S. 197.323 on October 17, 2013. Property taxes receivable were reported in the General fund, Municipal Services Taxing Unit funds, MSBU Refuse Collection, Debt Service fund, Tourist Development sub-fund, Sugarfoot Preservation special assessment sub-fund, Gainesville Golf & Country Club special assessment sub-fund, NW 210<sup>th</sup> Avenue special assessment sub-fund and the Solid Waste fund as Due From other funds (Constitutional Officer-Tax Collector). Chapter 197, Florida Statutes, governs property tax collections.

**B. Property Tax Calendar** and pertinent assessment/lien information is as follows:

1. *January 1* – All taxes become a first lien, superior to all other liens.
2. *July 1* - The Property Appraiser completes assessment and certifies the taxable value to the County.

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3. *August 5* - The County certifies to the Property Appraiser the amount of taxes intended to be levied for both operations and debt service.
4. *September (1-30)* - The County holds its final budget hearings and adopts the tax levy for the ensuing fiscal year.
5. *November 1* - Taxes become due and payable before March 31.
6. *April 1* - All unpaid taxes become delinquent.
7. *June 1* - The Tax Collector sells tax certificates on all delinquent real estate parcels.
8. *June (1-30)* - The Tax Collector disburses proceeds of the tax certificate sale to the taxing authorities.
9. Prior to April 30 of the tax year following delinquency, warrants are ratified on unpaid Tangible Personal Property taxes.

**C. Real Property Delinquent Tax Process**

1. *April 1* - Unpaid taxes become delinquent.
2. *April 1 - May 31* - A list of delinquent parcels is advertised in a local newspaper. The owner can pay the tax due plus an interest charge of 3%, plus advertising fees if applicable.
3. *June 1* - If the owner has not paid, the Tax Collector sells a tax certificate on the parcel(s). Tax Certificates are sold for the amount of tax due on the property plus the advertising costs, interest due, and a 5% commission to the Tax Collector (= the "Face Amount"). When the certificate is redeemed, the Tax Certificate holder then receives the face amount plus additional interest. Proceeds of the tax certificate sale are distributed to taxing authorities by the end of June.

**D. Other Information Regarding Sale of Tax Certificates**

1. Alachua County will hold any unsold certificates (for later sale if possible).
2. Property owners redeem certificates by paying the Tax Collector the tax certificate amount plus interest and fees; the Tax Collector then pays the certificate holder.
3. After two years, holders of unredeemed certificates may apply for a tax deed. In order to obtain a tax deed the property is offered at public auction with the minimum bid being the amount of the outstanding taxes and certificates on the property, plus additional fees. Any excess over this amount is applied against any other liens and then given to the property owner upon application.
4. The tax certificate expires on any unsold property after 7 years.

**E. Tangible Personal Property Delinquent Tax Process**

1. Prior to April 30 of the tax year following delinquency the Tax Collector will file a lawsuit. The Clerk of the Court will notify taxpayers by certified mail.
2. If the property owner does not pay, a Circuit Judge will ratify tax warrants allowing property to be seized and sold for taxes.

**F. Property Tax Payment and Distribution**

1. Discounts for early payment of property tax are allowed in the following manner:
  - 4% for November Payments
  - 3% for December Payments
  - 2% for January Payments
  - 1% for February Payments



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2. The Tax Collector is required to distribute tax proceeds to taxing authorities promptly in order to provide cash for operations. Fiscal year 2017 distributions were made as follows:

November and December - 2 distributions each month

All other months – 1 distribution each month

**NOTE 6 - CAPITAL ASSETS**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Adjustments</b>	<b>Ending Balance</b>
<b>Primary Government</b>					
Capital assets not being depreciated:					
Land	\$ 82,012,922	\$ 1,253,293	\$ -	\$ -	\$ 83,266,215
Right of Way	159,842,820	-	-	613,682	160,456,502
Stormwater Basins	14,016,551	-	-	-	14,016,551
Artwork	91,390	-	-	-	91,390
Construction/Purchase in progress	44,716,681	8,802,898	-	(6,371,980)	47,147,599
<b>Total not being depreciated</b>	<b>300,680,364</b>	<b>10,056,191</b>	<b>-</b>	<b>(5,758,298)</b>	<b>304,978,257</b>
Capital assets being depreciated:					
Buildings	147,770,674	7,045,770	-	4,824,474	159,640,918
Equipment & purchased software	83,467,566	4,980,706	(4,407,722)	1,277,442	85,317,992
Software - internally developed	188,016	-	-	-	188,016
Improvements other than Building	15,087,634	297,332	(5,000)	-	15,379,966
Infrastructure	503,450,761	2,307,509	-	2,111,111	507,869,381
<b>Total being depreciated</b>	<b>749,964,651</b>	<b>14,631,317</b>	<b>(4,412,722)</b>	<b>8,213,027</b>	<b>768,396,273</b>
Less accumulated depreciation for:					
Buildings	(61,268,008)	(4,457,071)	-	-	(65,725,079)
Equipment & purchased software	(58,233,755)	(7,082,988)	4,228,112	(81,623)	(61,170,254)
Software - internally developed	(188,016)	-	-	-	(188,016)
Improvements other than Building	(9,480,235)	(729,971)	3,528	-	(10,206,678)
Infrastructure	(400,508,782)	(9,359,238)	-	-	(409,868,020)
<b>Total accumulated depreciation</b>	<b>(529,678,796)</b>	<b>(21,629,268)</b>	<b>4,231,640</b>	<b>(81,623)</b>	<b>(547,158,047)</b>
<b>Total being depreciated, net</b>	<b>220,285,855</b>	<b>(6,997,951)</b>	<b>(181,082)</b>	<b>8,131,404</b>	<b>221,238,226</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 520,966,219</b>	<b>\$ 3,058,240</b>	<b>\$ (181,082)</b>	<b>\$ 2,373,106</b>	<b>\$ 526,216,483</b>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 3,478,857	\$ 1,500	\$ -	\$ -	\$ 3,480,357
Construction/Purchase in progress	677,511	177,777	-	(211,919)	643,369
<b>Total not being depreciated</b>	<b>4,156,368</b>	<b>179,277</b>	<b>-</b>	<b>(211,919)</b>	<b>4,123,726</b>
Capital assets being depreciated:					
Buildings	2,806,998	-	-	-	2,806,998
Equipment & purchased software	4,918,559	465,612	(223,739)	211,919	5,372,351
Improvements other than Building	13,449,368	-	(151,100)	-	13,298,268
<b>Total being depreciated</b>	<b>21,174,925</b>	<b>465,612</b>	<b>(374,839)</b>	<b>211,919</b>	<b>21,477,617</b>
Less accumulated depreciation for:					
Buildings	(1,597,497)	(93,160)	-	-	(1,690,657)
Equipment & purchased software	(3,181,017)	(492,928)	234,382	(10,643)	(3,450,206)
Improvements other than Building	(10,913,920)	(203,743)	151,100	-	(10,966,563)
<b>Total accumulated depreciation</b>	<b>(15,692,434)</b>	<b>(789,831)</b>	<b>385,482</b>	<b>(10,643)</b>	<b>(16,107,426)</b>
<b>Total being depreciated, net</b>	<b>5,482,491</b>	<b>(324,219)</b>	<b>10,643</b>	<b>201,276</b>	<b>5,370,191</b>
<b>Total business-type capital assets, net</b>	<b>\$ 9,638,859</b>	<b>\$ (144,942)</b>	<b>\$ 10,643</b>	<b>\$ (10,643)</b>	<b>\$ 9,493,917</b>

\* Adjustments includes changes between asset types when construction is completed, donations and reclassifications.

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**B. Depreciation expense** was charged to functions/programs of the primary government and the Component Unit as follows:

**Primary Government**

**Governmental Activities:**

Administration	\$ 1,481,988
Community service	474,908
Corrections	2,036,907
Courts	1,317,176
Culture & recreation	703,205
Tourist development	21,173
Emergency services	1,537,384
Environmental services	81,251
Growth management	46,899
Law enforcement	2,771,956
Solid waste disposal	11,749
Transportation (includes County infrastructure)	9,558,140

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets.

Total depreciation expense-governmental activities	1,586,532
	\$ 21,629,268

**Business-type activities:**

Codes enforcement	\$ 6,444
Solid waste disposal	783,387
Total depreciation expense-business-type activities	\$ 789,831

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**NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**A. Interfund Balances as of September 30, 2017, consisted of the following:**

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<b>Governmental funds:</b>		
General Fund	\$ 6,328,299	\$ 1,062,790
MSTU Unincorporated Services	56,915	10
MSTU Law Enforcement	230,146	2,400,000
MSTU Fire Protection	185,379	-
Gas Tax Uses	8,207	1,305
Emergency Services	157,081	1,701,059
Debt Service	-	1,172,889
Transportation Trust	376,923	367,000
Other Governmental Funds	181,713	1,818,459
<b>Subtotal Governmental funds</b>	<u>7,524,663</u>	<u>8,523,512</u>
<b>Proprietary funds:</b>		
Solid Waste System	180,889	-
Codes Enforcement	-	8
Internal Service funds	817,968	-
<b>Total</b>	<u><u>\$ 8,523,520</u></u>	<u><u>\$ 8,523,520</u></u>

Interfund Receivable consists of due from other funds and advance to other funds. Interfund Payable includes both due to other funds and advances from other funds. Debt Service funds first receive taxes according to bond covenant provisions and the remaining amount is due to either the General Fund or the Gas Tax Uses Fund. All remaining balances result from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

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**B. Interfund Transfers for the year ended September 30, 2017, consisted of the following:**

	<b>Transfers from Other Funds</b>	<b>Transfers to Other Funds</b>
	<u>                    </u>	<u>                    </u>
<b>Governmental Funds:</b>		
General Fund	\$ 29,956,246	\$ 10,488,390
MSTU Unincorporated Services	277,511	50,931
MSTU Law Enforcement	1,110,122	19,595,657
MSTU Fire Protection	847,164	741,660
Gas Tax Uses	3,620,711	-
Emergency Services	5,200,954	7,887,830
Debt Service	713,406	12,049,285
Transportation Trust	5,069,917	-
Other Governmental Funds	4,474,062	2,470,106
<b>Subtotal-Governmental Funds</b>	<u>51,270,093</u>	<u>53,283,859</u>
<b>Proprietary Funds:</b>		
<b>Business-type Activities:</b>		
Solid Waste System	2,138	-
Codes Enforcement	-	50,000
Internal Service Funds	2,061,628	-
<b>Total</b>	<u><u>\$ 53,333,859</u></u>	<u><u>\$ 53,333,859</u></u>

The County's routine transfers include transfers to: Special Revenue grant match requirements, other funds based on budgetary requirements and funds that are required by statute or budgetary authority to expend revenues from another fund that by statute or budgetary authority must collect revenues.

**NOTE 8 - LONG-TERM OBLIGATIONS**

**A. Long-term Obligations** (excluding accrued compensated absences and estimated self-insured losses) at September 30, 2017 are composed of the following:

**PRIMARY GOVERNMENT**

**Notes Payable:**

\$9,500,000 2011 Local Option Gas Tax bank loan, due in annual installments of \$1,308,000 to \$1,337,000 through 2019, interest of 2.200%.	
<u>Revenue Source</u> – a pledge of the County's 5 Cent Local Option Gas Tax.	2,645,000
\$9,900,000 2014 Public Improvement revenue bank loan, due in annual installments of \$939,000 to \$1,085,000 through 2024, interest of 2.090%.	
<u>Revenue Source</u> – a pledge of the County's portion of the Half Cent Sales Tax.	8,081,000

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\$3,800,000 2015 A Capital Improvement Draw-down bank loan, due in annual installments of \$351,000 to \$419,000 through 2025, interest of 2.250%. <u>Revenue Source</u> – a pledge of the County’s State Court Facilities Surcharge.	3,457,000
\$12,637,000 2015B Public Improvement Revenue Refunding bank loan, due in annual installments of \$133,000 to \$1,502,000 through 2026, interest of 2.250%. <u>Revenue Source</u> – a pledge of the County’s portion of the Half Cent Sales Tax.	12,507,000
\$24,430,000 2016 Public Improvement Revenue Refunding bank loan, due in annual installments of \$735,000 to \$4,215,000 through 2029, interest of 1.890%. <u>Revenue Source</u> – a pledge of the County’s portion of the Half Cent Sales Tax.	23,545,000
\$10,385,000 2016 Gas Tax Refunding bank loan, due in annual installments of \$1,026,000 to \$1,065,000 through 2021, interest of 1.330%. <u>Revenue Source</u> – a pledge to the County’s 5 <sup>th</sup> , 6 <sup>th</sup> , 7 <sup>th</sup> , and 9 <sup>th</sup> cent voted Gas Tax.	8,360,000
\$2,120,000 2017 Public Improvement Draw-down bank loan, due in annual installments of \$195,000 to \$250,000 through 2026, interest of 2.740%. <u>Revenue Source</u> – a pledge to the County’s portion of the Half Cent Sales Tax.	2,120,000
\$3,791,000 2017 Capital Improvement Revenue Refunding bank loan, due in annual installments of \$597,000 to \$665,000 through 2023, interest of 2.050%. <u>Revenue Source</u> – a pledge of the County’s Non-Ad Valorem revenues.	3,791,000
<b>SUBTOTAL NOTES PAYABLE</b>	<b>64,506,000</b>

**Capital Lease Payable:**

The Sheriff’s Office entered into a Lease Purchase Agreement for radio equipment due in 7 annual installments of \$139,286, which includes interest at 3.18%.	271,220
<b>SUBTOTAL CAPITAL LEASE PAYABLE</b>	<b>271,220</b>

<b>TOTAL NOTES PAYABLE AND CAPITAL LEASE PAYABLE</b>	<b>64,777,220</b>
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**B. Debt Service and Medicaid Requirements to Maturity** on the County's debt at September 30, 2017 are as follows:

Fiscal Year	Notes Payable and Capital Lease Payable		Total Principal and Interest
	Principal	Interest	
2018	\$ 9,916,785	\$ 1,197,051	\$ 11,113,836
2019	10,105,628	1,020,881	11,126,509
2020	8,819,807	836,572	9,656,379
2021	8,973,000	668,979	9,641,979
2022	6,990,000	505,958	7,495,958
2023-2027	17,522,000	1,088,186	18,610,186
2028-2030	2,450,000	69,930	2,519,930
TOTAL	\$ 64,777,220	\$ 5,387,557	\$ 70,164,777

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**C. Changes in Long-term Obligations** for the year ended Sept. 30, 2017 are as summarized as follows:

<b>PRIMARY GOVERNMENT</b>	<b>Balance</b>				<b>Balance</b>	<b>Due Within</b>
	<b>October 1, 2016</b>	<b>Increases</b>	<b>Decreases</b>		<b>Sept 30, 2017</b>	<b>One Year</b>
	<b>(RESTATED)</b>					
<b><u>Governmental activities:</u></b>						
Notes payable	68,431,000	5,911,000	(9,836,000)		64,506,000	9,790,000
Capital leases	436,503	-	(165,283)		271,220	126,785
Estimated liability-self insured losses	6,006,267	22,833,289	(23,155,548)		5,684,008	2,130,455
Medicaid payable (HB 5301)	883,429	-	(883,429)		-	-
Net OPEB Liability	9,321,299	-	(16,439)		9,304,860	-
Net Pension Liability	147,844,217	12,346,070	-		160,190,287	860,095
Accrued compensated absences	14,703,428	10,281,683	(9,223,761)		15,761,350	7,660,460
<b>Total governmental activities</b>	<b>247,626,143</b>	<b>51,372,042</b>	<b>(43,280,460)</b>		<b>255,717,725</b>	<b>20,567,795</b>
<b><u>Business-type activities:</u></b>						
Accrued compensated absences	525,135	268,499	(263,654)		529,980	263,654
Net OPEB Liability	490,595	-	(866)		489,729	-
Net Pension Liability	3,034,492	348,232	-		3,382,724	19,805
Accrued landfill closure cost	4,469,277	-	(100,316)		4,368,961	379,010
<b>Total business-type activities</b>	<b>8,519,499</b>	<b>616,731</b>	<b>(364,836)</b>		<b>8,771,394</b>	<b>662,469</b>
<b>Total long-term obligations</b>	<b>\$ 256,145,642</b>	<b>\$ 51,988,773</b>	<b>\$ (43,645,296)</b>		<b>\$ 264,489,119</b>	<b>\$ 21,230,264</b>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities. At year-end, \$119,934 of internal service funds compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

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**D. Summary of Revenue Notes Payable** – the following is a summary of government resolutions pertaining to debt reflected in the September 30, 2017 financial statements:

<b>Name</b>	<b>\$9,990,000 Public Improvement Revenue Note, Series 2014</b>	<b>\$12,637,000 Public Improvement Revenue Refunding Note, Series 2015B</b>	<b>\$24,430,000 Public Improvement Revenue Refunding Note, Series 2016</b>	<b>\$2,120,000 Public Improvement Revenue Note, Series 2017</b>
<b>Purpose</b>	To provide funding for acquisition and construction of 515 Bldg, criminal courthouse HVAC, ERP financial software system, new fire station, new rescue station, and costs of issuance.	To refund portions of the County's Public Improvement Revenue Bonds, Series 2007A and costs of issuance.	To refund the County's outstanding Public Improvement Revenue Bonds, Series 2007A and Public Improvement Revenue Refunding Bonds, Series 2007B, and costs of issuance.	To finance capital improvements relating to a fire station and emergency services.
<b>Dated</b>	September 12, 2014	April 23, 2015	May 4, 2016	January 12, 2017
<b>Final maturity</b>	November 1, 2024	November 1, 2026	November 1, 2029	November 1, 2026
<b>Principal payment date</b>	November 1st	November 1st	November 1st	November 1st and May 1
<b>Interest payment dates</b>	November 1st and May 1	November 1st and May 1	November 1st and May 1	November 1st and May 1
<b>Interest rates</b>	2.09%	2.25%	1.89%	2.74%
<b>Outstanding Principal at 9/30/17</b>	\$8,081,000	\$12,507,000	\$23,545,000	\$2,120,000
<b>Reserve requirement</b>	\$0	\$0	\$0	\$0
<b>Pledged revenue source</b>	Local Government Half Cent Sales Tax.	Local Government Half Cent Sales Tax.	Local Government Half Cent Sales Tax.	Local Government Half Cent Sales Tax.
<b>Total debt svc payment</b>	\$1,097,496	\$412,870	\$1,334,516	\$2,241
<b>% of required Debt Svc to total pledged revenue source</b>	22.88%			

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**D. Summary of Revenue Notes Payable - Continued**

<b>Name</b>	<b>\$10,385,000 Gas Tax Revenue Refunding Note, Series 2016</b>	<b>5 Cent Local Option Gas Tax Note, Series 2011</b>	<b>\$3,800,000 Capital Improvement Revenue Note, Series 2015A</b>
<b>Purpose</b>	To refund the County's outstanding Gas Tax Revenue Bonds, Series 2006 and Series 2008, and costs of issuance.	To provide funds for the financing of the costs of certain transportation improvements, to include bicycle/pedestrian facilities, unpaved road alternatives, improving roadways and cost of issuance.	To provide funds for the acquisition and construction of a new Public Defender Building and costs of issuance.
<b>Dated</b>	July 5, 2016	June 16, 2011	April 23, 2015
<b>Final maturity</b>	August 1, 2021	February 1, 2019	November 1, 2025
<b>Principal payment date</b>	August 1st and February 1st	February 1st	November 1st
<b>Interest payment dates</b>	August 1st and February 1st	February 1st and August 1st	November 1st and May 1
<b>Interest rates</b>	1.33%	2.20%	2.25%
<b>Outstanding Principal at 9/30/17</b>	\$8,360,000	\$2,645,000	\$3,457,000
<b>Reserve requirement</b>	\$0	\$0	\$0
<b>Pledged revenue source</b>	Constitutional Gas Tax, County Gas Tax, and Ninth Cent Gas Tax.	Five Cent Local Option Gas Tax	Court Facilities Fees per Section 318.18(13)(A), Florida Statutes
<b>Total debt svc payment</b>	\$2,156,391	\$1,352,270	\$408,064
<b>% of required Debt Svc to total pledged revenue source</b>	37.27%	45.38%	78.20%



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**E. Current Refunding of Long-term Debt** – On August 30, 2017, the County issued \$3,791,000 in Capital Improvement Revenue Refunding Notes payable with an interest rate of 2.05% for the current refunding of \$3,718,000 of outstanding Capital Improvement Revenue Notes payable, Series 2008 with an average interest rate of 4.150%. The net proceeds totaled \$3,791,000 of which \$3,718,000 was used to retire the refunded note in full, \$41,000 was used to cover cost of issuance, and \$32,000 was used to pay a make-whole premium in connection with prepayment of the refunded note. In addition, the County used \$12,250 of 2008 Series sinking fund monies towards the retirement of the refunded note. The total proceeds of \$3,730,250 were used to retire the bonds in full on August 30, 2017.

The refunding in effect reduced the County's aggregate debt service payments by almost \$200,000 over the next 6 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$186,000.

**F. Demand Bonds** – The County has no demand bonds.

**G. Conduit Debt Obligations** - From time to time, the County has issued Health Facility Revenue Bonds, Industrial Development Revenue Bonds and Housing Finance Authority Multi-family Housing Bonds to provide financial assistance to private-sector entities for the acquisition and construction of health care, industrial facilities, and multi-family housing deemed to be in the public interest. These bonds are secured by the financed property and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance.

There is no obligation on the part of the County, the State, or any political subdivision for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2017, there were twelve series of Health Facility Revenue Bonds outstanding, with an aggregate principal amount payable of \$857,388,898, two series of Industrial Development Bonds outstanding, with an aggregate principal amount payable of \$99,432,874, and seven series of Housing Finance Authority Multi-family Housing Bonds, with an aggregate principal amount payable of \$30,764,630.

**H. Landfill Post Closure Care Obligation** – The County's Southwest Landfill's liability for fiscal year 2017 is \$3,456,833, a decrease of \$213,880 from the prior fiscal year. For other County landfills closed prior to 1985 and not subject to State law requirements, the County records a liability of \$912,128, an increase of \$113,565 from last fiscal year. See Note 1.D.8. for more information.

**NOTE 9 - EMPLOYEE BENEFITS**

**A. State of Florida Pension Plans**

**Defined Benefit Plans**

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

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

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

**Benefits Provided**

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

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

**Contributions**

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

	<u>FRS</u>	<u>HIS</u>
Regular Class	6.26%	1.66%
Special Risk Class	21.61%	1.66%
Senior Management Service Class	21.05%	1.66%
Elected Officials	43.84%	1.66%
DROP from FRS	11.60%	1.66%

The County's contributions for the year ended September 30, 2017, were \$11,362,020 to the FRS and \$1,608,047 to the HIS.

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**Pension Liabilities and Pension Expense**

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

	<u>FRS</u>	<u>HIS</u>	<u>TOTAL</u>
Net pension liability at September 30, 2017	\$ 130,867,792	\$ 32,705,219	\$ 163,573,011
Proportion at:			
September 30, 2017	0.4424%	0.3059%	0.7483%
September 30, 2016	0.4537%	0.3115%	0.7653%
Pension expense (benefit), year ended			
September 30, 2017	\$ 21,886,815	\$ 2,555,062	\$ 24,441,877

**Deferred Outflows/Inflows of Resources Related to Pensions**

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

	<u>FRS</u>		<u>HIS</u>		<u>TOTALS</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,010,514	\$ (724,940)	\$ -	\$ (68,098)	\$ 12,010,514	\$ (793,038)
Changes of assumptions	43,980,818	-	4,597,229	(2,828,055)	48,578,047	(2,828,055)
Net difference between projected and actual earnings on pension plan investments	-	(3,243,231)	18,137	-	18,137	(3,243,231)
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,011,945	(3,873,088)	972,655	(803,060)	5,984,600	(4,676,148)
Employer contributions subsequent to the measurement date	2,859,628	-	383,503	-	3,243,131	-
<b>Total</b>	<b>\$ 63,862,905</b>	<b>\$ (7,841,259)</b>	<b>\$ 5,971,524</b>	<b>\$ (3,699,213)</b>	<b>\$ 69,834,429</b>	<b>\$ (11,540,472)</b>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2017. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

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Year ending September 30,	FRS	HIS
2018	\$ 6,852,969	\$ 600,416
2019	18,298,064	600,416
2020	12,987,600	600,416
2021	3,140,254	444,816
2022	8,871,304	152,781
Thereafter	3,011,826	(510,033)
Total	\$ 53,162,017	\$ 1,888,812

**Actuarial Assumptions**

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

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

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

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

The following changes in actuarial assumptions occurred in 2017:

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

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

The long-term expected rate of return assumption of 7.1% used in GASB discount rate calculations consists of two building block components: 1) a real (in excess of inflation) return of 4.5%, consistent with the articulated real return target in the current Florida State Board of Administration's investment policy, developed using capital market assumptions calculated by Aon Hewitt Investment Consulting; 2) a long-term average annual inflation assumption of 2.60% as most recently adopted in October 2017 by the FRS Actuarial Assumptions Conference.

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For reference, the table below contains a summary of assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

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

**Discount Rate**

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

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

**Sensitivity Analysis**

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

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	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
Employer's proportionate share of the net pension liability	\$ 236,862,799	\$ 130,867,792	\$ 42,867,651	\$ 37,320,986	\$ 32,705,219	\$ 28,860,540

**Pension Plans' Fiduciary Net Position**

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

**Defined Contribution Plan**

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2017, totaled \$609,866.

**B. Other Post-Employment Benefits Plan**

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

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

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

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

Additionally, in accordance with Florida Statutes 112.0801, currently, active County employees who retire and immediately begin receiving benefits from FRS have the option of paying premiums to

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continue in the County's Self-funded Health Insurance Plan at the same group rate as active employees. The retiree pays 100% of the blended group rate premium therefore receiving an implicit subsidy.

*Contributions* - The contribution requirements of plan members and the participating employers are established and may be amended by the County. The County's required contribution, actuarially determined, is based on a combination of projected pay-as-you-go financing, with an additional amount to prefund benefits when earned. Contributions are not based on a measure of pay. Contributions by the County and county plan members are accounted for in the County's Self-funded Health Insurance Fund. The County's contractually required contribution for the year ended September 30, 2017, was \$1,149,010. Actual contributions to the OPEB Plan from the County were \$1,039,000 for the year ended September 30, 2017. County retiree plan members receiving benefits contributed to pay-as-you-go financing through their required contributions of \$492.62 per month for retiree-only coverage, \$1,177.28 per month for retiree and spouse coverage and \$1,659.72 per month for family coverage.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – At September 30, 2017, the County reported a liability of \$9,794,589 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2017, and was determined by an actuarial valuation as of October 1, 2016. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. The County's proportion of the net OPEB liability was based on the County's projected long-term contribution effort to the OPEB Plan as compared to the total projected long-term contribution effort of all employers. At September 30, 2017, the County's proportion of net OPEB liability was 88.76%.

For the year ended September 30, 2017, the County recognized OPEB expense of \$1,190,759. At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual investments	-	(60,472)
Total	<u>\$ -</u>	<u>\$ (60,472)</u>

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

Year ending September 30,	Amount
2018	\$ (15,118)
2019	(15,118)
2020	(15,118)
2021	(15,118)
2022	-
Thereafter	-
Total	<u>\$ (60,472)</u>

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

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

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

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

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

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

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

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



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	1% Decrease (6.85%)	Current Discount Rate (7.85%)	1% Increase (8.85%)
Net OPEB Liability	\$ 10,799,000	\$ 9,794,589	\$ 8,629,000

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

	1% Decrease (6.00% decreasing to 3.50%)	Current Healthcare Cost Trend Rate (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Net OPEB Liability	\$ 9,255,000	\$ 9,794,589	\$ 10,034,000

**C. Accrued Compensated Absences**

County employees are entitled to accrue sick and vacation time in accordance with the County's personnel regulations or a collective bargaining agreement. Maximum accruals are shown on the following chart.

	<b>Vacation Accrual Maximum</b>	<b>Vacation Termination Pay Maximum</b>	<b>Sick Leave Accrual Maximum</b>
<b>Board of County Commissioners (Including Supervisor of Elections)</b>			
40 hours/week (hired before April 1, 2011)	280 hours	280 hours	No Maximum
56 hours/week (hire before April 1, 2011)	392 hours	392 hours	No Maximum
40 hours/week (hired after March 31, 2011)	240	240	1000
56 hours/week (hired after March 31, 2011)	336	336	1400
<b>Clerk of the Circuit Court</b>	280 hours	240 hours	1040
<b>Property Appraiser</b>	280 hours	240 hours	No Maximum
<b>Tax Collector</b>	No Maximum	No Maximum	No Maximum
<b>Sheriff</b>	280 hours	280 hours	No Maximum

Terminating employees with 10 years of service will be paid for half of unused sick time.

The County records a liability for compensated absences of \$16,291,330 on the Statement of Net Position. In the Government-wide presentation, compensated absences are accrued in the period they are earned. For the adjusted liabilities at the end of the year, a determination was made for current and non-current amounts. Accrued compensated absences are not recorded for any accruals over the maximum.

**D. Deferred Compensation Plan**

The County offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The County complied with the requirements of subsection (g) of IRC Section 457 and,

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

Deferred compensation amounts withheld from participating employee’s pay are not taxable as current income until withdrawn from the plan. Annual contributions by a participant may not exceed \$17,500. There is an “age 50 catch-up” provision that allows an additional \$5,500 contribution from the year the employee reaches age 50 until the employee terminates employment.

**E. Component Units Employment**

The Component Units’ employees have the same benefits as the Board of County Commissioners’ employees.

**NOTE 10 - RISK MANAGEMENT AND CONVENTIONALLY INSURED CLAIMS & LOSSES**

The County is self-insured for risk management and employee group health insurance in two internal service funds maintained by the Board of County Commissioners. The following two sections and the disclosures required by GASB Statement 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues are provided below.

**A. Risk Management Claims and Losses**

The County has established a risk management program to cover claims against the Board and Constitutional Officers for the following types of risk:

- General Liability (self insured up to a limit of \$200,000)
- Workers Compensation (self insured up to limit of \$250,000)
- Automobile Liability (self insured up to limit of \$200,000)
- Public Officials Liability (self insured up to limit of \$100,000)
- EMS Professional Liability
- Lawyers Professional Liability
- Employment Practices Liability (self insured up to limit of \$100,000)

The County has authorized a commercial third party administrator to administer the County’s automobile, general liability and workers’ compensation claims. There have been no significant reductions in insurance coverage from prior years. In instances where insurance has been purchased, no settlements have exceeded coverage for each of the past three fiscal years.

The estimated liability for self-insured losses is based on reported claims, historical loss data, industry statistics for claims incurred but not reported, and a valuation performed by an independent actuary as of July 31, 2017 projecting to September 30, 2017, and the prior year as of July 31, 2016 projecting to September 30, 2016:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims & Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2016	\$ 4,254,962	\$ 1,635,886	\$ (1,192,085)	\$ 4,698,763
2017	4,698,763	1,654,764	(2,069,597)	4,283,930

For fiscal year 2017 the margin for the risk of adverse deviation was accrued at a 75% confidence level. Florida Statutes provide for local government tort immunity and a claims bill process. Our actuarial estimates do not include a provision for liabilities arising from claims bills except to the extent such claims are included in the loss history of Alachua County. The County’s Actuary determined a portion of

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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the claims liability that would be expected to be paid within one year and the accompanying financial statements reflect that by showing a current and a long-term liability.

All funds of the County including the Constitutional Officers of the County participate in the Risk Management Self-Insurance Fund. Payments to the Self-Insurance Fund are assessed based on actuarial estimates needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

**B. Conventionally Insured Claims and Losses**

The County retains conventional insurance coverage on all other types of insurable risks. These costs are also accounted for in the Self-Insurance Fund.

**C. Employee Group Health Insurance**

The County provides group health insurance for its employees, their eligible dependents and eligible retirees. On October 1, 2005, the County established an employee group health self-insurance plan to account for and finance its uninsured risks of loss. The County entered into an administrative services agreement with a commercial insurance carrier to provide administrative support for this plan. Under this plan, the County purchases stop-loss insurance with the individual deductible per covered unit of \$225,000 with no individual lifetime reimbursement maximum. All claims are paid through the group health insurance plan. Claims in excess of the \$225,000 individual deductible are reimbursed by the County's excess insurance carrier.

All County employees may participate in the employee group health insurance including all Constitutional Officer employees and Component Unit employees of the Murphree Law Library. In addition, the Alachua County Library District employees may participate in the plan. Payments to the employee group health insurance plan are assessed based on actuarial estimates of the amounts needed to pay current year claims and to establish a "reserve" (i.e. net position or equity) for catastrophic losses and to fund the retiree other post employee benefit. The employee group health insurance plan net position was \$1,490,581 at September 30, 2017.

The claims liability reported in the fund at September 30, 2017 for the employee group health insurance plan was \$1,400,078. This amount was the actuarially determined claims liability based on the requirements of GASB Statement 10, which specifies that a liability for claims should be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. These claims liability amounts are all considered to be due within one year and are classified as current liabilities in the accompanying financial statements. During fiscal year 2017, changes recorded to the claims liability for the employee group health insurance plan were as follows:

<b>Fiscal Year</b>	<b>Claims Liability, Beginning of Fiscal Year</b>	<b>Current Year Claims &amp; Changes in Estimates</b>	<b>Claim Payments</b>	<b>Claims Liability, End of Fiscal Year</b>
2016	\$ 1,212,277	\$ 21,253,491	\$ (21,158,264)	\$ 1,307,504
2017	1,307,504	21,178,525	(21,085,951)	1,400,078

**D. Sheriff's Risk Management**

For health insurance, the Sheriff participates in the risk management program established by the Board to cover claims against the Board and Constitutional Officers. The Sheriff also participates in the Florida Sheriffs' self-insurance fund for risk related to workers' compensation, auto and general liability insurance. For the past three years, there have been no insurance settlements significantly in excess of insurance coverage.

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 11 - INDIRECT COSTS**

The County's indirect costs consist of allowable administrative costs allocated to the Enterprise Funds, Internal Service Funds, various Federal and State Grants, and Special Revenue Funds. The County's indirect cost plan is developed annually based on the prior year's actual expenditures. Some adjustments are required due to specific Federal grant allowances or other legal limitations. For the fiscal year ended September 30, 2017, the following was charged:

<b>INDIRECT COST</b>	<b>CHARGED</b>	<b>FUND</b>	<b>PROJECT NAME</b>
		<b>Governmental Funds</b>	
\$	319,797	MSTU-Unincorporated services	MSTU-Unincorporated services
	650,877	MSTU-Fire protection services	MSTU-Fire protection services
	4,498	Emergency services	EMPA State Grant
	1,937	Emergency services	EMPG Federal Grant
	83,147	MSBU	Refuse Collection
	57,262	Drug & law enforcement	HRS Metamorphosis
	7,940	Environmental	Hazardous Materials Code
	7,180	Environmental	FDEP Tank Inspection
	18,166	Environmental	FDEP Petroleum Cleanup
	22,577	Tourism	Tourist Development
	<u>1,173,381</u>	<b>Subtotal-Governmental Funds</b>	
		<b>Enterprise Funds</b>	
	255,870	Solid Waste	Solid Waste System
	62,966	Solid Waste	Collection Centers
	69,714	Solid Waste	Hazardous Waste Management
	44,693	Solid Waste	Waste Management Assessment
	4,141	Solid Waste	Landfill post closure care
	88,709	Codes Enforcement	Codes Enforcement
	<u>526,093</u>	<b>Subtotal Enterprise Funds</b>	
		<b>Internal Service Funds</b>	
	66,470	Self Insurance	Self Insurance Fund
	131,571	Fleet Management	Fleet Management Fund
	48,023	Telephone Services	Telephone Services
	<u>246,064</u>	<b>Subtotal Internal Service Funds</b>	
\$	<u><u>1,945,538</u></u>	<b>Total Indirect Cost</b>	

Indirect costs between governmental activities have been eliminated in the government-wide financial statement presentation.

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**NOTE 12 - OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES**

**A. Excess of Expenditures over Appropriations**

There are no funds with an excess of expenditures over appropriations.

**B. Excess of Expenditures Over Revenue in the Budget Column**

Certain funds show an excess of expenditures over revenue in the budget column of the Statement of Revenue, Expenditures and Changes in Fund Balances, Budget and Actual. This excess is due to the use of fund balance (which is not reported in the budget or variance column) during the fiscal year.

**C. Change in Accounting Principle**

The County restated the beginning net position of the governmental activities, business-type activities, and proprietary funds as follows to implement provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*:

	Governmental Activities	Business-Type Activities	Total
Net position - beginning of year, as previously reported	\$ 472,131,744	\$ 21,411,234	\$ 493,542,978
Restatement:			
Net OPEB liability	(9,321,299)	(490,595)	(9,811,894)
Eliminate net OPEB asset	(422,543)	(28,296)	(450,839)
<u>Net position - beginning of year, as restated</u>	<u>\$ 462,387,902</u>	<u>\$ 20,892,343</u>	<u>\$ 483,280,245</u>

	Solid Waste System	Codes Enforcement	Governmental Activities - Internal Service Funds
Net position - beginning of year, as previously reported	\$ 19,552,554	\$ 1,858,680	\$ 19,024,745
Restatement:			
Net OPEB liability	(367,946)	(122,649)	(196,238)
Eliminate net OPEB asset	(22,503)	(5,793)	(9,433)
<u>Net position - beginning of year, as restated</u>	<u>\$ 19,162,105</u>	<u>\$ 1,730,238</u>	<u>\$ 18,819,074</u>

**D. Future Accounting Pronouncements**

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

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

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

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

**A. Commitments**

(1) Non-capitalized leases –

(a) The County is leasing equipment, office space and electronic data processing equipment under leases that are cancelable under certain circumstances. These leases are accounted for as operating leases.

(b) Rental costs for the year ended September 30, 2017, under cancelable leases are summarized as follows:

<u>Fund Charged</u>	<u>Amount</u>
General Fund	\$ 460,569
Special Revenue Funds	393,874
Enterprise Fund	24,449
Internal Service Funds	46,179
Total	<u>\$ 925,071</u>

(c) The Tax Collector is leasing various equipment under renewable annual operating leases. During the year ended September 30, 2017, the lease payments on all operating leases were \$16,990. In addition, the Tax Collector is leasing various data transport services for network and voice connectivity to their remote locations. During the year ended September 30, 2017, the lease payments on all data transport service leases were \$25,687. The Tax Collector also has a ten-year renewable lease agreement for a Tag Office on Archer Road. During the year ended September 30, 2017, lease payments for office space totaled \$195,687.

Future minimum lease payments for noncancellable operating leases for the Tax Collector as of September 30, 2017, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 211,017
2019	206,975
2020	204,990
2021	203,401
2022	-
Total	<u>\$ 826,383</u>

(d) The Sheriff is leasing equipment and office space under leases, which are cancelable under certain circumstances. During the fiscal year ended September 30, 2017, the lease payments on all operating leases amounted to approximately \$433,367.

(2) Operating Leases – The County leases the following property to private companies under renewable annual operating leases:

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

<b>Operating Leases for fiscal year 2017:</b>	<b>Lease Amount</b>
The licensee leased the land at 15 SW 2nd Street, for \$100 monthly, plus applicable taxes. Payment is due no later than the first of each month. The cost of the land is \$5,596. This lease started in May 2016.	1,200
Florida Department of Health, sub-leases warehouse space within a building located at 6520 NW 18th Drive, paying rental payments in the amount of \$2,840 monthly.	34,081
Florida Department of Health, sub-leases warehouse space within a building located at 816 SW 64th Terrace, paying rental payments in the amount of \$10 monthly. This lease started in July 2016.	<u>120</u>
<b>TOTAL OPERATING LEASES</b>	<u><u>\$ 35,401</u></u>

(3) The following is a schedule by year of future minimum rental payments required under operating leases that have remaining cancellable lease terms in excess of one year:

<b>Fiscal Year Ending September 30</b>	<b>Lease Receivable</b>
2018	\$ 16,862
2019	16,862
2020	16,862
2021	16,862
2022	<u>16,862</u>
<b>TOTAL</b>	<u><u>\$ 84,310</u></u>

(4) The landfill post closure care commitments are discussed in Note 1.D.8.

(5) Significant encumbrances for major and non-major governmental funds as of September 30, 2017 are classified as follows:

	General Fund	Emergency Services	Transportation Trust	Non-Major Funds	Total
Equipment Replacement	\$ -	\$ -	\$ -	\$ 456,682	\$ 456,682
General Govt Svcs	-	-	-	230,060	230,060
Public Safety	174,254	827,235	-	164,284	1,165,773
Garbage Solid Waste Control	-	-	-	380,535	380,535
Conservation & Resource Mgmt	-	-	-	288,584	288,584
Roadway Improvements	-	-	269,553	119,133	388,686
Industry Development	-	-	-	713,506	713,506
Housing & Urban Development	-	-	-	166,555	166,555
Courthouse Facilities	129,525	-	-	-	129,525
	<u>\$ 303,779</u>	<u>\$ 827,235</u>	<u>\$ 269,553</u>	<u>\$ 2,519,339</u>	<u>\$ 3,919,906</u>

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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(6) Other significant outstanding contracts at September 30, 2017, are as follows:

Amount	Vendor Name	Description
\$1,231,082	VE Whitehurst & Sons Inc	SW 63 <sup>rd</sup> Blvd Construction
830,315	Blue Cross & Blue Shield of FL	Administration and medical claims
685,835	Town of Tioga LLC	SW 8 <sup>th</sup> Ave construction
455,797	Beck Auto Sales Inc	Purchase 3 ambulances
418,463	Ring Power Corp-St Augustine	Catepillar 966M Loader purchase
398,827	Hall Mark RTC	E-One Fire Pumper vehicle
369,485	Charles Perry Partners Inc	CJC Courthouse H-Vac replacement
243,904	Dobbs Equipment LLC	Nortrax Hydraulic Excavator purchase
204,161	Ajax Building Corporation	Fairgrounds pre-construction services
200,517	Nextran Truck Center - Lake City	Tandem Axle Truck purchase

**B. Contingencies**

(1) Risk Management contingencies are discussed in Note 10.

(2) Grant Funding

The County participates in a number of federally and state assisted programs that are subject to program compliance audits. For the year ended September 30, 2017, the County's financial statements are subject to single audits as required by OMB Circular A-133 and the Florida Single Audit Act. It is the opinion of management that no material liabilities will result from such audits.

(3) Pending Litigation

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of County management, based on the advice of legal counsel, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the financial position of the County.

(4) Employee benefits are discussed in Note 9.

(5) Solid Waste System

The County owns four closed landfills including the Southwest Landfill. If contamination levels were to increase in these landfills, the County could be liable for remediation actions. The remediation costs could range between \$0 and \$3 million depending on the severity of contamination detected and the number of landfill site(s) contaminated.

**NOTE 14 - RELATED PARTY TRANSACTIONS**

The Alachua County Housing Authority is a related organization of Alachua County. Alachua County has contracted with the Alachua County Housing Authority to administer and distribute funds for housing rehabilitation and temporary relocation from the Community Development Block Grant, the Neighborhood Stabilization Program and the State Housing Initiative Partnership Program.

The Alachua County Library District is a related organization of Alachua County. The County Attorney provides legal services and the Clerk provides accounting and treasury services to the Library District. Three of the Alachua County Board of County Commissioners serve on the Library Governing Board.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Taxes	\$ 107,397,403	\$ 107,397,403	\$ 109,151,877	\$ 1,754,474
Permits and fees	-	-	21,541	21,541
Intergovernmental	5,653,098	5,653,098	6,124,940	471,842
Charges for services	17,438,050	17,488,725	18,684,046	1,195,321
Fines and forfeitures	18,400	18,400	8,102	(10,298)
Investment income	517,185	517,185	595,930	78,745
Miscellaneous	2,191,024	2,281,024	2,474,163	193,139
Total revenue	<u>133,215,160</u>	<u>133,355,835</u>	<u>137,065,924</u>	<u>3,710,089</u>
<b>EXPENDITURES</b>				
Current:				
General government	33,234,881	34,321,372	32,227,376	2,093,996
Public safety	90,769,335	91,909,077	89,455,407	2,453,670
Physical environment	2,036,110	1,994,007	1,935,960	58,047
Transportation	-	297,740	280,867	16,873
Economic environment	6,429,233	6,465,024	6,729,103	(264,079)
Human services	15,340,069	13,526,755	13,484,701	42,054
Culture and recreation	566,453	568,297	497,080	71,217
Court cost	7,999,951	10,205,671	9,588,524	617,147
Reserve for contingency	6,481,279	5,843,958	-	5,843,958
Debt Service:				
Principal	139,286	183,372	165,284	18,088
Interest	-	914	19,002	(18,088)
Total expenditures	<u>162,996,597</u>	<u>165,316,187</u>	<u>154,383,304</u>	<u>10,932,883</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,781,437)</u>	<u>(31,960,352)</u>	<u>(17,317,380)</u>	<u>14,642,972</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	29,350,011	31,125,347	29,956,246	(1,169,101)
Transfers out	(7,126,641)	(9,574,571)	(10,488,390)	(913,819)
Sale of capital assets	-	144,530	151,299	6,769
Total other financing sources and (uses)	<u>22,223,370</u>	<u>21,695,306</u>	<u>19,619,155</u>	<u>(2,076,151)</u>
Net change in fund balances	(7,558,067)	(10,265,046)	2,301,775	12,566,821
Fund balances - beginning	<u>7,558,067</u>	<u>10,265,046</u>	<u>27,378,931</u>	<u>17,113,885</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,680,706</u>	<u>\$ 29,680,706</u>

ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 CHOICES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET - POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Investment income	\$ 38,600	\$ 38,600	\$ 41,221	\$ 2,621
Miscellaneous	-	-	45,876	45,876
Total revenue	<u>38,600</u>	<u>38,600</u>	<u>87,097</u>	<u>48,497</u>
<b>EXPENDITURES</b>				
Current:				
Human services	862,073	887,013	715,926	171,087
Reserve for contingency	2,300,000	2,219,599	-	2,219,599
Total expenditures	<u>3,162,073</u>	<u>3,106,612</u>	<u>715,926</u>	<u>2,390,686</u>
Excess (deficiency) of revenues over (under) expenditures	(3,123,473)	(3,068,012)	(628,829)	2,439,183
Fund balances - beginning	<u>3,123,473</u>	<u>3,068,012</u>	<u>8,634,647</u>	<u>5,566,635</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,005,818</u>	<u>\$ 8,005,818</u>

ALACHUA COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
MSTU - UNINCORPORATED SERVICES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Taxes	\$ 4,584,008	\$ 4,584,008	\$ 4,581,139	\$ (2,869)
Permits and fees	177,381	177,381	102,991	(74,390)
Intergovernmental	1,027,000	1,052,000	1,024,667	(27,333)
Charges for services	100,893	100,893	130,593	29,700
Investment income	18,000	18,000	16,217	(1,783)
Miscellaneous	13,100	13,100	150,898	137,798
Total revenues	<u>5,920,382</u>	<u>5,945,382</u>	<u>6,006,505</u>	<u>61,123</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,104,713	1,129,713	1,126,152	3,561
Public safety	465,870	465,870	426,637	39,233
Physical environment	502,992	577,701	540,008	37,693
Transportation	2,043,920	2,114,667	1,987,017	127,650
Economic environment	1,004,737	1,004,737	969,404	35,333
Culture and recreation	1,311,544	1,426,989	1,028,590	398,399
Reserve for contingency	306,500	296,267	-	296,267
Total expenditures	<u>6,740,276</u>	<u>7,015,944</u>	<u>6,077,808</u>	<u>938,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(819,894)</u>	<u>(1,070,562)</u>	<u>(71,303)</u>	<u>999,259</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	248,406	282,968	277,511	(5,457)
Transfers out	(51,152)	(50,931)	(50,931)	-
Total other financing sources and (uses)	<u>197,254</u>	<u>232,037</u>	<u>226,580</u>	<u>(5,457)</u>
Net change in fund balances	(622,640)	(838,525)	155,277	993,802
Fund balances - beginning	<u>622,640</u>	<u>838,525</u>	<u>950,753</u>	<u>112,228</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,106,030</u>	<u>\$ 1,106,030</u>

ALACHUA COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
MSTU - LAW ENFORCEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET - POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 18,014,871	\$ 18,014,871	\$ 18,035,617	\$ 20,746
Charges for services	1,047,850	1,047,850	920,490	(127,360)
Investment income	26,255	26,255	25,760	(495)
Miscellaneous	3,550	3,550	2,197	(1,353)
Total revenues	<u>19,092,526</u>	<u>19,092,526</u>	<u>19,011,154</u>	<u>(81,372)</u>
<b>EXPENDITURES</b>				
Current: General government	249,475	249,475	247,175	2,300
Public safety	139,203	139,203	103,398	35,805
Reserve for contingency	1,001,279	608,024	-	608,024
Total expenditures	<u>1,389,957</u>	<u>996,702</u>	<u>350,573</u>	<u>646,129</u>
Excess of revenues over expenditures	<u>17,702,569</u>	<u>18,095,824</u>	<u>18,660,581</u>	<u>564,757</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	993,943	1,132,190	1,110,122	(22,068)
Transfers out	<u>(18,795,213)</u>	<u>(19,595,657)</u>	<u>(19,595,657)</u>	-
Total other financing sources and (uses)	<u>(17,801,270)</u>	<u>(18,463,467)</u>	<u>(18,485,535)</u>	<u>(22,068)</u>
Net change in fund balances	(98,701)	(367,643)	175,046	542,689
Fund balances - beginning	<u>98,701</u>	<u>367,643</u>	<u>1,685,383</u>	<u>1,317,740</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,860,429</u>	<u>\$ 1,860,429</u>

ALACHUA COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
MSTU - FIRE PROTECTION  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Taxes	\$ 13,271,437	\$ 13,271,437	\$ 13,284,104	\$ 12,667
Permits and fees	3,800	3,800	(2,450)	(6,250)
Intergovernmental	23,750	23,750	24,704	954
Charges for services	716,000	716,000	835,593	119,593
Investment income	29,000	29,000	33,526	4,526
Miscellaneous	-	-	978	978
Total revenues	<u>14,043,987</u>	<u>14,043,987</u>	<u>14,176,455</u>	<u>132,468</u>
<b>EXPENDITURES</b>				
Current: General government	156,622	180,266	180,266	-
Public safety	14,737,150	14,677,774	14,251,119	426,655
Reserve for contingency	736,857	413,982	-	413,982
Total expenditures	<u>15,630,629</u>	<u>15,272,022</u>	<u>14,431,385</u>	<u>840,637</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,586,642)</u>	<u>(1,228,035)</u>	<u>(254,930)</u>	<u>973,105</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	741,657	845,342	847,164	1,822
Transfers out	<u>(535,072)</u>	<u>(741,660)</u>	<u>(741,660)</u>	-
Total other financing sources and (uses)	<u>206,585</u>	<u>103,682</u>	<u>105,504</u>	<u>1,822</u>
Net change in fund balances	(1,380,057)	(1,124,353)	(149,426)	974,927
Fund balance - beginning	<u>1,380,057</u>	<u>1,124,353</u>	<u>1,124,353</u>	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 974,927</u>	<u>\$ 974,927</u>

ALACHUA COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GAS TAX USES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET - POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 3,833,359	\$ 3,833,359	\$ 3,938,406	\$ 105,047
Intergovernmental	81,033	81,033	96,539	15,506
Charges for services	770,387	770,387	1,083,809	313,422
Miscellaneous	9,400	9,400	12,791	3,391
Total revenues	<u>4,694,179</u>	<u>4,694,179</u>	<u>5,131,545</u>	<u>437,366</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	8,141,211	8,717,090	7,982,905	734,185
Reserve for contingency	397,253	1,260,089	-	1,260,089
Total expenditures	<u>8,538,464</u>	<u>9,977,179</u>	<u>7,982,905</u>	<u>1,994,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,844,285)</u>	<u>(5,283,000)</u>	<u>(2,851,360)</u>	<u>2,431,640</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,149,553	3,620,711	3,620,711	-
Total other financing sources and (uses)	<u>3,149,553</u>	<u>3,620,711</u>	<u>3,620,711</u>	<u>-</u>
Net change in fund balances	(694,732)	(1,662,289)	769,351	2,431,640
Fund balances - beginning	<u>694,732</u>	<u>1,662,289</u>	<u>4,145,055</u>	<u>2,482,766</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,914,406</u>	<u>\$ 4,914,406</u>



ALACHUA COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
EMERGENCY SERVICES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Intergovernmental	\$ 5,883,727	\$ 6,425,105	\$ 5,163,523	\$ (1,261,582)
Charges for services	400,000	400,000	383,511	(16,489)
Fines and forfeitures	307,000	307,000	255,388	(51,612)
Investment income	14,500	14,500	9,413	(5,087)
Total revenues	<u>6,605,227</u>	<u>7,146,605</u>	<u>5,811,835</u>	<u>(1,334,770)</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	2,906,328	4,993,751	2,401,233	2,592,518
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court cost	-	-	-	-
Reserve for contingency	2,095,086	2,954,743	-	2,954,743
Total expenditures	<u>5,001,414</u>	<u>7,948,494</u>	<u>2,401,233</u>	<u>5,547,261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,603,813</u>	<u>(801,889)</u>	<u>3,410,602</u>	<u>4,212,491</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,510,005	5,223,225	5,200,954	(22,271)
Transfers out	(8,250,196)	(8,250,196)	(7,887,830)	362,366
Sale of capital assets	-	-	-	-
Total other financing sources and (uses)	<u>(3,740,191)</u>	<u>(3,026,971)</u>	<u>(2,686,876)</u>	<u>340,095</u>
Net change in fund balances	(2,136,378)	(3,828,860)	723,726	4,552,586
Fund balances - beginning	<u>2,136,378</u>	<u>3,828,860</u>	<u>3,828,858</u>	<u>(2)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,552,584</u>	<u>\$ 4,552,584</u>

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

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

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

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

The County-wide General Fund is comprised of the following six sub-funds: Board of County Commissioners, Clerk of Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. In order to comply with generally accepted accounting principles, both the budgeted and actual intra-fund activity between these sub-funds has been consolidated in order to eliminate inflated amounts in the aggregated financial statements of the County-wide General Fund. Detail by sub-fund showing eliminations can be found in the Supplementary Information section starting on page 100.

**Alachua County, Florida**  
**Required Supplementary Information**  
**Schedules of Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years\***

<b>Florida Retirement System (FRS)</b>	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.4424%	0.4537%	0.4195%
Employer's proportionate share of the net pension liability (asset)	\$ 130,867,792	\$ 114,570,141	\$ 54,186,620
Employer's covered payroll	\$ 98,696,032	\$ 95,821,390	\$ 93,030,476
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	132.60%	119.57%	58.25%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%

<b>Health Insurance Subsidy Program (HIS)</b>	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.3059%	0.3115%	0.3066%
Employer's proportionate share of the net pension liability (asset)	\$ 32,705,219	\$ 36,308,569	\$ 31,272,836
Employer's covered payroll	\$ 98,696,032	\$ 95,821,390	\$ 93,030,476
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.14%	37.89%	33.62%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%

**Notes to schedules:**

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

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

**Alachua County, Florida**  
**Required Supplementary Information**  
**Schedules of Employer Contributions**  
**Last 10 Fiscal Years\***

<b>Florida Retirement System</b>	2017	2016	2015
Contractually required contribution	\$ 11,362,020	\$ 11,165,807	\$ 10,454,040
Contributions in relation to the contractually required contribution	(11,362,020)	(11,165,807)	(10,454,040)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 100,065,414	\$ 97,150,888	\$ 94,321,250
Contributions as a percentage of covered payroll	11.35%	11.49%	11.08%
<b>Health Insurance Subsidy Program</b>	2017	2016	2015
Contractually required contribution	\$ 1,608,047	\$ 1,571,486	\$ 1,282,771
Contributions in relation to the contractually required contribution	(1,608,047)	(1,571,486)	(1,282,771)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 100,065,414	\$ 97,150,888	\$ 94,321,250
Contributions as a percentage of covered payroll	1.61%	1.62%	1.36%

**Notes to schedules:**

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

**Alachua County, Florida**  
**Required Supplementary Information**  
**Schedule of the County's Proportionate Share of the Net OPEB Liability**  
**Alachua County OPEB Plan**  
**Last 10 Fiscal Years\***

		<b>2017</b>
County's proportion of the net OPEB liability		88.76%
County's proportionate share of the net OPEB liability	\$	9,794,589
Plan fiduciary net position as a percentage of the total OPEB liability		13.75%

**Notes to schedules:**

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

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

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

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

**Alachua County, Florida**  
**Required Supplementary Information**  
**Schedule of County Contributions**  
**Alachua County OPEB Plan**  
**Last 10 Fiscal Years\***

	<b>2017</b>
Contractually required contribution	\$ 1,149,010
Contributions in relation to the contractually required contribution	1,039,000
Contribution deficiency (excess)	\$ 110,010

**Notes to schedules:**

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

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

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

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

**ADDITIONAL ELEMENTS OF REPORTS PREPARED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED  
STATES, THE PROVISIONS OF OFFICE OF MANAGEMENT AND  
BUDGET (OMB) UNIFORM GUIDANCE AND THE *RULES OF THE  
AUDITOR GENERAL OF THE STATE OF FLORIDA***

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ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
<u>Department of Justice</u>					
<i>Passed Through Florida Office of Attorney General:</i>					
VOCA - Crime Victim Assistance	16.575	VOCA-2016-Alachua County Victim Ser-00704	200,340		
	16.575	VOCA-2016-Alachua County Sheriff's-00491	115,770		
		16.575 Total	316,110		
<i>Passed Through City of Gainesville:</i>					
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program: A Coordinated Community response to Preventing Violence Against women in Gainesville, Florida					
	16.590	2015-WE-AX-0033	50,713	<1>	50,713
<i>Direct Program:</i>					
State Criminal Alien Assistance (SCAAP) Program	16.606	2016-AP-BX-0169	34,800		
<i>Passed Through Florida Department of Law Enforcement:</i>					
Edward Byrne Memorial Justice Assistance Grant Program:					
Patrol Speed Trailer	16.738	2017-JAGC-ALAC-6-F9-142	16,000		
RAD Training Grant	16.738	2017-JAGC-ALAC-7-F9-161	2,694		
FDLE Special Teams Mount	16.738	2017-JAGC-ALAC-6-F9-157	13,370		
Ballistic Shields	16.738	2017-JAGC-ALAC-6-F9-160	6,276		
Network Attached Storage	16.738	2017-JAGC-ALAC-13-F9-210	2,219		
Radios	16.738	2017-JAGC-ALAC-12-F9-207	777		
<i>Passed Through City of Gainesville:</i>					
2015 Direct Byrne JAG Grant	16.738	2015-DJ-BX-1025	32,136	<2>	32,136
<i>Passed Through Office of Justice Programs:</i>					
2016 Direct Byrne JAG Grant	16.738	2016-DJ-BX-1025	32,136		
		16.738 Total	105,608		
<i>Direct Program:</i>					
Equitable Sharing	16.922	N/A	255,694		
<u>Department of Transportation</u>					
<i>Passed Through Florida Department of Transportation:</i>					
Highway Planning and Construction:					
Hawthorne Trail - Bike Lane/ Sidewalk	20.205	FPN: 432240-2-38-02, 432240-2-58-01, & 432240-2-68-02	495,395		495,395
Poe Springs Road	20.205	FPN: 433990-2-38-02	144		144
		20.205 Total	495,539		495,539
<u>Department of Treasury</u>					
Equitable Sharing	21.016	N/A	5,134		

ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
<u>Department of Energy</u>					
<i>Passed Through Broward County:</i>					
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysis/Assistance: Go Solar - Florida	81.117	DE-EE0006309	38,229	<3>	38,229
<u>US Election Assistance Commission</u>					
<i>Passed Through Florida Division of Elections:</i>					
Help America Vote Act Requirements Payments:					
HAVA 09/10	90.401	N/A	10,771		
FY10/11 Federal Election Activities	90.401	MOA # 2010-2011-0001	3,144		
FY11/12 Federal Election Activities	90.401	MOA #2011-2012-0001	13		
FY12/13 Federal Election Activities	90.401	MOA # 2012-2013-0001	15,714		
		90.401 Total	29,642		
<u>U.S. Department of Health and Human Services</u>					
<i>Passed Through Florida Department of Children and Families:</i>					
Temporary Assistance for Needy Families: Metamorphosis FY16-17	93.558	LS020	8,005	<4>	
<i>Passed Through Florida Department of Revenue:</i>					
Child Support Enforcement	93.563	CD301	223,108		
<i>Passed Through Florida Department of Children and Families:</i>					
Block Grants for Community Mental Health Services:					
Metamorphosis FY16-17	93.959	LS020	103,463	<4>	
Metamorphosis FY17-18	93.959	LS020	32,380		
		93.959 Total	135,843		
<u>Corporation for National and Community Service</u>					
<i>Direct Program:</i>					
Foster Grandparent Program 4/16 - 3/19	94.011	16SFSFL004 , year 1 of grant agreement	268,015		
Foster Grandparent Program 4/16 - 3/19	94.011	16SFSFL004 , year 2 of grant agreement	171,555		
		94.011 Total	439,570		
<u>U.S. Department of Homeland Security</u>					
<i>Passed Through Florida Division of Emergency Management:</i>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters):					
Public Assistance Hurricane Hermine	97.036	17-PA-W1-03-11-15-017	43,001	<5>	
Public Assistance Hurricane Hermine	97.036	17-PA-W1-03-11-01-036	158,066		
		97.036 Total	201,067		
EMPG Fed Grant 7/16-6/17	97.042	17-FG-XX-03-11-01-075	64,074		
EMPG Fed Grant 7/17-6/18	97.042	18-FG- XX -03-11-01-XXX	24,527		
		97.042 Total	88,601		

ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
<i>Homeland Security Grant Program:</i>					
FY15 DHS Issues 9,11,&16	97.067	16-DS-T9-03-11-02-288	104,619		
FY16 SHSGP Issue 1	97.067	17-DS-V4-03-11-02-277	51,000		
State Homeland Security Grant (SHSGP)	97.067	16-DS-T9-03-11-01-447	6,666		
State Homeland Security Grant (SHSGP)	97.067	17-DS-V4-03-11-01-345	220		
		97.067 Total	162,505		
<i>Direct Program:</i>					
SAFER Grant	97.083	EMW-2015-FH-00837	383,515		
<b>TOTAL FEDERAL AWARDS</b>			\$ 2,973,683	\$ -	\$ 616,617

ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
<u>Executive Office of the Governor</u>					
<i>Direct Program:</i>					
Emergency Management Preparedness and Assistance (EMPA) Grant 7/16-6/17	31.063	17-BG-83-03-11-01-008	92,643		
Emergency Management Preparedness and Assistance (EMPA) Grant 7/17-6/18	31.063	18-BG-W9-03-11-01-125	30,359		
		31.063 Total	<u>123,002</u>		
<u>Florida Department of Environmental Protection</u>					
<i>Direct Program:</i>					
Cooperative Waste Collection Center Grant	37.007	S0716 - Baker County	15,000		
	37.007	S0716 - Bradford County	17,076		
	37.007	S0716 - Columbia County	22,316		
	37.007	S0716 - Dixie County	16,566		
	37.007	S0716 - Gilchrist County	20,000		
	37.007	S0716 - Lafayette County	13,500		
	37.007	S0716 - Nassau County	20,633		
	37.007	S0716 - Union County	13,999		
		37.007 Total	<u>139,090</u>		
Statewide Surface Water Restoration and Wastewater Projects: Newnans Lake Improvement	37.039	DEP Agreement No. LP01010	362,818		
<i>Passed through St. Johns River Water Management District:</i>					
Florida Springs Grant Program:					
Irrigation Retrofit Program	37.052	Contract #28908	44,778		\$ 44,778
Water Star Rebate	37.052	Contract #28913	700		\$ 700
		37.052 Total	<u>45,478</u>		<u>45,478</u>
<u>Florida Housing Finance Corporation</u>					
<i>Direct Program:</i>					
SHIP 15/16	40.901		228,442		
SHIP 16/17	40.901		91,959		
		40.901 Total	<u>320,401</u>		
<u>Florida Department of Legal Affairs and Attorney General</u>					
<i>Passed Through Florida Council Against Sexual Violence:</i>					
Florida Council Against Sexual Violence 7/16-6/17	41.010	16OAG17	7,839		
Florida Council Against Sexual Violence 7/17-6/18	41.010	17OAG17	6,124		
		41.010 Total	<u>13,963</u>		
<u>Florida Housing Finance Corporation</u>					
<i>Direct Program:</i>					
SHIP - State Housing Initiatives Partnership Program	52.901	SHIP 14/15	117,961		

ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
<u>Florida Department of Transportation</u>					
<i>Direct Program:</i>					
Florida Shared-Use Nonmotorized (SUN) Trail Network Program: SunTrail on Tower Road	55.038	Federal Project No. 439933-1-54-01	50,838		
<u>Department of Children and Families</u>					
<i>Direct Program:</i>					
Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant 5/14 - 3/17	60.115	LHZ45	253,999	253,999	
<u>Florida Department of Health</u>					
<i>Direct Program:</i>					
EMS County Grant Program - EMS Trust Fund	64.005	C5001	46,611		
<i>Passed Through Florida Council Against Sexual Violence:</i>					
Rape Crisis Program Trust Fund SFY16/17	64.061	16TFGR17	32,404		
Rape Crisis Center:					
General Revenue - Florida Council Against Sexual Violence - SFY16/17	64.069	16TFGR17	73,409		
General Revenue - Florida Council Against Sexual Violence - SFY17/18	64.069	16TFGR17	22,596		
		64.069 Total	96,005		
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<b>\$ 1,602,570</b>	<b>\$ 253,999</b>	<b>\$ 45,478</b>

**Notes:**

- < 1 > Alachua County is a sub-recipient from the City of Gainesville.
- < 2 > Alachua County Sheriff's Office is a sub-recipient from the City of Gainesville.
- < 3 > Alachua County is a sub-recipient from Broward County.
- < 4 > Grant is split between federal programs 93.558 and 93.959, and state matching for federal award.
- < 5 > Includes State matching funds for federal program.
- < 6 > The County has not elected to use the 10-percent de minimus indirect cost rate allowed under the uniform guidance.
- < 7 > The County does not participate in any loan or loan guarantee programs.
- < 8 > The County does not receive any federally funded insurance.
- < 9 > The County did not receive any non-cash assistance.

**Basis of Presentation:**

Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

The accompanying Schedule of Expenditures of Federal Awards includes the Federal award activity of the Alachua County Board of County Commissioners and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which is required by the U.S. Office of Management and Budget.

The accompanying Schedule of State Financial Assistance includes the State award activity of the Alachua County Board of County Commissioners and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, *Rules of the Auditor General*, of the State of 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***

The Honorable Board of County Commissioners  
and Constitutional Officers  
Alachua County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Alachua County, Florida (the "County"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2018.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Carly Riggs & Ingram, L.L.C.*

Gainesville, Florida  
June 28, 2018

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

The Honorable Board of County Commissioners and  
Constitutional Officers  
Alachua County, Florida

**Report on Compliance for Each Major Federal Program and Each State Project**

We have audited Alachua County, Florida's (the "County") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the County's major federal programs and each major state project for the year ended September 30, 2017. The County's major federal programs and 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 federal and state statutes, regulations, and the terms and conditions of its awards applicable to its federal programs and state projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and each major state project 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; Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County'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 each major federal program and each major state project. However, our audit does not provide a legal determination of the County's compliance.



### ***Opinion on Each Major Federal Program and State Project***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and each of its major state projects for the year ended September 30, 2017.

### **Report on Internal Control Over Compliance**

Management of the County 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 County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and each major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 County'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, noncompliance with a type of compliance requirement of a federal program or 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 noncompliance with a type of compliance requirement of a federal program or 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 federal program or 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 the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Carly Riggs & Ingram, L.L.C.*

Gainesville, Florida  
June 28, 2018

**Schedule of Findings and Questioned Costs  
Year ended September 30, 2017**

**PART I – SUMMARY OF AUDITOR’S RESULTS**

1. The auditor’s report expresses unmodified opinions on the financial statements.
2. No significant deficiencies or material weaknesses in internal control over financial reporting were reported during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. The audit did not report significant deficiencies or material weaknesses in internal control over the major federal programs or state projects.
5. The auditor’s report on compliance for the major federal programs and state projects expresses an unmodified opinion.
6. The audit did not disclose any findings relative to the major federal programs or state projects.
7. The programs/projects tested as major are as follows:

Federal Programs	CFDA Number
Foster Grandparent Program	94.011
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083
State Projects	CSFA Number
Emergency Management Preparedness and Assistance Grant (EMPA)	31.063
Cooperative Waste Collection Center Grant	37.007
Statewide Surface Water Restoration and Wastewater Projects	37.039
Criminal Justice, Mental Health, and Substance Abuse Reinvestment	60.115

8. A threshold of \$750,000 was used to distinguish between Type A and Type B programs for federal programs, and \$300,000 was used for state projects.
9. The County qualified as a low-risk auditee as that term is defined in Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**PART II – FINANCIAL STATEMENT FINDINGS SECTION**

None

**PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS**

None

**PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS**

None

## MANAGEMENT LETTER

The Honorable Board of County Commissioners and  
Constitutional Officers  
Alachua County, Florida

We have audited the financial statements of Alachua County, Florida (the “County”) as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 28, 2018. We have also issued a report on internal control over financial reporting and on compliance and other matters, and a report on internal control and compliance relating to the County’s financial assistance. Those reports should be considered in conjunction with this management letter.

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 Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### Prior Audit Findings

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

### Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, *“Determination of Financial Emergency.”* In connection with our audit, we determined that the County has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

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

## **Annual Financial Report**

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

## **Other Matters**

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

This management letter is intended solely for the information and use of the Board of County Commissioners and Constitutional Officers, management, and the State of Florida Auditor General, and appropriate audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

*Carri Riggs & Ingram, L.L.C.*

Gainesville, Florida  
June 28, 2018

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

The Honorable Board of County Commissioners and  
Constitutional Officers  
Alachua County, Florida

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

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

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

Gainesville, Florida  
June 28, 2018

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES**

The Honorable Board of County Commissioners and  
Constitutional Officers  
Alachua County, Florida

We have examined Alachua County, Florida’s (the County) compliance with the requirement of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distributions and Use of (E911) Funds*, during the year ended September 30, 2017. Management of the County is responsible for the County’s compliance with the specified requirements. Our responsibility is to express an opinion on County’s compliance with the specified requirements based on our examination.

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

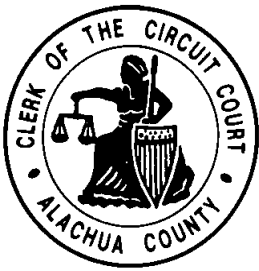
Our examination does not provide a legal determination on the County’s compliance with specified requirements.

In our opinion, County complied, in all material respects, with aforementioned requirements for the year ended September 30, 2017.

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

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

Gainesville, Florida  
June 28, 2018



# CLERK OF THE CIRCUIT COURT

Finance and Accounting  
201 East University Avenue  
Gainesville, Florida 32601

**J.K. IRBY**  
**CLERK**

**TELEPHONE**  
**(352) 374-3605**

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The following is a summary of the September 30, 2016 audit findings and the current status of each finding.

There were no audit findings relating to Federal or State financial assistance awards.



## CLERK OF THE CIRCUIT COURT

Alachua County Courthouse  
Finance and Accounting  
12 SE 1<sup>st</sup> St, 4<sup>th</sup> Floor  
Gainesville, Florida 32601

J.K. "JESS" IRBY  
CLERK

TELEPHONE  
(352) 374-3605

June 28, 2018

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

Dear Ms. Norman:

This letter is in response to the Independent Auditors' management letter to the Board of County Commissioners of Alachua County, for the year ended September 30, 2017. We are happy to report that for the twenty-sixth year in a row the Auditors found no significant deficiencies.

Thank you for your attention.

Sincerely,

J.K. "Jess" Irby, Clerk  
Alachua County Clerk of the Court

Todd Hutchison, Finance Director  
Alachua County Clerk of the Court

rdg

cc: Board of County Commissioners  
Michele L. Lieberman, Interim County Manager  
Sylvia E. Torres, Interim County Attorney