

ALACHUA COUNTY, FLORIDA



SINGLE AUDIT REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2007

ALACHUA COUNTY, FLORIDA
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2007

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

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ALACHUA COUNTY, FLORIDA
SINGLE AUDIT REPORT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2007

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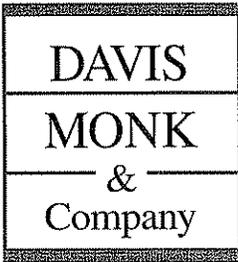
FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT
FOR
SINGLE AUDIT REPORT

ALACHUA COUNTY, FLORIDA

SEPTEMBER 30, 2007

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Independent Auditors' Report

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

Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

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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, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2008 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Federal Financial Assistance, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Schedule of State Financial Assistance, which is required by Chapter 10.550, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Davis, Monk & Company". The signature is written in black ink and is positioned above the date and location text.

February 29, 2008
Gainesville, Florida

**MANAGEMENT'S
DISCUSSION
& ANALYSIS**

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, 2007. 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 exceeded its liabilities at September 30, 2007 by \$543.0 million (*net assets*). Of this amount, \$15.4 million represents unrestricted net assets that may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets (\$543.0 million) are comprised of the following:
 - 1) \$428.4 million of capital assets, net of related debt, includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of those capital assets,
 - 2) \$99.2 million of net assets are restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations,
 - 3) \$12.4 million of unrestricted governmental net assets and \$3.0 million of unrestricted business-type net assets represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's total net assets increased \$36.1 million over the previous year with an increase of \$35.0 million from governmental activities and \$1.1 million from business activities.

Fund Statements

- At September 30, 2007, the County's governmental funds reported combined ending unreserved fund balances of \$120.8 and total fund balances of \$139.7 million. Total fund balances had an increase of \$39.2 million from the prior fiscal year.
- At September 30, 2007, unreserved fund balance for the General Fund was \$19.6 million or 17.9% of General Fund operating revenue. This is within the Government Finance Officer's Association Best Practices guidelines for fund balance levels.
- Governmental funds revenues increased almost \$24 million or 11% over the prior fiscal year. The overall increase in governmental funds revenues can primarily be attributed to the following: \$14.14 million increase in General Fund ad-valorem revenues, \$2.025 million increase in MSTU-Law Enforcement ad-valorem revenues, \$2.1 million total increase in MSTU-Fire & MSTU-Unincorporated ad-valorem revenues, and \$3.2 million increase in investment income.
- After making regularly scheduled debt service payments for the year, the County had a net increase in bonded debt of \$17.9 million over the prior fiscal year. The County issued \$21.17 million in Public Improvement Revenue Bonds, Series 2007A to finance the acquisition and construction of a new fire station, jail dormitory and barracks, a new recreation and aquatic center and other community park improvements.

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 assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is strengthening or weakening.
- The *statement of activities* presents information showing how the government's net assets changed during fiscal year 2007. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

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 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.

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-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, 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, Sheriff, Debt Service, Other Capital Projects, and Transportation Trust which are considered to be major funds. Data from the other eighteen 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 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 is in the Required Supplementary Information starting on page 79 and for non-major funds in the Supplemental Information section starting on page 100.

The basic governmental fund statements can be found on pages 26-33 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 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 34-36 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 statement can be found on page 37 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 39-78 of this report.

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. This section includes 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 89-136 of this report. Additional information about the County that may be of interest to the reader is found under the Statistical section on pages 137-163 of this report.

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$543.0 million at the close of the fiscal year ended September 30, 2007 (see table next page).

At the end of fiscal year 2007, the County is able to report positive balances in all three categories of net assets, for the government as a whole, as well as for its separate governmental and business-type activities.

Current and other assets increased by 30.7% over the prior year primarily due to an increase in the property tax roll resulting in higher ad-valorem revenues, the accumulation of assets from the initial startup of the CHOICES program, an increase in investment income and the accumulation of assets from the assessment of impact fees for parks, transportation and fire services. Capital assets, net of related debt, increased by 1.9% primarily due to donated infrastructure for new housing developments totaling \$8.3 million that was added to the County's capital asset records.

Alachua County, Florida
Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2006	2007	2006	2007	2006	2007	
Current and other assets	\$137.6	\$182.3	\$12.6	\$14.1	\$150.2	\$196.4	30.7%
Capital assets	475.6	485.6	11.0	10.4	486.6	496.0	1.9%
Total assets	613.2	667.9	23.6	24.5	636.8	692.4	8.7%
Current liabilities	35.1	38.3	1.2	1.3	36.3	39.6	9.1%
Long-term liabilities outstanding	83.9	100.4	9.7	9.4	93.6	109.8	17.3%
Total liabilities	119.1	138.7	10.9	10.7	129.9	149.4	15.0%
Net assets invested in capital assets, net of related debt	409.1	418.0	11.0	10.4	420.1	428.4	2.0%
Net assets - restricted	67.9	98.8	0.3	0.4	68.2	99.2	45.5%
Net assets - unrestricted	17.1	12.4	1.5	3.0	18.6	15.4	-17.1%
Total net assets	\$494.1	\$529.2	\$12.8	\$13.8	\$506.9	\$543.0	7.1%

Current liabilities and long-term liabilities increased from the previous year by 9.1% and 17.3% respectively, mainly due to the issuance of new debt, \$21.17 million Public Improvement Revenue Bonds Series 2007A.

Total net assets at year end is \$543.0 million. The largest portion of the County's net assets (\$428.4 million or 78.9%) 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 assets (\$99.2 million or 18.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$15.4 million or 2.8%) may be used to meet the government's ongoing obligations to citizens and creditors.

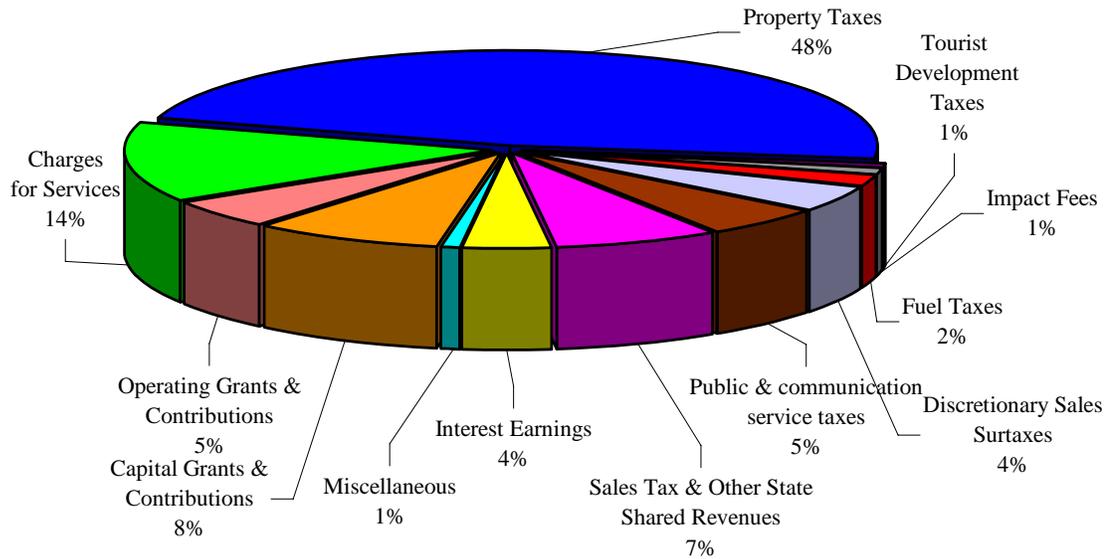
Restricted net assets in the governmental activities and business-type activities have increased by \$31 million or 45.5% from 2006 to 2007. These net assets represent restrictions from specific revenue sources and grants. Main components of the increase are \$20 million net of new bond money restricted for use on specific capital projects and a net increase of \$10.6 million for the CHOICES program.

Unrestricted net assets in the governmental type activities decreased by \$4.7 million, primarily due to costs of one-time land acquisitions, including new Industrial / Fairgrounds land for \$2 million and land adjacent to the Transfer Station for future expansion at a cost of almost \$1.527 million. Unrestricted net assets in the business type activities increased by \$1.5 million.

Alachua County, Florida
Changes in Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2006	2007	2006	2007	2006	2007	
Revenues:							
Program revenues:							
Charges for services	\$32.7	\$33.6	\$13.0	\$14.1	\$45.7	\$47.7	4.3%
Operating grants and contributions	13.1	12.4	-	-	13.1	12.4	-5.6%
Capital grants and contributions	18.3	20.4	-	-	18.3	20.4	11.5%
General revenues:							
Property taxes	99.9	117.4	-	-	99.9	117.4	17.6%
Discretionary Sales Surtaxes	11.6	10.6	-	-	11.6	10.6	-8.3%
Other taxes	19.7	21.0	-	-	19.7	21.0	6.7%
Other	28.7	31.6	1.3	1.4	30.0	33.0	9.9%
Total revenues	<u>224.0</u>	<u>247.1</u>	<u>14.3</u>	<u>15.5</u>	<u>238.3</u>	<u>262.5</u>	10.2%
Expenses:							
Administration	36.9	42.5	-	-	36.9	42.5	15.3%
Community services	14.0	15.0	-	-	14.0	15.0	6.8%
Corrections	23.6	25.1	-	-	23.6	25.1	6.4%
Courts	20.5	21.7	-	-	20.5	21.7	5.6%
Culture and recreation	1.8	2.1	-	-	1.8	2.1	17.7%
Tourist development	1.6	1.8	-	-	1.6	1.8	14.5%
Emergency services	29.1	31.5	-	-	29.1	31.5	8.2%
Environmental services	2.6	2.6	-	-	2.6	2.6	1.6%
Growth management	3.6	5.0	-	-	3.6	5.0	38.0%
Law enforcement	28.2	31.0	-	-	28.2	31.0	9.8%
Solid waste collection	3.6	4.0	-	-	3.6	4.0	9.7%
Transportation	23.4	25.1	-	-	23.4	25.1	7.2%
Interest on long-term debt	3.1	4.5	-	-	3.1	4.5	61.6%
Solid waste disposal system	-	-	12.0	12.5	12.0	12.5	4.5%
Codes enforcement	-	-	1.9	2.0	1.9	2.0	2.7%
Total expenses	<u>192.0</u>	<u>211.9</u>	<u>13.9</u>	<u>14.5</u>	<u>206.0</u>	<u>226.4</u>	9.9%
Increase/(decrease) in net assets before transfers	32.0	35.2	0.4	1.0	32.3	36.1	
Transfers	(0.3)	(0.2)	0.2	0.2	-	-	
Increase/(decrease) in net assets	<u>31.7</u>	<u>35.0</u>	<u>0.6</u>	<u>1.1</u>	<u>32.3</u>	<u>36.1</u>	
Net assets-beginning -as previously reported	462.6	494.1	12.3	12.8	474.9	506.9	
Change in Accounting Principle	(0.2)	-	-	-	(0.2)	-	
Net assets-beginning -as restated	<u>462.4</u>	<u>494.1</u>	<u>12.3</u>	<u>12.8</u>	<u>474.7</u>	<u>506.9</u>	
Net Assets - Ending	<u>\$ 494.1</u>	<u>\$ 529.2</u>	<u>\$ 12.8</u>	<u>\$ 13.8</u>	<u>\$ 506.9</u>	<u>\$ 543.0</u>	7.1%

Revenue by Source - Governmental Activities



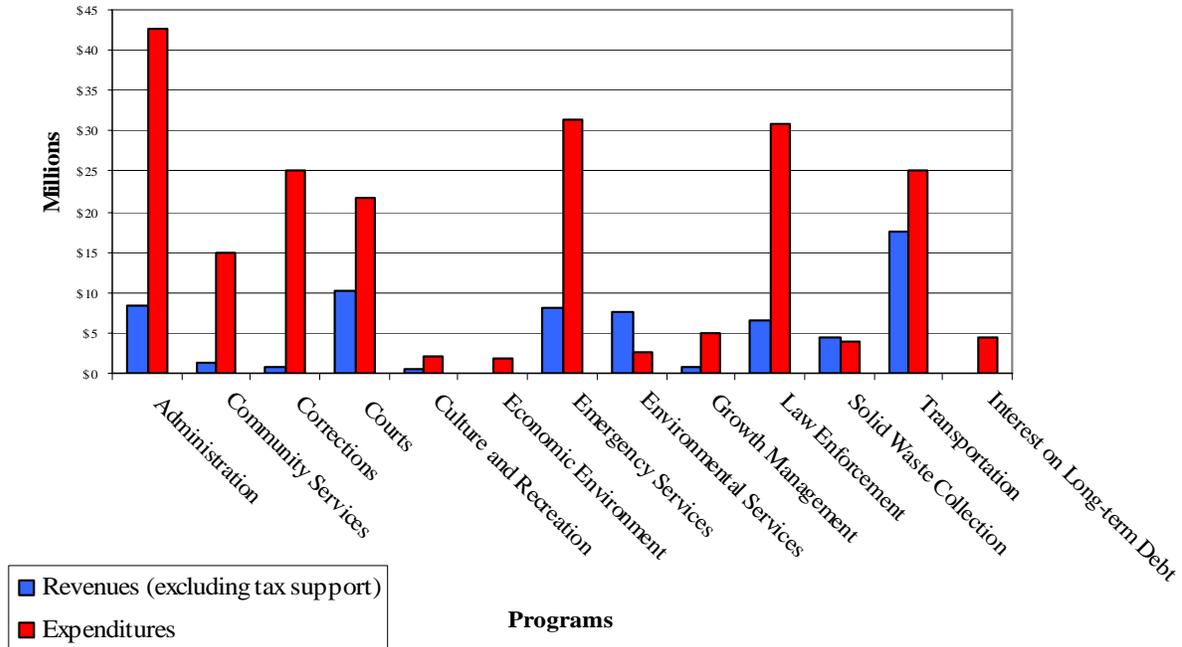
Governmental Activities

The County's total net assets increased \$36.1 million over the previous year with \$35 million resulting from governmental activities and \$1.1 million resulting from business activities.

Major changes in revenues were caused by the following:

- Charges for Services increased by 4.3% due to a number of factors: There was a decrease in the traffic collections resulting in a \$.7 million decrease in fees collected. The Tax Collector's statutorily required fees went up by \$.8 million due to an increase in the amount of ad-valorem taxes collected. Charges for services and fines and forfeitures for the Sheriff went up \$1.2 million due to increased collection from federal forfeitures through the Federal Law Enforcement Trust fund.
- Capital Grants and Contributions increased overall by 11.5%. Capital asset donations included donated soccer field improvements at Jonesville Park, costing \$480,119 and subdivision roads and right-of-way totaling \$8.3 million. Current costs of roads being donated are based on Florida Department of Transportation costs, which increased by an inflation factor of 6.2% from last year.
- Property tax revenue increased by \$17.5 million due to an increase in the tax roll.
- Pursuant to a successful sales tax referendum in August 2004, the County began receiving ¼ cent additional sales tax in January 2005. The sales tax is approved through December 2011. This discretionary sales surtax provides primary health care services to medically poor, working uninsured Alachua County residents. The County has collected \$28.9 million in discretionary sales surtax revenue to date. The discretionary sales tax collections decreased by 8.3% or 1.0 million during fiscal year 2007. This was due to an overall decrease in sales tax collections during 2007.

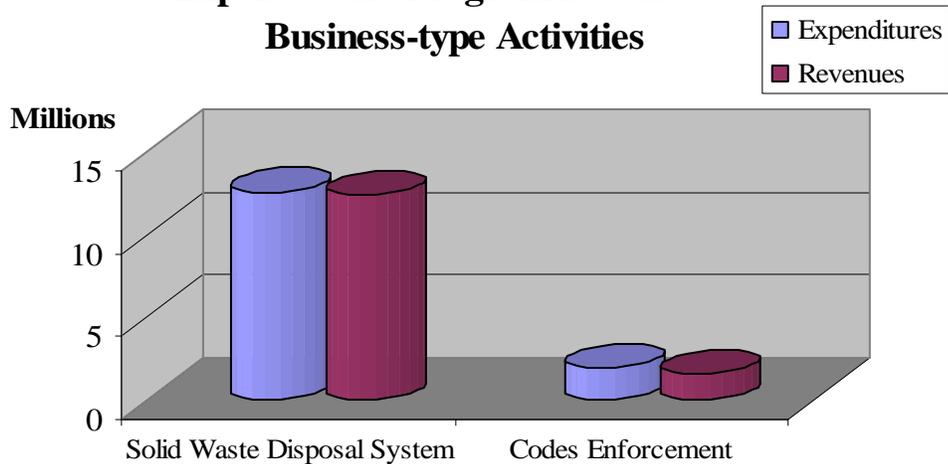
Expenses and Program Revenues - Governmental Activities



Major changes in expenses were caused by the following:

- Administration expenses increased 15.3% due to several factors. Administrative services expenses increased by \$.5 million; expenses for information services technology increased by \$.5 million; Tax Collector expenses increased by \$1.3 million mainly due to relocation of their SW Tax & Tag Agency to a larger facility; Clerk expenses increased by \$1.2 million primarily due to one-time expenses for new software; and there was increased funding for redevelopment districts by \$1.3 million.
- Culture and recreation expenses increased by 17.7% due to primarily to the development of a water use master plan, and increase in grant-in-aids funding to other local governmental units.
- Law Enforcement costs increased by 9.8% due to an increase of \$1.8 million in personal service expenditures, including health care costs, retirement contributions, and cost of living increases.
- Tourist development costs increased by 14.5% due to an increase in Destination Enhancement grant funding to the City of Gainesville.
- Growth management expenses increased 38% due to increased housing assistance expenses for the Local Housing Assistance and Community Development Block grant programs.
- Interest on long-term debt went up 41.6% due to the issuance of new debt.

Expenses and Program Revenues - Business-type Activities



Business-type Activities

Business-type activities increased the County's net assets by \$1.1 million.

- The Solid Waste transfer station went into operation in 1999. At that time, tipping fees were reduced from the previous rate for dumping at the landfill. Since then, management has adopted higher tipping fees as the costs of current operations have increased. During fiscal year 2007, management continued to closely monitor each segment of operations to assess operational efficiency and to seek opportunities for enhancing existing operations. An in-depth study was completed to improve the business plan of the operation.
- Codes Enforcement furnishes services to the development community and citizens. Codes Enforcement operating expenditures exceeded operating revenues by \$.3 million in fiscal year 2007. This is primarily due to a decrease in license and permit revenues. The decline in license and permit revenue collections was due to a decrease in building permits issued.

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, *unreserved fund balance* may serve as a useful measure of a government's net resources, available for spending, at the end of the fiscal year.

Alachua County, Florida	
Reserved and Unreserved Fund Balance	
Total fund balance	\$139,733,358
Less reserved fund balance:	
Encumbrances	13,655,366
Debt Service	3,445,488
Inventories & prepaid items	753,088
Special revenue funds	<u>1,097,096</u>
Unreserved fund balance	<u><u>\$120,782,320</u></u>

As of the end of fiscal year 2007, the County's governmental funds reported combined ending fund balances of \$139.7 million, an increase of \$39.2 million from the prior year. Of the approximately \$140 million total fund balance, unreserved fund balance is \$120.8 million.

Major Funds

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

The General Fund is the chief operating fund of the County. The General Fund had an increase in fund balance of \$2.7 million. The total fund balance was \$20.1 million of which \$19.6 million was unreserved. The cash balance at the end of the year was \$16.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund revenues. Unreserved fund balance represents 17.9% of total General Fund operating revenue, while total fund balance represents 18.4% of that same amount. The Government Finance Officers Association, Best Practices guidelines calls for an unreserved fund balance level of 5%-15% of General Fund operating revenues. The fund balance increased primarily because of an increase ad-valorem collections and a higher than expected rate of return on investments.

The Community Health Offering Innovative Care and Educational Services Program (CHOICES) was approved by the voters on August 31, 2004. The program is funded by a ¼ cent sales tax which is approved through December 2011. As of September 30, 2007, the total fund balance for CHOICES is \$28.7 million. Investment income for the year of \$1.2 million paid for the program costs of \$1.2 million. Program costs are expected to increase in future years as enrollment numbers continue to rise. At the end of the fiscal year, there were 1,004 clients enrolled in the program.

The Municipal Service Taxing Unit (MSTU) – Unincorporated Services Fund provides services to citizens in the unincorporated area of the County, including recreation, environmental services, and development related activities such as code enforcement and planning. The fund balance decreased during the year by \$.4 million primarily due to a transfer to set up the new MSTU Fire Protection fund. The fund has an ending fund balance of \$1.17 million. The ending fund balance represents 22.5% of the MTSU - Unincorporated Services operating revenue.

The new 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 \$1.19 million; since this was a new fund created in fiscal year 2007 as a split from MSTU Unincorporated, there was no beginning fund balance. The ending fund balance represents 10.3% of the MSTU – Fire Protection Services operating revenue.

The Municipal Service Taxing Unit - Law Enforcement funds the majority (70%) of the Sheriff's patrol in the unincorporated area of the County. The decrease in fund balance during the year was \$.4 million. The fund has ending fund balance of \$1.22 million. Fund balance represents 7.8% of the MSTU - Law Enforcement operating revenue.

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, however, the fund did receive a \$2 million planned transfer from the General Fund. The fund had a decrease in fund balance during the fiscal year of \$.4 million resulting in an ending fund balance of \$2.9 million.

Emergency Services Fund provides rescue medical services, emergency management and related services, including the combined communication center. The fund has an increase in fund balance of \$.6 million. Almost \$7 million was transferred to the Sheriff for funding of the Combined Communication Center. The ending fund balance is \$3.6 million, which represents 30.58% of Emergency Services operating revenue.

The Sheriff is funded by the Board of County Commissioners. The Sheriff's expenditures for the year were \$63.4 million, an increase of 9.6% over the prior fiscal year. Since the Sheriff is a budget officer, she is required to return all excess fund balance to the Board, except for fund balance that represents inventory that the Sheriff had on hand at the end of the fiscal year. The Sheriff's expenditures for personal services were \$3.4 million more than the prior year due to the addition of nine positions as well as higher related personnel costs including increases for health insurance, retirement payments, workers compensation and liability insurance; also included is a one time 1.5% increase above the normal percentage for Cost of Living and Merit increases. Almost \$3 million more was spent in fiscal year 2007 for one time charges for radio and computer equipment, helicopter refurbishment, in-car video cameras, jail vans and kitchen equipment; fuel and inmate medical costs also increased.

The Other Capital Projects Fund accounts for bond proceeds and other allocations for general facilities improvements. In August 2006, the BOCC authorized staff to proceed with the issuance of \$79.15 million in Public Improvement Revenue Bonds. The first series of bonds, \$21.17 million Public Improvement Revenue Bonds, Series 2007A, were issued in January 2007 to finance the acquisition and construction of a new fire station, jail dormitory and barracks, a new recreation and aquatic center and other community park improvements. The fund has an ending fund balance of \$39.1 million.

The Transportation Trust fund was established in fiscal year 2005 by a transfer from the Gas Tax Uses fund, in the amount of \$9.0 million. Also, on April 19, 2005, the Board of County Commissioners (BOCC) authorized staff to proceed with the issuance of \$33 million in Gas Tax Bonds for transportation improvements. In 2006, the first series of bonds were issued, \$15.4 million Gas Tax Revenue Bonds, Series 2006. This action resulted in an FY07 beginning fund balance of \$21.4 million. This fiscal year \$8.1 million was spent on transportation improvements. There are a number of road projects in-progress, including one new road, improved traffic signalization, and numerous resurfacing and repaving projects. The fund's ending fund balance is \$15.7 million. The 2nd series of bonds totaling \$17.6 million is planned for April 2008.

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, 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 generally 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 \$5 million for long term care of the closed landfills. Total assets as of September 30, 2007 were \$23.6 million, of which \$10.4 million are capital assets. Total liabilities were \$10.4 million and net assets were \$13.2 million.

General Fund Budgetary Highlights

The difference between the General Fund's original and final budgeted operating revenues was a decrease of \$834,507; the main components of this change were:

- \$887,782 decrease in updated property tax values (reserve for contingency also reduced)
- \$16,075 increase in intergovernmental revenue, \$5,000 of which was for unanticipated revenue from SJRWMD and \$11,075 for additional revenue from the City of Gainesville's for their portion of the Entrepreneurial Mentoring Program.
- \$37,200 increase for revenue from Florida Works BEST Grant to reimburse for training of ITS personnel in the areas of applications development and network support training.

The difference between the original and final General Fund budget for expenditures was a decrease overall of \$308,801. Though the net effect was a decrease, the reserve for contingencies was reduced by \$3,185,762 and the following were the main increases within departments:

- \$807,256 for inmate/detainee medical care prior to booking or pre-existing conditions
- \$238,089 to fund a street lighting plan for SR 26/26A
- \$50,000 for the Archer Community Center

- \$35,000 to increase the funding of Scott-Phifer House restoration
- \$25,000 for the Entrepreneurial Mentoring Program
- \$21,056 to fund the County match for the Hazard Mitigation grant which will provide funds to wind-retrofit the Fire/Rescue headquarters building.
- \$198,185 for additional payment to the State Department of Juvenile Justice for disputed charges from fiscal year 2006.
- \$48,125 for payment to Dolgencorp Inc in connection with State economic development program for a Qualified Target Industry (QTI) project.

General fund actual revenues overall were \$3.7 million greater than the final amended budgeted revenues. \$2.3 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 expenditures over all were over \$6 million less than was budgeted; this was due to direction from the Board to reduce expenditures where possible in anticipation of possible action by the Florida Legislature to reduce local ad valorem taxes. The combination of higher revenues and lower expenditures overall resulted in an increase to fund balance of \$2.7 million for a total ending fund balance of \$20.1 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, 2007 totals \$496 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 2%.

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

<u>Description</u>							Percent Change
	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	
Land	\$208.5	\$215.7	\$3.3	\$3.3	\$211.8	\$218.9	3.4%
Art	0.1	0.1	-	-	0.1	0.1	0.0%
Infrastructure	167.7	163.8	-	-	167.7	163.8	-2.4%
Buildings	68.4	68.5	2.1	2.0	70.5	70.5	0.0%
Improvements other than Building	2.1	2.6	4.3	4.0	6.4	6.7	4.5%
Equipment	17.2	19.1	1.3	1.1	18.5	20.2	9.3%
Construction in Progress	11.5	15.8	-	-	11.5	15.8	37.1%
Total	\$475.5	\$485.6	\$11.0	\$10.4	\$486.5	\$496.0	2.0%

As shown in the above table, construction in progress increased by 37.1%, due primarily to the start-up of new bond funded capital projects including new park projects, fire and EMT stations, new jail barracks and a number of road projects.

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

- Right-of-way acquisitions are complete but construction continues on SW 24th Ave, with approximately \$10.6 million spent to date on the project. Construction of this project is almost half done with completion expected in fiscal year 2008.
- Road resurfacing projects completed 2007 or early fiscal year 2008:
 - CR 236 - cost of \$1.7 million
 - SW 20th Ave/SW 24th Ave from SW 75th St to SW 43rd St – cost \$1.4 million
 - CR 225 North – cost of \$5 million to mill and resurface
 - Pine Hills and Ft. Clark Forest Subdivisions (repaving done by in-house crew)
- Purchase of new Industrial and Fairgrounds land for \$2 million
- Purchased 74.595 acres adjacent to the Leveda Brown Environmental Park and Transfer Station for future expansion at a cost of almost \$1.527 million
- County Parks
 - Jonesville Park – continued development with the Gainesville Soccer Alliance providing for a parking lot and sidewalks costing over \$480,000.
 - Kanapaha Botanical Gardens – The County has contributed approximately \$50,000 for the new Children’s Garden.
 - Holden Park – completed improvements to the boat ramp early in FY2008 at a total cost of \$85,918
 - SE 35th Street Park – Design and survey work spending over \$25,000 this year
- Jonesville Fire Station #17 and EMT Station #4– planning and design for over \$265,000 and \$139,000 spent respectively, with ground breaking expected January 2008 for the Jonesville structure and March 2008 for the EMT Station.
- Jail Barracks – Due to overpopulation in the Jail, new barracks are being built. Engineering and design costs of over \$350,000 have been spent to date. Groundbreaking is expected to be January 2008.
- Alachua County Forever - Legacy Lands – numerous acquisition efforts are underway in conjunction with other State programs. Purchases completed this year or early 2008:
 - Watermelon Pond – Gladman tract - 82 acres for \$225,000 and Aston tract - 89 acres for \$402,030
 - Lake Forest Creek – Wainberg tract – 25 acres for \$75,000
 - Lake Santa Fe – Waldo Blueway – Overton tract – 110 acres for \$850,000
 - Gainesville Archipelago – Robertson tract – 114 acres for \$1,005,600

Additional information on the County’s capital assets can be found in Note 6 on pages 64-65 of this report.

Long-term Debt

At the end of fiscal year 2007, the County had total bonded debt outstanding of \$86.9 million. The County's debt represents bonds secured by ad valorem taxes (i.e. Limited General Obligation Bonds) and specified revenue sources (i.e., Revenue Bonds).

Alachua County, Florida Outstanding Debt

General Obligation and Revenue Bonds

	<u>2006</u>	<u>2007</u>
Limited General Obligation Bonds	\$ 10,265,000	\$ 8,950,000
Revenue Bonds	58,725,000	77,980,000
Total	<u>\$ 68,990,000</u>	<u>\$ 86,930,000</u>

Notes Payable

	<u>2006</u>	<u>2007</u>
Pooled Commercial Paper Program	<u>\$ 13,300,000</u>	<u>\$ 13,300,000</u>

After making regularly scheduled debt service payments for the year, the County had a net increase in bonded debt of \$17.9 million over the prior fiscal year. This net increase was due to the issuance of \$21.17 million in Public Improvement Revenue Bonds, Series 2007A to finance the acquisition and construction of a new fire station, jail dormitory and barracks, a new recreation and aquatic center and other community park improvements.

Additional information on the County's debt can be found in Note 8 on pages 67-69 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County at September 30, 2007 was 2.9%. This represents an increase of .5% from the prior year, but is still one of the lowest in the state.
- The taxable value of commercial and residential property increased 15.5% and 15.8%, respectively, in the 2007 fiscal year.
- There were 4,225 building permits issued for fiscal year 2007, down 6.5% from the previous fiscal year total of 4,520.
- Population increased approximately 1.6% from the prior year to an estimated 247,561 at September 30, 2007.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$19.6 million for a total fund balance of \$20.1 million. The FY 2007 ad valorem tax rate for the General Fund is 8.8887 Mills and decreased to 7.6468 mills in fiscal year 2008.

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 Court, Finance and Accounting, P.O. Box 939, Gainesville, Florida 32602. Additional financial information can be found on our web-site <http://www.clerk-alachua-fl.org>.

**BASIC
FINANCIAL
STATEMENTS**

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**ALACHUA COUNTY, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007**

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Assets:				
Current Assets				
Equity in pooled cash & equivalents	\$ 116,651,495	\$ 7,885,420	\$ 124,536,915	\$ 391,858
Cash with claims administrator	69,130	-	69,130	-
Other cash and equivalents	12,963,068	-	12,963,068	-
Investments	37,126,995	-	37,126,995	-
Receivables (net)	1,465,558	1,092,523	2,558,081	4,585
Due from other governments	9,437,744	378	9,438,122	2,443
Internal balances	(84,845)	84,845	-	-
Inventories	815,348	-	815,348	-
Prepaid items	1,174,248	-	1,174,248	-
Total current non-restricted assets	179,618,741	9,063,166	188,681,907	398,886
Current Restricted Assets				
Sinking fund cash & equivalents	1,395,051	-	1,395,051	-
Total current restricted assets	1,395,051	-	1,395,051	-
Total current assets (restricted & non-restricted)	181,013,792	9,063,166	190,076,958	398,886
Noncurrent Assets				
Deferred charges	1,283,691	-	1,283,691	-
Noncurrent restricted assets				
Restricted cash and cash equivalents	-	438,841	438,841	-
Restricted investments	-	4,561,740	4,561,740	-
Total Non-current restricted assets	-	5,000,581	5,000,581	-
Capital Assets				
Land	215,679,939	3,266,279	218,946,218	-
Artwork	91,390	-	91,390	-
Infrastructure	451,174,391	-	451,174,391	-
Buildings	101,844,603	2,752,417	104,597,020	-
Improvements other than buildings	6,733,808	13,142,379	19,876,187	-
Equipment	56,191,974	2,840,088	59,032,062	-
Construction in progress	15,768,364	-	15,768,364	-
Less accumulated depreciation	(361,920,855)	(11,570,687)	(373,491,542)	-
Total capital assets	485,563,614	10,430,476	495,994,090	-
Total noncurrent assets (restricted & non-restricted)	486,847,305	15,431,057	502,278,362	-
Total Assets	\$ 667,861,097	\$ 24,494,223	\$ 692,355,320	\$ 398,886

The accompanying notes are an integral part of the financial statements

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities:				
Current Liabilities (payable from current assets)				
Accounts payable	\$ 14,595,367	\$ 893,450	\$ 15,488,817	\$ 4,159
Accrued interest payable	1,183,437	-	1,183,437	-
Estimated liability for self insurance losses	6,977,543	-	6,977,543	-
Contracts payable	1,359,640	6,029	1,365,669	-
Due to other governments	2,021,879	8,167	2,030,046	-
Deposits	32,882	79,029	111,911	-
Unearned revenue	860,935	-	860,935	-
Accrued compensated absences	6,467,902	305,826	6,773,728	4
Bonds and notes payable	4,820,000	-	4,820,000	-
Total current liabilities (payable from current assets)	38,319,585	1,292,501	39,612,086	4.163
Noncurrent Liabilities				
Accrued compensated absences	5,535,220	262,295	5,797,515	-
Bonds and notes payable (net of amortization on discounts premiums)	94,825,005	-	94,825,005	-
Total noncurrent liabilities (payable from noncurrent assets)	100,360,225	262,295	100,622,520	-
Noncurrent Liabilities (payable from restricted assets).				
Accrued Landfill closure cost	-	9,143,036	9,143,036	-
Total noncurrent liabilities (payable from restricted assets)	-	9,143,036	9,143,036	-
Total noncurrent liabilities	100,360,225	9,405,331	109,765,556	-
Total Liabilities	138,679,810	10,697,832	149,377,642	4.163
Net Assets:				
Invested in capital assets, net of related debt	417,974,105	10,430,476	428,404,581	-
Restricted for				
Restricted for debt service	1,395,051	-	1,395,051	-
Restricted for CHOICES	28,732,290	-	28,732,290	-
Restricted for road and bridge maintenance	2,904,430	-	2,904,430	-
Restricted for road construction	15,731,884	-	15,731,884	-
Restricted for Alachua County Forever Land program	7,444,897	-	7,444,897	-
Restricted for Public Improvement Revenue Projects	20,807,536	-	20,807,536	-
Restricted for emergency service projects and grants	3,643,999	-	3,643,999	-
Restricted for grants and other purposes	18,118,879	-	18,118,879	-
Restricted for annual landfill closure costs	-	434,143	434,143	-
Unrestricted	12,428,216	2,931,772	15,359,988	394,723
Total Net Assets	\$ 529,181,287	\$ 13,796,391	\$ 542,977,678	\$ 394,723

**ALACHUA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Administration	\$ 42,541,401	\$ 7,440,319	\$ 905,609	\$ 10,452
Community services	14,955,326	486,966	805,617	-
Corrections	25,108,328	805,744	-	-
Courts	21,656,031	9,358,291	752,354	-
Culture and recreation	2,118,880	54,718	101,500	490,958
Tourist development	1,832,697	-	-	-
Emergency services	31,491,242	7,735,021	345,403	-
Environmental services	2,640,608	352,769	723,680	6,543,915
Growth management	4,968,513	178,546	730,305	-
Law enforcement	30,976,917	2,588,568	3,603,273	460,368
Solid waste collection	3,950,855	4,359,158	59,663	-
Transportation	25,096,355	265,123	4,340,891	12,904,604
Interest on long-term debt	4,524,190	-	-	-
Total governmental activities	<u>211,861,343</u>	<u>33,625,223</u>	<u>12,368,295</u>	<u>20,410,297</u>
Business-type activities:				
Solid waste disposal system	12,640,404	12,474,258	-	-
Codes enforcement	1,952,130	1,576,414	-	-
Total business-type activities	<u>14,592,534</u>	<u>14,050,672</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 226,453,877</u>	<u>\$ 47,675,895</u>	<u>\$ 12,368,295</u>	<u>\$ 20,410,297</u>
Component Units:				
Murphree Law Library	\$ 76,586	\$ 77,030	-	-
Alachua County Housing Finance Authority	2,837	-	-	-
Total component units	<u>\$ 79,423</u>	<u>\$ 77,030</u>	<u>-</u>	<u>-</u>
General revenues:				
Property taxes				
Tourist development taxes				
Impact fees				
Fuel taxes				
Discretionary sales surtaxes (CHOICES)				
Public & communication service taxes				
Sales tax & other state shared revenue-unrestricted				
Interest earnings				
Miscellaneous				
Total general revenues				
Changes in net assets before transfers				
Transfers				
Changes in net assets				
Net assets - beginning				
Net assets - ending				

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (34,185,021)	\$ -	\$ (34,185,021)	
(13,662,743)	-	(13,662,743)	
(24,302,584)	-	(24,302,584)	
(11,545,386)	-	(11,545,386)	
(1,471,704)	-	(1,471,704)	
(1,832,697)	-	(1,832,697)	
(23,410,818)	-	(23,410,818)	
4,979,756	-	4,979,756	
(4,059,662)	-	(4,059,662)	
(24,324,708)	-	(24,324,708)	
467,966	-	467,966	
(7,585,737)	-	(7,585,737)	
(4,524,190)	-	(4,524,190)	
<u>(145,457,528)</u>	<u>-</u>	<u>(145,457,528)</u>	
-	(166,146)	(166,146)	
-	(375,716)	(375,716)	
-	<u>(541,862)</u>	<u>(541,862)</u>	
<u>(145,457,528)</u>	<u>(541,862)</u>	<u>(145,999,390)</u>	
			\$ 444
			<u>(2,837)</u>
			<u>(2,393)</u>
117,449,997	-	117,449,997	-
2,234,698	-	2,234,698	-
2,337,461	-	2,337,461	-
5,371,078	-	5,371,078	-
10,641,415	-	10,641,415	-
13,409,071	493,247	13,902,318	-
17,439,257	-	17,439,257	-
9,877,203	660,938	10,538,141	19,238
1,915,623	251,682	2,167,305	54,089
<u>180,675,803</u>	<u>1,405,867</u>	<u>182,081,670</u>	<u>73,327</u>
35,218,275	864,005	36,082,280	70,934
(169,939)	169,939	-	-
<u>35,048,336</u>	<u>1,033,944</u>	<u>36,082,280</u>	<u>70,934</u>
<u>494,132,951</u>	<u>12,762,447</u>	<u>506,895,398</u>	<u>323,789</u>
<u>\$ 529,181,287</u>	<u>\$ 13,796,391</u>	<u>\$ 542,977,678</u>	<u>\$ 394,723</u>

ALACHUA COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007

	GENERAL	CHOICES	MSTU UNINCORPORATED SERVICES	MSTU LAW ENFORCEMENT
ASSETS				
Equity in pooled cash and equivalents	\$ 16,167,011	\$ 27,689,879	\$ 1,168,402	\$ 1,261,162
Cash with fiscal agent	-	50,000	-	-
Other cash and equivalents	-	-	-	-
Sinking fund cash and equivalents	-	-	-	-
Investments	-	-	-	-
Accounts receivable	129,239	-	30,705	116,523
Allowance for estimated uncollectables	(3,303)	-	-	-
Assessment receivable	-	-	-	-
Due from other funds	8,605,154	-	6,416	162,471
Due from other governments	246,640	1,856,500	347,812	787,367
Inventories	30,263	-	-	-
Prepaid Items	-	-	-	-
Total assets	<u>\$ 25,175,004</u>	<u>\$ 29,596,379</u>	<u>\$ 1,553,335</u>	<u>\$ 2,327,523</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,037,860	\$ 74,969	\$ 234,269	\$ -
Contracts payable	275,627	13,256	6,171	-
Due to Collection Agent	-	-	-	-
Due to individuals	12	-	-	-
Due to other funds	1,154,618	-	13	1,100,059
Due to other governments	524,885	-	138,745	-
Deposits	30,347	-	-	-
Unearned revenue	2,672	775,864	-	-
Total liabilities	<u>5,026,021</u>	<u>864,089</u>	<u>379,198</u>	<u>1,100,059</u>
Fund balances reserved for:				
Encumbrances	551,722	239,453	231,328	-
Debt service	-	-	-	-
Records modernization	-	-	-	-
Mapping projects	-	-	-	-
Inventory & prepaid items	30,263	-	-	-
Unreserved-undesignated, reported in:				
General fund	19,566,998	-	-	-
Special revenue funds	-	28,492,837	942,809	1,227,464
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Total fund balances	<u>20,148,983</u>	<u>28,732,290</u>	<u>1,174,137</u>	<u>1,227,464</u>
Total liabilities and fund balances	<u>\$ 25,175,004</u>	<u>\$ 29,596,379</u>	<u>\$ 1,553,335</u>	<u>\$ 2,327,523</u>

The accompanying notes are an integral part of the financial statements

MSTU FIRE PROTECTION	GAS TAX USES	EMERGENCY SERVICES	SHERIFF	DEBT SERVICE	OTHER CAPITAL PROJECTS
\$ 507,105	\$ 2,205,917	\$ 4,205,613	\$ -	\$ -	\$ 19,307,758
-	-	-	-	19,130	-
-	-	-	4,341,776	-	-
-	-	-	-	3,445,488	-
-	-	-	-	-	20,655,778
87,393	665	3,451,541	7,180	-	-
-	-	(2,688,178)	-	-	-
-	-	-	-	-	147,173
20,056	639,551	219,287	131,925	8,256	37,849
590,526	738,922	292,800	28,678	2,868,301	694,826
-	219,384	236,342	137,274	-	-
-	-	-	50,000	57,625	-
<u>\$ 1,205,080</u>	<u>\$ 3,804,439</u>	<u>\$ 5,717,405</u>	<u>\$ 4,696,833</u>	<u>\$ 6,398,800</u>	<u>\$ 40,843,384</u>
\$ 12,383	\$ 293,446	\$ 891,351	\$ 3,878,348	\$ -	\$ 463,143
-	47,671	9,480	-	-	371,246
-	-	690	-	-	-
-	-	-	-	-	159,790
38	-	273,891	574,063	1,127,137	700,000
2,945	249,465	523,215	57,148	-	510
-	-	-	-	-	-
-	309,427	374,779	-	1,412,362	-
<u>15,366</u>	<u>900,009</u>	<u>2,073,406</u>	<u>4,509,559</u>	<u>2,539,499</u>	<u>1,694,689</u>
21,343	283,502	41,147	-	-	2,098,584
-	-	-	-	3,445,488	-
-	-	-	-	-	-
-	-	-	-	-	-
-	219,384	236,342	187,274	57,625	-
-	-	-	-	-	-
1,168,371	2,401,544	3,366,510	-	-	-
-	-	-	-	356,188	-
-	-	-	-	-	37,050,111
<u>1,189,714</u>	<u>2,904,430</u>	<u>3,643,999</u>	<u>187,274</u>	<u>3,859,301</u>	<u>39,148,695</u>
<u>\$ 1,205,080</u>	<u>\$ 3,804,439</u>	<u>\$ 5,717,405</u>	<u>\$ 4,696,833</u>	<u>\$ 6,398,800</u>	<u>\$ 40,843,384</u>

ALACHUA COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007

	TRANSPORTATION TRUST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Equity in pooled cash and equivalents	\$ 7,360,861	\$ 12,987,031	\$ 92,860,739
Cash with fiscal agent		-	69,130
Other cash and equivalents	-	8,621,292	12,963,068
Sinking fund cash and equivalents	-	-	3,445,488
Investments	9,050,747	7,420,470	37,126,995
Accounts receivable	-	174,132	3,997,378
Allowance for estimated uncollectables	-	-	(2,691,481)
Assessment receivable	-	-	147,173
Due from other funds	-	1,181,418	11,012,383
Due from other governments	-	984,770	9,437,142
Inventories	-	-	623,263
Prepaid Items	-	22,200	129,825
Total assets	<u>\$ 16,411,608</u>	<u>\$ 31,391,313</u>	<u>\$ 169,121,103</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 524,548	\$ 1,525,191	\$ 10,935,508
Contracts payable	155,176	453,934	1,332,561
Due to Collection Agent	-	-	690
Due to individuals	-	856,161	1,015,963
Due to other funds	-	6,217,557	11,147,376
Due to other governments	-	506,387	2,003,300
Deposits	-	2,535	32,882
Unearned revenue	-	44,361	2,919,465
Total liabilities	<u>679,724</u>	<u>9,606,126</u>	<u>29,387,745</u>
Fund balances reserved for:			
Encumbrances	7,700,136	2,488,151	13,655,366
Debt service	-	-	3,445,488
Records modernization	-	486,669	486,669
Mapping projects	-	610,427	610,427
Inventory & prepaid items	-	22,200	753,088
Unreserved-undesignated, reported in:			
General fund	-	-	19,566,998
Special revenue funds	-	10,822,800	48,422,335
Debt service funds	-	-	356,188
Capital project funds	8,031,748	7,354,940	52,436,799
Total fund balances	<u>15,731,884</u>	<u>21,785,187</u>	<u>139,733,358</u>
Total liabilities and fund balances	<u>\$ 16,411,608</u>	<u>\$ 31,391,313</u>	<u>\$ 169,121,103</u>

The accompanying notes are an integral part of the financial statements

Alachua County, Florida
Reconciliation of the Balance Sheet
to the Statement of Net Assets of Governmental Funds
September 30, 2007

Fund balances – total governmental funds (page 28) \$139,733,358

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. 480,970,540

Long-term liabilities \$112,780,862 less deferred charges \$1,283,691 are not due and payable in the current period and therefore are not reported in fund statements. (111,497,171)

Deferred loss on the advance refunding of \$1,317,307 is allocated over the remaining life of the new debt. 1,317,307

Accrued long-term debt interest expenses are not financial uses and therefore are not reported in the fund statements. (1,183,437)

Gas Tax, Sales Tax, and Discretionary Sales Tax receivables are not financial resources in the current period and therefore are reported as unearned revenues. 2,772,682

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, computer replacement, fleet services, and telephone services to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net assets. 16,026,672

Prepaid Items originally expensed in full, reclassified as an asset. 1,041,336

Net Assets of governmental activities and component units (page 23) \$529,181,287

*See Note 2.A. for details

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, 2007

	GENERAL	CHOICES	MSTU UNINCORPORATED SERVICES	MSTU LAW ENFORCEMENT
REVENUES				
Taxes	\$ 97,215,930	\$ 10,687,204	\$ 3,950,417	\$ 15,549,919
Licenses and permits	339,377	-	181,123	-
Intergovernmental	5,452,307	-	864,151	-
Charges for services	3,706,667	-	94,300	-
Fines and forfeitures	37,565	-	-	-
Investment income	604,019	1,247,176	97,029	256,200
Special assessments	-	-	-	-
Private donations	500	-	-	-
Miscellaneous	2,500,422	2,226	39,858	39,325
Total revenues	109,856,787	11,936,606	5,226,878	15,845,444
EXPENDITURES				
Current:				
General government	21,324,577	-	1,149,195	182,631
Public safety	5,982,401	-	482,284	72,735
Physical environment	1,688,170	-	477,191	-
Transportation	238,089	-	561,089	-
Economic environment	1,338,042	-	848,278	-
Human services	11,342,339	1,239,844	-	-
Culture and recreation	790,224	-	968,081	-
Court cost	7,295,873	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Excess fees distributed to State	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	49,999,715	1,239,844	4,486,118	255,366
Excess (deficiency) of revenues over (under) expenditures	59,857,072	10,696,762	740,760	15,590,078
OTHER FINANCING SOURCES (USES)				
Transfers in	11,502,280	-	396,416	1,237,501
Transfers out	(68,676,311)	-	(1,583,245)	(17,248,026)
Issuance of refunding bond	-	-	-	-
Premium on refunding bond	-	-	-	-
Refund of long term debt	-	-	-	-
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Sale of capital assets	8,786	-	-	-
Total other financing sources and (uses)	(57,165,245)	-	(1,186,829)	(16,010,525)
Net change in fund balances	2,691,827	10,696,762	(446,069)	(420,447)
Fund balances - beginning	17,457,156	18,035,528	1,620,206	1,647,911
Fund balances - ending	\$ 20,148,983	\$ 28,732,290	\$ 1,174,137	\$ 1,227,464

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

MSTU FIRE PROTECTION	GAS TAX USES	EMERGENCY SERVICES	SHERIFF	DEBT SERVICE	OTHER CAPITAL PROJECTS
\$ 11,430,183	\$ 3,959,929	\$ -	\$ -	\$ 4,084,185	\$ -
-	-	578	-	-	-
-	68,607	4,061,512	-	15,672,602	4,744,452
-	260,161	7,092,821	-	-	923,632
-	-	577,445	-	-	-
122,756	763	108,583	-	307,501	1,224,779
-	-	-	-	-	2,336,505
-	-	-	-	-	36,300
-	59,662	74,134	-	-	1,304
11,552,939	4,349,122	11,915,073	-	20,064,288	9,266,972
538,989	-	-	-	65,399	-
126,734	-	24,843,619	60,605,166	-	-
-	107,400	-	-	-	-
-	9,348,342	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,764,836	-	-
-	-	-	-	3,445,000	-
-	-	-	-	4,857,942	-
-	-	-	-	-	-
-	-	-	-	-	10,222,629
665,723	9,455,742	24,843,619	63,370,002	8,368,341	10,222,629
10,887,216	(5,106,620)	(12,928,546)	(63,370,002)	11,695,947	(955,657)
2,016,409	6,314,487	20,604,644	64,017,097	8,256	8,022,849
(11,713,911)	(1,615,021)	(7,064,651)	(694,153)	(13,079,708)	(307,318)
-	-	-	-	42,455,000	-
-	-	-	-	580,968	-
-	-	-	-	(43,024,862)	-
-	-	-	-	840,172	20,329,828
-	-	-	-	194,734	-
-	-	-	47,058	-	-
(9,697,502)	4,699,466	13,539,993	63,370,002	(12,025,440)	28,045,359
1,189,714	(407,154)	611,447	-	(329,493)	27,089,702
-	3,311,584	3,032,552	187,274	4,188,794	12,058,993
\$ 1,189,714	\$ 2,904,430	\$ 3,643,999	\$ 187,274	\$ 3,859,301	\$ 39,148,695

ALACHUA COUNTY, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	TRANSPORTATION TRUST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ -	\$ 2,234,698	\$ 149,112,465
Licenses and permits	-	225,043	746,121
Intergovernmental	-	10,338,293	41,201,924
Charges for services	59,215	16,512,349	28,649,145
Fines and forfeitures	-	2,356,275	2,971,285
Investment income	622,827	4,964,804	9,556,437
Special assessments	-	4,295,546	6,632,051
Private donations	-	99,950	136,750
Miscellaneous	94,667	436,256	3,247,854
Total revenues	<u>776,709</u>	<u>41,463,214</u>	<u>242,254,032</u>
EXPENDITURES			
Current:			
General government	-	22,247,553	45,508,344
Public safety	-	3,847,415	95,960,354
Physical environment	-	1,153,330	3,426,091
Transportation	-	-	10,147,520
Economic environment	-	4,047,922	6,234,242
Human services	-	1,488,119	14,070,302
Culture and recreation	-	147,418	1,905,723
Court cost	-	8,013,022	18,073,731
Debt service			
Principal	-	-	3,445,000
Interest and fiscal charges	-	-	4,857,942
Excess fees distributed to State	-	234,258	234,258
Capital outlay	8,096,797	1,936,518	20,255,944
Total expenditures	<u>8,096,797</u>	<u>43,115,555</u>	<u>224,119,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,320,088)</u>	<u>(1,652,341)</u>	<u>18,134,581</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,616,187	11,635,038	127,371,164
Transfers out	-	(5,708,759)	(127,691,103)
Issuance of refunding bond	-	-	42,455,000
Premium on refunding bond	-	-	580,968
Refund of long term debt	-	-	(43,024,862)
Issuance of debt	-	-	21,170,000
Premium on issuance of debt	-	-	194,734
Sale of capital assets	-	414	56,258
Total other financing sources and (uses)	<u>1,616,187</u>	<u>5,926,693</u>	<u>21,112,159</u>
Net change in fund balances	(5,703,901)	4,274,352	39,246,740
Fund balances - beginning	21,435,785	17,510,835	100,486,618
Fund balances - ending	<u>\$ 15,731,884</u>	<u>\$ 21,785,187</u>	<u>\$ 139,733,358</u>

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

Alachua County
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, 2007

Net change in fund balances – total governmental funds (page 32)	\$ 39,246,740
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 \$24,187,022 exceeded depreciation (\$22,878,059) in the current period.	1,308,963
Donations/contributions of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.	8,805,143
Governmental funds report sale of capital assets as financial resources; the loss on disposal of capital assets are not reflected in the fund statement.	(746,342)
Issuance of debt (\$21,170,000 plus \$194,734 premium on long-term debt) provide current financial resources to governmental funds, but debt increases long-term liabilities in the Statement of Net Assets.	(21,364,734)
Issuance of refunded debt (\$42,455,000 plus \$580,968 premium on long-term debt) provide current financial resources to governmental funds, but debt increases long-term liabilities in the Statement of Net Assets.	(43,035,968)
Refundings of long-term debt are other financing uses in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	43,024,862
Repayments of bond and note principal (\$3,445,000 less \$11,712 discount and plus \$123,263 deferred charges and premium expenses \$26,111) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	3,582,662
Some expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(307,532)
Internal service funds are used by management to charge the costs of insurance, computer replacement, fleet services, and telephone services to individual funds. \$4,046,402 of total net operating gain for internal service funds is reported with governmental activities.	4,046,402
Certain items reported in the Statement of Activities are not considered current financial resources and therefore are not reported as revenue in the governmental funds.	132,959
Prepaid Items originally expensed in full, reclassified as an asset.	355,181
Changes in net assets of governmental activities (page 25)	<hr style="border: 1px solid black;"/> <u>\$ 35,048,336</u>

*See Note 2.B. for details

The accompanying notes are an integral part of the financial statements

ALACHUA COUNTY, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2007

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND		
		410 CODES ENFORCEMENT	TOTAL	
ASSETS				
Current assets:				
Equity in pooled cash and equivalents	\$ 7,052,853	\$ 832,567	\$ 7,885,420	\$ 21,740,319
Accounts receivable	1,087,690	4,833	1,092,523	12,488
Due from other funds	84,939	-	84,939	50,148
Due from other governments	-	378	378	602
Prepays	-	-	-	3,087
Inventories	-	-	-	192,085
Total current assets	<u>8,225,482</u>	<u>837,778</u>	<u>9,063,260</u>	<u>21,998,729</u>
Noncurrent assets:				
Restricted assets:				
Equity in pooled cash and equivalents	438,841	-	438,841	-
Investments	4,561,740	-	4,561,740	-
Total restricted assets	<u>5,000,581</u>	<u>-</u>	<u>5,000,581</u>	<u>-</u>
Capital assets:				
Land	3,266,279	-	3,266,279	-
Buildings	2,752,417	-	2,752,417	-
Improvements other than buildings	13,142,379	-	13,142,379	1,224
Equipment	2,769,232	70,856	2,840,088	11,821,173
Less accumulated depreciation	(11,546,495)	(24,192)	(11,570,687)	(7,229,323)
Total capital assets (net of depreciation)	<u>10,383,812</u>	<u>46,664</u>	<u>10,430,476</u>	<u>4,593,074</u>
Total noncurrent assets	<u>15,384,393</u>	<u>46,664</u>	<u>15,431,057</u>	<u>4,593,074</u>
Total assets	<u>23,609,875</u>	<u>884,442</u>	<u>24,494,317</u>	<u>26,591,803</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	828,801	64,649	893,450	2,643,206
Contracts payable	6,029	-	6,029	27,079
Unearned revenue	-	-	-	714,152
Due to other funds	94	-	94	-
Due to other governments	3,124	5,043	8,167	18,579
Deposits	79,029	-	79,029	-
Accrued compensated absences of one year or less	186,930	118,896	305,826	108,987
Estimated liability for self insured losses	-	-	-	6,977,543
Total current liabilities	<u>1,104,007</u>	<u>188,588</u>	<u>1,292,595</u>	<u>10,489,546</u>
Noncurrent liabilities:				
Accrued compensated absences of more than one year	135,378	126,917	262,295	75,585
Noncurrent liabilities (payable from restricted assets):				
Accrued landfill closure cost	9,143,036	-	9,143,036	-
Total noncurrent liabilities	<u>9,278,414</u>	<u>126,917</u>	<u>9,405,331</u>	<u>75,585</u>
Total liabilities	<u>10,382,421</u>	<u>315,505</u>	<u>10,697,926</u>	<u>10,565,131</u>
NET ASSETS				
Invested in capital assets	10,383,812	46,664	10,430,476	4,593,074
Restricted for annual landfill closure cost	434,143	-	434,143	-
Unrestricted	2,843,642	522,273	2,931,772	11,433,598
Total net assets	<u>\$ 13,227,454</u>	<u>\$ 568,937</u>	<u>\$ 13,796,391</u>	<u>\$ 16,026,672</u>

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND	TOTAL	
		410 CODES ENFORCEMENT		
Operating revenues				
Charges for services	\$ 8,549,251	\$ 12,600	\$ 8,561,851	\$ 25,430,409
Fines and forfeitures	-	98,430	98,430	-
Licenses and permits	-	1,465,384	1,465,384	-
Special assessments	3,925,007	-	3,925,007	-
Miscellaneous revenue	227,568	22,115	249,683	669,266
Total operating revenues	<u>12,701,826</u>	<u>1,598,529</u>	<u>14,300,355</u>	<u>26,099,675</u>
Operating expenses				
Personal services	2,661,553	1,569,529	4,231,082	1,430,753
Depreciation	634,906	10,912	645,818	1,196,153
Indirect costs	555,633	68,837	624,470	420,576
Supplies and materials	473,807	51,598	525,405	2,180,516
Other services and charges	8,314,505	251,254	8,565,759	4,480,227
Claims and losses	-	-	-	12,876,949
Total operating expenses	<u>12,640,404</u>	<u>1,952,130</u>	<u>14,592,534</u>	<u>22,585,174</u>
Operating income (loss)	<u>61,422</u>	<u>(353,601)</u>	<u>(292,179)</u>	<u>3,514,501</u>
Nonoperating revenues (expenses)				
Taxes	493,247	-	493,247	-
Net gain (loss) on disposal of capital assets	1,999	-	1,999	61,135
Investment Income	660,938	-	660,938	320,766
Total nonoperating revenues (expenses)	<u>1,156,184</u>	<u>-</u>	<u>1,156,184</u>	<u>381,901</u>
Income before transfers	<u>1,217,606</u>	<u>(353,601)</u>	<u>864,005</u>	<u>3,896,402</u>
Transfers				
Transfers in	169,939	-	169,939	150,000
Total transfers	<u>169,939</u>	<u>-</u>	<u>169,939</u>	<u>150,000</u>
Change in net assets	1,387,545	(353,601)	1,033,944	4,046,402
Total net assets - beginning	<u>11,839,909</u>	<u>922,538</u>	<u>12,762,447</u>	<u>11,980,270</u>
Total net assets - ending	<u>\$ 13,227,454</u>	<u>\$ 568,937</u>	<u>\$ 13,796,391</u>	<u>\$ 16,026,672</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, 2007

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND	ENTERPRISE FUNDS	
		410 CODES ENFORCEMENT	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 8,619,067	\$ 1,584,169	\$ 10,203,236	\$ 26,211,377
Cash received from special assessments & fines and forfeitures	3,925,007	-	3,925,007	-
Miscellaneous cash receipts	227,568	22,115	249,683	669,266
Cash paid to outside parties	(9,603,191)	(403,523)	(10,006,714)	(18,816,538)
Cash paid to employees	(2,666,828)	(1,575,527)	(4,242,355)	(1,430,899)
Net cash provided (used) by operating activities	501,623	(372,766)	128,857	6,633,206
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	160,000	-	160,000	150,000
Due from other funds	150,559	562	151,121	(2,145)
Due from other governments	37,647	(378)	37,269	2,064
Taxes	493,247	-	493,247	-
Net cash provided by noncapital & related financing activities	841,453	184	841,637	149,919
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Payments for capital assets	(105,782)	(16,935)	(122,717)	(1,815,529)
Proceeds from sale of capital assets	1,999	-	1,999	61,135
Net cash provided (used) by capital & related financing activities	(103,783)	(16,935)	(120,718)	(1,754,394)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	660,938	-	660,938	320,765
Proceeds (purchase) of investment	(1,935,238)	-	(1,935,238)	-
Net cash provided (used) by investing activities	(1,274,300)	-	(1,274,300)	320,765
Net increase (decrease) in cash and cash equivalents	(35,007)	(389,517)	(424,524)	5,349,496
Cash and cash equivalents, October 1, 2006	7,526,701	1,222,084	8,748,785	16,390,823
Cash and cash equivalents, September 30, 2007	\$ 7,491,694	\$ 832,567	\$ 8,324,261	\$ 21,740,319
Cash and cash equivalents classified as				
Equity in pooled cash and equivalents	\$ 7,052,853	\$ 832,567	\$ 7,885,420	\$ 21,740,319
Restricted cash and equivalents	438,841	-	438,841	-
Total	\$ 7,491,694	\$ 832,567	\$ 8,324,261	\$ 21,740,319
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ 61,422	\$ (353,601)	\$ (292,179)	\$ 3,514,501
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation expense	634,906	10,912	645,818	1,196,153
(Decrease) in estimated landfill closure cost	(187,655)	-	(187,655)	-
Increase in estimated liability for self insured losses	-	-	-	160,640
Decrease in accounts receivable	67,366	7,755	75,121	84,236
Increase in user deposits	2,450	-	2,450	-
(Decrease) in accrued compensated absences	(5,273)	(5,998)	(11,271)	(147)
Increase in unearned revenue	-	-	-	714,152
(Increase) in inventories	-	-	-	(41)
Increase (decrease) in accounts payable	(71,593)	(31,834)	(103,427)	963,712
Total adjustments	440,201	(19,165)	421,036	3,118,705
Net cash provided (used) by operating activities	\$ 501,623	\$ (372,766)	\$ 128,857	\$ 6,633,206

The accompanying notes are an integral part of the financial statements

ALACHUA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2007

	<u>AGENCY FUNDS</u>
ASSETS	
Equity in pooled cash and equivalents	\$ 629,891
Other cash and equivalents	6,684,399
Investments	9,294,399
Due from individuals	17,671
Due from other governments	34,267
 Total assets	 <u>16,660,627</u>
LIABILITIES	
Assets held for others	11,273,133
Due to other governments	911,712
Deposits held in escrow	652,783
Deposits - installment taxes	3,822,999
 Total liabilities	 <u>16,660,627</u>
 TOTAL NET ASSETS	 <u><u>\$ -</u></u>

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

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**ALACHUA COUNTY, FLORIDA
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SEPTEMBER 30, 2007**

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**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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 2004-265 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 the Component Units for which the County is considered to be financially accountable.

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 (Chapter 57-1118, Laws of Florida) 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. Financial information for the Law Library is presented in this comprehensive annual financial report as one of the two Component Units.

2. Alachua County Housing Finance Authority

The Alachua County Housing Finance Authority (Chapter 159, Florida Statutes) 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. Financial information for the Authority is presented in this comprehensive annual financial report as one of the two Component Units.

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

As of September 30, 2007, 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 Assets 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.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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 comprises 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.

GASB 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and 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.

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 in another fund.

CHOICES – Pursuant to the August 2004 sales tax referendum, the County will receive a .25% sales tax from January 2005 through December 2011. This discretionary sales surtax will provide 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 of the funds, which allows 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 FY03 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 FY07 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.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

Emergency Services – This fund, mainly supported by General Fund and MSTU transfers is a combination of various grants and designated revenues that are used for the specific purpose of fire rescue, emergency management, E-911 and disaster relief.

Sheriff – The Sheriff is an elected official of Alachua County and is responsible for the administration and operation of the Alachua County Sheriff's Office and the Sheriff's Department of the Jail.

Debt Service Fund - Accounts for payment of principal and interest on County bonds and notes. Bonds included are the Public Improvement Revenue Refunding Bonds, 2007 Series A and B, Public Improvement Revenue Bond, 1999, Alachua County Forever G.O. Bond, 2003, Transportation Improvement Revenue Bond, Series 2006 and the Pooled Commercial Paper Program (used to finance Legacy Land purchases until tax revenues are received).

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources (a) that are restricted or legally limited to expenditure for or (b) that a government has publicly expressed its intention to use for the acquisition or construction of major capital facilities and renovations (other than those financed by the proprietary fund types).

Transportation Trust Fund – This fund is used to account for improvements to county roads using money transferred from the Gas Tax Uses fund and from the Transportation Improvement Revenue Bonds, Series 2006. The fund was established March 8, 2005 by resolution 05-20.

Proprietary Major Fund

Solid Waste System (400) – Accounts for revenues and expenditures associated with refuse/garbage disposal, recyclable reclaiming, closure of landfills, and collection activities outside the mandated designated Alachua County collection area.

Proprietary Non-major Fund

Codes Enforcement (410) – This fund was established on October 1, 1998 to account for revenues and expenditures 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 including Computer Replacement, Self-insurance, Fleet Management, Telephone Service, Vehicle Replacement and Health Insurance.

Agency Funds - 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 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 Assets.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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 expenditures. 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 expenditures.

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 as soon as 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 so 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.

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.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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 assets. 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 expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as "an other financing source". Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

The County applies all GASB pronouncements as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The County has elected not to follow private sector FASB statements and Interpretations, issued after November 30, 1989.

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 did not have any Trust funds for fiscal year 2007. 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 and Net Assets

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 and balances in the State Board of Administration Investment Pool.

2. Investments

Investments for the County are reported at fair value, in accordance with GASB Statement No. 31.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

3. Receivables and Payables

Activity 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 reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

4. Inventories and Prepaid Items

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.

5. Restricted Assets

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

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 assets is restricted for current annual 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 nonconsumable nature with a value of at least \$1,000 and a life of one year or more.

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 fair market 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.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

The Board holds legal title to the capital assets used in the operations of the Board of County Commissioners, Property Appraiser, Tax Collector, Clerk of the Circuit and County Courts, and Supervisor of Elections and is accountable for them under Florida law. Under Florida Law, the Sheriff is accountable for maintaining capital asset records for equipment used in her operations.

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

ASSETS	YEARS
Buildings/improvements	10 - 50
Equipment	2 - 20
Infrastructure	20 - 50

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 Closure 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 Assets. 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

The unearned revenues will be recognized as revenue in the fiscal year that they are earned, in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent revenues that are measurable but not available.

10. Accrued Compensated Absences

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. 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.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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. For fiscal year 2007, there is no arbitrage rebate obligation.

12. Unamortized Bond Costs and Bond Discounts/Premiums

In the government-wide statements bond issuance costs and legal fees associated with the issuance of Governmental Fund bonds are amortized over the life of the bonds using the straight-line method of accounting and are reported as deferred charges. 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 fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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; therefore, the encumbrances are reported as reservations of fund balances at year-end and reappropriated the following year.

14. Reserves/Designations of Fund Balances and Net Assets

In the fund financial statements, reserves and designations of fund balance represent portions of fund balances that cannot be appropriated for expenditures or which have been legally segregated for specific future uses. A portion of Capital Projects fund balance, including the Alachua County Forever Legacy Lands fund balances, and Debt Service fund balance is reserved because of bond covenants or other capital grant requirements.

Net assets of the Self Insurance Fund and the Health Insurance Fund are reserved for anticipated future catastrophic losses pursuant to County ordinance and Governmental Accounting Standards Board Statement No.10.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

Total fund balances of the County's governmental funds of \$139,733,358 differs from net assets of governmental activities of \$529,181,287 reported in the Statement of Net Assets. This difference results from the long-term economic focus of the Statement of Net Assets versus the current financial resources focus of the governmental fund balance sheet.

Capital-Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the Statement of Net Assets includes those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 835,662,072
Accumulated depreciation	(354,691,532)
Total capital assets added	<u>\$ 480,970,540</u>

Long-term Debt Transactions

Deferred Charges of \$1,283,691 represent bond issue costs and legal fees associated with the issuance of bonds. These charges are amortized over the life of the bonds.

1999 Public Improvement Revenue Bonds	\$ 16,527
2003 Alachua County Forever General Obligation Bonds	81,184
2006 Alachua County Gas Tax Revenue Bonds	298,120
2007(A)(B) Public Improvement Revenue Refunding Bond	887,860
Total deferred charges added	<u>\$ 1,283,691</u>

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Assets. Balances at September 30, 2007 were:

Bonds payable – 1999 Public Improvement Revenue Bonds	\$ 740,000
Less: Discount	(17,573)
Bonds payable – 2003 Alachua County Forever General Obligation Bonds	8,950,000
Plus: Premium	35,002
Bond payable – 2006 Alachua County Gas Tax Revenue Bonds	14,615,000
Less: Discount	(40,709)
Bond payable– 2007(A)(B) Public Improvement Revenue Refunding Bond	62,625,000
Plus: Premium	755,592
Less: Deferred Loss on Refunding Public Improvement Revenue Bond (B)	(1,317,307)
Pooled Commercial Paper Program	13,300,000
Compensated absences	11,818,550
Total long-term liabilities added	<u>\$ 111,463,555</u>

**ALACHUA COUNTY, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2007**

Accrued Interest

Accrued liabilities in the Statement of Net Assets differ from the amount reported in governmental funds due to accrued interest on bonds and capital leases outstanding.

Interest Payable – 1999 Public Improvement Revenue Bonds	\$ 11,566
Interest Payable – 2003 Alachua County Forever General Obligation Bonds	101,542
Interest Payable – 2006 Alachua County Gas Tax Revenue Bonds	191,072
Interest Payable – 2007(A)(B) Public Improvement Revenue Refunding Bond	<u>879,257</u>
Total accrued interest added	<u>\$ 1,183,437</u>

Unearned Revenues

Unearned revenues in the Statement of Net Assets differ from the amount reported in governmental funds due to taxes receivables. Governmental fund financial statements report unearned revenues or revenues which are measurable but not available as unearned revenues. However, unearned revenues in governmental funds are subject to full accrual on government-wide financial statements.

Unearned revenues reduced	<u>\$ 2,772,682</u>
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Internal Service Funds

Management uses internal service funds to charge the costs of fleet management, computer replacement, vehicle replacement, telephone service, group health insurance and self-insurance activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets because they primarily serve governmental activities of the County.

Internal service funds	<u>\$ 16,026,672</u>
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Elimination of Interfund Receivables/Payables

Interfund receivables and payables in the amount of \$11,062,437 between governmental funds must be eliminated from the Statement of Net Assets.

Prepaid Items

Payments to vendors reflecting costs applicable to future accounting periods were not recorded as prepaid items in the fund financial statements and should be recorded as such in the government-wide statements.

Prepaid items	<u>\$ 1,041,336</u>
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ALACHUA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets - Continued

ASSETS	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions
Equity in pooled cash & equivalents	\$ 92,860,739	\$ -	\$ -
Cash with claims administrator	69,130	-	-
Other cash and equivalents	12,963,068	-	-
Sinking fund cash & equivalents	3,445,488	-	-
Investments	37,126,995	-	-
Receivables (net)	1,453,070	-	-
Due from other funds	11,012,383	-	-
Due from other governments	9,437,142	-	-
Inventories	623,263	-	-
Prepaid items	129,825	-	-
Deferred charges	-	-	1,283,691
Capital assets - net	-	480,970,540	-
Total assets	<u>\$ 169,121,103</u>	<u>\$ 480,970,540</u>	<u>\$ 1,283,691</u>
LIABILITIES & FUND BALANCES			
Liabilities:			
Accounts payable	\$ 11,952,161	\$ -	\$ -
Contracts payable	1,332,561	-	-
Accrued interest payable	-	-	-
Estimated liability for self insurance loss	-	-	-
Due to other funds	11,147,376	-	-
Due to other governments	2,003,300	-	-
Due to component units	-	-	-
Deposits	32,882	-	-
Deposits held in escrow	-	-	-
Unearned revenue	2,919,465	-	-
Accrued compensated absences	-	-	11,818,550
Capital leases	-	-	-
Bonds and notes payable (net)	-	-	99,645,005
Total liabilities	<u>29,387,745</u>	<u>-</u>	<u>\$111,463,555</u>
Fund balances/net assets	139,733,358	480,970,540	(110,179,864)
Total liabilities and fund balances/net assets	<u>\$ 169,121,103</u>	<u>\$ 480,970,540</u>	<u>\$ 1,283,691</u>

Interest Payable	Unearned Revenues	Internal Service Funds	Reclassifications & Eliminations	Statement of Net Assets
\$ -	\$ -	\$ 21,740,319	\$ 2,050,437	\$ 116,651,495
-	-	-	-	69,130
-	-	-	-	12,963,068
-	-	-	(2,050,437)	1,395,051
-	-	-	-	37,126,995
-	-	12,488	-	1,465,558
-	-	50,148	(11,062,437)	94
-	-	602	-	9,437,744
-	-	192,085	-	815,348
-	-	3,087	1,041,336	1,174,248
-	-	-	-	1,283,691
-	-	4,593,074	-	485,563,614
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,591,803</u>	<u>\$ (10,021,101)</u>	<u>\$ 667,946,036</u>

\$ -	\$ -	\$ 2,643,206	\$ -	\$ 14,595,367
-	-	27,079	-	1,359,640
1,183,437	-	-	-	1,183,437
-	-	6,977,543	-	6,977,543
-	-	-	(11,062,437)	84,939
-	-	18,579	-	2,021,879
-	-	-	-	-
-	-	-	-	32,882
-	-	-	-	-
-	(2,772,682)	714,152	-	860,935
-	-	184,572	-	12,003,122
-	-	-	-	-
-	-	-	-	99,645,005
<u>\$1,183,437</u>	<u>(\$2,772,682)</u>	<u>\$10,565,131</u>	<u>(11,062,437)</u>	<u>138,764,749</u>
(1,183,437)	2,772,682	16,026,672	1,041,336	529,181,287
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,591,803</u>	<u>\$ (10,021,101)</u>	<u>\$ 667,946,036</u>

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The net change in fund balances for governmental funds of \$39,246,740 differs from the change in net assets for governmental activities of \$35,048,336 reported in the Statement of Activities. The difference arises primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds operating statement. The effect of the differences is illustrated below.

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of the financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$ 24,187,022
Depreciation expense	(22,878,059)
Difference	<u>\$ 1,308,963</u>

In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale can increase or decrease financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of capital assets sold.

Sale of capital assets:	
Loss	\$ (746,342)
Total change	<u>\$ (746,342)</u>

Donations of capital assets are not included as revenues in governmental funds. However, for government-wide reporting, these assets are recognized as revenue on the Statement of Activities.

Capital asset donations	<u>\$ 8,805,143</u>
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Long-term Debt Transactions

In the Statement of Activities, debt and capital lease proceeds increase long-term liabilities. However, in the governmental funds, debt and capital lease proceeds are treated as other financing sources since they provide current financial resources to governmental funds.

Issuance of Debt	\$ 21,170,000
Premium on long-term debt	194,734
Issuance of refunding bond	42,455,000
Premium on refunding bond	580,968
Refunding of long-term debt	(43,024,862)
Total deferred charges added	<u>\$ 21,375,840</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Repayments of bond principal and capital lease principal are reported as an expenditure in the governmental funds and thus have the effect of reducing fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the Statement of Net Assets and do not result in an expense in the Statement of Activities.

Bond principal payments made	\$ (3,445,000)
Deferred charges	(123,263)
Discounts amortized	11,712
Premium amortized	(26,111)
Total	<u>\$ (3,582,662)</u>

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

Net change in compensated absences	\$ (347,071)
Net accrued interest payable	654,603
Net adjustment	<u>\$ 307,532</u>

Internal Service Funds Operating Gain

The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets and the operating gain is entirely allocated to governmental activities in the Statement of Activities because they primarily serve governmental activities of the County. In fiscal year 2007, internal service funds incurred a total operating gain of \$4,046,402.

Internal service funds allocated program expenses	\$ 1,678,030
Program revenues	1,836,471
Internal service funds non-operating revenues	381,901
Transfers in	150,000
Net change in assets	<u>\$ 4,046,402</u>

Accrued Tax Revenues

Some tax revenues are not recognized in the current period because the resources are not available and therefore these revenues are not reported in the fund.

Accrued tax revenues	<u>\$ 132,959</u>
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Reclassification and Eliminations

Transfers in and transfers out in the amount of \$127,691,103 between governmental activities should be eliminated. Transfers to the component unit have been reclassified as expenditures to the County rather than transfers. Indirect costs charged between governmental funds have been eliminated as well as Public Works department intergovernmental activities. Prepaid items that were previously expensed have been reclassified as governmental assets. These revenues and expenditures must be eliminated to avoid double counting.

Net change in prepaid items	<u>\$ 355,181</u>
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ALACHUA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities -
Continued

REVENUES	Total Governmental Funds	Capital Outlay Transactions	Long-term Debt Transactions
Taxes	\$ 149,112,465	\$ -	\$ -
Licenses and permits	746,121	-	-
Intergovernmental	41,201,924	-	-
Charges for services	28,649,145	-	-
Fines and forfeitures	2,971,285	-	-
Investment income	9,556,437	-	-
Special assessments	6,632,051	-	-
Private donations	136,750	8,805,143	-
Miscellaneous	3,247,854	(690,084)	-
Total revenues	<u>242,254,032</u>	<u>8,115,059</u>	<u>-</u>
EXPENDITURES			
Administration	49,336,619	452,520	(3,865,292)
Community services	15,120,128	66,281	-
Corrections	25,323,758	133,489	76,688
Courts	21,577,903	461,747	-
Culture and recreation	1,961,899	59,196	121,495
Economic environment	3,931,807	(1,996,548)	-
Emergency services	32,666,607	(90,785)	52,183
Environmental services	4,891,957	(2,061,487)	7,917
Growth management	5,096,518	(7,451)	-
Law enforcement	32,085,570	(200,211)	-
Solid waste collection	5,882,922	(1,543,546)	-
Transportation	22,374,176	3,417,832	24,347
Interest on long-term debt	3,869,587	-	-
Total expenditures	<u>224,119,451</u>	<u>(1,308,963)</u>	<u>(3,582,662)</u>
Excess of revenues over (under) expenditures	<u>18,134,581</u>	<u>9,424,022</u>	<u>3,582,662</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	127,371,164	-	-
Transfers out	(127,691,103)	-	-
Issuance of Refunding Bond	42,455,000	-	(42,455,000)
Premium on Refunding Bond	580,968	-	(580,968)
Refund of Long-Term Debt	(43,024,862)	-	43,024,862
Issuance of Debt	21,170,000	-	(21,170,000)
Premium on Long-Term Debt	194,734	-	(194,734)
Proceeds from the sale of fixed assets	56,258	(56,258)	-
Total other financing sources (uses)	<u>21,112,159</u>	<u>(56,258)</u>	<u>(21,375,840)</u>
Net change in fund balances	39,246,740	9,367,764	(17,793,178)
Fund balances at beginning of year	100,486,618	471,602,776	(80,568,136)
Fund balances at end of year	\$ 139,733,358	\$ 480,970,540	\$ (98,361,314)

Compensated Absences	Accrued Interest Expenses	Unearned Revenues	Internal Service Funds	Reclassifications and Eliminations	Statement of Activities
\$ -	\$ -	\$ (6,206)	\$ -	\$ -	\$ 149,106,259
-	-	-	-	-	746,121
-	-	74,988	-	-	41,276,912
-	-	64,177	1,167,205	(4,268,256)	25,612,271
-	-	-	-	-	2,971,285
-	-	-	320,766	-	9,877,203
-	-	-	-	-	6,632,051
-	-	-	-	-	8,941,893
-	-	-	730,401	(1,372,548)	1,915,623
-	-	132,959	2,218,372	(5,640,804)	247,079,618
128,291	-	-	1,283,132	(4,793,869)	42,541,401
(121)	-	-	(169,681)	(61,281)	14,955,326
(119,971)	-	-	(305,636)	-	25,108,328
84,644	-	-	(200,959)	(267,304)	21,656,031
5,541	-	-	(18,245)	(11,006)	2,118,880
1,313	-	-	(7,270)	(96,605)	1,832,697
(48,343)	-	-	(981,914)	(106,506)	31,491,242
9,609	-	-	(68,322)	(139,066)	2,640,608
(8,136)	-	-	(112,418)	-	4,968,513
(370,819)	-	-	(237,072)	(300,551)	30,976,917
4,334	-	-	(193,833)	(199,022)	3,950,855
(33,413)	-	-	(665,812)	(20,775)	25,096,355
-	654,603	-	-	-	4,524,190
(347,071)	654,603	0	(1,678,030)	(5,995,985)	211,861,343
347,071	(654,603)	132,959	3,896,402	355,181	35,218,275
-	-	-	150,000	(127,691,103)	(169,939)
-	-	-	-	127,691,103	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	150,000	-	(169,939)
347,071	(654,603)	132,959	4,046,402	355,181	35,048,336
(12,165,621)	(528,834)	2,639,723	11,980,270	686,155	494,132,951
\$ (11,818,550)	\$ (1,183,437)	\$ 2,772,682	\$ 16,026,672	\$ 1,041,336	\$ 529,181,287

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The County uses the following procedures in establishing the budgetary data reflected in the financial statements.

- (1) The County adopts its budget in accordance with Chapters 129 and 200 of the Florida Statutes, the County Charter, and County Policy.
 - (a) The County and County Manager follow an internal hearing process to set the proposed tentative budget and millage.
 - (b) 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:
 - (a) The budget is controlled according to Chapter 129, Florida Statutes, at the total fund level.
 - (b) 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.
 - (c) The County, additionally, has adopted a Budget Amendment Policy that allows the County Manager to transfer budget amounts within departments and funds.
 - (d) 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) A budget was adopted for the Clerk's Fine and Forfeiture special revenue fund and approved by the Florida Clerk of Courts Operations Corporation and the Board.
- (6) Formal budgetary integration is used as a management control device for all funds of the County.
- (7) The following is a comparison of the appropriations to total expenses for the proprietary funds for the fiscal year ended September 30, 2007:

	<u>Appropriations</u>	<u>Total Expenses</u>	<u>Variance with Final Budget Positive/(Negative)</u>
Enterprise Funds			
Solid Waste System	\$ 24,686,562	\$ 12,640,404	\$ 12,046,158
Codes Enforcement	2,330,439	1,952,130	378,309
Internal Service Funds			
Computer Replacement	1,359,233	450,115	909,118
Self Insurance	5,827,786	2,884,203	2,943,583
Fleet Management	4,137,036	3,404,552	732,484
Telephone Service	1,429,401	855,784	573,617
Vehicle Replacement	2,254,060	841,502	1,412,558
Health Insurance	16,480,030	14,149,018	2,331,012

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 4 - CASH AND INVESTMENTS

A. Cash and Equivalents

The County and the Component Units maintain pooled cash and equivalents accounts for all funds, except for monies that are legally restricted to separate administration. This gives the County and the Component Units the ability to invest large amounts of cash for short periods of time and maximize earning potential.

Equity in Pooled Cash and Equivalents is the amount owned by each fund. Other Cash and Equivalents is cash held in a separate bank account. Cash and cash equivalents are those resources that can be liquidated without delay or penalty. This includes cash in banks, petty cash, cash with a fiscal agent, and balances in State Board of Administration accounts. Sinking Fund Cash and Equivalents is cash for debt service payments.

At September 30, 2007, the County's and the Component Unit's deposits are entirely insured by federal deposit insurance or collateralized pursuant to Chapter 280, Florida Statutes. Monies that are placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts, and certificates of deposit, are defined as public deposits.

All of the County and Component Unit's public deposits are held in qualified public depositories pursuant to Chapter 280 Florida Statute, "Florida Security for Public Deposits Act". Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and if necessary, assessments against other qualified public depositors of the same type as the depository in default.

The total interest earned and recorded for the County and Component Units was \$10,538,141 and \$19,238 respectively.

B. Investments

The County's and the Component Units' investment practices are governed by Florida Statutes Section 218.415, County Ordinance 95-8, and various legal covenants related to outstanding bond issues.

Investments authorized by Florida Statute, Section 218.415 include the Local Government Surplus Funds Trust Fund Investment Pool or any governmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury and Federal agencies and instrumentalities.

Other investments authorized by County Ordinance 95-8 include:

- 1) Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States agencies, provided such obligations are backed by the full faith and credit of the United States government.
- 2) Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States government agencies (federal instrumentalities) that are non-full faith and credit agencies, limited to the following: 1) Federal Farm Credit Bank (FFCB), 2) Federal Home Local Bank (FHLB) or its district banks, 3) Federal National Mortgage Association (FNMA), 4) Federal Home Loan Mortgage Corporation (Freddie-Macs), or 5) Student Loan Marketing Association (Sallie-Maes).

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

- 3) Repurchase agreements comprised only of direct obligations of the United States Government or bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States government agencies that are non-full faith and credit agencies, limited as above.
- 4) State and/or local government taxable and tax-exempt debt, general obligation and/or revenue bonds rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, and rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.
- 5) Fixed income mutual funds comprised only of those investment instruments otherwise authorized by the Ordinance.
- 6) Florida Local Government Investment Trust.

The County and the Component Units currently invest in the Florida State Board of Administration Investment Pool and Public Funds Interest on Checking. Neither the County nor the Component Units include Reverse Repurchase Agreements in their portfolios. The County and the Component Units use only financial institutions qualified as public depositories. For financial statement purposes investments are defined as resources that cannot be easily or immediately liquidated.

The County invests in the State Board of Administration's Local Government Investment Pool ("State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who 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 State Pool is an external investment pool that has adopted operating procedures consistent with the Securities and Exchange Commission's investment requirements for a "2a7-like" fund and the fair value of the position in the pool is equal to the value of the pool shares. At year end, the County had investments in the State Pool with a fair value of \$176,484,306 and an average maturity of 34 days. The County's investment in the State Pool is not rated by a nationally recognized statistical rating agency as of September 30, 2007.

Subsequent to year-end, the SBA reported that the State Pool is exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market, and placed some restrictions on how local governments could access portions of their surplus funds. The SBA engaged BlackRock Financial Management Inc., a provider of global investment management services, to undertake an assessment of the status of the investments of the State Pool. On December 4, 2007, based on recommendations from BlackRock, the SBA restructured the State Pool into two separate pools (Fund A & Fund B).

The newly established Fund A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of State Pool assets. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAm" principal stability fund rating to Fund A.

The newly established Fund B consisted of assets that defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of State Pool assets. Fund B is not rated.

At the time of the restructuring, all current pool participants had their existing balances in the State Pool proportionately allocated into Fund A and Fund B. Additional information regarding the restructuring may be obtained from the State Board of Administration (www.sbafla.com).

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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

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 that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

CASH AND INVESTMENTS AT SEPTEMBER 30, 2007

Investment in State Board of Administration Investment Pool	\$ 176,484,306
Cash in Banks (including CD and Public funds Interest on Checking)	21,607,981
TOTAL CASH AND INVESTMENTS	\$ 198,092,287

SUMMARY:	Primary	Component	Total
	Government	Unit	
Equity in pooled cash and equivalents	\$123,116,369	\$391,858	\$123,508,227
Cash with fiscal agent	69,130		69,130
Other cash and equivalents	19,647,467		19,647,467
Sinking fund cash and equivalents	3,445,488		3,445,488
Investments	46,421,394		46,421,394
Restricted cash and investments	5,000,581		5,000,581
TOTAL CASH AND INVESTMENTS	\$197,700,429	\$391,858	\$198,092,287

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:

	<u>Sinking Fund</u>	<u>Landfill Post Closure</u>
1999 Public Improvement Revenue Bond	\$ 65,783	\$ -
2003 Alachua County Forever G.O.	276,604	-
2006 Public Improvement Revenue Bond	230,536	-
2007 Public Improvement Revenue Bond-Series A & B	822,128	
Solid Waste System	-	5,000,581
Total Restricted Cash and Investments	\$ 1,395,051	\$ 5,000,581

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 5 - PROPERTY TAX

A. Real Property Taxes were certified on November 17, 2006. Property taxes receivable were reported in the General fund, Municipal Services Taxing Unit funds, MSBU Refuse Collection, Debt Service fund, Solid Waste fund and Tourist Development sub-fund as Due From Constitutional Officer (Tax Collector). Chapter 197, Florida Statutes, governs property tax collections.

B. The 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.
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 (1st-30th)* - The Tax Collector disburses proceeds of the tax certificate sale to the taxing authorities.
9. Prior to April 30th 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.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

E. Tangible Personal Property Delinquent Tax Process

1. Prior to April 30th 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
2. The Tax Collector is required to distribute tax proceeds to taxing authorities promptly in order to provide cash for operations. Fiscal year 2007 distributions were made as follows:
 - November - 2 distributions
 - December - 3 distributions
 - June – 2 distributions
 - All other months – 1 distribution each month

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 6 - CAPITAL ASSETS

A. Capital asset activity for the year ended September 30, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital not being depreciated:				
Land	\$ 45,343,615	\$ 5,555,609	\$ (102,300)	\$ 50,796,924
Right of way	150,195,494	2,081,406	(402,208)	151,874,692
Stormwater basins	13,008,323	-	-	13,008,323
Artwork	91,390	-	-	91,390
Construction/Purchase in progress	11,490,445	8,017,024	(3,739,105)	15,768,364
Total not being depreciated	220,129,267	15,654,039	(4,243,613)	231,539,693
Capital assets being depreciated:				
Buildings	99,492,261	2,352,342	-	101,844,603
Equipment	51,028,972	7,660,216	(2,497,214)	56,191,974
Improvements other than building	5,944,904	788,904	-	6,733,808
Infrastructure	439,135,327	12,966,198	(927,134)	451,174,391
Total being depreciated	595,601,464	23,767,660	(3,424,348)	615,944,776
Less accumulated depreciation for:				
Buildings	(31,121,921)	(2,203,426)	-	(33,325,347)
Equipment	(33,806,886)	(5,584,113)	2,307,616	(37,083,383)
Improvements other than building	(3,795,198)	(296,187)	-	(4,091,385)
Infrastructure	(271,430,254)	(15,990,486)	-	(287,420,740)
Total accumulated depreciation	(340,154,259)	(24,074,212)	2,307,616	(361,920,855)
Total being depreciated, net	255,447,205	(306,552)	(1,116,732)	254,023,921
Governmental activities capital assets, net	\$ 475,576,472	\$ 15,347,487	\$ (5,360,345)	\$ 485,563,614
Business-type activities:				
Capital not being depreciated:				
Land	\$ 3,266,279	\$ -	\$ -	\$ 3,266,279
Total not being depreciated	3,266,279	-	-	3,266,279
Capital Assets being depreciated:				
Buildings	2,751,331	1,086	-	2,752,417
Equipment	2,792,073	121,632	(73,617)	2,840,088
Improvements other than Building	13,142,379	-	-	13,142,379
Total being depreciated	18,685,783	122,718	(73,617)	18,734,884
Less accumulated depreciation for:				
Buildings	(665,831)	(91,014)	-	(756,845)
Equipment	(1,446,559)	(346,400)	73,617	(1,719,342)
Improvements other than Building	(8,886,096)	(208,404)	-	(9,094,500)
Total accumulated depreciation	(10,998,486)	(645,818)	73,617	(11,570,687)
Total being depreciated, net	7,687,297	(523,100)	-	7,164,197
Business-type activities capital assets, net	\$ 10,953,576	\$ (523,100)	\$ -	\$ 10,430,476

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

Governmental Activities:

Administration	\$ 840,875
Community services	422,093
Corrections	811,334
Courts	985,123
Culture & recreation	255,269
Tourist development	8,790
Emergency services	766,476
Environmental services	53,891
Growth management	48,056
Law enforcement	2,139,789
Solid waste disposal	11,148
Transportation (includes County infrastructure)	16,535,215
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets.	<u>1,196,153</u>
Total depreciation expense - governmental activities	<u><u>\$ 24,074,212</u></u>

Business-type activities:

Codes enforcement	\$ 10,912
Solid waste disposal	<u>634,906</u>
Total depreciation expense - business-type activities	<u><u>\$ 645,818</u></u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Balances as of September 30, 2007, consisted of the following:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental funds:		
General Fund	\$ 8,605,154	1,154,618
MSTU Unincorporated Services	6,416	13
MSTU Law Enforcement	162,471	1,100,059
MSTU Fire Protection	20,056	38
Gas Tax Uses	639,551	-
Emergency Services	219,287	273,891
Sheriff	131,925	574,063
Debt Service	8,256	1,127,137
Other Capital Projects	37,849	700,000
Other Governmental Funds	1,181,418	6,217,557
Subtotal Governmental funds	<u>11,012,383</u>	<u>11,147,376</u>
Proprietary funds:		
Solid Waste System	84,939	94
Internal Service funds	50,148	-
Total	<u><u>\$ 11,147,470</u></u>	<u><u>\$ 11,147,470</u></u>

The General Fund has amounts due to and from Constitutional Officers, which represent the return of excess due at the end of the fiscal year from either budget officers or fee officers. 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.

B. Interfund Transfers for the year ended September 30, 2007, consisted of the following:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
Governmental funds:		
General Fund	\$ 11,502,280	\$ 68,676,311
MSTU Unincorporated Services	396,416	1,583,245
MSTU Law Enforcement	1,237,501	17,248,026
MSTU Fire Protection	2,016,409	11,713,911
Gas Tax Uses	6,314,487	1,615,021
Emergency Services	20,604,644	7,064,651
Sheriff	64,017,097	694,153
Debt Service	8,256	13,079,708
Other Capital Projects	8,022,849	307,318
Transportation Trust	1,616,187	-
Other Governmental Funds	11,635,038	5,708,759
Subtotal - Governmental funds	<u>127,371,164</u>	<u>127,691,103</u>

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

Proprietary funds:	Transfers From Other Funds	Transfers To Other Funds
Solid Waste System	169,939	-
Internal Service funds	150,000	-
Total - all funds	\$ 127,691,103	\$ 127,691,103

The County's routine transfers include transfers to (a) budget Constitutional Officers, (b) match for Special Revenue grant requirements, (c) other funds based on budgetary requirements and (d) 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) at September 30, 2007 are composed of the following:

PRIMARY GOVERNMENT

\$14,000,000 2003 Alachua County Forever Serial Bonds, due in annual installments of \$1,215,000 to \$1,645,000 through 2013, interest from 2.5% to 3.8%.

Revenue Source – Property Tax Levy. \$ 8,950,000

Revenue Bonds:

\$21,170,000 2007 Series A Public Improvement Revenue bonds and \$42,455,000 2007 Series B Public Improvement Revenue Refunding bonds, due in annual installments of \$920,000 to \$4,580,000 through 2029, interest from 4.0% to 4.25%.

Revenue Source - a pledge of the County's share of the Half Cent Sales Tax. 62,625,000

\$1,085,000 1999 Public Improvement Revenue bonds, due in annual installments of \$345,000 to \$380,000 through 2009, interest from 4.58% to 4.78%.

Revenue Source – a pledge of the County's share of the Half Cent Sales Tax. 740,000

\$15,400,000 2006 Transportation Improvement Revenue bonds, due in annual installments of \$785,000 to \$1,325,000 through 2021, interest from 3.25% to 4.125%.

Revenue Source – a pledge of the County's 5th, 6th 7th and 9th cent voted Gas Tax. 14,615,000

Total Revenue Bonds Payable 77,980,000

TOTAL BONDS PAYABLE 86,930,000

Notes Payable

Pooled Commercial Paper Notes, \$13,300,000 available credit for capital projects, interest due monthly at approximately 4.2 %. Final principal payment scheduled to be made Dec. 7, 2010. \$ 13,300,000

TOTAL LONG TERM OBLIGATIONS \$ 100,230,000

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

B. Debt Service Requirements to Maturity on the County's debt at Sept. 30, 2007 are as follows:

PRIMARY GOVERNMENT				
General Long-Term Obligations				
Fiscal Year	Principal	Interest	Total	
2008	\$ 4,820,000	\$ 4,108,311	\$ 8,928,311	
2009	5,025,000	3,924,786	8,949,786	
2010	18,505,000	3,322,268	21,827,268	
2011	5,420,000	2,989,690	8,409,690	
2012	5,635,000	2,784,965	8,419,965	
2013-2017	24,585,000	10,761,685	35,346,685	
2018-2022	24,210,000	5,423,854	29,633,854	
2023-2027	10,080,000	1,616,265	11,696,265	
2028-2029	1,950,000	125,163	2,075,163	
	<u>100,230,000</u>	<u>35,056,987</u>	<u>135,286,987</u>	
Less:				
Unamortized bond discount	(58,282)	-	(58,282)	
Plus:				
Unamortized bond premium	790,594	-	790,594	
Less:				
Deferred loss on refunding	(1,317,307)	-	(1,317,307)	
TOTAL	<u>\$ 99,645,005</u>	<u>\$ 35,056,987</u>	<u>\$ 134,701,992</u>	

C. Changes in Long-term Obligations for the year ended Sept. 30, 2007 are summarized as follows:

	Balance			Balance	Sept	Due Within
	Oct 1, 2006	Increases	Decreases	30, 2007	One Year	
<u>Governmental Activities:</u>						
Bonds Payable:						
General Obligation Bonds	\$ 10,265,000	\$ -	\$(1,315,000)	\$ 8,950,000	\$ 1,355,000	
Revenue Bonds Payable	58,725,000	63,625,000	(44,370,000)	77,980,000	3,465,000	
Deferred Amounts:						
Unamortized Discounts	(950,320)	-	892,038	(58,282)	-	
Unamortized Premiums	41,003	775,702	(26,111)	790,594	-	
Deferred loss on Refunding	-	(1,352,369)	35,062	(1,317,307)	-	
Total Bonds Payable	<u>68,080,683</u>	<u>63,048,333</u>	<u>(47,784,011)</u>	<u>86,345,005</u>	<u>4,820,000</u>	
Note Payable	13,300,000	-	-	13,300,000	-	
Accrued Compensated Absences	12,350,340	6,120,684	(6,467,902)	12,003,122	6,467,902	
Total General Long-term Obligations	<u>93,731,023</u>	<u>69,169,017</u>	<u>(51,251,913)</u>	<u>111,648,127</u>	<u>11,287,002</u>	
<u>Business-type Activities:</u>						
Accrued Compensated Absences	579,392	294,555	(305,826)	568,121	305,826	
Total Long-term Obligations	<u>\$ 94,310,415</u>	<u>\$ 69,463,572</u>	<u>\$(51,557,739)</u>	<u>\$ 112,216,248</u>	<u>\$ 11,593,728</u>	

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, \$184,572 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.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

D. Line of Credit - The \$13,300,000 Pooled Commercial Paper Note line of credit from the Florida Association of Counties was approved to fund capital projects within the County. As of September 30, 2007, the full amount of the line of credit is outstanding.

E. Advance Refunding of Long-term Debt – On February 6, 2007, the County issued \$42,455,000 in Public Improvement Revenue Refunding Bonds with an average interest rate of 4.236% to advance refund \$42,240,000 of outstanding 1995 Series and 1999 Series bonds with an average interest rate of 5.197%. The net proceeds of \$42,367,362 plus an additional \$657,500 of 1995 Series sinking fund monies were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1995 and 1999 Series bonds. As a result, the 1995 and 1999 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

Although the advance refunding resulted in the recognition of an accounting loss of \$1,352,369 for the year ended September 30, 2007, the County in effect reduced its aggregate debt service payments by almost \$3.3 million over the next 22 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$2.4 million.

F. Defeased Debt

The County presently has outstanding the following serial bonds, which are defeased:

Issue	Refunded By	Principal Balance as of Sept 30, 2007	Cash & Investment Balance with Escrow Agent as of Sept 30, 2007 (A)
Public Improvement Revenue Bond, Series 1995	2007B Refunding Bonds	\$ -	\$ -
Public Improvement Revenue Bond, Series 1999	2007B Refunding Bonds	1,085,000	13,838,083
	Total	\$ 1,085,000	\$ 13,838,083

(A) Source Escrow Agents Records

G. Demand Bonds - The County has no demand bonds.

H. 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, 2007, there were seven series of Health Facility Revenue Bonds outstanding, with an aggregate principal amount payable of \$388,990,000, four series of Industrial Development Bonds outstanding, with an aggregate principal amount payable of \$124,180,000 and eight series of Housing Finance Authority Multi-family Housing Bonds, with an aggregate principal amount payable of \$32,702,113.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 9 - EMPLOYEE BENEFITS

A. Pension Plan

Defined Benefit Plan

Plan Description - The County contributes to the Florida Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides 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 System issues financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P. O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

Funding Policy - The System is employee noncontributory. The County is required to contribute at an actuarially determined rate. The rates as of September 30, 2007, are as follows: regular employees – 9.85%; special risk employees – 20.92%; rehired retirees – 9.85%; elected officials – 16.53%; senior management service – 13.12%; deferred retirement option (DROP) – 10.91%.

The contribution requirements of plan members and the County is established and may be amended by the Florida Legislature. The County's contributions to the System for the years ending September 30, 2007, 2006, and 2005 were \$11,170,108, \$10,408,768, and \$9,087,354 respectively, and were equal to the required contributions for each year.

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 totaled \$1,382,979.

City of Gainesville Pension Plan

As of September 30, 2007, five (5) employees of the Sheriff's office were members of the City of Gainesville's Employees' Plan. These employees were previously employees of the City of Gainesville who elected to remain in the City of Gainesville's pension plan upon their employment with the Sheriff's office.

Plan Description – The Employees' Plan is a contributory defined benefit pension plan that covers all permanent employees of the City, except certain personnel who elected to participate in the Defined Contribution Plan and, who were grandfathered into that plan, and police officers and firefighters who participate in the Consolidated Plan. The Employees' plan provides retirement, disability, and death benefits to plan members and beneficiaries. The City Commission adopted this plan and all amendments through a City ordinance. The City of Gainesville issues a publicly available financial report that includes financial statements and required supplementary information for the Employees' Plan. That report may be obtained by writing to City of Gainesville, Finance Department, P.O. Box 490, Gainesville, Florida 32602, or by calling (352) 334-5054.

Funding Policy – The contribution requirements of plan members and the City are established and may be amended by ordinance approved by the City Commission. Plan members are required to contribute 5.0% of their annual covered salary. The City is required to contribute an actuarially determined percentage of covered payroll, currently 4% for retirement benefits.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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The Sheriff's contribution to the City Employees' Plan for the years ended September 30, 2007, 2006 and 2005, were \$12,439, \$11,768, and \$14,301 respectively, equal to the required contributions for each year.

The Sheriff's employee contributions to the City Employees' Plan for the years ended September 30, 2007, 2006 and 2005, were \$17,669, \$20,856, and \$25,127 respectively, equal to the required contributions for each year.

B. 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.

	Vacation Accrual Maximum	Vacation Termination Pay Maximum	Sick Leave Accrual Maximum
Board of County Commissioners			
40 hours/week employees	280 hours	280 hours	No Maximum
56 hours/week employees	392 hours	392 hours	No Maximum
Clerk of the Circuit Court	280 hours	240 hours	1040
Property Appraiser	280 hours	240 hours	No Maximum
Tax Collector	No Maximum	No Maximum	No Maximum
Supervisor of Elections	280 hours	280 hours	No Maximum
Sheriff	240 hours	240 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 \$12,560,081 on the Statement of Net Assets. 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.

C. 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, 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 the lesser of \$15,500 or 50% of gross annual compensation. There is an "age 50 catch-up" provision that allows an additional \$5,000 contribution from the year the employee reaches age 50 until the employee terminates employment.

**ALACHUA COUNTY, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2007**

D. Post Employment Benefits Other Than Pension Benefits

It has been the County's practice to provide post employment life insurance benefits to its retired employees. The following information on post employment benefits is as required by GASB Statement 12:

- (1) Benefits Provided:
 - Life Insurance for Retirees
 - Under Age 65 \$15,000
 - Over Age 65 \$ 5,000
- (2) Funding is on a pay as you go basis.
- (3) Cost for 2006/07 was \$56,323
- (4) There were 262 retirees receiving Life Insurance Benefits.

E. Component Units Employment

The Component Units' employees have the same benefits as the Board of County Commissioner 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
- Workers Compensation (self insured up to limit of \$200,000)
- Automobile Liability
- Public Liability
- EMS Professional Liability
- Lawyers Professional Liability
- Employment Practices Liability

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, 2007 projecting to September 30, 2007, and the prior year as of August 31, 2006 projecting to September 30, 2006:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims & Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2006	\$ 5,270,026	\$ 1,004,166	\$ (392,289)	\$ 5,881,903
2007	5,881,903	1,514,862	(1,306,222)	6,090,543

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

For fiscal year 2007 the margin for the risk of adverse deviation was accrued at a 75% confidence level. For fiscal year 2007 ending net assets are \$3,152,208 all of which is reserved for possible future losses. 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. These claims liability amounts are all considered to be due within one year and are classified as current liabilities in the accompanying financial statements.

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 and their eligible dependents. 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 cover unit of \$200,000 with an individual lifetime reimbursement maximum of \$4,800,000. All claims are paid through the group health insurance plan. Claims in excess of the \$200,000 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 assets or equity) for catastrophic losses. The employee group health insurance plan net assets were \$2,684,964 at September 30, 2007.

The claims liability reported in the fund at September 30, 2007 for the employee group health insurance plan was \$887,000. 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 and the amount of the loss can be reasonably estimated. Since 2006 was the first year of the plan, there was no claims liability at the beginning of last fiscal year. 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 2007, changes recorded to the claims liability for the employee group health insurance plan were as follows:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims & Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2006	\$ -	\$ 14,186,591	\$ (13,251,591)	\$ 935,000
2007	935,000	11,924,534	(11,972,534)	887,000

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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 an external self-insurance pool for risk related to professional liability and certain tangible personal property. For the past three years, there have been no insurance settlements significantly in excess of insurance coverage.

NOTE 11 - INDIRECT COST

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, 2007, the following was charged:

INDIRECT COST CHARGED		FUND	PROJECT NAME
		Governmental Funds	
\$	50,000	CHOICES	CHOICES
	220,779	MSTU-Unincorporated services	MSTU-Unincorporated services
	410,018	MSTU-Fire protection services	MSTU-Fire protection services
	5,800	Emergency services	DCA Emergency Management
	76,878	MSBU	Refuse Collection
	11,829	Drug & law enforcement	HRS Metamorphosis
	15,246	Environmental	FDEP Tank Inspection
	37,296	Environmental	Hazardous Materials Code
	18,803	Environmental	FDEP Petroleum Cleanup
	2,323	Environmental	USEPA Cabot Koppers
	3,300	Community services	Retired & Senior Volunteer Program
	4,700	Community services	Foster Grandparents
	95,000	Tourism	Tourist Development
	<u>951,972</u>		
		Enterprise Funds	
	180,372	Solid Waste	Solid Waste System
	43,977	Solid Waste	Waste Management
	157,874	Solid Waste	Collection Centers
	173,410	Solid Waste	Waste Management Assessment
	68,837	Codes Enforcement	Codes Enforcement
	<u>624,470</u>		
		Internal Service Funds	
	194,593	Self Insurance	Self Insurance Fund
	125,490	Fleet Management	Fleet Management Fund
	100,493	Telephone Services	Telephone Services
	<u>420,576</u>		
\$	<u>1,997,018</u>	Total Indirect Cost	

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

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

NOTE 12 - OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES

A. Excess of Expenditures over Appropriations

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

B. Excess of Expenditures Over Revenue in the Budget Column

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

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, 2007, under cancelable leases are summarized as follows:

<u>Fund Charged</u>	<u>Amount</u>
General Fund	\$ 726,087
Special Revenue Funds	230,525
Capital Project Funds	67,193
Enterprise Fund	50,405
Internal Service Funds	3,816
Total	<u><u>\$ 1,078,027</u></u>

(c) The Tax Collector is leasing various equipment under renewable annual operating leases. During the year ended September 30, 2007, the lease payments on all operating leases were \$19,903. In addition, the Tax Collector is leasing various data transport services for network and voice connectivity to remote locations. During the year ended September 30, 2007, the lease payments on all data transport service leases were \$14,106. The Tax Collector also has a ten-year renewable lease agreement for a Tag Office on Archer Road, which expires on April 13, 2017. During the year ended September 30, 2007, lease payments for office space totaled \$111,239.

Future minimum lease payments for noncancellable operating leases for the Tax Collector as of September 30, 2007, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2008	\$ 143,172
2009	152,665
2010	158,993
Total	<u><u>\$ 454,830</u></u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

(d) The Sheriff is leasing equipment and office space under leases, which are cancelable under certain circumstances. During the fiscal year ended September 30, 2007, the lease payments on all operating leases amounted to approximately \$179,700.

(e) The Property Appraiser has approximately \$170,000 in future commitments for aerial maps. Approximately \$30,000 of the total contract is included in the accompanying financial statements.

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

Operating Leases for fiscal year 2007:	Lease Amount FY2007
SP Recycling leases a building for \$80,340 annually, in monthly installments, due the first day of each month. A late fee of \$50 per day will be assessed against the lessee, if the payment is not received by the fifth day of each month. For subsequent years, an annual cost of living increase of 3% will be applied to the rent. The cost of the leased building was \$1,132,087, with accumulated depreciation of \$214,668, resulting in a carrying value of \$917,419.	<u>\$ 74,774</u>
St. John's River Water Management, sub-leases an office space within a building located at 201 SE 2nd Avenue, for an annual amount of \$11,102, in monthly installments due at the first of each month.	<u>11,102</u>
Phil-Nick's Restaurant leases a space in the commercial building at 37 N Main Street, consisting of approximately 2,187 square feet, paying monthly rental payments in the amount of \$9 per square foot plus applicable taxes. The cost of the leased space was \$228,663, with \$145,981 accumulated depreciation resulting in a \$82,682 carrying value.	<u>19,674</u>
The licensee leases the land at 15 SW 2nd Street, for \$50 monthly, plus applicable taxes. Payment is due no later than the first of each month. The cost of the land was \$5,596.	<u>600</u>
TOTAL OPERATING LEASES	<u>\$ 106,150</u>

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

Fiscal Year Ending September 30	Lease Receivable
2008	\$ 109,348
2009	100,502
2010	20,283
2011	20,283
2012	20,283
TOTAL	<u>\$ 270,699</u>

The landfill commitments are discussed in Note 1.D.8.

(4) Other significant outstanding contracts at September 30, 2007, are as follows:

a) \$227,153 – MCA Administrators – Administration for medical self insurance plan

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

- b) \$115,360 – Loryx Systems – Information system for Court Services
- c) \$115,500 – James Rawson Construction Inc – SHIP single family housing program for low income persons
- d) \$101,006 – Volkert & Associates Inc – Engineering services for North Main St from N 8th Ave to N 23rd Ave
- e) \$505,088 – HDR Engineering Inc – Engineering services for SW 24th Ave from SW 43rd St to SW 34th St
- f) \$256,992 - Strollo Architects Inc – Architectural & engineering services for Correctional facilities barracks
- g) \$5,770,949 – V E Whitehurst & Sons Inc – Road work on SW 24th Ave project and Hogtown Creek bridge at SW 34th St
- h) \$120,074 – Neighborhood Housing – SHIP single family housing program for low income persons
- i) \$111,894 – EDAW Inc – Corridor management plan for SR 25/US 441
- j) \$156,249 – Alachua Habitat for Humanity – SHIP single family housing program for low income persons
- k) \$200,000 – Alachua County Housing Authority – SHIP Single family housing program for low income persons
- l) \$200,000 – City of High Springs – SHIP single family housing program for low income persons
- m) \$800,639 – HTNB Inc – Corridor study & design for 62nd Blvd 4 lane connector
- n) \$125,535 – Bliss Products – Purchase & install shelter at Kanapaha Park
- o) \$173,562 – Neighborhood Housing - SHIP Single family housing program for low income persons
- p) \$154,202 – Brooks Air Systems Inc – HVAC controls upgrade for the Sheriff's office & Jail
- q) \$102,521 – Insight Public Sector – Toughbook computers for Fire/Rescue vehicles
- r) \$102,937 – SL Construction & Remodeling Inc – Renovation of Correctional facility lobby
- s) \$166,000 – City of Hawthorne - SHIP Single family housing program for low income persons
- t) \$120,127 – Causseaux, Hewett & Walpole Inc – Engineering services - Fairgrounds master plan
- u) \$885,442 – Inwood Consulting Engineering Inc – Engineering services for Phase 2 Stormwater Master Plan
- v) \$186,320 – ACKA Inc – Bike lanes modification for Millhopper Rd
- w) \$1,838,459 – Apac Southeast Inc – Mill & resurface NW 182nd Ave from County line to SR27/US 441
- x) \$125,660 – Skinner Vignola McLean Inc – Architectural & engineering services for restrooms at Montechoa & Copeland parks

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, 2007, 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.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

a) Post employment benefits are discussed in Note 9.D.

b) 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. In the worst-case scenario, remediation costs would not be incurred until 2008 or after.

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 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 of the Court 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**

ALACHUA COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007

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.

ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 95,808,619	\$ 94,920,837	\$ 97,215,930	\$ 2,295,093
Licenses and permits	296,818	296,818	339,377	42,559
Intergovernmental	5,328,798	5,344,873	5,452,307	107,434
Charges for services	3,373,466	3,373,466	3,706,667	333,201
Fines and forfeitures	25,713	25,713	37,565	11,852
Investment income	50,000	50,000	604,019	554,019
Private donations	-	-	500	500
Miscellaneous	2,152,196	2,189,396	2,500,422	311,026
Total revenue	<u>107,035,610</u>	<u>106,201,103</u>	<u>109,856,787</u>	<u>3,655,684</u>
EXPENDITURES				
Current:				
General government	22,116,330	22,688,353	21,324,577	1,363,776
Public safety	5,568,266	6,598,393	5,982,401	615,992
Physical environment	1,821,600	1,900,367	1,688,170	212,197
Transportation	-	238,089	238,089	-
Economic environment	1,170,791	1,610,542	1,338,042	272,500
Human services	12,215,333	12,570,515	11,342,339	1,228,176
Culture and recreation	835,537	929,687	790,224	139,463
Court cost	7,867,389	7,936,261	7,295,873	640,388
Reserve for contingency	4,902,375	1,716,613	-	1,716,613
Total expenditures	<u>56,497,621</u>	<u>56,188,820</u>	<u>49,999,715</u>	<u>6,189,105</u>
Excess of revenues over expenditures	<u>50,537,989</u>	<u>50,012,283</u>	<u>59,857,072</u>	<u>9,844,789</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,991,093	8,991,093	11,502,280	2,511,187
Transfers out	(67,929,768)	(68,758,207)	(68,676,311)	81,896
Sale of capital assets	17,433	25,433	8,786	(16,647)
Total other financing sources and (uses)	<u>(58,921,242)</u>	<u>(59,741,681)</u>	<u>(57,165,245)</u>	<u>2,576,436</u>
Net change in fund balances	(8,383,253)	(9,729,398)	2,691,827	12,421,225
Fund balances - beginning	<u>8,383,253</u>	<u>9,729,398</u>	<u>17,457,156</u>	<u>7,727,758</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,148,983</u>	<u>\$ 20,148,983</u>

ALACHUA COUNTY, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CHOICES
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 9,704,314	\$ 9,704,314	\$ 10,687,204	\$ 982,890
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	1,247,176	1,247,176
Special assessments	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	-	-	2,226	2,226
Total revenue	<u>9,704,314</u>	<u>9,704,314</u>	<u>11,936,606</u>	<u>2,232,292</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	9,704,314	9,882,833	1,239,844	8,642,989
Culture and recreation	-	-	-	-
Court cost	-	-	-	-
Reserve for contingency	-	17,857,009	-	17,857,009
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>9,704,314</u>	<u>27,739,842</u>	<u>1,239,844</u>	<u>26,499,998</u>
Excess of revenues over expenditures	<u>-</u>	<u>(18,035,528)</u>	<u>10,696,762</u>	<u>28,732,290</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(18,035,528)	10,696,762	28,732,290
Fund balances - beginning	<u>-</u>	<u>18,035,528</u>	<u>18,035,528</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,732,290</u>	<u>\$ 28,732,290</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, 2007

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 3,784,821	\$ 3,772,328	\$ 3,950,417	\$ 178,089
Licenses and permits	228,003	228,003	181,123	(46,880)
Intergovernmental	1,016,500	1,016,500	864,151	(152,349)
Charges for services	132,960	132,960	94,300	(38,660)
Fines and forfeitures	-	-	-	-
Investment income	72,041	72,041	97,029	24,988
Special assessments	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	-	-	39,858	39,858
Total revenues	<u>5,234,325</u>	<u>5,221,832</u>	<u>5,226,878</u>	<u>5,046</u>
EXPENDITURES				
Current:				
General government	1,623,998	1,426,872	1,149,195	277,677
Public safety	476,362	549,262	482,284	66,978
Physical environment	490,479	490,479	477,191	13,288
Transportation	818,660	818,660	561,089	257,571
Economic environment	795,739	1,041,678	848,278	193,400
Human services	-	-	-	-
Culture and recreation	1,178,891	1,178,891	968,081	210,810
Court cost	-	-	-	-
Reserve for contingency	337,743	325,250	-	325,250
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>5,721,872</u>	<u>5,831,092</u>	<u>4,486,118</u>	<u>1,344,974</u>
Excess of revenues over expenditures	<u>(487,547)</u>	<u>(609,260)</u>	<u>740,760</u>	<u>1,350,020</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	398,647	398,647	396,416	(2,231)
Transfers out	(400,000)	(412,500)	(1,583,245)	(1,170,745)
Sale of capital assets	-	-	-	-
Total other financing sources and (uses)	<u>(1,353)</u>	<u>(13,853)</u>	<u>(1,186,829)</u>	<u>(1,172,976)</u>
Net change in fund balances	(488,900)	(623,113)	(446,069)	177,044
Fund balances - beginning	<u>488,900</u>	<u>623,113</u>	<u>1,620,206</u>	<u>997,093</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,174,137</u>	<u>\$ 1,174,137</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, 2007

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 15,045,546	\$ 14,995,844	\$ 15,549,919	\$ 554,075
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	72,000	72,000	256,200	184,200
Special assessments	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	-	-	39,325	39,325
Total revenues	<u>15,117,546</u>	<u>15,067,844</u>	<u>15,845,444</u>	<u>777,600</u>
EXPENDITURES				
Current:				
General government	182,720	182,720	182,631	89
Public safety	72,735	72,735	72,735	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court cost	-	-	-	-
Reserve for contingency	652,049	602,347	-	602,347
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>907,504</u>	<u>857,802</u>	<u>255,366</u>	<u>602,436</u>
Excess of revenues over expenditures	<u>14,210,042</u>	<u>14,210,042</u>	<u>15,590,078</u>	<u>1,380,036</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,244,580	1,244,580	1,237,501	(7,079)
Transfers out	(17,275,881)	(17,275,881)	(17,248,026)	27,855
Sale of capital assets	-	-	-	-
Total other financing sources and (uses)	<u>(16,031,301)</u>	<u>(16,031,301)</u>	<u>(16,010,525)</u>	<u>20,776</u>
Net change in fund balances	(1,821,259)	(1,821,259)	(420,447)	1,400,812
Fund balances - beginning	<u>1,821,259</u>	<u>1,821,259</u>	<u>1,647,911</u>	<u>(173,348)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,227,464</u>	<u>\$ 1,227,464</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, 2007

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 10,918,969	\$ 10,883,797	\$ 11,430,183	\$ 546,386
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	15,959	23,959	122,756	98,797
Special assessments	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>10,934,928</u>	<u>10,907,756</u>	<u>11,552,939</u>	<u>645,183</u>
EXPENDITURES				
Current:				
General government	636,765	636,765	538,989	97,776
Public safety	129,632	217,772	126,734	91,038
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court cost	-	-	-	-
Reserve for contingency	434,910	29,725	-	29,725
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,201,307</u>	<u>884,262</u>	<u>665,723</u>	<u>218,539</u>
Excess (deficiency) of revenues over (under)expenditures	<u>9,733,621</u>	<u>10,023,494</u>	<u>10,887,216</u>	<u>863,722</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	849,773	849,773	2,016,409	1,166,636
Transfers out	(11,491,351)	(11,718,303)	(11,713,911)	4,392
Sale of capital assets	-	-	-	-
Total other financing sources and (uses)	<u>(10,641,578)</u>	<u>(10,868,530)</u>	<u>(9,697,502)</u>	<u>1,171,028</u>
Net change in fund balances	(907,957)	(845,036)	1,189,714	2,034,750
Fund balance - beginning	<u>907,957</u>	<u>845,036</u>	<u>-</u>	<u>(845,036)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,189,714</u>	<u>\$ 1,189,714</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, 2007

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 3,862,051	\$ 3,862,051	\$ 3,959,929	\$ 97,878
Licenses and permits	-	-	-	-
Intergovernmental	55,000	55,000	68,607	13,607
Charges for services	57,500	101,145	260,161	159,016
Fines and forfeitures	-	-	-	-
Investment income	-	-	763	763
Special assessments	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	184,157	210,495	59,662	(150,833)
Total revenues	<u>4,158,708</u>	<u>4,228,691</u>	<u>4,349,122</u>	<u>120,431</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	137,600	143,200	107,400	35,800
Transportation	9,502,429	10,751,892	9,348,342	1,403,550
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court cost	-	-	-	-
Reserve for contingency	428,660	1,444,649	-	1,444,649
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>10,068,689</u>	<u>12,339,741</u>	<u>9,455,742</u>	<u>2,883,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,909,981)</u>	<u>(8,111,050)</u>	<u>(5,106,620)</u>	<u>3,004,430</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,314,487	6,314,487	6,314,487	-
Transfers out	(1,615,021)	(1,615,021)	(1,615,021)	-
Sale of capital assets	100,000	100,000	-	(100,000)
Total other financing sources and (uses)	<u>4,799,466</u>	<u>4,799,466</u>	<u>4,699,466</u>	<u>(100,000)</u>
Net change in fund balances	(1,110,515)	(3,311,584)	(407,154)	2,904,430
Fund balances - beginning	<u>1,110,515</u>	<u>3,311,584</u>	<u>3,311,584</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,904,430</u>	<u>\$ 2,904,430</u>

ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
EMERGENCY SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	578	578
Intergovernmental	3,778,740	3,871,125	4,061,512	190,387
Charges for services	6,743,481	6,743,481	7,092,821	349,340
Fines and forfeitures	582,000	627,000	577,445	(49,555)
Investment income	42,000	42,000	108,583	66,583
Special assessments	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	11,000	13,000	74,134	61,134
Total revenues	<u>\$ 11,157,221</u>	<u>\$ 11,296,606</u>	<u>\$ 11,915,073</u>	<u>618,467</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	26,744,605	27,809,987	24,843,619	2,966,368
Physical environment	1,900	1,900	-	1,900
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court cost	-	-	-	-
Reserve for contingency	99,366	427,083	-	427,083
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>26,845,871</u>	<u>28,238,970</u>	<u>24,843,619</u>	<u>3,395,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,688,650)</u>	<u>(16,942,364)</u>	<u>(12,928,546)</u>	<u>4,013,818</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	19,939,840	20,605,229	20,604,644	(585)
Transfers out	(7,224,651)	(7,164,651)	(7,064,651)	100,000
Sale of capital assets	-	-	-	-
Total other financing sources and (uses)	<u>12,715,189</u>	<u>13,440,578</u>	<u>13,539,993</u>	<u>99,415</u>
Net change in fund balances	(2,973,461)	(3,501,786)	611,447	4,113,233
Fund balances - beginning	<u>2,973,461</u>	<u>3,501,786</u>	<u>3,032,552</u>	<u>(469,234)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,643,999</u>	<u>\$ 3,643,999</u>

ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SHERIFF
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Special assessments	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	61,214,436	60,605,166	60,605,166	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Tourist development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court cost	2,802,661	2,764,836	2,764,836	-
Reserve for contingency	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	64,017,097	63,370,002	63,370,002	-
Excess (deficiency) of revenues over (under) expenditures	(64,017,097)	(63,370,002)	(63,370,002)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	64,017,097	64,017,097	64,017,097	-
Transfers out	-	(694,153)	(694,153)	-
Sale of capital assets	-	47,058	47,058	-
Total other financing sources and (uses)	64,017,097	63,370,002	63,370,002	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	187,274	187,274
Fund balances - ending	\$ -	\$ -	\$ 187,274	\$ 187,274

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**ADDITIONAL ELEMENTS OF REPORT 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) CIRCULAR A-133; AND THE *RULES OF THE*
AUDITOR GENERAL OF THE STATE OF FLORIDA**

**ALACHUA COUNTY, FLORIDA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE AND SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	AMOUNT PROVIDED TO SUBRECIPIENTS
<u>U.S. DEPT OF HOUSING & URBAN DEVELOPMENT</u>				
<i>Passed through Florida Department of Community Affairs:</i>				
Community Development Block Grant ID#06DB-3K-03-11-01-H02	14.228	\$ 460,268	\$ 460,268	\$ -
<i>Direct Programs:</i>				
HUD Economic Development Grant ID# B-02-SP-FL-0128	14.246	25,457		23,919
HUD EDI Newnans Lake ID#B-02-SP-FL-0127	14.246	<u>100,000</u>	125,457	
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Direct Programs:</i>				
Equitable Sharing	16.000	30,912		
Equitable Sharing	16.000	<u>197,298</u>	228,210	
SCAAP Award 2007-AP-BX-0130	16.606	31,877	31,877	
<i>Passed through Florida Office of the Attorney General</i>				
VOCA Grant ID#V6127	16.575	176,823		
Victims of Crime Act (VOCA) ID# V6037	16.575	<u>128,257</u>	305,080	
<i>Passed through Office of Justice Programs thru Nat'l Assoc of VOCA Assistant Administration</i>				
National Crimes Victims Rights Week Subgrant No. 07-025	16.582	4,497	4,497	
<i>Passed through City of Gainesville</i>				
2005 COPS Technology Grant 2005CKWX0266	16.710	39,915		
2006 COPS Technology Grant 2006CKWX0233	16.710	<u>69,582</u>	109,497	
<i>Passed through Florida Department of Law Enforcement:</i>				
Byrne Formula Grant Program				
<i>Passed through City of Archer</i>				
City of Archer, Community Policing 2007-JAGC-ALAC-2-P3-191	16.738	17,829		
Town of Micanopy, Community Policing 2007-JAGC-ALAC-2-P3-187	16.738	13,286		

**ALACHUA COUNTY, FLORIDA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE AND SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	AMOUNT PROVIDED TO SUBRECIPIENTS
<i>Passed through Florida Department of Law Enforcement:</i>				
Byrne Formula Grant Program				
Focus Unit JAG Grant ID#2006-DJ-BX-0905	16.738	\$ 495	\$ -	\$ -
Project Administration ID# 07-JAGC-ALAC-6-P3-042	16.738	13,149		
Juvenile Int Supervision Detail ID# 07-JAGC-ALAC-5-P3-182	16.738	20,000		
Street Level Drugs I 07-JAGC-ALAC-4-P3-070	16.738	<u>20,000</u>	84,759	
<u>US DEPARTMENT OF LABOR</u>				
<i>Passed through Florida Agency for Workforce Innovation thru Local Agency: Florida Works</i>				
BEST Grant	17.258 17.259 17.260	10,366	10,366	
<u>FEDERAL HIGHWAY ADMINISTRATION DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed through Florida Department of Transportation</i>				
Old Florida Heritage Highway ID# FL05 004 A	20.205	15,797		
07 SAFETEA-LU ID# S124002R	20.205	<u>197,322</u>	213,119	
<u>GENERAL SERVICES ADMINISTRATION</u>				
<i>Passed through Florida Department of State Division of Elections</i>				
Voter Education ID# N/A	39.011	7,777		
Voter Education FY06 ID# N/A	39.011	<u>3,403</u>	11,180	
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
<i>Passed through Florida Department of Environmental Protection:</i>				
Ambient Monitoring Network ID# GO155	66.419	503	503	
US EPA Cabot Koppers Grant ID# V-97468702-4	66.802	8,951	8,951	
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Teen Zone Middle School After School Program ID# U215K050713	84.215	22,106	22,106	

**ALACHUA COUNTY, FLORIDA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE AND SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	AMOUNT PROVIDED TO SUBRECIPIENTS
<u>U.S. ELECTION ASSISTANCE COMMISSION (EAC)</u>				
<i>Passed through Florida Department of State Division of Elections</i>				
Pollworker Assistance FY06 ID# N/A	90.401	\$ 3,390	\$ -	\$ -
Voter Education ID# N/A	90.401	0		
Pollworker Assistance FY07 ID# N/A	90.401	0		
Voting Systems Assistance Grant ID# N/A	90.401	<u>0</u>	3,390	
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through the Florida Department of Children and Families</i>				
Juvenile Dependency Mediation Program ID# PNP614	93.556	40,000	40,000	
Temporary Assistance for Needy Families ID# CD603	93.558	12,000		
Temporary Assistance for Needy Families ID# CD703	93.558	<u>4,000</u>	16,000	
<i>Passed through the Florida Department of Revenue</i>				
Child Support Enforcement Title 4D ID# N/A	93.563	178,725	178,725	
<i>Passed through the Florida Department of Children and Families</i>				
Metamorphosis FY06/07 ID# CD603	93.959	242,978 <1		
Metamorphosis FY07/08 ID# CD703	93.959	<u>82,754</u> <2	325,732	
<u>CORPORATION FOR NATIONAL SERVICE</u>				
<i>Direct Programs:</i>				
Retired and Senior Volunteer Program ID# 04SRSFL001	94.002	60,052	60,052	
Foster Grandparent Program ID# 04SFSFL001	94.011	386,279	386,279	
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed through the Department of Community Affairs:</i>				
Mutual Aid Disaster Relief Hurricane Dennis & Katrina	97.036	3,339	3,339	
Hazard Mitigation Grant 2007 ID# 07HM-4@-03-11-01-084	97.039	0	0	

**ALACHUA COUNTY, FLORIDA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE AND SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	AMOUNT PROVIDED TO SUBRECIPIENTS
Hazard Mitigation Grant 2008 ID# 08HM-3G-03-11-02-024	97.039	\$ -	\$ -	-
Emergency Management Base FY07 ID# 07BG-04-03-11-01-224	97.042	28,737	28,737	-
2007 Homeland Security Grant ID# 07-DS-5N-03-11-01	97.067	30,839		
2006 Homeland Security Grant ID# 06-DS-3W-12-00-01	97.067	10,975 <3		
<u>U.S DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed through Florida Department of Community Affairs:</i>				
Helicopter Video Downlink Equipment ID#06-DS-3W-03-11-03-313	97.067	27,925		
Cert/Citizens Corp 07-CC-5R-03-11-23-141	97.067	13,848		
<i>Passed through Florida Department of Law Enforcement</i>				
SHSP 2007 2007SHSPALAC2Q5017	97.067	263,727		
SHSP 2007 (2) 2007SHSPALAC1Q5012	97.067	17,184	364,498	
<i>FEMA</i>				
May 2007 Wildfires		15,698	15,698	
<i>Passed through St Johns County Sheriff</i>				
North Florida HIDTA Alachua & Columbia Count Initiative		20,491	20,491	
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 3,058,811	\$ 3,058,811	\$ 23,919

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

Hazardous Waste Coop Collection ID# S0304- Lafayette	37.007	\$ 13,438	\$ -	\$ -
ID# S0307 - Dixie		18621		
ID# S0305 - Gilchrist		16436		
ID# S0306 - Columbia		20676	69171	
FRDAP SE 35th Street Park ID# F07199	37.017	10839		
FRDAP FY07 Jonesville Park Phase-2 ID# F8118	37.017	0	10839	
Superact State Cleanup Cat 1-Mgmt Svcs ID # GC527	37.024	4367	0	
Cat 1-Mgmt Svcs Task #6 ID # GC620	37.024	375,701	380,068	
Cat 1-Mgmt Svcs Task #7 ID # GC620	37.024			

**ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE AND SCHEDULE OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	AMOUNT PROVIDED TO SUBRECIPIENTS
Innovative Electronics Recovery ID# IG06-04	37.050	\$ 59,427	\$ 59,427	\$ -
<u>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
FDEP Springs Protection ID# S0322	37.052	37,130	37,130	
<u>FLORIDA DEPARTMENT OF HEALTH</u>				
<i>Passed through Florida Council Against Sexual Violence</i>				
Fl Council Against Sexual Violence Subcontract# 07OAG17	40.010	3,142		
Fl Council Against Sexual Violence Subcontract# 06OAG17	40.010	<u>25,004</u>	28,146	
<u>FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS</u>				
Legacy Lands ID# 06-110-FF6	52.002	6,139,275	6,139,275	
DCA Emergency Management Base FY07 ID# 76BG-04-03-11-01-224	52.008	102,402	102,402	
Hazardous Materials FY06 ID# 07CP-11-03-11-01-071	52.023	0	0	
<u>FLORIDA HOUSING FINANCE AGENCY</u>				
SHIP ID # None	52.901	1,737,437	1,737,437	898,372
<u>FLORIDA DEPARTMENT OF TRANSPORTATION</u>				
County Incentive Grant Program ID# 211365-2-54-01	55.008	1,942,009	1,942,009	
<u>FLORIDA DEPARTMENT OF HEALTH</u>				
EMS Patient Care Report ID# M7068	64.003	0	0	
EMS Trust FY07 ID#C6001	64.005	160,810	160,810	
<i>Passed through Florida Council Against Sexual Violence</i>				
Rape Crisis Services Subcontract# 05DOH17	64.061	21,082		
Rape Crisis Services Subcontract# 07RCP17	64.061	<u>1,262</u>	22,344	
Rape Crisis Services Subcontract# 05DOH17	64.069	7,991	7,991	

**ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE AND SCHEDULE OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	AMOUNT PROVIDED TO SUBRECIPIENTS
<u>FLORIDA OFFICE OF THE GOVERNOR</u>				
Violent Crime and Drug Control Council	71.005	\$ 400	\$ 400	\$ -
<u>FISH AND WILDLIFE CONSERVATION COMMISSION</u>				
FBIP Water Use Master Plan ID#04140	77.006	78,894	78,894	
<u>FLORIDA DEPARTMENT OF JUVENILE JUSTICE</u>				
Juvenile Drug Treatment FY2006 ID# X1323	80.011	67,286	67,286	67,286
TOTAL STATE FINANCIAL ASSISTANCE		\$ 10,843,629	\$ 10,843,629	\$ 965,658

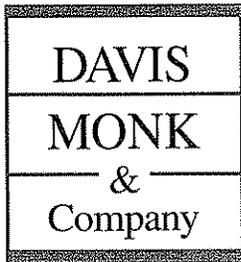
Notes:

- <1 Includes program income of \$7,731 for the program
- <2 Includes program income of \$7,140 for the program
- <3 Excludes \$4,143 paid out of 091. Will include on FY08.

Basis of Presentation:

The accompanying Schedule of Federal Financial Assistance 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 Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, 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.



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American Institute of
Certified Public Accountants

Horwath International

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

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

We have audited 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 fiscal year ended September 30, 2007, and have issued our report thereon dated February 29, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

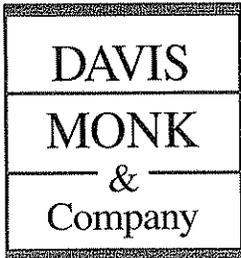
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

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

A handwritten signature in cursive script that reads "Davis, Mark } Company". The signature is written in dark ink and is positioned above the date and location information.

February 29, 2008
Gainesville, Florida



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& Business Consultants

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Report on Compliance and on Internal Control Over Compliance Applicable to Each Major Federal Awards Program and State Financial Assistance Project

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

Compliance

We have audited the compliance of Alachua County, Florida (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the requirements described in the State Projects Compliance Supplement that are applicable to each of its major federal programs and its major state project for the year ended September 30, 2007. The County's major federal programs and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs and state project is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and its major state project for the year ended September 30, 2007.

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Internal Control Over Compliance

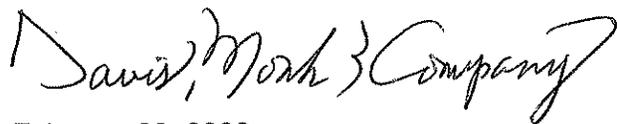
The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



February 29, 2008
Gainesville, Florida

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2007
Alachua County, Florida**

Part I – Summary of Auditors’ Results

1. The auditors’ report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies were disclosed 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 disclose significant deficiencies in internal control over the major federal programs or state project.
5. The auditors’ report on compliance for the major federal programs and state projects expresses an unqualified opinion.
6. The audit did not disclose any findings relative to the major federal programs or state project.
7. The programs/project tested as major are as follows:

<u>Federal Programs</u>	<u>CFDA Number</u>
Community Development Block Grant	14.228
Crime Victim Assistance	16.575
<u>State Project</u>	<u>CSFA Number</u>
Legacy Lands	52.002

8. A threshold of \$300,000 was used to define Type A federal programs and state projects.
9. The County qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

Part II – Financial Statement Findings Section

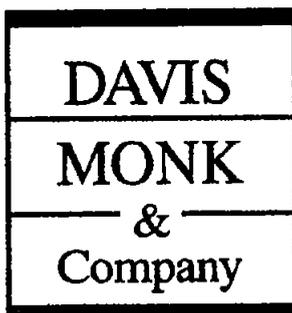
None

Part III – Findings and Questioned Costs – Federal Programs

None

Part IV – Findings and Questioned Costs – State Projects

None



Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

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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, 2007, and have issued our report thereon dated February 29, 2008. 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 OMB Circular A-133. 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 significant findings and recommendations made in the preceding audit. In that regard, there were no findings or recommendations made in the preceding audit report.

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.

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

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

Page Two

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, 2007, 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, 2007.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.

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 oversight 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.

Davis, Mark } Company

February 29, 2008
Gainesville, Florida



Alachua County Board of County Commissioners

Rodney J. Long, *Chair*
Mike Byerly, *Vice Chair*
Cynthia Moore Chestnut
Paula M. DeLaney
Lee Pinkoson

Administration
Randall H. Reid
County Manager

March 11, 2008

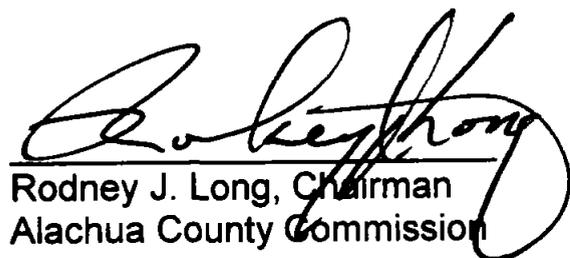
Honorable David W. Martin, CPA
Auditor General, State of Florida
P O Box 1735
Tallahassee, FL 32399-1450

Dear Mr. Martin:

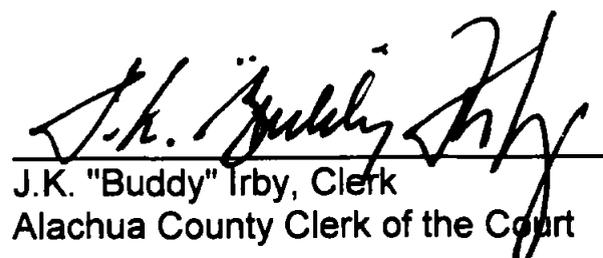
This letter is in response to the Independent Auditor's management letter for the Board of County Commissioners of Alachua County, for the year ended September 30, 2007. We are happy to report that for the sixteenth year in a row the Auditors found no significant deficiencies.

Thank you for your attention.

Sincerely,



Rodney J. Long, Chairman
Alachua County Commission



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

dmw

xc: File