

Alachua County, Florida Citizen's Annual Financial Report

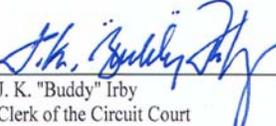
Fiscal year ending September 30, 2008



As part of our continuous effort to keep you informed of how your tax dollars are being spent, I am pleased to present the 2008 Citizen's Financial Report. The Citizens Report is a summary of financial activities of the County's governmental and proprietary funds and was drawn from information found in the 2008 Comprehensive Annual Financial Report (CAFR). The 2008 CAFR was prepared in accordance with Generally Accepted Accounting Principles (GAAP), and includes financial statements audited by Davis, Monk and Company, CPA.

Unlike the CAFR, the Citizen's Report is unaudited and presented on a non-GAAP basis. The financial information found in this report (unless otherwise noted) includes all funds and fund types of the County (including Constitutional Officers). In addition, this financial information excludes the Murphree Law Library, the Alachua County Housing Finance Authority, and the Alachua County Library District.

The CAFR is available on request from the Clerk of the Circuit Court, Finance and Accounting Department, 4th Floor, 12 SE First Street, Gainesville, Florida. The reports are also available at the Public Libraries and can found online: www.alachuacounty.us/government/clerk/reports/.



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

INTRODUCTION

The County has a charter government structure approved by referendum of the electors pursuant to the Constitution and laws of the State of Florida. The County's Home Rule Charter became effective on January 1, 1987.

The County operates under the County Manager form of government with a board comprised of five elected members. The County's departments include: Administrative Services, Codes Enforcement, Community Support Services, County Attorney, Court Services, Environmental Protection, Public Safety, Information & Telecommunication Services, Planning & Development, Solid Waste Disposal and Public Works. Included also are Constitutional Officers: Clerk of the Courts, Tax Collector, Property Appraiser, Supervisor of Elections and the Sheriff. Including staff of the Constitutional Officers, the County employs over 2,000 people.

MAJOR INITIATIVES

COUNTY ROADS

This fiscal year almost \$14 million dollars was spent on transportation improvements, including the completion of one new road, and numerous resurfacing, widening and repaving projects. Public Works also began an Graded Road Improvement Program which involves applying a special surface treatment to dirt roads to alleviate problems such as excessive dust, washboarding, erosion and cost of maintenance. The Board allocated 15% of the 5-cent local option gas tax to fund this program. This year the first road undergoing this treatment was NW 93rd Avenue (\$111,709 spent to date).

COUNTY PARKS

At Jonesville Park, construction of the new Soccer field house and restrooms has begun and planning and design for additional development is underway for the Tennis complex and picnic area. In 2008, construction began for restrooms at Montechoa, Owens-Illinois, and Copeland parks and for an interpretive shelter at San Felasco Park. Design for restrooms at the SE 35th Street Community Park and Kanapaha Memorial Park is also in process.

COUNTY BUILDINGS AND LAND

Renovation and expansion projects of the Correctional Facility continues including new Barracks to house the growing need for more beds, as well as the installation of water reduction toilets, urinals and other plumbing improvements in the older part of the Correctional Facility.

At the Jonesville Park location in the northwest section of the County, Fire Station #17 construction continues with completion expected in 2009. Construction of Rescue Station # 10 also nears completion and will give home to staff currently located in temporary quarters. Both of these buildings are being built to high-performance "green" energy and water conservation standards.

LEGACY LANDS PROGRAM

On November 4, 2008, Alachua County voters approved the Wild Spaces and Public Places initiative which will require that half of the ½ cent sales tax be used for conservation lands. Voters previously passed a referendum in November 2000 that required the County to purchase conservation lands through the issuance of General Obligation Bonds in April of 2003. Much of the proceeds from the bonds have been used, but the County is pursuing partnerships with other entities to continue acquisition of conservation lands, as well as encouraging individuals to donate conservation easements so land will be protected from development. This fiscal year several purchases were made bringing the total conservation land to almost 14,000 acres in Alachua County.



**Mill Creek - Legacy
Land Grand Opening
July, 2008**

FUND FINANCIAL HIGHLIGHTS

- General Fund operating revenues totaled \$107 million and other financing sources—transfers in were \$11.3 million. Total operating expenditures were \$53 million and there were transfers out to County departments and Constitutional Officers totaling \$66.9 million, resulting in a reduction in fund balance of \$1.553 million.
- The Solid Waste System revenues totaled \$13.7 million and spending totaled \$12.7 million.

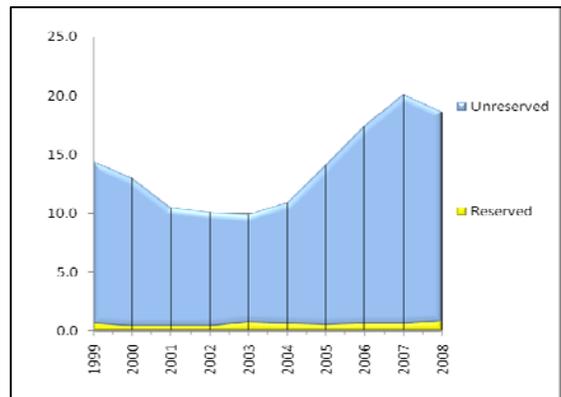
FUND BALANCE OF THE GENERAL FUND

Fund balance is the excess of what the County owns (assets) over what the County owes (liabilities or debts). The General Fund is the main operating fund of the County. The general fund's total fund balance at September 30, 2008 was \$18,595,983.

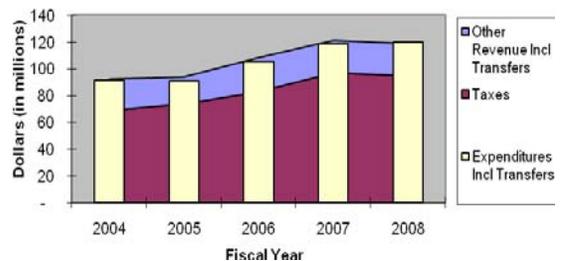
MAJOR FUND HIGHLIGHTS

General Fund revenues declined in fiscal year 2008 due primarily to a decrease in ad valorem taxes as a result of property tax reform enacted by the Florida Legislature; taxes collected were \$2.4 million less than the prior year. In anticipation of Legislative action, the County budgeted a one-time spend down of fund balance to offset property tax reform which resulted in a fund balance decrease of \$1.5 million

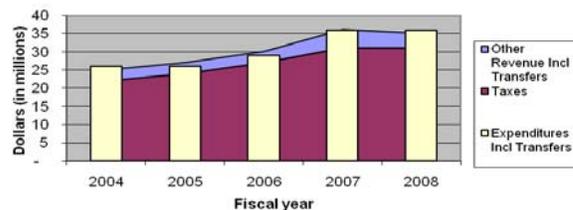
Municipal Services Taxing Unit (includes Unincorporated Services, Law Enforcement and Fire Protection) revenues also declined in fiscal year 2008 due to the same factors as the General Fund.



General Fund Revenue & Expenditures



MSTU Revenue & Expenditures



GOVERNMENT-WIDE FINANCIAL ACTIVITIES

As of September 30, 2008, the County's net assets were \$563.9 which was an increase of \$20 million from the previous year for governmental activities and \$.9 for business-type activities.

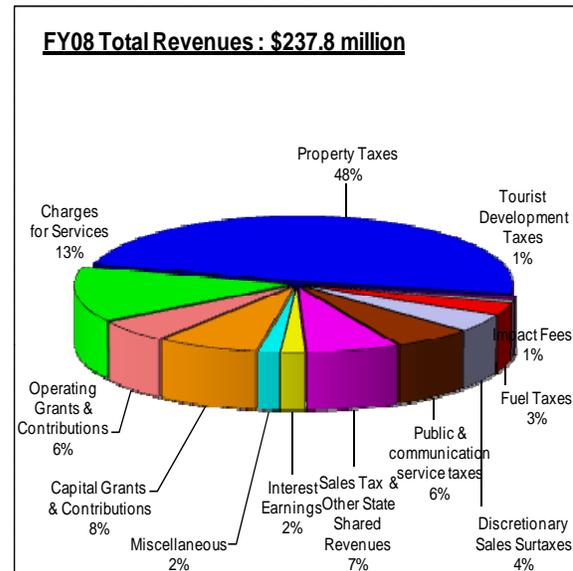
- \$9.0 million of unrestricted governmental net assets and \$3.7 million of unrestricted business-type net assets represent the portion available to maintain the County's continuing obligations to Citizens and creditors
- \$104.4 million or 18.5% of the net assets represent resources that are restricted on how they may be used.
- The assets of the County exceeded its liabilities at Sept. 30, 2008 by \$563.9 million (net assets). The largest portion – 79.2% is capital assets (land, infrastructure, buildings and equipment) totaling \$446.6 million, net of related debt and accumulated depreciation.

REVENUES

Overall, revenues declined \$9.5 million or 3.6% from the past fiscal year. Major changes were caused by the following:

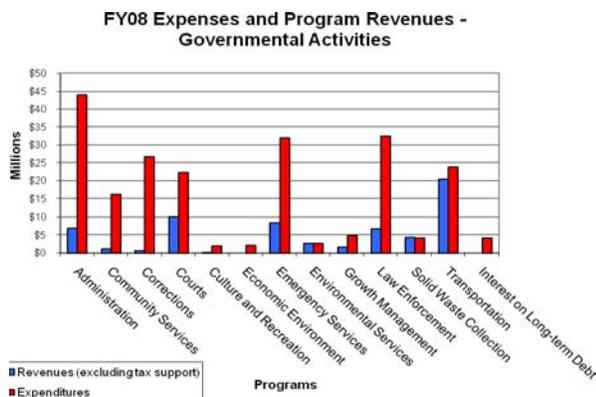
- Ad-Valorem revenue decreased by \$2.9 million due to property tax reform enacted by the Florida Legislature.
- Charges for services decreased by 1.9% due to the effect of the economy causing across the board declines in licenses and permits, fines and forfeitures and all other areas that charge for services.
- Other taxes increased by 10.6% mainly because of the additional five-cent local option fuel tax approved by the Board of County Commissioners to be effective 2008 through 2018.
- Other general revenues declined by \$5.7 million or 17.4% due primarily to the drop in interest earned on cash and investments as a result of overall economic downturn in 2008.
- CHOICES revenue – the local ¼ cent sales tax being collected to provide health care services to working, uninsured residents of the County, had a decline in collections of 3.3% or \$.3 million due to the overall decrease in sales tax collections during 2008.

The following chart shows the sources of governmental revenue for fiscal year 2008:



EXPENSES

The following chart shows expenses by program in red and the blue shows the related revenue collected specifically by the program to support its costs. As you can see, most services are not able to be supported by program revenues. Property and other taxes make up the difference to pay for services to the community.



Major changes in expenses were as a result of the following:

- Administrative expenses increased 3.5% or \$1.5 million due primarily to employee cost of living increases and an increase in debt service for the 2007 Public Improvement Bond and for a one-time redemption payment for the 2003 Alachua County Forever Bond.
- Community services expenses increased by \$1.2 million or 7.8% as a result of increased enrollment in the CHOICES program and employee cost of living increases.
- Expenses for Corrections increased by \$1.6 million or 6.2% and Law Enforcement went up by 4.8% or \$1.5 million. Employees were given a cost of living increase and due to new equipment purchases, depreciation expense increased.
- Court costs increased by 2.6% as a result of employee cost of living increases and expansion of Court Service programs designed to help reduce the number of inmates in the Jail: Juvenile Detention, Outpatient and Aftercare Treatment and Jail Population Management.

CAPITAL ASSETS OF THE COUNTY

The County's investment in capital assets for governmental and business-type activities experienced an overall increase in investment over the prior fiscal year of approximately 5.5%. Major initiatives discussed earlier in this report have contributed to this growth.

Capital Assets (net of depreciation, in millions)

			Percent Change
	2007	2008	
Land	\$218.9	\$235.5	7.6%
Infrastructure	163.8	174.5	6.5%
Buildings	70.5	69.9	-0.8%
Improvements other than Buildings	6.7	6.8	1.5%
Equipment	20.3	20.3	0.1%
Construction in Progress	15.8	16.4	4.0%
Total	\$496.0	\$523.5	5.5%

2008 RESULTS OF OPERATIONS

The following table represents some of the services performed by County Departments during the year:

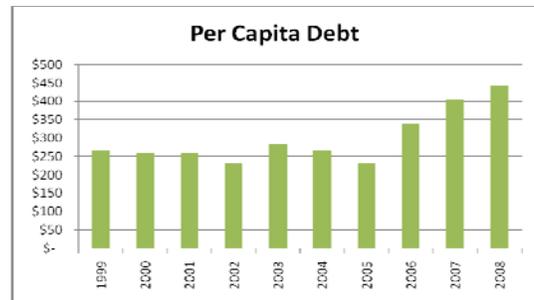
Function/Department	Number of Employees	2008 Per Capita Expenditure	Work Statistics and Description	
Rescue	105	\$48.61	Number of calls - Rescue	33,329
			Number of transports	20,749
Fire	111	\$125.99	Number of calls - Fire	13,278
Law Enforcement (Includes Sheriff)	698	\$267.22	Average number of inmates per day	960
			Number of calls - Sheriff	110,265
Courts	245	\$88.20	<u>Number of Cases Filed</u>	
			Circuit Court	15,958
			County Court	20,847
			Traffic	77,904
			Appeals	331
			Warrants	19,799
Community Support Services	70	\$64.04	Number of clients contacts	281,599
Roads	93	\$94.63	Number of miles maintained - paved	675
			Number of miles maintained - graded	234
			Number of miles paved or donated	11
Waste Management	57	\$67.32	Tons of waste processed	190,066
Animal Control	35	\$8.14	Number of animals picked up	7,590

Note: Fire per capita expenditures calculated using the unincorporated area population and the cities of Alachua and Archer.

LONG TERM DEBT

At the end of fiscal year 2008, the County had total bonded debt outstanding of \$98.1 million. The County this year issued the second in the series of Gas Tax Revenue Bonds for \$18.2 million to finance transportation improvements. After making scheduled debt service payments for the year, the County's net bonded total debt increased by \$11.2 million from the prior fiscal year.

The following table shows the amount of debt per capita within the County and includes all types of debt held, including bonds backed by property taxes, and sales and gas taxes.



CR 1474 widening and repaving project— one of several in process during fiscal year 2008.



Photographs courtesy of the County's PhotoPool. Photograph on front top is of the Lochloosa Park boardwalk and gazebo, taken by Linda Schoellhorn.

Please contact Finance & Accounting at (352) 374-3605 with any questions about this financial report.