

**ALACHUA COUNTY, FLORIDA**  
**SINGLE AUDIT REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2009**

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

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**ALACHUA COUNTY, FLORIDA**  
**SINGLE AUDIT REPORT**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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**INDEPENDENT AUDITORS' REPORT**  
**ALACHUA COUNTY, FLORIDA**  
**September 30, 2009**

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## Independent Auditors' Report

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

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, 2009, 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.

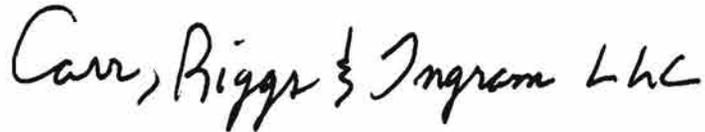
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2009, 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 March 1, 2010 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.

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 and State 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 Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

March 1, 2010  
Gainesville, Florida

## 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, 2009. 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, 2009 by \$557.7 million (net assets). Of this amount, \$7 million represents unrestricted net assets that may be used to meet the government's ongoing obligations to citizens and creditors.
  
- Total net assets of \$557.7 million are comprised of the following:
  - 1) \$433.6 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) \$117.1 million of net assets are restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations,
  - 3) \$2.4 million of unrestricted governmental net assets and \$4.6 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 decreased \$6.2 million over the previous year with a decrease of \$7.2 from governmental activities and an increase of \$.9 million from business activities.

#### **Fund Statements**

- At September 30, 2009, the County's governmental funds reported combined ending unreserved fund balances of \$139.6 million and total fund balances of \$156.7 million. Total fund balances had an increase of \$14.8 million from the prior fiscal year.
  
- At September 30, 2009, unreserved fund balance for the General Fund was \$9.4 million or 8.5% of General Fund operating revenue. General Fund balance declined by \$8.6 million from the prior fiscal year.
  
- Governmental funds revenues increased by \$0.6 million or .3% from the prior fiscal year. The overall change in governmental funds revenues can primarily be attributed to: \$1.4 million increase in property taxes, \$5.2 million increase in Debt Service taxes due to the implementation of the Wild Spaces & Public Places .5% discretionary sales tax, and \$1.9 million reduction in investment income because of economic downturn.
  
- After making regularly scheduled debt service payments for the year, the County had a net decrease in bonded debt of \$6.0 million over the prior fiscal year. Though no new bonds were issued, the County negotiated two notes payables: a \$7.7 million Capital Improvement bank loan and a \$15 million bank loan for implementation of the Wild Spaces & Public Places projects.

## ***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 2009. 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 the solid waste system and codes enforcement.

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

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 thirty 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, Sheriff, Debt Service, Other Capital Projects, Transportation Trust and Wild Spaces & Public Places which are considered to be major funds. Data from the other nineteen 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 (excluding Debt Service and Capital Project funds) is in the Required Supplementary Information starting on page 87 and for non-major, Debt Service and Capital Project funds in the Supplemental Information section starting on page 97.

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

## ***Proprietary Funds***

The County maintains two different types of proprietary funds. Enterprise funds are used to report business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to Solid Waste and Codes Enforcement. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Computer Replacement, Vehicle Replacement, Fleet Management, Telephone Service, Self-Insurance 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 39-86 of this report, with the index to the notes on the first page of that section.

### **Other Information**

Supplemental information in the form of combining statements referred to earlier, present a more detailed view of non-major funds used in governmental and enterprise funds. This section includes budget to actual schedules for non-major special revenue funds 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 97-143 of this report. Additional information about the County that may be of interest to the reader is found under the Statistical section on pages 145-173 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 \$557.7 million at the close of the fiscal year ended September 30, 2009 (see table next page).

At the end of fiscal year 2009, 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 6.3% over the prior year primarily due to an increase in assets from the Community Health Offering Innovative Care and Educational Services Program (CHOICES), the assessment of impact fees for parks, transportation and fire services, and the issuance of new debt, \$15 million for Wild Spaces & Public Places and \$7.5 million for the Jail Energy Conservation Project. Due to annexation of a 660-acre area along SW 20<sup>th</sup> Avenue to the City of Gainesville in November 2008, capital assets, net of related debt, decreased by 3%.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Percent Change</b>
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	
Current and other assets	\$192.9	\$205.4	\$14.9	\$15.4	\$207.8	\$220.8	6.3%
Capital assets	513.2	506.2	10.3	10.4	523.5	516.6	-1.3%
Total assets	706.1	711.6	25.1	25.8	731.3	737.4	0.8%
Current liabilities	40.6	43.9	1.9	1.8	42.5	45.7	7.5%
Long-term liabilities outstanding	116.4	125.7	8.5	8.4	124.9	134.1	7.4%
Total liabilities	157.0	169.6	10.4	10.2	167.4	179.8	7.4%
Net assets invested in capital assets, net of related debt	436.6	423.2	10.3	10.4	446.8	433.6	-3.0%
Net assets - restricted	103.6	116.4	0.8	0.7	104.4	117.1	12.2%
Net assets - unrestricted	9.0	2.4	3.7	4.6	12.7	7.0	-45.1%
Total net assets	\$549.2	\$542.0	\$14.7	\$15.7	\$563.9	\$557.7	-1.1%

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

Current liabilities and long-term liabilities increased from the previous year by 7.5% and 7.4% respectively, mainly due to the issuance of new debt, \$15 million in notes payable for Wild Spaces & Public Places, \$7.5 million in notes payable for the Jail Energy Conservation Project, and \$1.1 million in notes payable for Alachua County Forever Land Program.

Total net assets at year end is \$557.7 million. The largest portion of the County's net assets (\$433.6 million or 77.8%) 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 (\$117.1 million or 21%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$7 million or 1.2%) 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 had a net increase of \$12.7 million or 12.2% from 2008 to 2009. These net assets represent restrictions from specific revenue sources and grants. Main components of the net increase include:

- Net increase of \$14.2 million in restricted assets for Wild Spaces & Public Places (new \$15 million debt less \$.8 million spend down proceeds)
- Increase of \$3.6 million in restricted assets for CHOICES program
- Increase of \$.7 million in restricted assets for Alachua Forever Program (new \$1.1 million debt less \$.4 million spend down Alachua County Forever proceeds and grants.)
- Increase of \$7.4 million in restricted assets for Jail Energy Conservation Project (new \$7.5 million debt less \$.1 million spend down proceeds)
- Increase of \$2 million in restricted assets for cash reserves required for bond insurance downgrades per bond covenants

- Spend down (decrease) of \$4.9 million in restricted assets for road and bridge maintenance and road construction.
- Spend down (decrease) of \$10.3 million in restricted assets for grants and sales tax bond proceeds

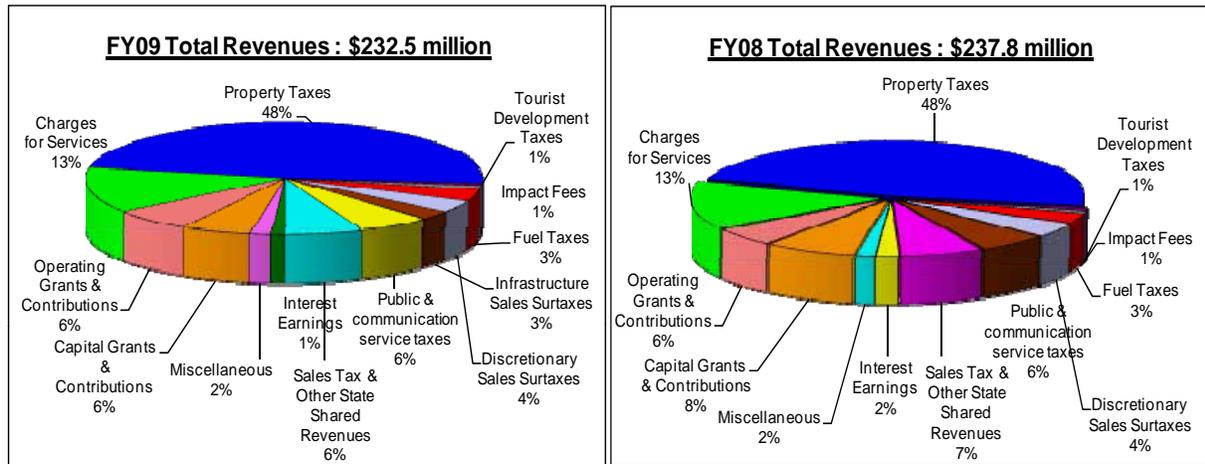
Unrestricted net assets in the governmental type activities decreased by \$6.6 million, primarily due to a decrease in money received on investments, cash reserves required for downgrade in bond insurer rating per bond covenants, and planned spend down of unrestricted assets to offset new property tax reform. Unrestricted net assets in the business type activities increased by \$.9 million.

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

	Governmental Activities		Business-type Activities		Total		Percent Change
	2008	2009	2008	2009	2008	2009	
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$32.1	\$30.3	\$14.6	\$14.6	\$46.7	\$45.0	-3.8%
Operating grants and contributions	13.1	15.1	-	0.0	13.1	15.2	15.7%
Capital grants and contributions	18.4	13.3	-	-	18.4	13.3	-27.6%
General revenues:							
Property taxes	114.5	112.1	-	-	114.5	112.1	-2.1%
Discretionary sales surtaxes	10.3	8.2	-	-	10.3	8.2	-20.2%
Infrastructure sales surtaxes	-	5.9	-	-	-	5.9	N/A
Other taxes	23.2	23.6	-	-	23.2	23.6	1.9%
Other	26.1	23.8	0.4	0.4	26.5	24.2	-8.6%
Total revenues	<u>237.8</u>	<u>232.5</u>	<u>15.0</u>	<u>15.0</u>	<u>252.7</u>	<u>247.5</u>	<u>-2.1%</u>
<b>Expenses:</b>							
Administration	44.0	43.5	-	-	44.0	43.5	-1.1%
Community services	16.2	18.3	-	-	16.2	18.3	12.8%
Corrections	26.6	28.0	-	-	26.6	28.0	5.2%
Courts	22.3	22.5	-	-	22.3	22.5	1.0%
Culture and recreation	2.0	2.0	-	-	2.0	2.0	0.0%
Tourist development	2.2	2.2	-	-	2.2	2.2	0.0%
Emergency services	31.9	30.9	-	-	31.9	30.9	-3.3%
Environmental services	2.8	2.8	-	-	2.8	2.8	1.4%
Growth management	4.9	4.8	-	-	4.9	4.8	-2.8%
Law enforcement	32.5	33.1	-	-	32.5	33.1	2.0%
Solid waste collection	4.3	3.9	-	-	4.3	3.9	-8.6%
Transportation	23.9	42.8	-	-	23.9	42.8	79.2%
Interest on long-term debt	4.3	4.5	-	-	4.3	4.5	4.9%
Solid waste disposal system	-	-	12.9	13.0	12.9	13.0	0.8%
Codes enforcement	-	-	1.4	1.4	1.4	1.4	0.0%
Total expenses	<u>217.7</u>	<u>239.3</u>	<u>14.3</u>	<u>14.4</u>	<u>232.2</u>	<u>253.7</u>	<u>9.3%</u>
Increase (decrease) in net assets before transfers	20.1	(6.8)	0.7	0.6	20.7	(6.2)	
Transfers	(0.1)	(0.3)	0.3	0.3	-	-	
Increase (decrease) in net assets	<u>20.0</u>	<u>(7.2)</u>	<u>1.0</u>	<u>0.9</u>	<u>20.7</u>	<u>(6.2)</u>	
Net assets - beginning	<u>529.2</u>	<u>549.2</u>	<u>13.8</u>	<u>14.7</u>	<u>543.0</u>	<u>563.9</u>	
Net Assets - Ending	<u>\$ 549.2</u>	<u>\$ 542.0</u>	<u>\$ 14.7</u>	<u>\$ 15.6</u>	<u>\$ 563.9</u>	<u>\$ 557.7</u>	<u>-1.1%</u>

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

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



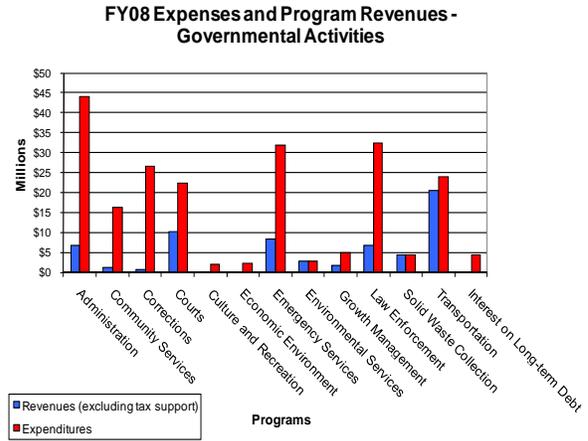
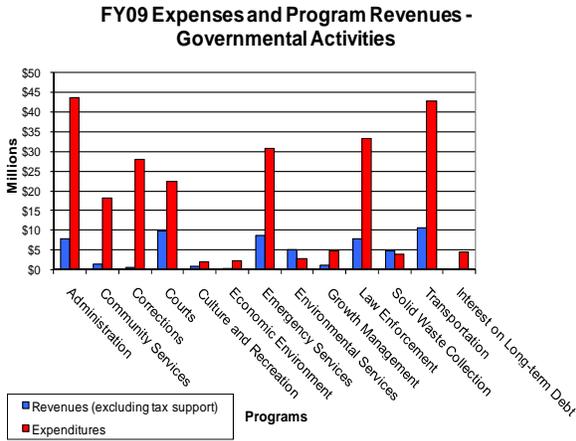
### Governmental Activities

The County’s total net assets decreased \$6.2 million over the previous year with a decrease of \$7.2 from governmental activities and an increase of \$1 million from business activities.

Major changes in revenues were caused by the following:

- Charges for Services decreased by 3.8% 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. Additionally, pursuant to Section 28.36, Florida Statutes, the Clerk of Courts fine and forfeiture fund became subject to the General Appropriations Act of the Florida Legislature. Thus, the majority of charges for services and fines and forfeitures are remitted to the State Clerk of Court Trust Fund and are no longer reported as revenues to the Clerk.
- Capital Grants and Contributions decreased overall by 27.6%. During fiscal year 2008, a onetime grant of \$1.2 million was received from the State of Florida for assistance in the Legacy Land purchase of Lochloosa Creek Flatwoods. Capital asset donations also decreased by \$5.7 million over the prior fiscal year. Due to the current economic environment, construction of new subdivisions has slowed, therefore, the donation of right-of-ways and infrastructure has correspondingly decreased.
- Discretionary sales surtaxes for CHOICES decreased by 20.2% due to decline in sales tax collections. This is a reflection of the recession and overall economic climate.
- Ad-Valorem Tax Revenue decreased by \$2.4 million due to property tax reform enacted by the Florida Legislature.
- Pursuant to the successful Wild Spaces & Public Places infrastructure sales tax referendum in November 2008, the County began receiving one-half percent additional sales tax in January 2009. The sales tax is approved through December 2010. This infrastructure sales surtax extends the Alachua County Forever program to acquire and improve environmentally significant lands and to

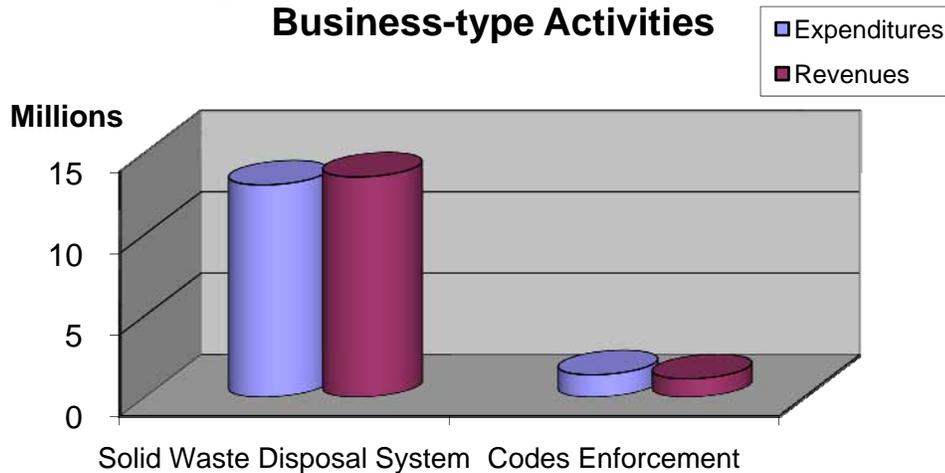
create, improve, and maintain park and recreational facilities within the county. During fiscal year 2009, the infrastructure sales tax generated \$5.9 million in revenue.



Major changes in expenses were caused by the following:

- Transportation expenses increased 79.2% or \$18.9 million due to an annexation to the City of Gainesville in November 2008 of a 660-acre area including SW 24<sup>th</sup> Avenue. As a result of this annexation, an \$18.9 million loss was recorded on disposal.
- Community services expenses increased by \$2.1 million or 12.8%, because of increased enrollment in the CHOICES program and an expansion of covered services to include ambulatory (outpatient care) in January 2009.
- Expenses for Corrections increased 5.2% or \$1.4 million due to increasing inmate medical costs incurred on jail population.
- Court costs increased by 5.2% as a result of expanding Court Services programs to reduce the number of inmates in the jail: Juvenile Detention, Outpatient and Aftercare Treatment and Jail Population Management.

## Expenses and Program Revenues - Business-type Activities



### Business-type Activities

Business-type activities increased the County's net assets by \$.9 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, including higher transportation and rising collection costs. During fiscal year 2009, management continued to closely monitor each segment of operations to assess operational efficiency and to seek opportunities for enhancing existing operations.
- Codes Enforcement furnishes services to the development community and citizens. Codes Enforcement operating expenditures exceeded operating revenues by \$.3 million in fiscal year 2009. Revenues declined for licenses and permits as a result of the downturn in the housing and construction markets. Total permits issued in fiscal year 2009 were 3,943 versus 4,172 permits issued in fiscal year 2008.

### *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	\$	156,693,526
Less reserved fund balance:		
Encumbrances		6,391,873
Debt Service		9,278,219
Inventories & prepaid items		904,808
Special revenue funds		477,920
Unreserved fund balance	\$	139,640,706

As of the end of fiscal year 2009, the County’s governmental funds reported combined unreserved ending fund balances of \$139.6 million, an increase of \$14.2 million from the prior year. Of the approximately \$156.7 million total fund balance, unreserved fund balance is \$139.6 million.

**Major Funds**

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

The General Fund is the chief operating fund of the County. The General Fund had a decrease in fund balance of \$8.6 million. The total fund balance was \$10.0 million of which \$9.4 million was unreserved. The cash balance at the end of the year was \$6.4 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 8.5% of total General Fund operating revenue, while total fund balance represents 9.0% of that same amount. The Government Finance Officers Association’s Best Practices guidelines calls for unrestricted fund balance level of no less than two months of regular General Fund operating revenues or expenditures. The fiscal year 2009 unreserved fund balance of \$9.4 million for the General Fund falls short of meeting this goal as the average two months of operating revenues in 2009 was over \$18 million. In fiscal year 2009, the former special revenue fund Emergency Services (091) was moved to the General Fund. Revenues attributable to this department increased Charges for Services by \$5.5 million. Operating Expenditures for this department were almost \$10 million and account for a significant portion of the \$11.7 million overall increase. The combination of lower revenues due to a drop in tax collections, fewer grants and a decline in investment earnings balanced with an increase in operating expenditures resulted in the lowest General Fund balance since 2003.

The CHOICES Program 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, 2009, the total fund balance for CHOICES is \$40.5 million. Investment income for the year of \$.6 million was received and \$5.3 million was spent for program costs. Program costs are expected to increase in future years as enrollment numbers continue to rise. Since this discretionary sales tax will cease December 2011, fund balance is planned to support the program for years past that time. At the end of the fiscal year, there were 2,518 clients enrolled in the program with a total of 3,552 participants to date.

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 codes enforcement and planning. The fund balance increased

during the year by \$.1 million due primarily to a reduction in transfers out to the General Fund. The fund has an ending fund balance of almost \$1 million. The ending fund balance represents 19.5% of the MTSU - Unincorporated Services operating revenue.

The MSTU - Law Enforcement Fund pays for the majority of the Sheriff's patrol in the unincorporated area of the County through transfers of \$15 million to the Sheriff. The increase in fund balance during the year was \$.5 million resulting in an ending fund balance of \$1.1 million. This increase is due primarily to a net reduction in transfers to the Sheriff of over \$1.2 million. This fund was forced to borrow \$2.4 million from the General Fund to meet current year needs. Fund balance represents 6.8% of the MSTU - Law Enforcement operating revenue.

The MSTU - Fire Protection Fund provides fire fighting and related services to citizens in the unincorporated area of the County. The fund has an ending fund balance of \$1.2 million, an increase of \$.3 million dollars from the prior year. This year, new interlocal agreements with the Cities of Alachua and Hawthorne for fire services increased revenue to the fund by \$.8 million. Expenditures increased by \$1.1 million due the move of the related fire services from the former special revenue fund Emergency Services (091). The ending fund balance represents 9.9% of the MSTU - Fire Protection Services operating revenue.

The Gas Tax Uses Fund is the primary operating fund of the Public Works - Road & Bridge Department. The primary revenue source for this fund is fuel taxes as well as transfers in totaling \$5.6 million, including \$1.9 million from the General Fund to bolster lagging gas tax revenues, and \$2.3 million from Gas Tax Revenue Bonds. This year \$9.9 million was spent on maintenance of County roads. Revenues including transfers exceeded expenditures by \$1.5 million resulting in an ending fund balance of \$3.3 million.

The Sheriff is funded by the Board of County Commissioners. The Sheriff's expenditures for the year were \$66.8 million, an increase of 2.5% over the prior fiscal year. Since the Sheriff is a budget officer, she is required to return all excess fund balance (\$725,000 this fiscal year) to the Board, except for fund balance that represents inventory that the Sheriff had on hand at the end of the fiscal year.

The Debt Service fund accounts for the resources accumulated and payments made for principal and interest on long-term obligations of debt of governmental funds. This fund moved to the major fund category due to the issuance of additional debt in fiscal year 08 pledging gas tax revenues required to repay the bonded debt and a \$15 million bank loan supported by the revenues of the Wild Spaces & Public Places voted two year .5% surtax. The fund has an ending balance of \$9.4 million, up from \$3.1 million in fiscal year 2008.

The Other Capital Projects Fund accounts for bond proceeds and other allocations for general facilities improvements. 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 improvements and barracks, and community park improvements; expenditures on these projects were over \$13.5 million this year. The fund has an ending fund balance of \$39.9 million, an increase of \$3.6 million from the prior fiscal year.

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 authorized staff to proceed with the issuance of \$33 million in Gas Tax Bonds for transportation improvements. In 2006, the first series of Revenue Tax Bonds were issued for \$15.4 million. In 2008, the second series were issued for \$18.2 million. These actions resulted in a fiscal year 2009 ending fund balance of almost \$17 million. This fiscal year \$6.5 million was spent on transportation improvements.

The Wild Spaces & Public Places capital project fund originated as a result of voter referendum on Nov. 4, 2008 for a two year duration half cent sales tax. Alachua County Forever conservation lands will be purchased with 51% of the proceeds and the balance will be used to fund recreational improvements in the County. A \$15 million loan was taken out so that projects in process can be completed more quickly.

### **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 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 \$4.6 million for long term care of the closed landfills. Total assets as of September 30, 2009 were \$25.4 million, of which \$10.4 million are capital assets, net of depreciation. Total liabilities were \$9.9 million and net assets were \$15.5 million.

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

The difference between the General Fund's original and final budgeted operating revenues, excluding other financial sources was an increase of \$30,508 for unanticipated revenue from the Florida State Criminal Alien Assistance Program.

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

- \$63,883 – to fund Sustainability program consultant fees
- \$77,754 – additional from Debt Service due to the removal of phase I from Jail/Roof HVAC Energy Conservation Project
- \$445,456 - to fund Debt Service requirement for the Jail Energy Conservation project, Phase II
- \$1.85 million for jail inmate medical services
- \$180,000 - land purchase of Purpura property adjacent to Sheriff's headquarters building
- \$312,766 - General Fund share of CAD obligation for the Combined Communication Center
- \$95,750 – to pay for the Public Works ready room and restroom projects
- \$36,000 – to fund Homelessness partnership with the City of Gainesville and Housing Authority
- \$642,211 – decrease for decline in sales tax revenue needed for debt service for the 2007 Public Improvement Revenue Bond
- \$154,646 addition to reserves for FTE adjustment for vacant positions
- \$60,000 – County contribution for the Summer Heatwave program
- \$90,000 – to absorb the revenue shortfall for the Court Technology fund.
- \$190,496 – amount owed after the Florida State Dept of Juvenile Justice made their final reconciliation for fiscal year 2008 services
- \$38,841 – additional funds for Social Services Rent & Utilities Assistance Program

General Fund actual revenues overall were \$1.6 million more than the final amended budgeted revenues. \$.8 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 overall were over \$7.6

million less than was budgeted; this was due to direction from the Board to reduce expenditures where possible in anticipation of the continuing downturn of the economy and resulting tax collections.

### ***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, 2009 totals \$516.6 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 decrease in investment in capital assets over the prior fiscal year of approximately 1.3 %.

<b>Alachua County, Florida</b>							
<b>Capital Assets</b>							
<b>(net of depreciation, in millions)</b>							
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		<b>Percent Change</b>
	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	
Land	\$ 232.3	\$ 232.8	\$ 3.3	\$ 3.3	\$ 235.5	\$ 236.1	0.25%
Art	0.1	0.1	-	-	0.1	0.1	0.00%
Infrastructure	174.5	162.0	-	-	174.5	162.0	-7.16%
Buildings	68.0	79.3	1.9	1.8	69.9	81.1	16.02%
Improvements other than buildings	3.0	5.5	3.8	3.9	6.8	9.4	38.24%
Equipment	19.0	19.2	1.2	1.4	20.2	20.6	1.98%
Construction in progress	16.4	7.2	0.1	-	16.4	7.2	-56.10%
<b>Total</b>	<b>\$ 513.2</b>	<b>\$ 506.2</b>	<b>\$ 10.3</b>	<b>\$ 10.4</b>	<b>\$ 523.5</b>	<b>\$ 516.6</b>	<b>-1.32%</b>

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

As shown in the above table, construction in progress decreased by 56% and buildings and Improvements other than buildings increased by 16.02% and 38.24% respectively, due to the completion of several bond funded capital projects including park projects, two Fire and Rescue stations, new jail barracks and a number of road projects.

The decline in infrastructure was due to the SW 20th Street annexation which included the recently completed SW24th Avenue.

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

- Completion of the 1 mile divided road section of SW 24<sup>th</sup> Ave and roads feeding into it, with approximately \$21 million spent on the project. This road won an Outstanding Achievement Award by the the City of Gainesville's 2009 Beautification Board. Shortly after completion of this project, the road was included in the section annexed by the City of Gainesville, resulting in a loss of over \$18.9 million dollars to the County.
- Road resurfacing and widening projects completed 2009 using in-house labor and paving equipment:

- NW CR 241 from CR 235 to the Alachua county line (5.4 miles for \$8.2 million including inmate labor valued at over \$39,000)
- CR 1474 (4.3 miles for \$2.7 million including inmate labor valued at \$30,740)
- Road resurfacing and widening projects completed 2009 using contractors:
  - NW 51<sup>st</sup> St between NW 23<sup>rd</sup> Ave and NW 39<sup>th</sup> Ave (1 mile for \$1.1 million)
  - NW 39<sup>th</sup> Ave from NW 143<sup>rd</sup> St to NW 110<sup>th</sup> St (2.8 miles for \$1.4 million)
  - SW 8<sup>th</sup> Ave from SW 122<sup>nd</sup> St to SW 75<sup>th</sup> St (3 miles for \$3.8 million including a contribution through a developers agreement for \$185,000)
- Graded Unimproved Road Projects completed in fiscal year 2009:
  - NW 93<sup>rd</sup> Ave (1.63 miles for \$130,000 including inmate labor valued at over \$11,000)
  - SW 63<sup>rd</sup> Blvd (.77 miles for \$64,000)
  - SE 26<sup>th</sup> St (1.11 miles for \$180,000)
  - CR 2082 (1.91 miles for \$147,000)
  - NW 142<sup>nd</sup> Ave (2.99 miles for \$357,000)
- Planning, design and construction began or continued on road resurfacing and widening this fiscal year for:
  - CR 325 from CR 346 to US 301 (\$202,000 spent to date)
  - SW 122<sup>nd</sup> St from Archer Rd to SW 24<sup>th</sup> Ave (\$125,000 spent to date)
  - Main St from north of NW 8<sup>th</sup> Ave to NW 16<sup>th</sup> Ave converting to a 3 lane road to match FDOT improvements on other sections of Main St, and signal and sidewalk upgrades (\$310,000 spent to date)
  - SW 91<sup>st</sup> St from Newberry Rd to SW 8<sup>th</sup> Ave (\$234,000 spent to date)
  - NW CR 236 from from US 441 to I-75 (\$146,000 spent to date)
  - NW 16<sup>th</sup> Ave from NW 57<sup>th</sup> Terrace to NW 13<sup>th</sup> St (\$193,000 spent to date)
  - CR 337 from Levy County line to SW 26 (\$88,000 spent to date)
  - SW 61<sup>st</sup> St – SW 8<sup>th</sup> Ave and SW 20<sup>th</sup> Ave Connector (\$380,000 spent to date)
  - SW 62<sup>nd</sup> Blvd 4 lane connector (\$1.8 million spent to date)
  - West University Ave – new sidewalk from SW 75<sup>th</sup> St to East Terminus (\$22,000 to date)
  - SW 8<sup>th</sup> Ave sidewalk/bike path from SW 122<sup>nd</sup> St to SW 91<sup>st</sup> St (\$163,000 spent to date)
- Purchase of land on Hawthorne Road adjacent to the Sheriff's Headquarters for \$182,000 (1.13 acres) for future expansion.
- County Parks
  - Jonesville Park
    - Soccer concession and restroom buildings were completed for \$356,000.
    - The tennis complex with clay courts and Pro shop were completed for a total of \$1.3 million with assistance from Jonesville Tennis LLC and donations from Christine Shurtleff (\$100,000), Sandy Blaser (\$100,000), Anne Koterba (\$100,000) and the Gainesville Area Community Tennis Association (\$15,000).
    - Construction of ball fields, picnic areas, concessions and additional parking are in process with approximately \$68,000 spent to date.
  - Restrooms and park improvements were completed this year for:
    - Owens Illinois (\$228,000)
    - Montechoa (\$198,000)
    - Copeland (\$145,000)
    - San Felasco - interpretive center and boardwalk (\$86,000).
  - Cynthia Moore Chestnut and Clark Butler Nature Preserve (a.k.a. SE 35<sup>th</sup> Street Park) playground, basketball courts, picnic area and parking lots completed for a total of \$788,000). A restroom at the park is under construction with almost \$52,000 spent to date. Completion is expected early 2010.

- Jonesville Fire Station #17 and downtown Rescue Station #10 – construction completed for almost \$3.9 million and \$1.8 million spent respectively. These two stations were designed to be “green” high performance, sustainable buildings and contain state of the art energy and water conservation features.
- Jail energy and water conservation improvements and security improvements – Due to overpopulation in the Jail, new barracks have been built. The new barracks were completed with over \$5 million spent for the 180 bed facility. Other improvements at the Jail include a video visitation system, water reduction and other energy conservation measures including a new foam roof.
- Energy and water conservation improvements have been completed in many County buildings including new HVAC systems, foam roofing, re-lamping with low wattage fluorescent bulbs, automatic toilet flushing, waterless urinals, automatic soap dispensers and computerized systems to monitor and effectively manage air handling. The improvements in the County Administration will reduce energy consumption by \$43,000 and qualified for Gainesville Regional Utility’s (GRU) rebate program which resulted in a check for \$40,000 being presented to the Board of County Commissioners in October, 2009.
- Alachua County Forever-Legacy Lands—numerous acquisition efforts are underway in conjunction with other State programs. Major purchases completed this year include:
  - Barr Hammock – Whitehurst parcel - 3,239 acres –\$4 million - purchased with the assistance of several partners - Florida Communities Trust Grant (60%), North America Wetlands Conservation Act (20%), and a donation from the seller, V. E. Whitehurst and Sons (20%). The Conservation Trust for Florida was the co-applicant and management partner.
  - Barr Hammock – Hudson estate – 70 acres - \$693,000 - Alachua County was assisted by several partners: Florida Communities Trust Grant - 60%; North America Wetlands Conservation Act – 20%.
  - Payne’s Prairie – Edwards parcel – 275.95 acres total for \$1.5 million - joint purchase with the City of Gainesville and SJRWMD – the County portion was 91.98 acres for \$.5 million.
  - Watermelon Pond – Ferran property – 36 acres - \$216,000
  - Austin Carey Flatwoods – Gladstone property – 36 acres - \$300,000 acquired jointly with SJRWMD – this was the first purchase using the Wild Spaces & Public Places funds.
- Sheriff’s Office Barn and Livestock Corral on County-owned land in the LaCrosse area to house confiscated livestock – built with in-house labor valued at \$13,000 - total of \$22,000
- Solar Array at the Leveda Brown Environmental Park – \$70,350 - produces power representing 15% of the Transfer Stations power usage and is expected to recoup its cost within 14 years. GRU will pay 32 cents per kilowatt hour as part of their new feed-in-tariff.

Additional information on the County’s capital assets can be found in Note 6 on pages 67-68 of this report.

## Long-term Debt

At the end of fiscal year 2009, the County had total bonded debt outstanding of \$92.1 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

	2008	2009
General Obligation Bonds	\$ 5,375,000	\$ 3,970,000
Revenue Bonds	92,760,000	88,130,000
Total	<u>\$ 98,135,000</u>	<u>\$ 92,100,000</u>

#### Notes Payable

Jail Energy Conservation Project	-	\$ 7,454,000
Wild Spaces & Public Places	-	15,000,000
Pooled Commercial Paper Program	13,300,000	14,400,000
Total	<u>\$ 13,300,000</u>	<u>\$ 36,854,000</u>

After making regularly scheduled debt service payments for the year, the County had a net decrease in bonded debt of \$6.0 million over the prior fiscal year. No new bonds were issued this fiscal year.

Additional information on the County's debt can be found in Note 8 on pages 71-75 of this report.

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

- The unemployment rate for the County at September 30, 2009 was 7.1%. This represents an increase of 55% from the prior year, but is still one of the lowest in the state.
- The taxable value of commercial and residential property increased 6.7% and 4.4%, respectively, in the 2009 fiscal year.
- There were 3,943 building permits issued in the County for fiscal year 2009, down 6% from the previous fiscal year total of 4,172.
- Population increased by approximately 3,844 people or 2% from the prior year to an estimated 252,388 at September 30, 2009. Many Counties in the State declined, but Alachua County had a significant increase.

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$9.3 million for a total fund balance of \$9.9 million. The fiscal year 2009 ad valorem tax rate for the General Fund is 7.5708 mills and increased to 8.0495 mills in fiscal year 2010.

### *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.alachuacounty.us/government/clerk/>.

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**ALACHUA COUNTY, FLORIDA**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2009**

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
<b>Assets:</b>				
<b>Current Assets:</b>				
Equity in pooled cash & investments	\$ 172,859,398	\$ 8,380,409	\$ 181,239,807	\$ 480,880
Cash with fiscal agent	620,712	-	620,712	-
Other cash and equivalents	10,185,321	250	10,185,571	-
Investments	1,940,373	-	1,940,373	-
Receivables (net)	2,310,759	959,773	3,270,532	1,655
Due from other governments	11,592,482	8,255	11,600,737	2,690
Internal balances	(1,409,258)	1,409,258	-	-
Inventories	915,923	-	915,923	-
Prepaid items	1,126,769	-	1,126,769	-
Total current non-restricted assets	200,142,479	10,757,945	210,900,424	485,225
<b>Current Restricted Assets:</b>				
Sinking fund cash & cash reserves	3,762,567	-	3,762,567	-
Total current restricted assets	3,762,567	-	3,762,567	-
Total current assets (restricted & non-restricted)	203,905,046	10,757,945	214,662,991	485,225
<b>Noncurrent Assets:</b>				
Deferred charges	1,542,578	-	1,542,578	-
<b>Noncurrent restricted assets:</b>				
Restricted equity in pooled cash and investments	-	62,527	62,527	-
Restricted other cash and cash equivalents	-	3,000,000	3,000,000	-
Restricted investments	-	1,499,820	1,499,820	-
Restricted interest receivable	-	59,445	59,445	-
Total non-current restricted assets	-	4,621,792	4,621,792	-
<b>Capital Assets:</b>				
Land	232,798,227	3,324,279	236,122,506	-
Artwork	91,390	-	91,390	-
Infrastructure	478,335,788	-	478,335,788	-
Buildings	117,178,229	2,782,326	119,960,555	-
Improvements other than buildings	10,169,591	13,372,018	23,541,609	-
Equipment	62,189,481	3,019,288	65,208,769	1,850
Construction in progress	7,248,035	-	7,248,035	-
Less accumulated depreciation	(401,837,399)	(12,066,067)	(413,903,466)	(31)
Total capital assets	506,173,342	10,431,844	516,605,186	1,819
Total noncurrent assets (restricted & non-restricted)	507,715,920	15,053,636	522,769,556	1,819
<b>Total Assets</b>	<b>\$ 711,620,966</b>	<b>\$ 25,811,581</b>	<b>\$ 737,432,547</b>	<b>\$ 487,044</b>

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

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
<b>Liabilities:</b>				
Current Liabilities (payable from current assets):				
Accounts payable	\$ 15,242,905	\$ 733,807	\$ 15,976,712	\$ 7,495
Accrued interest payable	1,368,469	-	1,368,469	-
Estimated liability for self insurance losses	2,167,441	-	2,167,441	-
Contracts payable	392,488	-	392,488	-
Due to other governments	2,313,251	18,775	2,332,026	-
Deposits	48,056	97,727	145,783	-
Unearned revenue	1,396,986	-	1,396,986	-
Accrued compensated absences	6,913,808	240,714	7,154,522	4
Accrued landfill closure cost	-	665,600	665,600	-
Bonds and notes payable	14,094,000	-	14,094,000	-
<b>Total current liabilities (payable from current assets)</b>	<b>43,937,404</b>	<b>1,756,623</b>	<b>45,694,027</b>	<b>7,499</b>
Noncurrent Liabilities:				
Accrued compensated absences	6,157,870	347,506	6,505,376	-
Estimated liability for self insurance losses	5,011,483	-	5,011,483	-
Bonds and notes payable (net of amortization on discounts & premiums)	114,515,272	-	114,515,272	-
<b>Total noncurrent liabilities (payable from noncurrent assets)</b>	<b>125,684,625</b>	<b>347,506</b>	<b>126,032,131</b>	<b>-</b>
Noncurrent Liabilities (payable from restricted assets):				
Accrued landfill closure cost	-	8,050,300	8,050,300	-
<b>Total noncurrent liabilities (payable from restricted assets)</b>	<b>-</b>	<b>8,050,300</b>	<b>8,050,300</b>	<b>-</b>
<b>Total noncurrent liabilities</b>	<b>125,684,625</b>	<b>8,397,806</b>	<b>134,082,431</b>	<b>-</b>
<b>Total Liabilities</b>	<b>169,622,029</b>	<b>10,154,429</b>	<b>179,776,458</b>	<b>7,499</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	423,152,083	10,431,844	433,583,927	1,819
Restricted for:				
Restricted for debt service	1,687,925	-	1,687,925	-
Restricted for cash reserve - bond covenants	2,074,642	-	2,074,642	-
Restricted for CHOICES	40,507,870	-	40,507,870	-
Restricted for Wild Spaces & Public Places	14,283,963	-	14,283,963	-
Restricted for road and bridge maintenance	3,291,672	-	3,291,672	-
Restricted for road construction	16,966,134	-	16,966,134	-
Restricted for Alachua County Forever land program	3,096,765	-	3,096,765	-
Restricted for public improvement revenue projects	7,819,271	-	7,819,271	-
Restricted for jail energy conservation program	7,387,244	-	7,387,244	-
Restricted for grants and other purposes	19,322,842	-	19,322,842	-
Restricted for annual landfill closure costs	-	665,600	665,600	-
Unrestricted	2,408,526	4,559,708	6,968,234	477,726
<b>Total Net Assets</b>	<b>\$ 541,998,937</b>	<b>\$ 15,657,152</b>	<b>\$ 557,656,089</b>	<b>\$ 479,545</b>

**ALACHUA COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
Administration	\$ 43,513,311	\$ 5,906,521	\$ 1,034,507	\$ 803,750
Community services	18,267,769	475,270	928,339	1,000
Corrections	27,977,357	549,392	84,997	-
Courts	22,516,808	7,391,213	2,425,667	-
Culture and recreation	1,963,974	52,593	318,783	488,974
Tourist development	2,204,062	-	1,474	-
Emergency services	30,861,300	7,953,675	445,925	419,447
Environmental services	2,839,515	287,489	577,511	4,086,110
Growth management	4,764,756	123,212	1,067,955	-
Law enforcement	33,149,063	2,350,681	3,981,521	1,634,682
Solid waste collection	3,928,724	4,864,171	27,739	-
Transportation	42,820,787	383,512	4,255,011	5,886,937
Interest on long-term debt	4,510,052	-	-	-
Total governmental activities	<u>239,317,478</u>	<u>30,337,729</u>	<u>15,149,429</u>	<u>13,320,900</u>
Business-type activities:				
Solid waste disposal system	13,038,175	13,522,568	5,015	-
Codes enforcement	1,373,495	1,126,126	-	-
Total business-type activities	<u>14,411,670</u>	<u>14,648,694</u>	<u>5,015</u>	<u>-</u>
Total primary government	<u>\$ 253,729,148</u>	<u>\$ 44,986,423</u>	<u>\$ 15,149,429</u>	<u>\$ 13,320,900</u>
<b>Component Units:</b>				
Murphree Law Library	\$ 82,510	\$ 61,282	\$ 236	-
Alachua County Housing Finance Authority	3,424	-	-	-
Total component units	<u>\$ 85,934</u>	<u>\$ 61,282</u>	<u>\$ 236</u>	<u>-</u>

General revenues:

Property taxes  
Tourist development taxes  
Impact fees  
Fuel taxes  
Discretionary sales surtaxes (CHOICES)  
Infrastructure sales surtaxes (Wild Spaces & Public Places)  
Local business taxes  
Public & communication service taxes  
Sales tax & other state shared revenue-unrestricted  
Interest earnings  
Miscellaneous

Total general revenues

Changes in net 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.

<b>Net (Expense) Revenue and Changes in Net Assets</b>				
<b>Primary Government</b>			<b>Component Units</b>	
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>		
\$ (35,768,533)	\$ -	\$ (35,768,533)		
(16,863,160)	-	(16,863,160)		
(27,342,968)	-	(27,342,968)		
(12,699,928)	-	(12,699,928)		
(1,103,624)	-	(1,103,624)		
(2,202,588)	-	(2,202,588)		
(22,042,253)	-	(22,042,253)		
2,111,595	-	2,111,595		
(3,573,589)	-	(3,573,589)		
(25,182,179)	-	(25,182,179)		
963,186	-	963,186		
(32,295,327)	-	(32,295,327)		
(4,510,052)	-	(4,510,052)		
(180,509,420)	-	(180,509,420)		
-	489,408	489,408		
-	(247,369)	(247,369)		
-	242,039	242,039		
(180,509,420)	242,039	(180,267,381)		
			\$ (20,992)	
			(3,424)	
			(24,416)	
112,086,310	-	112,086,310	-	
1,885,944	-	1,885,944	-	
2,361,442	-	2,361,442	-	
7,896,251	-	7,896,251	-	
8,223,487	-	8,223,487	-	
5,892,902	-	5,892,902	-	
284,242	-	284,242	-	
13,563,275	-	13,563,275	-	
14,984,351	-	14,984,351	-	
2,536,314	169,157	2,705,471	6,959	
3,949,565	199,889	4,149,454	40,115	
173,664,083	369,046	174,033,129	47,074	
(6,845,337)	611,085	(6,234,252)	22,658	
(329,175)	329,175	-	-	
(7,174,512)	940,260	(6,234,252)	22,658	
549,173,449	14,716,892	563,890,341	456,887	
\$ 541,998,937	\$ 15,657,152	\$ 557,656,089	\$ 479,545	

ALACHUA COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2009

	GENERAL	CHOICES	MSTU UNINCORPORATED SERVICES	MSTU LAW ENFORCEMENT
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 6,396,332	\$ 39,531,946	\$ 870,186	\$ 1,877,566
Cash with fiscal agent	-	600,000	-	-
Other cash and equivalents	51,625	-	100	-
Sinking fund cash and cash reserves	-	-	-	-
Investments	-	-	-	-
Accounts receivable	5,444,924	138,903	34,670	117,423
Allowance for estimated uncollectables	(4,336,279)	-	-	-
Assessment receivable	-	-	-	-
Due from other funds	8,303,807	-	11,514	275,068
Due from other governments	406,677	1,327,630	446,861	1,204,777
Inventories	357,084	-	-	-
Prepaid Items	-	-	-	-
Total assets	<u>\$ 16,624,170</u>	<u>\$ 41,598,479</u>	<u>\$ 1,363,331</u>	<u>\$ 3,474,834</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 4,596,179	\$ 452,593	\$ 168,536	\$ -
Contracts payable	3,539	-	-	-
Due to collection agent	1,457	-	-	-
Due to individuals	-	-	-	-
Due to other funds	561,886	-	13	2,412,228
Due to other governments	638,415	41,766	214,626	-
Deposits	41,471	-	-	-
Deferred revenue	824,995	596,250	-	-
Total liabilities	<u>6,667,942</u>	<u>1,090,609</u>	<u>383,175</u>	<u>2,412,228</u>
Fund balances reserved for:				
Encumbrances	222,393	7,500	11,190	-
Debt service	-	-	-	-
Records modernization	-	-	-	-
Mapping projects	-	-	-	-
Inventory & prepaid items	357,084	-	-	-
Advances to other funds	10,000	-	-	-
Unreserved-undesignated, reported in:				
General fund	9,366,751	-	-	-
Special revenue funds	-	40,500,370	968,966	1,062,606
Capital project funds	-	-	-	-
Total fund balances	<u>9,956,228</u>	<u>40,507,870</u>	<u>980,156</u>	<u>1,062,606</u>
Total liabilities and fund balances	<u>\$ 16,624,170</u>	<u>\$ 41,598,479</u>	<u>\$ 1,363,331</u>	<u>\$ 3,474,834</u>

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

MSTU FIRE PROTECTION	GAS TAX USES	SHERIFF	DEBT SERVICE	OTHER CAPITAL PROJECTS
\$ 410,545	\$ 3,235,574	\$ -	\$ 5,967,046	\$ 41,039,495
-	-	-	20,712	-
-	1,000	4,660,065	-	-
-	-	-	3,762,567	-
-	-	-	-	-
91,990	209,076	1,334	26,564	109,182
-	-	-	-	-
-	-	-	-	89,819
33,101	86,682	445,616	147,268	194
1,092,422	770,375	19,861	3,805,446	1,013,139
-	229,568	133,228	-	-
-	-	50,000	134,028	-
<u>\$ 1,628,058</u>	<u>\$ 4,532,275</u>	<u>\$ 5,310,104</u>	<u>\$ 13,863,631</u>	<u>\$ 42,251,829</u>
\$ 373,776	\$ 460,064	\$ 3,891,568	\$ -	\$ 1,104,088
-	-	-	-	80,470
-	-	-	-	-
-	-	-	-	46,852
12,188	320	1,167,501	2,636,329	925,000
56,104	459,212	67,807	-	-
-	-	-	-	-
-	321,007	-	1,815,055	239,614
<u>442,068</u>	<u>1,240,603</u>	<u>5,126,876</u>	<u>4,451,384</u>	<u>2,396,024</u>
58,935	186,301	-	-	5,249,894
-	-	-	9,278,219	-
-	-	-	-	-
-	-	-	-	-
-	229,568	183,228	134,028	-
-	-	-	-	-
-	-	-	-	-
1,127,055	2,875,803	-	-	-
-	-	-	-	34,605,911
<u>1,185,990</u>	<u>3,291,672</u>	<u>183,228</u>	<u>9,412,247</u>	<u>39,855,805</u>
<u>\$ 1,628,058</u>	<u>\$ 4,532,275</u>	<u>\$ 5,310,104</u>	<u>\$ 13,863,631</u>	<u>\$ 42,251,829</u>

ALACHUA COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2009

	TRANSPORTATION TRUST	WILD SPACES & PUBLIC PLACES	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 15,783,470	\$ 14,271,032	\$ 18,910,576	\$ 148,293,768
Cash with fiscal agent	-	-	-	620,712
Other cash and equivalents	-	-	5,472,531	10,185,321
Sinking fund cash and equivalents	-	-	-	3,762,567
Investments	1,550,072	-	390,301	1,940,373
Accounts receivable	76,207	49,567	131,991	6,431,831
Allowance for estimated uncollectables	-	-	-	(4,336,279)
Assessment receivable	-	-	480	90,299
Due from other funds	500,000	-	722,853	10,526,103
Due from other governments	118,638	-	1,376,819	11,582,645
Inventories	-	-	-	719,880
Prepaid Items	-	-	900	184,928
Total assets	<u>\$ 18,028,387</u>	<u>\$ 14,320,599</u>	<u>\$ 27,006,451</u>	<u>\$ 190,002,148</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 915,050	\$ 36,636	\$ 1,347,026	\$ 13,345,516
Contracts payable	147,203	-	9,067	240,279
Due to collection agent	-	-	-	1,457
Due to individuals	-	-	245,492	292,344
Due to other funds	-	-	4,951,277	12,666,742
Due to other governments	-	-	825,021	2,302,951
Deposits	-	-	6,585	48,056
Deferred revenue	-	-	614,356	4,411,277
Total liabilities	<u>1,062,253</u>	<u>36,636</u>	<u>7,998,824</u>	<u>33,308,622</u>
Fund balances reserved for:				
Encumbrances	163,811	36,300	455,549	6,391,873
Debt service	-	-	-	9,278,219
Records modernization	-	-	433,265	433,265
Mapping projects	-	-	29,655	29,655
Inventory & prepaid items	-	-	900	904,808
Advances to other funds	-	-	5,000	15,000
Unreserved-undesignated, reported in:				
General fund	-	-	-	9,366,751
Special revenue funds	-	-	14,986,493	61,521,293
Capital project funds	16,802,323	14,247,663	3,096,765	68,752,662
Total fund balances	<u>16,966,134</u>	<u>14,283,963</u>	<u>19,007,627</u>	<u>156,693,526</u>
Total liabilities and fund balances	<u>\$ 18,028,387</u>	<u>\$ 14,320,599</u>	<u>\$ 27,006,451</u>	<u>\$ 190,002,148</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, 2009**

Fund balances – total governmental funds (page 28)	\$156,693,526
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 financial statements.	500,204,608
Long-term liabilities are not due and payable in the current period and therefore are not reported in fund financial statements:	
Governmental activities	(\$148,859,874)
Less amounts reported in Internal Service funds:	
Self-insured losses	7,178,924
Accrued compensated absences	<u>255,417</u>
	(141,425,533)
Accrued long-term debt interest payable is not current and therefore is not reported in the fund statements.	(1,368,469)
Gas Tax, Sales Tax, and Discretionary Sales Tax receivables are not financial resources in the current period and therefore are reported as unearned revenues.	3,795,120
Deferred charges are reported in the statement of net assets but not in the fund financial statements	1,542,578
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.	21,615,266
Prepaid Items originally expensed in full, reclassified as an asset.	<u>941,841</u>
Net Assets of governmental activities (page 23)	<u><u>\$541,998,937</u></u>

\*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, 2009

	GENERAL	CHOICES	MSTU UNINCORPORATED SERVICES	MSTU LAW ENFORCEMENT
<b>REVENUES</b>				
Taxes	\$ 92,781,474	\$ 8,354,644	\$ 3,744,282	\$ 15,369,949
Permits and fees	-	-	89,684	22
Intergovernmental	4,861,047	-	967,725	-
Charges for services	8,908,311	-	147,187	-
Fines and forfeitures	10,915	-	-	-
Investment income	187,860	572,506	17,450	30,379
Special assessments and impact fees	-	-	-	-
Private donations	-	-	-	-
Miscellaneous	3,927,568	21,307	73,418	293,599
Total revenues	110,677,175	8,948,457	5,039,746	15,693,949
<b>EXPENDITURES</b>				
Current:				
General government	22,705,851	-	1,281,689	185,005
Public safety	19,089,466	-	406,645	147,888
Physical environment	1,802,899	-	484,824	-
Transportation	58,940	-	773,021	-
Economic environment	1,368,550	-	880,487	-
Human services	11,085,033	5,346,689	-	-
Culture and recreation	725,744	-	830,852	-
Court cost	7,898,619	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Excess fees distributed to State	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	64,735,102	5,346,689	4,657,518	332,893
Excess (deficiency) of revenues over (under) expenditures	45,942,073	3,601,768	382,228	15,361,056
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,229,221	-	306,238	1,444,820
Transfers out	(62,820,198)	-	(562,000)	(16,287,048)
Issuance of debt	-	-	-	-
Sale of capital assets	9,369	-	-	-
Total other financing sources and (uses)	(54,581,608)	-	(255,762)	(14,842,228)
Net change in fund balances	(8,639,535)	3,601,768	126,466	518,828
Fund balances - beginning	18,595,763	36,906,102	853,690	543,778
Fund balances - ending	\$ 9,956,228	\$ 40,507,870	\$ 980,156	\$ 1,062,606

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

MSTU FIRE PROTECTION	GAS TAX USES	SHERIFF	DEBT SERVICE	OTHER CAPITAL PROJECTS
\$ 10,984,282	\$ 3,726,918	\$ -	\$ 9,619,474	\$ 2,790,557
3,078	-	-	-	-
34,694	237,291	-	13,838,886	1,461,365
759,191	1,932,816	-	-	829,840
-	-	-	-	-
20,198	309	-	119,813	248,777
-	-	-	-	2,360,617
-	-	-	-	100,000
229,727	44,671	-	-	17,324
<u>12,031,170</u>	<u>5,942,005</u>	<u>-</u>	<u>23,578,173</u>	<u>7,808,480</u>
626,247	-	-	72,084	-
11,425,996	-	63,973,544	-	-
-	115,400	-	-	-
-	9,999,887	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	2,791,821	-	-
-	-	-	6,281,000	-
-	-	-	4,548,108	-
-	-	-	-	-
-	-	-	-	13,541,081
<u>12,052,243</u>	<u>10,115,287</u>	<u>66,765,365</u>	<u>10,901,192</u>	<u>13,541,081</u>
<u>(21,073)</u>	<u>(4,173,282)</u>	<u>(66,765,365)</u>	<u>12,676,981</u>	<u>(5,732,601)</u>
976,209	5,648,336	67,416,630	2,089,729	4,991,884
(675,006)	-	(725,627)	(8,488,726)	(3,292,864)
-	-	-	77,093	7,662,500
-	200	70,316	-	-
<u>301,203</u>	<u>5,648,536</u>	<u>66,761,319</u>	<u>(6,321,904)</u>	<u>9,361,520</u>
280,130	1,475,254	(4,046)	6,355,077	3,628,919
905,860	1,816,418	187,274	3,057,170	36,226,886
<u>\$ 1,185,990</u>	<u>\$ 3,291,672</u>	<u>\$ 183,228</u>	<u>\$ 9,412,247</u>	<u>\$ 39,855,805</u>

ALACHUA COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	TRANSPORTATION TRUST	WILD SPACES & PUBLIC PLACES	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 1,885,944	\$ 149,257,524
Licenses and permits	-	-	260,441	353,225
Intergovernmental	118,638	-	12,566,205	34,085,851
Charges for services	178,747	-	14,480,172	27,236,264
Fines and forfeitures	-	-	2,240,241	2,251,156
Investment income	280,031	115,475	778,996	2,371,794
Special assessments and impact fees	-	-	4,854,182	7,214,799
Private donations	-	-	377,722	477,722
Miscellaneous	44,233	-	635,781	5,287,628
Total revenues	621,649	115,475	38,079,684	228,535,963
<b>EXPENDITURES</b>				
Current:				
General government	-	-	14,484,029	39,354,905
Public safety	-	-	6,614,325	101,657,864
Physical environment	-	-	5,397,596	7,800,719
Transportation	-	-	-	10,831,848
Economic environment	-	-	3,918,575	6,167,612
Human services	-	-	1,861,935	18,293,657
Culture and recreation	-	-	476,020	2,032,616
Court cost	-	-	7,258,968	17,949,408
Debt service				
Principal	-	-	-	6,281,000
Interest and fiscal charges	-	-	-	4,548,108
Excess fees distributed to State	-	-	86,118	86,118
Capital outlay	6,503,904	796,512	1,502,967	22,344,464
Total expenditures	6,503,904	796,512	41,600,533	237,348,319
Excess (deficiency) of revenues over (under) expenditures	(5,882,255)	(681,037)	(3,520,849)	(8,812,356)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	13,675,007	104,778,074
Transfers out	(516,583)	-	(11,684,968)	(105,053,020)
Issuance of debt	-	14,965,000	1,095,407	23,800,000
Proceeds from the sale of capital assets	-	-	-	79,885
Total other financing sources and (uses)	(516,583)	14,965,000	3,085,446	23,604,939
Net change in fund balances	(6,398,838)	14,283,963	(435,403)	14,792,583
Fund balances - beginning	23,364,972	-	19,443,030	141,900,943
Fund balances - ending	\$ 16,966,134	\$ 14,283,963	\$ 19,007,627	\$ 156,693,526

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, 2009**

Net change in fund balances – total governmental funds (page 32) \$ 14,792,583

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 \$25,257,095 exceeded depreciation (\$22,603,027) in the current period.

Total Capital Outlay Expenditures per Fixed Asset Schedule	\$27,632,875	
Remove Internal Service Capital Outlay Expenditures	<u>(2,375,780)</u>	
Total Capital Outlay Expenditures Excluding Internal Service	<u>\$25,257,095</u>	
Total Depreciation per Fixed Asset Schedule	(\$23,985,712)	
Remove Internal Service Depreciation	<u>1,382,685</u>	
Total Depreciation Excluding Internal Service	<u>(\$22,603,027)</u>	2,654,068

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. 8,993,615

Governmental funds report sale of capital assets as financial resources; the loss on disposal of capital assets are not reflected in the fund statement. (19,709,770)

Issuance of debt provide current financial resources to governmental funds, but debt increases long-term liabilities in the Statement of Net Assets. (23,800,000)

Repayments of bond and note principal (\$6,281,000 less \$11,711 discount and \$60,105 deferred loss, plus premium of \$54,781) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 6,263,965

Deferred charges are recorded and amortized in the government-wide statements but not in the fund statements. (57,111)

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. (656,662)

Internal service funds are used by management to charge the costs of insurance, computer replacement, fleet services, and telephone services to individual funds. \$3,359,988 of total net operating gain for internal service funds is reported with governmental activities. 3,359,988

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. 1,022,946

Prepaid items originally expensed in full, reclassified as an asset. (38,134)

Changes in net assets of governmental activities (page 25) (\$ 7,174,512)

\*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, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND	TOTAL	
		410 CODES ENFORCEMENT		
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash and investments	\$ 7,994,939	\$ 385,470	\$ 8,380,409	\$ 24,565,630
Other cash and equivalents	250	-	250	-
Accounts receivable	954,713	9,060	963,773	124,908
Allowance for estimated uncollectables	-	(4,000)	(4,000)	-
Due from other funds	1,409,415	-	1,409,415	731,381
Due from other governments	8,107	148	8,255	9,837
Inventories	-	-	-	196,043
Total current assets	<u>10,367,424</u>	<u>390,678</u>	<u>10,758,102</u>	<u>25,627,799</u>
Noncurrent assets:				
Restricted assets:				
Equity in pooled cash and investments	62,527	-	62,527	-
Other cash and cash equivalents	3,000,000	-	3,000,000	-
Investments	1,499,820	-	1,499,820	-
Interest receivable	59,445	-	59,445	-
Total restricted assets	<u>4,621,792</u>	<u>-</u>	<u>4,621,792</u>	<u>-</u>
Capital assets:				
Land	3,324,279	-	3,324,279	-
Buildings	2,782,326	-	2,782,326	-
Improvements other than buildings	13,372,018	-	13,372,018	1,224
Equipment	2,948,019	71,269	3,019,288	14,545,710
Less accumulated depreciation	<u>(12,017,246)</u>	<u>(48,821)</u>	<u>(12,066,067)</u>	<u>(8,578,200)</u>
Total capital assets (net of depreciation)	<u>10,409,396</u>	<u>22,448</u>	<u>10,431,844</u>	<u>5,968,734</u>
Total noncurrent assets	<u>15,031,188</u>	<u>22,448</u>	<u>15,053,636</u>	<u>5,968,734</u>
Total assets	<u>25,398,612</u>	<u>413,126</u>	<u>25,811,738</u>	<u>31,596,533</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	685,335	48,472	733,807	1,603,588
Contracts payable	-	-	-	152,209
Unearned revenue	-	-	-	780,829
Due to other funds	98	59	157	-
Due to other governments	15,705	3,070	18,775	10,300
Deposits	97,727	-	97,727	-
Accrued compensated absences of one year or less	166,222	74,492	240,714	116,179
Accrued landfill closure cost	665,600	-	665,600	-
Estimated liability for self insured losses	-	-	-	2,167,441
Total current liabilities	<u>1,630,687</u>	<u>126,093</u>	<u>1,756,780</u>	<u>4,830,546</u>
Noncurrent liabilities:				
Accrued compensated absences of more than one year	228,720	118,786	347,506	139,238
Estimated liability for self insured losses	-	-	-	5,011,483
Noncurrent liabilities payable from restricted assets:				
Accrued landfill closure cost	<u>8,050,300</u>	<u>-</u>	<u>8,050,300</u>	<u>-</u>
Total noncurrent liabilities	<u>8,279,020</u>	<u>118,786</u>	<u>8,397,806</u>	<u>5,150,721</u>
Total liabilities	<u>9,909,707</u>	<u>244,879</u>	<u>10,154,586</u>	<u>9,981,267</u>
<b>NET ASSETS</b>				
Invested in capital assets	10,409,396	22,448	10,431,844	5,968,734
Restricted for annual landfill closure cost	665,600	-	665,600	-
Unrestricted	<u>4,413,909</u>	<u>145,799</u>	<u>4,559,708</u>	<u>15,646,532</u>
Total net assets	<u>\$ 15,488,905</u>	<u>\$ 168,247</u>	<u>\$ 15,657,152</u>	<u>\$ 21,615,266</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, 2009

	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	\$ 8,633,530	\$ 12,775	\$ 8,646,305	\$ 27,462,734
Fines and forfeitures	-	59,662	59,662	-
Permits, licenses and franchise fees	425,655	1,053,689	1,479,344	-
Special assessments and impact fees	4,463,383	-	4,463,383	-
Miscellaneous revenue	182,621	18,209	200,830	747,703
Total operating revenues	13,705,189	1,144,335	14,849,524	28,210,437
Operating expenses:				
Personal services	3,062,918	1,185,128	4,248,046	1,767,997
Depreciation	631,612	12,320	643,932	1,382,685
Indirect costs	672,057	-	672,057	508,701
Supplies and materials	539,718	27,711	567,429	2,377,740
Other services and charges	8,131,870	148,336	8,280,206	4,015,877
Claims and losses	-	-	-	15,240,015
Total operating expenses	13,038,175	1,373,495	14,411,670	25,293,015
Operating income (loss)	667,014	(229,160)	437,854	2,917,422
Nonoperating revenues:				
Intergovernmental revenue	5,015	-	5,015	3,610
Net gain (loss) on disposal of capital assets	(941)	-	(941)	328,665
Investment Income	169,157	-	169,157	164,520
Total nonoperating revenues (expenses)	173,231	-	173,231	496,795
Income before transfers	840,245	(229,160)	611,085	3,414,217
Transfers:				
Transfers in	124,946	204,229	329,175	-
Transfers(out)	-	-	-	(54,229)
Total transfers	124,946	204,229	329,175	(54,229)
Change in net assets	965,191	(24,931)	940,260	3,359,988
Total net assets - beginning	14,523,714	193,178	14,716,892	18,255,278
Total net assets - ending	\$ 15,488,905	\$ 168,247	\$ 15,657,152	\$ 21,615,266

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, 2009

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND 410 CODES ENFORCEMENT	ENTERPRISE FUNDS TOTAL	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 9,224,205	\$ 1,126,540	\$ 10,350,745	\$ 27,407,761
Cash received from special assessments & franchise fees	4,463,383	-	4,463,383	-
Miscellaneous cash receipts	182,621	18,209	200,830	747,703
Cash paid to outside parties	(9,939,854)	(190,038)	(10,129,892)	(22,009,802)
Cash paid to employees	(3,031,923)	(1,179,793)	(4,211,716)	(1,741,494)
Net cash provided (used) by operating activities	<u>898,432</u>	<u>(225,082)</u>	<u>673,350</u>	<u>4,404,168</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Due from other funds	(1,019,313)	-	(1,019,313)	(691,748)
Due from other governments	(3,092)	(11)	(3,103)	14,583
Transfers in (out)	124,946	204,229	329,175	(54,229)
Net cash provided (used) by noncapital financing activities	<u>(897,459)</u>	<u>204,218</u>	<u>(693,241)</u>	<u>(731,394)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>				
Payments for capital assets	(863,128)	-	(863,128)	(2,375,780)
Proceeds from sale of capital assets	65,946	-	65,946	329,967
Net cash (used) by capital & related financing activities	<u>(797,182)</u>	<u>-</u>	<u>(797,182)</u>	<u>(2,045,813)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	169,157	-	169,157	164,520
(Purchase) of investment	(1,065,942)	-	(1,065,942)	-
Net cash provided (used) by investing activities	<u>(896,785)</u>	<u>-</u>	<u>(896,785)</u>	<u>164,520</u>
Net increase (decrease) in cash and cash equivalents	(1,692,994)	(20,864)	(1,713,858)	1,791,481
Cash and cash equivalents, October 1, 2008	<u>12,750,710</u>	<u>406,334</u>	<u>13,157,044</u>	<u>22,774,149</u>
Cash and cash equivalents, September 30, 2009	<u>\$ 11,057,716</u>	<u>\$ 385,470</u>	<u>\$ 11,443,186</u>	<u>\$ 24,565,630</u>
Cash and cash equivalents classified as:				
Equity in pooled cash and investments	\$ 7,994,939	\$ 385,470	\$ 8,380,409	\$ 24,565,630
Other cash and equivalents	250	-	250	-
Restricted equity in pooled cash and investments	3,062,527	-	3,062,527	-
Total	<u>\$ 11,057,716</u>	<u>\$ 385,470</u>	<u>\$ 11,443,186</u>	<u>\$ 24,565,630</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 667,014	\$ (229,160)	\$ 437,854	\$ 2,917,422
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	631,612	12,320	643,932	1,382,685
(Decrease) in estimated landfill closure cost	(242,358)	-	(242,358)	-
(Decrease) in estimated liability for self insured losses	-	-	-	(38,760)
(Increase) decrease in accounts receivable	155,820	414	156,234	(65,812)
Increase in user deposits	9,200	-	9,200	-
Increase in accrued compensated absences	30,995	5,335	36,330	26,503
Increase in unearned revenue	-	-	-	12,779
Decrease in inventories	-	-	-	13,371
Increase (decrease) in accounts payable	(353,851)	(13,991)	(367,842)	155,980
Total adjustments	<u>231,418</u>	<u>4,078</u>	<u>235,496</u>	<u>1,486,746</u>
Net cash provided (used) by operating activities	<u>\$ 898,432</u>	<u>\$ (225,082)</u>	<u>\$ 673,350</u>	<u>\$ 4,404,168</u>

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

ALACHUA COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2009

	AGENCY FUNDS	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 237,918	\$ -
Other cash and equivalents	6,910,968	-
Investments		
SBA Fund B	181,364	-
FMPTF Bond fund	-	448,048
Due from individuals	17,010	-
Due from other governments	15,447	152,209
<b>Total assets</b>	<b>7,362,707</b>	<b>600,257</b>
<b>LIABILITIES</b>		
Assets held for others	1,677,275	-
Due to other governments	1,208,665	-
Deposits held in escrow	259,503	-
Deposits - installment taxes	4,217,264	-
<b>Total liabilities</b>	<b>7,362,707</b>	<b>-</b>
<b>NET ASSETS</b>		
Net Assets Held in Trust for OPEB	-	600,257
<b>TOTAL NET ASSETS</b>	<b>\$ -</b>	<b>\$ 600,257</b>

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

ALACHUA COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>OPEB TRUST FUND</u>
Additions	
Contributions:	
Employer	\$ 152,209
Members	-
Total contributions	<u>152,209</u>
Investment earnings:	
Net appreciation in fair value of investments	7,048
Interest and dividends	-
Total investment income	<u>7,048</u>
Less investment expense	<u>-</u>
Net investment income	<u>7,048</u>
Total additions	<u>159,257</u>
Deductions	
Benefit payments	-
Refunds of nonvested contributions	-
Administrative expenses	-
Total deductions	<u>-</u>
Net increase	159,257
Net assets held in trust for other postemployment benefits - beginning	<u>441,000</u>
Net assets held in trust for other postemployment benefits - ending	<u><u>\$ 600,257</u></u>

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

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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

**A. Reporting Entity**

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

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

The accompanying financial statements present the County (primary government), and 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, established by Special Act (57-1118) during the 1957 Florida Legislative session, is a discretely presented component unit that benefits the Courts, County Officials, and the public at large. The Board of Trustees for the Law Library consists of one County Commissioner and several other local law community individuals. The Board of Trustees has full power and authority to establish, operate and maintain the Law Library. The Board of County Commissioners is authorized to appropriate other available funds for the use of the Law Library. Financial information for the Law Library is presented in this comprehensive annual financial report as one of the two Component Units. There are no separately issued financial statements.

**2. Alachua County Housing Finance Authority**

The Alachua County Housing Finance Authority (Chapter 159.6, 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. There are no separately issued financial statements.

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

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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**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, 2009, 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, 2009**

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**2. Fund Financial Statements**

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

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

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

**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.

*The Community Health Offering Innovative Care and Educational Services Program (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 fiscal year 2003 the MSTU fund was split in order to segregate law enforcement services and other services. The Sheriff's Law Enforcement services are accounted for in MSTU Law Enforcement, and other unincorporated services are accounted for in MSTU Unincorporated Services. In fiscal year 2007 the MSTU Unincorporated Services was split further to separate MSTU Fire Protection Services.

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

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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*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* – This fund accounts for the resources accumulated to make payments for principal and interest on long-term obligation debt of governmental funds.

*Capital Projects Fund* – The Capital Projects Fund is used to account for financial resources (a) that are restricted or legally limited to specific capital expenditures or (b) that the 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 and 2008. The fund was established March 8, 2005 by resolution 05-20.

*Wild Spaces & Public Places Fund* – This capital project fund is the result of the Nov. 4, 2008 voted one-half cent sales surtax for a two year period. The monies from the surtax are used to purchase conservation lands and enhance parks and recreation facilities in the County and all the cities in the County.

**Enterprise Major Fund**

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

**Enterprise Non-major Fund**

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

**Other Fund Types**

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

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

**Non-current Governmental Assets/Liabilities**

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

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

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.

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

The County applies all GASB pronouncements as well as all Financial Accounting Standards Board Statements (FASB) and Interpretations, Accounting Principles Board (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 has one trust fund – the Other Post-employment Benefits (OPEB) fund. Agency funds are unlike all other types of funds and report only assets and liabilities. So, agency funds do not have a measurement focus, but do use an accrual basis of accounting to recognize receivables and payables.

**D. Assets, Liabilities 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, balances in the State Board of Administration Investment Pool, money market funds, certificates of deposit and US Treasury securities.

**2. Investments**

Investments for the County are reported at fair value, in accordance with GASB Statement 31.

**ALACHUA COUNTY, FLORIDA**  
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**3. Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as Due To/From Other Funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as Internal Balances.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance 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 non-consumable 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.

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.

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

<u>ASSETS</u>	<u>YEARS</u>
Buildings/improvements	10 - 50
Equipment	2 - 20
Infrastructure	10 - 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. Deferred Revenue and Unearned Revenue**

If assets have been received by the County for services to be rendered in future periods, asset balances have been offset by an unearned revenue liability account in the government-wide financial statements. Deferred revenue liabilities are reported in the governmental fund financial statements to offset receivables and deposits that do not meet the availability criterion under the modified accrual basis of accounting.

**10. Accrued Compensated Absences**

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

**ALACHUA COUNTY, FLORIDA**  
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**11. Obligation for Bond Arbitrage Rebate**

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

**12. 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; 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.

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**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 \$156,693,526 differ from net assets of governmental activities of \$541,998,937 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 is reported as an expenditure 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	\$ 893,463,808
Accumulated depreciation	<u>(393,259,200)</u>
Total capital assets	<u><u>\$ 500,204,608</u></u>

Deferred Charges and Long-term Debt Transactions

Deferred Charges of \$1,542,578 represent bond issue costs and legal fees associated with the issuance of bonds. These charges are amortized over the life of the bonds.

2003 Alachua County Forever General Obligation Bonds	\$ 36,671
2006 Alachua County Gas Tax Revenue Bonds	255,276
2007(A)(B) Public Improvement Revenue Refunding Bond	806,839
2008 Alachua County Gas Tax Revenue Bonds	386,840
Note Payable Capital Improvement-Jail Energy Conservation	33,012
Note Payable Wild Spaces & Public Places Series 2009	23,940
Total deferred charges	<u><u>\$1,542,578</u></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, 2009 were:

Bonds payable – 2003 Alachua County Forever General Obligation Bonds	\$ 3,970,000
Plus: Premium	15,811
Bond payable – 2006 Alachua County Gas Tax Revenue Bonds	12,960,000
Less: Discount	(34,859)
Bond payable– 2007(A)(B) Public Improvement Rev Refunding Bond	57,935,000
Plus: Premium	686,640
Less: Deferred Loss on Refunding Public Improvement Revenue Bond (B)	(1,197,097)
Bond payable- 2008 Alachua County Gas Tax Revenue Bonds	17,235,000
Plus: Premium	184,777
Pooled Commercial Paper Program	14,400,000
Note Payable Capital Improvement-Jail Energy Conservation	7,454,000
Note Payable Wild Spaces & Public Places Series 2009	15,000,000
Compensated absences	12,816,261
Total long-term liabilities	<u><u>\$141,425,533</u></u>

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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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 – 2003 Alachua County Forever General Obligation Bonds	\$ 46,013
Interest Payable – 2006 Alachua County Gas Tax Revenue Bonds	170,091
Interest Payable – 2007(A)(B) Public Improvement Revenue Refunding Bond	816,723
Interest Payable – 2008 Alachua County Gas Tax Revenue Bonds	231,761
Interest Payable - Capital Improvement – Jail Energy Conservation	<u>103,881</u>
Total accrued interest	<u>\$1,368,469</u>

Unearned and Deferred 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 deferred revenues or revenues which are measurable but not available as deferred revenues. However, deferred revenues in governmental funds are subject to full accrual on government-wide financial statements.

Deferred revenues	<u>\$3,795,120</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>\$ 21,615,266</u>
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Elimination of Interfund Receivables/Payables

Interfund receivables and payables between governmental funds must be eliminated from the Statement of Net Assets.

Interfund receivables/payables	<u>\$11,257,484</u>
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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>\$941,841</u>
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**ALACHUA COUNTY, FLORIDA**  
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**A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets - Continued**

<b>ASSETS</b>	<b>Total Governmental Funds</b>	<b>Capital Related Items</b>	<b>Long-term Debt Transactions</b>
Equity in pooled cash & investments	\$ 148,293,768	\$ -	\$ -
Cash with fiscal agent	620,712	-	-
Other cash and equivalents	10,185,321	-	-
Sinking fund cash & cash reserves	3,762,567	-	-
Investments	1,940,373	-	-
Receivables (net)	2,185,851	-	-
Due from other funds	10,526,103	-	-
Due from other governments	11,582,645	-	-
Inventories	719,880	-	-
Prepaid items	184,928	-	-
Deferred charges	-	-	1,542,578
Capital assets - net	-	500,204,608	-
Total assets	\$ 190,002,148	\$ 500,204,608	\$ 1,542,578
 <b>LIABILITIES &amp; FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 13,639,317	\$ -	\$ -
Contracts payable	240,279	-	-
Accrued interest payable	-	-	-
Estimated liability for self insurance loss	-	-	-
Due to other funds	12,666,742	-	-
Due to other governments	2,302,951	-	-
Deposits	48,056	-	-
Deferred/Unearned revenue	4,411,277	-	-
Accrued compensated absences	-	-	12,816,261
Bonds and notes payable (net)	-	-	128,609,272
Total liabilities	33,308,622	-	141,425,533
Fund balances/net assets	156,693,526	500,204,608	(139,882,955)
Total liabilities and fund balances/net assets	\$ 190,002,148	\$ 500,204,608	\$ 1,542,578

<b>Interest Payable</b>	<b>Unearned Revenues</b>	<b>Internal Service Funds</b>	<b>Reclassifications &amp; Eliminations</b>	<b>Statement of Net Assets</b>
\$ -	\$ -	\$ 24,565,630	\$ -	\$ 172,859,398
-	-	-	-	620,712
-	-	-	-	10,185,321
-	-	-	-	3,762,567
-	-	-	-	1,940,373
-	-	124,908	-	2,310,759
-	-	731,381	(12,666,742)	(1,409,258)
-	-	9,837	-	11,592,482
-	-	196,043	-	915,923
-	-	-	941,841	1,126,769
-	-	-	-	1,542,578
-	-	5,968,734	-	506,173,342
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,596,533</u>	<u>\$ (11,724,901)</u>	<u>\$ 711,620,966</u>
\$ -	\$ -	\$ 1,603,588	\$ -	\$ 15,242,905
-	-	152,209	-	392,488
1,368,469	-	-	-	1,368,469
-	-	7,178,924	-	7,178,924
-	-	-	(12,666,742)	0
-	-	10,300	-	2,313,251
-	-	-	-	48,056
-	(3,795,120)	780,829	-	1,396,986
-	-	255,417	-	13,071,678
-	-	-	-	128,609,272
1,368,469	(3,795,120)	9,981,267	(12,666,742)	169,622,029
(1,368,469)	3,795,120	21,615,266	941,841	541,998,937
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,596,533</u>	<u>\$ (11,724,901)</u>	<u>\$ 711,620,966</u>

**ALACHUA COUNTY, FLORIDA**  
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**B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities**

The net change in fund balances for governmental funds of \$14,792,583 differs from the change in net assets for governmental activities of a negative \$7,174,512 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	\$ 25,257,095
Depreciation expense	<u>(22,603,027)</u>
Difference	<u>\$ 2,654,068</u>

In the Statement of Activities, only the gain on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from a 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 disposed.

Disposal of capital assets:	
Loss	<u>\$ (19,709,770)</u>
Total change	<u>\$ (19,709,770)</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>\$ 8,993,615</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	<u>\$ 23,800,000</u>
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Deferred charges are recorded and amortized in the government-wide statements but not in the fund statements.

Deferred charges	<u>\$ 57,111</u>
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**ALACHUA COUNTY, FLORIDA**  
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Repayments of bond principal and capital lease principal are reported as expenditures 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	\$ (6,281,000)
Deferred loss on refunding	60,105
Discounts amortized	11,711
Premium amortized	(54,781)
Total	<u>\$ (6,263,965)</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	\$ (654,841)
Net accrued interest payable	(1,821)
Net adjustment	<u>\$ (656,662)</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 2009, internal service funds incurred a total operating gain of \$3,359,988.

Internal service funds allocated program expenses	\$ 837,386
Program revenues	2,083,645
Internal service funds non-operating revenues	493,186
Transfer out	(54,229)
Net change in assets	<u>\$ 3,359,988</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>\$1,022,946</u>
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Reclassification and Eliminations

Transfers in and transfers out in the amount of \$105,107,249 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>\$ (38,134)</u>
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**ALACHUA COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities - Continued**

	<b>Total Governmental Funds</b>	<b>Capital Outlay Transactions</b>	<b>Long-term Debt Transactions</b>
<b>REVENUES</b>			
Taxes	\$ 149,257,524	\$ -	\$ -
Licenses and permits	353,225	-	-
Intergovernmental	34,085,851	-	-
Charges for services	27,236,264	-	-
Fines and forfeitures	2,251,156	-	-
Investment income	2,371,794	-	-
Special assessments and impact fees	7,214,799	-	-
Private donations	477,722	8,993,615	-
Miscellaneous	5,287,628	(775,454)	-
Total revenues	<u>228,535,963</u>	<u>8,218,161</u>	<u>-</u>
<b>EXPENDITURES</b>			
Administration	52,800,054	(824,708)	(5,002,195)
Community services	18,176,653	228,247	4,426
Corrections	29,683,736	(1,183,715)	(270,955)
Courts	22,224,698	576,267	-
Culture and recreation	5,194,738	(3,235,035)	14,793
Economic environment	2,366,874	(40,836)	-
Emergency services	34,560,532	(3,094,209)	9,384
Environmental services	5,364,098	(2,334,034)	(11,949)
Growth management	4,802,936	3,025	-
Law enforcement	32,964,167	535,735	-
Solid waste collection	4,210,521	20,564	-
Transportation	20,611,748	25,549,062	(950,358)
Interest on long-term debt	4,387,564	-	-
Total expenditures	<u>237,348,319</u>	<u>16,200,363</u>	<u>(6,206,854)</u>
Excess of revenues over (under) expenditures	<u>(8,812,356)</u>	<u>(7,982,202)</u>	<u>6,206,854</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	104,778,074	-	-
Transfers out	(105,053,020)	-	-
Issuance of debt	23,800,000	-	(23,800,000)
Sale of capital assets	79,885	(79,885)	-
Total other financing sources (uses)	<u>23,604,939</u>	<u>(79,885)</u>	<u>(23,800,000)</u>
<b>Net change in fund balances</b>	14,792,583	(8,062,087)	(17,593,146)
<b>Fund balances at beginning of year</b>	<u>141,900,943</u>	<u>508,266,695</u>	<u>(109,473,548)</u>
<b>Fund balances at end of year</b>	<u>\$ 156,693,526</u>	<u>\$ 500,204,608</u>	<u>\$ (127,066,694)</u>

<b>Compensated Absences</b>	<b>Accrued Interest Expenses</b>	<b>Unearned Revenues</b>	<b>Internal Service Funds</b>	<b>Reclassifications and Eliminations</b>	<b>Statement of Activities</b>
\$ -	\$ -	\$ 574,887	\$ -	\$ -	\$ 149,832,411
-	-	-	-	-	353,225
-	-	(101,683)	-	-	33,984,168
-	-	549,742	1,335,942	(6,242,782)	22,879,166
-	-	-	-	-	2,251,156
-	-	-	164,520	-	2,536,314
-	-	-	-	-	7,214,799
-	-	-	-	-	9,471,337
-	-	-	1,076,369	(1,638,978)	3,949,565
-	-	1,022,946	2,576,831	(7,881,760)	232,472,141
53,963	-	-	1,685,008	(5,198,811)	43,513,311
15,138	-	-	(87,256)	(69,439)	18,267,769
95,040	-	-	(346,749)	-	27,977,357
52,071	-	-	(305,288)	(30,940)	22,516,808
16,505	-	-	(23,480)	(3,547)	1,963,974
(480)	-	-	(6,590)	(114,906)	2,204,062
121,269	-	-	(634,530)	(101,146)	30,861,300
14,349	-	-	(49,922)	(143,027)	2,839,515
32,977	-	-	(74,182)	-	4,764,756
293,760	-	-	(344,762)	(299,837)	33,149,063
4,449	-	-	(99,199)	(207,611)	3,928,724
(44,200)	-	-	(550,436)	(1,795,029)	42,820,787
-	1,821	-	-	120,667	4,510,052
654,841	1,821	-	(837,386)	(7,843,626)	239,317,478
(654,841)	(1,821)	1,022,946	3,414,217	(38,134)	(6,845,337)
-	-	-	-	(104,778,074)	-
-	-	-	(54,229)	104,778,074	(329,175)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(54,229)	-	(329,175)
(654,841)	(1,821)	1,022,946	3,359,988	(38,134)	(7,174,512)
(12,161,420)	(1,366,648)	2,772,174	18,255,278	979,975	549,173,449
<u>\$ (12,816,261)</u>	<u>\$ (1,368,469)</u>	<u>\$ 3,795,120</u>	<u>\$ 21,615,266</u>	<u>\$ 941,841</u>	<u>\$ 541,998,937</u>

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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**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) Budget for the Clerk's Fine and Forfeiture special revenue fund is 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, 2009:

		<b>Appropriations</b>	<b>Total Expenses</b>	<b>Variance with Final budget Positive/(Negative)</b>
<b>Enterprise funds</b>	Solid Waste System	\$ 14,916,840	\$ 13,038,175	\$ 1,878,665
	Codes Enforcement	1,734,990	1,373,495	361,495
<b>Internal Service funds</b>	Computer Replacement	697,764	430,785	266,979
	Self Insurance	3,771,226	2,564,664	1,206,562
	Fleet Management	4,622,975	3,668,743	954,232
	Telephone Service	1,177,196	1,012,552	164,644
	Vehicle Replacement	1,216,830	912,109	304,721
	Health Insurance	17,983,000	16,704,162	1,278,838

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 - CASH AND INVESTMENTS**

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

Deposits and investments as of September 30, 2009 are classified in the accompanying financial statements as follows:

**Statement of Net Assets**

**Primary Government**

Equity in pooled cash and investments	\$ 181,239,807
Cash with fiscal agent	620,712
Other cash and equivalents	10,185,571
Sinking fund cash and equivalents	3,762,567
Other investments	1,940,373
Restricted cash and investments:	
Equity in pooled cash	62,527
Other cash & cash equivalents	3,000,000
Investments	1,499,820

**Component Units**

Equity in pooled cash and investments	480,880
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**Statement of fiduciary net assets:**

Equity in pooled cash and investments	237,918
Other cash and equivalents	6,910,968
Investments	629,412
Total cash and investments	<u><u>\$ 210,570,555</u></u>

Deposits and investments as of September 30, 2009 consist of the following:

**Primary Government**

Deposits with financial institutions	\$ 86,230,479
Investments	115,344,459

**Component Units**

Investments	480,880
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**Fiduciary Assets**

Deposits with financial institutions	7,885,325
Investments	629,412
	<u><u>\$ 210,570,555</u></u>

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**A. Cash Deposits**

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

**B. Investments**

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

Operating Funds and Component Units Investment Policy

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

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

**ALACHUA COUNTY, FLORIDA**  
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Investment Holdings

As of September 30, 2009, the County had the following investments:

<b>Investments</b>	<b>Duration (Years)</b>	<b>Fair Value</b>
<b>Primary Government</b>		
Regions MMF	0.001	\$ 775,008
PFM Fund Government Series	0.16	22,523,003
Florida PRIME (2a-7 like)	0.088	28,781,973
SBA Fund B	6.69	3,199,222
Federal Agency Discount Note (PFM)	0.22	6,882,616
Federal Agency Bond Note (PFM)	0.71	29,934,921
US Treasury Bond/Note (PFM)	1.63	22,026,172
US Treasury Bill (PFM)	0.86	1,221,544
Subtotal Primary Government		115,344,459
<b>Component Unit</b>		
Florida PRIME (2a-7 like)	0.088	480,880
<b>Fiduciary Assets</b>		
FMPTF Bond Fund	0.85	448,048
SBA Fund B	6.69	181,364
<b>Total Fiduciary Assets</b>		629,412
<b>Total Holdings</b>		\$ 116,454,751

Brief Description of each Investment Type (Primary Government)

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

*PFM Funds-Government Series* - The PFM Funds - Government Series (the "GS Fund") is a diversified, open-end pool registered under the Investment Company Act of 1940, as amended. The GS Fund's primary objective is to seek as high a rate of current income as is consistent with maintaining liquidity and stability of principal and to maintain a stable net asset value of \$1.00 per share. The GS Fund seeks to maintain a dollar weighted average portfolio maturity of 60 days or less and invests exclusively in obligations of the United States Government its agencies and instrumentalities, repurchase agreements secured by U.S. Government Obligations and money market mutual funds that invest exclusively in US. Government Obligations and such repurchase agreements.

*State Board of Administration's Local Government Investment Pool (Florida Prime Fund and SBA Fund B* - The State of Florida's Local Government Investment Pools are administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pools. These rules provide guidance and establish the general operating procedures for the administration of the pools. The SBA

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provides regulatory oversight for the Florida PRIME Fund and the SBA Fund B. As a pool participant, the County owns a share of the respective pools, not the underlying securities.

The Florida PRIME Fund 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.

SBA Fund B - In May 2008, the Governor of Florida signed Senate Bill 2422 into law, which legally created the Fund B Surplus Funds Trust Fund (formerly Fund B Pool). Pursuant to F.S. 218.421(1)(a), the purpose of the Fund B Surplus Funds Trust Fund is to maximize the payout of principal on invested surplus funds of units of local government formerly in Fund B Pool through a prudent work out of the trust fund with the ultimate goal of self-liquidating the trust fund through maturity and payout of the investments.

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

*Federal Agency & US Treasury Securities* - The County contracts with PFM Asset Management LLC, Independent Investment Advisor, to manage a portion of the operating portfolio. PFM is authorized to invest in US Treasury and Federal Agency securities and notes on behalf of the County. At year end, PFM directly managed \$60,065,254 (fair market value) as noted in the table on page 64.

Description of Component Unit Investment Holdings

The John A. H. Murphree Law Library and Alachua County Housing Finance Authority, the County's discretely presented component units, invest in the County's internal investment pool. Their investment balances at September 30, 2009 are \$103,098 and \$377,782 respectively. As participants in the investment pool the components units are subject to the same investment policy used for the County's operating funds.

Description of Fiduciary Asset Investment Holdings

The Other Post Benefit Plan (OPEB) invests with the Florida League of Cities Florida Municipal Investment Trust (FMPTF) 0-2 Year High Quality Bond Fund. This fund consists of short bond fixed income portfolio. The fair market value at September 30, 2009 is \$448,048. The Clerk of Court Registry fund investments are held in SBA Fund B as described above. The fair market value at September 30, 2009 is \$181,364.

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

The County's operating investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2009, all County and Component Units bank deposits were in qualified public depositories and collateralized by the Bureau of Collateral Securities, Division of the Treasury, State Department of Insurance.

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

The County’s operating investment policy requires execution of a third-party custodial safekeeping agreement for all purchased securities, and requires that securities be held in the County’s name. As of September 30, 2009, all of the County’s investments are held in Region Bank’s trust department in the County’s name.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County’s operating investment policies have a provision that the investment (excluding 2a-7 like pools) be rated by a nationally recognized rating agency at the time of purchase in either of its two highest rating categories (within which there may be sub-categories or gradations indicating relative standing). This policy applies to the County’s operating investments and investments of the component units.

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

<b>Investments</b>	<b>Rating</b>	<b>Fair Value</b>
<b>Primary Government</b>		
Fidelity Treasury MMF	AAAm	\$ 775,008
PFM Fund Government Series	AAAm	22,523,003
Florida PRIME (2a-7 like)	AAAm	28,781,973
SBA Fund B	Unrated	3,199,222
Federal Agency Discount Note (PFM)	A-1+	6,882,616
Federal Agency Bond Note (PFM)	AAA	29,934,921
US Treasury Bond/Note (PFM)	TSY	22,026,172
US Treasury Bills (PFM)	TSY	1,221,544
<b>Total Primary Government</b>		<b>115,344,459</b>
<b>Component Unit</b>		
Florida PRIME (2a-7 like)	AAAm	480,880
<b>Fiduciary Assets</b>		
FMPTF Bond Fund	Unrated	448,048
SBA Fund B	Unrated	181,364
<b>Total Fiduciary Assets</b>		<b>629,412</b>
<b>Total Holdings</b>		<b>\$ 116,454,751</b>

**ALACHUA COUNTY, FLORIDA**  
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*Interest Rate Risk - Investments* Section 218.415(6), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The County has a formal investment policy for operating and component units' surplus funds that limits investment maturities to two years as a means of managing its exposure to fair value losses from increasing interest rates. Below is a detailed *debt* investment schedule organized by investment type, amount, and segmented time distribution:

<b>Investment Type</b>	<b>Fair Value</b>	<b>3 Months-</b>		
		<b>0-3 Months</b>	<b>1 Year</b>	<b>&gt; 1 Year</b>
Federal Agency Discount Note (PFM)	\$6,882,616	\$5,048,419	\$1,834,197	\$ -
Federal Agency Bond/Note (PFM)	29,934,922	13,885,863	8,386,281	7,662,778
US Treasury Bond/Note (PFM)	22,026,172	-	-	22,026,172
US Treasury Bills (PFM)	1,221,544	-	1,221,544	-
	<u>\$60,065,254</u>	<u>\$18,934,282</u>	<u>\$11,442,022</u>	<u>\$29,688,950</u>

*Callable Investments* - The County has \$5,276,206 in Federal Instrumentalities that have embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate. These securities have various call dates, and mature between February 2011 and September 2012.

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

<b>Category</b>	<b>Percentage of Total Cash &amp; Investments</b>
Federal Home Loan Banks	10.64%
United States Treasury	12.09%
PFM Fund Government Series	11.71%
Florida PRIME (2a-7 like)	14.03%

**ALACHUA COUNTY, FLORIDA**  
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**C. Restricted Cash and Investments**

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

	<u>Cash Reserve</u>	<u>Sinking Fund</u>	<u>Landfill Post Closure</u>
2003 Alachua County Forever G.O.	\$ -	\$ 279,471	\$ -
2006 Gas Tax Revenue Bond (1)	1,384,450	230,045	-
2007 Public Improvement Revenue Bond-Series A & B (2)	515,815	888,362	-
2008 Gas Tax Revenue Bond (3)	174,377	290,047	-
Solid Waste System	-	-	4,562,347
<b>Total Restricted Cash and Investments</b>	<u>\$ 2,074,642</u>	<u>\$ 1,687,925</u>	<u>\$ 4,562,347</u>

(1) Bond Surety, AMBAC, was downgraded from Baa1 to Caa2 requiring additional sinking fund requirements.

(2) Bond Surety, Financial Security Assurance, was downgraded from AAA to Aa3 requiring additional sinking fund requirements.

(3) Bond Surety, Assured Guaranty, was downgraded from AAA to Aa2 requiring additional sinking fund requirements.

**NOTE 5 - PROPERTY TAX**

**A. Real Property Taxes** were certified on November 21, 2008. Property taxes receivable were reported in the General fund, Municipal Services Taxing Unit funds, MSBU Refuse Collection, Debt Service fund, Tourist Development sub-fund, Sugarfoot Preservation special assessment sub-fund, West End special assessment sub-fund, NE 132<sup>nd</sup> Avenue special sub-fund and the Solid Waste fund as Due From other funds (Constitutional Officer-Tax Collector). Chapter 197, Florida Statutes, governs property tax collections.

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

- January 1* – All taxes become a first lien, superior to all other liens.
- July 1* - The Property Appraiser completes assessment and certifies the taxable value to the County.
- August 5* - The County certifies to the Property Appraiser the amount of taxes intended to be levied for both operations and debt service.
- September (1-30)* - The County holds its final budget hearings and adopts the tax levy for the ensuing fiscal year.
- November 1* - Taxes become due and payable before March 31.
- April 1* - All unpaid taxes become delinquent.
- June 1* – The Tax Collector sells tax certificates on all delinquent real estate parcels.
- June (1-30)* - The Tax Collector disburses proceeds of the tax certificate sale to the taxing authorities.

**ALACHUA COUNTY, FLORIDA**  
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9. Prior to April 30 of the tax year following delinquency, warrants are ratified on unpaid Tangible Personal Property taxes.

**C. Real Property Delinquent Tax Process**

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

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

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

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

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

**F. Property Tax Payment and Distribution**

1. Discounts for early payment of property tax are allowed in the following manner:
  - 4% for November Payments
  - 3% for December Payments
  - 2% for January Payments
  - 1% for February Payments
2. The Tax Collector is required to distribute tax proceeds to taxing authorities promptly in order to provide cash for operations. Fiscal year 2009 distributions were made as follows:
  - November - 3 distributions
  - December - 3 distributions
  - All other months – 1 distribution each month

**ALACHUA COUNTY, FLORIDA**  
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**NOTE 6 - CAPITAL ASSETS**

**A. Capital asset activity for the year ended September 30, 2009 was as follows:**

	<b>Beginning</b>				
	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Adjustments*</b>	<b>Ending Balance</b>
<b>Primary Government</b>					
<b>Governmental activities:</b>					
Capital not being depreciated:					
Land	\$ 57,741,128	\$ 2,523,498	\$ (9,913)	\$ 3,807,590	\$ 64,062,303
Right of Way	161,505,808	52,405	(6,835,656)	1,189,461	155,912,018
Stormwater Basins	13,014,551	45,000	(235,645)	-	12,823,906
Artwork	91,390	-	-	-	91,390
Construction/Purchase in progress	16,372,390	3,569,669	-	(12,694,024)	7,248,035
<b>Total not being depreciated</b>	<b>248,725,267</b>	<b>6,190,572</b>	<b>(7,081,214)</b>	<b>(7,696,973)</b>	<b>240,137,652</b>
Capital Assets being depreciated:					
Buildings	103,535,118	6,310,756	6,254	7,326,101	117,178,229
Equipment	60,111,180	6,640,647	(2,296,842)	(2,265,504)	62,189,481
Improvements other than Building	7,341,507	2,633,574	-	194,510	10,169,591
Infrastructure	478,160,612	5,857,326	(14,460,878)	8,778,728	478,335,788
<b>Total being depreciated</b>	<b>649,148,417</b>	<b>21,442,303</b>	<b>(16,751,466)</b>	<b>14,033,835</b>	<b>667,873,089</b>
Less accumulated depreciation for:					
Buildings	(35,532,902)	(2,376,375)	-	33,333	(37,875,944)
Equipment	(41,078,255)	(5,941,845)	2,296,842	1,779,119	(42,944,139)
Improvements other than Building	(4,382,373)	(334,066)	-	-	(4,716,439)
Infrastructure	(303,636,517)	(15,333,426)	1,826,068	842,998	(316,300,877)
<b>Total accumulated depreciation</b>	<b>(384,630,047)</b>	<b>(23,985,712)</b>	<b>4,122,910</b>	<b>2,655,450</b>	<b>(401,837,399)</b>
<b>Total being depreciated, net</b>	<b>264,518,370</b>	<b>(2,543,409)</b>	<b>(12,628,556)</b>	<b>16,689,285</b>	<b>266,035,690</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 513,243,637</b>	<b>\$ 3,647,163</b>	<b>\$ (19,709,770)</b>	<b>\$ 8,992,312</b>	<b>\$ 506,173,342</b>
<b>Business-type activities:</b>					
Capital not being depreciated:					
Land	\$ 3,266,279	\$ 1,500	\$ -	\$ 56,500	3,324,279
Construction/Purchases in progress	61,203	-	(4,703)	(56,500)	-
<b>Total not being depreciated</b>	<b>3,327,482</b>	<b>1,500</b>	<b>(4,703)</b>	<b>-</b>	<b>3,324,279</b>
Capital Assets being depreciated:					
Buildings	2,775,913	-	-	6,413	2,782,326
Equipment	2,985,341	631,989	1,326	(599,368)	3,019,288
Improvements other than Building	13,142,379	229,639	-	-	13,372,018
<b>Total being depreciated</b>	<b>18,903,633</b>	<b>861,628</b>	<b>1,326</b>	<b>(592,955)</b>	<b>19,173,632</b>
Less accumulated depreciation for:					
Buildings	(848,643)	(92,717)	-	(6,413)	(947,773)
Equipment	(1,800,265)	(350,588)	529,444	6,413	(1,614,996)
Improvements other than Building	(9,302,671)	(200,627)	-	-	(9,503,298)
<b>Total accumulated depreciation</b>	<b>(11,951,579)</b>	<b>(643,932)</b>	<b>529,444</b>	<b>-</b>	<b>(12,066,067)</b>
<b>Total being depreciated, net</b>	<b>6,952,054</b>	<b>217,696</b>	<b>530,770</b>	<b>(592,955)</b>	<b>7,107,565</b>
<b>Total business-type capital assets, net</b>	<b>\$ 10,279,536</b>	<b>\$ 219,196</b>	<b>\$ 526,067</b>	<b>\$ (592,955)</b>	<b>\$ 10,431,844</b>
<b>Component Unit - Law Library</b>					
Equipment	\$ -	\$ 1,850	\$ -	\$ -	\$ 1,850
Less accumulated depreciation	-	(31)	-	-	(31)
<b>Component Unit, capital assets net</b>	<b>\$ -</b>	<b>\$ 1,819</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,819</b>

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

**ALACHUA COUNTY, FLORIDA**  
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**B. Depreciation expense** was charged to functions/programs of the primary government as follows:

**Primary Government**

**Governmental Activities:**

Administration	\$ 696,287
Community service	451,930
Corrections	990,741
Courts	969,666
Culture & recreation	322,859
Tourist development	17,438
Emergency services	797,091
Environmental services	60,463
Growth management	75,079
Law enforcement	2,422,996
Solid waste disposal	22,654
Transportation (includes County infrastructure)	15,775,823
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets.	<u>1,382,685</u>

Total depreciation expense-governmental activities \$ 23,985,712

**Business-type activities:**

Codes enforcement	\$ 12,320
Solid waste disposal	<u>631,612</u>

Total depreciation expense-business-type activities \$ 643,932

**Component Unit - Law Library**

Courts	<u><u>\$ 31</u></u>
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**ALACHUA COUNTY, FLORIDA  
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**NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**A. Interfund Balances as of September 30, 2009, consisted of the following:**

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b>Governmental Funds:</b>		
General Fund	\$ 8,303,807	\$ 561,886
MSTU Unincorporated Services	11,514	13
MSTU Law Enforcement	275,068	2,412,228
MSTU Fire Protection	33,101	12,188
Gas Tax Uses	86,682	320
Sheriff	445,616	1,167,501
Debt service	147,268	2,636,329
Other Capital Projects	194	925,000
Transportation Trust	500,000	-
Other Governmental Funds	722,853	4,951,277
<b>Subtotal Governmental Funds</b>	<u>10,526,103</u>	<u>12,666,742</u>
<b>Proprietary Funds:</b>		
Solid Waste System	1,409,415	98
Codes Enforcement	-	59
Internal Service Funds	731,381	-
<b>Total</b>	<u><u>\$ 12,666,899</u></u>	<u><u>\$ 12,666,899</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.

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**B. Interfund Transfers for the year ended September 30, 2009, consisted of the following:**

	<u>Transfers from Other Funds</u>	<u>Transfers to Other Funds</u>
<b>Governmental Funds:</b>		
General Fund	\$ 8,229,221	\$ 62,820,198
MSTU Unincorporated Services	306,238	562,000
MSTU Law Enforcement	1,444,820	16,287,048
MSTU Fire Protection	976,209	675,006
Gas Tax Uses	5,648,336	-
Sheriff	67,416,630	725,627
Debt Service	2,089,729	8,488,726
Other Capital Projects	4,991,884	3,292,864
Transportation Trust	-	516,583
Other Governmental Funds	<u>13,675,007</u>	<u>11,684,968</u>
Subtotal-Governmental Funds	<u>104,778,074</u>	<u>105,053,020</u>
<b>Proprietary Funds:</b>		
Business-type Activities:		
Solid Waste System	124,946	-
Codes Enforcement	<u>204,229</u>	<u>-</u>
Subtotal-Business-type Activities	<u>329,175</u>	<u>-</u>
Governmental Activities-Internal Service Funds:		
Vehicle Replacement	-	54,229
<b>Totals</b>	<u><u>\$ 105,107,249</u></u>	<u><u>\$ 105,107,249</u></u>

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

**ALACHUA COUNTY, FLORIDA**  
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**NOTE 8 - LONG-TERM OBLIGATIONS**

**A. Long-term Obligations** (excluding accrued compensated absences) at September 30, 2009 are composed of the following:

**PRIMARY GOVERNMENT**

**General Obligation Bond:**

\$14,000,000 2003 Alachua County Forever Serial Bonds, due in annual installments of \$1,455,000 to \$1,515,000 through 2012, interest from 3.300% to 3.700%

Revenue Source - Property Tax Levy. \$ 3,970,000

**Revenue Bonds:**

\$21,170,000 Series A Public Improvement Revenue and \$42,455,000 Series 2007 B Public Improvement Revenue Refunding Bonds, due in annual installments of \$920,000 to \$4,580,000 through 2029, interest from 4.00% to 4.25%.

Revenue Source - a pledge of the county's portion of the Half Cent Sales Tax. 57,935,000

\$15,400,000 2006 Transportation Improvement revenue bonds, due in annual installments of \$870,000 to \$1,325,000 through 2021, interest from 3.375% to 4.50%.

Revenue Source - a pledge of the County's 5th, 6th, 7th and 9th cent voted Gas Tax. 12,960,000

\$18,245,000 2008 Transportation Improvement revenue bonds, due in annual installments of \$1,045,000 to \$1,665,000 through 2022, interest from 3.750% to 4.500%.

Revenue Source - a pledge of the County's 5th, 6th, 7th and 9th cent voted Gas Tax. 17,235,000

**Total Revenue Bonds Payable**

88,130,000

**TOTAL BONDS PAYABLE**

92,100,000

**Notes Payable:**

Pooled Commercial Paper Notes, \$14,400,000 available credit for capital projects, interest due monthly at approximately 0.45390%. Final Principal Payment will be made December 4, 2012.

Revenue Source - a pledge of the County's Non-Ad Valorem revenues 14,400,000

\$7,700,000 2008 Capital Improvement bank loan, due in annual installments of \$404,000 to \$684,000 through 2023, interest of 4.090%.

Revenue Source - a pledge of the County's Non-Ad Valorem revenues 7,454,000

\$15,000,000 2009 Wild Spaces & Public Places bank loan, due in annual installments of \$7,440,000 to \$7,560,000 through 2011, interest of 1.600%.

Revenue Source - a pledge of the County's Non-Ad Valorem revenues 15,000,000

**TOTAL NOTES PAYABLE**

36,854,000

**TOTAL LONG-TERM OBLIGATIONS**

\$ 128,954,000

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**B. Debt Service Requirements to Maturity** on the County's debt at September 30, 2009 are as follows:

**PRIMARY GOVERNMENT GENERAL LONG-TERM OBLIGATIONS**

<b>Fiscal Year</b>	<b>Revenue Bonds</b>		<b>General Obligation Bonds</b>		<b>Notes Payable</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal and Interest</b>
2010	\$ 4,795,000	\$ 3,655,724	\$ 1,455,000	\$ 138,040	\$ 7,844,000	\$ 549,770	\$ 18,437,534
2011	4,990,000	3,471,974	1,515,000	90,025	22,380,000	413,310	32,860,309
2012	5,185,000	3,279,586	1,000,000	37,000	437,000	275,686	10,214,272
2013	5,380,000	3,078,739	-	-	456,000	256,812	9,171,550
2014	5,600,000	2,861,639	-	-	475,000	237,902	9,174,541
2015 - 2019	31,750,000	10,634,444	-	-	2,685,000	878,047	45,947,491
2020 - 2024	22,785,000	3,914,723	-	-	2,577,000	272,904	29,549,627
2025 - 2029	7,645,000	803,281	-	-	-	-	8,448,281
	<u>88,130,000</u>	<u>31,700,110</u>	<u>3,970,000</u>	<u>265,065</u>	<u>36,854,000</u>	<u>2,884,431</u>	<u>163,803,606</u>
Less:							
Unamortized							
Bond Discount	(34,859)	-	-	-	-	-	(34,859)
Deferred Loss							
on Refunding	(1,197,097)	-	-	-	-	-	(1,197,097)
Plus:							
Unamortized							
Bond Premium	871,417	-	15,811	-	-	-	887,228
<b>TOTAL</b>	<u>\$ 87,769,461</u>	<u>\$ 31,700,110</u>	<u>\$ 3,985,811</u>	<u>\$ 265,065</u>	<u>\$ 36,854,000</u>	<u>\$ 2,884,431</u>	<u>\$ 163,458,879</u>

**ALACHUA COUNTY, FLORIDA**  
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C. Changes in Long-term Obligations for the year ended Sept. 30, 2009 are as summarized as follows:

**PRIMARY GOVERNMENT**

	<u>Balance Oct 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Sept 30, 2009</u>	<u>Due Within One Year</u>
<b><u>Governmental activities:</u></b>					
General obligation bonds	\$ 5,375,000	\$ -	\$ (1,405,000)	\$ 3,970,000	\$ 1,455,000
Revenue bonds payable	92,760,000	-	(4,630,000)	88,130,000	4,795,000
Less: deferred amounts:					
Unamortized discounts	(46,570)	-	11,711	(34,859)	-
Unamortized premiums	942,009	-	(54,781)	887,228	-
Deferred loss on refunding	(1,257,202)	-	60,105	(1,197,097)	-
Subtotal-bonds	<u>97,773,237</u>	-	<u>(6,017,965)</u>	<u>91,755,272</u>	<u>6,250,000</u>
Notes payable	13,300,000	23,800,000	(246,000)	36,854,000	7,844,000
Estimated liability-self insured losses	7,215,744	15,203,195	(15,240,015)	7,178,924	2,167,441
Accrued compensated absences	<u>12,390,334</u>	<u>7,595,152</u>	<u>(6,913,808)</u>	<u>13,071,678</u>	<u>6,913,808</u>
<b>Total governmental obligations</b>	<u>130,679,315</u>	<u>46,598,347</u>	<u>(28,417,788)</u>	<u>148,859,874</u>	<u>23,175,249</u>
<b><u>Business-type activities:</u></b>					
Accrued compensated absences	551,891	277,043	(240,714)	588,220	240,714
Accrued landfill closure cost	<u>8,958,258</u>	<u>423,242</u>	<u>(665,600)</u>	<u>8,715,900</u>	<u>665,600</u>
<b>Total business-type activities</b>	<u>9,510,149</u>	<u>700,285</u>	<u>(906,314)</u>	<u>9,304,120</u>	<u>906,314</u>
<b>Total long-term obligations</b>	<u>\$ 140,189,464</u>	<u>\$ 47,298,632</u>	<u>\$ (29,324,102)</u>	<u>\$ 158,163,994</u>	<u>\$ 24,081,563</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, \$255,417 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**  
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**D. Summary of Revenue Bonds Payable** – the following is a summary of government bond resolutions pertaining to debt reflected in the September 30, 2009 financial statements:

<b>Name</b>	<b>\$15,400,000 Gas Tax Revenue Bonds, Series 2006</b>	<b>\$63,625,000 Public Improvement Revenue Bonds, Series 2007A &amp; B</b>	<b>\$18,245,000 Gas Tax Revenue Bonds, Series 2008</b>
<b>Purpose</b>	To provide funds for the costs and acquisition and construction of certain road improvements within the County; purchase the 2006 Surety Bond, and pay certain costs of issuance.	Series 2007A - To provide funds for the acquisition and construction of a new fire station, new jail dormitory, new recreation and park improvements; purchase the 2007 Surety Bond, and costs of issuance. Series 2007B - To refund portions of the County's Public Improvement Revenue Bonds, Series 1995 and its Public Improvement Revenue Bonds, Series 1999; purchase of the 2007 Surety Bond, and costs of issuance.	To provide funds to finance the costs of acquisition and construction of certain road improvements within the County, purchase of the 2008 Surety Bond, and costs of issuance.
<b>Dated</b>	April 12, 2006	February 6, 2007	April 10, 2008
<b>Final Maturity</b>	August 1, 2021	August 1, 2029	August 1, 2022
<b>Principal payment date</b>	August 1st	August 1st	August 1st
<b>Interest payment dates</b>	August 1st and February 1st	August 1st and February 1st	August 1st and February 1st
<b>Interest rates</b>	3.375% to 4.50%	4.00% to 4.25%	3.75% to 4.50%
<b>Outstanding Principal at 9/30/09</b>	\$12,960,000	\$57,935,000	\$17,235,000
<b>Reserve requirement</b>	\$1,384,450	\$515,815	\$174,377
<b>Pledged revenue source</b>	Constitutional Gas Tax, County Gas Tax, and Ninth Cent Gas Tax.	Local Government Half-Cent Sales Tax.	Constitutional Gas Tax, County Gas Tax, and Ninth Cent Gas Tax.
<b>Total debt svc payment</b>	\$1,383,791	\$4,940,970	\$1,743,156
<b>% of required Debt Svc to total pledged revenue source</b>	26.08%	52.43%	44.45%

**E. Line of Credit** - The \$14,400,000 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, 2009, the full amount of the line of credit is outstanding.

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

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

There is no obligation on the part of the County, the State, or any political subdivision for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2009, there were six series of Health Facility Revenue Bonds outstanding, with an aggregate principal amount payable of \$235,520,000, three series of Industrial Development Bonds outstanding, with an aggregate principal amount payable of \$20,885,000 and nine series of Housing Finance Authority Multi-family Housing Bonds, with an aggregate principal amount payable of \$40,748,372.

**H. Closed Landfill Obligation** – The County’s Southwest Landfill’s liability for fiscal year 2009 is \$6,245,826, an increase of \$124,639 from the prior fiscal year. For other County landfills closed prior to 1985 and not subject to State law requirements, the County records a liability of \$2,470,074, a decrease of \$117,719 from last fiscal year. See Note 1.D.8. for more information.

**NOTE 9 - EMPLOYEE BENEFITS**

**A. Pension Plan**

**Defined Benefit Plan**

*Plan Description* - The County contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. FRS 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. FRS 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, P. O. Box 9000, Tallahassee, Florida 32315-9000, by accessing the FRS website or by calling (850) 488-5706.

*Funding Policy* - FRS is employee noncontributory. The County is required to contribute at an actuarially determined rate. The rates as of September 30, 2009, are as follows: regular employees – 9.85%; special risk employees – 20.92%; 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 FRS for the years ending September 30, 2009, 2008, and 2007 were \$11,108,287, \$11,542,672, and \$11,170,108 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 cost-sharing multiple-employer defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. This FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. Changes to the law can only occur through an act of the Florida Legislature. The FRS Investment Plan is administered by the Florida State Board of Administration. Information about this plan can be obtained

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by writing to FRS Plan Administrator, P. O. Box 56290, Jacksonville, FL 32241-6290 or by calling 866-377-2121, Option 3. Required employer contributions made to the plan totaled \$1,754,586.

**City of Gainesville Pension Plan**

As of September 30, 2009, 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 single-employer 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, or the Deferred Compensation 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 Gainesville 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.

The Sheriff's contribution to the City Employees' Plan for the years ended September 30, 2009, 2008 and 2007, were \$11,197, \$11,344, and \$12,439, 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, 2009, 2008 and 2007, were \$16,003, \$14,180, and \$17,669, respectively, equal to the required contributions for each year.

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

*Plan Description* – The County administers a cost-sharing multiple-employer defined benefit plan for post-employment benefits other than pension benefits (OPEB Plan). The OPEB Plan provides post employment life insurance benefits and a health insurance subsidy for retirees and eligible dependents of the Clerk of Court, Supervisor of Elections, Property Appraiser, Sheriff, Tax Collector, Library District, and County. The Alachua County Board of County Commissioners can amend the benefit provisions.

The life insurance benefit is provided at no charge to retirees. The life insurance benefit is \$10,000 for all retirees under the age of 65 and \$5,000 for retirees age 65 and older.

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

Additionally, in accordance with Florida Statutes 112.0801, employees who retire and immediately begin receiving benefits from FRS or LDPP have the option of paying premiums to continue in the County's

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self-funded Health Insurance Plan at the same group rate as active employees. The retiree pays 100% of the blended group rate premium therefore receiving an implicit subsidy.

In 2008, the County adopted resolution 08-104 which established the Alachua County Other Post Employment Benefit Trust (OPEB Trust), a qualifying trust, and began funding its OPEB Plan obligation. A separate stand-alone financial statement for the Trust is not prepared.

At October 1, 2008, the date of the latest actuarial valuation, plan participation consisted of:

Active employees (fully eligible)	150
Active employees (not fully eligible)	1,815
Retirees receiving benefits	<u>175</u>
Total OPEB participants	<u><u>2,140</u></u>

*Funding Policy* – The contribution requirements of plan members and the participating employers are established and may be amended by the Alachua County Board of County Commissioners. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits when earned and determined annually by the County’s Actuary. Pay-as-you-go financing paid by the employers and plan members is accounted for in the County’s Self-funded Health Insurance Fund and employers’ contributions to the OPEB Trust to prefund benefits are accounted for in the County’s OPEB Trust Fund. For the year ended September 30, 2009, the County, paid a total of \$1,300,000 for the OPEB Plan, including pay-as-you go financing of \$1,147,791 and a transfer of assets of \$152,209 to the OPEB Trust. It is the County’s intent to base future OPEB Trust contributions on the actuarially determined annual required contribution (ARC) less pay-as-you-go financing; however, no future Trust contributions are legally or contractually required. Retiree plan members receiving benefits contributed \$1,090,220 to pay-as-you-go financing through their required contribution of \$363.51 per month for retiree-only coverage, \$868.71 per month for retiree and spouse coverage and \$1,224.72 per month for family coverage.

*Annual OPEB Cost and Net OPEB Obligation* – The annual cost (expense) of the County’s OPEB Plan is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the County’s annual OPEB Plan cost for the year, the amount actually contributed by the employers, and the changes in the net OPEB Plan obligation.

Annual required contribution	\$ 1,300,000
Interest on net OPEB obligation	-
Adjustment to ARC	<u>-</u>
Annual OPEB cost (expense)	1,300,000
OPEB plan payments:	
Pay-as-you-go financing	1,147,791
Contribution of assets to OPEB Trust	<u>152,209</u>
Subtotal OPEB payments	<u>(1,300,000)</u>
Increase in net OPEB obligation	-
Net OPEB obligation - beginning of year	<u>-</u>
Net OPEB obligation - end of year	<u><u>\$ -</u></u>

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*Funding Status and Funding Progress* – The OPEB payments made for the 2009 fiscal year were 100% of the annual OPEB cost. As of the actuarial valuation report dated October 1, 2008, the actuarial value of assets was \$441,000, the actuarial accrued liability for benefits was \$13.832 million, the unfunded actuarial accrued liability (UAAL) was \$13.391 million, and the funded ratio was 3.2%.

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

*Actuarial Methods and Assumptions* – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employers and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial methods are:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of projected payroll
Amortization period (open)	30 years
Asset valuation method	Fair Value

The actuarial assumptions are:

Investment rate of return	8.0%
Projected annual salaries increase	3.5%
Inflation Rate	2.5%
Mortality	RP-2000 Table, gender-specific basis
Healthcare cost trend rate	11.0% initial year reduced 0.5% each year until reaching ultimate trend rate of 5.0%

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**C. Accrued Compensated Absences**

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

	<b>Vacation Accrual Maximum</b>	<b>Vacation Termination Pay Maximum</b>	<b>Sick Leave Accrual Maximum</b>
<b>Board of County Commissioners</b>			
40 hours/week employees	280 hours	280 hours	No Maximum
56 hours/week employees	392 hours	392 hours	No Maximum
<b>Clerk of the Circuit Court</b>	280 hours	240 hours	1040
<b>Property Appraiser</b>	280 hours	240 hours	No Maximum
<b>Tax Collector</b>	No Maximum	No Maximum	No Maximum
<b>Supervisor of Elections</b>	280 hours	280 hours	No Maximum
<b>Sheriff</b>	280 hours	280 hours	No Maximum

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

The County records a liability for compensated absences of \$13,659,898 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.

**D. Deferred Compensation Plan**

The County offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The County complied with the requirements of subsection (g) of IRC Section 457 and, 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 \$16,500 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.

**E. Component Units Employment**

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

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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

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

**A. Risk Management Claims and Losses**

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

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

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

The estimated liability for self-insured losses is based on reported claims, historical loss data, industry statistics for claims incurred but not reported, and a valuation performed by an independent actuary as of August 31, 2009 projecting to September 30, 2009, and the prior year as of July 31, 2008 projecting to September 30, 2008:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims & Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2008	\$ 6,090,543	\$ 1,060,093	\$ (803,279)	\$ 6,347,357
2009	6,347,357	800,213	(774,656)	6,372,914

For fiscal year 2009 the margin for the risk of adverse deviation was accrued at a 75% confidence level. For fiscal year 2009 ending unrestricted net assets are \$3,016,692 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. The County's Actuary determined a portion of the claims liability that would be expected to be paid within one year and the accompanying financial statements reflect that by showing a current and a long-term liability.

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

**B. Conventionally Insured Claims and Losses**

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

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

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**C. Employee Group Health Insurance**

The County provides group health insurance for its employees, their eligible dependents and eligible retirees. On October 1, 2005, the County established an employee group health self-insurance plan to account for and finance its uninsured risks of loss. The County entered into an administrative services agreement with a commercial insurance carrier to provide administrative support for this plan. Under this plan, the County purchases stop-loss insurance with the individual deductible per 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 and to fund the retiree other post employee benefit. The employee group health insurance plan net assets were \$6,346,915 at September 30, 2009.

The claims liability reported in the fund at September 30, 2009 for the employee group health insurance plan was \$806,010. 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 that the amount of the loss can be reasonably estimated. These claims liability amounts are all considered to be due within one year and are classified as current liabilities in the accompanying financial statements. During fiscal year 2009, changes recorded to the claims liability for the employee group health insurance plan were as follows:

<b>Fiscal Year</b>	<b>Claims Liability, Beginning of Fiscal Year</b>	<b>Current Year Claims &amp; Changes in Estimates</b>	<b>Claim Payments</b>	<b>Claims Liability, End of Fiscal Year</b>
2008	\$ 887,000	\$ 13,153,420	\$ (13,172,033)	\$ 868,387
2009	868,387	14,402,982	(14,465,359)	806,010

**D. Sheriff's Risk Management**

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

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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**NOTE 11 - INDIRECT COSTS**

The County's indirect costs consist of allowable administrative costs allocated to the Enterprise Funds, Internal Service Funds, various Federal and State Grants, and Special Revenue Funds. The County's indirect cost plan is developed annually based on the prior year's actual expenditures. Some adjustments are required due to specific Federal grant allowances or other legal limitations. For the fiscal year ended September 30, 2009, the following was charged:

<b>INDIRECT COST</b>			
<b>CHARGED</b>		<b>FUND</b>	<b>PROJECT NAME</b>
		<b>Governmental Funds</b>	
\$ 4,700		General Fund	Foster Grandparents
60,477		CHOICES	CHOICES
267,039		MSTU-Unincorporated services	MSTU-Unincorporated Services
495,930		MSTU-Fire protection services	MSTU-Fire protection Services
5,800		Emergency services	DCA Emergency Management
92,986		MSBU	Refuse Collection
14,308		Drug & law enforcement	HRS Metamorphosis
45,111		Environmental	Hazardous Materials Code
7,593		Environmental	FDEP Tank Inspection
15,920		Environmental	FDEP Petroleum Cleanup
3,300		Community services	Retired & Senior Volunteer Program
114,906		Tourism	Tourist Development
<u>1,128,070</u>		<b>Subtotal-Governmental Funds</b>	
		<b>Enterprise Funds</b>	
218,166		Solid Waste	Solid Waste System
190,954		Solid Waste	Waste Management
53,192		Solid Waste	Collection Centers
209,745		Solid Waste	Waste Management Assessment
<u>672,057</u>		<b>Subtotal Enterprise Funds</b>	
		<b>Internal Service Funds</b>	
235,367		Self Insurance	Self Insurance Fund
151,784		Fleet Management	Fleet Management Fund
121,550		Telephone Services	Telephone Services
<u>508,701</u>		<b>Subtotal Internal Service Funds</b>	
<u>\$ 2,308,828</u>		<b>Total Indirect Cost</b>	

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

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

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

**A. Excess of Expenditures over Appropriations**

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

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

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

**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, 2009, under cancelable leases are summarized as follows:

<u>Fund Charged</u>	<u>Amount</u>
General Fund	\$ 888,829
Special Revenue Funds	197,427
Capital Projects	300
Enterprise Fund	30,675
Internal Service Funds	4,629
	<u>\$ 1,121,860</u>

(c) The Tax Collector is leasing various equipment under renewable annual operating leases. During the year ended September 30, 2009, the lease payments on all operating leases were \$19,684. In addition, the Tax Collector is leasing various data transport services for network and voice connectivity to their remote locations. During the year ended September 30, 2009, the lease payments on all data transport service leases were \$15,156. 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, 2009, lease payments for office space totaled \$148,777.

Future minimum lease payments for noncancellable operating leases for the Tax Collector as of September 30, 2009, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2010	\$ 178,100
2011	180,886
2012	176,568
<b>Total</b>	<u>\$ 535,554</u>

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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(d) The Sheriff is leasing equipment and office space under leases, which are cancelable under certain circumstances. During the fiscal year ended September 30, 2009, the lease payments on all operating leases amounted to approximately \$383,858.

(e) The Property Appraiser has approximately \$30,000 in future commitments for aerial maps. Approximately \$40,000 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 2009:**

	<u>Lease Amount</u>
SP Recycling leases a building for \$85,233 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 is \$1,132,087, with an accumulated depreciation of \$290,123, resulting in a carrying value of \$841,964.	<u>\$ 85,233</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 \$11,518, in monthly installments due at the first of each month.	<u>11,518</u>
Phil-Nick's Restaurant leases a space in the commercial building at 37 N Main St, approximately 2,187 square feet, with rental payments of \$9 per square foot plus applicable taxes. Payment is due no later than the first of each month. The cost of the leased space is \$228,663, with \$153,224 accumulated depreciation resulting in a \$81,035 carrying value.	<u>19,683</u>
The licensee leased 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 is \$5,596. Lease agreement terminated December 2009.	<u>700</u>
<b>TOTAL OPERATING LEASES</b>	<u><u>\$ 117,134</u></u>

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

<u>Fiscal year ending</u> <u>September 30</u>	<u>Lease</u> <u>Receivable</u>
2010	\$ 129,023
2011	19,683
2012	19,683
2013	19,683
2014	19,683
<b>TOTAL</b>	<u><u>\$ 207,755</u></u>

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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

(5) Other significant outstanding contracts at September 30, 2009, are as follows:

<u>Amount</u>	<u>Vendor</u>	<u>Description</u>
\$ 110,649	C Zornes Builders Inc	Construction of SE 35th St Park restroom and shelter
103,520	Causseaux, Hewett & Walpole Inc	Design of Tower Road intersection improvements
106,180	Davis Monk & Company	External Auditors
349,570	Hall-Mark Fire Apparatus Inc	Purchase Fire Truck
121,043	HDR Engineering Inc	Resurfacing plans for NW 23rd Ave & NW 16th Ave
388,755	Highland Tractor Co	Purchase John Deere 744K Front End Loader
633,549	HNTB Inc	Corridor study & design for 62nd Blvd 4 lane connection
497,502	HNTB Inc	Construction plans for SW 61st St/SW 24th Ave Intersection
730,000	Montgomery Technology Systems LLC	Design & Install Jail Security Camera System
215,000	Musco Sports Lighting LLC	Jonesville Park Lighting Project
128,396	Neighborhood Housing	SHIP single family housing program for low incomes
2,133,360	PPI Construction Management Inc	Jonesville Park Construction
445,169	Wheeled Coach Industries Inc	Purchase of Ambulances

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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**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, 2009, the County's financial statements are subject to single audits as required by OMB Circular A-133 and the Florida Single Audit Act. It is the opinion of management that no material liabilities will result from such audits.

(3) Pending Litigation

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

(4) Post employment benefits are discussed in Note 9.B.

(5) Solid Waste System

The County owns four closed landfills including the Southwest Landfill. If contamination levels were to increase in these landfills, the County could be liable for remediation actions. The remediation costs could range between \$0 and \$3 million depending on the severity of contamination detected and the number of landfill site(s) contaminated. In the worst-case scenario, remediation costs would not be incurred until after 2009.

**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.

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Taxes	\$ 91,893,291	\$ 91,893,291	\$ 92,781,474	\$ 888,183
Permits and fees	299,440	299,440	-	(299,440)
Intergovernmental	4,828,715	4,859,223	4,861,047	1,824
Charges for services	9,525,370	9,525,370	8,908,311	(617,059)
Fines and forfeitures	25,713	25,713	10,915	(14,798)
Investment income	50,000	50,000	187,860	137,860
Miscellaneous	2,370,087	2,370,087	3,927,568	1,557,481
Total revenue	<u>108,992,616</u>	<u>109,023,124</u>	<u>110,677,175</u>	<u>1,654,051</u>
<b>EXPENDITURES</b>				
Current:				
General government	24,512,447	24,974,822	22,705,851	2,268,971
Public safety	18,021,071	20,024,998	19,089,466	935,532
Physical environment	1,960,953	2,054,484	1,802,899	251,585
Transportation	-	97,748	58,940	38,808
Economic environment	1,483,260	1,549,512	1,368,550	180,962
Human services	11,900,777	12,222,461	11,085,033	1,137,428
Culture and recreation	754,812	882,673	725,744	156,929
Court cost	8,120,262	8,335,800	7,898,619	437,181
Reserve for contingency	6,004,333	2,195,717	-	2,195,717
Total expenditures	<u>72,757,915</u>	<u>72,338,215</u>	<u>64,735,102</u>	<u>7,603,113</u>
Excess of revenues over expenditures	<u>36,234,701</u>	<u>36,684,909</u>	<u>45,942,073</u>	<u>9,257,164</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,341,211	9,684,000	8,229,221	(1,454,779)
Transfers out	(62,701,975)	(63,403,739)	(62,820,198)	583,541
Sale of capital assets	18,000	18,000	9,369	(8,631)
Total other financing sources and (uses)	<u>(52,342,764)</u>	<u>(53,701,739)</u>	<u>(54,581,608)</u>	<u>(879,869)</u>
Net change in fund balances	(16,108,063)	(17,016,830)	(8,639,535)	8,377,295
Fund balances - beginning	<u>16,108,063</u>	<u>17,016,830</u>	<u>18,595,763</u>	<u>1,578,933</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,956,228</u>	<u>\$ 9,956,228</u>

ALACHUA COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CHOICES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Taxes	\$ 9,822,273	\$ 9,822,273	\$ 8,354,644	\$ (1,467,629)
Investment income	-	-	572,506	572,506
Miscellaneous	-	-	21,307	21,307
Total revenue	<u>9,822,273</u>	<u>9,822,273</u>	<u>8,948,457</u>	<u>(873,816)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	9,822,273	9,831,861	5,346,689	4,485,172
Reserve for contingency	-	35,731,906	-	35,731,906
Total expenditures	<u>9,822,273</u>	<u>45,563,767</u>	<u>5,346,689</u>	<u>40,217,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(35,741,494)</u>	<u>3,601,768</u>	<u>39,343,262</u>
Fund balances - beginning	-	35,741,494	36,906,102	1,164,608
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,507,870</u>	<u>\$ 40,507,870</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, 2009

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET - POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 3,790,703	\$ 3,790,703	\$ 3,744,282	\$ (46,421)
Permits and fees	176,000	176,000	89,684	(86,316)
Intergovernmental	1,016,500	1,016,500	967,725	(48,775)
Charges for services	141,042	141,042	147,187	6,145
Investment income	77,000	77,000	17,450	(59,550)
Miscellaneous	-	-	73,418	73,418
Total revenues	<u>5,201,245</u>	<u>5,201,245</u>	<u>5,039,746</u>	<u>(161,499)</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,474,620	1,474,620	1,281,689	192,931
Public safety	449,810	431,094	406,645	24,449
Physical environment	546,292	702,288	484,824	217,464
Transportation	785,492	914,153	773,021	141,132
Economic environment	1,041,003	961,662	880,487	81,175
Culture and recreation	1,049,800	1,057,469	830,852	226,617
Reserve for contingency	433,574	134,764	-	134,764
Total expenditures	<u>5,780,591</u>	<u>5,676,050</u>	<u>4,657,518</u>	<u>1,018,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(579,346)</u>	<u>(474,805)</u>	<u>382,228</u>	<u>857,033</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	323,144	294,724	306,238	11,514
Transfers out	<u>(412,000)</u>	<u>(562,000)</u>	<u>(562,000)</u>	<u>-</u>
Total other financing sources and (uses)	<u>(88,856)</u>	<u>(267,276)</u>	<u>(255,762)</u>	<u>11,514</u>
Net change in fund balances	(668,202)	(742,081)	126,466	868,547
Fund balances - beginning	<u>668,202</u>	<u>742,081</u>	<u>853,690</u>	<u>111,609</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 980,156</u>	<u>\$ 980,156</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, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Taxes	\$ 15,339,879	\$ 15,339,879	\$ 15,369,949	\$ 30,070
Permits and fees	-	-	22	22
Investment income	152,000	152,000	30,379	(121,621)
Miscellaneous	-	-	293,599	293,599
Total revenues	<u>15,491,879</u>	<u>15,491,879</u>	<u>15,693,949</u>	<u>202,070</u>
<b>EXPENDITURES</b>				
Current: General government	196,163	196,163	185,005	11,158
Public safety	147,888	147,888	147,888	-
Reserve for contingency	653,915	653,915	-	653,915
Total expenditures	<u>997,966</u>	<u>997,966</u>	<u>332,893</u>	<u>665,073</u>
Excess of revenues over expenditures	<u>14,493,913</u>	<u>14,493,913</u>	<u>15,361,056</u>	<u>867,143</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,303,898	1,303,898	1,444,820	140,922
Transfers out	(16,384,961)	(16,384,961)	(16,287,048)	97,913
Total other financing sources and (uses)	<u>(15,081,063)</u>	<u>(15,081,063)</u>	<u>(14,842,228)</u>	<u>238,835</u>
Net change in fund balances	(587,150)	(587,150)	518,828	1,105,978
Fund balances - beginning	<u>587,150</u>	<u>587,150</u>	<u>543,778</u>	<u>(43,372)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,062,606</u>	<u>\$ 1,062,606</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, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Taxes	\$ 11,266,695	\$ 11,266,695	\$ 10,984,282	\$ (282,413)
Permits and fees	-	-	3,078	3,078
Intergovernmental	15,100	15,100	34,694	19,594
Charges for services	1,129,682	1,129,682	759,191	(370,491)
Investment income	70,000	70,000	20,198	(49,802)
Miscellaneous	-	-	229,727	229,727
Total revenues	<u>12,481,477</u>	<u>12,481,477</u>	<u>12,031,170</u>	<u>(450,307)</u>
<b>EXPENDITURES</b>				
Current: General government	643,577	643,577	626,247	17,330
Public safety	12,589,174	12,528,730	11,425,996	1,102,734
Reserve for contingency	898,473	870,973	-	870,973
Total expenditures	<u>14,131,224</u>	<u>14,043,280</u>	<u>12,052,243</u>	<u>1,991,037</u>
Excess of revenues over expenditures	<u>(1,649,747)</u>	<u>(1,561,803)</u>	<u>(21,073)</u>	<u>1,540,730</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	903,947	903,947	976,209	72,262
Transfers out	(562,402)	(675,006)	(675,006)	-
Total other financing sources and (uses)	<u>341,545</u>	<u>228,941</u>	<u>301,203</u>	<u>72,262</u>
Net change in fund balances	(1,308,202)	(1,332,862)	280,130	1,612,992
Fund balance - beginning	<u>1,308,202</u>	<u>1,332,862</u>	<u>905,860</u>	<u>(427,002)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,185,990</u>	<u>\$ 1,185,990</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, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Taxes	\$ 4,053,161	\$ 4,053,161	\$ 3,726,918	\$ (326,243)
Intergovernmental	50,000	50,000	237,291	187,291
Charges for services	287,050	287,050	1,932,816	1,645,766
Investment income	-	100	309	209
Miscellaneous	415,000	415,000	44,671	(370,329)
Total revenues	<u>4,805,211</u>	<u>4,805,311</u>	<u>5,942,005</u>	<u>1,136,694</u>
<b>EXPENDITURES</b>				
Current:				
Physical environment	137,600	137,600	115,400	22,200
Transportation	10,367,616	11,139,053	9,999,887	1,139,166
Reserve for contingency	847,134	1,967,529	-	1,967,529
Total expenditures	<u>11,352,350</u>	<u>13,244,182</u>	<u>10,115,287</u>	<u>3,128,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,547,139)</u>	<u>(8,438,871)</u>	<u>(4,173,282)</u>	<u>4,265,589</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,997,139	5,195,252	5,648,336	453,084
Sale of capital assets	50,000	50,000	200	(49,800)
Total other financing sources and (uses)	<u>4,047,139</u>	<u>5,245,252</u>	<u>5,648,536</u>	<u>403,284</u>
Net change in fund balances	(2,500,000)	(3,193,619)	1,475,254	4,668,873
Fund balances - beginning	<u>2,500,000</u>	<u>3,193,619</u>	<u>1,816,418</u>	<u>(1,377,201)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,291,672</u>	<u>\$ 3,291,672</u>

ALACHUA COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
SHERIFF  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Public safety	64,008,115	64,686,667	63,973,544	713,123
Court cost	2,766,078	2,799,644	2,791,821	7,823
Total expenditures	66,774,193	67,486,311	66,765,365	720,946
Excess (deficiency) of revenues over (under) expenditures	(66,774,193)	(67,486,311)	(66,765,365)	720,946
OTHER FINANCING SOURCES (USES)				
Transfers in	66,774,193	67,416,630	67,416,630	-
Transfers out	-	(635)	(725,627)	(724,992)
Sale of capital assets	-	70,316	70,316	-
Total other financing sources and (uses)	66,774,193	67,486,311	66,761,319	(724,992)
Net change in fund balances	-	-	(4,046)	(4,046)
Fund balances - beginning	-	-	187,274	187,274
Fund balances - ending	\$ -	\$ -	\$ 183,228	\$ 183,228

**ALACHUA COUNTY BOARD OF COUNTY COMMISSIONERS  
 REQUIRED SUPPLEMENTAL INFORMATION  
 OTHER POST EMPLOYMENT BENEFITS (OPEB)  
 SEPTEMBER 30, 2009**

See Note 9.B. starting on page 76 for detailed information on the County's OPEB Plan

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)- Unit Cost (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Total Annual Payroll at Valuation Date (C)	UAAL as % of Covered Payroll (B-A)/C
10/1/2008	\$ 441,000	13,832,000	\$ 13,391,000	3.2%	\$93,336,205	14.3%
10/1/2007	-	\$ 12,086,000	\$ 12,086,000	0.0%	92,412,084	13.1%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Valuation Date	End of Plan Year to which Valuation Applies	Actual Covered Payroll for Current Period (A)	Required Employer Contribution Amount (B)	Required Employer Contribution % Payroll (B/A)	Actual Employer Contributions	Percentage Contributed
10/1/2008	9/30/2009	\$ 99,384,850	\$ 1,300,000	1.31%	\$ 1,300,000	100%
10/1/2007	9/30/2008	\$ 98,890,398	\$ 1,218,000	1.23%	\$ 1,218,000	100%

Note: The County has elected to implement GASB Statement #45 prospectively and only has two years of data. Information for the preceding valuations are not available.

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**ADDITIONAL ELEMENTS OF REPORTS PREPARED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED  
STATES, THE PROVISIONS OF OFFICE OF MANAGEMENT AND  
BUDGET(OMB) CIRCULAR A-133 AND THE *RULES OF THE*  
*AUDITOR GENERAL OF THE STATE OF FLORIDA***

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ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	TRANSFERS TO SUBRECIPIENTS
<u>DEPARTMENT OF COMMERCE</u>				
<i>Passed through Florida Division of Emergency Management</i>				
Public Safety Interoperable Communications 09-DS-31-03-11-01-239	11.555	\$879,536	\$879,536	\$395,967
<u>U.S. DEPT OF HOUSING &amp; URBAN DEVELOPMENT</u>				
<i>Passed through Florida Department of Community Affairs</i>				
Community Development Block Grant Contract # 09DB-4N-03-11-01-H19	14.228	23,025	23,025	
<i>Direct Programs</i>				
HUD Economic Development Grant Project # B-05-SP-FL-0423	14.251	1,000	1,000	
<u>U.S. DEPT OF THE INTERIOR</u>				
<i>Direct Program</i>				
N. American Wetlands Conservation Act grant Agreement # FL-N101D, Modification 1	15.623	1,000,000	1,000,000	
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Direct Program</i>				
Equitable Sharing	16.000	64,921	64,921	
<i>Passed through Florida Office of the Attorney General</i>				
Victims of Crime Act (VOCA) Grant # V8130	16.575	122,100		
Victims of Crime Act (VOCA) ID# V8078	16.575	<u>88,468</u>	210,568	
<i>Passed through Florida Department of Children and Families</i>				
Invest-FCADV Domestic Violence Training ID #: LN902	16.588	8,778		
Invest - Domestic Violence Deputy ID #: LN953	ARRA-16.588	<u>25,046</u>	33,824	
<i>Direct Programs</i>				
SCAAP - State Criminal Alien Assistance Program Award # 2008-AP-BX-1291	16.606	30,508		
SCAAP - State Criminal Alien Assistance Program Award # 2009-AP-BX-0509	16.606	<u>54,489</u>	84,997	
Bulletproof Vest Partnership ID #: 2009-BOBX-08043012	16.607	635	635	

ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	TRANSFERS TO SUBRECIPIENTS
<i>Passed through Florida Department of Law Enforcement</i>				
PSN Anti-Gang Initiative ID#: 2008-PNAG-ALAC-1-R4-003	16.609	4,655		
PSN Anti-Firearms & Violence Project ID #: 2009-PSNN-ALAC-1-V9-002	16.609	<u>13,814</u>	18,469	
Byrne Formula Grant Program				
Project Administration Grant # 2009-JAGC-ALAC-4-T7-131	16.738	5,890		
Problem Oriented Policing Grant # 2009-JAGC-ALAC-3- T7-138	16.738	28,016		
<i>Direct Program</i>				
COMSTAT Tactical Unit Grant # 2008-DJ-BX-0068	16.738	<u>31,715</u>	65,621	
<i>Passed through City of Gainesville</i>				
Internet Crimes Against Children ID #: 2009-SN-B9-K015	ARRA-16.800	20,677	20,677	
<u>US DEPARTMENT OF LABOR</u>				
<i>Direct Program</i>				
Homeless Veterans Reintegration Project Award # HV-18001-08-60-5-12	17.805	9,964	9,964	
<u>DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed through Florida Department of Transportation</i>				
07 SAFETEA-LU Federal Project ID # S124002R Local Agency Program No. AOQ36 Financial Project Numbers: 211365-28 & 211365-38	20.205	799,734	799,734	
2007 USC Section 5311 Program Financial Project No. 41149718408 Joint Participation Agreement No. AOZ02	20.509	198,580	198,580	
<u>GENERAL SERVICES ADMINISTRATION</u>				
<i>Passed through Florida Department of State, Division of Elections</i>				
Voter Education, FY03/04 & FY04/05 ID# N/A	39.011	17,535		
Voter Education, FY05/06 ID# N/A	39.011	<u>16,417</u>	33,952	

ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	TRANSFERS TO SUBRECIPIENTS
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
<i>Passed through Florida Department of Environmental Protection</i>				
FDEP Watershed Monitoring Program DEP Agreement # G0252, Amendment 2	66.419	9,450	9,450	
<i>Direct Program</i>				
US EPA Cabot Koppers Grant Cooperative Agreement # V-97468702-2	66.802	52,296	52,296	
<u>U.S. ELECTION ASSISTANCE COMMISSION (EAC)</u>				
<i>Passed through Florida Department of State, Division of Elections</i>				
Voter Education FY06/07 ID# N/A	90.401	6,759	6,759	
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through the Florida Department of Revenue</i>				
Child Support Enforcement Title 4D ID# N/A	93.563	271,173	271,173	
<i>Passed through Partnership for Strong Families, Inc.</i>				
Juvenile Dependency Mediation Program Contract # PNP814	93.566	19,025	19,025	
<i>Passed through the Florida Department of Children and Families</i>				
Metamorphosis FY09/10 Contract No. CD903	93.959	45,980	<1	
Metamorphosis FY08/09 Contract No. CD603	93.959	<u>154,316</u>	<2	200,296
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
<i>Direct Programs</i>				
Retired and Senior Volunteer Program Agreement # 07SRSFL002, Amendment 4	94.002	59,003	59,003	
Foster Grandparent Program Agreement # 07SFSFL001, Amendment 2	94.011	204,322		
Foster Grandparent Program Agreement # 07SFSFL001	94.011	<u>173,253</u>		377,575
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed through Florida Division of Emergency Management</i>				
Public Assistance - Tropical Storm Fay ID #: 08-PA-B9-03-11-13-685	97.036	14,748		

ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	TRANSFERS TO SUBRECIPIENTS
Public Assistance - Tropical Storm Fay ID #: 09-PA-B9-03-11-13-563	97.036	203,847		
Public Assistance - Hurricane Jeane ID #: 05-PA-E-03-11-01-038	97.036	<u>21,395</u>	239,990	
Hazard Mitigation Grant (FEMA) ID# 08HM-1G-03-11-01-002	97.039	1,519		
Hazard Mitigation Grant 2008 (FEMA) ID# 08HM-3G-03-11-02-024	97.039	<u>1,312</u>	2,831	
Emergency Management Base FY08 09-BG-20-03-11-01-228	97.042	26,462		
Emergency Management Base FY09 - Supplemental 09-BG-20-03-11-01-227	97.042	<u>13,966</u>	40,428	
Community Emergency Response Team - CERT Contract # 09-CI-49-03-11-01-351	97.067	6,495		
Homeland Security Grant FY08 ID# 08DS-60-03-11-01-235	97.067	45,630		
Homeland Security Gr SFY09 Contract # 09DS-51-03-11-01-305	97.067	8,092		
<i>Passed through Florida Department of Law Enforcement</i>				
SHS-Issue 20 ID# 2008-SHSP-ALAC-2-S4-019	97.067	73,679		
SHS-Issue 8 ID# 2008-SHSP-ALAC-1-S4-025	97.067	8,000		
SHSP-Issue 807B ID# 2009-SHSP-ALAC-3-V3-033	97.067	113,161		
SHSP Issue 806A ID# 2009-SHSP-ALAC-1-V3-031	97.067	156,705		
SHSP Issue 813 2009-SHSP-ALAC-2-V3-032	97.067	76,766	488,528	
North Florida HIDTA Alachua & Columbia Count Initiative	UNKNOWN	47,911	47,911	
<b>TOTAL OF FEDERAL FINANCIAL ASSISTANCE</b>		<u>\$5,260,768</u>	<u>\$5,260,768</u>	<u>\$395,967</u>

ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	TRANSFERS TO SUBRECIPIENTS
<u>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
<i>Direct Programs</i>				
Hazardous Waste Cooperative Collection Centers ID# S0412 - Lafayette County	37.007	\$13,500	\$ -	\$ -
ID# S0411 - Gilchrist County		20,000		
ID# S0410 - Dixie County		16,000		
ID# S0416 - Baker County		13,423		
ID# S0414 - Union County		13,219		
ID# S0415 - Nassau County		20,000		
ID# S0413 - Bradford County		14,026		
ID# S0409 - Columbia County		21,000	131,168	
FDEP SQG Program Grant ID# S0359	37.013	5,249	5,249	
FRDAP SE 35th Street Park, Phase 2 DEP Agreement # F08117	37.017	184,851		
FRDAP SE 35th Street Park, Phase 1 DEP Agreement # F07199	37.017	171,810		
FRDAP FY07 Jonesville Park ID# F8118	37.017	32,835	389,496	
Cat 1-Mgmt Svcs, Tasks # 8 ID # GC620	37.024	221,157		
Cat 1-Mgmt Svcs, Tasks # 9 ID # GC620	37.024	56,238	277,395	
<u>FLORIDA DEPARTMENT OF LEGAL AFFAIRS AND ATTORNEY GENERAL</u>				
<i>Passed through Florida Council Against Sexual Violence</i>				
Fl Council Against Sexual Violence Subcontract# 08OAG17	41.010	6,851		
Fl Council Against Sexual Violence Subcontract# 09OAG17	41.010	5,068	11,919	
<u>FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS</u>				
<i>Direct Programs</i>				
Alachua County Forever Contract # 08-CT-C1-07-F7-A1-114 FCT Award # 07-114-FF7	52.002	2,926,684	2,926,684	
DCA Emergency Management Base Contract # 09-BG-03-03-11-01-228	52.008	101,573	101,573	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>				

ALACHUA COUNTY, FLORIDA  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

PROGRAM TITLE	NUMBER	EXPENDITURES	PROGRAM TOTAL	TRANSFERS TO SUBRECIPIENTS
<i>Direct Program</i>				
SHIP - State Housing Initiatives Partnership ID # None	52.901	1,670,712	1,670,712	362,905
<b><u>FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES</u></b>				
<i>Direct Program</i>				
Metamorphosis FY09/10 ID# CD903	60.033	32,056		
Metamorphosis FY08/09 ID# CD603	60.033	<u>96,168</u>	128,224	
Criminal Justice, Mental Health, and Substance Abuse ID: MOU # LHZ09	60.115	333,000	333,000	333,000
<b><u>FLORIDA DEPARTMENT OF HEALTH</u></b>				
<i>Direct Program</i>				
EMS Trust FY09 ID#C8001	64.005	113,039	113,039	
<i>Passed through Florida Council Against Sexual Violence</i>				
Rape Crisis Services Subcontract# 07RCP17	64.061	43,234	43,234	
<b><u>DEPARTMENT OF MANAGEMENT SERVICES</u></b>				
<i>Direct Program</i>				
E911 State Grant Program Grant #: S-08-04-1	72.002	180,684	180,684	
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<u>\$6,312,377</u>	<u>\$6,312,377</u>	<u>\$695,905</u>

Notes:

- <1 Includes program income of \$3,850
- <2 Includes program income of \$25,721

Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the Federal award activity of the Alachua County Board of County Commissioners and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 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.



## **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, 2009, and have issued our report thereon dated March 1, 2010. 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 deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

*Carr, Rigger & Ingram LLC*

March 1, 2010  
Gainesville, Florida



## **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 major state projects for the year ended September 30, 2009. The County's major federal programs and major state projects are identified in the summary of auditors' 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 major state projects 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 each of its major state projects for the year ended September 30, 2009.

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.

*Carl Riggs & Ingram LLC*

March 1, 2010  
Gainesville, Florida

**Schedule of Findings and Questioned Costs  
Year Ended September 30, 2009  
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 projects.
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 projects.
7. The programs/projects tested as major are as follows:

<u>Federal Programs</u>	<u>CFDA Number</u>
Public Safety Interoperable Communications	11.555
North American Wetlands Conservation Fund	15.623
Foster Grandparents Program	94.011
Homeland Security Grant Program	97.067

<u>State Projects</u>	<u>CSFA Number</u>
Florida Recreation Development Assistance Program	37.017
Florida Forever Act	52.002
Public Safety, Mental Health & Substance Abuse - Local Matching Grant	60.115

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

## 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, 2009, and have issued our report thereon dated March 1, 2010. 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(7). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the County's annual financial report for the fiscal year ended September 30, 2008, 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, 2009.

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.

*Car, Riggs & Ingram LLC*

March 1, 2010  
Gainesville, Florida



# Alachua County Board of County Commissioners

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

**Administration**  
Randall H. Reid  
*County Manager*

March 9, 2010

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

Dear Mr. Martin:

This letter is in response to the Independent Auditors' management letter to the Board of County Commissioners of Alachua County for the year ending September 30, 2009. We are happy to report that, for the eighteenth year in a row, the Auditors found no significant deficiencies.

Thank you for your attention.

Sincerely,

Cynthia Moore Chestnut, Chair  
Alachua County Commission  
chr10.071

and

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

CMC/LKS/jt

cc: Board of County Commissioners  
Randall H. Reid, County Manager  
Dave Wagner, County Attorney  
Department File

