



Single Audit Report

2013

Alachua County,
Florida

For the Fiscal Year Ended September 30, 2013

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ALACHUA COUNTY, FLORIDA
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013

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, 2013
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**INDEPENDENT AUDITOR'S REPORT
FOR
COMPREHENSIVE ANNUAL FINANCIAL REPORT
ALACHUA COUNTY, FLORIDA**

September 30, 2013



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Alachua County, Florida (the "County"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County, as of September 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 13c to the financial statements, the County implemented the provisions of GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of federal and state financial assistance, as required by 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. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
March 25, 2014

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2013. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the Transmittal Letter, which precedes Management's Discussion and Analysis.

Financial Highlights

Government-wide Statements

- Alachua County's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at September 30, 2013 by \$573.8 million (net position). Of this amount, \$38.8 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position of \$573.8 million is comprised of the following:
 - 1) Net investment in capital assets of \$453.9 includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of those capital assets.
 - 2) \$81.1 million of net position are restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations.
 - 3) \$27.7 million of unrestricted governmental net position and \$11.1 million of unrestricted business-type net position represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's total net position decreased \$13.9 million over the previous year with a decrease of \$15.3 from governmental activities and an increase of \$1.4 million from business activities. This decrease in total net position is primarily due to spend down of the Choices program.

Fund Statements

- At September 30, 2013, the County's governmental funds reported combined ending unassigned fund balances of \$10.7 million and total fund balances of \$112.1 million. Total fund balances had a decrease of \$27.7 million from the prior fiscal year.
- At September 30, 2013, unassigned fund balance for the General Fund was \$11.0 million or 9.44% of General Fund operating revenue. Assigned fund balance includes \$5.8 million subsequent year's reserve for contingency and \$9.5 million for FY14 appropriated fund balance. General Fund balance decreased by \$1.1 million from the prior fiscal year.
- Governmental funds revenues decreased overall by \$12.48 million or 5.69% from the prior fiscal year. The overall change in governmental funds revenues can primarily be attributed to the following: \$3.6 million decrease in ad-valorem taxes as a result of declining taxable values, \$3.2 million decrease in the CHOICES Indigent Care Surtax which sunset in December 2011, \$3.6 million decrease in intergovernmental revenue for PSIC Federal Grant and \$1.6 million decrease in intergovernmental revenue for State Grant for the Alachua County Forever Program.
- After making regularly scheduled debt service payments for the year, the County had a net decrease in bonded debt of \$5.4 million over the prior fiscal year and notes payable had a net decrease of \$3.6 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's Basic Financial Statements. The County's Basic Financial Statements consist of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other Required Supplementary Information and Supplemental Information in addition to the Basic Financial Statements themselves.

Government-Wide Financial Statements

The Government-wide Financial Statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private sector business and consist of the following two statements:

- The Statement of Net Position presents information on all of the County's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is strengthening or weakening.
- The Statement of Activities presents information showing how the government's net position changed during fiscal year 2013. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned and unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include administration, community services, corrections, courts, culture and recreation, tourist development, emergency services, environmental services, growth management, law enforcement, solid waste collection, and transportation. The business-type activities of the County include the solid waste system and codes enforcement.

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All County funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

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

The County adopts an annual budget for its general, special revenue, debt service and capital projects funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance; major funds budgetary comparison (excluding Debt Service and Capital Project funds) is in the Required Supplementary Information starting on page 91 and for non-major, Debt Service and Capital Project funds in the Supplemental Information section starting on page 107.

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

Proprietary Funds

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

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

The basic proprietary fund financial statements can be found on pages 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 statements can be found on pages 37-38 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 39-89 of this report, with the index to the notes on the first page of that section.

Other Information

Supplemental information in the form of combining statements referred to earlier, present a more detailed view of non-major funds used in governmental and enterprise funds. The sub-funds of the General Fund are presented first, followed by the budget to actual schedules for non-major special revenue funds, the debt service fund and all capital projects funds. Also included are statements for internal service and agency funds as well as component unit information. Combining and individual fund schedules can be found on pages 99-141 of this report. Additional information about the County that may be of interest to the reader is found under the Statistical section on pages 165-193 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$573.8 million at the close of the fiscal year ended September 30, 2013 (see table next page).

At the end of fiscal year 2013, the County is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities.

Current and other assets decreased by 12.9% over the prior year due to spend down of existing fund balance for the Choices program. Net investment in capital assets, less any outstanding debt used to acquire those assets, increased by .5% due to the completion of several road resurfacing projects, the acquisition of land and improvement of parks, and renovations and upgrades of jail facilities.

Alachua County, Florida
Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2012	2013	2012	2013	2012	2013	
Current and other assets	\$192.5	\$165.0	\$19.1	\$19.3	\$211.6	\$184.4	-12.9%
Capital assets	520.2	520.8	9.1	8.8	529.3	529.6	0.1%
Total assets	712.6	685.8	28.3	28.1	740.9	713.9	-3.6%
Deferred Outflows	-	\$1.0	-	-	-	\$1.0	N/A
Current liabilities	41.7	40.2	1.4	1.6	43.1	41.7	-3.2%
Long-term liabilities outstanding	103.2	94.1	6.9	5.2	110.1	99.4	-9.8%
Total liabilities	144.9	134.3	8.4	6.8	153.2	141.1	-7.9%
Net investment in capital assets	442.7	445.1	9.1	8.8	451.8	453.9	0.5%
Net position - restricted	103.3	79.7	1.4	1.4	104.7	81.1	-22.6%
Net position - unrestricted	21.8	27.7	9.4	11.1	31.2	38.8	24.6%
Total net position	\$567.8	\$552.5	\$19.9	\$21.3	\$587.7	\$573.8	-2.4%

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

Current liabilities and long-term liabilities in total decreased from the previous year by 7.9% due primarily to annual debt service principal repayments of \$8.9 million.

Total net position at year end is \$573.8 million. The largest portion of the County's net position (\$453.9 million or 79.1%) reflects its investment in capital assets (e.g., land, infrastructure, buildings and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the County's net position (\$81.1 million or 14.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$38.8 million or 6.8%) may be used to meet the government's ongoing obligations to citizens and creditors.

Restricted net position in the governmental activities and business-type activities had a net decrease of \$23.6 million or 22.6% from 2012 to 2013. This portion of net position represents restrictions from specific revenue sources and grants. Main components of the net decrease include:

- Spend down (decrease) of \$.6 million in restricted assets for Wild Spaces & Public Places
- Net increase of \$3.0 million in restricted assets for debt requirements - bond covenants for bond insurance downgrades and increase in funding requirements on new issues
- Net increase of \$.6 million in restricted assets for tourist development
- Spend down (decrease) of \$17.5 million in restricted assets for CHOICES program
- Decrease of \$1.8 million in restricted assets for road construction reduction bond proceeds
- Decrease of \$2.1million in restricted assets for sales tax bond proceeds

- Decrease of \$3.9 million in restricted assets for jail energy conservation project
- Decrease of \$1.3 in restricted assets for Alachua County Forever

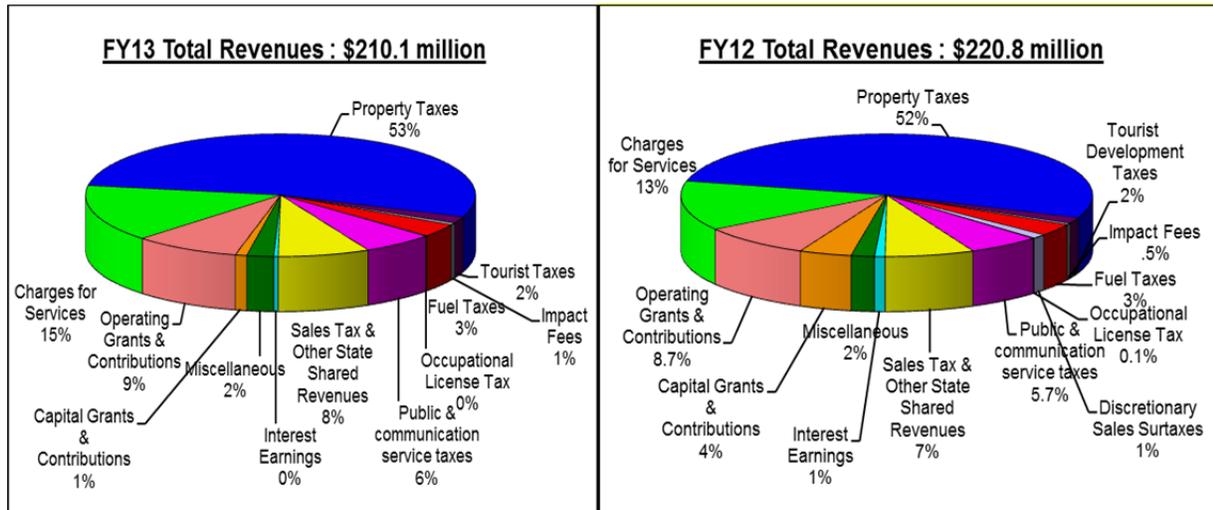
Unrestricted net position in the governmental type activities increased by \$5.9 million, primarily due to management putting tighter spending controls in place and savings were achieved due to reduction in Florida Retirement System required employer contribution.

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

	Governmental Activities		Business-type Activities		Total		Percent Change
	2012	2013	2012	2013	2012	2013	
Revenues:							
Program revenues:							
Charges for services	\$28.8	\$31.5	\$12.4	\$12.6	\$41.3	\$44.0	6.8%
Operating grants and contributions	19.3	18.5	-	-	19.3	18.5	-4.4%
Capital grants and contributions	9.1	2.0	-	-	9.1	2.0	-77.9%
General revenues:							
Property taxes	115.6	112.0	-	-	115.6	112.0	-3.1%
Discretionary sales surtaxes	2.5	-	-	-	2.5	-	-100.0%
Other taxes	23.2	23.5	-	-	23.2	23.5	1.4%
Other	22.3	22.7	0.4	0.4	22.8	23.1	1.4%
Total revenues	220.8	210.1	12.8	13.0	233.7	223.1	-4.5%
Expenses:							
Administration	39.5	43.3	-	-	39.5	43.3	9.5%
Community services	31.2	28.3	-	-	31.2	28.3	-9.3%
Corrections	26.6	28.8	-	-	26.6	28.8	8.1%
Courts	19.7	20.7	-	-	19.7	20.7	5.0%
Culture and recreation	2.3	2.3	-	-	2.3	2.3	-1.8%
Tourist development	3.5	3.1	-	-	3.5	3.1	-12.8%
Emergency services	28.7	30.6	-	-	28.7	30.6	6.6%
Environmental services	2.7	2.9	-	-	2.7	2.9	6.8%
Growth management	4.0	3.8	-	-	4.0	3.8	-5.6%
Law enforcement	34.9	33.0	-	-	34.9	33.0	-5.4%
Solid waste collection	4.7	4.7	-	-	4.7	4.7	1.0%
Transportation	22.2	19.2	-	-	22.2	19.2	-13.5%
Interest on long-term debt	4.0	3.6	-	-	4.0	3.6	-10.2%
Solid waste disposal system	-	-	11.1	10.5	11.1	10.5	-5.4%
Codes enforcement	-	-	1.0	1.1	1.0	1.1	2.0%
Total expenses	223.9	224.1	12.1	11.6	236.1	235.7	-0.2%
Increase (decrease) in net position before transfers	(3.1)	(14.0)	0.7	1.4	(2.4)	(12.6)	
Transfers	(0.1)	(0.0)	0.1	0.0	-	-	
Increase (decrease) in net position	(3.2)	(14.0)	0.8	1.4	(2.4)	(12.6)	
Net Position - Beginning as previously reported	571.0	567.8	19.1	19.9	590.1	587.7	
Change in accounting principle	-	(1.3)	-	-	-	(1.3)	
Net Position-beginning-as restated	571.0	566.5	19.1	19.9	590.1	586.4	
Net Position - Ending	\$ 567.8	\$ 552.5	\$ 19.9	\$ 21.3	\$ 587.7	\$ 573.8	-2.4%

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

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

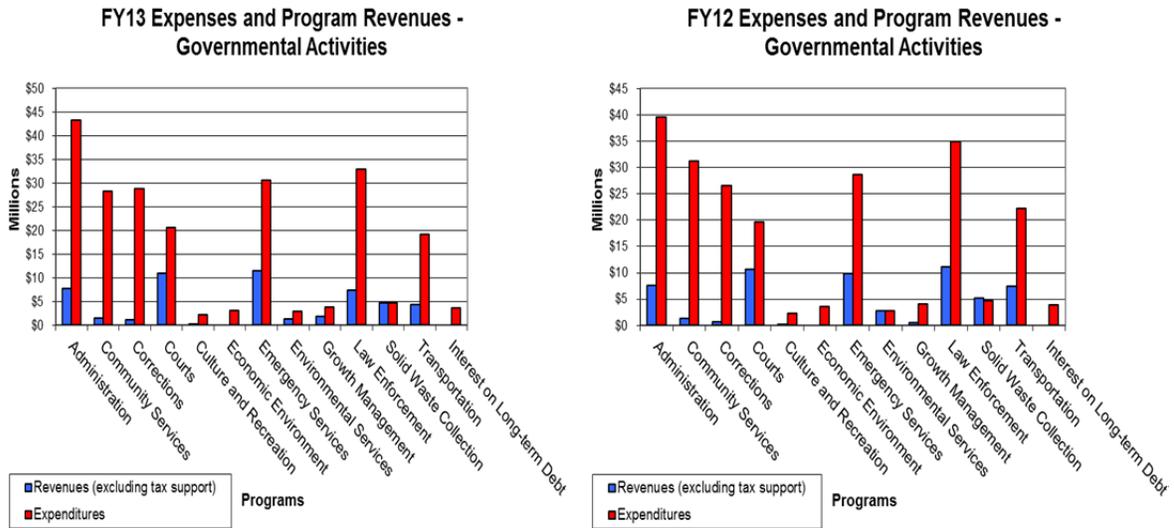


Governmental Activities

The County's total net position decreased \$13.9 million over the previous year with a decrease of \$15.3 from governmental activities and an increase of \$1.4 million from business activities.

Major changes in revenues were caused by the following:

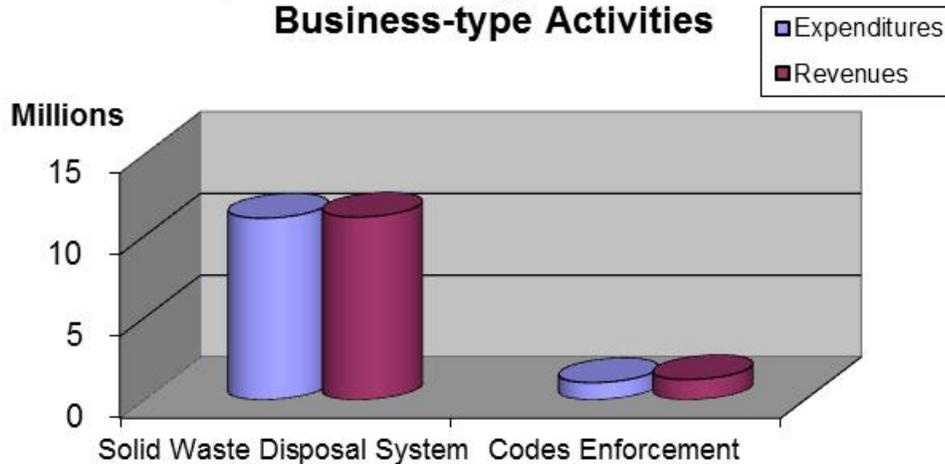
- Charges for Services increased by 6.8% the majority of the increase was due to legislative change that occurred in June 2013 altering the funding mechanism for the Clerk's operations.
- Capital Grants and Contributions decreased overall by 77.9%. During the prior fiscal year, the Alachua County Sheriff's Office received a one-time \$3.7 million dollar federal PSIC Regional grant for purchase of radio communications equipment. Capital asset donations decreased by \$.5 million over the prior fiscal year. Due to current economic environment, construction of new subdivisions has slowed, therefore, the donations of right-of-ways and infrastructure has correspondingly decreased.
- Pursuant to the successful Community Health Offering Innovative Care and Education Services Program (CHOICES) indigent sales tax referendum in August 2004, the County began receiving one-quarter percent additional sales tax in January 2005. The sales tax was approved through December 2011. During fiscal year 2012, the indigent sales surtax generated \$2.5 million in revenue. Due to the sunset of the discretionary sales surtax this represented one quarter of collections in FY2012, therefore, the county received no collections for FY2013.
- Miscellaneous revenue increased by \$.6 million as a result of unanticipated increase in catastrophic loss reimbursements.



Major changes in expenses were caused by the following:

- Law Enforcement expenditures decreased by 5.4% or 1.9 million. During FY2012, Alachua County Sheriff’s Office was awarded a grant for the purchase of interagency radio communications equipment. Pursuant to the grant agreement, the radio equipment was required to be transferred to the intergovernmental agencies outside Alachua County after purchase. As a result, a loss of \$2.5 million dollars was recorded due to the transfer of the equipment.
- Community services expenses decreased by \$2.9 million or 9.3%, because of recognition of a \$5.3 million expense for Medicaid backlog pursuant to HB5301 in FY2012. The Department of Revenue has agreed to spread the remainder of the Medicaid backlog over the next four years; therefore, a long-term liability was recognized in FY2012. This decrease was offset by increased expenses in the CHOICES program due to expansion of covered services to include ambulatory (outpatient care) in January 2009.
- Tourist Development expenses decreased by \$.4 million or 12.8%, because of reduction in the expenses from the prior year for the Board and Tourist Development Counsel agreement to fund debt service in partnership with the City of Newberry for Nations Park.
- Growth management decreased by 5.6% or \$.2 million. During FY2013, the expenses for Neighborhood Stabilization Program were reduced due to wind down and subsequent transfer of houses to Alachua County Housing Authority. This is a HUD program established for stabilizing communities that have suffered foreclosure and abandonment of property.
- Transportation decreased by 13.5% due to the completion of several major road resurfacing and widening projects in the prior fiscal year.
- Administration expenses increased by \$3.8 million or 9.5%. This is a result of increase in internal service fund costs across all categories.

Expenses and Program Revenues - Business-type Activities



Business-type Activities

Business-type activities increased the County's net position by \$1.4 million.

- The Solid Waste Transfer Station went into operation in 1999. The 27,520 square foot Transfer Station is operated by approximately 22 employees and has eight tractor-trailers, two grapples, and a front-end loader. Approximately 500-600 tons per day of household and commercial waste is hauled to the Transfer Station and ultimately routed to the New River Solid Waste Facility in Raiford, Florida. For the year, operating revenues exceeded operating expenses by \$937,389. After accounting for non-operating revenues and transfers-in, the Transfer Station had a net change in position for the year of \$1,070,052. The primary reason for the positive change in net position is due to a reduction in expenses for closure/post closure landfill engineering cost estimates which also lowered the estimated long-term liability for landfill closure costs.
- Codes Enforcement furnishes services to the development community and citizens. Codes Enforcement operating revenues exceeded operating expenses by \$0.3 million in fiscal year 2013. Revenues increased for licenses and permits, with a majority being in new construction for Single Family and remodeling or repair. Total permits issued in fiscal year 2013 were 5,232 versus 4,663 permits issued in fiscal year 2012.

Fund Financial Analysis

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

Governmental Funds

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

Alachua County, Florida
Designations of Fund Balance

Total fund balance	\$ 112,137,278
Fund balance designation:	
Nonspendable	692,064
Restricted	75,139,015
Assigned	25,555,246
Unassigned fund balance	\$ 10,750,953

As of the end of fiscal year 2013, the County’s governmental funds reported combined unassigned ending fund balances of \$10.7 million, a decrease of almost \$5.2 million from the prior year. The reduction in unassigned fund balance from the prior year is primarily due to increase in assigned fund balance for FY14 appropriations.

Major Funds

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

The General Fund is the chief operating fund of the County and consists of six sub-fund categories: BOCC Countywide General Fund, Clerk of Court General Fund, Property Appraiser General Fund, Sheriff General Fund, Supervisor of Elections General Fund, and Tax Collector General Fund. The General Fund had a decrease in fund balance of \$1.1 million. The total fund balance was \$26.8 million of which \$11 million was unassigned. The cash & investment balance at the end of the year was \$22.2 million. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total fund operating revenues. The unassigned fund balance represents 9.44% of total actual FY13 General Fund operating revenue and 9.41% of projected FY14 operating revenues. The General Fund’s spendable unrestricted fund balance (the sum of committed, assigned, & unassigned fund balance) totaled \$26.4 million and met the minimum fund balance recommendation of the Government Finance Officers Association which defines a minimum unrestricted fund balance of no less than two months of regular General Fund operating revenues or operating expenditures.

The CHOICES Program was approved by the voters on August 31, 2004. The program is funded by a ¼ cent sales tax which was approved through December 2011. As of September 30, 2013, the total fund balance for CHOICES was \$12.6 million. During the year CHOICES had \$0.5 million in investment and miscellaneous income. \$18 million was spent for program costs resulting in a net change in fund balance of (\$17.5) million. Fund balance will continue to be drawn-down to pay ongoing claims until the program officially sunsets on December 31, 2013.

The Municipal Service Taxing Unit (MSTU) – Unincorporated Services Fund provides services to citizens in the unincorporated area of the County, including recreation, environmental services, transportation and development related activities such as codes enforcement and planning. Slight increases in transportation related expenditures resulted in an overall decrease in fund balance during the year of \$0.192 million. The fund has an ending fund balance of just over \$0.4 million. The ending fund balance represents 8.88% 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 \$16.2 million to the Sheriff. The decrease in fund balance during the year was \$0.6 million primarily because of a reduction in public service taxes and communication service taxes. The decrease in fund balance resulted in an ending negative fund balance of (\$0.3) million. The \$2.4 million borrowed in fiscal year 2009 from the General Fund is still outstanding. The County increased the millage rate in FY14 by 28.8% as part of a long-term plan to repay the general fund loan and rebuild the fund balance in the MSTU-Law Fund.

The MSTU - Fire Protection Fund provides fire fighting and related services to citizens in the unincorporated area of the County. Transfers-out to cash fund a new fire station resulted in an ending fund balance of \$1.7 million, a decrease of \$2 million dollars from the prior year. The ending fund balance represents 13.77% of the MSTU – Fire Protection Services operating revenue.

The Gas Tax Uses Fund is the primary operating fund of the Public Works – Road & Bridge Department. The primary revenue source for this fund is fuel taxes as well as transfers-in which totaled \$2.9 million, including \$1.3 million from the General Fund to bolster lagging gas tax revenues, and \$1.6 million from unrestricted debt service collections on Gas Tax Revenue Bonds. This year \$7.6 million was spent on maintenance of County roads. Revenues including transfers were less than expenditures by \$0.375 million resulting in an ending fund balance of \$0.5 million.

The Debt Service fund accounts for the resources accumulated and payments made for principal and interest on long-term obligations of debt of governmental funds. Total planned principal and interest payments for the year were \$12.6 million. The fund has an ending balance of \$5.2 million, an increase of \$1.7 million from fiscal year 2012.

The Transportation Trust Fund was established in fiscal year 2005 by a transfer from the Gas Tax Uses fund, in the amount of \$9.0 million. Also, on April 19, 2005, the Board of County Commissioners (BOCC) authorized staff to proceed with the issuance of \$33 million in Gas Tax Bonds for transportation improvements. In 2006, the first series of Revenue Tax Bonds were issued for \$15.4 million. In 2008, the second series were issued for \$18.2 million. In 2011, the BOCC approved issuance of an additional \$9.5 million bank note, pledging the County's 5 cent local option gas tax. In FY2013, the BOCC transferred-in transportation related impact fees and other transportation capital project funds totaling \$17.4 million. After transportation improvement expenditures of \$3.1 million this fiscal year, the 2013 ending fund balance was \$29.4 million.

The Wild Spaces & Public Places (WSPP) capital project fund originated as a result of voter referendum on November 4, 2008 that approved a half-cent sales tax for two year duration. Funding from the WSPP sales tax is used to purchase conservation lands and to fund recreational improvements in the County. Spending this year included \$0.5 million dollars for conservation land. It is anticipated this fund will be closed-out in FY14 when the remaining balance of the two-year sales tax will be spent.

Proprietary Funds

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

The Solid Waste System fund is used to account for the operation of the County's off-site collection centers, recycling, transfer station and the monitoring and remediation activities of the County's closed landfills. The Solid Waste System operates like a business, where the rates established by the County generate sufficient funds to pay the costs of current operations and provide for long-term asset

acquisitions. As required by the State Department of Environmental Protection, the County has set aside over \$3.8 million for long term care of the closed landfills. Total assets as of September 30, 2013 were \$27.0 million, of which \$8.8 million are capital assets, net of depreciation. Total liabilities were \$6.6 million. Change in net position was \$1.1 million resulting in an ending net position of \$20.4 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 \$160,357 in charges for services recognized during mid-year budget adjustments.

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

- \$419,000 – Additional State mandated Medicaid charges
- \$15,000 – .5 FTE for Equal Opportunity Office
- \$61,000 – Facilities – Janitorial contracts

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

- \$2.6 million– carry forward of prior year purchase orders and mid-year fund balance adjustments.

General Fund actual revenues overall were \$3.4 million more than the final amended budgeted revenues. \$0.8 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. Also, actual charges for service for EMS billings were \$1.9 million more than was budgeted. Actual operating expenditures overall were \$8.7 million less than was budgeted; this was primarily due to a \$0.3 million reduction in payments to CRAs, \$1.2 million savings in personnel services, \$0.2 million savings in repairs and maintenance, and unused reserve for contingency balance of \$4.8 million.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2013 totals \$529.5 million (net of accumulated depreciation) and includes land, buildings, improvements other than buildings, leasehold improvements, equipment, infrastructure, and construction in progress. The County experienced an overall increase in investment in capital assets over the prior fiscal year of approximately .04 %.

Alachua County, Florida							
Capital Assets							
(net of depreciation, in millions)							
	Governmental Activities		Business-type Activities		Total		Percent Change
	2012	2013	2012	2013	2012	2013	
Land	\$ 249.7	\$ 251.9	\$ 3.3	\$ 3.4	\$ 253.0	\$ 255.3	0.91%
Art	0.1	0.1	-	-	0.1	0.1	0.00%
Infrastructure	144.1	133.8	-	-	144.1	133.8	-7.15%
Buildings	75.9	76.3	1.7	1.6	77.6	77.9	0.39%
Improvements other than buildings	7.3	6.9	3.3	3.1	10.6	10.0	-5.66%
Equipment	25.2	24.4	0.8	0.7	26.0	25.1	-3.46%
Construction in progress	17.9	27.3	-	-	17.9	27.3	52.51%
Total	\$ 520.2	\$ 520.7	\$ 9.1	\$ 8.8	\$ 529.3	\$ 529.5	0.04%

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

As shown in the above table, construction in progress increased due primarily to the number of road projects underway and construction at the Alachua County Sheriff's Office, Department of the Jail.

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

- Road resurfacing and widening projects completed 2013 using contractors:
 - SW 20th/SW 24th four lane bridge and turn lane (\$476,415)
- Graded Unimproved Road Projects completed in fiscal year 2013:
 - NW 46th Ave from county line to US 41 (1.99 miles for \$136,442)
 - NW 262nd Ave/165th St from CR 491 to NW 278th Ave (.41 miles for \$144,697)
 - NW 174th Ave from NW 298th St to NW 266th St (1.97 miles for \$65,317)
- Planning, design and construction began or continued on the following major road resurfacing and widening projects this fiscal year for:
 - NW CR 231 from SR 121 to SR 235 (6 miles for \$2.5 million spent to date)
 - North Main St from N 8th Ave to N 23rd Ave (1.03 miles for \$1.6 million spent to date)
 - NW 16th Ave from NW 57th Terrace to NW 13th St (4 miles for \$226,374 spent to date)
 - SW 62nd Blvd/intersection and turn lane improvements (\$6.7 million spent to date)
 - SW CR 337 from Levy County to SR 26 (8 miles for \$.4 million spent to date)
 - Archer Braid Multi-Use Path from the City of Archer to SW 91st St (3.4 miles for \$.7 million spent to date)

- SW 8th Ave Connector Milling, Resurfacing and new road construction (\$1.3 million spent to date)
- SW 156th Ave Culvert (\$1.06 million spent to date)
- SW 62nd Av/SW63rd Blvd from Archer Road to Williston Rd (\$207,207 spent to date)
- County Parks
 - Poe Springs Park – retaining wall improvements (\$169,106 spent to date)
 - Jonesville Park – Sports lighting added to playing fields (\$249,500)
- County Buildings
 - Alachua County Sheriff’s Office, Department of the Jail – Energy efficient HVAC upgrades, new roof, and other major renovations (\$13.2 million spent to date)
 - Alachua County Civil Courthouse – investment in energy efficient HVAC upgrades and other building improvements (\$2.1 million spent to date)
- Alachua County Forever-Legacy Lands–numerous acquisition efforts are underway in conjunction with other State programs. Overall \$1.9 million was spent on land related purchases this year including the following major acquisitions:
 - Buck Bay Flatwoods – Cox and Moore parcel with 460 acres for \$1.1 million
 - Santa Fe River – Running over Ranch parcel with 19 acres for \$0.5 million
 - Santa Fe River – Bradham Tract parcel with 93.6 acres for \$0.15 million
- Neighborhood Stabilization Program houses – The County received federal funds in FY12 and FY13 from CDBG Neighborhood Stabilization Program (NSP) grant. The funds paid for the acquisition and rehabilitation of houses as well as for house maintenance and program administration. In FY13, four houses totaling \$1,342,581 were bought and \$100,202 has been spent to date on repairs/renovations.

Additional information on the County’s capital assets can be found in Note 7 on pages 69-70 of this report.

Long-term Debt

At the end of fiscal year 2013, the County had total bonded debt outstanding of \$67.8 million. The County’s debt represents bonds secured by specified revenue sources (i.e., Revenue Bonds).

**Alachua County, Florida
Outstanding Debt**

	2012	2013
Revenue Bonds		
Revenue Bonds	\$ 73,160,000	\$ 67,780,000
Total	\$ 73,160,000	\$ 67,780,000
Notes Payable		
2008 Capital Improvement bank loan	\$ 6,193,000	\$ 5,737,000
2011 Local Option Gas Tax bank loan	8,776,000	7,603,000
2012 Alachua County Forever bank loan	9,615,000	7,630,800
Total	\$ 24,584,000	\$ 20,970,800

After making regularly scheduled debt service payments for the year, the County had a decrease in bonded debt of over \$5.4 million and a decrease in notes payable of \$3.6 million from the prior fiscal year. No new bonds were issued this fiscal year.

Additional information on the County's debt can be found in Note 9 on pages 73-77 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County at September 30, 2013 was 4.9%. This represents a decrease of 21% from the prior year, and is one of the lowest rates in the state.
- The total taxable assessed value remained relatively flat for the FY14 budget year with a tax base of \$11.2 billion.
- There were 5,232 building permits issued in the County for fiscal year 2013, up 12.20% from the previous fiscal year total of 4,663.
- Estimated population increased by 1.89% from an estimate of 246,770 to 251,417.

During the current fiscal year, unassigned fund balance in the General Fund decreased to \$11.0 million with a total fund balance of \$26.8 million. The fiscal year 2013 ad valorem millage rate for the General Fund was 8.5956 mills and the tax rate was increased to 8.7990 for fiscal year 2014.

Requests for Information

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

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**BASIC
FINANCIAL
STATEMENTS**

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ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current Assets:				
Equity in pooled cash & investments	\$ 129,377,403	\$ 13,546,387	\$ 142,923,790	\$ 404,947
Cash with claims administrator	200,000	-	200,000	-
Other cash and equivalents	9,507,150	250	9,507,400	-
Investments	1,642,881	-	1,642,881	-
Receivables (net)	2,994,571	500,659	3,495,230	592
Due from other governments	7,882,878	2,433	7,885,311	1,455
Internal balances	(15,300)	15,300	-	-
Inventories or assets held for sale	1,397,616	-	1,397,616	-
Prepaid items	2,117,043	1,060	2,118,103	-
Total current non-restricted assets	155,104,242	14,066,089	169,170,331	406,994
Current Restricted Assets:				
Sinking fund cash & cash reserves	11,171,475	-	11,171,475	-
Total current restricted assets	11,171,475	-	11,171,475	-
Total current assets (restricted & non-restricted)	166,275,717	14,066,089	180,341,806	406,994
Noncurrent Assets:				
Net OPEB asset	140,036	-	140,036	-
Internal balances	(1,384,450)	1,384,450	-	-
Noncurrent restricted assets:				
Restricted equity in pooled cash and investments	-	39,374	39,374	-
Restricted investments	-	3,820,860	3,820,860	-
Restricted interest receivable	-	17,602	17,602	-
Total noncurrent restricted assets	-	3,877,836	3,877,836	-
Capital Assets:				
Land	251,925,944	3,356,699	255,282,643	-
Artwork	91,390	-	91,390	-
Infrastructure	504,041,408	-	504,041,408	-
Buildings	125,100,889	2,935,256	128,036,145	-
Improvements other than buildings	14,230,728	13,397,731	27,628,459	-
Equipment and software	73,721,323	3,270,480	76,991,803	-
Construction in progress	27,334,703	-	27,334,703	-
Less accumulated depreciation	(475,632,041)	(14,169,438)	(489,801,479)	-
Total capital assets	520,814,344	8,790,728	529,605,072	-
Total noncurrent assets (restricted & non-restricted)	519,569,930	14,053,014	533,482,908	-
Total Assets	\$ 685,845,647	\$ 28,119,103	\$ 713,824,714	\$ 406,994
Deferred Outflow of Resources:				
Deferred loss on refunding	956,676	-	956,676	-
Total Deferred Outflow of Resources	956,676	-	956,676	-

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

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Liabilities:				
Current Liabilities (payable from current assets):				
Accounts payable	\$ 16,020,374	\$ 734,384	\$ 16,754,758	\$ 543
Accrued interest payable	1,130,031	-	1,130,031	-
Estimated liability for self insurance losses	1,736,897	-	1,736,897	-
Contracts payable	705,721	-	705,721	-
Due to other governments	2,025,121	25,560	2,050,681	3,479
Deposits	77,341	100,327	177,668	-
Unearned revenue	1,720,379	-	1,720,379	-
Accrued compensated absences	6,585,771	252,252	6,838,023	-
Accrued landfill closure cost	-	439,935	439,935	-
Medicaid payable	883,430	-	883,430	-
Bonds and notes payable	9,284,600	-	9,284,600	-
Total current liabilities (payable from current assets)	40,169,665	1,552,458	41,722,123	4,022
Noncurrent Liabilities:				
Accrued compensated absences	7,178,467	323,281	7,501,748	-
Estimated liability for self insurance losses	4,174,156	-	4,174,156	-
Medicaid payable	2,650,289	-	2,650,289	-
Bonds and notes payable (net of amortization on discounts & premiums)	80,119,335	-	80,119,335	-
Total noncurrent liabilities (payable from noncurrent assets)	94,122,247	323,281	94,445,528	-
Noncurrent Liabilities (payable from restricted assets):				
Accrued landfill closure cost	-	4,914,264	4,914,264	-
Total noncurrent liabilities (payable from restricted assets)	-	4,914,264	4,914,264	-
Total noncurrent liabilities	94,122,247	5,237,545	99,359,792	-
Total Liabilities	134,291,912	6,790,003	141,081,915	4,022
Deferred Inflows of Resources:				
Rent - collected in advance	4,565	9,030	13,595	-
Total Deferred Inflows of Resources	4,565	9,030	13,595	-
Net Position:				
Net investment in capital assets	445,110,834	8,790,728	453,901,562	-
Restricted for:				
Restricted for debt service	1,410,274	-	1,410,274	-
Restricted for debt requirements	8,376,751	1,384,450	9,761,201	-
Restricted for CHOICES	12,663,466	-	12,663,466	-
Restricted for Wild Spaces & Public Places	80,019	-	80,019	-
Restricted for tourist development	4,361,063	-	4,361,063	-
Restricted for road construction	17,312,113	-	17,312,113	-
Restricted for Alachua County Forever land program	2,592,281	-	2,592,281	-
Restricted for public improvement revenue projects	127,329	-	127,329	-
Restricted for jail energy conservation program	3,683	-	3,683	-
Restricted for impact fee - fire	275,573	-	275,573	-
Restricted for impact fee - parks	159,477	-	159,477	-
Restricted for impact fee - transportation	11,868,304	-	11,868,304	-
Restricted for enabling legislation	16,496,175	-	16,496,175	-
Restricted for grants and other purposes	3,952,947	-	3,952,947	-
Unrestricted	27,715,557	11,144,892	38,860,449	402,972
Total Net Position	\$ 552,505,846	\$ 21,320,070	\$ 573,825,916	\$ 402,972

**ALACHUA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Administration	\$ 43,292,577	\$ 6,611,432	\$ 1,105,615	\$ -
Community services	28,259,372	372,963	1,014,701	-
Corrections	28,805,920	583,143	29,110	480,907
Courts	20,673,570	5,047,520	5,881,872	-
Culture and recreation	2,257,097	55,480	-	-
Tourist development	3,085,921	-	-	-
Emergency services	30,593,994	10,506,760	368,107	530,652
Environmental services	2,883,317	292,777	921,384	13,700
Growth management	3,758,409	127,956	937,323	693,719
Law enforcement	32,998,981	2,921,153	4,332,132	194,083
Solid waste collection	4,737,093	4,678,593	542	-
Transportation	19,178,500	288,206	3,861,831	91,087
Interest on long-term debt	3,568,635	-	-	-
Total governmental activities	<u>224,093,386</u>	<u>31,485,983</u>	<u>18,452,617</u>	<u>2,004,148</u>
Business-type activities:				
Solid waste disposal system	10,503,518	11,157,110	7,108	-
Codes enforcement	1,065,838	1,401,196	-	-
Total business-type activities	<u>11,569,356</u>	<u>12,558,306</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 235,662,742</u>	<u>\$ 44,044,289</u>	<u>\$ 18,452,617</u>	<u>\$ 2,004,148</u>
Component Units:				
Murphree Law Library	\$ 53,937	\$ 50,345	\$ -	\$ -
Alachua County Housing Finance Authority	14,677	-	-	-
Total component units	<u>\$ 68,614</u>	<u>\$ 50,345</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
Property taxes
Tourist development taxes
Impact fees
Fuel taxes
Local business taxes
Public & communication service taxes
Sales tax & other state shared revenue-unrestricted
Interest earnings
Miscellaneous
 Total general revenues
Changes in net position before transfers
Transfers
 Changes in net position
Net position - beginning as previously reported
Change in accounting principle
Net position-beginning-as restated
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component
Governmental	Business-type		Units
Activities	Activities	Total	
\$ (35,575,530)	\$ -	\$ (35,575,530)	
(26,871,708)	-	(26,871,708)	
(27,712,760)	-	(27,712,760)	
(9,744,178)	-	(9,744,178)	
(2,201,617)	-	(2,201,617)	
(3,085,921)	-	(3,085,921)	
(19,188,475)	-	(19,188,475)	
(1,655,456)	-	(1,655,456)	
(1,999,411)	-	(1,999,411)	
(25,551,613)	-	(25,551,613)	
(57,958)	-	(57,958)	
(14,937,376)	-	(14,937,376)	
(3,568,635)	-	(3,568,635)	
(172,150,638)	-	(172,150,638)	
-	660,700	660,700	
-	335,358	335,358	
-	996,058	996,058	
(172,150,638)	996,058	(171,154,580)	
			\$ (3,592)
			(14,677)
			(18,269)
111,989,462	-	111,989,462	-
3,575,187	-	3,575,187	-
1,312,113	-	1,312,113	-
7,179,337	-	7,179,337	-
235,709	-	235,709	-
12,514,218	-	12,514,218	-
15,928,214	-	15,928,214	-
766,629	70,555	837,184	1,580
4,662,396	325,096	4,987,492	39,929
158,163,265	395,651	158,558,916	41,509
(13,987,373)	1,391,709	(12,595,664)	23,240
(15,384)	15,384	-	-
(14,002,757)	1,407,093	(12,595,664)	23,240
567,753,293	19,912,977	587,666,270	379,732
(1,244,690)	-	(1,244,690)	-
566,508,603	19,912,977	586,421,580	379,732
\$ 552,505,846	\$ 21,320,070	\$ 573,825,916	\$ 402,972

ALACHUA COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	GENERAL	CHOICES	MSTU UNINCORPORATED SERVICES	MSTU LAW ENFORCEMENT
ASSETS				
Equity in pooled cash and investments	\$ 22,195,786	\$ 15,762,357	\$ 252,057	\$ 942,079
Other cash and equivalents	5,835,856	-	100	-
Sinking fund cash and cash reserves	-	-	-	-
Investments	-	-	-	-
Accounts receivable	4,818,209	23,913	98,591	392,411
Allowance for estimated uncollectables	(3,256,637)	-	-	-
Assessment receivable	-	-	-	-
Due from other funds	5,192,012	-	43,797	184,435
Due from other governments	311,799	-	299,128	600,275
Inventories or assets held for resale	425,847	-	-	-
Prepaid Items	18,344	-	1,454	-
Total assets	<u>\$ 35,541,216</u>	<u>\$ 15,786,270</u>	<u>\$ 695,127</u>	<u>\$ 2,119,200</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 6,043,160	\$ 3,076,054	\$ 262,296	\$ 10,796
Contracts payable	3,905	-	-	-
Due to individuals	1,377	-	540	-
Due to other funds	1,080,937	-	210	2,400,000
Due to other governments	804,960	46,750	-	-
Deposits	50,813	-	17,783	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>7,985,152</u>	<u>3,122,804</u>	<u>280,829</u>	<u>2,410,796</u>
DEFERRED INFLOWS OF RESOURCES				
Tax revenue - unavailable	-	-	-	-
Intergovernmental revenue - unavailable	-	-	-	-
Special Assessment revenue - unavailable	-	-	-	-
Charges for services - unavailable	707,890	-	-	-
Rent - collected in advance	4,565	-	-	-
Total deferred inflows of resources	<u>712,455</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Non-spendable	444,191	-	1,454	-
Restricted	-	12,663,466	-	-
Assigned	15,356,869	-	412,844	-
Unassigned	11,042,549	-	-	(291,596)
Total fund balances	<u>26,843,609</u>	<u>12,663,466</u>	<u>414,298</u>	<u>(291,596)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,541,216</u>	<u>\$ 15,786,270</u>	<u>\$ 695,127</u>	<u>\$ 2,119,200</u>

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

<u>MSTU FIRE PROTECTION</u>	<u>GAS TAX USES</u>	<u>DEBT SERVICE</u>	<u>TRANSPORTATION TRUST</u>	<u>WILD SPACES & PUBLIC PLACES</u>
\$ 1,016,879	\$ 832,503	\$ 1,478,116	\$ 28,519,391	\$ 79,901
-	1,000	-	-	-
-	-	11,171,475	-	-
-	-	-	-	-
299,560	126	17,495	42,957	118
-	-	-	-	-
-	-	-	307,170	-
106,003	367,915	15,351	1,189,724	-
685,292	558,361	2,996,562	-	-
-	188,854	-	-	-
-	-	-	-	-
<u>\$ 2,107,734</u>	<u>\$ 1,948,759</u>	<u>\$ 15,678,999</u>	<u>\$ 30,059,242</u>	<u>\$ 80,019</u>
\$ 324,749	\$ 161,622	\$ -	\$ 180,862	\$ -
-	-	-	48,075	-
9	-	-	78,518	-
13,732	750,000	1,357,898	-	-
103,458	242,472	-	-	-
-	2,650	-	-	-
-	-	-	-	-
-	-	7,596,178	-	-
<u>441,948</u>	<u>1,156,744</u>	<u>8,954,076</u>	<u>307,455</u>	<u>-</u>
-	265,758	326,361	-	-
-	-	1,151,977	-	-
-	-	-	307,170	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>265,758</u>	<u>1,478,338</u>	<u>307,170</u>	<u>-</u>
-	188,854	-	-	-
-	-	5,246,585	29,444,617	80,019
1,665,786	337,403	-	-	-
-	-	-	-	-
<u>1,665,786</u>	<u>526,257</u>	<u>5,246,585</u>	<u>29,444,617</u>	<u>80,019</u>
<u>\$ 2,107,734</u>	<u>\$ 1,948,759</u>	<u>\$ 15,678,999</u>	<u>\$ 30,059,242</u>	<u>\$ 80,019</u>

ALACHUA COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

PAGE 2 OF 2

	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS		
Equity in pooled cash and investments	\$ 33,411,044	\$ 104,490,113
Other cash and equivalents	3,670,194	9,507,150
Sinking fund cash and cash reserves	-	11,171,475
Investments	1,642,881	1,642,881
Accounts receivable	136,466	5,829,846
Allowance for estimated uncollectables	-	(3,256,637)
Assessment receivable	-	307,170
Due from other funds	439,173	7,538,410
Due from other governments	2,417,549	7,868,966
Inventories or assets held for resale	591,430	1,206,131
Prepaid Items	57,565	77,363
Total assets	<u>\$ 42,366,302</u>	<u>\$ 146,382,868</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 2,271,484	\$ 12,331,023
Contracts payable	653,741	705,721
Due to individuals	329,192	409,636
Due to other funds	2,602,480	8,205,257
Due to other governments	827,481	2,025,121
Deposits	6,095	77,341
Unearned revenue	131,592	131,592
Advances from other funds	-	7,596,178
Total liabilities	<u>6,822,065</u>	<u>31,481,869</u>
DEFERRED INFLOWS OF RESOURCES		
Tax revenue - unavailable	-	592,119
Intergovernmental revenue - unavailable	-	1,151,977
Special Assessment revenue - unavailable	-	307,170
Charges for services - unavailable	-	707,890
Rent - collected in advance	-	4,565
Total deferred inflows of resources	<u>-</u>	<u>2,763,721</u>
Fund balances:		
Non-spendable	57,565	692,064
Restricted	27,704,328	75,139,015
Assigned	7,782,344	25,555,246
Unassigned	-	10,750,953
Total fund balances	<u>35,544,237</u>	<u>112,137,278</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,366,302</u>	<u>\$ 146,382,868</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 Position of Governmental Funds
September 30, 2013

Fund balances – total governmental funds (page 28) \$112,137,278

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

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

Total governmental activities capital assets	\$520,814,344	
Remove Internal Service capital assets	(5,608,593)	
Total adjustment governmental activities	\$515,205,751	515,205,751

Long-term liabilities are not due and payable in the current period and therefore are not reported in fund financial statements:

Governmental activities	(\$112,612,945)	
Less amounts reported in Internal Service funds:		
Self-insured losses	5,911,053	
Accrued compensated absences	225,511	(106,476,381)

Accrued long-term debt interest payable is not current and therefore is not reported in the fund statements. (1,130,031)

Certain receivables are not “available” in the current period and therefore are not recognized as revenues in governmental funds. 2,759,156

Net OPEB assets are reported in the statement of net position but not in fund financial statements 140,036

Deferred Loss on Refunding is not a current financial resource and, therefore, is not reported in the funds. 956,676

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 position. 27,751,854

Prepaid Items originally expensed in full, reclassified as an asset. 1,161,507

Net Position of governmental activities (page 23) \$552,505,846

*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, 2013

	GENERAL	CHOICES	MSTU UNINCORPORATED SERVICES	MSTU LAW ENFORCEMENT
REVENUES				
Taxes	\$ 93,204,954	\$ -	\$ 3,444,115	\$ 14,443,623
Permits and fees	-	-	101,902	-
Intergovernmental	5,127,403	-	957,915	-
Charges for services	16,207,751	-	111,108	25
Fines and forfeitures	14,053	-	-	-
Investment income	290,222	106,275	3,933	14,257
Special assessments and impact fees	-	-	-	-
Private donations	100	150,000	-	-
Miscellaneous	2,109,024	258,233	50,685	103,220
Total revenues	<u>116,953,507</u>	<u>514,508</u>	<u>4,669,658</u>	<u>14,561,125</u>
EXPENDITURES				
Current:				
General government	31,771,908	-	1,024,596	164,518
Public safety	81,030,122	-	476,327	75,385
Physical environment	1,794,858	-	466,000	-
Transportation	-	-	981,926	-
Economic environment	1,148,577	-	940,884	-
Human services	10,204,048	18,050,118	-	-
Culture and recreation	506,656	-	1,053,381	-
Court cost	9,022,546	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Excess fees distributed to State	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>135,478,715</u>	<u>18,050,118</u>	<u>4,943,114</u>	<u>239,903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,525,208)</u>	<u>(17,535,610)</u>	<u>(273,456)</u>	<u>14,321,222</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,566,195	-	398,905	1,285,469
Transfers out	(8,249,474)	-	(322,000)	(16,230,694)
Sale of capital assets	96,292	-	3,922	-
Total other financing sources and (uses)	<u>17,413,013</u>	<u>-</u>	<u>80,827</u>	<u>(14,945,225)</u>
Net change in fund balances	(1,112,195)	(17,535,610)	(192,629)	(624,003)
Fund balances - beginning	27,955,804	30,199,076	606,927	332,407
Fund balances - ending	<u>\$ 26,843,609</u>	<u>\$ 12,663,466</u>	<u>\$ 414,298</u>	<u>\$ (291,596)</u>

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

MSTU FIRE PROTECTION	GAS TAX USES	DEBT SERVICE	TRANSPORTATION TRUST	WILD SPACES & PUBLIC PLACES
\$ 10,918,406	\$ 3,378,974	\$ 6,366,495	\$ -	\$ -
2,765	-	-	-	-
20,077	64,410	14,059,429	73,532	-
1,051,861	909,755	-	10,643	-
-	-	-	-	-
17,277	-	37,534	131,915	1,085
-	-	-	1,225,327	-
-	-	-	-	-
88,362	15,025	-	(1,820)	-
<u>12,098,748</u>	<u>4,368,164</u>	<u>20,463,458</u>	<u>1,439,597</u>	<u>1,085</u>
125,157	-	65,981	-	-
12,620,020	-	-	-	-
-	-	-	-	569,585
-	7,671,902	-	3,150,843	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	8,993,200	-	-
-	-	3,663,798	-	-
-	-	-	-	-
-	-	-	-	-
<u>12,745,177</u>	<u>7,671,902</u>	<u>12,722,979</u>	<u>3,150,843</u>	<u>569,585</u>
<u>(646,429)</u>	<u>(3,303,738)</u>	<u>7,740,479</u>	<u>(1,711,246)</u>	<u>(568,500)</u>
857,193	2,928,671	2,353,295	17,386,581	-
(2,237,009)	-	(8,367,359)	-	-
400	-	-	-	-
<u>(1,379,416)</u>	<u>2,928,671</u>	<u>(6,014,064)</u>	<u>17,386,581</u>	<u>-</u>
(2,025,845)	(375,067)	1,726,415	15,675,335	(568,500)
3,691,631	901,324	3,520,170	13,769,282	648,519
<u>\$ 1,665,786</u>	<u>\$ 526,257</u>	<u>\$ 5,246,585</u>	<u>\$ 29,444,617</u>	<u>\$ 80,019</u>

ALACHUA COUNTY, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES		
Taxes	\$ 3,575,187	\$ 135,331,754
Permits and fees	223,755	328,422
Intergovernmental	14,669,221	34,971,987
Charges for services	5,196,075	23,487,218
Fines and forfeitures	2,369,596	2,383,649
Investment income	121,327	723,825
Special assessments and impact fees	4,793,517	6,018,844
Private donations	224,658	374,758
Miscellaneous	791,459	3,414,188
Total revenues	<u>31,964,795</u>	<u>207,034,645</u>
EXPENDITURES		
Current:		
General government	594,263	33,746,423
Public safety	5,619,967	99,821,821
Physical environment	7,319,072	10,149,515
Transportation	-	11,804,671
Economic environment	4,375,142	6,464,603
Human services	2,159,481	30,413,647
Culture and recreation	117,480	1,677,517
Court cost	7,711,618	16,734,164
Debt service:		
Principal	-	8,993,200
Interest and fiscal charges	-	3,663,798
Excess fees distributed to State	548,135	548,135
Capital outlay	10,830,819	10,830,819
Total expenditures	<u>39,275,977</u>	<u>234,848,313</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,311,182)</u>	<u>(27,813,668)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	10,912,044	61,688,353
Transfers out	(26,297,201)	(61,703,737)
Sale of capital assets	-	100,614
Total other financing sources and (uses)	<u>(15,385,157)</u>	<u>85,230</u>
Net change in fund balances	(22,696,339)	(27,728,438)
Fund balances - beginning	58,240,576	139,865,716
Fund balances - ending	<u>\$ 35,544,237</u>	<u>\$ 112,137,278</u>

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

Alachua County, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended September 30, 2013

Net change in fund balances – total governmental funds (page 32) (\$27,728,438)
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 \$19,925,060 exceeded depreciation (\$19,676,311) in the current period.

Total governmental activities capital outlay expenditures	\$20,967,053	
Remove Internal Service capital outlay expenditures	<u>(1,041,993)</u>	
Total capital outlay expenditures excluding Internal Service	<u>\$19,925,060</u>	
Total governmental activities depreciation	(\$21,184,790)	
Remove Internal Service depreciation	<u>1,508,479</u>	
Total depreciation excluding Internal Service	<u>(\$19,676,311)</u>	248,749

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

Total adjustments per Fixed Asset Schedule	\$946,860	
Remove Internal Service adjustments	<u>49,973</u>	
Total donations/contributions excluding Internal Service	<u>\$996,833</u>	996,833

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

Total capital outlay loss per Capital Asset Schedule	(\$99,371)	
Remove gain Internal Service	<u>(40,773)</u>	
Total capital outlay loss excluding Internal Service	<u>(\$140,144)</u>	(140,144)

Repayments of bond and note principal (\$8,993,200 less \$2,925 discount, plus premium of \$48,781) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 9,039,056

Amortization of the deferred loss on refunding is not reported in governmental funds. (60,105)

Amortization of the change in Net OPEB Obligation (asset), funding status of plan not required to be reported at fund level. (451,597)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 1,625,045

Internal service funds are used by management to charge the costs of insurance, computer replacement, fleet services, and telephone services to individual funds. \$2,052,804 of total net operating gain for internal service funds is reported with governmental activities. 2,052,804

Certain items reported in the Statement of Activities are not considered available current financial resources and therefore are not reported as revenue in the governmental funds. 401,193

Prepaid items originally expensed in full, reclassified as an asset. 13,847

Changes in net position of governmental activities (page 25) (\$14,002,757)

*See Note 2.B. for details

The accompanying notes are an integral part of the financial statements

ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND	TOTAL	
		410 CODES ENFORCEMENT		
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 12,458,688	\$ 1,087,699	\$ 13,546,387	\$ 24,887,290
Other cash and equivalents	250	-	250	-
Cash with claims administrator	-	-	-	200,000
Accounts receivable	500,659	-	500,659	114,192
Due from other funds	15,384	-	15,384	651,547
Due from other governments	1,497	936	2,433	13,912
Inventories	-	-	-	191,485
Prepaid items	1,060	-	1,060	878,173
Total current assets	<u>12,977,538</u>	<u>1,088,635</u>	<u>14,066,173</u>	<u>26,936,599</u>
Noncurrent assets:				
Restricted assets:				
Equity in pooled cash and investments	39,374	-	39,374	-
Advances to other funds	1,384,450	-	1,384,450	6,211,728
Investments	3,820,860	-	3,820,860	-
Interest receivable	17,602	-	17,602	-
Total restricted assets	<u>5,262,286</u>	<u>-</u>	<u>5,262,286</u>	<u>6,211,728</u>
Capital assets:				
Land	3,356,699	-	3,356,699	-
Buildings	2,935,256	-	2,935,256	48,803
Improvements other than buildings	13,397,731	-	13,397,731	7,436
Equipment and software	3,154,653	115,827	3,270,480	16,930,584
Less accumulated depreciation	(14,053,684)	(115,754)	(14,169,438)	(11,378,230)
Total capital assets (net of depreciation)	<u>8,790,655</u>	<u>73</u>	<u>8,790,728</u>	<u>5,608,593</u>
Total noncurrent assets	<u>14,052,941</u>	<u>73</u>	<u>14,053,014</u>	<u>11,820,321</u>
Total assets	<u>27,030,479</u>	<u>1,088,708</u>	<u>28,119,187</u>	<u>38,756,920</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	711,339	23,045	734,384	3,279,715
Unearned revenue	-	-	-	1,588,787
Due to other funds	25	59	84	-
Due to other governments	14,501	11,059	25,560	-
Deposits	100,327	-	100,327	-
Accrued compensated absences of a year or less	178,668	73,584	252,252	109,676
Accrued landfill post closure cost	439,935	-	439,935	-
Estimated liability for self insured losses	-	-	-	1,736,897
Total current liabilities	<u>1,444,795</u>	<u>107,747</u>	<u>1,552,542</u>	<u>6,715,075</u>
Noncurrent liabilities:				
Accrued compensated absences more than a year	255,659	67,622	323,281	115,835
Estimated liability for self insured losses	-	-	-	4,174,156
Noncurrent liabilities payable from restricted assets:				
Accrued landfill post closure cost	4,914,264	-	4,914,264	-
Total noncurrent liabilities	<u>5,169,923</u>	<u>67,622</u>	<u>5,237,545</u>	<u>4,289,991</u>
Total liabilities	<u>6,614,718</u>	<u>175,369</u>	<u>6,790,087</u>	<u>11,005,066</u>
DEFERRED INFLOWS OF RESOURCES				
Rent - collected in advance	9,030	-	9,030	-
Total deferred inflows of resources	<u>9,030</u>	<u>-</u>	<u>9,030</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	8,790,655	73	8,790,728	5,608,593
Restricted for cash reserves	1,384,450	-	1,384,450	6,211,728
Unrestricted	10,231,626	913,266	11,144,892	15,931,533
Total net position	<u>\$ 20,406,731</u>	<u>\$ 913,339</u>	<u>\$ 21,320,070</u>	<u>\$ 27,751,854</u>

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND		
		410 CODES ENFORCEMENT	TOTAL	
Operating revenues:				
Charges for services	\$ 7,615,724	\$ 12,426	\$ 7,628,150	\$ 28,076,073
Fines and forfeitures	-	12,348	12,348	-
Permits, licenses and franchise fees	278,453	1,376,422	1,654,875	-
Special assessments and impact fees	3,262,933	-	3,262,933	-
Miscellaneous revenue	283,797	1,683	285,480	2,410,854
Total operating revenues	<u>11,440,907</u>	<u>1,402,879</u>	<u>12,843,786</u>	<u>30,486,927</u>
Operating expenses:				
Personal services	2,586,934	826,057	3,412,991	1,708,729
Depreciation	662,096	58	662,154	1,508,479
Indirect costs	373,632	82,735	456,367	243,590
Supplies and materials	589,936	33,016	622,952	2,604,274
Other services and charges	6,290,920	123,972	6,414,892	3,538,751
Claims and losses	-	-	-	18,990,393
Total operating expenses	<u>10,503,518</u>	<u>1,065,838</u>	<u>11,569,356</u>	<u>28,594,216</u>
Operating income	<u>937,389</u>	<u>337,041</u>	<u>1,274,430</u>	<u>1,892,711</u>
Nonoperating revenues:				
Net gain (loss) on disposal of capital assets	39,616	-	39,616	40,773
Investment Income	70,555	-	70,555	44,320
Private donations	7,108	-	7,108	75,000
Total nonoperating revenues (expenses)	<u>117,279</u>	<u>-</u>	<u>117,279</u>	<u>160,093</u>
Income before transfers	<u>1,054,668</u>	<u>337,041</u>	<u>1,391,709</u>	<u>2,052,804</u>
Transfers:				
Transfers in	<u>15,384</u>	<u>-</u>	<u>15,384</u>	<u>-</u>
Total transfers	<u>15,384</u>	<u>-</u>	<u>15,384</u>	<u>-</u>
Change in net position	1,070,052	337,041	1,407,093	2,052,804
Total net position - beginning	<u>19,336,679</u>	<u>576,298</u>	<u>19,912,977</u>	<u>25,699,050</u>
Total net position - ending	<u>\$ 20,406,731</u>	<u>\$ 913,339</u>	<u>\$ 21,320,070</u>	<u>\$ 27,751,854</u>

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	400 SOLID WASTE SYSTEM	NONMAJOR PROPRIETARY FUND	TOTAL	
		410 CODES ENFORCEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 7,893,653	\$ 1,402,277	\$ 9,295,930	\$ 27,474,766
Cash received from special assessments & franchise fees	3,262,933	-	3,262,933	-
Miscellaneous cash receipts	283,797	1,683	285,480	2,410,854
Cash paid to outside parties	(8,812,745)	(232,941)	(9,045,686)	(25,679,403)
Cash paid to employees	(2,580,947)	(834,342)	(3,415,289)	(1,693,026)
Net cash provided by operating activities	46,691	336,677	383,368	2,513,191
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due from other funds	5,249	-	5,249	(1,418,143)
Due from other governments	(300)	(142)	(442)	4,267
Private donations	7,108	-	7,108	75,000
Transfers in (out)	15,384	-	15,384	-
Net cash provided (used) by noncapital financing activities	27,441	(142)	27,299	(1,338,876)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Payments for capital assets	(310,493)	-	(310,493)	(1,041,992)
Proceeds from sale of capital assets	39,616	-	39,616	49,973
Net cash (used) by capital & related financing activities	(270,877)	-	(270,877)	(992,019)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	70,555	-	70,555	44,320
Proceeds from investments	274,798	-	274,798	-
Net cash provided (used) by investing activities	345,353	-	345,353	44,320
Net increase (decrease) in cash and cash equivalents	148,608	336,535	485,143	226,616
Cash and cash equivalents, October 1, 2012	12,349,704	751,164	13,100,868	24,860,674
Cash and cash equivalents, September 30, 2013	\$ 12,498,312	\$ 1,087,699	\$ 13,586,011	\$ 25,087,290
Cash and cash equivalents classified as:				
Equity in pooled cash and investments	\$ 12,458,688	\$ 1,087,699	\$ 13,546,387	\$ 24,887,290
Other cash and equivalents	250	-	250	-
Cash with claims administrator	-	-	-	200,000
Restricted equity in pooled cash and investments	39,374	-	39,374	-
Total	\$ 12,498,312	\$ 1,087,699	\$ 13,586,011	\$ 25,087,290
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 937,389	\$ 337,041	\$ 1,274,430	\$ 1,892,711
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	662,096	58	662,154	1,508,479
(Decrease) in estimated landfill post closure cost	(1,598,846)	-	(1,598,846)	-
(Decrease) in estimated liability for self insured losses	-	-	-	(343,453)
Decrease in accounts receivable	1,478	1,081	2,559	160,801
(Decrease) in user deposits	(2,265)	-	(2,265)	-
Increase (decrease) in accrued compensated absences	5,987	(8,285)	(2,298)	15,703
Increase in unearned revenue	263	-	263	116,065
(Increase) in inventories	-	-	-	(14,313)
Increase (decrease) in accounts payable	40,589	6,782	47,371	(822,802)
Total adjustments	(890,698)	(364)	(891,062)	620,480
Net cash provided by operating activities	\$ 46,691	\$ 336,677	\$ 383,368	\$ 2,513,191

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2013

	AGENCY FUNDS	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND
ASSETS		
Equity in pooled cash and investments	\$ 30,860	\$ -
Other cash and equivalents	6,852,178	-
Investments		
SBA Fund B	88,160	-
Florida Trust Day to Day Fund	255,782	-
FMPTF Bond fund	-	1,232,201
Due from individuals	116,083	-
Due from other governments	14,671	-
Total assets	7,357,734	1,232,201
LIABILITIES		
Assets held for others	2,010,398	-
Due to other governments	983,151	-
Deposits held in escrow	52,733	-
Deposits - installment taxes	4,311,452	-
Total liabilities	7,357,734	-
NET POSITION		
Held in Trust for OPEB	-	1,232,201
TOTAL NET POSITION	\$ -	\$ 1,232,201

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

ALACHUA COUNTY, FLORIDA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>OPEB TRUST FUND</u>
Additions	
Contributions:	
Employer	\$ -
Members	-
Total contributions	<u>-</u>
Investment earnings:	
Net appreciation in fair value of investments	126,892
Interest and dividends	-
Total investment income	<u>126,892</u>
Less investment expense	<u>-</u>
Net investment income	<u>126,892</u>
Total additions	<u>126,892</u>
Deductions	
Benefit payments	-
Refunds of nonvested contributions	-
Administrative expenses	-
Total deductions	<u>-</u>
Net increase	126,892
Net position held in trust for other postemployment benefits - beginning	<u>1,105,309</u>
Net position held in trust for other postemployment benefits - ending	<u><u>\$ 1,232,201</u></u>

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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ALACHUA COUNTY, FLORIDA
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ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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 159.601, 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 30th.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Related Organizations

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

As of September 30, 2013, Alachua County had not participated in any joint ventures with any other governmental entities.

B. Government-wide and Fund Financial Statements

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

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

1. Government-wide Financial Statements

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

These statements include separate columns for the government and business-type activities of the primary government and its component units. The effect of interfund activity has been eliminated from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

2. Fund Financial Statements

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

Fund financial statements for the County's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements show information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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 and reported in another fund. The County-wide General Fund is subdivided into the following 6 categories: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

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

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

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

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

Transportation Trust Fund – This capital project fund is used to account for 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, and Ordinance 08-17 adopted by the County on August 12, 2008. 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.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Enterprise Major Fund

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

Enterprise Non-major Fund

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

Other Fund Types

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

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

Non-current Governmental Assets/Liabilities

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

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

1. Government-wide Financial Statements

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

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

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as 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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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.

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

3. Proprietary Fund Financial Statements

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

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as 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.

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 Position

1. Cash and Equivalents

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

2. Investments

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

3. Receivables and Payables

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

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

4. Inventories, Prepaid Items and Assets Held for Resale

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

5. Restricted Assets

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

Certain Solid Waste System Enterprise Fund assets are required to be segregated from other current assets. These assets are legally restricted for specific purposes, such as landfill post closure care. A portion of net position is restricted for current annual 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 more than one year. Software costing over \$20,000 with a life greater than one year is also capitalized.

Roads, bridges, traffic signals, and storm water basins constructed prior to October 1, 2000 are reported at estimated historical cost. Donated capital assets are recorded at estimated 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. The County's

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

ASSETS	YEARS
Buildings/improvements	10 - 50
Equipment/Software	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 Post Closure Care Costs

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

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

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

9. Unearned Revenue

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

10. Accrued Compensated Absences

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

11. Obligation for Bond Arbitrage Rebate

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

12. Bond Discounts/Premiums

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

In the fund financial statements, governmental 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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. Encumbrances

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

14. Deferred Inflows/Outflows

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

15. Classifications of Fund Balances and Net Position

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

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

The County's policy is to expend resources in the following order of priority: restricted, committed, assigned, and unassigned. It is the County's policy that unassigned fund balance of the General Fund, at fiscal year end, not be less than 10% of the following year's projected operating revenue. In any fiscal year where the County is unable to maintain the minimum unassigned fund balance, the

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

County shall reestablish the minimum amount over a 3 year period. During the reestablishment period, the County shall not appropriate any amounts of unassigned fund balance for the purpose of balancing the budget until the 10% minimum is reached.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

The following is a comparison of the appropriations to total expenses for the proprietary funds for the fiscal year ended September 30, 2013:

		<u>Appropriations</u>	<u>Total Expenses</u>	<u>Variance with Final budget Positive/(Negative)</u>
Enterprise funds	Solid Waste System	\$ 16,663,651	\$ 10,503,518	\$ 6,160,133
	Codes Enforcement	1,200,677	1,065,838	134,839
Internal Service funds	Computer Replacement	545,868	429,478	116,390
	Self Insurance	4,155,752	3,181,716	974,036
	Fleet Management	4,509,080	3,861,021	648,059
	Telephone Service	1,099,620	780,124	319,496
	Vehicle Replacement	2,736,448	1,229,020	1,507,428
	Health Insurance	20,694,118	19,112,857	1,581,261

ALACHUA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

NOTE 3 - FUND BALANCE CLASSIFICATION AND RESTRICTED NET POSITION
A. GOVERNMENTAL FUND BALANCE CLASSIFICATION

	GENERAL	CHOICES	MSTU UNINCORPORATED SERVICES	MSTU LAW ENFORCEMENT	MSTU FIRE PROTECTION
Non-spendable					
Inventory	\$ 425,847	\$ -	\$ -	\$ -	\$ -
Prepaid items	18,344	-	1,454	-	-
Total non-spendable	<u>444,191</u>	<u>-</u>	<u>1,454</u>	<u>-</u>	<u>-</u>
Restricted for:					
Bond covenants-cash reserves	-	-	-	-	-
Debt service	-	-	-	-	-
CHOICES referendum	-	12,663,466	-	-	-
Wild Space Public Places referendum	-	-	-	-	-
Tourist development	-	-	-	-	-
Road construction	-	-	-	-	-
Jail energy conservation project	-	-	-	-	-
Public improvement revenue bond projects	-	-	-	-	-
Alachua County Forever	-	-	-	-	-
Impact fee - Fire	-	-	-	-	-
Impact fee - Parks	-	-	-	-	-
Impact fee - Transportation	-	-	-	-	-
State & Federal grants & other purposes	-	-	-	-	-
Enabling legislation*	-	-	-	-	-
Total restricted	<u>-</u>	<u>12,663,466</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned for:					
Subsequent year's reserve for contingency	5,819,713	-	-	-	-
FY14 Appropriated Fund Balance	9,521,456	-	-	-	-
Administration	15,700	-	-	-	-
Capital maintenance & preservation	-	-	-	-	-
Capital projects	-	-	-	-	-
Courts	-	-	-	-	-
Culture & recreation	-	-	412,844	-	-
Economic environment	-	-	-	-	-
Human Services	-	-	-	-	-
Physical environment	-	-	-	-	-
Public safety	-	-	-	-	1,665,786
Transportation	-	-	-	-	-
Total assigned	<u>15,356,869</u>	<u>-</u>	<u>412,844</u>	<u>-</u>	<u>1,665,786</u>
Unassigned	<u>11,042,549</u>	<u>-</u>	<u>-</u>	<u>(291,596)</u>	<u>-</u>
Total fund balances	<u>\$ 26,843,609</u>	<u>\$ 12,663,466</u>	<u>\$ 414,298</u>	<u>\$ (291,596)</u>	<u>\$ 1,665,786</u>

*Enabling legislation - see detail on page 52

GAS TAX USES	DEBT SERVICE	TRANSPORTATION TRUST	WILD SPACES & PUBLIC PLACES	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 188,854	\$ -	\$ -	\$ -	\$ -	\$ 614,701
-	-	-	-	57,565	77,363
<u>188,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,565</u>	<u>692,064</u>
-	3,836,311	-	-	-	3,836,311
-	1,410,274	-	-	-	1,410,274
-	-	-	-	-	12,663,466
-	-	-	80,019	-	80,019
-	-	-	-	4,361,063	4,361,063
-	-	17,312,113	-	-	17,312,113
-	-	-	-	3,683	3,683
-	-	-	-	127,329	127,329
-	-	-	-	2,592,281	2,592,281
-	-	-	-	275,573	275,573
-	-	-	-	159,477	159,477
-	-	11,222,283	-	646,021	11,868,304
-	-	910,221	-	3,042,726	3,952,947
-	-	-	-	16,496,175	16,496,175
<u>-</u>	<u>5,246,585</u>	<u>29,444,617</u>	<u>80,019</u>	<u>27,704,328</u>	<u>75,139,015</u>
-	-	-	-	-	5,819,713
-	-	-	-	-	9,521,456
-	-	-	-	-	15,700
-	-	-	-	610,039	610,039
-	-	-	-	4,785,272	4,785,272
-	-	-	-	172,058	172,058
-	-	-	-	103,529	516,373
-	-	-	-	802,891	802,891
-	-	-	-	65,951	65,951
-	-	-	-	76,586	76,586
-	-	-	-	1,166,018	2,831,804
<u>337,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,403</u>
<u>337,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,782,344</u>	<u>25,555,246</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,750,953</u>
<u>\$ 526,257</u>	<u>\$ 5,246,585</u>	<u>\$ 29,444,617</u>	<u>\$ 80,019</u>	<u>\$ 35,544,237</u>	<u>\$ 112,137,278</u>

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

B. NET POSITION RESTRICTED BY ENABLING LEGISLATION

<u>Program</u>	<u>Amount</u>
Administration	\$ 663,791
Culture & recreation	229,945
Corrections	545,784
Courts	3,702,054
Community services	129,339
Environmental services	194,902
Emergency services	2,206,956
Law enforcement	1,525,672
Solid waste collection	7,297,732
Total	<u>\$ 16,496,175</u>

NOTE 4 – 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 Position

Total fund balances of the County’s governmental funds of \$112,137,278 differ from net assets of governmental activities of \$552,505,846 reported in the Statement of Net Position. This difference results from the long-term economic focus of the Statement of Net Position 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 Position includes those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 979,459,561
Accumulated depreciation	<u>(464,253,810)</u>
Total capital assets	<u>\$ 515,205,751</u>

Net OPEB Obligation (asset)

Payment to retirees reflecting costs applicable to future account periods are not recorded as a Net OPEB asset in the fund financial statements. Changes in the net OPEB Plan obligation (asset) are reported in the Statement of Net Position.

Net OPEB asset	<u>\$140,036</u>
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ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Long-term Debt Transactions

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 Position. Balances at September 30, 2013 were:

Bond payable - 2006 Alachua County Gas Tax Revenue Bonds	\$ 9,290,000
Less: Discount	(23,158)
Bond payable - 2007 (A)(B) Public Improvement Revenue Refunding Bond	45,680,000
Plus: Premium	548,737
Bond payable - 2008 Alachua County Gas Tax Revenue Bonds	12,810,000
Plus: Premium	127,556
Note payable - Capital Improvement - Jail Energy Conservation	5,737,000
Note payable - 5 Cent Local Option Gas Tax Series 2011	7,603,000
Note payable - Alachua County Forever Series 2012	7,630,800
Medicaid payable (HB 5301)	3,533,719
Compensated absences	13,538,727
Total long-term liabilities	<u>\$ 106,476,381</u>

Deferred Outflow of Resources – Loss on Refunding

Deferred loss on refunding is not a current financial resources and, therefore is not reported in the funds.

Deferred loss on Refunding Public Improvement Revenue Bond (B)	<u>\$ (956,676)</u>
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Accrued Interest

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

Interest payable - 2006 Alachua County Gas Tax Revenue Bonds	\$ 124,108
Interest payable - 2007 (A)(B) Public Improvement Revenue Refunding Bond	653,324
Interest payable - 2008 Alachua County Gas Tax Revenue Bonds	176,448
Interest payable - Capital Improvement - Jail Energy Conservation	79,953
Interest payable - 5 Cent Local Option Gas Tax Series 2011	55,755
Interest payable - Alachua County Forever Series 2012	40,443
Total accrued interest	<u>\$ 1,130,031</u>

Unearned and Deferred Revenues

Unearned revenues in the Statement of Net Position differ from the amount reported in governmental funds due to taxes receivables.

Deferred revenues	<u>\$2,759,156</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.

Internal service funds	<u>\$ 27,751,854</u>
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Elimination of Interfund Receivables/Payables

Interfund transactions between governmental funds must be eliminated from the Statement of Net Position.

Interfund receivables/payables	<u>\$15,801,435</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>\$1,161,507</u>
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ALACHUA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

ASSETS	Total Governmental Funds	Capital Related Items	Long-term Obligations
Equity in pooled cash & investments	\$ 104,490,113	\$ -	\$ -
Cash with claims administrator	-	-	-
Other cash and equivalents	9,507,150	-	-
Sinking fund cash & cash reserves	11,171,475	-	-
Investments	1,642,881	-	-
Receivables (net)	2,880,379	-	-
Due from other funds	7,538,410	-	-
Advances to other funds	-	-	-
Due from other governments	7,868,966	-	-
Inventories or assets held for resale	1,206,131	-	-
Prepaid items	77,363	-	-
Net OPEB asset	-	-	140,036
Capital assets - net	-	515,205,751	-
Total assets	<u>\$ 146,382,868</u>	<u>\$ 515,205,751</u>	<u>\$ 140,036</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	-	956,676
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>956,676</u>
LIABILITIES & FUND BALANCES			
Liabilities:			
Accounts payable	\$ 12,740,659	\$ -	\$ -
Contracts payable	705,721	-	-
Accrued interest payable	-	-	-
Estimated liability for self insurance loss	-	-	-
Due to other funds	8,205,257	-	-
Advance from other funds	7,596,178	-	-
Due to other governments	2,025,121	-	-
Deposits	77,341	-	-
Unearned revenue	131,592	-	-
Accrued compensated absences	-	-	13,538,727
Medicaid payable	-	-	3,533,719
Bonds and notes payable (net)	-	-	89,403,935
Total liabilities	<u>31,481,869</u>	<u>-</u>	<u>106,476,381</u>
DEFERRED INFLOWS OF RESOURCES			
Tax revenue - unavailable	592,119	-	-
Intergovernmental revenue - unavailable	1,151,977	-	-
Special assessment revenue - unavailable	307,170	-	-
Charges for services - unavailable	707,890	-	-
Rent-collected in advance	4,565	-	-
Total deferred inflows of resources	<u>2,763,721</u>	<u>-</u>	<u>-</u>
Fund balances/net position	112,137,278	515,205,751	(105,379,669)
Total liabilities, deferred inflows and fund balances/net position	<u>\$ 146,382,868</u>	<u>\$ 515,205,751</u>	<u>\$ 1,096,712</u>

Interest Payable	Deferred Inflow of Resources	Internal Service Funds	Reclassifications & Eliminations	Statement of Net Position
\$ -	\$ -	\$ 24,887,290	\$ -	\$ 129,377,403
-	-	200,000	-	200,000
-	-	-	-	9,507,150
-	-	-	-	11,171,475
-	-	-	-	1,642,881
-	-	114,192	-	2,994,571
-	-	651,547	(8,205,257)	(15,300)
-	-	6,211,728	(7,596,178)	(1,384,450)
-	-	13,912	-	7,882,878
-	-	191,485	-	1,397,616
-	-	878,173	1,161,507	2,117,043
-	-	-	-	140,036
-	-	5,608,593	-	520,814,344
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,756,920</u>	<u>\$ (14,639,928)</u>	<u>\$ 685,845,647</u>
-	-	-	-	956,676
-	-	-	-	956,676
\$ -	\$ -	\$ 3,279,715	\$ -	\$ 16,020,374
-	-	-	-	705,721
1,130,031	-	-	-	1,130,031
-	-	5,911,053	-	5,911,053
-	-	-	(8,205,257)	-
-	-	-	(7,596,178)	-
-	-	-	-	2,025,121
-	-	-	-	77,341
-	-	1,588,787	-	1,720,379
-	-	225,511	-	13,764,238
-	-	-	-	3,533,719
-	-	-	-	89,403,935
<u>1,130,031</u>	<u>-</u>	<u>11,005,066</u>	<u>(15,801,435)</u>	<u>134,291,912</u>
-	(592,119)	-	-	-
-	(1,151,977)	-	-	-
-	(307,170)	-	-	-
-	(707,890)	-	-	-
-	-	-	-	4,565
-	(2,759,156)	-	-	4,565
(1,130,031)	2,759,156	27,751,854	1,161,507	552,505,846
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,756,920</u>	<u>\$ (14,639,928)</u>	<u>\$ 686,802,323</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

The net change in fund balances for governmental funds of \$(27,728,438) differs from the change in net assets for governmental activities of \$(14,002,757) 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 position decreases by the amount of depreciation expense charged for the year.

Capital outlay	\$ 19,925,060
Depreciation expense	<u>(19,676,311)</u>
Difference	<u>\$ 248,749</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 position differs from the change in fund balance by the cost of capital assets disposed.

Disposal of capital assets:	
Loss	<u>\$ (140,144)</u>
Total change	<u>\$ (140,144)</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>\$ 996,833</u>
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Long-term Transactions

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 Position and do not result in an expense in the Statement of Activities.

Bond principal payments made	\$ 8,993,200
Discounts amortized	(2,925)
Premium amortized	<u>48,781</u>
Total	<u>\$ 9,039,056</u>

Deferred Loss on Refunding

Amortization of the deferred loss on refunding is not reported in governmental funds.

Amortization Deferred loss on refunding	<u>\$ (60,105)</u>
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ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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	\$ (235,407)
Net change in Medicaid payable (HB 5301)	1,766,859
Net accrued interest payable	<u>93,593</u>
Net adjustment	<u>\$ 1,625,045</u>

Negative Net OPEB Obligation

Amortization of the change in the Net OPEB Obligation funding status of the OPEB Plan is not reported as an expenditure at the fund level.

Net change in amortization of negative net OPEB obligation	<u>\$ (451,597)</u>
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Internal Service Funds Operating Gain

The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position 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 2013, internal service funds incurred a total operating gain of \$2,052,804.

Internal service funds allocated program expenses	\$ (1,921,284)
Program revenues	3,813,995
Internal service funds non-operating revenues	<u>160,093</u>
Change in net position	<u>\$ 2,052,804</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>\$ 401,193</u>
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Reclassification and Eliminations

Transfers in and transfers out in the amount of \$61,703,737 between governmental activities should be eliminated. Indirect costs charged between governmental funds have been eliminated as well as Public Works 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>\$ 13,847</u>
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**ALACHUA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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

	Total Governmental Funds	Capital Outlay Transactions	Long-term Transactions
REVENUES			
Taxes	\$ 135,331,754	\$ -	\$ -
Licenses and permits	328,422	-	-
Intergovernmental	34,971,987	-	-
Charges for services	23,487,218	-	-
Fines and forfeitures	2,383,649	-	-
Investment income	723,825	-	-
Special assessments and impact fees	6,018,844	-	-
Private donations	374,758	996,833	-
Miscellaneous	3,414,188	100,614	-
Total revenues	<u>207,034,645</u>	<u>1,097,447</u>	<u>-</u>
EXPENDITURES			
Administration	48,598,223	265,570	(8,541,603)
Community services	29,972,229	193,527	(1,766,817)
Corrections	36,044,633	(7,127,545)	25,323
Courts	22,339,913	(1,373,935)	-
Culture and recreation	2,100,511	288,108	-
Economic environment	3,090,253	21,723	-
Emergency services	31,312,887	214,720	-
Environmental services	4,914,254	(1,909,901)	-
Growth management	4,304,991	(360,264)	-
Law enforcement	32,498,315	710,055	-
Solid waste collection	4,968,688	8,768	-
Transportation	11,041,188	8,960,569	(11,116)
Interest on long-term debt	3,662,228	-	-
Total expenditures	<u>234,848,313</u>	<u>(108,605)</u>	<u>(10,294,213)</u>
Excess of revenues over (under) expenditures	<u>(27,813,668)</u>	<u>1,206,052</u>	<u>10,294,213</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	61,688,353	-	-
Transfers out	(61,703,737)	-	-
Sale of capital assets	100,614	(100,614)	-
Total other financing sources (uses)	<u>85,230</u>	<u>(100,614)</u>	<u>-</u>
Change in fund balances/net position	<u>(27,728,438)</u>	<u>1,105,438</u>	<u>10,294,213</u>
Fund balances/net position-beginning as previously reported	139,865,716	514,100,313	(100,890,465)
Change in Accounting Principle	-	-	(1,244,690)
Fund balances/net position-beginning-as restated	<u>139,865,716</u>	<u>514,100,313</u>	<u>(102,135,155)</u>
Fund balances/net position - ending	<u>\$ 112,137,278</u>	<u>\$ 515,205,751</u>	<u>\$ (91,840,942)</u>

Compensated Absences	Accrued Interest Expenses	Deferred Inflows of Resources	Internal Service Funds	Reclassifications and Eliminations	Statement of Activities
\$ -	\$ -	\$ 162,159	\$ -	\$ -	\$ 135,493,913
-	-	-	-	-	328,422
-	-	41,401	-	-	35,013,388
-	-	236,166	1,564,180	(1,183,366)	24,104,198
-	-	-	-	-	2,383,649
-	-	(1,516)	44,320	-	766,629
-	-	(37,017)	-	-	5,981,827
-	-	-	-	-	1,371,591
-	-	-	2,365,588	(1,217,994)	4,662,396
-	-	401,193	3,974,088	(2,401,360)	210,106,013
(6,247)	-	-	3,339,420	(362,786)	43,292,577
14,243	-	-	(79,129)	(74,681)	28,259,372
11,660	-	-	(148,151)	-	28,805,920
22,608	-	-	(242,423)	(72,593)	20,673,570
(32,394)	-	-	(36,405)	(62,723)	2,257,097
(1,792)	-	-	(4,689)	(19,574)	3,085,921
142,682	-	-	(477,684)	(598,611)	30,593,994
37,110	-	-	(37,244)	(120,902)	2,883,317
14,929	-	-	(46,293)	(154,954)	3,758,409
36,040	-	-	(127,944)	(117,485)	32,998,981
5,864	-	-	(68,891)	(177,336)	4,737,093
(9,296)	-	-	(149,283)	(653,562)	19,178,500
-	(93,593)	-	-	-	3,568,635
235,407	(93,593)	-	1,921,284	(2,415,207)	224,093,386
(235,407)	93,593	401,193	2,052,804	13,847	(13,987,373)
-	-	-	-	(61,688,353)	-
-	-	-	-	61,688,353	(15,384)
-	-	-	-	-	-
-	-	-	-	-	(15,384)
(235,407)	93,593	401,193	2,052,804	13,847	(14,002,757)
(13,303,320)	(1,223,624)	2,357,963	25,699,050	1,147,660	567,753,293
-	-	-	-	-	(1,244,690)
(13,303,320)	(1,223,624)	2,357,963	25,699,050	1,147,660	566,508,603
\$ (13,538,727)	\$ (1,130,031)	\$ 2,759,156	\$ 27,751,854	\$ 1,161,507	\$ 552,505,846

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 - CASH AND INVESTMENTS

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

Deposits and investments as of September 30, 2013 are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary Government

Equity in pooled cash and investments	\$ 142,923,790
Cash with claims administrator	200,000
Other cash and equivalents	9,507,400
Sinking fund cash and equivalents	11,171,475
Other investments	1,642,881
Restricted cash and investments:	
Equity in pooled cash and investments	39,374
Investments	3,820,860

Component Units

Equity in pooled cash and investments	404,947
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Statement of Fiduciary Net Position:

Equity in pooled cash and investments	30,860
Other cash and investments	6,852,178
Investments	1,576,143

Total cash and investments	\$ 178,169,908
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Deposits and investments as of September 30, 2013 consist of the following:

Primary Government

Deposits with financial institutions	\$ 24,243,725
Investments	145,062,055

Component Units

Investments	404,947
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Fiduciary Assets

Deposits with financial institutions	6,883,038
Investments	1,576,143

	\$ 178,169,908
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ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Investment Holdings

As of September 30, 2013, the County had the following investments:

Investments	Duration (Years)	Fair Value
Primary Government		
Regions MMF	0.001	209,396
PFM Fund Government Series	0.14	33
Florida Trust Day to Day Fund	0.15	5,051,437
FLGIT	1.55	12,673,712
Florida PRIME (2a7-like)	0.12	39,456,658
SBA Fund B	4.04	1,529,995
Federal Agency Note (PFM)	1.36	28,105,385
Federal Agency Bond (PFM)	0.49	8,009,296
US Treasury Bond/Note (PFM)	1.93	44,174,731
Municipal Bonds (PFM)	2.20	5,851,412
Subtotal Primary Government		145,062,055
Component Unit		
Florida PRIME (2a7-like)	0.12	404,947
Fiduciary		
FMPTF Bond Fund	1.59	1,232,201
Florida Trust Day to Day Fund	0.15	255,782
Florida PRIME (2a7-like)	0.12	1,727
SBA Fund B	4.04	86,433
Total Fiduciary		1,576,143
Total Holdings		\$ 147,043,145

Brief Description of each Investment Type (Primary Government)

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

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 U.S. Government Obligations and such repurchase agreements.

Florida Trust Day to Day Fund - This is a money market product created in January 2009 as part of the Florida Local Government Investment Trust developed through the joint efforts of the Florida Association of Court Clerks and Comptrollers and the Florida Association of Counties. The fund is AAAM rated by

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Standard and Poor's and is governed by the Florida Local Government Investment Trust board and advisory committee. The fund seeks to preserve and maintain a stable net asset value of \$1.00 per share. The weighted average maturity of the Fund at September 30, 2013, was 54 days. Additional information on this fund may be obtained from the Florida Trust website at www.floridatrustonline.com.

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

State Board of Administration's Local Government Investment Pool (Florida Prime Fund 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 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).

US Treasury, Federal Agencies & Municipal Bond Securities - The County contracts with PFM Asset Management LLC, Independent Investment Advisor, to manage a portion of the operating portfolio. PFM is authorized to invest in US Treasury, Federal Agency, and Municipal bonds and notes on behalf of the County. At year end, PFM directly managed \$86,140,824 (fair market value) as noted in the table on page 65.

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, 2013 are \$71,989 and \$332,958 respectively and the funds were invested in the Florida PRIME Fund. As participants in the internal investment pool the component units are subject to the same investment policy used for the County's operating funds.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Description of Fiduciary Asset Investment Holdings

The Other Post Employment Benefit (OPEB) Trust invests with the Florida League of Cities' Florida Municipal Pension Trust Fund (FMPTF). The FMPTF is considered a Local Government Investment Pool (LGIP). The OPEB Trust owned shares in the LGIP at September 30, 2013 with a fair market value of \$1,232,201. The Clerk of Court Registry Fund investments are held in Florida Trust Day to Day Fund, Florida PRIME Fund and SBA Fund B as described above. The fair market values at September 30, 2013 for the Clerk of Court Registry Funds are \$255,782, \$1,727 and \$86,433 respectively.

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, 2013, 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.

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, 2013, all securities are held in Region Bank's trust department in the County's name.

Credit Risk

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

<u>Investments</u>	<u>Rating</u>	<u>Fair Value</u>
Primary Government		
Regions MMF	AAAm	209,396
PFM Fund Government Series	AAAm	33
Florida Trust Day to Day Fund	AAAm	5,051,437
FLGIT	AAAf	12,673,712
Florida PRIME (2a7-like)	AAAm	39,456,658
SBA Fund B	Unrated	1,529,995
Federal Agency Note (PFM)	AA+	28,105,385
Federal Agency Bond (PFM)	AA+	8,009,296
US Treasury Bond/Note (PFM)	AA+	44,174,731
Municipal Bonds (PFM)		
State of Oregon	AAA	940,500
Minnesotat St	AA+	2,868,359
State of Washington	AA+	1,568,427
University of California	AA	474,126
Subtotal Primary Government		<u>145,062,055</u>
Component Unit		
Florida PRIME (2a7-like)	AAAm	<u>404,947</u>
Fiduciary		
FMPTF Bond Fund	Unrated	1,232,201
Florida Trust Day to Day Fund	AAAm	255,782
Florida PRIME (2a7-like)	AAAm	1,727
SBA Fund B	Unrated	<u>86,433</u>
Total Fiduciary		<u>1,576,143</u>
Total Holdings		<u>\$ 147,043,145</u>

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

<u>Investment</u>	<u>Fair value</u>	<u>3 Months -</u>		
		<u>0 - 3 Months</u>	<u>1 year</u>	<u>> 1 year</u>
Federal Agency Note (PFM)	\$ 28,105,385	\$ -	\$ -	\$ 28,105,385
Federal Agency Bond (PFM)	8,009,296	-	8,009,296	-
US Treasury Bond / Note (PFM)	44,174,731	-	-	44,174,731
Municipal Bonds (PFM)	5,851,412	-	-	5,851,412
Total	<u>\$ 86,140,824</u>	<u>\$ -</u>	<u>\$ 8,009,296</u>	<u>\$ 78,131,528</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Callable Investments - The County has \$9,656,207 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 April 2015 and January 2016.

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

<u>Category</u>	<u>Percentage of Total Cash & Investments</u>
US Treasuries	29.28%
Florida PRIME (2a7- like)	22.76%
Federal National Mortgage Assn.	9.37%
Florida Local Govt Investment Trust (FLGIT)	8.37%
Federal Home Loan Mortgage Corp.	7.19%
Federal Farm Credit Bank	5.29%

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:

	Bond		Lanfill Post Closure
	Covenants & Cash Reserve	Sinking Fund	
2006 Gas Tax Revenue Bond (1)	\$ 1,384,450	\$ 230,388	\$ -
2007 Public Improvement Revenue Bond-Series A & B (2)	4,642,335	889,995	-
2008 Gas Tax Revenue Bond (3)	1,569,393	289,891	-
2010-1 Alachua County Forever Bank Loan	811,946	-	-
2011 Local Option Gas Tax Bank Loan	1,353,077	-	-
Solid Waste System	-	-	3,860,234
Total Restricted Cash and Investments	<u>\$ 9,761,201</u>	<u>\$ 1,410,274</u>	<u>\$ 3,860,234</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.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 6 - PROPERTY TAX

A. Real Property Taxes pursuant to Section 193.122(3), Florida Statutes, notice of second certification was extended pursuant to F.S. 197.323 on October 17, 2013. Property taxes receivable were reported in the General fund, Municipal Services Taxing Unit funds, MSBU Refuse Collection, Debt Service fund, Tourist Development sub-fund, Sugarfoot Preservation special assessment sub-fund, West End special assessment sub-fund, NE 132nd 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:

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

C. Real Property Delinquent Tax Process

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

D. Other Information Regarding Sale of Tax Certificates

1. Alachua County will hold any unsold certificates (for later sale if possible).
2. Property owners redeem certificates by paying the Tax Collector the tax certificate amount plus interest and fees; the Tax Collector then pays the certificate holder.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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 2013 distributions were made as follows:

November and December - 2 distributions each month

All other months – 1 distribution each month

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 7 - CAPITAL ASSETS

A. Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary Government					
Capital assets not being depreciated:					
Land	\$ 78,030,013	\$ 1,906,937	\$ -	\$ 3,700	\$ 79,940,650
Right of Way	157,786,854	21,679	-	160,211	157,968,744
Stormwater Basins	13,929,401	139,421	-	(52,272)	14,016,550
Artwork	91,390	-	-	-	91,390
Construction/Purchase in progress	17,922,524	13,780,928	-	(4,368,749)	27,334,703
Total not being depreciated	267,760,182	15,848,965	-	(4,257,110)	279,352,037
Capital assets being depreciated:					
Buildings	121,767,384	865,623	(616,953)	3,084,835	125,100,889
Equipment & purchased software	72,829,692	3,863,643	(3,811,298)	651,270	73,533,307
Software - internally developed	188,016	-	-	-	188,016
Improvements other than Building	13,862,310	354,654	(51,607)	65,371	14,230,728
Infrastructure	502,553,330	34,168	-	1,453,910	504,041,408
Total being depreciated	711,200,732	5,118,088	(4,479,858)	5,255,386	717,094,348
Less accumulated depreciation for:					
Buildings	(45,910,147)	(2,924,026)	-	-	(48,834,173)
Equipment & purchased software	(47,787,965)	(5,695,908)	4,368,778	(1,444)	(49,116,539)
Software - internally developed	(71,344)	(37,604)	-	(49,972)	(158,920)
Improvements other than Building	(6,559,747)	(756,260)	11,709	-	(7,304,298)
Infrastructure	(358,447,119)	(11,770,992)	-	-	(370,218,111)
Total accumulated depreciation	(458,776,322)	(21,184,790)	4,380,487	(51,416)	(475,632,041)
Total being depreciated, net	252,424,410	(16,066,702)	(99,371)	5,203,970	241,462,307
Governmental activities capital assets, net	520,184,592	\$ (217,737)	\$ (99,371)	\$ 946,860	\$ 520,814,344
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 3,324,279	\$ 25,312	\$ -	\$ 7,108	\$ 3,356,699
Total not being depreciated	3,324,279	25,312	-	7,108	3,356,699
Capital assets being depreciated:					
Buildings	2,935,256	-	-	-	2,935,256
Equipment & purchased software	3,373,731	284,143	(387,394)	-	3,270,480
Improvements other than Building	13,396,693	1,038	-	-	13,397,731
Total being depreciated	19,705,680	285,181	(387,394)	-	19,603,467
Less accumulated depreciation for:					
Buildings	(1,225,926)	(92,678)	-	-	(1,318,604)
Equipment & purchased software	(2,558,938)	(368,262)	427,010	(45,687)	(2,545,877)
Improvements other than Building	(10,103,743)	(201,214)	-	-	(10,304,957)
Total accumulated depreciation	(13,888,607)	(662,154)	427,010	(45,687)	(14,169,438)
Total being depreciated, net	5,817,073	(376,973)	39,616	(45,687)	5,434,029
Total business-type capital assets, net	9,141,352	\$ (351,661)	\$ 39,616	\$ (38,579)	\$ 8,790,728

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

Governmental Activities:

Administration	\$ 731,386
Community service	497,299
Corrections	1,396,188
Courts	967,871
Culture & recreation	738,467
Tourist development	21,723
Emergency services	1,083,776
Environmental services	46,630
Growth management	45,257
Law enforcement	2,084,880
Solid waste disposal	12,882
Transportation (includes County infrastructure)	12,049,952
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets.	<u>1,508,479</u>
Total depreciation expense-governmental activities	<u><u>\$ 21,184,790</u></u>

Business-type activities:

Codes enforcement	\$ 58
Solid waste disposal	<u>662,096</u>
Total depreciation expense-business-type activities	<u><u>\$ 662,154</u></u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Balances as of September 30, 2013, consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental funds:		
General Fund	\$ 5,192,012	\$ 1,080,937
MSTU Unincorporated Services	43,797	210
MSTU Law Enforcement	184,435	2,400,000
MSTU Fire Protection	106,003	13,732
Gas Tax Uses	367,915	750,000
Debt service	15,351	8,954,076
Transportation Trust	1,189,724	-
Other Governmental Funds	439,173	2,602,480
Subtotal Governmental funds	<u>7,538,410</u>	<u>15,801,435</u>
Proprietary funds:		
Solid Waste System	1,399,834	25
Codes Enforcement	-	59
Internal Service funds	6,863,275	-
Total	<u><u>\$ 15,801,519</u></u>	<u><u>\$ 15,801,519</u></u>

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

B. Interfund Transfers for the year ended September 30, 2013, consisted of the following:

	Transfers from Other Funds	Transfers to Other Funds
	<u> </u>	<u> </u>
Governmental Funds:		
General Fund	\$ 25,566,195	\$ 8,249,474
MSTU Unincorporated Services	398,905	322,000
MSTU Law Enforcement	1,285,469	16,230,694
MSTU Fire Protection	857,193	2,237,009
Gas Tax Uses	2,928,671	-
Debt Service	2,353,295	8,367,359
Transportation Trust	17,386,581	-
Other Governmental Funds	10,912,044	26,297,201
Subtotal-Governmental Funds	<u>61,688,353</u>	<u>61,703,737</u>
Proprietary Funds:		
Business-type Activities:		
Solid Waste System	15,384	-
Total	<u><u>\$ 61,703,737</u></u>	<u><u>\$ 61,703,737</u></u>

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 9 - LONG-TERM OBLIGATIONS

A. Long-term Obligations (excluding accrued compensated absences and estimated self-insured losses) at September 30, 2013 are composed of the following:

PRIMARY GOVERNMENT

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. 45,680,000

\$15,400,000 2006 Transportation Improvement revenue bonds, due in annual installments of \$1,010,000 to \$1,325,000 through 2021, interest from 3.75% to 4.125%.

Revenue Source - a pledge of the County's 5th, 6th, 7th and 9th cent voted Gas Tax. 9,290,000

\$18,245,000 2008 Transportation Improvement revenue bonds, due in annual installments of \$1,210,000 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. 12,810,000

TOTAL BONDS PAYABLE 67,780,000

Notes Payable:

\$7,700,000 2008 Capital Improvement bank loan, due in annual installments of \$457,000 to \$684,000 through 2023, interest of 4.090%.

Revenue Source - a pledge of the County's Non-Ad Valorem revenues 5,737,000

\$9,500,000 2011 Local Option Gas Tax bank loan, due in annual installments of \$1,199,000 to \$1,337,000 through 2019, interest of 2.200%.

Revenue Source - a pledge of the County's 5 Cent Local Option Gas Tax 7,603,000

\$9,615,000 2012 Alachua County Forever bank loan, due in annual installments of \$1,496,600 to \$2,079,100 through 2017, interest of 1.590%.

Revenue Source - a pledge of the County's Ad Valorem revenues up to .25 mills. 7,630,800

TOTAL NOTES PAYABLE 20,970,800

\$5,300,578 Medicaid Payable HB5301, due in annual installments of \$883,430 to \$883,429 through 2017

Revenue Source - County's portion of the Half Cent Sales Tax 3,533,719

TOTAL MEDICAID PAYABLE 3,533,719

TOTAL LONG-TERM OBLIGATIONS \$ 92,284,519

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

B. Debt Service and Medicaid Requirements to Maturity on the County's debt at September 30, 2013 are as follows:

<u>Fiscal Year</u>	<u>Revenue Bonds</u>		<u>Notes Payable</u>		<u>Medicaid Payable</u>	<u>Total Principal, Interest, and Medicaid</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2014	5,600,000	2,861,639	3,684,600	513,309	883,430	13,542,978
2015	5,860,000	2,633,889	3,764,500	434,968	883,430	13,576,787
2016	6,060,000	2,389,489	3,846,100	355,248	883,430	13,534,267
2017	6,345,000	2,137,089	3,312,600	272,471	883,429	12,950,589
2018	6,595,000	1,883,289	1,867,000	197,980	-	10,543,269
2018-2023	27,435,000	5,081,777	4,496,000	418,608	-	37,431,385
2024-2028	8,890,000	1,184,628	-	-	-	10,074,628
2029	995,000	42,288	-	-	-	1,037,288
	<u>67,780,000</u>	<u>18,214,087</u>	<u>20,970,800</u>	<u>2,192,584</u>	<u>3,533,719</u>	<u>112,691,190</u>
Less:						
Unamortized						
Bond Discount	(23,158)	-	-	-	-	(23,158)
Plus:						
Unamortized						
Bond Premium	676,293	-	-	-	-	676,293
TOTAL	<u>\$ 68,433,135</u>	<u>\$ 18,214,087</u>	<u>\$ 20,970,800</u>	<u>\$ 2,192,584</u>	<u>\$ 3,533,719</u>	<u>\$ 113,344,326</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

C. Changes in Long-term Obligations for the year ended Sept. 30, 2013 are as summarized as follows:

	<u>Balance</u> <u>October 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept 30, 2013</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental activities:</u>					
Revenue bonds payable	\$ 73,160,000	\$ -	\$ (5,380,000)	\$ 67,780,000	\$ 5,600,000
Less: deferred amounts:					
Unamortized discounts	(26,083)	-	2,925	(23,158)	-
Unamortized premiums	<u>725,074</u>	<u>-</u>	<u>(48,781)</u>	<u>676,293</u>	<u>-</u>
Subtotal-bonds	72,842,210	-	(5,425,856)	68,433,135	5,600,000
Notes payable	24,584,000	-	(3,613,200)	20,970,800	3,684,600
Estimated liability-self insured losses	6,254,926	18,646,520	(18,990,393)	5,911,053	1,736,897
Medicaid payable (HB 5301)	5,300,578	-	(1,766,859)	3,533,719	883,430
Accrued compensated absences	<u>13,513,129</u>	<u>6,836,880</u>	<u>(6,585,771)</u>	<u>13,764,238</u>	<u>6,585,771</u>
Total governmental obligations	<u>122,494,843</u>	<u>25,483,400</u>	<u>(36,382,079)</u>	<u>112,612,945</u>	<u>18,490,698</u>
<u>Business-type activities:</u>					
Accrued compensated absences	577,832	249,953	(252,252)	575,533	252,252
Accrued landfill closure cost	<u>6,953,045</u>	<u>-</u>	<u>(1,598,846)</u>	<u>5,354,199</u>	<u>439,935</u>
Total business-type activities	<u>7,530,877</u>	<u>249,953</u>	<u>(1,851,098)</u>	<u>5,929,732</u>	<u>692,187</u>
Total long-term obligations	<u>\$ 130,025,720</u>	<u>\$ 25,733,353</u>	<u>\$ (38,233,177)</u>	<u>\$ 118,542,677</u>	<u>\$ 19,182,885</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, \$225,511 of internal service funds compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

D. Summary of Revenue Bonds Payable – the following is a summary of government bond resolutions pertaining to debt reflected in the September 30, 2013 financial statements:

Name	\$15,400,000 Gas Tax Revenue Bonds, Series 2006	\$18,245,000 Gas Tax Revenue Bonds, Series 2008	\$63,625,000 Public Improvement Revenue Bonds, Series 2007A & B
Purpose	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.	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.	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.
Dated	April 12, 2006	April 10, 2008	February 6, 2007
Final maturity	August 1, 2021	August 1, 2022	August 1, 2029
Principal payment date	August 1st	August 1st	August 1st
Interest payment dates	August 1st and February 1st	August 1st and February 1st	August 1st and February 1st
Interest rates	3.75% to 4.125%	3.75% to 4.50%	4.00% to 4.25%
Outstanding Principal at 9/30/13	\$9,290,000	\$12,810,000	\$45,680,000
Reserve requirement	\$1,384,450	\$1,743,769	\$5,158,149
Pledged revenue source	Constitutional Gas Tax, County Gas Tax, and Ninth Cent Gas Tax.	Constitutional Gas Tax, County Gas Tax, and Ninth Cent Gas Tax.	Local Government Half-Cent Sales Tax.
Total debt svc payment	\$1,380,750	\$1,743,219	\$5,334,770
% of required Debt Svc to total pledged revenue source	63.39%		51.84%

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

E. Demand Bonds – The County has no demand bonds.

F. 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, 2013, there were fifteen series of Health Facility Revenue Bonds outstanding, with an aggregate principal amount payable of \$645,024,879, one series of Industrial Development Bonds outstanding, with an aggregate principal amount payable of \$14,000,000, and eight series of Housing Finance Authority Multi-family Housing Bonds, with an aggregate principal amount payable of \$37,900,585.

G. Landfill Post Closure Care Obligation – The County’s Southwest Landfill’s liability for fiscal year 2013 is \$4,279,842, a decrease of \$1,332,753 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 \$1,074,357, a decrease of \$266,093 from last fiscal year. See Note 1.D.8. for more information.

NOTE 10 - EMPLOYEE BENEFITS

A. Pension Plan

Florida Retirement System - Defined Benefit and Defined Contribution Pension Plan

Defined Benefit Plan

Plan Description - The County contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer retirement plan administered by the State of Florida, Department of Management Services, Division of Retirement. FRS offers members a defined benefit plan (Pension Plan) to provide retirement, disability, or death benefits for retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues financial statements and required supplementary information for the FRS. 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) 488-5540.

Funding Policy – The FRS was employee noncontributory through June 30, 2011, but beginning July 1, 2011 was funded partially by a contribution of 3% from employees and governmental employers are required to contribute the balance at an actuarially statewide determined rate. The rates for the management portion of the contribution as of September 30, 2013, are as follows: regular employees – 6.95%; special risk employees – 19.06%; elected officials – 33.03%; senior management service – 18.31%; deferred retirement option (DROP) – 12.84%.

The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. The County’s contributions to the FRS Pension Plan for the years ending September 30, 2013, 2012, and 2011 were \$7,677,865, \$6,335,418, and \$10,110,050, respectively, and were equal to the required contributions for each year.

ALACHUA COUNTY, FLORIDA
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Funded Status – The FRS Annual Report July 1, 2011 – June 30, 2012 available as previously mentioned, stated that the FRS pension plan was 86.9% funded at July 1, 2012 since the actuarial value of assets was \$127.89 billion compared to the actuarial accrued liability of \$147.19 billion.

Defined Contribution Plan

The Florida Legislature created the Florida Retirement Investment Plan (“FRS Investment Plan”), a defined contribution plan qualified under Section 401 (a) of the Internal Revenue Code. The FRS Investment Plan is administered by the Department of Management Services and is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. Chapter 121, Florida Statutes, establishes the authority for benefit provisions and contribution requirements. Changes to the law can only occur through an act of the Florida Legislature. There are uniform contribution rates as discussed on the preceding page that cover both the defined benefit and defined contribution plans. Required employer contributions made to the FRS Investment Plan in FY13 totaled \$1,361,240.

City of Gainesville Pension Plan

As of September 30, 2013, one (1) employee of the Sheriff’s office was a member of the City of Gainesville’s Employees’ Plan. This employee was previously an employee of the City of Gainesville who elected to remain in the City’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 14.56% for retirement benefits.

The Sheriff’s contributions to the City Employees’ Plan for the years ended September 30, 2013, 2012 and 2011, were \$5,503, \$4,513, and \$4,979, 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, 2013, 2012 and 2011, were \$2,287, \$4,126, and \$4,563, respectively, equal to the required contributions for each year.

B. Other Post-Employment Benefits Plan

Plan Description – 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. The County administers the cost-sharing single-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. A separate stand-alone financial statement for the OPEB Plan is not prepared.

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

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 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.

At October 1, 2012, the date of the latest actuarial valuation, plan participation consisted of:

Active employees (fully eligible)	179
Active employees (not fully eligible)	1,975
Retirees receiving benefits	<u>602</u>
Total OPEB participants	<u><u>2,756</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, 2013, the County paid a total of \$1,107,403 for the OPEB Plan. 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 an additional \$1,482,361 to pay-as-you-go financing through their required contribution of \$408.06 per month for retiree-only coverage, \$975.20 per month for retiree and spouse coverage and \$1,374.82 per month for family coverage.

Annual OPEB Cost and Net OPEB Obligation – The annual cost 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 County's annual OPEB cost, percentage of OPEB cost contributed, and net OPEB benefit obligation (asset) for the current year and two preceding years are as follows:

Year	Annual OPEB Cost	Actual Contribution	% Contributed	Net OPEB Obligation (Asset)
2013	\$1,559,000	\$1,107,403	71%	(\$140,036)
2012	1,331,000	1,922,633	144%	(591,633)
2011	1,296,000	1,296,000	100%	-

ALACHUA COUNTY, FLORIDA
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The following table shows the components of the County's annual OPEB Plan cost for the year, the amount actually contributed by the employer, and the changes in the net OPEB Plan obligation (asset):

Annual required contribution	\$ 1,569,000
Interest on net OPEB obligation	(41,000)
Adjustment to ARC	31,000
Annual OPEB cost (expense)	<u>1,559,000</u>
OPEB plan payments:	
Pay-as-you-go financing	1,107,403
Contribution of assets to OPEB Trust	-
Subtotal OPEB payments	<u>1,107,403</u>
Increase in net OPEB obligation (asset)	<u>451,597</u>
Net OPEB obligation-beginning of year	(591,633)
Net OPEB obligation(asset)-end of year	<u><u>\$ (140,036)</u></u>

Funding Status and Funding Progress – The OPEB payments made for the 2013 fiscal year were 71% of the annual OPEB cost. As of the actuarial valuation report dated October 1, 2012, the funded status was as follows:

Actuarial accrued liability (AAL)	\$ 18,640,000
Less: Actuarial value of plan assets	1,105,309
Unfunded actuarial accrued liability (UAAL)	<u>\$ 17,534,691</u>
Funded ratio (actuarial value of plan assets/AAL)	5.93%
Covered payroll at valuation date	\$ 100,693,903
UAAL as a percentage of covered payroll	17.4%

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.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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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	7.0%
Projected annual salaries increase	3.5%
Inflation Rate	3.0%
Mortality	RP-2000 Table (projected to 2015), gender-specific basis
Healthcare cost trend rate	9% initial year reduced 0.5% each year until reaching ultimate trend rate of 5.0%

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.

	Vacation Accrual Maximum	Vacation Termination Pay Maximum	Sick Leave Accrual Maximum
Board of County Commissioners (Including Supervisor of Elections)			
40 hours/week (hired before April 1, 2011)	280 hours	280 hours	No Maximum
56 hours/week (hire before April 1, 2011)	392 hours	392 hours	No Maximum
40 hours/week (hired after March 31, 2011)	240	240	1000
56 hours/week (hired after March 31, 2011)	336	336	1400
Clerk of the Circuit Court	280 hours	240 hours	1040
Property Appraiser	280 hours	240 hours	No Maximum
Tax Collector	No Maximum	No Maximum	No Maximum
Sheriff	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 \$14,339,771 on the Statement of Net Position. In the Government-wide presentation, compensated absences are accrued in the period they are earned. For the adjusted liabilities at the end of the year, a determination was made for current and non-current amounts. Accrued compensated absences are not recorded for any accruals over the maximum.

D. Deferred Compensation Plan

The County offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The County complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

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

E. Component Units Employment

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

NOTE 11 - RISK MANAGEMENT AND CONVENTIONALLY INSURED CLAIMS & LOSSES

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

A. Risk Management Claims and Losses

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

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

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

The estimated liability for self-insured losses is based on reported claims, historical loss data, industry statistics for claims incurred but not reported, and a valuation performed by an independent actuary as of July 31, 2013 projecting to September 30, 2013, and the prior year as of July 31, 2012 projecting to September 30, 2012:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims & Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2012	\$ 5,759,112	\$ 1,338,828	\$ (1,883,948)	\$ 5,213,992
2013	5,213,992	1,919,696	(2,190,658)	4,943,030

For fiscal year 2013 the margin for the risk of adverse deviation was accrued at a 75% confidence level. For fiscal year 2013 ending unrestricted net position is \$1,383,467 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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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.

C. Employee Group Health Insurance

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

All County employees may participate in the employee group health insurance including all Constitutional Officer employees and Component Unit employees of the Murphree Law Library. In addition, the Alachua County Library District employees may participate in the plan. Payments to the employee group health insurance plan are assessed based on actuarial estimates of the amounts needed to pay current year claims and to establish a "reserve" (i.e. net position or equity) for catastrophic losses and to fund the retiree other post employee benefit. The employee group health insurance plan net position was \$5,076,634 at September 30, 2013.

The claims liability reported in the fund at September 30, 2013 for the employee group health insurance plan was \$968,023. This amount was the actuarially determined claims liability based on the requirements of GASB Statement 10, which specifies that a liability for claims should be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. These claims liability amounts are all considered to be due within one year and are classified as current liabilities in the accompanying financial statements. During fiscal year 2013, changes recorded to the claims liability for the employee group health insurance plan were as follows:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims & Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2012	\$ 864,249	\$ 18,109,406	\$ (17,932,721)	\$ 1,040,934
2013	1,040,934	17,070,697	(17,143,608)	968,023

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

insurance. For the past three years, there have been no insurance settlements significantly in excess of insurance coverage.

NOTE 12 - 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, 2013, the following was charged:

CHARGED	FUND	PROJECT NAME
	Governmental Funds	
\$ 72,867	CHOICES	CHOICES
234,055	MSTU-Unincorporated services	MSTU-Unincorporated services
495,930	MSTU-Fire protection services	MSTU-Fire protection services
3,473	Emergency services	EMPA State Grant
2,564	Emergency services	EMPG Federal Grant
56,030	MSBU	Refuse Collection
51,819	Drug & law enforcement	HRS Metamorphosis
10,694	Environmental	Hazardous Materials Code
7,593	Environmental	FDEP Tank Inspection
8,250	Environmental	FDEP Petroleum Cleanup
19,574	Tourism	Tourist Development
10,704	Other Special Revenues	Alachua County Fairgrounds Management
<u>973,553</u>	Subtotal-Governmental Funds	
	Enterprise Funds	
215,307	Solid Waste	Solid Waste System
53,645	Solid Waste	Collection Centers
59,826	Solid Waste	Hazardous Waste Management
44,854	Solid Waste	Waste Management Assessment
6,113	Solid Waste	Landfill post closure care
82,735	Codes Enforcement	Codes Enforcement
<u>462,480</u>	Subtotal Enterprise Funds	
	Internal Service Funds	
66,706	Self Insurance	Self Insurance Fund
150,207	Fleet Management	Fleet Management Fund
26,677	Telephone Services	Telephone Services
<u>243,590</u>	Subtotal Internal Service Funds	
<u>\$ 1,679,623</u>	Total Indirect Cost	

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 13 - OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES

A. Excess of Expenditures over Appropriations

Each fiscal year the Clerk of Court is statutorily required to return excess fees to the State. For fiscal year 2013, the Fine and Forfeiture fund exceeded the non-operating appropriation for excess fees by \$134,739. This was a one-time requirement to return excess fees to the State. No additional corrective action is planned.

Fund Name	Budget for Non- Operating	Actual	Variance with Final Budget – Positive (Negative)
Clerk of Court Fine & Forfeiture Fund	\$ 413,396	\$ 548,135	(\$134,739)

B. Excess of Expenditures Over Revenue in the Budget Column

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

C. Change in Accounting Principle

In fiscal year 2013, the County implemented *GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. As a result, we have deleted the unamortized bond issuance costs for governmental activities at the government-wide level, and restated beginning net position. The reported cumulative effect of the change in accounting principle was \$1,244,690. Below is a summarized table of unamortized debt issuance cost:

DEBT ISSUE	UNAMORTIZED COSTS
2006 Gas Tax Revenue Bonds	\$191,011
2007 Public Improvement Revenue Bonds	685,307
2008 Gas Tax Revenue Bonds	296,993
2008 Capital Improvement Bank Loan (Issued 2009)	25,852
2011 Local Option Gas Tax Bank Loan	30,863
2012 Alachua County Forever Bank Loan 2010-1	14,664
Total	\$1,244,690

In addition, there are numerous terminology changes throughout the financial section of this report. These classifications changes do not require a prior period adjustment.

D. Future Accounting Pronouncements

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

- Accounting and financial reporting for pensions;
- Mergers, acquisitions and transfers of operations; and
- Financial guarantees

The County is currently evaluating the effects that these statements will have on its financial statements for subsequent fiscal years.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 14 - 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, 2013, under cancelable leases are summarized as follows:

<u>Fund Charged</u>	<u>Amount</u>
General Fund	\$ 612,824
Special Revenue Funds	179,865
Capital Projects	4,109
Enterprise Fund	21,395
Internal Service Funds	<u>6,026</u>
Total	<u>\$ 824,219</u>

(c) During fiscal year 2011, the Property Appraiser entered into a licensing agreement for appraisal software with a third party. The agreement is cancellable by either party with 30 days' notice. Scheduled future payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 100,000
2015	100,000
2016	100,000
2017	<u>50,000</u>
Total	<u>\$ 350,000</u>

(d) The Tax Collector is leasing various equipment under renewable annual operating leases. During the year ended September 30, 2013, the lease payments on all operating leases were \$129,694. 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, 2013, the lease payments on all data transport service leases were \$18,084. 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, 2013, lease payments for office space totaled \$177,560.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Future minimum lease payments for noncancellable operating leases for the Tax Collector as of September 30, 2013, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 201,494
2015	206,147
2016	215,016
2017	129,718
2018	1,870
Total	<u>\$ 754,245</u>

(e) The Sheriff is leasing equipment and office space under leases, which are cancelable under certain circumstances. During the fiscal year ended September 30, 2013, the lease payments on all operating leases amounted to approximately \$254,026.

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

Operating Leases for fiscal year 2013:

	<u>Lease Amount</u>
SP Recycling leases a building for \$105,203.38 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 increase of 3% will be applied to the rent. The cost of the leased building is \$1,132,087, with an accumulated depreciation of \$478,801, resulting in a carrying value of \$653,286.	\$ 105,203
Phil-Nick's Restaurant leases a space in the commercial building at 37 N Main Street, consisting of approximately 2,187 square feet, paying rental payments in the amount of \$1,405 monthly, plus applicable taxes. Payment is due no later than the first of each month. The cost of the leased space is \$232,613, with \$184,824 accumulated depreciation resulting in a \$47,789 carrying value.	16,862
The licensee leased the land at 15 SW 2nd Street, for \$100 monthly, plus applicable taxes. Payment is due no later than the first of each month. The cost of the land is \$5,596.	1,200
Florida Department of Health, sub-leases warehouse space within a building located at 6520 NW 18th Drive, paying rental payments in the amount of \$2,757.38 monthly.	<u>33,089</u>
TOTAL OPERATING LEASES	<u>\$ 156,354</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(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:

Fiscal Year	Lease
Ending	Receivable
September 30	
2014	\$ 126,421
2015	18,062
2016	18,062
2017	18,062
2018	18,062
TOTAL	\$ 198,669

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

(5) Other significant outstanding contracts at September 30, 2013, are as follows:

Amount	Vendor Name	Description
\$400,739	HNTB Inc	Construction plan for SW 61 St & SW 24th Ave
816,399	Peter Brown Construction Inc	Construction of Jail roof
1,202,154	BBI Construction Management Inc	Civil Courthouse HVAC renovation project
128,218	Nextran Truck Center	Purchase of dump truck
210,635	Northshore Manufacturing Inc	Purchase of remote-controlled pedestal grappler
202,288	Meridian Behavioral Healthcare Inc	Reimbursement grant for Court Services
303,340	Cade Museum Foundation Inc	Reimburse costs in design and construction of museum
110,277	Charles Perry Construction	Construction of storefront on Wilson building
158,828	Mauldin International Trucks Inc	Purchase of ambulance
210,706	Affiliated Engineers Inc	Civil Courthouse HVAC renovation project
125,000	Rave Wireless Inc	Smart911 system installation
452,742	Ring Power Corp	Purchase of water handler wheel loader

B. Contingencies

(1) Risk Management contingencies are discussed in Note 11.

(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, 2013, the County's financial statements are subject to single audits as required by OMB Circular A-133 and the Florida Single Audit Act. It is the opinion of management that no material liabilities will result from such audits.

(3) Pending Litigation

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(4) Post employment benefits are discussed in Note 10.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 2012.

NOTE 15 - RELATED PARTY TRANSACTIONS

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

The Alachua County Library District is a related organization of Alachua County. The County Attorney provides legal services and the Clerk 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.

NOTE 16 – INDIVIDUAL FUND DEFICITS

The MSTU-Law Enforcement Fund (“Law Fund”) had a deficit fund balance at September 30, 2013. The Law Fund pays for the majority of the Sheriff’s patrol in the unincorporated area of the County. During the year the Law Fund transferred \$16.2 million to the Sheriff’s Office. Because of unanticipated reductions in Public Service Taxes (PST) and Communication Service Taxes (CST), the Law Fund borrowed \$2.4 million from the General Fund and used fund balance during the year of \$0.6 million to meet appropriated transfers-out for the Sheriff’s Office. The outstanding inter-fund loan and use of fund balance resulted in an ending negative fund balance of (\$291,956). As part of the FY14 budget development process, the County increased the millage rate in the Law Fund by 28.8% as part of a long-term plan to repay the general fund loan and rebuild the fund balance in the Law Fund.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - COUNTY-WIDE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 92,382,664	\$ 92,382,664	\$ 93,204,954	\$ 822,290
Intergovernmental	4,720,000	4,720,000	5,127,403	407,403
Charges for services	13,673,911	13,834,268	16,207,751	2,373,483
Fines and forfeitures	5,400	5,400	14,053	8,653
Investment income	641,500	641,500	290,222	(351,278)
Private Donations	-	-	100	100
Miscellaneous	1,912,136	1,912,136	2,109,024	196,888
Total revenue	<u>113,335,611</u>	<u>113,495,968</u>	<u>116,953,507</u>	<u>3,457,539</u>
EXPENDITURES				
Current:				
General government	33,285,626	33,920,502	31,771,908	2,148,594
Public safety	80,216,807	81,625,431	81,030,122	595,309
Physical environment	1,840,056	1,910,008	1,794,858	115,150
Economic environment	1,135,101	1,209,913	1,148,577	61,336
Human services	10,386,540	10,796,327	10,204,048	592,279
Culture and recreation	594,907	609,113	506,656	102,457
Court cost	8,793,403	9,374,038	9,022,546	351,492
Reserve for contingency	5,275,571	4,782,273	-	4,782,273
Total expenditures	<u>141,528,011</u>	<u>144,227,605</u>	<u>135,478,715</u>	<u>8,748,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,192,400)</u>	<u>(30,731,637)</u>	<u>(18,525,208)</u>	<u>12,206,429</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	24,256,179	25,513,929	25,566,195	52,266
Transfers out	(6,835,468)	(7,717,273)	(8,249,474)	(532,201)
Sale of capital assets	21,057	99,549	96,292	(3,257)
Total other financing sources and (uses)	<u>17,441,768</u>	<u>17,896,205</u>	<u>17,413,013</u>	<u>(483,192)</u>
Net change in fund balances	(10,750,632)	(12,835,432)	(1,112,195)	11,723,237
Fund balances - beginning	<u>10,750,632</u>	<u>12,835,432</u>	<u>27,955,804</u>	<u>15,120,372</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,843,609</u>	<u>\$ 26,843,609</u>

ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CHOICES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Investment income	\$ -	\$ -	\$ 106,275	\$ 106,275
Private donations	-	-	150,000	150,000
Miscellaneous	-	-	258,233	258,233
Total revenue	-	-	514,508	514,508
EXPENDITURES				
Current:				
General government	-	14,080	-	14,080
Human services	5,394,816	19,394,816	18,050,118	1,344,698
Reserve for contingency	-	10,790,180	-	10,790,180
Total expenditures	5,394,816	30,199,076	18,050,118	12,148,958
Excess (deficiency) of revenues over (under) expenditures	(5,394,816)	(30,199,076)	(17,535,610)	12,663,466
Fund balances - beginning	5,394,816	30,199,076	30,199,076	-
Fund balances - ending	\$ -	\$ -	\$ 12,663,466	\$ 12,663,466

ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MSTU - UNINCORPORATED SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 3,547,526	\$ 3,547,526	\$ 3,444,115	\$ (103,411)
Permits and fees	123,860	123,860	101,902	(21,958)
Intergovernmental	1,016,500	1,016,500	957,915	(58,585)
Charges for services	57,550	57,550	111,108	53,558
Investment income	8,100	8,100	3,933	(4,167)
Miscellaneous	16,000	16,000	50,685	34,685
Total revenues	<u>4,769,536</u>	<u>4,769,536</u>	<u>4,669,658</u>	<u>(99,878)</u>
EXPENDITURES				
Current:				
General government	1,191,321	1,191,321	1,024,596	166,725
Public safety	485,323	495,434	476,327	19,107
Physical environment	468,255	497,598	466,000	31,598
Transportation	987,442	1,012,623	981,926	30,697
Economic environment	933,539	955,544	940,884	14,660
Culture and recreation	1,170,097	1,184,910	1,053,381	131,529
Reserve for contingency	307,051	281,870	-	281,870
Total expenditures	<u>5,543,028</u>	<u>5,619,300</u>	<u>4,943,114</u>	<u>676,186</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(773,492)</u>	<u>(849,764)</u>	<u>(273,456)</u>	<u>576,308</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	418,420	418,420	398,905	(19,515)
Transfers out	(322,000)	(322,000)	(322,000)	-
Sale of capital assets	-	-	3,922	3,922
Total other financing sources and (uses)	<u>96,420</u>	<u>96,420</u>	<u>80,827</u>	<u>(15,593)</u>
Net change in fund balances	(677,072)	(753,344)	(192,629)	560,715
Fund balances - beginning	<u>677,072</u>	<u>753,344</u>	<u>606,927</u>	<u>(146,417)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 414,298</u>	<u>\$ 414,298</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, 2013

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 15,032,567	\$ 15,032,567	\$ 14,443,623	\$ (588,944)
Charges for services	-	-	25	25
Investment income	17,000	17,000	14,257	(2,743)
Miscellaneous	55,000	55,000	103,220	48,220
Total revenues	<u>15,104,567</u>	<u>15,104,567</u>	<u>14,561,125</u>	<u>(543,442)</u>
EXPENDITURES				
Current: General government	203,014	203,014	164,518	38,496
Public safety	75,385	75,385	75,385	-
Reserve for contingency	662,695	662,695	-	662,695
Total expenditures	<u>941,094</u>	<u>941,094</u>	<u>239,903</u>	<u>701,191</u>
Excess of revenues over expenditures	<u>14,163,473</u>	<u>14,163,473</u>	<u>14,321,222</u>	<u>157,749</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,365,000	1,365,000	1,285,469	(79,531)
Transfers out	<u>(16,314,772)</u>	<u>(16,525,905)</u>	<u>(16,230,694)</u>	<u>295,211</u>
Total other financing sources and (uses)	<u>(14,949,772)</u>	<u>(15,160,905)</u>	<u>(14,945,225)</u>	<u>215,680</u>
Net change in fund balances	(786,299)	(997,432)	(624,003)	373,429
Fund balances - beginning	<u>786,299</u>	<u>997,432</u>	<u>332,407</u>	<u>(665,025)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (291,596)</u>	<u>\$ (291,596)</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, 2013

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 11,224,224	\$ 11,224,224	\$ 10,918,406	\$ (305,818)
Permits and fees	-	-	2,765	2,765
Intergovernmental	15,100	15,100	20,077	4,977
Charges for services	964,682	964,682	1,051,861	87,179
Investment income	32,000	32,000	17,277	(14,723)
Miscellaneous	52,000	52,000	88,362	36,362
Total revenues	<u>12,288,006</u>	<u>12,288,006</u>	<u>12,098,748</u>	<u>(189,258)</u>
EXPENDITURES				
Current: General government	144,252	144,252	125,157	19,095
Public safety	12,942,824	13,330,901	12,620,020	710,881
Reserve for contingency	1,542,690	1,112,249	-	1,112,249
Total expenditures	<u>14,629,766</u>	<u>14,587,402</u>	<u>12,745,177</u>	<u>1,842,225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,341,760)</u>	<u>(2,299,396)</u>	<u>(646,429)</u>	<u>1,652,967</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	844,773	844,773	857,193	12,420
Transfers out	(1,186,721)	(2,237,009)	(2,237,009)	-
Sale of capital assets	-	-	400	400
Total other financing sources and (uses)	<u>(341,948)</u>	<u>(1,392,236)</u>	<u>(1,379,416)</u>	<u>12,820</u>
Net change in fund balances	(2,683,708)	(3,691,632)	(2,025,845)	1,665,787
Fund balance - beginning	<u>2,683,708</u>	<u>3,691,632</u>	<u>3,691,631</u>	<u>(1)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,665,786</u>	<u>\$ 1,665,786</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, 2013

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 3,333,964	\$ 3,333,964	\$ 3,378,974	\$ 45,010
Intergovernmental	60,000	60,000	64,410	4,410
Charges for services	957,503	957,503	909,755	(47,748)
Miscellaneous	5,000	5,000	15,025	10,025
Total revenues	<u>4,356,467</u>	<u>4,356,467</u>	<u>4,368,164</u>	<u>11,697</u>
EXPENDITURES				
Current:				
General government	-	93,523	-	93,523
Physical environment	17,600	17,600	-	17,600
Transportation	8,272,699	8,342,522	7,671,902	670,620
Reserve for contingency	198,461	198,461	-	198,461
Total expenditures	<u>8,488,760</u>	<u>8,652,106</u>	<u>7,671,902</u>	<u>980,204</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,132,293)</u>	<u>(4,295,639)</u>	<u>(3,303,738)</u>	<u>991,901</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,928,671	2,928,671	2,928,671	-
Transfers out	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources and (uses)	<u>2,928,671</u>	<u>2,928,671</u>	<u>2,928,671</u>	<u>-</u>
Net change in fund balances	(1,203,622)	(1,366,968)	(375,067)	991,901
Fund balances - beginning	<u>1,203,622</u>	<u>1,366,968</u>	<u>901,324</u>	<u>(465,644)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 526,257</u>	<u>\$ 526,257</u>

ALACHUA COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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

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

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

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

**ALACHUA COUNTY BOARD OF COUNTY COMMISSIONERS
REQUIRED SUPPLEMENTAL INFORMATION
OTHER POST EMPLOYMENT BENEFITS (OPEB)
SEPTEMBER 30, 2013**

See Note 10.B. starting on page 78 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
10/1/2012	\$ 1,105,309	\$ 18,640,000	\$ 17,534,691	5.9%	\$ 100,693,903	17.4%
10/1/2011	955,000	16,459,000	15,504,000	5.8%	95,269,695	16.3%
10/1/2010	794,000	16,223,000	15,429,000	4.9%	93,006,419	16.6%

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
10/1/2012	9/30/2013	\$ 99,903,047	\$ 1,569,000	1.57%	\$ 1,107,403	71%
10/1/2011	9/30/2012	94,994,248	1,331,000	1.40%	1,922,633	144%
10/1/2010	9/30/2011	94,326,431	1,296,000	1.37%	1,296,000	100%

**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 AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Transfer from Subrecipients
<u>U.S. Department of Housing and Urban Development</u>					
<i>Passed Through FL Department of Community Affairs:</i>					
CDBG - Neighborhood Stabilization Program	14.228	10DB-4X-03-11-01-F01	108,673	<1>	
CDBG - Neighborhood Stabilization Program (NSP3)	14.228	12DB-Q5-03-11-01-F08	386,090		
Community Development Block Grant	14.228	12DB-OH-03-11-01-H10	690,946		
		14.228 Total	1,185,709		
<u>Department of Justice</u>					
<i>Passed Through Office of Justice Programs:</i>					
Solving Cold Cases with DNA Analysis	16.560	2010-DN-BX-K021	45,957		
<i>Passed Through Florida Office of Attorney General:</i>					
VOCA - Crime Victim Assistance	16.575	V12106	125,123		
	16.575	V12244	81,782		
		16.575 Total	206,905		
<i>Passed Through National Assoc. of VOCA Assistance Administrators:</i>					
National Crime Victims' Rights Week - Community Awareness Project	16.582	13-030	4,740		
<i>Passed Through Florida Office of Attorney General:</i>					
A Coordinated Community response to Preventing Violence Against women in Gainesville, Florida	16.590	2007-WE-AX-0054	45,320	<2>	45,320
<i>Direct Program:</i>					
State Criminal Alien Assistance (SCAAP) Program	16.606	2012-AP-BX-0412	29,110		
<i>Passed Through Bureau of Justice Assistance:</i>					
Bulletproof Vest Grant	16.607	N/A	895		
<i>Passed Through COPS office:</i>					
Child Sexual Predator Task Force Project	16.710	2011-CS-WX-0007	231,264		
<i>Direct Program:</i>					
FY2009 Justice Assistance Grant Program	16.738	2009-DJ-BX-1325	5,648	<3>	
COMSTAT Tactical Unit	16.738	2010-DJ-BX-1596	30,995	<3>	
Child Sexual Predator Task Force Project	16.738	2011-DJ-BX-2637	198	<3>	
Anti-Gang Initiative	16.738	2012-DJ-BX-0811	41,350	<3>	
<i>Passed Through Florida Department of Law Enforcement:</i>					
Problem Oriented Policing (POP) FY13	16.738	2013-JAGC-ALAC-7-D7-088	43,000	<3>	
RAD Grant	16.738	2013-JAGC-ALAC-5-D7-240	3,992	<3>	
Anti-Gang Initiative	16.738	2013-JAGC-ALAC-6-D7-042	17,733	<3>	
		16.738 Total	142,916		

ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Transfer from Subrecipients
<i>Passed Through Crime & Justice Intitute:</i>					
Justice Reinvestment Grant	16.751	N/A	76,496	<7>	76,496
<i>Direct Program:</i>					
No Wrong Door Grant	16.753	2009-D1-BX-0288	268,548		
No Wrong Door Grant II	16.753	2010-DD-BX-0719	251,772	251,772	
		16.753 Total	520,320	251,772	
<i>Passed Through Florida Department of Law Enforcement</i>					
Drug Treatment for Pretrial Defendants and Probationers	ARRA-16.803	2010-ARRC-ALAC-10-W7-311	33,373	<3>	
<i>Direct Program:</i>					
Equitable Sharing	16.922	N/A	249,650		
<u>Department of Transportation</u>					
<i>Passed Through Florida Department of Transportation:</i>					
Archer Braid Multi-Use Path Phase II	20.205	LAP No: AQD10 Financial Proj. No.: 429029-01-38-01	18,597		
SAFETEA-LU -- Highway Planning and Construction	20.205	LAP No. AOQ36 Federal Project No. S124002R Financial Project IDs: 211365-3-28-01 211365-3-38-01 211365-5-58-01, 02, 03, & 04 211365-5-68-01, & 02	54,935		
		20.205 Total	73,532		
Motorcycle Safety Program Grant	26.600	Proj# MC-13-10-04 DOT# AQW17	34,577		
<u>U.S. Department of Health and Human Services</u>					
<i>Direct Program:</i>					
Metamorphosis FY12/13	93.558	CD903	3,002	<4>	
<i>Passed Through Florida Department of Revenue:</i>					
Child Support Enforcement	93.563	CD301	259,279		
<i>Passed Through Partnership for Strong Families:</i>					
Juvenile Dependency Mediation Program	93.566	PNP114	8,900		
<i>Passed Through Florida Division of Elections:</i>					
Polling Place Accessibility	93.617	MOA #2012-2013-0003	5,317	<5>	
<i>Direct Program:</i>					
Metamorphosis FY13/14	93.778	CD903	26,114	<4>	

ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Transfer from Subrecipients
<i>Direct Program:</i>					
Metamorphosis FY12/13	93.959	CD903	80,022	<4>	
Metamorphosis FY13/14	93.959	CD903	15,000	<4>	
		93.959 Total	95,022		
<u>Corporation for National and Community Service</u>					
<i>Direct Program:</i>					
Foster Grandparent Program	94.011	10SFSFL007	207,394		
Foster Grandparent Program	94.011	13SFSFL005	194,925		
		94.011 Total	402,319		
<u>Executive Office of the President</u>					
North Florida HIDTA (CADET)	95.001	N/A	103,055	<8>	103,055
<u>U.S. Department of Homeland Security</u>					
<i>Passed Through Florida Division of Emergency Management:</i>					
FEMA Hazard Mitigation Wind Retrofit	97.039	10HM-88-03-11-01-014	11,996		
EMPG Fed Grant 7/12-6/13	97.042	13-FG-86-03-11-01-068	56,820		
EMPG Fed Grant 7/13-6/14	97.042	14-FG-1M-03-11-01-068	58,734		
CERT	97.042	13-CI-58-03-11-01-435	7,376		
Citizen Corps	97.042	13-CI-58-03-11-01-432	5,378		
		97.042 Total	128,308		
FY09 SHSGP Issues 2,5,14 & 16	97.063	11-DS-29-03-11-01-252	347		
FY11 Homeland Security Issue 2	97.067	12-DS-20-03-11-03-356	78,687		
FY10 DHS Issues 3 & 8	97.067	11-DS-9Z-03-11-01-350	41,317		
FY09 State Homeland Security Grant LE Resp-Residual Reallocation Rapid Turnaround Project	97.067	13-DS-29-03-11-01-323	74,079		
FY12 DHS Issues 2 & 7	97.067	13-DS-97-03-11-01-440	18,374		
State Homeland Security Grant (SHSGP)	97.067	11-DS-9Z-13-00-16-436	28,895		
State Homeland Security Grant (SHSGP)	97.067	11-DS-9Z-03-11-01-381	13,084		
State Homeland Security Grant (SHSGP)	97.067	12-DS-20-03-11-01-476	3,000		
		97.067 Total	257,436		
TOTAL FEDERAL AWARDS			\$ 4,181,859	\$ 251,772	\$ 224,871

ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Transfer from Subrecipients
<u>Division of Emergency Management</u>					
<i>Direct Program:</i>					
Emergency Management Preparedness and Assistance (EMPA) Grant 7/12-6/13	31.063	13-BG-06-03-11-01-001	81,895		
Emergency Management Preparedness and Assistance (EMPA) Grant 7/13-6/14	31.063	14-BG-83-03-11-01-001	27,855		
		31.063 Total	109,750		
Hazardous Materials Analysis Update	31.067	13-CP-11-03-11-01-276	7,975		
<u>Florida Department of Environmental Protection</u>					
<i>Direct Program:</i>					
Cooperative Waste Collection Centers	37.007	S0618 - Baker County	14,004		
	37.007	S0618 - Bradford County	16,000		
	37.007	S0618 - Columbia County	21,498		
	37.007	S0618 - Dixie County	16,202		
	37.007	S0618 - Gilchrist County	18,362		
	37.007	S0618 - Lafayette County	12,611		
	37.007	S0618 - Nassau County	20,544		
	37.007	S0618 - Union County	13,732		
		37.007 Total	132,953		
Petroleum Cleanup Contract	37.024	S0477 - Task #4	148,566		
	37.024	S0477 - Task #5	50,878		
		37.024 Total	199,444		
<u>Florida Department of Legal Affairs and Attorney General</u>					
<i>Passed Through Florida Council Against Sexual Violence:</i>					
Florida Council Against Sexual Violence 7/12-6/13	41.010	12OAG17	11,092		
Florida Council Against Sexual Violence 7/13-6/14	41.010	13OAG17	3,128		
		41.010 Total	14,220		
<u>Florida Housing Finance Corporation</u>					
<i>Direct Program:</i>					
SHIP - State Housing Initiatives Partnership Program	52.901	SHIP 08/09	7,792		
	52.901	SHIP 11/12	95,524		
	52.901	SHIP 12/13	20		
		52.901 Total	103,336		
<u>Department of Children and Families</u>					
<i>Direct Program:</i>					
Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant	60.115	LHZ33	269,073	269,073	

ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Transfer from Subrecipients
<u>Florida Department of Health</u>					
<i>Direct Program:</i>					
EMS County Grant Program - EMS Trust Fund	64.005	C1001	113,713		
<i>Passed Through Florida Council Against Sexual Violence:</i>					
Rape Crisis Program Trust Fund FY12/13	64.061	10RCP17	24,578		
Rape Crisis Program Trust Fund FY13/14	64.061	13RCP17	11,126		
		64.061 Total	35,704		
<u>Florida Department of Law Enforcement</u>					
Pill Mill	71.008	Florida House Bill 7095, 2011-141	10,455		
<u>State Matching for Federal Award</u>					
<i>State matching for CFDA No. 93.558</i>					
Metamorphosis FY12/13		CD903	3,002	<4>	
<i>State matching for CFDA No. 93.778</i>					
Metamorphosis FY13/14		CD903	26,114	<4>	
<i>State matching for CFDA No. 93.959</i>					
Metamorphosis FY12/13		CD903	121,660	<4> <6>	
TOTAL STATE FINANCIAL ASSISTANCE			\$ 1,147,399	\$ 269,073	\$ -

Notes:

- <1> A portion of FY 13 expenditures for this program have been paid from program income.
- <2> We are the sub-recipient from the City of Gainesville
- <3> Programs 16.738 and 16.803 belong to the same cluster of federal programs; federal expenditures for this cluster total \$176,289
- <4> Grant is split between federal programs 93.558, 93.778, and 93.959, and state matching for federal award.
- <5> Fund 171 is the operating fund for the Supervisor of Elections. Grant expenditures were included with operating expenditures and not reported separately.
- <6> Previously reported with state project 60.033. However, CFSA number has since changed to CFDA 93.959
- <7> Alachua County Sheriff's office is a sub-recipient from the Crime & Justice Institute
- <8> Alachua County Sheriff's office is a sub-recipient from St. Johns County Sheriff

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.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Alachua County, Florida (the "County"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
March 25, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

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

We have audited Alachua County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the Department of Financial Services' *Compliance Supplement* that could have a direct and material effect on the County's major federal program and each of its major state projects for the year ended September 30, 2013. The County's major federal program and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and each major state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and each of its major state projects for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program and each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and each major state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
March 25, 2014

Schedule of Findings and Questioned Costs
Year Ended September 30, 2013

PART I – SUMMARY OF AUDITOR’S RESULTS

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

<u>Federal Program</u>	<u>CFDA Number</u>
Community Development Block Grant	14.228
<u>State Projects</u>	<u>CSFA Number</u>
Cooperative Collection Center Grant	37.007
Local Government Cleanup Contracting	37.024
Public Safety, Mental Health, and 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 PROGRAM

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, 2013, and have issued our report thereon dated March 25, 2014. 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 findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The County has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Financial Condition

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

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(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, 2013, 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, 2013.

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

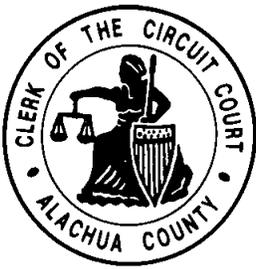
Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Board of County Commissioners and Constitutional Officers, management, and the State of Florida Auditor General, 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.

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
March 25, 2014



CLERK OF THE CIRCUIT COURT

Finance and Accounting
201 East University Avenue
Gainesville, Florida 32601

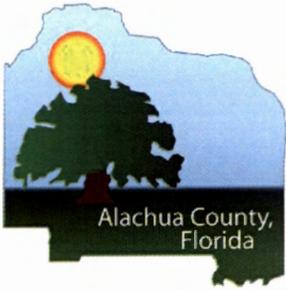
J.K. IRBY
CLERK

TELEPHONE
(352) 374-3605

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The following is a summary of the September 30, 2012 audit findings and the current status of each finding.

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



Alachua County Board of County Commissioners

Lee Pinkoson, *Chair*
Susan Baird, *Vice Chair*
Mike Byerly
Robert Hutchinson
Charles Chestnut, IV

Administration
Richard Drummond
County Manager

March 25, 2014

Honorable David W. Martin, CPA
Auditor General, State of Florida
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 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 ended September 30, 2013. We are happy to report that for the twenty-second year in a row the Auditors found no significant deficiencies.

Thank you for your attention.

Sincerely,

Lee Pinkoson, Chair
Alachua County Commission

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

rdg

cc: Board of County Commissioners
Betty Baker, County Manager
Dave Wagner, County Attorney