
Alachua County, Florida

Single Audit Report

For the Fiscal Year Ended September 30, 2019

Cover Photo:

“Sunset on the Santa Fe”

By 2019 CAFR Photo Contest Winner: JOSÉ GASTEAZORO

“Captured as the sun slowly sinks into the trees on the banks of the Santa Fe River.” – José

ALACHUA COUNTY, FLORIDA
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019

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

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ALACHUA COUNTY, FLORIDA
SINGLE AUDIT REPORT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019
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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Alachua County, Florida (the County) as of and for the year ended September 30, 2019, 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 of 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 risk 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 County'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 County'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 estimates made by management, as well as evaluating the overall financial statement presentation.

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

INDEPENDENT AUDITOR'S REPORT

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 remaining fund information of the County as of September 30, 2019, and the respective changes in financial position and cash flows, where appropriate, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Schedule of Federal and State Financial Assistance

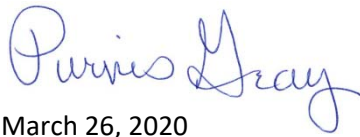
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*, is presented for the 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 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.

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

INDEPENDENT AUDITOR'S REPORT

Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 26, 2020, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

March 26, 2020
Gainesville, Florida

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2019. 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, 2019 by \$533.9 million (net position). The county provides a defined benefit pension plan for its employees and other post-employment benefits (OPEB) to their employees. As a result of reporting the net OPEB, and pension liability, the county reported a (\$68.4) million unrestricted net position deficit.
- Total net position of \$533.9 million is comprised of the following:
 - 1) Net investment in capital assets of \$514.4 includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of those capital assets.
 - 2) \$87.9 million of net position are restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations.
 - 3) (\$75.8) million of unrestricted deficit governmental net position and \$7.4 million of unrestricted business-type net position.
- The County's total net position increased \$14.7 million over the previous year with an increase of \$14.9 from governmental activities and a decrease of \$.2 million from business activities. This increase in total net position is primarily due to investment in capital assets specifically ongoing infrastructure projects.

Fund Statements

- At September 30, 2019, the County's governmental funds reported combined ending unassigned fund balances of \$24.6 million and total fund balances of \$143.5 million. Total fund balances had an increase of \$7.1 million from the prior fiscal year.
- At September 30, 2019, unassigned fund balance for the General Fund was \$24.6 million or 15.42% of General Fund operating revenue. Assigned fund balance includes \$5.8 million subsequent year's reserve for contingency and \$7 million for FY20 appropriated fund balance. The General Fund balance increased by \$7 million over the prior fiscal year.
- Governmental funds revenues increased overall by \$20.6 million or 7.73% from the prior fiscal year. The overall change in governmental funds revenues can primarily be attributed to the following: \$6.6 million increase in intergovernmental revenue for federal and state grants, \$5 million dollar increase in taxes, and \$4.5 million increase in investment returns.
- Along with making regularly scheduled debt service payments for the year, the County had a net decrease in notes payables of \$3.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2019. 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 18-22 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds

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

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

The County maintains twenty-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, Municipal Service Taxing Unit (Law Enforcement), Municipal Service Benefit Unit (Fire Protection), Gas Tax Uses, Emergency Services, Other Special Revenue and Transportation Trust which are considered to be major funds. Data from the other fifteen 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 86 and for non-major, Debt Service and Capital Project funds in the Supplementary Information section starting on page 106.

The basic governmental fund statements can be found on pages 23-29 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 30-34 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 35 and 36 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 37-85 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 97-127 of this report. Additional information about the County that may be of interest to the reader is found under the Statistical section on pages 149-181 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 \$533.9 million at the close of the fiscal year ended September 30, 2019 (see table next page).

At the end of fiscal year 2019, the County is able to report positive balances in two categories of net position, for the government as a whole, and all three categories for its separate business-type activities.

Current and other assets increased by 12.8% over the prior year due to voter approved infrastructure tax referendum for Wild Spaces Public Places. Net investment in capital assets, less any outstanding debt used to acquire those assets, increased by 2.7% due to the completion of several road resurfacing projects, and acceptance of right-of-way on several residential and commercial construction projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Alachua County, Florida Net Position (in millions)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2018	2019	2018	2019	2018	2019	
Current and other assets	\$182.2	\$209.0	\$18.4	\$17.3	\$200.6	\$226.3	12.8%
Capital assets	542.8	555.9	9.9	11.9	552.7	567.8	2.7%
Total assets	725.0	764.9	28.3	29.2	753.3	794.1	5.4%
Deferred Outflows	\$66.1	\$63.8	\$1.3	\$1.3	\$67.4	\$65.1	-3.5%
Current liabilities	44.4	45.2	2.2	2.5	46.6	47.7	2.4%
Long-term liabilities outstanding	228.6	254.3	7.6	8.4	236.2	262.7	11.2%
Total liabilities	273.0	299.5	9.8	10.9	282.8	310.4	9.8%
Deferred Inflows	\$18.4	\$14.5	\$0.4	\$0.3	\$18.8	\$14.8	-21.1%
Net investment in capital assets	489.1	502.5	9.9	11.9	499.0	514.4	3.1%
Net position - restricted	79.6	87.9	-	-	79.6	87.9	10.4%
Net position - unrestricted (deficit)	(69.0)	(75.8)	9.6	7.4	(59.4)	(68.4)	15.2%
Total net position	\$499.7	\$514.6	\$19.5	\$19.3	\$519.2	\$533.9	2.8%

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

Current liabilities and long-term liabilities in total increased from the previous year by 9.8% due primarily to an increase in net pension liability during the year.

Total net position at year-end is \$533.9 million. The largest portion of the County's net position (\$514.4 million or 96.3%) 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 (\$87.9 million or 16.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position deficit (\$68.4 million or -12.8%). The \$68.4 million unrestricted deficit in net position reflects the shortfall the county would face in the event it would have to liquidate all of its non-capital liabilities, including insurance claims payable, compensated absences, other post-employment benefits, and net pension liability at September 30, 2019. A deficit in unrestricted net position should not be considered, solely, as evidence of economic financial difficulties.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Restricted net position in the governmental activities and business-type activities had a net increase of \$8.3 million or 10.4% from 2018 to 2019. This portion of net position represents restrictions from specific revenue sources and grants. Main components of the net increase include:

- Net decrease of \$.5 million in restricted assets for Choices
- Net decrease of \$1.7 million in restricted assets for tourist development
- Increase of \$3.9 million in restricted assets for road construction projects
- Increase of \$7.0 million in restricted assets for Wild Spaces Public Places
- Decrease of \$.4 in restricted assets for debt requirements

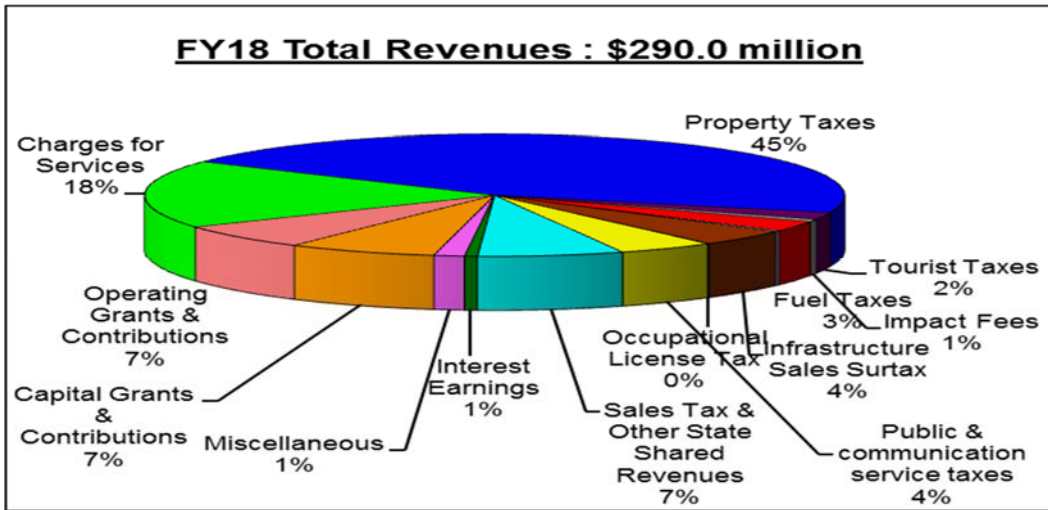
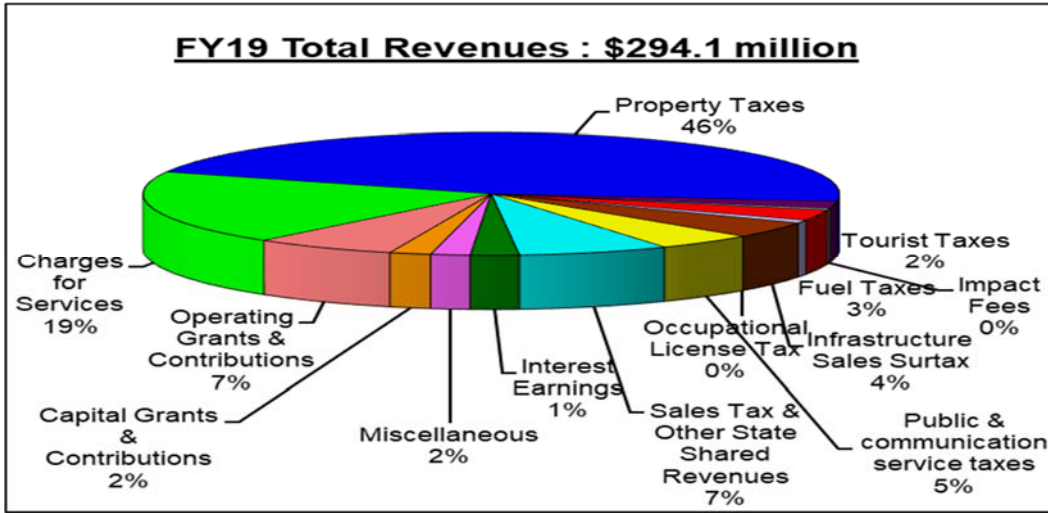
Unrestricted net position in the governmental type activities, decreased by \$6.8 million, due to increases in the net pension liability, decreases in deferred outflows for net pension liabilities, and decreases in deferred inflow of resources for net pension liabilities.

Alachua County, Florida							
Changes in Net Position							
(in millions)							
	Governmental		Business-type		Total		Percent Change
	Activities	Activities	Activities	Activities	Activities	Activities	
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	
Revenues:							
Program revenues:							
Charges for services	\$52.3	\$57.5	\$15.4	\$16.0	\$67.7	\$73.5	8.6%
Operating grants and contributions	19.1	19.4	-	-	19.1	19.4	1.6%
Capital grants and contributions	20.0	5.6	-	-	20.0	5.6	-72.0%
General revenues:							
Property taxes	131.4	135.6	-	-	131.4	135.6	3.2%
Other taxes	39.1	39.8	-	-	39.1	39.8	1.8%
Other	28.1	36.2	2.6	2.4	30.7	38.7	26.1%
Total revenues	<u>290.0</u>	<u>294.1</u>	<u>18.0</u>	<u>18.4</u>	<u>308.0</u>	<u>312.6</u>	<u>1.5%</u>
Expenses:							
Administration	57.4	57.2	-	-	57.4	57.2	-0.3%
Community services	17.3	19.2	-	-	17.3	19.2	11.0%
Corrections	36.2	35.8	-	-	36.2	35.8	-1.1%
Courts	24.3	26.9	-	-	24.3	26.9	10.7%
Culture and recreation	4.0	5.0	-	-	4.0	5.0	25.0%
Tourist development	2.8	2.0	-	-	2.8	2.0	-28.6%
Emergency services	43.3	47.4	-	-	43.3	47.4	9.5%
Environmental services	3.7	4.0	-	-	3.7	4.0	8.1%
Growth management	3.2	2.6	-	-	3.2	2.6	-18.8%
Law enforcement	38.6	51.6	-	-	38.6	51.6	33.7%
Solid waste collection	5.6	5.8	-	-	5.6	5.8	3.6%
Transportation	19.8	20.9	-	-	19.8	20.9	5.6%
Interest on long-term debt	1.2	1.2	-	-	1.2	1.2	0.0%
Solid waste disposal system	-	-	17.3	16.3	17.3	16.3	-5.8%
Codes enforcement	-	-	1.6	1.8	1.6	1.8	12.5%
Total expenses	<u>257.4</u>	<u>279.6</u>	<u>18.9</u>	<u>18.1</u>	<u>276.3</u>	<u>297.7</u>	<u>7.7%</u>
Increase (decrease) in net position							
before transfers	32.6	14.5	(1.0)	0.3	31.6	14.8	
Transfers	(0.0)	0.5	0.0	(0.5)	-	-	
Increase (decrease) in net position	<u>32.6</u>	<u>15.0</u>	<u>(1.0)</u>	<u>(0.2)</u>	<u>31.6</u>	<u>14.8</u>	
Net Position - Beginning	467.1	499.7	20.5	19.5	487.6	519.2	
Net Position - Ending	<u>\$ 499.7</u>	<u>\$ 514.7</u>	<u>\$ 19.5</u>	<u>\$ 19.3</u>	<u>\$ 519.2</u>	<u>\$ 534.0</u>	<u>2.8%</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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



Governmental Activities

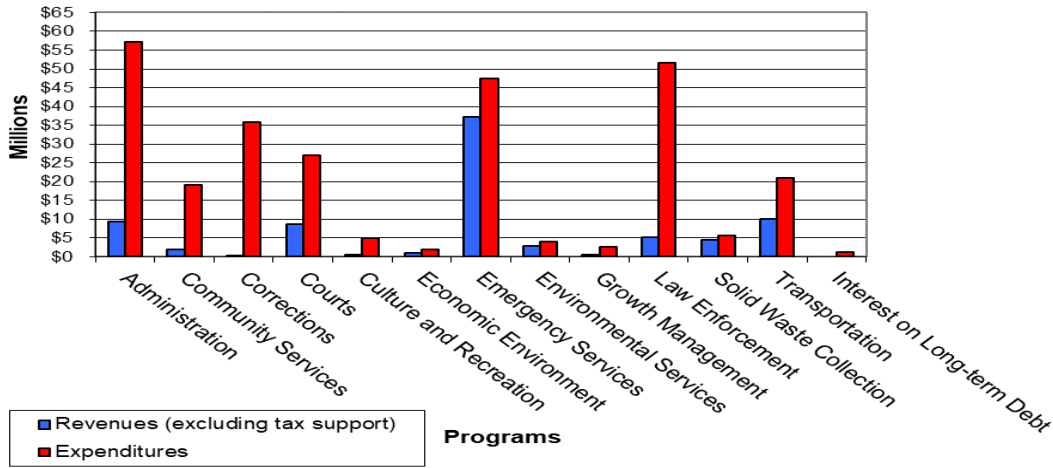
The County's total net position increased \$14.7 million over the previous year with an increase of \$14.9 from governmental activities and a decrease of \$.2 million from business activities.

Major changes in revenues were caused by the following:

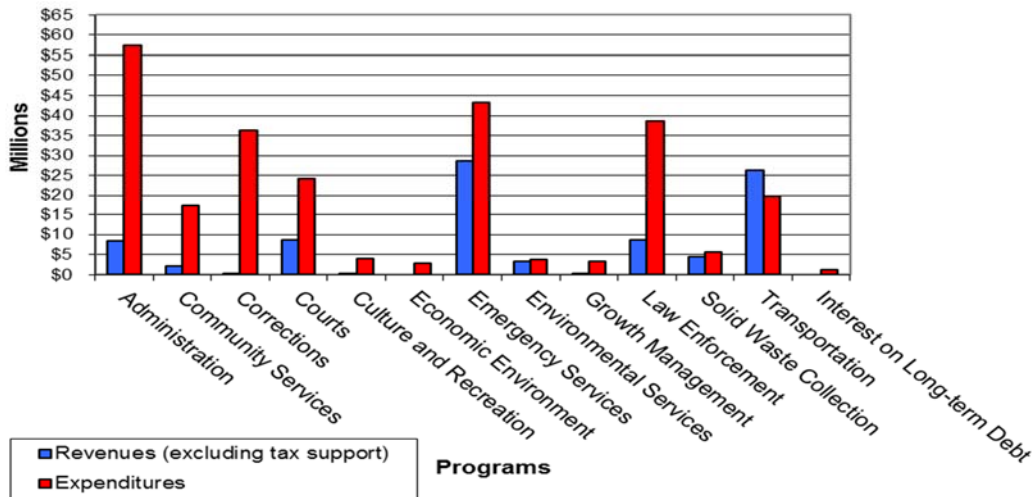
- Capital Grants and Contributions decreased overall by 72%. During the prior year FY2018, Alachua County received a donation of \$19.8 million of infrastructure and right-of-ways for new residential construction occurring within the County and commercial development of Celebration Pointe.
- Charges for services increased by \$5.8 million. The primary component of this increase was increases in ambulance billing and fire assessment.
- Other revenues increased by \$8.0 million or by 26.1%. A majority of this increase was due to increases in interest earnings.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FY19 Expenses and Program Revenues - Governmental Activities



FY18 Expenses and Program Revenues - Governmental Activities

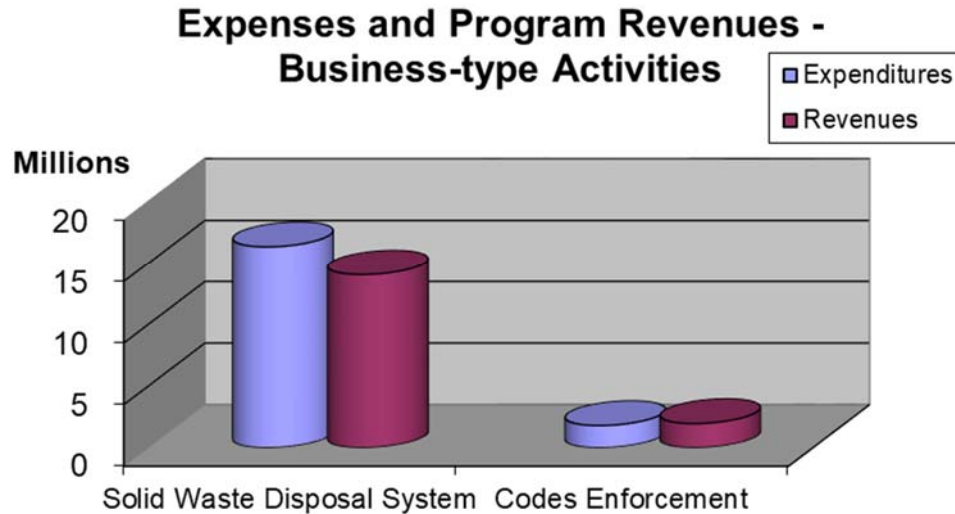


Major changes in expenses were caused by the following:

- Culture and recreation expenses increased by 25% or \$1.0 million. The primary component of the increase in expenses for the voter approved referendum for Wild Spaces Public Places.
- Law enforcement expenses increased by \$13.0 million or 33.7%, due primarily to an increase in Sheriff's share of the Florida Retirement System Net Pension Liability decrease in aid provided to other governmental agencies to promote tourism within Alachua County.
- Emergency services expenses increased by 9.5% or \$4.1 million. Expenses increased over prior year for the expansion and delivery of emergency services within Alachua County as well as increases in expenses to record the change in net pension liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Culture and recreation increased by 25.0% or \$1.0 million. During FY2019, as a result of additional land acquisitions in the Wild Spaces Public Places Program.



Business-type Activities

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

- The Solid Waste Transfer Station went into operation in 1999. The 27,520 square foot Transfer Station is operated by approximately 34 employees and has eight tractor-trailers, two grapples, and a front-end loader. Approximately 500-600 tons per day of household and commercial waste is hauled to the Transfer Station and ultimately routed to the New River Solid Waste Facility in Raiford, Florida. For the year, operating revenues fell short of operating expenses by \$0.3 million. After accounting for non-operating revenues and transfers-in, the Transfer Station's net position was steady at \$17.3 million.
- Codes Enforcement furnishes services to the development community and citizens. Codes Enforcement operating revenues exceeded operating expenses by \$0.2 million in fiscal year 2019. Revenues and expenses saw a slight increase from prior fiscal year. Total permits issued in fiscal year 2019 were 7,461 versus 7,048 permits issued in fiscal year 2018.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Alachua County, Florida Designations of Fund Balance

Total fund balance	\$143,510,870
Fund balance designation:	
Nonspendable	838,881
Restricted	87,884,673
Committed	172,377
Assigned	<u>30,071,335</u>
Unassigned fund balance	<u>\$ 24,543,604</u>

As of the end of fiscal year 2019, the County's governmental funds reported combined unassigned ending fund balances of \$24.5 million, an increase of \$7.0 million from the prior year. The increase in unassigned fund balance from the prior year is primarily due to an overall increase in the total fund balance for the general fund.

Major Funds

The General Fund, Municipal Service Taxing Unit (Law Enforcement), Municipal Service Benefit Unit (Fire Protection), Gas Tax Uses, Emergency Services, Other Special Revenue, and Transportation Trust are reported as major funds.

The General Fund is the chief operating fund of the County and consists of six sub-fund categories: BOCC Countywide General Fund, Clerk of Court General Fund, Property Appraiser General Fund, Sheriff General Fund, Supervisor of Elections General Fund, and Tax Collector General Fund. The General Fund had an increase in fund balance of \$7 million. The total fund balance was \$40 million of which \$24.5 million was unassigned. The cash & investment balance at the end of the year was \$34.6 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 15.40% of total actual FY19 General Fund operating revenue and 13.54% of projected FY20 operating revenues. The General Fund's spendable unrestricted fund balance (the sum of committed, assigned, & unassigned fund balance) totaled \$39.2 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 MSTU - Law Enforcement Fund pays for the majority of the Sheriff's patrol in the unincorporated area of the County through transfers of \$19.2 million to the Sheriff. There was a slight increase in fund balance during the year of \$0.4 million. This increase was the result of expenses remaining consistent, with revenue coming in slightly above, resulting in an ending fund balance of \$2.1 million.

The MSBU - Fire Protection Fund provides firefighting and related services to citizens in the unincorporated area of the County. The fund has an ending fund balance of \$3.4 million, an increase of \$1.5 million dollars from the prior year. The increase was the result of revenues coming in higher than expenses. The ending fund balance represents 18.15% of the MSBU – Fire Protection Services operating revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Gas Tax Uses Fund is the primary operating fund of the Public Works – Road & Bridge Department. The primary revenue source for this fund is fuel taxes as well as transfers-in which totaled \$3.8 million from unrestricted debt service collections on Gas Tax Revenue Bonds. This year \$9 million was spent on maintenance of County roads. Revenues and expenditures remained consistent with last fiscal year resulting in an ending fund balance of \$5 million.

The Emergency Services Fund accounts for revenues and expenditures of grant funds used for various emergency services within the county. The fund balance remained steady due to the revenues and expenses being on par with each other.

The Other Special Revenue fund has the voter approved tax referendum for Wild Spaces Public Places. The fund has an ending fund balance of \$25.2 million, an increase of \$7.1 million from the prior fiscal year. This is due to revenues coming in \$6.9 million over expenses.

The Transportation Trust Fund accounts for capital transportation projects. The fund has an ending fund balance of \$21.9 million, an increase of \$2.8 million dollars from the prior year. This is due to an increase intergovernmental revenue.

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 \$3.6 million for long term care of the closed landfills. Total assets as of September 30, 2019 were \$26.1 million, of which \$11.9 million are capital assets, net of depreciation. Total liabilities were \$9.6 million. Net position had a slight increase, for an ending net position of \$17.3 million.

General Fund Budgetary Highlights

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

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

- \$0.5 million – Phosphate legal services
- \$0.3 million – New Labor positions in Public Works due to elimination of the DOC labor

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

- \$0.5 million– carry forward of prior year purchase orders and mid-year fund balance adjustments.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund actual revenues overall were \$9.2 million more than the final amended budgeted revenues. \$4 million of this amount is due to an increase in charges for services. Actual operating expenditures overall were \$14.5 million less than was budgeted; this was primarily due to a \$4.3 million savings in general government expenses, \$2.4 million savings in human services expenses, and unused reserve for contingency balance of \$3 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, 2019 totals \$567.8 million (net of accumulated depreciation) and includes land, buildings, improvements other than buildings, leasehold improvements, equipment, infrastructure, and construction in progress. The County experienced an overall increase in investment in capital assets over the prior fiscal year of approximately 2.73%.

Alachua County, Florida							
Capital Assets							
(net of depreciation, in millions)							
	Governmental Activities		Business-type Activities		Total		Percent Change
	2018	2019	2018	2019	2018	2019	
Land	\$ 266.1	\$ 272.8	\$ 3.5	\$ 3.5	\$ 269.6	\$ 276.3	2.49%
Art	0.1	0.1	-	-	0.1	0.1	0.00%
Infrastructure	125.9	142.0	-	-	125.9	142.0	12.79%
Buildings	90.8	90.6	1.0	0.9	91.8	91.5	-0.33%
Improvements other than buildings	6.3	5.6	2.1	1.9	8.4	7.5	-10.71%
Equipment	24.6	26.3	2.7	2.4	27.3	28.7	5.13%
Construction in progress	29.0	18.5	0.6	3.2	29.6	21.7	-26.69%
Total	\$ 542.8	\$ 555.9	\$ 9.9	\$ 11.9	\$ 552.7	\$ 567.8	2.73%

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

As shown in the above table, construction in progress decreased due primarily to prior period completion of road construction projects.

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

- Road resurfacing and widening projects completed in 2019 using contractors:
 - NW 62nd Ave. Chip Seal Project - NW 16th Ave. Resurfacing to NW 13th N. Main St. (\$139,347.97 spent to date)
 - NW 94th Ave. Chip Seal Project - NW 94th Ave. Resurfacing (\$75,025.89 spent to date)
 - Tower Rd. Project - SW 75th St from SW Archer Rd. to SW 8th Ave. Resurfacing (\$3,614,138.59 spent to date)

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Tower Rd. Sun Trail Project - SUN Trail Construction of approximately 1.2 miles of trail (\$536,421.32 spent to date)
- SW 170th St. Sidewalk Project – Construction of Safe Routes Sidewalk SW 170th St. (\$535,823.77 spent to date)
- NW 122nd St. Chip Seal Project – NW 122nd St. Resurfacing Donation from Hitchcock and Sons (\$196,119.26 spent to date)
- NW 43rd St. Project – NW 43rd St. Resurfacing (\$5,045,510.67 spent to date)
- CR 231 Guard Rail Project – CR 231 Installment of Guard Rail (\$2,820,019.35 spent to date)
- SW 8th Ave. Project – SW 8th Ave. to Parker Rd. to Tioga Rd. Extension (\$4,624,449.15 spent to date)
- CR 172 & Midblock Crossing Project – CR 172 & Midblock Crossing Installment of Sidewalk (\$9,156,736.74 spent to date)
- Planning, design and construction began or continued on the following major road resurfacing and widening projects this fiscal year for:
 - CR 241 Project - CR 241 Widening/ Resurfacing Rd. from Levy County line to South of Archer, Florida (\$22,538.65 spent to date)
 - SW 8th Ave. Extension Project – Extension from Town of Tioga to Newberry Rd. (\$5,113,531.12 spent to date)
 - W. University Ave to Tower Rd. Project - W. University Ave to Tower Rd. Resurfacing (\$41,242.01 spent to date)
 - SW 8th Ave. Connector Project – Milling and Resurfacing, construction of a new Rd. segment, and construction of a new intersection (\$5,637,981.18 spent to date)
 - SW 61th St. Project - Signalization & Intersection Widening of SW 20th Ave at 61st St. SW 8th Ave. at 122nd St. (\$774,842.07 spent to date)
 - Poe Spring Project - Reconstruct NW 23rd Ave. to NW 58th Blvd. construction of a divided two lane roadway with buffered bike lanes, sidewalks, and 44' wide median approximately 1.66 miles (\$96,081.23 spent to date)
- County Buildings:
 - Alachua County Sheriff Department, Building Roof repair including clean up expenses - \$1,361,354.18

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

Long-term Debt

At the end of fiscal year 2019, the County had total notes payable outstanding of \$54 million. The County's debt represents notes payables secured by specified revenue sources.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Alachua County, Florida Outstanding Debt

	<u>2018</u>	<u>2019</u>
Notes Payable		
2011 Local Option Gas Tax bank loan	\$ 1,337,000	\$ -
2014 Public Improvement bank loan	7,142,000	6,184,000
2015A Capital Improvement bank loan	3,106,000	2,747,000
2015B Public Improvement bank loan	12,374,000	11,118,000
2016 Public Improvement bank loan	19,330,000	16,160,000
2016 Gas Tax Revenue bank loan	6,308,000	4,233,000
2017 Public Improvement bank loan	1,925,000	1,720,000
2017 Capital Improvement bank loan	3,194,000	2,581,000
2018 Local Option Gas Tax bank loan	2,640,000	9,240,000
Total	<u>\$ 57,356,000</u>	<u>\$ 53,983,000</u>

After making regularly scheduled debt service payments for the year, the County had a net decrease in notes payable of \$3.4 million from the prior fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County at September 30, 2019 was 2.8%. This represents an increase of 3.7% from the prior year, and is still one of the lowest rates in the state.
- The total taxable assessed value increased 7.40% for the FY20 budget year with a tax base of \$15.3 billion.
- There were 7,461 building permits issued in the County for fiscal year 2019, up 5.54% from the previous fiscal year total of 7,048.
- Estimated population increased by 1.52% from an estimate of 263,291 to 267,306.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$24.6 million with a total fund balance of \$40 million. The fiscal year 2019 ad valorem millage rate for the General Fund dropped to 8.2829 mills and the tax rate decreased to 8.2729 for fiscal year 2020.

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 web-site <http://www.alachuacounty.us/Depts/Clerk/Pages/FinancialReports.aspx>.

Basic Financial Statements

ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activities		
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 159,805,055	\$ 13,111,675	\$ 172,916,730	\$ 346,034
Cash with Claims Administrator	419,000	-	419,000	-
Other Cash and Equivalents	13,192,703	250	13,192,953	-
Investments	2,105,986	-	2,105,986	-
Receivables (Net)	3,725,091	1,000,424	4,725,515	791
Due from Other Governments	18,868,474	62,769	18,931,243	1,305
Internal Balances	(187,646)	187,646	-	-
Inventories or Assets Held for Sale	1,047,254	-	1,047,254	-
Prepaid Items	1,900,360	-	1,900,360	-
Total Current Non-Restricted Assets	200,876,277	14,362,764	215,239,041	348,130
Current Restricted Assets:				
Sinking Fund Cash and Cash Reserves	8,087,649	-	8,087,649	-
Total Current Restricted Assets	8,087,649	-	8,087,649	-
Total Current Assets (Restricted and Non-Restricted)	208,963,926	14,362,764	223,326,690	348,130
Non-Current Assets:				
Non-Current Restricted Assets:				
Restricted Equity in Pooled Cash and Investments	-	49,415	49,415	-
Restricted Investments	-	2,846,578	2,846,578	-
Restricted Interest Receivable	-	20,106	20,106	-
Total Non-Current Restricted Assets	-	2,916,099	2,916,099	-
Capital Assets:				
Land	272,759,746	3,480,357	276,240,103	-
Artwork	91,390	-	91,390	-
Infrastructure	573,832,301	-	573,832,301	-
Buildings	165,541,598	2,806,998	168,348,596	-
Improvements Other than Buildings	17,500,326	13,298,269	30,798,595	-
Equipment and Software	92,765,768	6,517,830	99,283,598	-
Construction in Progress	18,493,258	3,191,286	21,684,544	-
(Less Accumulated Depreciation)	(585,079,780)	(17,378,610)	(602,458,390)	-
Total Capital Assets	555,904,607	11,916,130	567,820,737	-
Total Non-Current Assets (Restricted and Non-Restricted)	555,904,607	14,832,229	570,736,836	-
Total Assets	764,868,533	29,194,993	794,063,526	348,130
Deferred Outflow of Resources				
Deferred Amounts Related to OPEB	955,430	50,286	1,005,716	-
Deferred Amounts Related to Pensions	62,215,397	1,266,436	63,481,833	-
Deferred Loss on Refunding	602,862	-	602,862	-
Total Deferred Outflow of Resources	63,773,689	1,316,722	65,090,411	-

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019
(Continued)

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activities		
Liabilities				
Current Liabilities (Payable from Current Assets):				
Accounts Payable	\$ 18,223,205	\$ 1,952,940	\$ 20,176,145	\$ 215
Accrued Interest Payable	540,072	-	540,072	-
Estimated Liability for Self Insurance Losses	2,397,052	-	2,397,052	-
Contracts Payable	948,609	-	948,609	-
Due to Other Governments	3,647,804	76,595	3,724,399	-
Deposits	71,350	121,644	192,994	-
Unearned Revenue	2,910,446	-	2,910,446	-
Accrued Compensated Absences	5,549,471	47,150	5,596,621	-
Accrued Landfill Closure Cost	-	252,797	252,797	-
Notes Payable	10,293,000	-	10,293,000	-
Net Pension Liability	582,730	13,370	596,100	-
Total Current Liabilities (Payable from Current Assets)	45,163,739	2,464,496	47,628,235	215
Non-Current Liabilities:				
Accrued Compensated Absences	11,162,939	424,354	11,587,293	-
Estimated Liability for Self Insurance Losses	3,664,118	-	3,664,118	-
Notes Payable (Net of Amortization on Discounts and Premiums)	43,690,000	-	43,690,000	-
Net OPEB Liability	10,703,896	563,363	11,267,259	-
Net Pension Liability	185,080,049	3,846,460	188,926,509	-
Total Non-Current Liabilities (Payable from Non-Current Assets)	254,301,002	4,834,177	259,135,179	-
Non-Current Liabilities (Payable from Restricted Assets):				
Accrued Landfill Closure Cost	-	3,627,136	3,627,136	-
Total Non-Current Liabilities (Payable from Restricted Assets)	-	3,627,136	3,627,136	-
Total Non-Current Liabilities	254,301,002	8,461,313	262,762,315	-
Total Liabilities	299,464,741	10,925,809	310,390,550	215
Deferred Inflows of Resources:				
Deferred Amounts Related to OPEB	99,478	5,236	104,714	-
Deferred Amounts Related to Pensions	14,426,606	281,274	14,707,880	-
Total Deferred Inflow of Resources	14,526,084	286,510	14,812,594	-

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019
(Concluded)

	<u>Primary Government</u>			Component Units
	Governmental Activities	Business-Type Activities	Total	
Net Position				
Net Investment in Capital Assets	\$ 502,524,469	\$ 11,916,130	\$ 514,440,599	\$ -
Restricted for:				
Restricted for Debt Requirements	10,730,739	-	10,730,739	-
Restricted for CHOICES	6,781,809	-	6,781,809	-
Restricted for Wild Spaces and Public Places	22,342,614	-	22,342,614	-
Restricted for Tourist Development	5,086,143	-	5,086,143	-
Restricted for Road Construction	12,898,559	-	12,898,559	-
Restricted for Public Safety	2,074,817	-	2,074,817	-
Restricted for Alachua County Forever Land Program	2,123,734	-	2,123,734	-
Restricted for Impact Fee - Fire	643,912	-	643,912	-
Restricted for Impact Fee - Parks	602,299	-	602,299	-
Restricted for Impact Fee - Transportation	5,602,141	-	5,602,141	-
Restricted for Multi-Modal Mitigation Fee -Transportation	3,750,225	-	3,750,225	-
Restricted for Enabling Legislation	12,167,730	-	12,167,730	-
Restricted for Grants and Other Purposes Closure Costs	3,079,951	-	3,079,951	-
Unrestricted (Deficit)	(75,757,745)	7,383,266	(68,374,479)	347,915
Total Net Position	<u>\$ 514,651,397</u>	<u>\$ 19,299,396</u>	<u>\$ 533,950,793</u>	<u>\$ 347,915</u>

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

**ALACHUA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Administration	\$ 57,234,854	\$ 8,177,205	\$ 1,105,230	\$ 98,882
Community Services	19,193,491	277,445	1,634,556	47,910
Corrections	35,733,486	329,685	-	-
Courts	26,946,267	5,841,292	2,820,191	-
Culture and Recreation	4,997,670	606,951	-	-
Tourist Development	2,022,410	-	-	950,000
Emergency Services	47,419,416	30,436,864	6,566,501	273,237
Environmental Services	4,048,062	678,267	2,033,721	135,119
Growth Management	2,601,611	618,655	-	-
Law Enforcement	51,595,768	4,375,990	743,687	103,950
Solid Waste Collection	5,752,984	4,513,826	-	-
Transportation	20,942,319	1,613,904	4,537,845	4,002,387
Interest on Long-Term Debt	1,167,603	-	-	-
Total Governmental Activities	279,655,941	57,470,084	19,441,731	5,611,485
Business-Type Activities				
Solid Waste Disposal System	16,349,643	14,054,953	-	-
Codes Enforcement	1,798,352	1,962,431	-	-
Total Business-Type Activities	18,147,995	16,017,384	-	-
Total Primary Government	\$ 297,803,936	\$ 73,487,468	\$ 19,441,731	\$ 5,611,485
Component Units				
Murphree Law Library	\$ 30,335	\$ 34,832	\$ -	\$ -
Alachua County Housing Finance Authority	5,303	-	-	-
Total Component Units	\$ 35,638	\$ 34,832	\$ -	\$ -

General Revenues

Property Taxes
Tourist Development Taxes
Impact Fees
Multi-Modal Mitigation Fees
Fuel Taxes
Infrastructure Sales Surtaxes (Wild Spaces and Public Places)
Local Business Taxes
Public and Communication Service Taxes
Sales Tax and 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 of Year

Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position

			Component				
		Primary Government		Units			
Governmental	Business-Type						
Activities	Activities	Total					
\$	(47,853,537)	\$	-	\$	(47,853,537)		
	(17,233,580)		-		(17,233,580)		
	(35,403,801)		-		(35,403,801)		
	(18,284,784)		-		(18,284,784)		
	(4,390,719)		-		(4,390,719)		
	(1,072,410)		-		(1,072,410)		
	(10,142,814)		-		(10,142,814)		
	(1,200,955)		-		(1,200,955)		
	(1,982,956)		-		(1,982,956)		
	(46,372,141)		-		(46,372,141)		
	(1,239,158)		-		(1,239,158)		
	(10,788,183)		-		(10,788,183)		
	(1,167,603)		-		(1,167,603)		
	<u>(197,132,641)</u>		<u>-</u>		<u>(197,132,641)</u>		
	-		(2,294,690)		(2,294,690)		
	-		164,079		164,079		
	-		<u>(2,130,611)</u>		<u>(2,130,611)</u>		
	<u>(197,132,641)</u>		<u>(2,130,611)</u>		<u>(199,263,252)</u>		
	-		-	\$	4,497		
	-		-		(5,303)		
	<u>(197,132,641)</u>		<u>-</u>		<u>(806)</u>		
	135,558,130		-		135,558,130	-	
	5,528,079		-		5,528,079	-	
	1,506,635		-		1,506,635	-	
	2,251,746		-		2,251,746	-	
	8,186,647		-		8,186,647	-	
	12,643,014		-		12,643,014	-	
	35,746		-		35,746	-	
	13,383,604		-		13,383,604	-	
	20,542,664		-		20,542,664	-	
	6,603,466	406,723	-		7,010,189	11,000	
	5,358,235	1,972,215	-		7,330,450	45,244	
	<u>211,597,966</u>	<u>2,378,938</u>	-		<u>213,976,904</u>	<u>56,244</u>	
	14,465,325	248,327	-		14,713,652	55,438	
	486,824	(486,824)	-		-	-	
	14,952,149	(238,497)	-		14,713,652	55,438	
	499,699,248	19,537,893	-		519,237,141	292,477	
\$	<u>514,651,397</u>	\$	<u>19,299,396</u>	\$	<u>533,950,793</u>	\$	<u>347,915</u>

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

ALACHUA COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General	MSTU Law Enforcement	MSBU Fire Protection	Gas Tax Uses
Assets				
Equity in Pooled Cash and Investments	\$ 34,613,714	\$ 1,997,564	\$ 3,642,692	\$ 4,943,476
Other Cash and Equivalents	7,817,119	-	-	1,000
Sinking Fund Cash and Cash Reserves	-	-	-	-
Investments	-	-	-	-
Accounts Receivable	7,355,263	4,683	43,064	1,793
Allowance for Estimated Uncollectibles	(5,149,241)	-	-	-
Assessment Receivable	-	-	-	-
Due from Other Funds	5,742,973	67,190	67,733	-
Due from Other Governments	1,628,917	5,380	517,173	684,575
Inventories or Assets Held for Resale	520,368	-	-	225,111
Prepaid Items	32,265	-	-	-
Total Assets	52,561,378	2,074,817	4,270,662	5,855,955
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Liabilities	9,246,073	-	577,743	376,286
Contracts Payable	4,983	-	-	-
Due to Individuals	-	-	-	-
Due to Other Funds	1,736,271	-	-	-
Due to Other Governments	913,769	-	112,831	145,741
Deposits	37,465	-	-	2,650
Unearned Revenue	13,901	-	-	-
Total Liabilities	11,952,462	-	690,574	524,677
Deferred Inflows of Resources				
Tax Revenue - Unavailable	204,425	-	136,283	299,379
Intergovernmental Revenue - Unavailable	-	-	-	-
Special Assessment Revenue - Unavailable	-	-	-	-
Charges for Services - Unavailable	478,731	-	-	-
Total Deferred Inflows of Resources	683,156	-	136,283	299,379
Fund Balances				
Non-Spendable	552,633	-	-	225,111
Restricted	163,503	2,074,817	-	-
Committed	-	-	-	-
Assigned	14,666,020	-	3,443,805	4,806,788
Unassigned	24,543,604	-	-	-
Total Fund Balances	39,925,760	2,074,817	3,443,805	5,031,899
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 52,561,378	\$ 2,074,817	\$ 4,270,662	\$ 5,855,955

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

Emergency Services	Other Special Revenue	Transportation Trust	Other Governmental Funds	Total Governmental Funds
\$ 6,134,915	\$ 25,050,170	\$ 25,356,181	\$ 28,248,792	\$ 129,987,504
-	150	-	5,329,463	13,147,732
-	-	-	8,087,649	8,087,649
-	-	-	2,105,986	2,105,986
3,598	54,811	456,169	202,613	8,121,994
-	-	-	(162)	(5,149,403)
-	-	184,243	-	184,243
461,912	12	177	69,866	6,409,863
6,400,594	2,180,007	2,494,105	4,910,435	18,821,186
-	-	-	-	745,479
-	-	-	61,137	93,402
<u>13,001,019</u>	<u>27,285,150</u>	<u>28,490,875</u>	<u>49,015,779</u>	<u>182,555,635</u>
490,004	216,334	1,828,115	2,111,875	14,846,430
-	29,781	913,845	-	948,609
-	-	29,560	350,369	379,929
1,718,969	-	2,817,000	1,457,907	7,730,147
358,400	509,125	-	1,593,815	3,633,681
-	26,650	-	4,585	71,350
419,813	-	-	53,983	487,697
<u>2,987,186</u>	<u>781,890</u>	<u>5,588,520</u>	<u>5,572,534</u>	<u>28,097,843</u>
-	1,261,140	-	326,993	2,228,220
5,762,264	-	663,926	1,461,878	7,888,068
-	-	184,243	-	184,243
24,164	-	143,496	-	646,391
<u>5,786,428</u>	<u>1,261,140</u>	<u>991,665</u>	<u>1,788,871</u>	<u>10,946,922</u>
-	-	-	61,137	838,881
1,524,357	25,140,421	21,910,690	37,070,885	87,884,673
-	-	-	172,377	172,377
2,703,048	101,699	-	4,349,975	30,071,335
-	-	-	-	24,543,604
<u>4,227,405</u>	<u>25,242,120</u>	<u>21,910,690</u>	<u>41,654,374</u>	<u>143,510,870</u>
<u>\$ 13,001,019</u>	<u>\$ 27,285,150</u>	<u>\$ 28,490,875</u>	<u>\$ 49,015,779</u>	<u>\$ 182,555,635</u>

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

ALACHUA COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

Total Fund Balances of Governmental Funds \$ 143,510,870

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 funds. The cost of capital assets is \$1,140,984,387 and the accumulated depreciation is \$585,079,780:

Total Capital Assets	\$ 555,904,607	
Remove Internal Service Capital Assets	<u>(6,735,379)</u>	549,169,228

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported in fund financial statements.

Long-term liabilities at year-end consist of:

Notes Payable	(53,983,000)	
Self-Insured Losses	(6,061,170)	
Accrued Compensated Absences	(16,712,410)	
Net OPEB Liability	(10,703,896)	
Net Pension Liability	(185,662,779)	
(Less Amounts Reported in Internal Service Funds):		
Self-Insured Losses	6,061,170	
Accrued Compensated Absences	249,508	
Net OPEB Liability	225,345	
Net Pension Liability	<u>1,543,932</u>	<u>(265,043,300)</u>

Accrued long-term debt interest payable is not current and, therefore, is not reported in the fund statements.		(540,072)
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Deferred outflows and inflows of resources do not affect current financial resources and, therefore, are not reported in the government funds:

Deferred Outflow on OPEB Liabilities	935,316	
Deferred Outflow on Pension Liabilities	61,708,822	
Deferred Inflow on OPEB Liabilities	(97,384)	
Deferred Inflow on Pension Liabilities	(14,314,097)	
Deferred Outflow Loss on Refunding	<u>602,862</u>	<u>48,835,519</u>

Certain receivables are not available in the current period and, therefore, are not recognized as revenues in governmental funds.		10,946,922
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The assets and liabilities of the Internal Service Funds are included in governmental activities.		25,965,272
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Prepaid items originally expensed in full, reclassified as net asset.		<u>1,806,958</u>
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Total Net Position of Governmental Activities		<u>\$ 514,651,397</u>
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The accompanying notes are an integral part of the financial statement.

ALACHUA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General	MSTU Law Enforcement	MSBU Fire Protection	Gas Tax Uses
Revenues				
Taxes	\$ 122,386,807	\$ 21,435,496	\$ 5,134,779	\$ 3,900,916
Permits and Fees	356,388	-	6,055	-
Intergovernmental	7,762,348	14,586	103,496	93,061
Charges for Services	22,988,439	1,129,587	231,023	1,082,112
Fines and Forfeitures	42,133	-	-	-
Investment Income	3,186,551	183,736	215,638	-
Special Assessments and Impact Fees	-	-	13,282,313	-
Private Donations	-	-	-	-
Miscellaneous	2,688,576	3,736	556	17
Total Revenues	159,411,242	22,767,141	18,973,860	5,076,106
Expenditures				
Current:				
General Government	35,218,900	430,572	292,514	-
Public Safety	101,265,655	117,798	16,621,936	-
Physical Environment	2,754,473	-	-	110,774
Transportation	2,389,694	-	-	8,728,949
Economic Environment	6,994,809	-	-	-
Human Services	13,810,820	-	-	-
Culture and Recreation	1,902,225	-	-	-
Court Cost	10,338,320	-	-	-
Debt Service:				
Principal	144,435	-	-	-
Interest and Fiscal Charges	7,203	-	-	-
Capital Outlay	5,145,781	-	456,947	163,052
(Total Expenditures)	179,972,315	548,370	17,371,397	9,002,775
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,561,073)	22,218,771	1,602,463	(3,926,669)
Other Financing Sources (Uses)				
Transfers in	36,773,867	64,455	722,891	4,119,828
Transfers (out)	(9,310,613)	(21,899,902)	(783,114)	-
Issuance of Debt	-	-	-	-
Sale of Capital Assets	33,414	-	-	-
Total Other Financing Sources and (Uses)	27,496,668	(21,835,447)	(60,223)	4,119,828
Net Change in Fund Balances	6,935,595	383,324	1,542,240	193,159
Fund Balances - Beginning	32,990,165	1,691,493	1,901,565	4,838,740
Fund Balances - Ending	\$ 39,925,760	\$ 2,074,817	\$ 3,443,805	\$ 5,031,899

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

Emergency Services	Other Special Revenue	Transportation Trust	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 12,694,194	\$ -	\$ 9,909,110	\$ 175,461,302
-	-	-	290,645	653,088
3,010,030	5,528	3,801,137	26,343,982	41,134,168
3,883,043	15,025	-	6,192,656	35,521,885
214,645	-	-	2,006,362	2,263,140
48,963	660,390	633,421	1,169,913	6,098,612
-	42,295	3,488,054	6,286,930	23,099,592
-	239,266	-	-	239,266
21	41,218	-	503,111	3,237,235
<u>7,156,702</u>	<u>13,697,916</u>	<u>7,922,612</u>	<u>52,702,709</u>	<u>287,708,288</u>
-	534	-	50,455	35,992,975
2,670,944	2,358	-	3,860,619	124,539,310
-	382,009	-	8,575,340	11,822,596
-	124,194	1,129	635,858	11,879,824
-	5,887	-	3,769,426	10,770,122
-	44,272	-	2,295,104	16,150,196
-	943,935	-	-	2,846,160
-	45,142	-	7,692,695	18,076,157
-	-	-	9,969,787	10,114,222
-	-	-	1,188,321	1,195,524
1,888,339	5,293,844	16,400,359	5,286,094	34,634,416
<u>4,559,283</u>	<u>6,842,175</u>	<u>16,401,488</u>	<u>43,323,699</u>	<u>278,021,502</u>
2,597,419	6,855,741	(8,478,876)	9,379,010	9,686,786
6,089,802	231,046	4,715,775	6,379,963	59,097,627
(8,716,524)	-	-	(18,531,324)	(59,241,477)
-	-	6,600,000	-	6,600,000
-	-	-	2,500	35,914
<u>(2,626,722)</u>	<u>231,046</u>	<u>11,315,775</u>	<u>(12,148,861)</u>	<u>6,492,064</u>
<u>(29,303)</u>	<u>7,086,787</u>	<u>2,836,899</u>	<u>(2,769,851)</u>	<u>16,178,850</u>
<u>4,256,708</u>	<u>18,155,333</u>	<u>19,073,791</u>	<u>44,424,225</u>	<u>127,332,020</u>
<u>\$ 4,227,405</u>	<u>\$ 25,242,120</u>	<u>\$ 21,910,690</u>	<u>\$ 41,654,374</u>	<u>\$ 143,510,870</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 TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ 16,178,850

**Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:**

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures of \$34,758,102 were more than depreciated \$(21,310,220) in the current period:

Total Governmental Activities Capital Outlay Expenditures	\$ 36,927,706	
(Remove Internal Service Capital Outlay Expenditures)	(2,169,604)	
Total Capital Outlay Expenditures Excluding Internal Service	<u>34,758,102</u>	
Total Governmental Activities Depreciation	(23,012,890)	
Remove Internal Service Depreciation	1,702,670	
Total Depreciation Excluding Internal Service	<u>(21,310,220)</u>	13,447,882

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	(797,585)	
Remove Loss Internal Service	3,266	
Total Capital Outlay Loss Excluding Internal Service	<u>(794,319)</u>	(794,319)

Repayments of bond, note, and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 10,117,435

Issuance of debt provides current financial resources to governmental funds, but debt increases long-term liabilities in the statement of net position. (6,600,000)

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

Change in Pension Liabilities	(26,049,109)	
(Less Change Internal Service Pension Liabilities)	212,138	
Net Change in Pension Liabilities	<u>(25,836,971)</u>	
Change in Deferred Inflows	3,928,211	
(Less Change in Internal Service Deferred Inflows)	(29,166)	
Net Change in Deferred Inflows	<u>3,899,045</u>	
Change in Deferred Outflows	(2,426,706)	
(Less Change in Internal Service Deferred Outflows)	18,020	
Net Change in Deferred Outflows	<u>(2,408,686)</u>	(24,346,612)

Change in the deferred loss on refunding is not reported in governmental funds. (178,393)

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

ALACHUA COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Concluded)

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

Total Change in Net OPEB Liability	\$	(474,078)	
(Less Change in Net OPEB Liability Internal Service)		(97,702)	
Net Change in OPEB Liabilities		<u>(571,780)</u>	
Change in Deferred Outflows		295,468	
(Less Change in Internal Service Deferred Outflows)		727	
Total Change in Deferred Outflows		<u>296,195</u>	
Change in Deferred Inflows		(52,007)	
Add: Change in Internal Service Deferred Inflows		595	
Total Change in Deferred Inflows		<u>(51,412)</u>	\$ (326,997)

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		(874,241)	
(Less Change in Internal Service Fund)		11,010	
Net Change in Accrued Interest Payable		27,921	
Net Adjustment		<u>(835,310)</u>	(835,310)

Internal service funds are used by management to charge the costs of insurance, computer replacement, fleet services, and telephone services to individual funds. Total change in net position for internal service funds is reported with governmental activities. 4,758,406

Certain accrued revenues reported in the statement of activities are not considered available current financial resources and, therefore, are not reported as revenue in the governmental funds. 3,488,501

Prepaid items originally expensed in full, reclassified as an asset. 42,706

Change in Net Position - Governmental Activities \$ 14,952,149

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	400 Solid Waste System	<u>Non-Major Proprietary Fund 410 Codes Enforcement</u>	Total	
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 10,064,292	\$ 3,047,383	\$ 13,111,675	\$ 29,817,551
Other Cash and Equivalents	250	-	250	44,971
Cash with Claims Administrator	-	-	-	419,000
Accounts Receivable	1,000,424	-	1,000,424	568,257
Due from Other Funds	187,841	-	187,841	1,132,638
Due from Other Governments	61,280	1,489	62,769	47,288
Inventories	-	-	-	301,775
Total Current Assets	11,314,087	3,048,872	14,362,959	32,331,480
Noncurrent Assets:				
Restricted Assets:				
Equity in Pooled Cash and Investments	49,415	-	49,415	-
Investments	2,846,578	-	2,846,578	-
Interest Receivable	20,106	-	20,106	-
Total Restricted Assets	2,916,099	-	2,916,099	-
Capital Assets:				
Capital Assets	29,174,671	120,069	29,294,740	22,433,933
(Less Accumulated Depreciation)	(17,277,638)	(100,972)	(17,378,610)	(15,698,554)
Total Capital Assets (Net of Depreciation)	11,897,033	19,097	11,916,130	6,735,379
Total Non-Current Assets	14,813,132	19,097	14,832,229	6,735,379
Total Assets	26,127,219	3,067,969	29,195,188	39,066,859
Deferred Outflows of Resources				
Deferred Amounts Related to OPEB	37,403	12,883	50,286	20,114
Deferred Amounts Related to Pensions	957,818	308,618	1,266,436	506,575
Total Deferred Outflows of Resources	995,221	321,501	1,316,722	526,689

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019
(Concluded)

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	400 Solid Waste System	Non-Major Proprietary Fund 410 Codes Enforcement	Total	
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 1,875,621	\$ 77,319	\$ 1,952,940	\$ 2,996,846
Unearned Revenue	-	-	-	2,422,749
Due to Other Funds	173	22	195	
Due to Other Governments	60,877	15,718	76,595	14,123
Deposits	121,644	-	121,644	-
Accrued Compensated Absences of a Year or Less	37,166	9,984	47,150	24,949
Accrued Landfill Post-Closure Cost	252,797	-	252,797	-
Estimated Liability for Self Insured Losses	-	-	-	2,397,052
Net Pension Liability Due Within One Year	10,115	3,255	13,370	5,348
Total Current Liabilities	2,358,393	106,298	2,464,691	7,861,067
Non-Current Liabilities:				
Accrued Compensated Absences More than a Year	334,496	89,858	424,354	224,559
Estimated Liability for Self Insured Losses	-	-	-	3,664,118
Net OPEB Liability	422,022	141,341	563,363	225,345
Net Pension Liability	2,891,657	954,803	3,846,460	1,538,584
Non-Current Liabilities Payable from Restricted Assets:				
Accrued Landfill Post-Closure Cost	3,627,136	-	3,627,136	-
Total Non-Current Liabilities	7,275,311	1,186,002	8,461,313	5,652,606
Total Liabilities	9,633,704	1,292,300	10,926,004	13,513,673
Deferred Inflows or Resources				
Deferred Amounts Related to OPEB	3,872	1,364	5,236	2,094
Deferred Amounts Related to Pensions	219,649	61,625	281,274	112,509
Total Deferred Inflows of Resources	223,521	62,989	286,510	114,603
Net Pension				
Net Investment in Capital Assets Restricted for Cash Reserves	11,897,033	19,097	11,916,130	6,735,379
Unrestricted	-	-	-	713,198
Total Net Position	\$ 17,265,215	\$ 2,034,181	\$ 19,299,396	\$ 25,965,272

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, 2019

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	400 Solid Waste System	<u>Non-Major Proprietary Fund</u>		
		410 Codes Enforcement	Total	
Operating Revenues				
Charges for Services	\$ 10,606,929	\$ 7,810	\$ 10,614,739	\$ 36,666,721
Permits, Licenses and Franchise Fees	341,187	1,954,621	2,295,808	-
Special Assessments and Impact Fees	3,106,837	-	3,106,837	-
Miscellaneous Revenue	1,979,387	2,129	1,981,516	3,417,453
Total Operating Revenues	<u>16,034,340</u>	<u>1,964,560</u>	<u>17,998,900</u>	<u>40,084,174</u>
Operating Expenses				
Personal Services	4,096,639	1,353,757	5,450,396	2,429,358
Depreciation	770,064	7,162	777,226	1,702,670
Indirect Costs	437,384	88,709	526,093	246,064
Supplies and Materials	894,806	115,330	1,010,136	3,770,203
Other Services and Charges	10,150,750	233,394	10,384,144	5,245,032
Claims and Losses	-	-	-	23,139,702
Total Operating Expenses	<u>16,349,643</u>	<u>1,798,352</u>	<u>18,147,995</u>	<u>36,533,029</u>
Operating Income (Loss)	<u>(315,303)</u>	<u>166,208</u>	<u>(149,095)</u>	<u>3,551,145</u>
Non-Operating Revenues				
Net Gain (Loss) on Disposal of Capital Assets	(9,301)	-	(9,301)	(3,266)
Investment Income	406,723	-	406,723	504,853
Private Donations	-	-	-	75,000
Total Non-Operating Revenues (Expenses)	<u>397,422</u>	<u>-</u>	<u>397,422</u>	<u>576,587</u>
Income (Loss) Before Capital Contributions and Transfers	<u>82,119</u>	<u>166,208</u>	<u>248,327</u>	<u>4,127,732</u>
Transfers				
Transfers in	9,091	-	9,091	1,130,674
Transfers (out)	-	(495,915)	(495,915)	(500,000)
Total Transfers	<u>9,091</u>	<u>(495,915)</u>	<u>(486,824)</u>	<u>630,674</u>
Change in Net Position	91,210	(329,707)	(238,497)	4,758,406
Total Net Position - Beginning	<u>17,174,005</u>	<u>2,363,888</u>	<u>19,537,893</u>	<u>21,206,866</u>
Total Net Position - Ending	<u>\$ 17,265,215</u>	<u>\$ 2,034,181</u>	<u>\$ 19,299,396</u>	<u>\$ 25,965,272</u>

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

**ALACHUA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	400 Solid Waste System	<u>Non-Major Proprietary Fund 410 Codes Enforcement</u>	Total	
Cash Flows from Operating Activities				
Cash Received for Services	\$ 10,952,530	\$ 1,943,486	\$ 12,896,016	\$ 36,582,656
Cash Received from Special Assessments and Franchise Fees	3,106,837	-	3,106,837	-
Miscellaneous Cash Receipts	1,979,387	2,129	1,981,516	3,417,453
Cash Paid to Outside Parties	(10,872,300)	(441,394)	(11,313,694)	(32,144,724)
Cash Paid to Employees	(3,696,121)	(1,183,445)	(4,879,566)	(2,303,913)
Net Cash Provided by (used in) by Operating Activities	<u>1,470,333</u>	<u>320,776</u>	<u>1,791,109</u>	<u>5,551,472</u>
Cash Flows from Non-Capital Financing Activities				
Due from Other Funds	(177,824)	-	(177,824)	190,238
Due from Other Governments	16,238	(419)	15,819	(21,018)
Private Donations	-	-	-	75,000
Transfers in	9,091	-	9,091	1,130,674
Transfers (out)	-	(495,915)	(495,915)	(500,000)
Net Cash Provided by (Used in) by Non-Capital Financing Activities	<u>(152,495)</u>	<u>(496,334)</u>	<u>(648,829)</u>	<u>874,894</u>
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Assets	(2,829,952)	-	(2,829,952)	(2,169,604)
Net Cash Provided by (Used in) by Capital and Related Financing Activities	<u>(2,829,952)</u>	<u>-</u>	<u>(2,829,952)</u>	<u>(2,169,604)</u>
Cash Flows from Investing Activities				
Interest Received	406,723	-	406,723	504,853
Proceeds from Investments	93,863	-	93,863	-
Net Cash Provided by (Used in) by Investing Activities	<u>500,586</u>	<u>-</u>	<u>500,586</u>	<u>504,853</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,011,528)	(175,558)	(1,187,086)	4,761,615
Cash and Cash Equivalents, Beginning of Year	11,125,485	3,222,941	14,348,426	25,519,907
Cash and Cash Equivalents, End of Year	<u>\$ 10,113,957</u>	<u>\$ 3,047,383</u>	<u>\$ 13,161,340</u>	<u>\$ 30,281,522</u>
Cash and Cash Equivalents Classified as				
Equity in Pooled Cash and Investments	\$ 10,064,292	\$ 3,047,383	\$ 13,111,675	\$ 29,817,551
Other Cash and Equivalents	250	-	250	44,971
Cash with Claims Administrator	-	-	-	419,000
Restricted Equity in Pooled Cash and Investments	49,415	-	49,415	-
Total	<u>\$ 10,113,957</u>	<u>\$ 3,047,383</u>	<u>\$ 13,161,340</u>	<u>\$ 30,281,522</u>

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

**ALACHUA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2019
(Concluded)**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	400 Solid Waste System	<u>Non-Major Proprietary Fund</u>		
		410 Codes Enforcement	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) by Operating Activities				
Operating Income (Loss)	\$ (315,303)	\$ 166,208	\$ (149,095)	\$ 3,551,145
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) by Operating Activities:				
Depreciation Expense	770,064	7,162	777,226	1,702,670
Pension Expense Adjustment	366,818	135,673	502,491	200,995
OPEB Expense Adjustment	8,861	3,277	12,138	(96,380)
Increase (Decrease) in Estimated Landfill Post-Closure Cost	(253,817)	-	(253,817)	-
Increase (Decrease) in Estimated Liability for Self Insured Losses	-	-	-	(204,928)
(Increase) Decrease in Accounts Receivable	45,611	-	45,611	(346,854)
Increase (Decrease) in User Deposits	10,025	-	10,025	-
Increase (Decrease) in Accrued Compensated Absences	(4,848)	20,382	15,534	11,009
Increase (Decrease) in Unearned Revenue	-	-	-	291,357
(Increase) Decrease in Inventories	-	-	-	(72,507)
Increase (Decrease) in Accounts Payable	842,922	(11,926)	830,996	514,965
Total Adjustments	<u>1,785,636</u>	<u>154,568</u>	<u>1,940,204</u>	<u>2,000,327</u>
Net Cash Provided by (Used in) by Operating Activities	<u>\$ 1,470,333</u>	<u>\$ 320,776</u>	<u>\$ 1,791,109</u>	<u>\$ 5,551,472</u>

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019

	Agency Funds	Other Postemployment Benefits Trust Fund
Assets		
Equity in Pooled Cash and Investments	\$ 50,817	\$ 241,317
Other Cash and Equivalents	8,240,885	11,970
Investments	1,035,057	1,982,988
Due from Individuals	270,076	-
Due from Other Governments	284,509	-
Total Assets	9,881,344	2,236,275
Liabilities		
Assets Held for Others	3,577,210	-
Due to Other Governments	1,571,634	-
Deposits Held in Escrow	52,268	-
Deposits - Installment Taxes	4,680,232	-
Total Liabilities	9,881,344	-
Net Position		
Restricted for OPEB	-	2,236,275
Total Net Position	\$ -	\$ 2,236,275

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, 2019

	OPEB Trust Fund
Additions	
Contributions:	
Employer	\$ 1,170,000
Members	2,003,570
Total Contributions	3,173,570
Investment Earnings:	
Net Appreciation in Fair Value of Investments	103,449
Total Investment Income (Loss)	103,449
Net Investment Income (Loss)	103,449
Total Additions	3,277,019
 Deductions	
Benefit Payments	3,005,236
Administrative Expenses	124,542
Total Deductions	3,129,778
 Net Increase (Decrease)	147,241
 Net Position Restricted for Other Postemployment Benefits - Beginning of Year	2,089,034
 Net Position Restricted for Other Postemployment Benefits - End of Year	\$ 2,236,275

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

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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**ALACHUA COUNTY, FLORIDA
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SEPTEMBER 30, 2019**

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**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Discretely Presented Component Units

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

1. John A. H. Murphree Law Library

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

2. Alachua County Housing Finance Authority

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

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019, 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. As a general rule, effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are inter-fund services provided and used between functions. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 non-major funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

The Governmental Accounting Standards Board (GASB) Statement 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 non-major 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.

MSTU – Law Enforcement—This fund was established September 9, 1976 by Alachua County ordinance 76-85 and 86. The fund was later split on October 1, 2002 by Alachua County ordinances 02-21, in accordance with Florida Statute 125.01 (1)(q), in order to segregate law enforcement services from other unincorporated services. It pays for the majority of the Sheriff's patrol in the unincorporated area of the County through transfers to the Sheriff.

MSBU – Fire Protection—This fund was established September 9, 1976 by Alachua County ordinance 76-85 and 86. The fund was later split in fiscal year 2003 and 2007 in order to segregate law enforcement services and MSTU Fire protection. On July 11, 2017, Alachua County ordinance 17-06 was adopted to create fire assessment. It provides firefighting and related services to citizens in the unincorporated area of the County.

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

Other Special Revenue Fund—This fund accounts for revenues and expenditures not falling into other categories, including developer multi-modal mitigation fees, half-cent sales surtax proceeds for WSPP and donations made to the County.

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

Enterprise Major Fund

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

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 postemployment 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.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 non-exchange transactions are recognized in accordance with the requirements of GASB Statement 33 – *Accounting and Financial Reporting for Non-Exchange Transactions*.

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

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

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

2. Governmental Fund Financial Statements

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

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by non-current 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 another financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

3. Proprietary Fund Financial Statements

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

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenses. Proceeds of long-term debt would be recorded as a liability in the fund financial statements, rather than as another 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 Postemployment Benefits (OPEB) fund. Agency funds are unlike all other types of funds and report only assets and liabilities. So, agency funds do not have a measurement focus, but do use an accrual basis of accounting to recognize receivables and payables.

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

1. Cash and Equivalents

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

2. Investments

Investments for the County are reported at fair value.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 and prepaid items are 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 non-spendable 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. See Note 1.D.8.

6. Capital Assets

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

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

Assets	Years
Buildings/Improvements	10-50
Equipment/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.

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.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

12. Bond Discounts/Premiums

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

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

13. Encumbrances

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

14. Pensions

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

15. Postemployment Benefits Other than Pensions (OPEB)

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

16. Deferred Inflows/Outflows

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

17. Classifications of Fund Balances and Net Position

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

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

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

Note 2 - Stewardship, Compliance, and Accountability

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

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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

The following is a comparison of the appropriations to total expenses for the proprietary funds for the fiscal year ended September 30, 2019:

	<u>Appropriations</u>	<u>Total Expenses</u>	<u>Budget Positive/(Negative)</u>
Enterprise Funds			
Solid Waste System	\$ 27,797,269	\$ 16,348,970	\$ 11,448,299
Codes Enforcement	4,601,262	1,798,104	2,803,158
Internal Service Funds			
Computer Replacement	1,716,156	895,787	820,369
Self-Insurance	9,571,903	3,115,313	6,456,590
Fleet Management	5,761,295	4,701,888	1,059,407
Telephone Service	1,885,885	1,258,293	627,592
Vehicle Replacement	6,625,192	1,374,903	5,250,289
Health Insurance	35,977,703	25,186,477	10,791,226

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 3 - Fund Balance Classification and Restricted Net Position

A. Governmental Fund Balance Classification

	<u>General</u>	<u>MSTU Law Enforcement</u>	<u>MSTU Fire Protection</u>
Non-Spendable			
Inventory	\$ 520,368	\$ -	\$ -
Prepaid Items	32,265	-	-
Total Non-Spendable	<u>552,633</u>	<u>-</u>	<u>-</u>
Restricted For			
Bond Covenants - Cash Reserves	-	-	-
Debt Service	-	-	-
CHOICES Referendum	-	-	-
Wild Space Public Places Referendum	-	-	-
Tourist Development	-	-	-
Road Construction	-	-	-
Alachua County Forever	-	-	-
Impact Fee - Fire	-	-	-
Impact Fee - Parks	-	-	-
Impact Fee - Transportation	-	-	-
Multi-Modal Transportation Mitigation	-	-	-
State and Federal Grants and Other Purposes	163,503	-	-
Enabling Legislation*	-	-	-
Total Restricted	<u>163,503</u>	<u>2,074,817</u>	<u>-</u>
Committed For			
Public Safety Programs	-	-	-
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>
Assigned For			
Subsequent Year's Reserve for Contingency	5,798,135	-	-
FY20 Appropriated Fund Balance	7,038,461	-	-
Administration	-	-	-
Capital Maintenance and Preservation	-	-	-
Capital Projects	-	-	-
Courts	-	-	-
Culture and Recreation	1,829,424	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Physical Environment	-	-	-
Public Safety	-	-	3,443,805
Transportation	-	-	-
Total Assigned	<u>14,666,020</u>	<u>-</u>	<u>3,443,805</u>
Unassigned	<u>24,543,604</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>\$ 39,925,760</u>	<u>\$ 2,074,817</u>	<u>\$ 3,443,805</u>

*Enabling legislation - see detail on page 54

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

	<u>Gas Tax Uses</u>	<u>Emergency Services</u>	<u>Other Special Revenues</u>
Non-Spendable			
Inventory	\$ 225,111	\$ -	\$ -
Prepaid Items	-	-	-
Total Non-Spendable	<u>225,111</u>	<u>-</u>	<u>-</u>
Restricted For			
Bond Covenants - Cash Reserves	-	-	-
Debt Service	-	-	-
CHOICES Referendum	-	-	-
Wild Space Public Places Referendum	-	-	22,342,614
Tourist Development	-	-	-
Road Construction	-	-	-
Alachua County Forever	-	-	2,123,734
Impact Fee - Fire	-	-	-
Impact Fee - Parks	-	-	-
Impact Fee - Transportation	-	-	-
Multi-Modal Transportation Mitigation	-	-	340,235
State and Federal Grants and Other Purposes	-	18,079	244,604
Enabling Legislation*	-	1,506,278	89,234
Total Restricted	<u>-</u>	<u>1,524,357</u>	<u>25,140,421</u>
Committed For			
Public Safety Programs	-	-	-
Total Restricted	<u>-</u>	<u>-</u>	<u>-</u>
Assigned For			
Subsequent Year's Reserve for Contingency	-	-	-
FY20 Appropriated Fund Balance	-	-	-
Administration	-	-	-
Capital Maintenance and Preservation	-	-	-
Capital Projects	-	-	-
Courts	-	-	-
Culture and Recreation	-	-	74,903
Economic Environment	-	-	-
Human Services	-	-	26,796
Physical Environment	-	-	-
Public Safety	-	2,703,048	-
Transportation	4,806,788	-	-
Total Assigned	<u>4,806,788</u>	<u>2,703,048</u>	<u>101,699</u>
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>\$ 5,031,899</u>	<u>\$ 4,227,405</u>	<u>\$ 25,242,120</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

	Other Governmental Funds	Total Governmental Funds
Non-Spendable		
Inventory	\$ -	\$ 745,479
Prepaid Items	61,137	93,402
Total Non-Spendable	<u>61,137</u>	<u>838,881</u>
Restricted For		
Bond Covenants - Cash Reserves	8,087,649	8,087,649
Debt Service	2,643,090	2,643,090
CHOICES Referendum	6,781,809	6,781,809
Wild Space Public Places Referendum	-	22,342,614
Tourist Development	5,086,143	5,086,143
Road Construction	12,898,559	12,898,559
Alachua County Forever	-	2,123,734
Impact Fee - Fire	643,912	643,912
Impact Fee - Parks	602,299	602,299
Impact Fee - Transportation	5,602,141	5,602,141
Multi-Modal Transportation Mitigation	3,409,990	3,750,225
State and Federal Grants and Other Purposes	2,653,765	3,079,951
Enabling Legislation*	<u>10,572,218</u>	<u>12,167,730</u>
Total Restricted	<u>58,981,575</u>	<u>87,884,673</u>
Committed For		
Public Safety Programs	<u>172,377</u>	<u>172,377</u>
Total Restricted	<u>172,377</u>	<u>172,377</u>
Assigned For		
Subsequent Year's Reserve for Contingency	-	5,798,135
FY20 Appropriated Fund Balance	-	7,038,461
Administration	214,638	214,638
Capital Maintenance and Preservation	654,047	654,047
Capital Projects	489,577	489,577
Courts	77,492	77,492
Culture and Recreation	-	1,904,327
Economic Environment	2,866,659	2,866,659
Human Services	-	26,796
Physical Environment	47,562	47,562
Public Safety	-	6,146,853
Transportation	-	4,806,788
Total Assigned	<u>4,349,975</u>	<u>30,071,335</u>
Unassigned	<u>-</u>	<u>24,543,604</u>
Total Fund Balances	<u>\$ 63,565,064</u>	<u>\$ 143,510,870</u>

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

B. Net Position Restricted By Enabling Legislation

Program	Amount
Administration	\$ 694,587
Culture and Recreation	757,166
Corrections	672,310
Courts	3,351,560
Community Services	231,947
Environmental Services	80,969
Emergency Services	1,506,278
Law Enforcement	2,939,168
Solid Waste Collection	779,625
Stormwater Management	1,154,120
Total	\$ <u>12,167,730</u>

Note 4 - Cash and Investments

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

Deposits and investments as of September 30, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary Government:

Equity in Pooled Cash and Investments	\$ 172,916,730
Cash with Claims Administrator	419,000
Other Cash and Equivalent	13,192,953
Sinking Fund Cash and Equivalent	8,087,649
Other Investments	2,105,986

Restricted Cash and Investments:

Equity in Pooled Cash and Investments	49,415
Investments	2,846,578

Component Units:

Equity in Pooled Cash and Equivalent	346,034
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Statement of Fiduciary Net Position:

Equity in Pooled Cash and Investments	292,134
Other Cash and Investments	8,252,855
Investments	<u>3,018,045</u>

Total Cash and Investments	\$ <u>211,527,379</u>
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ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Deposits and investments as of September 30, 2019, consist of the following:

Primary Government:	
Deposits with Financial Institutions	\$ 22,605,166
Investments	177,013,145
Component Units:	
Investments	346,034
Fiduciary Assets:	
Deposits with Financial Institutions	8,544,989
Investments	<u>3,018,045</u>
Total Cash and Investments	<u>\$ 211,527,379</u>

A. Cash Deposits

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

B. Investments

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

Operating Funds and Component Units Investment Policy

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

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

Investment Holdings

As of September 30, 2019, the County had the following investments:

<u>Investments</u>	<u>WAM (Years)</u>	<u>Fair Value</u>
Holdings		
Primary Government:		
Fidelity Treasury MMF	36 days	\$ 463,589
FLGIT	1.94	2,133,598
Florida Trust Day to Day Fund	30.45 days	2,112,862
FLPALM	39 days	10,181,321
Florida Fixed Income Trust	135 days	5,170,269
Florida PRIME	37 days	53,192,593
Federal Agency MBS (PFM)	2.13	4,312,472
Federal Agency CMO (PFM)	2.05	9,126,932
Federal Agency Bond (PFM)	2.20	2,052,938
U.S. Treasury Bond/Note (PFM)	2.10	34,444,170
Municipal Bonds (PFM)	2.60	1,212,962
Supra-National Bond/Note (PFM)	1.34	6,737,911
Corporate Note (PFM)	1.80	29,757,516
Asset-Backed Security (PFM)	1.35	<u>16,114,012</u>
Total Primary Government		<u>177,013,145</u>
Component Unit:		
Florida PRIME		<u>346,034</u>
Fiduciary:		
FMPTF Broad Market HQ Bond Fund	6.43	289,269
FMPTF Core Plus Fixed Income Fund	5.16	287,274
FMPTF Diversified Large Cap Equity	n/a	690,255
FMPTF Diversified Small to Mid Cap Equity	n/a	245,380
FMPTF International Equity Portfolio	n/a	289,269
FMPTF Core Real Estate Portfolio	n/a	181,541
FLCLASS	50 days	<u>1,035,057</u>
Total Fiduciary		<u>3,018,045</u>
Total Holdings		<u>\$ 180,377,224</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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.

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 AAf by Standard & Poor's. The fund is structured to maintain safety of principal and maximize available yield through a balance of quality and diversification.

Florida PALM (Term)—This is short-term investment program organized in 2010 to serve Florida Public agency investors. The program offers the ability for the County to invest in share of fixed-rate, fixed-term investments. The portfolio is rate AAf by Fitch rating agency and invests in maturity dates up to one year. The program requires a minimum investment of \$1 million and allows for unlimited investments and redemptions (no notice period). The program has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the County's investment in FL PALM is at amortized cost.

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

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

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

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 \$103,758,913 (fair value) as noted in the table on page 60.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019 are \$56,495 and \$289,539 respectively and the funds were invested in the Florida PRIME Fund. As participants in the internal investment pool the component units are subject to the same investment policy used for the County's operating funds.

Description of Fiduciary Asset Investment Holdings

The Other Postemployment 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, 2019 with a fair market value of \$1,982,988. The Tax Collector participates in the Florida Cooperative Liquid Asset Securities System (FLCLASS), which is an independent Local Government Investment Pool that operates under investment guidelines established by Sections 218.415, Florida Statutes. The Tax Collector investment balance at September 30, 2019 is \$1,035,057.

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, 2019, 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, 2019, 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, 2019

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

<u>Investments</u>	<u>Ratings</u>	<u>Fair Value</u>
Holdings		
Primary Government:		
Regions MMF	AAAm	\$ 463,589
FLGIT	AAAf	2,133,598
Florida Trust Day to Day Fund	AAAm	2,112,862
Florida PRIME	AAAm	53,192,593
FLPALM	AAAm	10,181,321
Florida Fixed Income Trust	AAAf	5,170,269
Federal Agency MBS (PFM)	AA+	4,312,472
Federal Agency CMO (PFM)	AA+	9,126,932
Federal Agency Bond (PFM)	AA+	2,052,938
U.S. Treasury Bond/Note (PFM)	AA+	34,444,170
Municipal Bonds (PFM):		
Houston, TX TXBL GO Bonds (PFM)	AA	692,915
NY TXBL Revenue Bonds (PFM)	AAA	520,047
Supra-Nationals Bond/Note (PFM):		
Supra-Nationals Bond/Note (PFM)	AAA	6,737,911
Corporate Note (PFM):		
Corporate Note (PFM)	AA+	1,503,814
Corporate Note (PFM)	AA	1,676,837
Corporate Note (PFM)	AA-	3,515,109
Corporate Note (PFM)	A+	4,316,083
Corporate Note (PFM)	A	9,010,279
Corporate Note (PFM)	A-	4,172,650
Corporate Note (PFM)	BBB+	5,562,744
Asset-Backed Security (PFM):		
Asset-Backed Security (PFM)	AAA	11,876,624
Asset-Backed Security (PFM)	NR	<u>4,237,388</u>
Total Primary Government		<u>177,013,145</u>
Component Unit:		
Florida PRIME	AAAm	<u>346,034</u>
Fiduciary:		
FMPTF Broad Markey HQ Bond Fund	AAf/S4	289,269
FMPTF Core Plus Fixed Income Fund	Unrated	287,274
FMPTF Diversified Large Cap Value	Unrated	690,255
FMPTF Diversified Small to Mid Cap Equity	Unrated	245,380
FMPTF International Equity Portfolio	Unrated	289,269
FMPTF Core Real Estate Portfolio	Unrated	181,541
FLCLASS	AAAm	<u>1,035,057</u>
Total Fiduciary		<u>3,018,045</u>
Total Holdings		<u>\$ 180,377,224</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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>0-3 Months</u>	<u>3 Months -</u>	
			<u>1 Year</u>	<u>>1 Year</u>
Federal Agency MBS (PFM)	\$ 4,312,472	\$ -	\$ -	\$ 4,312,472
Federal Agency CMO (PFM)	9,126,932	-	513,432	8,613,500
Federal Agency Bond (PFM)	2,052,938	-	-	2,052,938
U.S. Treasury Bond/Note (PFM)	34,444,170	-	-	34,444,170
Municipal Bonds (PFM)	1,212,962	-	-	1,212,962
Supra-Nationals Bond/Note (PFM)	6,737,911	-	997,798	5,740,113
Corporate Note (PFM)	29,757,516	-	3,688,094	26,069,422
Asset-Backed Security (PFM)	<u>16,114,012</u>	-	-	<u>16,114,012</u>
Total	<u>\$ 103,758,913</u>	<u>\$ -</u>	<u>\$ 5,199,324</u>	<u>\$ 98,559,589</u>

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 did not hold any investments greater than 5% of the total portfolio.

C. Restricted Cash and Investments

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

	<u>Sinking Fund</u>	<u>Landfill Post-Closure</u>
2014 Public Improvement Revenue Loan	\$ 950,352	\$ -
Capital Improvement Revenue Note, Series 2015A	362,170	-
Refunding Improvement Refunding Note, Series 2015B	1,281,231	-
2016 Public Improvement Refunding Note	3,105,340	-
2016 Gas Tax Refunding Note	360,383	-
2017 Public Improvement Revenue Note	105,470	-
2018 Capital Improvement Revenue Note	113,181	-
2018 5 Cent Local Option Gas Tax Bank Loan	1,809,522	-
Solid Waste System	-	2,895,993
Total Restricted Cash and Investments	<u>\$ 8,087,649</u>	<u>\$ 2,895,993</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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D. Fair Value Measurements

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

The County relied on a third party company to obtain fair value quotes for all investments. A matrix pricing model is used to value the County's investments based on the investments' relationship to benchmark quoted prices. The following table summarizes the County's assets (and liabilities) as of September 30, 2019, for which fair values are determined on a recurring basis:

Type Investment	Fair Value	Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Operating Investments by Fair Value Level:				
Federal Agency MBS (PFM)	\$ 4,312,472	\$ -	\$ 4,312,472	\$ -
Federal Agency CMO (PFM)	9,126,932	-	9,126,932	-
Federal Agency Bond (PFM)	2,052,938	-	2,052,938	-
U.S. Treasury Bond/Note (PFM)	34,444,170	-	34,444,170	-
Municipal Bonds (PFM)	1,212,962	-	1,212,962	-
Supra-Nationals Bond/Note (PFM)	6,737,911	-	6,737,911	-
Corporate Note (PFM)	29,757,516	-	29,757,516	-
Asset-Backed Securities (PFM)	16,114,012	-	15,409,965	704,047
Fidelity Treasury Money Markey Fund	463,589	463,589	-	-
Fiduciary Investments by Fair Value Level:				
FMPTF Broad Market HQ Bond Fund	289,269	-	289,269	-
FMPTF Core Plus Fixed Income Fund	287,274	-	-	287,274
FMPTF Diversified Large Cap Equity	690,255	-	690,255	-
FMPTF Diversified Small Cap Equity	245,380	-	245,380	-
FMPTF International Equity Portfolio	289,269	-	289,269	-
FMPTF Core Real Estate Portfolio	<u>181,541</u>	-	-	<u>181,541</u>
Total Investments by Fair Value Level	<u>\$ 106,205,490</u>	<u>\$ 463,589</u>	<u>\$ 104,569,039</u>	<u>\$ 1,172,862</u>
Operating Investments Measured at the Net Asset Value (NAV)				
Florida PRIME	\$ 53,192,593			
Florida Government Investment Trust	2,133,598			
Florida Trust Day to Day Fund	2,112,862			
Florida Public Asset for Liquidity Management	10,181,321			
Florida Fixed Income Trust	5,170,269			
Florida Coop Liquid Asset Securities System	1,035,057			
Florida PRIME – Component Units	<u>346,034</u>			
Total Investments Measured at NAV	<u>74,171,734</u>			
Total Investments	<u>\$ 180,377,224</u>			

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Note 5 - Property Tax

A. Real Property Taxes

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

B. Property Tax Calendar

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.
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.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 2019 distributions were made as follows:
 - November and December - 2 distributions each month
 - All other months – 1 distribution each month

Note 6 - Capital Assets

A. Capital Asset Activity

Capital asset activity for the year ended September 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Primary Government					
Capital Assets not Being Depreciated:					
Land	\$ 86,260,426	\$ 9,451,991	\$ -	\$ (2,980,520)	\$ 92,731,897
Right of Way	165,764,360	-	-	246,938	166,011,298
Stormwater Basins	14,016,551	-	-	-	14,016,551
Artwork	91,390	-	-	-	91,390
Construction/Purchase in Progress	29,030,720	17,934,535	(670,878)	(27,801,119)	18,493,258
Total not Being Depreciated	<u>295,163,447</u>	<u>27,386,526</u>	<u>(670,878)</u>	<u>(30,534,701)</u>	<u>291,344,394</u>
Capital Assets Being Depreciated:					
Buildings	161,182,076	1,372,402	-	2,987,120	165,541,598
Equipment and Purchased Software	89,607,753	8,059,581	(6,134,365)	1,044,783	92,577,752
Software - Internally Developed	188,016	-	-	-	188,016
Improvements other than Building	17,391,129	109,197	-	-	17,500,326
Infrastructure	547,329,503	-	-	26,502,798	573,832,301
Total Being Depreciated	<u>815,698,477</u>	<u>9,541,180</u>	<u>(6,134,365)</u>	<u>30,534,701</u>	<u>849,639,993</u>
Less Accumulated Depreciation for:					
Buildings	(70,350,948)	(4,580,592)	-	-	(74,931,540)
Equipment and Purchased Software	(65,010,540)	(7,251,984)	6,007,658	-	(66,254,866)
Software - Internally Developed	(188,016)	-	-	-	(188,016)
Improvements other than Building	(11,103,614)	(804,043)	-	-	(11,907,657)
Infrastructure	(421,421,430)	(10,376,271)	-	-	(431,797,701)
Total Accumulated Depreciation	<u>(568,074,548)</u>	<u>(23,012,890)</u>	<u>6,007,658</u>	<u>-</u>	<u>(585,079,780)</u>
Total Being Depreciated, Net	<u>247,623,929</u>	<u>(13,471,710)</u>	<u>(126,707)</u>	<u>30,534,701</u>	<u>264,560,213</u>
Governmental Activities Capital Assets, Net	<u>\$542,787,376</u>	<u>\$ 13,914,816</u>	<u>\$ (797,585)</u>	<u>\$ -</u>	<u>\$555,904,607</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets not Being Depreciated:				
Land	\$ 3,480,357	\$ -	\$ -	\$ 3,480,357
Construction/Purchase in Progress	574,952	2,616,334	-	3,191,286
Total not Being Depreciated	<u>4,055,309</u>	<u>2,616,334</u>	<u>-</u>	<u>6,671,643</u>
Capital Assets Being Depreciated:				
Buildings	2,806,998	-	-	2,806,998
Equipment and Purchased Software	6,611,450	213,618	(307,238)	6,517,830
Improvements other than Building	<u>13,298,269</u>	<u>-</u>	<u>-</u>	<u>13,298,269</u>
Total Being Depreciated	<u>22,716,717</u>	<u>213,618</u>	<u>(307,238)</u>	<u>22,623,097</u>
Less Accumulated Depreciation for:				
Buildings	(1,783,728)	(90,097)	-	(1,873,825)
Equipment and Purchased Software	(3,945,522)	(483,725)	297,937	(4,131,310)
Improvements other than Building	<u>(11,170,071)</u>	<u>(203,404)</u>	<u>-</u>	<u>(11,373,475)</u>
Total Accumulated Depreciation	<u>(16,899,321)</u>	<u>(777,226)</u>	<u>297,937</u>	<u>(17,378,610)</u>
Total Being Depreciated, Net	<u>5,817,396</u>	<u>(563,608)</u>	<u>(9,301)</u>	<u>5,244,487</u>
Total Business-Type Capital Assets, Net	<u><u>\$ 9,872,705</u></u>	<u><u>\$ 2,052,726</u></u>	<u><u>\$ (9,301)</u></u>	<u><u>\$ 11,916,130</u></u>

B. Depreciation Expense

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

Primary Government

Governmental Activities:

Administration	\$ 2,009,989
Community Service	484,430
Corrections	2,487,594
Courts	1,223,108
Culture and Recreation	781,073
Emergency Services	1,381,500
Environmental Services	136,180
Growth Management	45,156
Law Enforcement	2,213,812
Solid Waste Disposal	13,272
Transportation (Includes County Infrastructure)	10,534,105
Capital Assets Held by the Governments' Internal Service Funds are Charged to the Various Functions Based on their Usage of the Assets	<u>1,702,671</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 23,012,890</u></u>

Business-Type Activities:

Codes Enforcement	\$ 7,162
Solid Waste Disposal	<u>770,064</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 777,226</u></u>

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 7 - Inter-Fund Receivables, Payables and Transfers

A. Inter-Fund Balances

Inter-Fund balances as of September 30, 2019, consisted of the following:

	Inter-Fund Receivable	Inter-Fund Payable
Inter-Fund Balances		
Governmental Funds:		
General Fund	\$ 5,742,973	\$ 1,736,271
MSTU Law Enforcement	67,190	-
MSBU Fire Protection	67,733	-
Emergency Services	461,912	1,718,969
Other Special Revenue	12	-
Transportation Trust	177	2,817,000
Other Governmental Funds	69,866	1,457,907
Total Governmental Funds	6,409,863	7,730,147
Proprietary Funds:		
Solid Waste System	187,841	173
Codes Enforcement	-	22
Internal Service Funds	1,132,638	-
Total Inter-Fund Balances	\$ 7,730,342	\$ 7,730,342

Inter-Fund Receivable consists of due from other funds and advance to other funds. Inter-Fund 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) inter-fund 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, 2019**

B. Inter-Fund Transfers

Inter-fund transfers for the year ended September 30, 2019, consisted of the following:

	Transfers from Other Funds	Transfers to Other Funds
Inter-Fund Transfers		
Governmental Funds:		
General Fund	\$ 36,773,867	\$ 9,310,613
MSTU Law Enforcement	64,455	21,899,902
MSTU Fire Protection	722,891	783,114
Gas Tax Uses	4,119,828	-
Emergency Services	6,089,802	8,716,524
Other Special Revenue	231,046	-
Transportation Trust	4,715,775	-
Other Governmental Funds	6,379,963	18,531,324
Total Governmental Funds	59,097,627	59,241,477
Proprietary Funds:		
Business-Type Activities:		
Solid Waste System	9,091	-
Codes Enforcement	-	495,915
Internal Service Funds	1,130,674	500,000
Total Inter-Fund Transfers	\$ 60,237,392	\$ 60,237,392

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

Note 8 - Long-Term Obligations

A. Long-Term Obligations

Long-term obligations (excluding accrued compensated absences and estimated self-insured losses) at September 30, 2019, are composed of the following:

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Primary Government

Notes Payable:

\$9,900,000 2014 Public Improvement revenue bank loan, due in annual installments of \$978,000 to \$1,085,000 through 2025, interest of 2.090%. <u>Revenue Source</u> – a pledge of the County’s portion of the Half Cent Sales Tax.	\$ 6,184,000
\$3,800,000 2015 A Capital Improvement Draw-down bank loan, due in annual installments of \$367,000 to \$419,000 through 2025, interest of 2.250%. <u>Revenue Source</u> – a pledge of the County’s State Court Facilities Surcharge.	2,747,000
\$12,637,000 2015B Public Improvement Revenue Refunding bank loan, due in annual installments of \$1,284,000 to \$1,502,000 through 2026, interest of 2.250%. <u>Revenue Source</u> – a pledge of the County’s portion of the Half Cent Sales Tax.	11,118,000
\$24,430,000 2016 Public Improvement Revenue Refunding bank loan, due in annual installments of \$735,000 to \$3,370,000 through 2029, interest of 1.890%. <u>Revenue Source</u> – a pledge of the County’s portion of the Half Cent Sales Tax.	16,160,000
\$10,385,000 2016 Gas Tax Refunding bank loan, due in annual installments of \$1,051,000 to \$1,065,000 through 2021 interest of 1.330%. <u>Revenue Source</u> – a pledge to the County’s 5 th , 6 th , 7 th , and 9 th cent voted Gas Tax.	4,233,000
\$2,120,000 2017 Public Improvement Drawdown bank loan, due in annual installments of \$103,000 to \$125,000 through 2026, interest of 2.740%. <u>Revenue Source</u> – a pledge to the County’s portion of the Half Cent Sales Tax.	1,720,000
\$3,791,000 2017 Capital Improvement Revenue Refunding bank loan, due in installments of \$625,000 to \$665,000 through 2023, interest of 2.050%. <u>Revenue Source</u> – a pledge of the County’s Non-Ad Valorem revenues.	2,581,000
\$13,200,000 2018 Local Option Gas Tax Drawdown bank loan, due in annual installments of \$1,485,000 to \$1,825,000 through 2027, interest of 2.980%. <u>Revenue Source</u> – a pledge of the County’s 5 Cent Local Option Gas Tax.	<u>9,240,000</u>

Total Notes Payable	<u><u>\$ 53,983,000</u></u>
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ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

B. Debt Service Requirements to Maturity

Debt service to maturity on the County's debt at September 30, 2019, is as follows:

Fiscal Year	Notes Payable and Capital Lease Payable		Total Principal and Interest
	Principal	Interest	
2020	\$ 10,293,000	\$ 1,177,996	\$ 11,470,996
2021	10,503,000	1,031,607	11,534,607
2022	8,565,000	818,987	9,383,987
2023	6,057,000	650,348	6,707,348
2024	5,507,000	504,906	6,011,906
2025-2029	12,228,000	809,841	13,037,841
2030-2034	830,000	8,342	838,342
Total	\$ 53,983,000	\$ 5,002,027	\$ 58,985,027

C. Changes in Long-Term Obligations

Changes in long-term obligations for the year ended September 30, 2019, are as summarized as follows:

	Balance October 1, 2018			Balance September 30, 2019		Due Within One Year
		Increases	Decreases			
Long-Term Obligations						
Governmental Activities:						
Notes Payables	\$ 57,356,000	\$ 6,600,000	\$ (9,973,000)	\$ 53,983,000	\$ 10,293,000	
Capital Leases	144,435	-	(144,435)	-	-	
Estimated Liability - Self Insured Losses	6,266,098	23,139,702	(23,344,630)	6,061,170	2,397,052	
Net OPEB Liability	10,229,818	474,078	-	10,703,896	-	
Net Pension Liability	159,613,670	26,049,109	-	185,662,779	582,730	
Accrued Compensated Absences	15,838,169	9,831,871	(8,957,630)	16,712,410	5,549,471	
Total Governmental Activities	249,448,190	66,094,760	(42,419,695)	273,123,255	18,822,253	
Business-Type Activities:						
Accrued Compensated Absences	455,970	331,589	(316,055)	471,504	47,150	
Net OPEB Liability	538,412	24,951	-	563,363	-	
Net Pension Liability	3,329,485	530,345	-	3,859,830	13,370	
Accrued Landfill Closure Cost	4,133,750	-	(253,817)	3,879,933	252,797	
Total Business-Type Activities	8,457,617	886,885	(569,872)	8,774,630	313,317	
Total Long-Term Obligations	\$ 257,905,807	\$ 66,981,645	\$ (42,989,567)	\$ 281,897,885	\$ 19,135,570	

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, \$249,508 of internal service funds compensated absences, \$1,543,932 of net pension, and \$225,345 of OPEB is included in the above amounts. In addition, for the governmental activities, compensated absences and pension liabilities are generally liquidated by the general fund.

**ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

D. Summary of Revenue Notes Payable

The following is a summary of government resolutions pertaining to debt reflected in the September 30, 2019, financial statements:

Name	\$9,990,000 Public Improvement Revenue Note, Series 2014	\$12,637,000 Public Improvement Revenue Refunding Note, Series 2015B	\$24,430,000 Public Improvement Revenue Refunding Note, Series 2016	\$2,120,000 Public Improvement Revenue Note, Series 2017
Purpose	To provide funding for acquisition and construction of 515 Bldg, criminal courthouse HVAC, ERP financial software system, new fire station, new rescue station, and costs of issuance.	To refund portions of the County's Public Improvement Revenue Bonds, Series 2007A and costs of issuance.	To refund the County's outstanding Public Improvement Revenue Bonds, Series 2007A and Public Improvement Revenue Refunding Bonds, Series 2007B, and costs of issuance.	To finance capital improvements relating to a fire station and emergency services.
Dated	September 12, 2014	April 23, 2015	May 4, 2016	January 12, 2017
Final maturity	November 1, 2024	November 1, 2026	November 1, 2029	November 1, 2026
Principal payment date	November 1st	November 1st	November 1st	November 1st and May 1
Interest payment dates	November 1st and May 1	November 1st and May 1	November 1st and May 1	November 1st and May 1
Interest rates	2.09%	2.25%	2.01%	2.74%
Outstanding Principal at 9/30/19	\$6,184,000	\$11,118,000	\$16,160,000	\$1,720,000
Reserve requirement	\$0	\$0	\$0	\$0
Pledged revenue source	Local Government Half-Cent Sales Tax.	Local Government Half-Cent Sales Tax.	Local Government Half-Cent Sales Tax.	Local Government Half-Cent Sales Tax.
Total debt svc payment	\$1,097,257	\$1,520,285	\$3,526,674	\$256,361
% of required Debt Svc to total pledged revenue source	48.86%			

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Name	\$10,385,000 Gas Tax Revenue Refunding Note, Series 2016	5 Cent Local Option Gas Tax Note, Series 2011	5 Cent Local Option Gas Tax Note, Series 2018	\$3,800,000 Capital Improvement Revenue Note, Series 2015A
Purpose	To refund the County's outstanding Gas Tax Revenue Bonds, Series 2006 and Series 2008, and costs of issuance.	To provide funds for the financing of the costs of certain transportation improvements, to include bicycle/pedestrian facilities, unpaved road alternatives, improving roadways and cost of issuance.	To provide funds for the financing of the costs of certain transportation improvements, to include bicycle/pedestrian facilities, unpaved road alternatives, surface treatments, improving roadways and cost of issuance.	To provide funds for the acquisition and construction of a new Public Defender Building and costs of issuance.
Dated	July 5, 2016	June 16, 2011	August 22, 2018	April 23, 2015
Final maturity	August 1, 2021	February 1, 2019	August 1, 2027	November 1, 2025
Principal payment date	August 1st and February 1st	February 1st	August 1st	November 1st
Interest payment dates	August 1st and February 1st	February 1st and August 1st	February 1st and August 1st	November 1st and May 1st
Interest rates	1.33%	2.20%	2.98%	2.25%
Outstanding Principal at 9/30/19	\$4,233,000	\$0	\$9,240,000	\$2,747,000
Reserve requirement	\$0	\$0	\$0	\$0
Pledged revenue source	Constitutional Gas Tax, County Gas Tax, and Ninth Cent Gas Tax.	Five Cent Local Option Gas Tax	Five Cent Local Option Gas Tax	Court Facilities Fees per Section 318.18(13)(A), Florida Statutes
Total debt svc payment	\$2,152,000	\$1,347,888	\$153,410	\$424,846
% of required Debt Svc to total pledged revenue source	36.09%	50.79%		99.35%

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.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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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, 2019, there were fifteen series of Health Facility Revenue Bonds outstanding, with an aggregate principal amount payable of \$834,700,197, one series of Industrial Development Bonds outstanding, with an aggregate principal amount payable of \$3,050,913, and five series of Housing Finance Authority Multi-family Housing Bonds, with an aggregate principal amount payable of \$20,445,000.

G. Landfill Post-Closure Care Obligation

The County's Southwest Landfill's liability for fiscal year 2019 is \$3,083,133, a decrease of \$185,029 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 \$796,800, a decrease of \$68,788 from last fiscal year. See Note 1.D.8. for more information.

Note 9 - Employee Benefits

A. State of Florida Pension Plans

Defined Benefit Plans

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

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

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

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Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The County's contribution rates as of September 30, 2019, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	6.81%	1.66%
Special Risk	23.82%	1.66%
Senior Management Service Class	23.75%	1.66%
Elected Officials	47.16%	1.66%
DROP from FRS	12.94%	1.66%

The County's contributions for the year ended September 30, 2019, were \$14,169,842 to the FRS and \$1,764,522 to the HIS.

Pension Liabilities and Pension Expense

At September 30, 2019, the County reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2019. The total pension liabilities for the FRS Pension Plan and HIS Program were determined by an actuarial valuation dated July 1, 2019. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net Pension Liability at September 30, 2019	\$ 154,392,629	\$ 35,129,980	\$ 189,522,609
Proportion at:			
September 30, 2019	0.4483%	0.3140%	0.7623%
September 30, 2018	0.4336%	0.3056%	0.7392%
Pension Expense (Benefit), Year Ended			
September 30, 2019	\$ 38,105,865	\$ 2,878,592	\$ 40,984,457

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Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS		Totals	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 9,157,468	\$ (95,815)	\$ 426,693	\$ (43,016)	\$ 9,584,161	\$ (138,831)
Changes of Assumptions	39,654,670	-	4,067,720	(2,871,238)	43,722,390	(2,871,238)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(8,541,806)	22,669	-	22,669	(8,541,806)
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	4,938,641	(2,560,392)	1,358,058	(595,610)	6,296,699	(3,156,002)
Employer Contributions Subsequent to the Measurement Date	3,438,104	-	417,812	-	3,855,916	-
Total	\$ 57,188,883	\$ (11,198,013)	\$ 6,292,952	\$ (3,509,864)	\$ 63,481,835	\$ (14,707,877)

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

<u>Year Ending September 30,</u>	<u>FRS</u>	<u>HIS</u>
2020	\$ 15,288,902	\$ 867,300
2021	5,151,512	712,850
2022	10,863,830	414,076
2023	8,118,413	(165,259)
2024	2,431,019	140,748
Thereafter	699,090	395,561
Total	\$ 42,552,766	\$ 2,365,276

Actuarial Assumptions

The pension liability for each of the defined benefit plans was measured as of June 30, 2019. The total pension liability for the FRS Pension Plan and HIS Program was determined by an actuarial valuation dated July 1, 2019. Both plans use the entry age normal actuarial cost method and the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.60%	2.60%
Salary Increases	3.25%	3.25%
Discount Rate	6.90%	3.50%
Investment Rate of Return	6.90%	N/A

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

For both plans, the actuarial assumptions were based on the results of an actuarial experience study that was completed for the period July 1, 2013, through June 30, 2018.

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The following changes in actuarial assumptions occurred in 2019:

- FRS—The long-term expected investment rate of return and the discount rate used to determine the total pension liability decreased from 7.00% to 6.90%.
- HIS—The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.87% to 3.50%.

The long-term expected rate of return was not based on historical returns, but instead was based on forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset classification.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
Cash	1.00%	3.30%	3.30%
Fixed Income	18.00%	4.10%	4.10%
Global Equity	54.00%	8.00%	6.80%
Real Estate (Property)	11.00%	6.70%	6.10%
Private Equity	10.00%	11.20%	8.40%
Strategic Investments	6.00%	5.90%	5.70%
	<u>100.00%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.90% and consisted of two building block components: 1) a real return of 4.3% and 2) a long-term average annual inflation assumption of 2.6%. The 6.9% rate of return assumption is reasonable and appropriate per Actuarial Standards of Practice.

The discount rate used for calculating the total HIS pension liability is equal to the single rate that results in the same actuarial present value as would be calculated by using two different discount rates for the discount at the long-term expected rate of return for benefit payments prior to the projected depletion of the fiduciary net pension (trust assets) and the discount at a municipal bond rate for benefit payments after the projected depletion date. Because the HIS Program is essentially funded on a pay-as-you-go basis and the depletion date is considered to be immediate, the single municipal bond rate of 3.50% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

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Sensitivity Analysis

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

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease (5.90%)	Rate (6.90%)	1% Increase (7.90%)	1% Increase (2.50%)	Rate (3.50%)	1% Increase (4.50%)
Employer's Proportionate Share of the Net Pension Liability	\$ 266,893,443	\$ 154,392,629	\$ 60,435,420	\$ 40,102,673	\$ 35,129,980	\$ 30,988,290

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2019, totaled \$857,258.

B. Other Postemployment Benefits Plan

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

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

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

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

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Additionally, in accordance with Florida Statutes 112.0801, currently, active County employees who retire and immediately begin receiving benefits from FRS have the option of paying premiums to continue in the County's Self-funded Health Insurance Plan at the same group rate as active employees. The retiree pays 100% of the blended group rate premium therefore receiving an implicit subsidy.

Contributions - The contribution requirements of plan members and the participating employers are established and may be amended by the County. The County's required contribution, actuarially determined, is based on a combination of projected pay-as-you-go financing, with an additional amount to prefund benefits when earned. Contributions are not based on a measure of pay. The County's actuarially determined contribution for the year ended September 30, 2019, was \$1,047,899. Actual contributions to the OPEB Plan from the County were \$1,021,000 for the year ended September 30, 2019. County retiree plan members receiving benefits contributed to pay-as-you-go financing through their required contributions of \$620.56 per month for retiree-only coverage, \$1,483.40 per month for retiree and spouse coverage and \$2,091.26 per month for family coverage.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At September 30, 2019, the County reported a liability of \$11,267,259 for its proportionate share of the net OPEB liability. The net OPEB liability was determined by a simplified actuarial valuation as of September 30, 2019. The County's proportion of the net OPEB liability was based on the County's projected long-term contribution effort to the OPEB Plan as compared to the total projected long-term contribution effort of all employers. At September 30, 2019, the County's proportion of net OPEB liability was 89.42%.

For the year ended September 30, 2019, the County recognized OPEB expense of \$1,263,590. At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (71,017)
Changes of Assumptions or Other Inputs	970,217	-
Net Difference Between Projected and Actual Investments	35,499	(33,697)
Total	\$ 1,005,716	\$ (104,714)

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

Year Ending September 30,	Amount
2020	\$ 80,421
2021	80,421
2022	95,539
2023	96,692
2024	87,818
Thereafter	460,111
Total	\$ 901,002

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Actuarial Methods and Assumptions – The total OPEB liability in the September 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation Rate	2.5%
Projected annual salaries increase	3.5%
Investment rate of return	8.05%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	6.0% initial year reduced 0.5% each year until reaching ultimate trend rate of 4.5%
Mortality	PUB-2010 generational table scaled using MP-2019 and applied on a gender-specific basis

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Rate of Return (with Inflation)</u>
Broad Market HQ Bond Fund	14.5%	2.92%
Core Plus Fixed Income	14.4%	2.00%
Diversified Large Cap	34.6%	12.71%
Core Real Estate	9.10%	6.48%
Diversified Small to Mid Cap	12.30%	16.08%
International Blend	14.50%	2.63%
Cash (T-Bill)	0.60%	0.01%
Total	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total OPEB liability was 8.05%. The discount rate is based on the expected long-term rate of return on plan investments where assets are projected to cover all future benefit payments.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net OPEB liability, as well as what the Library's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (7.05%) or 1 percent point higher (9.05%) than the current discount rate:

	<u>1% Decrease (7.05%)</u>	<u>Current Discount Rate (8.05%)</u>	<u>1% Increase (9.05%)</u>
Net OPEB Liability	\$ 12,424,000	\$ 11,267,259	\$ 10,265,000

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Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the County's proportionate share of the net OPEB liability, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower (5.00%) or 1 percent point higher (7.00%) than the current healthcare cost trend rates:

	1% Decrease (5.00% Decreasing to 3.50%)	Current Discount Rate (6.00% Decreasing to 4.50%)	1% Increase (7.00% Decreasing to 5.50%)
Net OPEB Liability	\$ 10,912,000	\$ 11,267,259	\$ 11,668,000

C. Accrued Compensated Absences

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

	Vacation/PTO Accrual Maximum	Vacation/PTO 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 (Hired Before April 1, 2011)	392 Hours	392 Hours	No Maximum
40 Hours/Week (Hired Before March 31, 2011)	240	240	1,000
56 Hours/Week (Hired Before March 31, 2011)	336	336	1,400
Clerk of the Circuit Court	1320 Hours	760 Hours	Not Applicable
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 \$17,183,914 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.

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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 \$19,000. There is an “age 50 catch-up” provision that allows an additional \$6,000 contribution from the year the employee reaches age 50 until the employee terminates employment.

E. Component Units Employment

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

Note 10 - Risk Management and Conventionally Insured Claims and 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, 2019 projecting to September 30, 2019, and the prior year as of July 31, 2018 projecting to September 30, 2018:

<u>Fiscal Year</u>	<u>Claims Liability, Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Liability, End of Fiscal Year</u>
2018	\$ 4,283,930	\$ 1,464,138	\$ (827,429)	\$ 4,920,639
2019	4,920,639	1,124,468	(1,308,939)	4,736,168

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For fiscal year 2019, the margin for the risk of adverse deviation was accrued at a 75% confidence level. Florida Statutes provide for local government tort immunity and a claims bill process. Our actuarial estimates do not include a provision for liabilities arising from claims bills except to the extent such claims are included in the loss history of Alachua County. The County's Actuary determined a portion of 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 \$10,174,026 at September 30, 2019.

The claims liability reported in the fund at September 30, 2019, for the employee group health insurance plan was \$1,325,002. 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 2019, changes recorded to the claims liability for the employee group health insurance plan were as follows:

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<u>Fiscal Year</u>	<u>Claims Liability, Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Liability, End of Fiscal Year</u>
2018	\$ 1,400,078	\$ 20,157,812	\$ (20,212,431)	\$ 1,345,459
2019	1,345,459	22,015,234	(22,035,691)	1,325,002

D. Sheriff's Risk Management

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

Note 11 - Indirect Costs

The County's indirect costs consist of allowable administrative costs allocated to the Enterprise Funds, Internal Service Funds, various Federal and State Grants, and Special Revenue Funds. The County's indirect cost plan is developed annually based on the prior year's actual expenditures. Some adjustments are required due to specific Federal grant allowances or other legal limitations. For the fiscal year ended September 30, 2019, the following was charged:

<u>Indirect Cost Charged</u>	<u>Fund</u>	<u>Project Name</u>
	Governmental Funds	
\$ 319,797	General Fund	MSTU-Unincorporated Services
650,877	MSBU-Fire Protection Services	MSBU-Fire Protection Services
3,497	Emergency Services	EMPA State Grant
1,938	Emergency Services	EMPG Federal Grant
83,147	MSBU	Refuse Collection
57,262	Drug and Law Enforcement	HRS Metamorphosis
7,940	Environmental	Hazardous Materials Code
7,180	Environmental	FDEP Tank Inspection
18,166	Environmental	FDEP Petroleum Cleanup
22,577	Tourism	Tourist Development
<u>1,172,381</u>	Governmental Funds	
	Enterprise Funds	
255,870	Solid Waste	Solid Waste System
62,966	Solid Waste	Collection Centers
69,714	Solid Waste	Hazardous Waste Management
44,693	Solid Waste	Waste Management Assessment
4,141	Solid Waste	Landfill Post-Closure Care
88,709	Codes Enforcement	Codes Enforcement
<u>526,093</u>	Enterprise Funds	
	Internal Service Funds	
66,470	Self Insurance	Self Insurance Fund
131,571	Fleet Management	Fleet Management Fund
48,023	Telephone Services	Telephone Services
<u>246,064</u>	Internal Service Funds	
<u>\$ 1,944,538</u>	Total Indirect Cost	

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

Note 12 - 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 2019, the Fine and Forfeiture fund had excess fees of \$622,553. After posting the year-end entry to record the excess fees, expenditures in the Fine and Forfeiture Fund exceeded total appropriations by \$490,067. The statutory requirement to return excess fees is a one-time obligation. No additional corrective action is planned.

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. Future Accounting Pronouncements

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

- Fiduciary activities
- Leases
- Construction Interest

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

Note 13 - Commitments and Contingencies

A. Commitments

(1) Non-capitalized leases –

- (a) The County is leasing equipment, office space and electronic data processing equipment under leases that are cancelable under certain circumstances. These leases are accounted for as operating leases.
- (b) Rental costs for the year ended September 30, 2019, under cancelable leases are summarized as follows:

Fund Charged	Amount
General Fund	\$ 515,141
Special Revenue Funds	397,426
Enterprise Fund	26,907
Internal Service Funds	55,528
Total	\$ 995,002

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(c) The Tax Collector is leasing various equipment under renewable annual operating leases. During the year ended September 30, 2019, the lease payments on all operating leases were \$16,052. 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, 2019, the lease payments on all data transport service leases were \$23,082. The Tax Collector also has a ten-year renewable lease agreement for a Tag Office on Archer Road. During the year ended September 30, 2019, lease payments for office space totaled \$200,455.

Future minimum lease payments for non-cancellable operating leases for the Tax Collector as of September 30, 2019, are as follows:

Fiscal Year	Amount
2020	\$ 239,157
2021	243,643
2022	256,363
2023	234,477
Total	\$ 973,640

(d) The Sheriff is leasing equipment and office space under leases, which are cancelable under certain circumstances. During the fiscal year ended September 30, 2019, the lease payments on all operating leases amounted to approximately \$279,482.

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

	Lease Amount
Operating Leases for Fiscal Year 2019	
The license leased the land at 15 SW 2 nd street, for \$100 monthly, plus applicable taxes. Payment is due no later than the first of each month. The cost of the land is \$5,596. This lease started in May 2016	\$ 1,200
Florida Department of Health, sub-leases warehouse space within a building located at 6520 NW 18 th Drive, paying rental payments in the amount of \$2,899.75.	34,797
Florida Department of Health, sub-leases warehouse space within a building located at 816 SW 64 th Terrace, paying rental payments in the amount of \$17.50 monthly. This lease started in July 2016.	210
Florida Department of Health, leases a space in the Alachua County Community Support Services/Health Department Complex at 224 SE 24 th Street, consisting of 47,498 square feet. The cost of the leased space is \$5,167,932 with \$1,862,907 accumulated depreciation resulting in a \$3,305,025 carrying value.	165,753
Partnership for Strong Families, Inc., leases the premises located at 807 SW 64 th Terrace paying rental payments in the amount of \$10 monthly. The cost of the leased building is \$278,571, with an accumulated depreciation of \$81,784 resulting in a \$196,787 carrying value. The cost of the land is \$10,210.	120
Total Operating Leases	\$ 202,080

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

<u>Fiscal Year Ending September 30,</u>	<u>Lease Receivable</u>
2020	\$ 157,252
2021	157,252
2022	1,320
2023	1,200
2024	1,200
Total	<u>\$ 318,224</u>

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

(5) As of September 30, 2019, the County had significant encumbrances in the following funds:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 909,193
Emergency Services	249,966
Other Special Revenue	276,118
Transportation Trust	1,372,675
Other Governmental Funds	282,454
Solid Waste	222,977
Vehicle Replacement	712,497
Total	<u>\$ 4,025,880</u>

(6) Other significant outstanding contracts at September 30, 2019, are as follows:

<u>Amount</u>	<u>Vendor Name</u>	<u>Description</u>
\$ 8,469,999	VE Whitehurst	SW 8 th Ave Connector
1,227,692	VE Whitehurst	NW 16 th Ave Mill and Resurface
1,148,988	VE Whitehurst	Poe Springs Road Trail Lap
1,109,509	Anderson Columbia	Tower Rd - SW 8 th Ave to W Newberry Rd
917,237	Kimley-Horn and Assoc Inc	NW 23 rd Ave Reconstruction
891,752	ETR LLC	2019 Dodge 5500 AEV Type 1 Ambulances
777,995	VE Whitehurst	SW 8 th Ave Extension Phase II
660,000	City of Gainesville	Wild Spaces Public Places Grant
594,480	Kali Partners	Arena/Equestrian Center
511,452	De La Parte and Gilbert PA	Legal Representation Proposal Task
359,102	VE Whitehurst	NW 43 rd St Resurfacing
351,645	City of Newberry	Wild Space Public Places Grant
300,000	City of Waldo	Wild Spaces and Public Places Grant
296,621	Kimley-Horn and Assoc Inc	CR219A FDR and Resurfacing
284,828	Gainesville Regional Utilities	SW 8 th Ave Project

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

B. Contingencies

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

(2) Grant Funding

The County participates in a number of federally and state assisted programs that are subject to program compliance audits. For the year ended September 30, 2019, the County's financial statements are subject to single audits as required by Title 2 U.S. Code of Federal Regulations Part 200 (Uniform Guidance) and the *Florida Single Audit Act*. It is the opinion of management that no material liabilities will result from such audits.

(3) Pending Litigation

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

(4) Employee benefits are discussed in Note 9.

(5) Solid Waste System

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

Note 14 - Related Party Transactions

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

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

Note 14 – Subsequent Events

COVID-19 Subsequent Event

The COVID-19 pandemic has created economic disruptions throughout the County as of the date of our report causing significant declines in the financial markets and economic activity overall. The ultimate effect of these items is expected to be significant, but is not quantifiable at this time.

Required Supplementary Information

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 120,474,277	\$ 120,474,277	\$ 122,386,807	\$ 1,912,530
Permits and Fees	177,381	177,381	356,388	179,007
Intergovernmental	7,469,594	7,579,071	7,762,348	183,277
Charges for Services	18,936,299	19,036,572	22,988,439	3,951,867
Fines and Forfeitures	7,500	7,500	42,133	34,633
Investment Income	514,672	514,864	3,186,551	2,671,687
Miscellaneous	2,184,459	2,453,125	2,688,576	235,451
Total Revenue	<u>149,764,182</u>	<u>150,242,790</u>	<u>159,411,242</u>	<u>9,168,452</u>
Expenditures				
Current:				
General Government	36,715,027	39,323,910	35,218,900	4,105,010
Public Safety	103,676,790	102,724,386	101,265,655	1,458,731
Physical Environment	2,894,413	2,951,010	2,754,473	196,537
Transportation	2,436,709	2,584,477	2,389,694	194,783
Economic Environment	7,430,163	7,496,773	6,994,809	501,964
Human Services	15,379,742	16,111,371	13,810,820	2,300,551
Culture and Recreation	2,243,335	2,416,476	1,902,225	514,251
Court Cost	11,977,474	11,569,932	10,338,320	1,231,612
Reserve for Contingency	5,155,513	3,006,324	-	3,006,324
Debt Service:				
Principal	139,291	151,639	144,435	7,204
Interest	-	-	7,203	(7,203)
Capital Outlay	3,012,480	6,142,330	5,145,781	996,549
(Total Expenditures)	<u>191,060,937</u>	<u>194,478,628</u>	<u>179,972,315</u>	<u>14,506,313</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,296,755)</u>	<u>(44,235,838)</u>	<u>(20,561,073)</u>	<u>23,674,765</u>
Other Financing Sources (Uses)				
Transfers in	40,158,576	42,555,845	36,773,867	(5,781,978)
Transfers (out)	(13,109,766)	(13,543,329)	(9,310,613)	4,232,716
Sale of Capital Assets	-	28,026	33,414	5,388
Total Other Financing Sources and (Uses)	<u>27,048,810</u>	<u>29,040,542</u>	<u>27,496,668</u>	<u>(1,543,874)</u>
Net Change in Fund Balances	<u>(14,247,945)</u>	<u>(15,195,296)</u>	<u>6,935,595</u>	<u>22,130,891</u>
Fund Balances - Beginning of Year	<u>14,247,945</u>	<u>15,195,296</u>	<u>32,990,165</u>	<u>17,794,869</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,925,760</u>	<u>\$ 39,925,760</u>

ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL SERVICES TAXING UNIT - LAW ENFORCEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget-</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Taxes	\$ 21,288,771	\$ 21,288,771	\$ 21,435,496	\$ 146,725
Intergovernmental	-	-	14,586	14,586
Charges for Services	1,539,702	1,539,702	1,129,587	(410,115)
Investment Income	20,000	20,000	183,736	163,736
Miscellaneous	-	-	3,736	3,736
Total Revenues	<u>22,848,473</u>	<u>22,848,473</u>	<u>22,767,141</u>	<u>(81,332)</u>
Expenditures				
Current:				
General Government	442,146	442,146	430,572	11,574
Public Safety	139,203	139,203	117,798	21,405
Reserve for Contingency	1,459,131	1,100,056	-	1,100,056
(Total Expenditures)	<u>2,040,480</u>	<u>1,681,405</u>	<u>548,370</u>	<u>1,133,035</u>
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	<u>20,807,993</u>	<u>21,167,068</u>	<u>22,218,771</u>	<u>1,051,703</u>
Other Financing Sources (Uses)				
Transfers in	-	-	64,455	64,455
Transfers (out)	<u>(21,266,120)</u>	<u>(21,899,902)</u>	<u>(21,899,902)</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>(21,266,120)</u>	<u>(21,899,902)</u>	<u>(21,835,447)</u>	<u>64,455</u>
Net Change in Fund Balances	(458,127)	(732,834)	383,324	1,116,158
Fund Balances - Beginning of Year	<u>458,127</u>	<u>732,834</u>	<u>1,691,493</u>	<u>958,659</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,074,817</u>	<u>\$ 2,074,817</u>

ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL SERVICES BENEFIT UNIT - FIRE PROTECTION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget-</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Taxes	\$ 5,109,724	\$ 5,109,724	\$ 5,134,779	\$ 25,055
Permits and Fees	3,800	3,800	6,055	2,255
Intergovernmental	23,750	23,750	103,496	79,746
Charges for Services	77,000	77,000	231,023	154,023
Investment Income	24,496	24,496	215,638	191,142
Special Assessments and Impact Fees	13,140,756	13,140,756	13,282,313	141,557
Miscellaneous	-	9,275	556	(8,719)
Total Revenues	<u>18,379,526</u>	<u>18,388,801</u>	<u>18,973,860</u>	<u>585,059</u>
Expenditures				
Current:				
General Government	275,774	302,274	292,514	9,760
Public Safety	17,066,889	17,186,748	16,621,936	564,812
Reserve for Contingency	846,427	1,082,977	-	1,082,977
Capital Outlay	456,400	456,947	456,947	-
(Total Expenditures)	<u>18,645,490</u>	<u>19,028,946</u>	<u>17,371,397</u>	<u>1,657,549</u>
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	<u>(265,964)</u>	<u>(640,145)</u>	<u>1,602,463</u>	<u>2,242,608</u>
Other Financing Sources (Uses)				
Transfers in	673,505	673,505	722,891	49,386
Transfers (out)	(1,002,557)	(783,114)	(783,114)	-
Total Other Financing Sources and (Uses)	<u>(329,052)</u>	<u>(109,609)</u>	<u>(60,223)</u>	<u>49,386</u>
Net Change in Fund Balances	(595,016)	(749,754)	1,542,240	2,291,994
Fund Balances - Beginning of Year	<u>595,016</u>	<u>749,754</u>	<u>1,901,565</u>	<u>1,151,811</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,443,805</u>	<u>\$ 3,443,805</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget-</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Taxes	\$ 3,938,407	\$ 3,938,407	\$ 3,900,916	\$ (37,491)
Intergovernmental	89,134	89,134	93,061	3,927
Charges for Services	952,482	1,106,795	1,082,112	(24,683)
Miscellaneous	9,400	9,400	17	(9,383)
Total Revenues	<u>4,989,423</u>	<u>5,143,736</u>	<u>5,076,106</u>	<u>(67,630)</u>
Expenditures				
Current:				
Physical Environment	165,290	165,290	110,774	54,516
Transportation	9,322,652	9,894,148	8,728,949	1,165,199
Reserve for Contingency	755,704	1,807,750	-	1,807,750
Capital Outlay	42,000	212,000	163,052	48,948
(Total Expenditures)	<u>10,285,646</u>	<u>12,079,188</u>	<u>9,002,775</u>	<u>3,076,413</u>
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	<u>(5,296,223)</u>	<u>(6,935,452)</u>	<u>(3,926,669)</u>	<u>3,008,783</u>
Other Financing Sources (Uses)				
Transfers in	3,624,372	4,421,922	4,119,828	(302,094)
Total Other Financing Sources and (Uses)	<u>3,624,372</u>	<u>4,421,922</u>	<u>4,119,828</u>	<u>(302,094)</u>
Net Change in Fund Balances	(1,671,851)	(2,513,530)	193,159	2,706,689
Fund Balances - Beginning of Year	<u>1,629,851</u>	<u>2,301,530</u>	<u>4,838,740</u>	<u>2,537,210</u>
Fund Balances - End of Year	<u>\$ (42,000)</u>	<u>\$ (212,000)</u>	<u>\$ 5,031,899</u>	<u>\$ 5,243,899</u>

ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
EMERGENCY SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		(Negative)
Revenues				
Intergovernmental	\$ 6,722,952	\$ 8,077,465	\$ 3,010,030	\$ (5,067,435)
Charges for Services	340,000	340,000	3,883,043	3,543,043
Fines and Forfeitures	255,000	255,000	214,645	(40,355)
Investment Income	8,500	8,500	48,963	40,463
Miscellaneous	-	-	21	21
Total Revenues	7,326,452	8,680,965	7,156,702	(1,524,263)
Expenditures				
Current:				
Public Safety	2,514,968	3,748,487	2,670,944	1,077,543
Reserve for Contingency	3,537,600	3,502,588	-	3,502,588
Capital Outlay	125,336	2,324,066	1,888,339	435,727
(Total Expenditures)	6,177,904	9,575,141	4,559,283	5,015,858
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,148,548	(894,176)	2,597,419	3,491,595
Other Financing Sources (Uses)				
Transfers in	4,760,245	5,629,165	6,089,802	460,637
Transfers (out)	(9,461,236)	(8,992,316)	(8,716,524)	275,792
Total Other Financing Sources and (Uses)	(4,700,991)	(3,363,151)	(2,626,722)	736,429
Net Change in Fund Balances	(3,552,443)	(4,257,327)	(29,303)	4,228,024
Fund Balances - Beginning of Year	3,552,443	4,257,327	4,256,708	(619)
Fund Balances - End of Year	\$ -	\$ -	\$ 4,227,405	\$ 4,227,405

ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER SPECIAL REVENUE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget-
				Positive
				(Negative)
Revenues				
Taxes	\$ 9,200,000	\$ 12,000,000	\$ 12,694,194	\$ 694,194
Intergovernmental	12,500	12,500	5,528	(6,972)
Charges for Services	-	-	15,025	15,025
Investment Income	-	175,000	660,390	485,390
Special Assessments and Impact Fees	100,000	100,000	42,295	(57,705)
Private Donations	34,200	377,377	239,266	(138,111)
Miscellaneous	27,000	27,000	41,218	14,218
Total Revenues	<u>9,373,700</u>	<u>12,691,877</u>	<u>13,697,916</u>	<u>1,006,039</u>
Expenditures				
Current:				
General Government	13,100	15,379	534	14,845
Public Safety	20,500	58,062	2,358	55,704
Physical Environment	823,073	1,820,094	382,009	1,438,085
Transportation	170,000	522,228	124,194	398,034
Economic Environment	31,849	7,913	5,887	2,026
Human Services	144,179	260,120	44,272	215,848
Culture and Recreation	766,284	7,721,726	943,935	6,777,791
Court Cost	35,665	77,687	45,142	32,545
Reserve for Contingency	-	36,451	-	36,451
Capital Outlay	9,917,032	20,593,724	5,293,844	15,299,880
(Total Expenditures)	<u>11,921,682</u>	<u>31,113,384</u>	<u>6,842,175</u>	<u>24,271,209</u>
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	<u>(2,547,982)</u>	<u>(18,421,507)</u>	<u>6,855,741</u>	<u>25,277,248</u>
Other Financing Sources (Uses)				
Transfers in	135,000	231,126	231,046	(80)
Total Other Financing Sources and (Uses)	<u>135,000</u>	<u>231,126</u>	<u>231,046</u>	<u>(80)</u>
Net Change in Fund Balances	(2,412,982)	(18,190,381)	7,086,787	25,277,168
Fund Balances - Beginning of Year	<u>2,412,982</u>	<u>18,190,381</u>	<u>18,155,333</u>	<u>(35,048)</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,242,120</u>	<u>\$ 25,242,120</u>

ALACHUA COUNTY, FLORIDA
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET
AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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 97.

ALACHUA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM
SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS *

Florida Retirement System (FRS)	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.4483%	0.4336%	0.4424%	0.4537%	0.4195%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 154,392,629	\$ 130,597,638	\$ 130,867,792	\$ 114,570,141	\$ 54,186,620
Employer's Covered Payroll	\$ 105,026,446	\$ 100,634,157	\$ 98,696,032	\$ 95,821,390	\$ 93,030,476
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	147.00%	129.77%	132.60%	119.57%	58.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program (HIS)	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.3140%	0.3056%	0.3059%	0.3115%	0.3066%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 35,129,980	\$ 32,345,317	\$ 32,705,219	\$ 36,308,569	\$ 31,272,836
Employer's Covered Payroll	\$ 105,026,446	\$ 100,634,157	\$ 98,696,032	\$ 95,821,390	\$ 93,030,476
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	33.45%	32.14%	33.14%	37.89%	33.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.63%	2.15%	1.64%	0.97%	0.50%

Notes to Schedules:

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

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

**ALACHUA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM
SCHEDULES OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS ***

Florida Retirement System	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 14,169,842	\$ 12,666,345	\$ 11,362,020	\$ 11,165,807	\$ 10,454,040
Contributions in Relation to the Contractually Required Contribution	<u>(14,169,842)</u>	<u>(12,666,345)</u>	<u>(11,362,020)</u>	<u>(11,165,807)</u>	<u>(10,454,040)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 106,296,506	\$ 101,137,327	\$ 100,065,414	\$ 97,150,888	\$ 94,321,250
Contributions as a Percentage of Covered Payroll	13.33%	12.52%	11.35%	11.49%	11.08%

Health Insurance Subsidy Program	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 1,764,522	\$ 1,670,527	\$ 1,608,047	\$ 1,571,486	\$ 1,282,771
Contributions in Relation to the Contractually Required Contribution	<u>(1,764,522)</u>	<u>(1,670,527)</u>	<u>(1,608,047)</u>	<u>(1,571,486)</u>	<u>(1,282,771)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 106,296,506	\$ 101,137,327	\$ 100,065,414	\$ 97,150,888	\$ 94,321,250
Contributions as a Percentage of Covered Payroll	1.66%	1.65%	1.61%	1.62%	1.36%

Notes to Schedules:

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

**ALACHUA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
ALACHUA COUNTY OPEB PLAN
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS ***

	2019	2018	2017
County's Proportion of the Net OPEB Liability	91.23%	89.04%	88.76%
County's Proportionate Share of the Net OPEB Liability	\$ 11,267,259	\$ 10,768,000	\$ 9,794,589
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.91%	13.53%	13.75%

Notes to Schedules

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

Changes in Experience - In the October 1, 2018, actuarial valuation, there were experience changes related to current census information, and changes in plan factors (including premium equivalent rates, expected retiree claim levels, and administrative expenses). The aggregate impact of these changes to the total OPEB liability is (\$330,000).

Changes of Assumptions - In the October 1, 2018, actuarial valuation, there were the following changes:

- The Discount rate increased from 7.15% to 8.05%
- The mortality assumption was updated from RP-2014 to PUB-2010
- Removal of excise tax liability

*GASB Statement No. 75 was implemented in 2017. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**ALACHUA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
LAST 10 FISCAL YEARS ***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 1,047,899	\$ 1,118,497	\$ 1,149,010
Contributions in Relation to the Contractually Required Contribution	<u>1,021,000</u>	<u>995,000</u>	<u>1,039,000</u>
Contribution Deficiency (Excess)	<u>\$ 26,899</u>	<u>\$ 123,497</u>	<u>\$ 110,010</u>

Notes to Schedules

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

Changes of Benefit Terms - In the October 1, 2018, actuarial valuation, there were no changes of benefit terms.

Changes of Assumptions - In the October 1, 2018, actuarial valuation, there were the following changes:

- The Discount rate increased from 7.15% to 8.05%
- The mortality assumption was updated from RP-2014 to PUB-2010
- Removal of excise tax liability

*GASB Statement No. 75 was implemented in 2017. Until a full 10-Year trend is compiled, information for those years for which it is available will be presented.

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

ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
<u>Department of Housing and Urban Development</u>					
<i>Passed Through FL Department of Economic Opportunity:</i>					
Community Development Block Grant	14.228	18DB-OM-03-11-01-H 03	4,284		
<u>Department of Justice</u>					
<i>Passed Through City of Gainesville:</i>					
Missing Children's Assistance: NF ICAC Task Force	16.543	2018-MC-FX-K050	943	<1>	943
<i>Passed Through Florida Office of Attorney General:</i>					
VOCA - Crime Victim Assistance	16.575	VOCA-2018-Alachua County Victim Ser- 00112	209,734		
VOCA - Crime Victim Assistance	16.575	0069	200,743		
		16.575 Total	<u>410,477</u>		
<i>Passed Through Florida Council Against Sexual Violence:</i>					
STOP Violence Against Women Grant	16.588	18STO65	111,278		
<i>Passed Through City of Gainesville:</i>					
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program:					
A Coordinated Community Response to Preventing Violence Against Women in Gainesville, Florida	16.590	2015-WE-AX-0033	29,017	<2>	29,017
<i>Direct Program:</i>					
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0031	40,551		
State Criminal Alien Assistance Program	16.606	2019-AP-BX-1148	47,830		
		16.606 Total	<u>88,381</u>		
<i>Direct Program:</i>					
Bulletproof Vest Grant	16.607	N/A	27,099		
<i>Passed Through Florida Department of Law Enforcement:</i>					
Edward Byrne Memorial Justice Assistance Grant Program:					
Specialty Testing Supplies for Drug Court	16.738	2019-JAGC-ALAC-2-N2-083	4,406		
RAD Grant	16.738	2019-JAGC-ALAC-4-N2-106	4,014		
Law Enforcement Equipment Grant	16.738	2019-JAGC-ALAC-3-N2-058	12,922		
<i>Direct Program:</i>					
2016 Direct Byrne JAG Grant	16.738	2016-DJ-BX-1025	2,360		
<i>Passed Through City of Gainesville:</i>					
Byrne Direct JAG-A Grant	16.738	2017-DJ-BX-0930	27,224	<1>	27,224
Byrne Direct JAG-B Grant	16.738	2018-DJ-BX-0799	38,198	<1>	38,198
		16.738 Total	<u>89,124</u>		<u>65,422</u>
<i>Direct Program:</i>					
Criminal and Juvenile Justice and Mental Health Collaboration Program:					
Alachua County JMH Collaboration Project	16.745	2017-MO-BX-0027	60,265		
<i>Direct Program:</i>					
Equitable Sharing	16.922	N/A	146,543		

ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
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Department of Transportation

Passed Through Florida Department of Transportation:

Highway Planning and Construction:					
High Visibility Enforcement Grant	20.205	Contract# GOY79 Proj#433144-1-8404	7,337		
Emergency Relief - Irma NW 16th Ave	20.205	FPN: 442757-1-58-01	84,000		
SW 170th St - Safe Routes Sidewalk	20.205	FPN: 433357-2-58-01; 4333757-2-68-02	480,665		
CR 235/NW 94th Ave - Intersection Improv	20.205	FPN: 439500-1-38-02	319		
CR329/SE Williston Rd - Intersection Improv	20.205	FPN: 439498-1-38-02	624		
CR241 - Fr Levy C/L to S. of Archer - Widen/Resurface	20.205	FPN: 439499-1-38-02	11,432		
SW 20th Ave - Sidewalk	20.205	FPN: 441218-1-38-01, 441218-1-58-01, & 441218-1-68-02	152		
NE 53rd/Animal Services Dr - Intersection Improv	20.205	FPN: 441219-1-38-02, 441219-1-58-01, & 441219-1-68-02	364		
Newberry Lane/CR235 - Intersection Improv	20.205	FPN: 443252-1-38-02	213		
Poe Springs Road - Multi-Use Trail	20.205	FPN: 433990-2-38-02, 433990-2-58-01, 433990-2-68-02	2,280		
		20.205 Total	<u>587,386</u>		

General Services Administration

Passed Through Department of Management Services:

Donation of Federal Surplus Personal Property:					
MATV MRAP	39.003	1033 LESO	129,203	<3>	
Helicopter Non-Flyable OH-58	39.003	1033 LESO	20,729	<3>	
		39.003 Total	<u>149,932</u>		

Environmental Protection Agency

Passed Through Department of Environmental Protection:

Nonpoint Source Implementation Grants:					
Fertilizer Social Marketing Campaign and Load Reduction	66.460	NF033	66,696		

Department of Energy

Passed Through Broward County:

Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysis/Assistance:					
Go Solar - Florida	81.117	DE-EE0006309	1,740	<4>	1,740

US Election Assistance Commission

Passed Through Florida Division of Elections:

Help America Vote Act Requirements Payments:					
Pollworker Assistance 05/06	90.401	N/A	9,121		
FY12/13 Federal Election Activities	90.401	MOA # 2012-2013-0001	360		
FY13/14 Federal Election Activities	90.401	MOA # 2013-2014-0001-R	13,448		
FY14/15 Federal Election Activities	90.401	MOA # 2014-2015-0001-ALA	1,987		
FY15/16 Federal Election Activities	90.401	MOA # 2015-2016-0001-ALA	13,309		
FY16/17 Federal Election Activities	90.401	MOA # 2016-2017-0001-ALA	15,042		
FY17/18 Federal Election Activities	90.401	MOA # 2017-2018-0001-ALA	1,517		
HAVA Elections Security Grant	90.401	MOA # 2018-2019-0001	58,784		
Albert Network Monitoring Solution Grant	90.401	MOA # 2018-2019-0002-ALA	12,180		
		90.401 Total	<u>125,748</u>		

ALACHUA COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
<u>U.S. Department of Health and Human Services</u>					
<i>Direct Program:</i>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance:					
Alachua County CABHI	93.243	1H79SM063339-01	469,824		
<i>Passed Through Florida Department of Children and Families:</i>					
Temporary Assistance for Needy Families:					
Metamorphosis FY18-19	93.558	LS020	5,089	<5>	
<i>Passed Through Florida Department of Revenue:</i>					
Child Support Enforcement	93.563	COC01	308,472	<6>	
Child Support Enforcement	93.563	CSS72	26,836		
		93.563 Total	335,308		
<i>Passed Through Florida Department of Children and Families:</i>					
Block Grants for Prevention and Treatment of Substance Abuse:					
Metamorphosis FY18-19	93.959	LS020	97,812	<5>	
Metamorphosis FY19-20	93.959	LS020	31,972	<5>	
		93.959 Total	129,784		
<u>Corporation for National and Community Service</u>					
<i>Direct Program:</i>					
Foster Grandparent Program 4/16 - 3/19	94.011	16SFSFL004 , year 3 of grant agreement	184,340		
Foster Grandparent Program 4/19 - 3/22	94.011	19SFSFL002 , year 1 of grant agreement	173,246		
		94.011 Total	357,586		
<u>Executive Office of the President</u>					
<i>Passed Through St. Johns County Sheriff:</i>					
High Intensity Drug Trafficking Areas Program:					
North Florida HIDTA (CADET)	95.001	N/A	77,424	<7>	77,424
<u>U.S. Department of Homeland Security</u>					
<i>Passed Through Florida Division of Emergency Management:</i>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters):					
Public Assistance Hurricane Michael	97.036	Grant# 8005 S (mission # 748168)	178,968		
Public Assistance Hurricane Irma	97.036	Z0609 / DR4337	6,334,033	<8>	
<i>Passed Through Florida Department of Health:</i>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters):					
Public Assistance Hurricane Michael	97.036	EOC Mission FL-426034, 605074, 324683	168,636		
		97.036 Total	6,681,637		
<i>Passed Through Florida Division of Emergency Management:</i>					
EMPG Fed Grant 7/18-6/19	97.042	19-FG-AF-03-11-01-072	62,937		
EMPG Fed Grant 7/19-6/20	97.042	G0010	7,591		
		97.042 Total	70,528		
<i>Passed Through Florida Division of Emergency Management:</i>					
Homeland Security Grant Program:					
FY17 SHSGP Issues 9 & 15	97.067	18-DS-X1-03-11-01-184	15,227		
FY18 SHSGP Issues 9 & 15	97.067	19-DS-01-03-11-01-185	18,052		
FY17 SHSGP Issues 5 & 7 - MARC	97.067	18-DS-X1-03-11-01-358	67,709		
		97.067 Total	100,988		
<i>Direct Program:</i>					
SAFER Grant	97.083	EMW-2015-FH-00837	235,023		
SAFER Grant	97.083	EMW-2016-FH-00608	506,035		
		97.083 Total	741,058		
TOTAL FEDERAL AWARDS			\$ 10,868,139	\$ -	\$ 174,546

ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
<u>Executive Office of the Governor</u>					
<i>Direct Program:</i>					
Emergency Management Preparedness and Assistance (EMPA) Grant 7/18-6/19	31.063	19-BG-21-03-11-01-033	76,374		
Emergency Management Preparedness and Assistance (EMPA) Grant 7/19-6/20	31.063	A0008	38,919		
		31.063 Total	<u>115,293</u>		
Emergency Management Projects: Hazardous Materials Planning & Prevention Program	31.067	19-CP-11-03-11-01-232	14,500		
Hurricane Shelter Retrofit Project	31.068	18-SR-3D-03-11-01-331	87,626		
<u>Florida Department of Environmental Protection</u>					
<i>Direct Program:</i>					
Cooperative Waste Collection Center Grant	37.007	HHW901 - Baker County	15,000		
	37.007	HHW901 - Bradford County	13,243		
	37.007	HHW901 - Columbia County	24,844		
	37.007	HHW901 - Dixie County	16,990		
	37.007	HHW901 - Gilchrist County	19,989		
	37.007	HHW901 - Lafayette County	13,023		
	37.007	HHW901 - Nassau County	20,235		
	37.007	HHW901 - Union County	13,986		
		37.007 Total	<u>137,310</u>		
Statewide Surface Water Restoration and Wastewater Projects: Watershed Monitoring Program	37.039	MN002	8,717		
Newnans Lake Improvement Phase II	37.039	LP01121	47,351		
		37.039 Total	<u>56,068</u>		
Florida Springs Grant Program: Habitat Restoration through Aerations & Revegetation at Hornsby Spring	37.052	LP6103F	55,615		
<i>Passed through St. Johns River Water Management District:</i>					
Florida Springs Grant Program: Irrigation Retrofit Rebate Program	37.052	28913	77,119	<9>	\$ 77,119
Water Star Rebate Rebate Program	37.052	28908	5,600	<9>	\$ 5,600
		37.052 Total	<u>138,334</u>		<u>82,719</u>
<u>Florida Housing Finance Corporation</u>					
<i>Direct Program:</i>					
SHIP 16/17	40.901	N/A	641,175		
SHIP 17/18	40.901	N/A	354,515		
SHIP 18/19	40.901	N/A	1,088		
<i>Passed through City of Gainesville:</i>					
SHIP 16/17	40.901	N/A	82,210	<2>	\$ 82,210
SHIP 17/18	40.901	N/A	8,994	<2>	\$ 8,994
		40.901 Total	<u>1,087,982</u>		<u>91,204</u>

ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
<u>Florida Department of Legal Affairs and Attorney General</u>					
<i>Passed Through Florida Council Against Sexual Violence:</i>					
Florida Council Against Sexual Violence 7/18-6/19	41.010	18OAG17	13,952		
Florida Council Against Sexual Violence 7/19-6/20	41.010	19OAG17	2,045		
		41.010 Total	<u>15,997</u>		
<u>Department of Education and Commissioner of Education</u>					
<i>Direct Program:</i>					
Coach Aaron Feis Guardian Program:					
Marjory Stoneman Douglas High School SB7026	48.140	96B-90210-9D001/TAPS 19A096	70,426		
<u>Florida Department of Transportation</u>					
<i>Direct Program:</i>					
County Incentive Grant Program:					
SW 8th Ave Extension	55.008	FPN: 430717-1-58-01	2,123,509		
SW 20th Ave/61st St Intersection Improvements	55.008	FPN: 433898-1-58-01	195,769		
		55.008 Total	<u>2,319,278</u>		
<i>Direct Program:</i>					
Florida Shared-Use Nonmotorized (SUN) Trail Network Program:					
SunTrail on Tower Road	55.038	FPN: 439933-1-54-01	318,390		
<u>Department of Children and Families</u>					
<i>Passed Through Meridian Behavioral Services:</i>					
Criminal Justice, Mental Health, and Substance Abuse					
Reinvestment Grant	60.115	N/A	51,930	<10>	51,930
<u>Florida Department of Health</u>					
<i>Direct Program:</i>					
EMS County Grant Program - EMS Trust Fund					
EMS County Grant Program - EMS Trust Fund	64.005	C6001	18,684		
EMS County Grant Program - EMS Trust Fund	64.005	C7001	32,901		
		64.005 Total	<u>51,585</u>		
<i>Passed Through Florida Council Against Sexual Violence:</i>					
Rape Crisis Program Trust Fund SFY18/19					
Rape Crisis Program Trust Fund SFY18/19	64.061	16TFGR17	27,176		
Rape Crisis Program Trust Fund SFY19/20	64.061	16TFGR17	15,013		
		64.061 Total	<u>42,189</u>		
Rape Crisis Center - General Revenue - SFY18/19					
Rape Crisis Center - General Revenue - SFY18/19	64.069	16TFGR17	60,391		
Rape Crisis Center - General Revenue - SFY19/20	64.069	16TFGR17	7,370		
		64.069 Total	<u>67,761</u>		
<u>Department of Highway Safety and Motor Vehicles</u>					
<i>Passed Through Fish & Wildlife Foundation of Florida:</i>					
Protect Florida Springs License Plates:					
Santa Fe River and Springs Signage Project	76.103	PFS 1819-14	10,900	<11>	10,900
Inspiring Change - Experiencing Santa Fe River & Springs	76.103	PFS 1819-11	3,268	<11>	3,268
Hornsby Springs Dissolved Oxygen and Faunal Study					
Santa Fe River SAV Project	76.103	PFS 1819-05	14,000	<11>	14,000
Santa Fe River SAV Project	76.103	PFS 1819-02	12,000	<11>	12,000
		76.103 Total	<u>40,168</u>		<u>40,168</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 4,614,837</u>	<u>\$ -</u>	<u>\$ 266,021</u>

ALACHUA COUNTY, FLORIDA
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
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Notes:

- < 1 > Alachua County Sheriff's Office is a sub-recipient from the City of Gainesville.
- < 2 > Alachua County is a sub-recipient from the City of Gainesville.
- < 3 > Alachua County Sheriff's Office Non-Cash Assistance; Federal surplus.
- < 4 > Alachua County is a sub-recipient from Broward County.
- < 5 > Grant is split between federal programs 93.558, 93.958, and 93.959, and state matching for federal award.
- < 6 > Amount reported includes \$20,224 for Title IV-D hearing rooms.
- < 7 > Alachua County Sheriff's office is a sub-recipient from St. Johns County Sheriff.
- < 8 > \$5,488,257 of the FEMA expenditures reported for Hurricane Irma were incurred in a prior fiscal year.
- < 9 > Alachua County is a sub-recipient from St. Johns River Water Management District.
- < 10 > Alachua County Sheriff's Office is a sub-recipient from Meridian Behavioral Services.
- < 11 > Alachua County is a sub-recipient from Fish & Wildlife Foundation of Florida.
- < 12 > The County has not elected to use the 10-percent de minimis indirect cost rate allowed under the uniform guidance.
- < 13 > The County does not participate in any loan or loan guarantee programs.
- < 14 > The County does not receive any federally funded insurance.

Basis of Presentation:

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Alachua County, Florida (the County) as of and for the year ended September 30, 2019, 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 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 for 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County'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 weaknesses, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control as disclosed in the report of the Property Appraiser 2018-01 (carried forward to 2019-01) that we consider to be material weaknesses. The items disclosed in the report of the Property Appraiser are not considered to be material to the County-wide financial statements and are not, therefore, presented here.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

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An Independent Member of the BDO Alliance USA.*

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 26, 2020
Gainesville, Florida

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND IN ACCORDANCE
WITH 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 State Project

We have audited Alachua County, Florida's (the County) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2019. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal and State Statutes, regulations, and the terms and conditions of its federal awards and state assistance applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2019.

Report on Internal Control Over Compliance

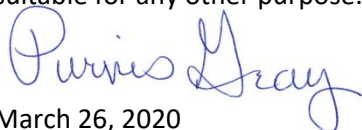
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program or state financial assistance 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 non-compliance with a type of compliance requirement of a federal award or state financial assistance project 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 over compliance that is less severe than a material weakness, 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we did identify a deficiency in internal control over compliance, described in accompanying schedule of findings and questioned costs as item 2019-02 that we consider to be a significant deficiency.

Purpose

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



March 26, 2020
Gainesville, Florida

ALACHUA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Summary of Auditor's Results

Financial Statements

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Alachua County, Florida (the County).
2. The audit did report a significant deficiency 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 finding is disclosed in the individual report of the Property Appraiser.
3. No instances of non-compliance material to the financial statements were disclosed during the audit.

Federal Awards and State Projects

4. The audit did not disclose any material weaknesses, but did disclose a significant deficiency in internal control over major federal programs as noted below. The audit did not report significant deficiencies or material weaknesses in internal control over state projects that are required to be reported in the schedule of findings and questioned costs.
5. The report on compliance for the major federal programs and state projects expresses an unmodified opinion.
6. The audit disclosed findings that are required to be reported in accordance with the Uniform Guidance as noted in finding 2019-02 below. The audit disclosed no findings that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*.
7. The programs tested as major federal program and state financial assistance projects included:

Federal Programs	<u>CFDA No.</u>
Disaster Grant – Public Assistance – FEMA	97.036
State Projects	<u>CSFA No.</u>
County Incentive Grant Program (CIGP)	55.008

8. The threshold for distinguishing Type A and B programs was \$750,000 for federal programs and \$750,000 for state projects.
9. The County did not qualify as a low risk auditee for federal grant programs.

**ALACHUA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Findings and Questioned Costs for Major Federal Programs and State Projects

The audit disclosed a significant deficiency and questioned costs for a major federal program as described in finding 2019-02 below. The audit disclosed no findings for major state projects to be reported under Chapter 10.550, *Rules of the Auditor General*.

2019-02 – FEMA Grant Reimbursements

Significant Deficiency and Questioned Costs

Condition—During our testing of the CFDA: 97.036 major program, we determined that the County mistakenly submitted a debris removal invoice twice for reimbursement. Federal Emergency Management Agency (FEMA) obligated both these project worksheets during the fiscal year.

Effect—This resulted in questioned costs and an overstatement of reported federal expenditures in the amount of \$235,683.

Status—Prior to issuance of the report, management contacted FEMA resulting in the project worksheet in question being revised. Management also corrected the Schedule of Federal Expenditures and State Financial Assistance.

Recommendation—We recommend that management review their policies and procedures over grant reimbursement requests, and adjust if necessary.

Status of Prior Audit Findings

There were no prior year findings relating to the Federal and State Single Audits as required to be reported in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

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

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

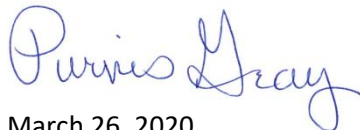
We have examined Alachua County, Florida's (the County) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2019, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Board of County Commissioners of Alachua County, Florida, and its management, and is not intended to be, and should not be, used by anyone other than these specified parties.



March 26, 2020
Gainesville, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 365.172(10) AND SECTION 365.173(2)(d), FLORIDA STATUTES

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

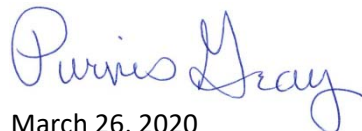
We have examined Alachua County, Florida's (the County) compliance with Section 365.172(10) Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d) Florida Statutes, *Distribution and Use of (E911) Funds*, as of and for the year ended September 30, 2019, as required by Section 10.556(10)(b), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Board of County Commissioners of Alachua County, Florida, and its management, and is not intended to be, and should not be, used by anyone other than these specified parties.



March 26, 2020
Gainesville, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Alachua County, Florida (the County) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 26, 2020.

Auditor's Responsibility

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project, and Report on Internal Control Over Compliance, and Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an Examination Conducted in Accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 26, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report except for prior year finding 2018-01 (carried forward to 2019-01) as disclosed in the Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance of the Property Appraiser.

Official Title and Legal Authority

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The County was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The County includes component units as described in Note 1 of the financial statements.

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

MANAGEMENT LETTER

Financial Condition and Management

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.
- Section 10.554(1)(i)(2), *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

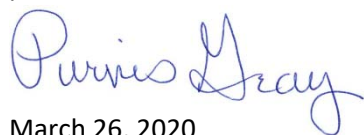
- Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statement of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

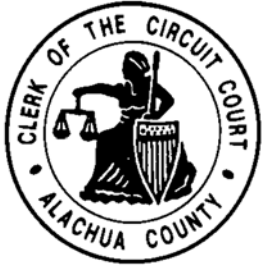
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contract or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and the use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



March 26, 2020
Gainesville, Florida



CLERK OF THE CIRCUIT COURT

**Alachua County Courthouse
201 East University Avenue
Gainesville, Florida 32601**

**J.K. "JESS" IRBY, ESQ.
CLERK**

**TELEPHONE
(352) 374-3636**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The following is a summary of the September 30, 2018 audit findings and the current status of each finding.

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



CLERK OF THE CIRCUIT COURT

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

J.K. "JESS" IRBY, ESQ.
CLERK

TELEPHONE
(352) 374-3605

March 30, 2020

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

Dear Ms. Norman:

This letter is in response to the Independent Auditors' Report on Compliance for each Major Federal Program and State Project and on Internal Control over Compliance required by the Uniform Guidance and in Accordance with Chapter 10.550, *Rules of the Auditor General*, dated March 26, 2020. Accompanying this report was a Schedule of Findings and Questioned Costs – Federal Awards and State Financial Assistance for the year ended September 30, 2019. The audit report disclosed a significant deficiency and questioned costs for a major federal program as described in finding 2019-02 below.

Finding (2019-02) – FEMA Grant Reimbursements:

Condition- During testing of the CFDA: 97.036 major program, the auditors determined that the County mistakenly submitted a debris removal invoice twice for reimbursement. Federal Emergency Management Agency (FEMA) obligated both these project worksheets during the fiscal year.

Effect- This resulted in questioned costs and an overstatement of reported federal expenditures in the amount of \$235,683.

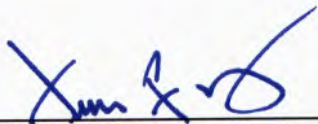
Status- Prior to issuance of the audit report, county management contacted FEMA resulting in the project worksheet in question being revised. Management also corrected the Schedule of Federal Expenditures and State Financial Assistance.

Recommendation- The auditors recommend that management review their policies and procedures over grant reimbursement requests, and adjust if necessary.

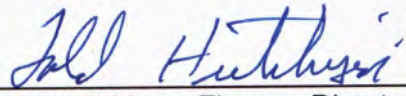
**Alachua County, FL
Corrective Action Plan
For the Year Ended September 30, 2019**

Management Response – We agree with the auditors' recommendation for the county to review existing policies and procedures over grant reimbursement requests. With the assistance of county management, the Clerk's Finance & Accounting staff has initiated a new reconciliation process to review all FEMA debris eligible costs by approved date range for each awarded project. This new reconciliation process will help to ensure that debris invoices are properly allocated across the appropriate FEMA projects and date ranges.

Sincerely,



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



Todd Hutchison, Finance Director
Alachua County Clerk of the Court

cc: Board of County Commissioners
Michele Lieberman, County Manager