



Alachua County, Florida

Single Audit Report

For the Fiscal Year Ended September 30, 2020

Cover picture courtesy of
Pam Saxon

ALACHUA COUNTY, FLORIDA
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020

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



ALACHUA COUNTY, FLORIDA
SINGLE AUDIT REPORT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020
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Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Alachua County, Florida (the County) as of and for the year ended September 30, 2020, 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. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the aggregate discretely presented component units.

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 presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT

Except for the matter described in the Basis for Disclaimer of Opinion Paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Disclaimer
Governmental Fund – General Fund	Unmodified
Governmental Fund – MSTU Law	Unmodified
Governmental Fund – MSBU Fire Protection	Unmodified
Governmental Fund – Gas Tax Uses	Unmodified
Governmental Fund – COVID-19 Relief	Unmodified
Governmental Fund – Emergency Services	Unmodified
Governmental Fund – Other Special Revenue	Unmodified
Governmental Fund – Transportation Trust	Unmodified
Enterprise Fund - Solid Waste System	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units

The financial statements of CareerSource North Central Florida (CSNCFL) have not been audited. CSNCFL became a component unit of the County mid-year and other auditors have been engaged to audit the CSNCFL financial statements; however, that audit has not been completed. As a result, CSNCFL's financial activities are not included in the County's basic financial statements as a discretely presented component unit as the financial information was not available as of the issuance date of the County's financial statements.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units of the County. Accordingly, we do not express an opinion on these financial statements.

Unmodified 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, 2020, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

INDEPENDENT AUDITOR'S REPORT

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.

Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 11, 2021, 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 grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



June 11, 2021
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, 2020. 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, 2020 by \$550.1 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 (\$79.4) million unrestricted net position deficit.
- Total net position of \$550.1 million is comprised of the following:
 - 1) Net investment in capital assets of \$528.0 million includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of those capital assets.
 - 2) \$101.5 million of net position are restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations.
 - 3) (\$81.2) million of unrestricted deficit governmental net position and \$1.8 million of unrestricted business-type net position.
- The County's total net position increased \$16.1 million over the previous year with an increase of \$21.9 from governmental activities and a decrease of (\$5.8) 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, 2020, the County's governmental funds reported combined ending unassigned fund balances of \$38.5 million and total fund balances of \$176.5 million. Total fund balances had an increase of \$33 million from the prior fiscal year.
- At September 30, 2020, unassigned fund balance for the General Fund was \$38.9 million or 23.65% of General Fund operating revenue. Assigned fund balance includes \$6.5 million subsequent year's reserve for contingency and \$7.4 million for FY21 appropriated fund balance. The General Fund balance increased by \$14.9 million over the prior fiscal year.
- Governmental funds revenues increased overall by \$24.3 million or 8.46% from the prior fiscal year. The overall change in governmental funds revenues can primarily be attributed to the following: \$20 million increase in intergovernmental revenue for federal and state grants and a \$6 million dollar increase in taxes, while investment returns decreased by \$1.4 million.
- Along with making regularly scheduled debt service payments for the year, the County had a net decrease in notes payables of \$1.5 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 2020. 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 19-23 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-three 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, COVID-19 Relief, 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 88 and for non-major, Debt Service and Capital Project funds in the Supplementary Information section starting on page 102.

The basic governmental fund statements can be found on pages 24-30 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 31-35 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 36 and 37 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-87 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 102-153 of this report. Additional information about the County that may be of interest to the reader is found under the Statistical section on pages 154-186 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 \$550.1 million at the close of the fiscal year ended September 30, 2020 (see table next page).

At the end of fiscal year 2020, 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 15.2% over the prior year primarily due to COVID-19 Economic Relief Funds received as part of the CARES Act. Net investment in capital assets, less any outstanding debt used to acquire those assets, increased by 2.6% 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
	2019	2020	2019	2020	2019	2020	
Current and other assets	\$209.0	\$245.6	\$17.3	\$15.1	\$226.3	\$260.7	15.2%
Capital assets	555.9	569.3	11.9	11.7	567.8	581.0	2.3%
Total assets	764.9	814.9	29.2	26.8	794.1	841.7	6.0%
Deferred Outflows	\$63.8	\$67.7	\$1.3	\$3.2	\$65.1	\$70.9	8.9%
Current liabilities	45.2	48.3	2.5	1.5	47.7	49.8	4.4%
Long-term liabilities outstanding	254.3	292.3	8.4	14.8	262.7	307.1	16.9%
Total liabilities	299.5	340.6	10.9	16.3	310.4	356.9	15.0%
Deferred Inflows	\$14.5	\$5.4	\$0.3	\$0.2	\$14.8	\$5.6	-62.2%
Net investment in capital assets	502.5	516.3	11.9	11.7	514.4	528.0	2.6%
Net position - restricted	87.9	101.5	-	-	87.9	101.5	15.5%
Net position - unrestricted (deficit)	(75.8)	(81.2)	7.4	1.8	(68.4)	(79.4)	16.1%
Total net position	\$514.6	\$536.6	\$19.3	\$13.5	\$533.9	\$550.1	3.0%

(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 15.0% due primarily to an increase in accrued compensated absences and net pension liability during the year.

Total net position at year-end is \$550.1 million. The largest portion of the County's net position (\$528.0 million or 96%) 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 (\$101.5 million or 18.46%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position deficit (\$79.4 million or -14.4%). The \$79.4 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, 2020. 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 \$13.6 million or 15.5% from 2019 to 2020. This portion of net position represents restrictions from specific revenue sources and grants. Main components of the net increase include:

- Increase of \$.5 million in restricted assets for road construction projects
- Increase of \$.5 million in restricted assets for Public Safety
- Increase of \$2.7 million in restricted assets for Impact Fees and Multi-Modal Fees
- Increase of \$4.5 million in restricted assets for Wild Spaces Public Places
- Net increase of \$1.0 million restricted for enabling legislation
- Net increase of \$4.4 million restricted for grants Other Purposes

Unrestricted net position in the governmental type activities, decreased by \$7.4 million, due to increases in the net pension liability, increases 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)

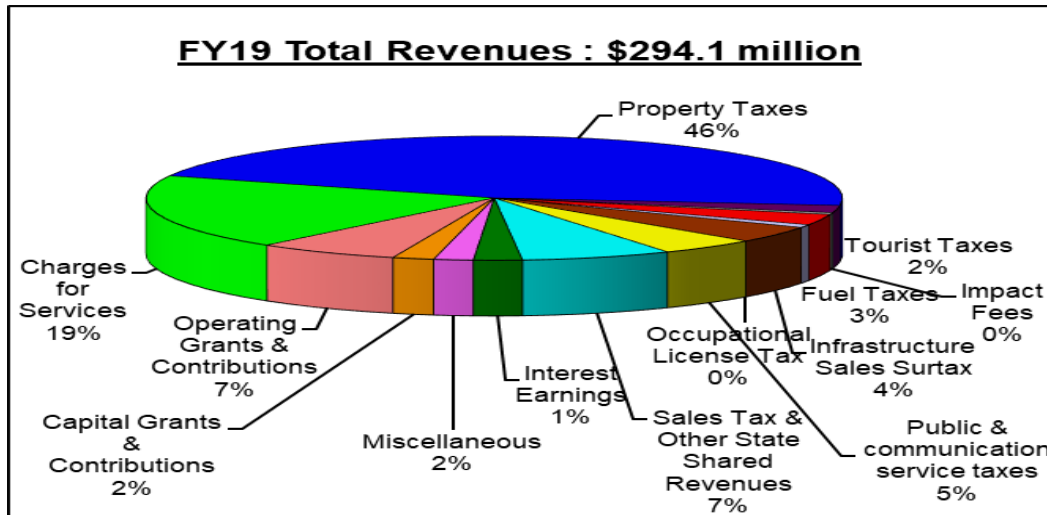
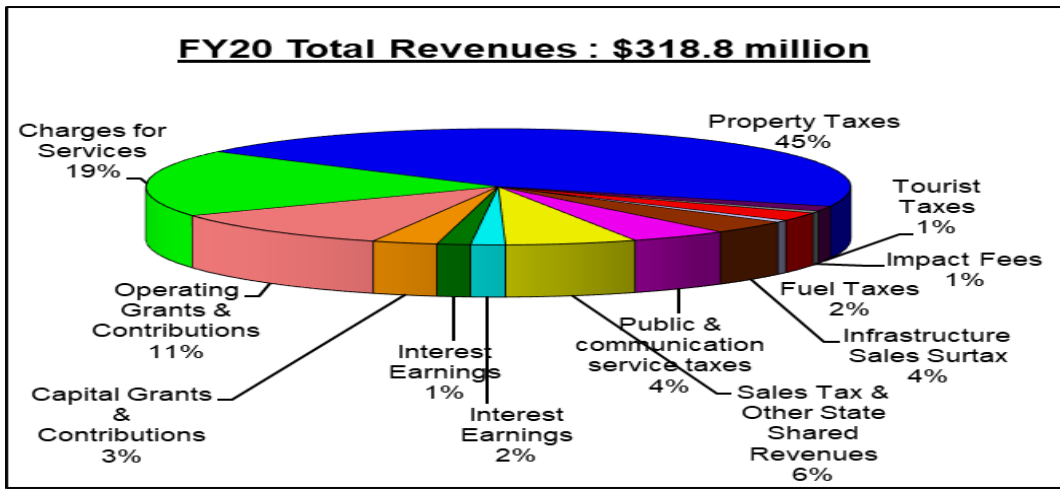
	Governmental Activities		Business-type Activities		Total		Percent Change
	2019	2020	2019	2020	2019	2020	
Revenues:							
Program revenues:							
Charges for services	\$57.5	\$59.3	\$16.0	\$15.3	\$73.5	\$74.6	1.5%
Operating grants and contributions	19.4	34.9	-	-	19.4	34.9	79.9%
Capital grants and contributions	5.6	9.5	-	-	5.6	9.5	69.6%
General revenues:							
Property taxes	135.6	144.1	-	-	135.6	144.1	6.3%
Other taxes	39.8	38.2	-	-	39.8	38.2	-4.0%
Other	36.2	32.8	2.4	2.1	38.6	34.9	-9.6%
Total revenues	294.1	318.8	18.4	17.4	312.5	336.2	7.6%
Expenses:							
Administration	57.2	58.3	-	-	57.2	58.3	1.9%
Community services	19.2	27.3	-	-	19.2	27.3	42.2%
Corrections	35.8	36.4	-	-	35.8	36.4	1.7%
Courts	26.9	25.2	-	-	26.9	25.2	-6.3%
Culture and recreation	5.0	4.8	-	-	5.0	4.8	-4.0%
Tourist development	2.0	2.7	-	-	2.0	2.7	35.0%
Emergency services	47.4	48.8	-	-	47.4	48.8	3.0%
Environmental services	4.0	4.0	-	-	4.0	4.0	0.0%
Growth management	2.6	3.3	-	-	2.6	3.3	26.9%
Law enforcement	51.6	56.0	-	-	51.6	56.0	8.5%
Solid waste collection	5.8	6.0	-	-	5.8	6.0	3.4%
Transportation	20.9	23.2	-	-	20.9	23.2	11.0%
Interest on long-term debt	1.2	1.2	-	-	1.2	1.2	0.0%
Solid waste disposal system	-	-	16.3	18.9	16.3	18.9	16.0%
Codes enforcement	-	-	1.8	4.0	1.8	4.0	122.2%
Total expenses	279.6	297.2	18.1	22.9	297.7	320.1	7.5%
Increase (decrease) in net position before transfers	14.5	21.6	0.3	(5.5)	14.8	16.1	
Transfers	0.5	0.3	(0.5)	(0.3)	-	-	
Increase (decrease) in net position	15.0	21.9	(0.2)	(5.8)	14.8	16.1	
Net Position - Beginning	499.7	514.7	19.5	19.3	519.2	534.0	
Net Position - Ending	\$ 514.7	\$ 536.6	\$ 19.3	\$ 13.5	\$ 534.0	\$ 550.1	3.0%

(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 \$16.1 million over the previous year with an increase of \$21.9 million from governmental activities and a decrease of \$5.8 million from business activities.

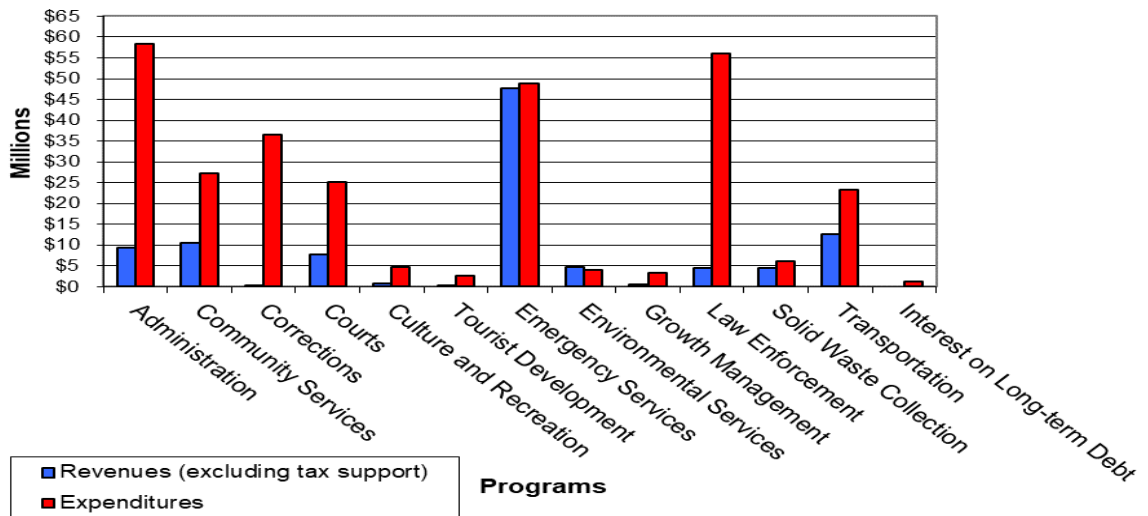
Major changes in revenues were caused by the following:

- Capital Grants and Contributions increased overall by 69.6%. This increase was primarily the result of donated roadways and right of way from 4 new subdivisions.
- Charges for services had a net increase of \$1.1 million. The primary component of this increase was increases in ambulance billing and fire assessment which was offset by reductions in other governmental charges for services that resulted when the county closed for a couple months in March and April at the height of the COVID-19 pandemic.
- Operating grants and contributions increased by \$15.5 million or by 79.9%. A majority of this increase was due to recognition of the COVID-19 Economic Relief Fund grant from the CARES Act.

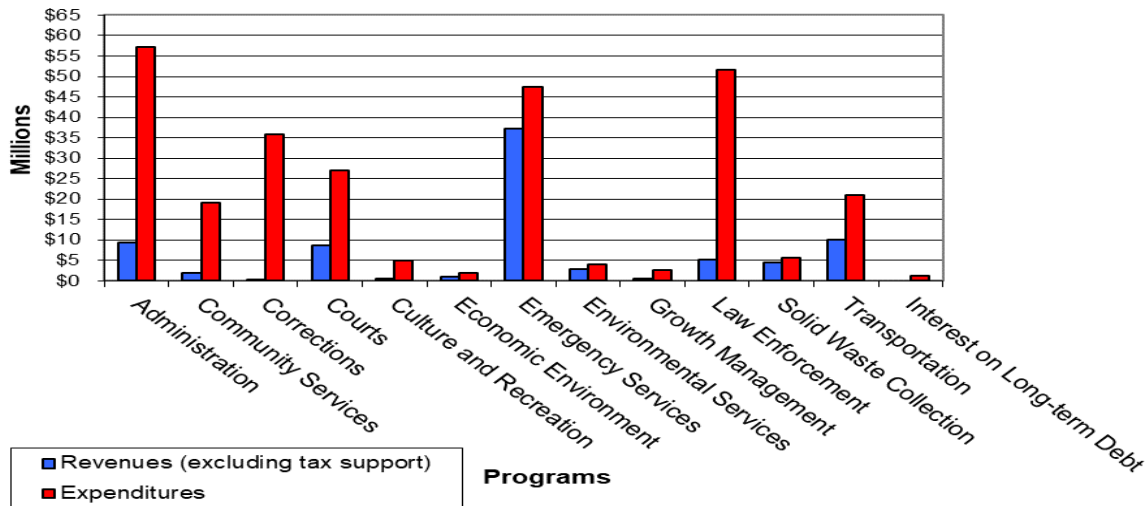


MANAGEMENT'S DISCUSSION AND ANALYSIS

FY20 Expenses and Program Revenues - Governmental Activities



FY19 Expenses and Program Revenues - Governmental Activities

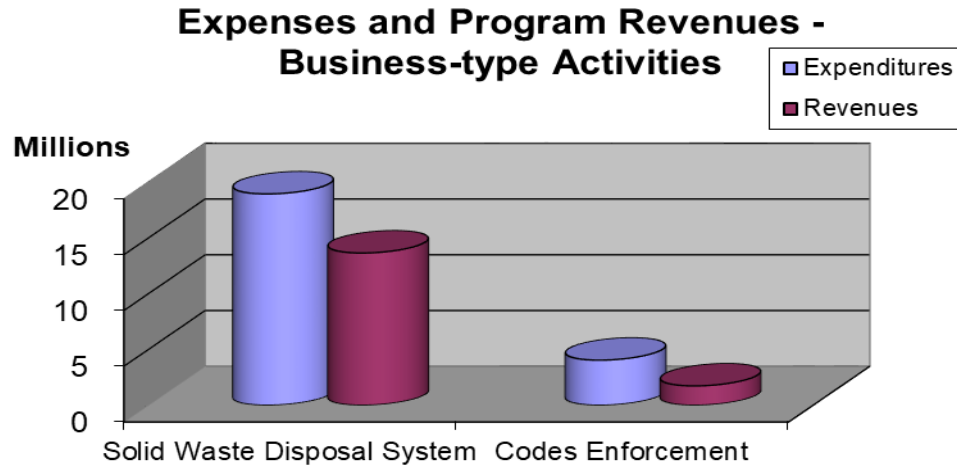


Major changes in expenses were caused by the following:

- Community Services expenses increased by 42.2% or \$8.1 million. The primary component of the increase in expenses was for assistance provided to individuals, small businesses and non-profits through the COVID-19 Relief Fund established pursuant to the CARES Act.
- Law enforcement expenses increased by 8.5% or \$4.4 million, due primarily to an increase in Sheriff's share of the Florida Retirement System Net Pension Liability.
- Transportation expenses increased by 11.0% or \$2.3 million. Expenses increased over prior year because of an increase in pension expense and completion of new infrastructure projects.



MANAGEMENT'S DISCUSSION AND ANALYSIS



Business-Type Activities

Business-type activities decreased the County's net position by \$5.8 million.

- The Solid Waste Transfer Station went into operation in 1999. The 27,520 square foot Transfer Station is operated by approximately 38 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 \$3.3 million. After accounting for non-operating revenues and transfers-in, the Transfer Station's net position decreased by \$3.2 million. The primary reason for the negative change in net position is due to an increase of \$2.5 million in personal services pension expenses.
- Codes Enforcement furnishes services to the development community and citizens. Codes Enforcement's operating expenses exceeded operating revenues by \$2.3 million in fiscal year 2020. This was mainly due to an increase of \$1.7 million in pension expenses. The increase in Codes Enforcement's net pension liability lead to a negative ending net position of (\$0.59) million. Total permits issued in fiscal year 2020 were 7,095 versus 7,461 permits issued in fiscal year 2019.

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	\$ 176,508,122
Fund balance designation:	
Nonspendable	820,028
Restricted	101,530,399
Committed	191,183
Assigned	35,416,177
Unassigned fund balance	<u>\$ 38,550,335</u>

As of the end of fiscal year 2020, the County's governmental funds reported combined unassigned ending fund balances of \$38.5 million, an increase of \$14 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, COVID-19 Relief, 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 County-Wide 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 \$14.9 million. The total fund balance was \$54.8 million of which \$38.9 million was unassigned. The cash & investment balance at the end of the year was \$41.2 million. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund operating revenues. The unassigned fund balance represents 23.65% of total actual FY20 General Fund operating revenue and 21.04% of projected FY21 operating revenues. The General Fund's spendable unrestricted fund balance (the sum of committed, assigned, & unassigned fund balance) totaled \$74.5 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 \$20.8 million to the Sheriff. There was a slight increase in fund balance during the year of \$0.5 million. This increase was the result of expenses remaining consistent, with revenue coming in slightly above, resulting in an ending fund balance of \$2.5 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 \$5.7 million, an increase of \$2.3 million dollars from the prior year. The increase was the result of revenues coming in higher than expenses. The ending fund balance represents 29.29% 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 \$3.1 million from unrestricted debt service collections on Gas Tax Revenue Bonds. This year \$9 million was spent on maintenance of County roads. While expenditures remained consistent, revenues and transfers in were down by a total \$1.2 million from last fiscal year resulting in an ending fund balance of \$3.4 million.

The COVID-19 Relief Fund accounts for and administers Federal stimulus revenues received in connection with the CARES Act. The County recorded \$21.4 million in CARES funding for the period ending September 30, 2020. Through this fund the county provided COVID-19 assistance to citizens, small businesses, and other government agencies totaling \$21.7 million. At the end of the fiscal year, the fund ended with a negative fund balance of \$0.3 million which was the result of having to record \$0.3 million in Deferred Inflows of Resources for Intergovernmental Revenue that was considered unavailable at year-end.

The Emergency Services Fund accounts for revenues and expenditures of grant funds used for various emergency services within the county. The fund balance increased by \$2.5 million from prior fiscal year, due to an increase in federal grant revenue. The fund has an ending fund balance of \$6.7 million.

The Other Special Revenue fund has the voter approved tax referendum for Wild Spaces Public Places. The fund has an ending fund balance of \$29.9 million, an increase of \$4.7 million from the prior fiscal year. This is due to revenues coming in \$4.2 million over expenses.

The Transportation Trust Fund accounts for capital transportation projects. The fund has an ending fund balance of \$24.8 million, an increase of \$2.9 million dollars from the prior year. This is due to a \$5.3 million decrease in capital outlay expenses.

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, 2020 were \$24.6 million, of which \$11.6 million are capital assets, net of depreciation. Total liabilities were \$12.5 million. Net position decreased by \$3.2 million, resulting in an ending net position of \$14.1 million. The decrease was due to an increase in personal service for pension expenses.

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 – COVID-19 related expenditures
- \$0.5 million – Inmate Medical
- \$0.6 million – Combined Communication Center



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- \$4.8 million – carry forward of prior year purchase orders and mid-year fund balance adjustments.
- \$3.5 million – CARES Act Stimulus
- \$0.2 million – Information Services capital purchase of disaster recovery software and hardware

General Fund actual revenues overall came in close to the final amended budgeted revenues. Actual operating expenditures overall were \$26.4 million less than was budgeted; this was primarily due to a \$8.9 million savings in public safety expenses, \$4.2 million savings in general government expenses, \$1.9 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, 2020 totals \$581 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 2.32%.

Alachua County, Florida Capital Assets (net of depreciation, in millions)							
	Governmental Activities		Business-type Activities		Total		Percent Change
	2019	2020	2019	2020	2019	2020	
Land	\$ 272.8	\$ 282.4	\$ 3.5	\$ 3.5	\$ 276.3	\$ 285.9	3.47%
Art	0.1	0.1	-	-	0.1	0.1	0.00%
Infrastructure	142.0	140.1	-	-	142.0	140.1	-1.34%
Buildings	90.6	86.0	0.9	0.9	91.5	86.9	-5.03%
Improvements other than buildings	5.6	4.8	1.9	4.4	7.5	9.2	22.67%
Equipment	26.3	28.7	2.4	2.3	28.7	31.0	8.01%
Construction in progress	18.5	27.2	3.2	0.6	21.7	27.8	28.11%
Total	\$ 555.9	\$ 569.3	\$ 11.9	\$ 11.7	\$ 567.8	\$ 581.0	2.32%

(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 building and road construction projects.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- Road resurfacing and widening projects completed in 2020 using contractors:
 - W. University Ave to Tower Rd. Project - Resurfacing road: Abatement of Erosion, Litter Removal, Clearing & Grubbing, Excavation, and Rock Base (\$228,790.63 spent to date).
 - Tower Road from SW 8th Ave. to W. Newberry Road – Engineering, Inspection, Storm Water Management, Planning and Design, Landscape Architectural services, Environmental Studies and Facility Site P&D. (\$1,215,012.08 spent to date).
 - Recovery Park – Engineering, inspection, planning, and land surveying services for Recovery Park (\$2,725,851.92 spent to date).
- Planning, design and construction began or continued on the following major Rd. 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 (\$84,533.82 spent to date).
 - SW 8th Ave. Extension Project – Extension from Town of Tioga to Newberry Rd. (\$6,023,511.78 spent to date).
 - SW 8th Ave. Connector Project – Milling and Resurfacing, construction of a new Rd. segment, and construction of a new intersection (\$7,385,710.79 spent to date).
 - SW 61th St. Project - Signalization & Intersection Widening of SW 20th Ave at 61st St. SW 8th Ave. at 122nd St. (\$1,052,545.29 spent to date).
 - Poe Spring Project - Reconstruct NW 23rd Ave. to NW 58th Blvd. – This is the construction of a divided two lane roadway with buffered bike lanes, sidewalks, and 44' wide median approximately 1.66 miles (\$1,110,422.86 spent to date).
 - NW 91st Street Sidewalk - Clearing and grubbing for residential driveway correction for approximately 3 miles (\$362,990.25 spent to date).
 - Alachua County Property Appraiser are in the process of implementing New World software system (\$84,533.82 spent to date).
 - NW 16th Ave Mill & Resurface - Provided routine roadway construction, material hauling associated with roadway maintenance and projects conducted by the Public Works Department (1,502,608.83 spent to date).
 - SR26 at NW 122nd Street – Intersection modification with routine geotechnical investigation and testing services associated with roadway and maintenance activities (\$319,986.61 spent to date).
- County Buildings
 - Alachua County Tax Collector is in the process of building a new building located Northwest Gainesville, FL. This construction project started during the beginning of the current fiscal year.
 - Alachua County Fire Rescue is in the process of building a new fire station #25 at 12825 NW US Hwy 441, Alachua, FL 32615.

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

Long-Term Debt

At the end of fiscal year 2020, the County had total notes payable outstanding of \$52.4 million. The County's debt represents notes payables secured by specified revenue sources.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Alachua County, Florida Outstanding Debt

	2019	2020
Notes Payable		
2014 Public Improvement bank loan	\$ 6,184,000	\$ 5,206,000
2015A Capital Improvement bank loan	2,747,000	2,380,000
2015B Public Improvement bank loan	11,118,000	9,834,000
2016 Public Improvement bank loan	16,160,000	12,920,000
2016 Gas Tax Revenue bank loan	4,233,000	2,129,000
2017 Public Improvement bank loan	1,720,000	1,510,000
2017 Capital Improvement bank loan	2,581,000	1,956,000
2018 Local Option Gas Tax bank loan	9,240,000	11,715,000
2020A Capital Improvement bank loan	-	3,750,000
2020B Capital Improvement bank loan	-	50,001
2020C Capital Improvement bank loan	-	1,000,000
Total	<u>\$ 53,983,000</u>	<u>\$ 52,450,001</u>

After making regularly scheduled debt service payments for the year, the County had a net decrease in notes payable of \$1.5 million from the prior fiscal year.

Additional information on the County's debt can be found in Note 8 on pages 67-73 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County at September 30, 2020 was 4%. This represents an increase of 42.9% from the prior year, and is still one of the lowest rates in the state.
- The total taxable assessed value increased 6.41% for the FY21 budget year with a tax base of \$16.2 billion.
- There were 7,095 building permits issued in the County for fiscal year 2020, down 5.16% from the previous fiscal year total of 7,461.
- Estimated population increased by 1.6% from an estimate of 267,306 to 271,588.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$38.9 million with a total fund balance of \$54.8 million. The fiscal year 2020 ad valorem millage rate for the General Fund dropped to 8.2729 mills and the tax rate decreased to 7.8935 for fiscal year 2021.

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, 2020

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 185,575,280	\$ 10,942,165	\$ 196,517,445	\$ 444,788
Cash with Claims Administrator	588,500	-	588,500	-
Other Cash and Equivalents	13,326,706	250	13,326,956	-
Investments	2,200,042	-	2,200,042	-
Receivables (Net)	6,617,710	1,176,203	7,793,913	666
Due from Other Governments	26,020,529	50,869	26,071,398	2,055
Internal Balances	(188,312)	188,312	-	-
Inventories or Assets Held for Sale	1,062,196	-	1,062,196	-
Prepaid Items	1,845,674	-	1,845,674	-
Total Current Non-Restricted Assets	237,048,325	12,357,799	249,406,124	447,509
Current Restricted Assets:				
Sinking Fund Cash and Cash Reserves	8,592,940	-	8,592,940	-
Total Current Restricted Assets	8,592,940	-	8,592,940	-
Total Current Assets (Restricted and Non-Restricted)	245,641,265	12,357,799	257,999,064	447,509
Non-Current Assets:				
Non-Current Restricted Assets:				
Restricted Equity in Pooled Cash and Investments	-	40,952	40,952	-
Restricted Investments	-	2,741,966	2,741,966	-
Restricted Interest Receivable	-	12,201	12,201	-
Total Non-Current Restricted Assets	-	2,795,119	2,795,119	-
Capital Assets:				
Land	282,396,703	3,480,357	285,877,060	-
Artwork	80,500	-	80,500	-
Infrastructure	582,508,204	-	582,508,204	-
Buildings	165,482,558	2,806,998	168,289,556	-
Improvements Other than Buildings	17,500,326	16,024,121	33,524,447	-
Equipment and Software	89,420,776	6,121,177	95,541,953	-
Construction in Progress	27,230,329	592,616	27,822,945	-
(Less Accumulated Depreciation)	(595,279,784)	(17,332,349)	(612,612,133)	-
Total Capital Assets	569,339,612	11,692,920	581,032,532	-
Total Non-Current Assets (Restricted and Non-Restricted)	569,339,612	14,488,039	583,827,651	-
Total Assets	814,980,877	26,845,838	841,826,715	447,509
Deferred Outflow of Resources				
Deferred Amounts Related to OPEB	825,639	43,455	869,094	-
Deferred Amounts Related to Pensions	66,417,845	3,142,886	69,560,731	-
Deferred Loss on Refunding	424,469	-	424,469	-
Total Deferred Outflow of Resources	67,667,953	3,186,341	70,854,294	-

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020
(Continued)

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
Liabilities				
Current Liabilities (Payable from Current Assets):				
Accounts Payable	\$ 19,364,212	\$ 974,540	\$ 20,338,752	\$ 369
Accrued Interest Payable	500,183	-	500,183	-
Estimated Liability for Self Insurance Losses	2,520,985	-	2,520,985	-
Contracts Payable	915,415	-	915,415	-
Due to Other Governments	3,612,462	30,258	3,642,720	-
Deposits	54,300	65,445	119,745	-
Unearned Revenue	3,557,161	-	3,557,161	-
Accrued Compensated Absences	6,363,167	48,803	6,411,970	-
Accrued Landfill Closure Cost	-	317,554	317,554	-
Capital Leases Payable	242,621	-	242,621	-
Notes Payable	10,833,000	-	10,833,000	-
Net Pension Liability	384,601	18,199	402,800	-
Total Current Liabilities (Payable from Current Assets)	48,348,107	1,454,799	49,802,906	369
Non-Current Liabilities:				
Accrued Compensated Absences	12,756,543	439,218	13,195,761	-
Estimated Liability for Self Insurance Losses	4,411,374	-	4,411,374	-
Capital Leases Payable	740,925	-	740,925	-
Notes Payable (Net of Amortization on Discounts and Premiums)	41,617,001	-	41,617,001	-
Net OPEB Liability	10,705,139	563,428	11,268,567	-
Net Pension Liability	222,087,504	10,509,161	232,596,665	-
Total Non-Current Liabilities (Payable from Non-Current Assets)	292,318,486	11,511,807	303,830,293	-
Non-Current Liabilities (Payable from Restricted Assets):				
Accrued Landfill Closure Cost	-	3,303,438	3,303,438	-
Total Non-Current Liabilities (Payable from Restricted Assets)	-	3,303,438	3,303,438	-
Total Non-Current Liabilities	292,318,486	14,815,245	307,133,731	-
Total Liabilities	340,666,593	16,270,044	356,936,637	369
Deferred Inflows of Resources:				
Deferred Amounts Related to OPEB	277,003	14,580	291,583	-
Deferred Amounts Related to Pensions	5,120,108	242,283	5,362,391	-
Total Deferred Inflow of Resources	5,397,111	256,863	5,653,974	-

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



ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020
(Concluded)

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activities		
Net Position				
Net Investment in Capital Assets	\$ 516,330,534	\$ 11,692,920	\$ 528,023,454	\$ -
Restricted for:				
Restricted for Debt Requirements	10,827,287	-	10,827,287	-
Restricted for CHOICES	6,083,199	-	6,083,199	-
Restricted for Wild Spaces and Public Places	26,929,112	-	26,929,112	-
Restricted for Tourist Development	5,459,947	-	5,459,947	-
Restricted for Road Construction	13,374,925	-	13,374,925	-
Restricted for Public Safety	2,540,957	-	2,540,957	-
Restricted for Alachua County Forever Land Program	2,168,907	-	2,168,907	-
Restricted for Impact Fee - Fire	581,322	-	581,322	-
Restricted for Impact Fee - Parks	807,385	-	807,385	-
Restricted for Impact Fee - Transportation	6,398,322	-	6,398,322	-
Restricted for Multi-Modal Mitigation Fee -Transportation	5,504,158	-	5,504,158	-
Restricted for Enabling Legislation	13,202,824	-	13,202,824	-
Restricted for Grants and Other Purposes	7,623,426	-	7,623,426	-
Unrestricted (Deficit)	(81,247,179)	1,812,352	(79,434,827)	447,140
Total Net Position	<u>\$ 536,585,126</u>	<u>\$ 13,505,272</u>	<u>\$ 550,090,398</u>	<u>\$ 447,140</u>

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Administration	\$ 58,292,636	\$ 8,548,686	\$ 756,057	\$ 37,806
Community Services	27,292,626	456,593	9,941,946	208,137
Corrections	36,425,107	341,326	-	-
Courts	25,209,290	5,499,856	2,322,812	-
Culture and Recreation	4,749,164	651,146	-	-
Tourist Development	2,717,842	-	-	400,000
Emergency Services	48,770,366	32,338,596	14,830,216	439,092
Environmental Services	4,021,059	1,433,774	2,008,836	1,254,006
Growth Management	3,272,730	553,147	-	-
Law Enforcement	55,960,568	3,531,758	919,192	35,479
Solid Waste Collection	6,055,683	4,581,479	-	-
Transportation	23,185,119	1,398,340	4,098,867	7,138,030
Interest on Long-Term Debt	1,253,630	-	-	-
Total Governmental Activities	297,205,820	59,334,701	34,877,926	9,512,550
Business-Type Activities				
Solid Waste Disposal System	18,945,217	13,649,320	-	-
Codes Enforcement	4,043,382	1,734,085	-	-
Total Business-Type Activities	22,988,599	15,383,405	-	-
Total Primary Government	\$ 320,194,419	\$ 74,718,106	\$ 34,877,926	\$ 9,512,550
Component Units				
Murphree Law Library	\$ 35,052	\$ 30,805	\$ -	\$ -
Alachua County Housing Finance Authority	700	-	-	-
Total Component Units	\$ 35,752	\$ 30,805	\$ -	\$ -

General Revenues

Property Taxes
Tourist Development Taxes
Impact Fees
Multi-Modal Mitigation Fees
Fuel Taxes
Infrastructure Sales Surtaxes (Wild Spaces and Public Places)
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

Primary Government			Component
Governmental	Business-Type		Units
Activities	Activities	Total	
\$ (48,950,087)	\$ -	\$ (48,950,087)	
(16,685,950)	-	(16,685,950)	
(36,083,781)	-	(36,083,781)	
(17,386,622)	-	(17,386,622)	
(4,098,018)	-	(4,098,018)	
(2,317,842)	-	(2,317,842)	
(1,162,462)	-	(1,162,462)	
675,557	-	675,557	
(2,719,583)	-	(2,719,583)	
(51,474,139)	-	(51,474,139)	
(1,474,204)	-	(1,474,204)	
(10,549,882)	-	(10,549,882)	
(1,253,630)	-	(1,253,630)	
(193,480,643)	-	(193,480,643)	
-	(5,295,897)	(5,295,897)	
-	(2,309,297)	(2,309,297)	
-	(7,605,194)	(7,605,194)	
(193,480,643)	(7,605,194)	(201,085,837)	
-	-	-	\$ (4,247)
-	-	-	(700)
(193,480,643)	-	-	(4,947)
144,053,363	-	144,053,363	-
4,520,079	-	4,520,079	-
1,830,568	-	1,830,568	-
1,940,458	-	1,940,458	-
7,534,425	-	7,534,425	-
11,840,375	-	11,840,375	-
14,327,315	-	14,327,315	-
19,162,053	-	19,162,053	-
5,046,763	241,477	5,288,240	9,616
4,849,767	1,878,799	6,728,566	94,556
215,105,166	2,120,276	217,225,442	104,172
21,624,523	(5,484,918)	16,139,605	99,225
309,206	(309,206)	-	-
21,933,729	(5,794,124)	16,139,605	99,225
514,651,397	19,299,396	533,950,793	347,915
\$ 536,585,126	\$ 13,505,272	\$ 550,090,398	\$ 447,140

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

ALACHUA COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General	MSTU Law Enforcement	MSBU Fire Protection	Gas Tax Uses
Assets				
Equity in Pooled Cash and Investments	\$ 41,241,266	\$ 2,184,141	\$ 5,500,136	\$ 3,244,819
Other Cash and Equivalents	9,984,253	-	-	1,000
Sinking Fund and Cash Reserves	-	-	-	-
Investments	-	-	-	-
Accounts Receivable	12,470,897	3,142	179,533	1,475
Allowance for Estimated Uncollectibles	(7,229,484)	-	-	-
Assessment Receivable	-	-	-	-
Due from Other Funds	12,749,567	358,226	56,970	-
Due from Other Governments	2,459,569	10,235	509,053	650,723
Inventories or Assets Held for Resale	534,625	-	-	247,933
Prepaid Items	37,470	-	-	-
Total Assets	<u>72,248,163</u>	<u>2,555,744</u>	<u>6,245,692</u>	<u>4,145,950</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Liabilities	9,791,912	-	161,464	244,966
Contracts Payable	35,467	-	-	-
Due to Individuals	20	-	-	-
Due to Other Funds	1,878,871	-	10,213	115
Due to Other Governments	2,173,361	14,787	177,468	148,837
Deposits	34,515	-	-	3,400
Unearned Revenue	697,546	-	-	-
Total Liabilities	<u>14,611,692</u>	<u>14,787</u>	<u>349,145</u>	<u>397,318</u>
Deferred Inflows of Resources				
Tax Revenue - Unavailable	182,104	-	121,403	295,974
Intergovernmental Revenue - Unavailable	94,219	-	-	-
Special Assessment Revenue - Unavailable	-	-	-	-
Charges for Services - Unavailable	2,573,945	-	-	-
Total Deferred Inflows of Resources	<u>2,850,268</u>	<u>-</u>	<u>121,403</u>	<u>295,974</u>
Fund Balances				
Non-Spendable	572,095	-	-	247,933
Restricted	28,774	2,540,957	-	-
Committed	-	-	-	-
Assigned	15,316,549	-	5,775,144	3,204,725
Unassigned	38,868,785	-	-	-
Total Fund Balances	<u>54,786,203</u>	<u>2,540,957</u>	<u>5,775,144</u>	<u>3,452,658</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 72,248,163</u>	<u>\$ 2,555,744</u>	<u>\$ 6,245,692</u>	<u>\$ 4,145,950</u>

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

COVID-19 RELIEF	Emergency Services	Other Special Revenue	Transportation Trust	Other Governmental Funds	Total Governmental Funds
\$ 91,755	\$ 7,353,608	\$ 28,241,681	\$ 28,790,114	\$ 36,811,120	\$ 153,458,640
-	-	150	-	3,219,962	13,205,365
-	-	-	-	8,592,940	8,592,940
-	-	-	-	2,200,042	2,200,042
13,965	2,388	40,545	43,424	253,804	13,009,173
-	-	-	-	(36,374)	(7,265,858)
-	-	-	129,247	-	129,247
-	219,641	13	175	392,367	13,776,959
9,709,664	3,396,488	3,413,343	884,300	4,937,255	25,970,630
-	-	-	-	-	782,558
-	-	-	-	-	37,470
<u>9,815,384</u>	<u>10,972,125</u>	<u>31,695,732</u>	<u>29,847,260</u>	<u>56,371,116</u>	<u>223,897,166</u>
1,612,564	177,973	372,629	1,778,189	2,463,374	16,603,071
-	-	36,435	771,179	72,334	915,415
-	-	-	29,560	210,436	240,016
7,698,782	2,098,491	-	1,509,000	2,003,582	15,199,054
34,087	69,793	2,063	6,147	977,844	3,604,387
-	-	11,600	-	4,785	54,300
467,923	364,520	-	-	54,249	1,584,238
<u>9,813,356</u>	<u>2,710,777</u>	<u>422,727</u>	<u>4,094,075</u>	<u>5,786,604</u>	<u>38,200,481</u>
-	-	1,334,201	-	321,399	2,255,081
320,478	1,520,322	-	800,965	1,494,306	4,230,290
-	-	-	129,247	-	129,247
-	-	-	-	-	2,573,945
<u>320,478</u>	<u>1,520,322</u>	<u>1,334,201</u>	<u>930,212</u>	<u>1,815,705</u>	<u>9,188,563</u>
-	-	-	-	-	820,028
-	1,409,138	29,803,170	24,822,973	42,925,387	101,530,399
-	-	-	-	191,183	191,183
-	5,331,888	135,634	-	5,652,237	35,416,177
(318,450)	-	-	-	-	38,550,335
<u>(318,450)</u>	<u>6,741,026</u>	<u>29,938,804</u>	<u>24,822,973</u>	<u>48,768,807</u>	<u>176,508,122</u>
<u>\$ 9,815,384</u>	<u>\$ 10,972,125</u>	<u>\$ 31,695,732</u>	<u>\$ 29,847,260</u>	<u>\$ 56,371,116</u>	<u>\$ 223,897,166</u>

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



ALACHUA COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

Total Fund Balances of Governmental Funds \$ 176,508,122

**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 \$1,164,619,396 and the accumulated depreciation is \$595,279,784:

Total Capital Assets	\$ 569,339,612	
Remove Internal Service Capital Assets	<u>(7,293,838)</u>	562,045,774

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	(52,450,001)	
Capital Leases	(983,546)	
Self-Insured Losses	(6,932,359)	
Accrued Compensated Absences	(19,119,710)	
Net OPEB Liability	(10,705,139)	
Net Pension Liability	(222,472,105)	
(Less Amounts Reported in Internal Service Funds):		
Self-Insured Losses	6,932,359	
Accrued Compensated Absences	309,806	
Net OPEB Liability	225,371	
Net Pension Liability	<u>5,682,891</u>	(299,512,433)

Accrued long-term debt interest payable is not current and, therefore, is not reported in the fund statements.	(500,183)
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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	808,257	
Deferred Outflow on Pension Liabilities	64,721,248	
Deferred Inflow on OPEB Liabilities	(271,171)	
Deferred Inflow on Pension Liabilities	(4,989,318)	
Deferred Outflow Loss on Refunding	<u>424,469</u>	60,693,485

Certain receivables are not available in the current period and, therefore, are not recognized as revenues in governmental funds.	9,188,563
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The assets and liabilities of the Internal Service Funds are included in governmental activities.	26,357,758
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Prepaid items originally expensed in full, reclassified as assets.	<u>1,804,040</u>
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Total Net Position of Governmental Activities	<u>\$ 536,585,126</u>
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The accompanying notes are an integral part of the financial statements.

ALACHUA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General	MSTU Law Enforcement	MSBU Fire Protection	Gas Tax Uses
Revenues				
Taxes	\$ 129,922,456	\$ 22,738,750	\$ 5,752,403	\$ 3,604,955
Permits and Fees	427,700	-	5,730	-
Intergovernmental	8,119,949	30,921	38,152	90,156
Charges for Services	20,993,231	1,756,899	116,187	810,581
Fines and Forfeitures	16,978	62	-	-
Investment Income	2,419,754	124,165	237,895	-
Special Assessments and Impact Fees	-	-	13,562,843	-
Private Donations	-	-	-	-
Miscellaneous	2,424,571	5,562	5,352	9,207
Total Revenues	164,324,639	24,656,359	19,718,562	4,514,899
Expenditures				
Current:				
General Government	37,504,615	456,637	298,131	-
Public Safety	107,923,336	173,168	17,233,263	-
Physical Environment	3,098,811	-	-	189,621
Transportation	2,190,841	-	-	9,002,363
Economic Environment	7,216,650	-	-	-
Human Services	14,353,575	-	-	-
Culture and Recreation	1,799,027	-	-	-
Court Cost	10,654,834	-	-	-
Debt Service:				
Principal	253,754	-	-	-
Interest and Fiscal Charges	3,801	-	-	-
Capital Outlay	6,375,998	-	8,269	18,257
(Total Expenditures)	191,375,242	629,805	17,539,663	9,210,241
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,050,603)	24,026,554	2,178,899	(4,695,342)
Other Financing Sources (Uses)				
Transfers in	51,179,236	354,188	1,118,892	3,116,101
Transfers (out)	(10,580,599)	(23,914,602)	(966,452)	-
Debt Proceeds	1,237,300	-	-	-
Sale of Capital Assets	75,109	-	-	-
Total Other Financing Sources and (Uses)	41,911,046	(23,560,414)	152,440	3,116,101
Net Change in Fund Balances	14,860,443	466,140	2,331,339	(1,579,241)
Fund Balances - Beginning	39,925,760	2,074,817	3,443,805	5,031,899
Fund Balances - Ending	\$ 54,786,203	\$ 2,540,957	\$ 5,775,144	\$ 3,452,658

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

COVID-19 RELIEF	Emergency Services	Other Special Revenue	Transportation Trust	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 11,771,585	\$ -	\$ 8,469,907	\$ 182,260,056
-	-	-	-	262,325	695,755
21,385,845	6,069,938	1,259,637	1,423,840	23,333,184	61,751,622
-	4,630,077	71,012	-	5,556,410	33,934,397
-	224,677	-	-	1,496,886	1,738,603
2,028	40,008	554,991	511,045	736,775	4,626,661
-	-	9,011	3,480,060	6,916,584	23,968,498
-	-	31,841	-	-	31,841
-	22	105,101	143,498	608,147	3,301,460
<u>21,387,873</u>	<u>10,964,722</u>	<u>13,803,178</u>	<u>5,558,443</u>	<u>47,380,218</u>	<u>312,308,893</u>
-	-	10,441	-	60,177	38,330,001
7,339,708	2,440,784	3,921	-	3,399,868	138,514,048
-	-	646,073	-	8,382,713	12,317,218
-	-	132,634	1,129	940,087	12,267,054
-	-	2,020	-	2,746,624	9,965,294
-	-	41,953	-	2,418,651	16,814,179
-	-	341,726	-	28,100	2,168,853
-	-	14,191	-	6,874,991	17,544,016
-	-	-	-	10,293,000	10,546,754
-	-	-	-	1,289,717	1,293,518
49,701	610,530	8,416,890	11,065,126	2,897,160	29,441,931
<u>7,389,409</u>	<u>3,051,314</u>	<u>9,609,849</u>	<u>11,066,255</u>	<u>39,331,088</u>	<u>289,202,866</u>
<u>13,998,464</u>	<u>7,913,408</u>	<u>4,193,329</u>	<u>(5,507,812)</u>	<u>8,049,130</u>	<u>23,106,027</u>
-	7,080,810	503,190	4,671,215	7,400,480	75,424,112
(14,316,914)	(12,480,597)	-	(211,120)	(13,141,471)	(75,611,755)
-	-	-	3,960,000	4,800,001	9,997,301
-	-	165	-	6,293	81,567
<u>(14,316,914)</u>	<u>(5,399,787)</u>	<u>503,355</u>	<u>8,420,095</u>	<u>(934,697)</u>	<u>9,891,225</u>
<u>(318,450)</u>	<u>2,513,621</u>	<u>4,696,684</u>	<u>2,912,283</u>	<u>7,114,433</u>	<u>32,997,252</u>
-	4,227,405	25,242,120	21,910,690	41,654,374	143,510,870
<u>\$ (318,450)</u>	<u>\$ 6,741,026</u>	<u>\$ 29,938,804</u>	<u>\$ 24,822,973</u>	<u>\$ 48,768,807</u>	<u>\$ 176,508,122</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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 32,997,252

**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 \$29,348,534 were more than depreciated \$(21,404,504) in the current period:

Total Governmental Activities Capital Outlay Expenditures	\$ 31,758,052	
(Remove Internal Service Capital Outlay Expenditures)	(2,409,518)	
Total Capital Outlay Expenditures Excluding Internal Service	<u>29,348,534</u>	
Donated Assets	5,720,643	
Total Governmental Activities Depreciation	(23,141,612)	
Remove Internal Service Depreciation	1,737,108	
Total Depreciation Excluding Internal Service	<u>(21,404,504)</u>	13,664,673

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	(902,082)	
Remove Loss Internal Service	113,950	
Total Capital Outlay Loss Excluding Internal Service	<u>(788,132)</u>	(788,132)

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. 10,546,754

Issuance of debt provides current financial resources to governmental funds, but debt increases long-term liabilities in the statement of net position. (9,997,301)

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	(36,809,324)	
(Less Change Internal Service Pension Liabilities)	4,138,961	
Net Change in Pension Liabilities	<u>(32,670,363)</u>	
Change in Deferred Inflows	9,306,499	
(Less Change in Internal Service Deferred Inflows)	18,281	
Net Change in Deferred Inflows	<u>9,324,780</u>	
Change in Deferred Outflows	4,202,448	
(Less Change in Internal Service Deferred Outflows)	<u>(1,190,022)</u>	
Net Change in Deferred Outflows	<u>3,012,426</u>	(20,333,157)

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, 2020
(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	\$	(1,243)	
(Less Change in Net OPEB Liability Internal Service)		26	
Net Change in OPEB Liabilities		<u>(1,217)</u>	
Change in Deferred Outflows		(105,039)	
(Less Change in Internal Service Deferred Outflows)		2,211	
Total Change in Deferred Outflows		<u>(102,828)</u>	
Change in Deferred Inflows		(202,277)	
Add: Change in Internal Service Deferred Inflows		4,259	
Total Change in Deferred Inflows		<u>(198,018)</u>	\$ (302,063)

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	(2,407,298)	
(Less Change in Internal Service Fund)	60,296	
Net Change in Accrued Interest Payable	39,888	
Net Adjustment	<u>(2,307,114)</u>	(2,307,114)

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. 392,486

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. (1,758,358)

Prepaid items originally expensed in full, reclassified as an asset. (2,918)

Change in Net Position - Governmental Activities \$ 21,933,729

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	400 Solid Waste System	Non-Major Proprietary Fund 410 Codes Enforcement	Total	
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 8,761,182	\$ 2,180,983	\$ 10,942,165	\$ 32,116,640
Other Cash and Equivalents	250	-	250	121,341
Cash with Claims Administrator	-	-	-	588,500
Accounts Receivable	1,176,203	-	1,176,203	745,148
Due from Other Funds	188,747	-	188,747	1,233,783
Due from Other Governments	49,513	1,356	50,869	49,899
Inventories	-	-	-	279,638
Prepays	-	-	-	4,164
Total Current Assets	10,175,895	2,182,339	12,358,234	35,139,113
Noncurrent Assets:				
Restricted Assets:				
Equity in Pooled Cash and Investments	40,952	-	40,952	-
Investments	2,741,966	-	2,741,966	-
Interest Receivable	12,201	-	12,201	-
Total Restricted Assets	2,795,119	-	2,795,119	-
Capital Assets:				
Capital Assets	28,824,738	200,531	29,025,269	22,083,274
(Less Accumulated Depreciation)	(17,221,853)	(110,496)	(17,332,349)	(14,789,436)
Total Capital Assets (Net of Depreciation)	11,602,885	90,035	11,692,920	7,293,838
Total Non-Current Assets	14,398,004	90,035	14,488,039	7,293,838
Total Assets	24,573,899	2,272,374	26,846,273	42,432,951
Deferred Outflows of Resources				
Deferred Amounts Related to OPEB	32,664	10,791	43,455	17,382
Deferred Amounts Related to Pensions	2,228,683	914,203	3,142,886	1,696,597
Total Deferred Outflows of Resources	2,261,347	924,994	3,186,341	1,713,979

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020
(Concluded)

	Business-Type Activities - Enterprise Funds			Governmental
		Non-Major		Activities-
	400	Proprietary Fund		Internal
	Solid Waste	410		Service
	System	Codes	Total	Funds
		Enforcement		
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 936,629	\$ 37,911	\$ 974,540	\$ 2,521,125
Unearned Revenue	-	-	-	1,972,923
Due to Other Funds	435	-	435	-
Due to Other Governments	15,762	14,496	30,258	8,075
Deposits	65,445	-	65,445	-
Accrued Compensated Absences of a Year or Less	37,357	11,446	48,803	30,980
Accrued Landfill Post-Closure Cost	317,554	-	317,554	-
Estimated Liability for Self Insured Losses	-	-	-	2,520,985
Net Pension Liability Due Within One Year	12,326	5,873	18,199	9,824
Total Current Liabilities	1,385,508	69,726	1,455,234	7,063,912
Non-Current Liabilities:				
Accrued Compensated Absences More than a Year	336,210	103,008	439,218	278,826
Estimated Liability for Self Insured Losses	-	-	-	4,411,374
Net OPEB Liability	422,066	141,362	563,428	225,371
Net Pension Liability	7,117,547	3,391,614	10,509,161	5,673,067
Non-Current Liabilities Payable from Restricted Assets:				
Accrued Landfill Post-Closure Cost	3,303,438	-	3,303,438	-
Total Non-Current Liabilities	11,179,261	3,635,984	14,815,245	10,588,638
Total Liabilities	12,564,769	3,705,710	16,270,479	17,652,550
Deferred Inflows or Resources				
Deferred Amounts Related to OPEB	10,132	4,448	14,580	5,832
Deferred Amounts Related to Pensions	164,091	78,192	242,283	130,790
Total Deferred Inflows of Resources	174,223	82,640	256,863	136,622
Net Pension				
Net Investment in Capital Assets	11,602,885	90,035	11,692,920	7,293,838
Restricted for Cash Reserves	-	-	-	-
Unrestricted	2,493,369	(681,017)	1,812,352	19,063,920
Total Net Position	\$ 14,096,254	\$ (590,982)	\$ 13,505,272	\$ 26,357,758

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, 2020

	Business-Type Activities - Enterprise Funds			Governmental
		Non-Major Proprietary Fund		Activities- Internal Service Funds
	400 Solid Waste System	410 Codes Enforcement	Total	
Operating Revenues				
Charges for Services	\$ 10,192,484	\$ 8,372	\$ 10,200,856	\$ 36,996,632
Permits, Licenses and Franchise Fees	349,601	1,725,713	2,075,314	-
Special Assessments and Impact Fees	3,107,235	-	3,107,235	-
Miscellaneous Revenue	1,966,154	2,087	1,968,241	2,737,812
Total Operating Revenues	15,615,474	1,736,172	17,351,646	39,734,444
Operating Expenses				
Personal Services	6,591,743	3,520,610	10,112,353	5,546,734
Depreciation	793,567	12,459	806,026	1,737,108
Indirect Costs	437,546	88,709	526,255	247,594
Supplies and Materials	770,203	32,394	802,597	3,555,814
Other Services and Charges	10,352,158	389,210	10,741,368	6,668,924
Claims and Losses	-	-	-	22,454,394
Total Operating Expenses	18,945,217	4,043,382	22,988,599	40,210,568
Operating Income (Loss)	(3,329,743)	(2,307,210)	(5,636,953)	(476,124)
Non-Operating Revenues				
Net Gain (Loss) on Disposal of Capital Assets	(89,442)	-	(89,442)	(113,950)
Investment Income	241,477	-	241,477	402,982
Private Donations	-	-	-	82,729
Total Non-Operating Revenues (Expenses)	152,035	-	152,035	371,761
Income (Loss) Before Capital Contributions and Transfers	(3,177,708)	(2,307,210)	(5,484,918)	(104,363)
Transfers				
Transfers in	8,747	-	8,747	496,849
Transfers (out)	-	(317,953)	(317,953)	-
Total Transfers	8,747	(317,953)	(309,206)	496,849
Change in Net Position	(3,168,961)	(2,625,163)	(5,794,124)	392,486
Total Net Position - Beginning	17,265,215	2,034,181	19,299,396	25,965,272
Total Net Position - Ending	\$ 14,096,254	\$ (590,982)	\$ 13,505,272	\$ 26,357,758

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities-Internal Service Funds
	400 Solid Waste System	Non-Major Proprietary Fund 410 Codes Enforcement	Total	
Cash Flows from Operating Activities				
Cash Received for Services	\$ 10,269,693	\$ 1,754,059	\$ 12,023,752	\$ 36,392,455
Cash Received from Special Assessments and Franchise Fees	3,107,235	-	3,107,235	-
Miscellaneous Cash Receipts	1,966,154	2,087	1,968,241	2,737,812
Cash Paid to Outside Parties	(14,069,798)	(1,154,781)	(15,224,579)	(33,707,145)
Cash Paid to Employees	(2,361,693)	(1,066,548)	(3,428,241)	(1,347,451)
Net Cash Provided by (used in) by Operating Activities	(1,088,409)	(465,183)	(1,553,592)	4,075,671
Cash Flows from Non-Capital Financing Activities				
Due from Other Funds	(906)	-	(906)	(101,145)
Due from Other Governments	11,768	132	11,900	(2,609)
Private Donations	-	-	-	82,729
Transfers in	8,747	-	8,747	496,849
Transfers (out)	-	(317,953)	(317,953)	-
Net Cash Provided by (Used in) by Non-Capital Financing Activities	19,609	(317,821)	(298,212)	475,824
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Assets	(588,862)	(83,396)	(672,258)	(2,409,518)
Net Cash Provided by (Used in) by Capital and Related Financing Activities	(588,862)	(83,396)	(672,258)	(2,409,518)
Cash Flows from Investing Activities				
Interest Received	241,477	-	241,477	402,982
Proceeds from Investments	104,612	-	104,612	-
Net Cash Provided by (Used in) by Investing Activities	346,089	-	346,089	402,982
Net Increase (Decrease) in Cash and Cash Equivalents	(1,311,573)	(866,400)	(2,177,973)	2,544,959
Cash and Cash Equivalents, Beginning of Year	10,113,957	3,047,383	13,161,340	30,281,522
Cash and Cash Equivalents, End of Year	\$ 8,802,384	\$ 2,180,983	\$ 10,983,367	\$ 32,826,481
Cash and Cash Equivalents Classified as				
Equity in Pooled Cash and Investments	\$ 8,761,182	\$ 2,180,983	\$ 10,942,165	\$ 32,116,640
Other Cash and Equivalents	250	-	250	121,341
Cash with Claims Administrator	-	-	-	588,500
Restricted Equity in Pooled Cash and Investments	40,952	-	40,952	-
Total	\$ 8,802,384	\$ 2,180,983	\$ 10,983,367	\$ 32,826,481

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Concluded)

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Non-Major Proprietary Fund		Total	
	400	410		
	Solid Waste System	Codes Enforcement		
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) by Operating Activities				
Operating Income (Loss)	\$ (3,329,743)	\$ (2,307,210)	\$ (5,636,953)	\$ (476,124)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) by Operating Activities:				
Depreciation Expense	793,567	12,459	806,026	1,737,108
Pension Expense Adjustment	2,901,678	1,850,411	4,752,089	2,967,218
OPEB Expense Adjustment	11,043	5,197	16,240	6,496
Increase (Decrease) in Estimated Landfill Post-Closure Cost	(258,941)	-	(258,941)	-
Increase (Decrease) in Estimated Liability for Self Insured Losses	-	-	-	871,189
(Increase) Decrease in Accounts Receivable	(167,874)	-	(167,874)	(176,891)
Increase (Decrease) in User Deposits	(56,199)	-	(56,199)	-
Increase (Decrease) in Accrued Compensated Absences	1,905	14,612	16,517	60,298
Increase (Decrease) in Unearned Revenue	-	-	-	(449,826)
(Increase) Decrease in Inventories	-	-	-	22,137
Increase (Decrease) in Accounts Payable	(983,845)	(40,652)	(1,024,497)	(485,934)
Total Adjustments	2,241,334	1,842,027	4,083,361	4,551,795
Net Cash Provided by (Used in) by Operating Activities	\$ (1,088,409)	\$ (465,183)	\$ (1,553,592)	\$ 4,075,671

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

ALACHUA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	Agency Funds	Other Postemployment Benefits Trust Fund
Assets		
Equity in Pooled Cash and Investments	\$ 50,619	\$ 722,225
Other Cash and Equivalents	14,122,094	16,995
Investments, at Fair Value:		
FLCLASS/LGIP	548,685	-
FMPTF/LGIP	-	2,107,384
Due from Individuals	328,697	-
Due from Other Governments	58,553	-
Total Assets	15,108,648	2,846,604
Liabilities		
Accounts Payable	-	337,521
Assets Held for Others	7,921,867	-
Due to Other Governments	1,873,176	-
Deposits Held in Escrow	50,571	-
Deposits - Installment Taxes	5,263,034	-
Total Liabilities	15,108,648	337,521
Net Position		
Restricted for OPEB	-	2,509,083
Total Net Position	\$ -	\$ 2,509,083

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, 2020

	OPEB Trust Fund
Additions	
Contributions:	
Employer	\$ 1,323,000
Members	<u>2,332,731</u>
Total Contributions	<u>3,655,731</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	<u>129,420</u>
Total Investment Income (Loss)	<u>129,420</u>
Total Additions	<u>3,785,151</u>
Deductions	
Benefit Payments	3,391,387
Administrative Expenses	<u>120,956</u>
Total Deductions	<u>3,512,343</u>
Net Increase (Decrease)	272,808
Net Position Restricted for Other Postemployment Benefits - Beginning of Year	<u>2,236,275</u>
Net Position Restricted for Other Postemployment Benefits - End of Year	<u><u>\$ 2,509,083</u></u>

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

Notes to the Financial Statements



**ALACHUA COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
SEPTEMBER 30, 2020**

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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.

3. CareerSource North Central Florida

CareerSource North Central Florida (CSNCFL), is a new administrative entity created during the middle of the fiscal year in April 2020 by interlocal agreement between Alachua and Bradford counties in accordance with Chapter 163.01, Florida Statutes. The new governance structure of CSNCFL meets the requirements to be considered a discretely presented component unit. Alachua and Bradford counties agreed to revise the governance structure for the Local

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Workforce Development Area 9 and create the new administrative entity known as CSNCFL in order to address findings identified in the *Financial Compliance Monitoring Report* issued by the Florida Department of Economic Opportunity (DEO) on December 20, 2019. The previous independent reporting entity known as Alachua Bradford Regional Workforce Board was dissolved in April 2020. These changes in governance structure, including the creation of the new administrative entity, CSNCFL, were part of a broader response by Alachua and Bradford counties to address the findings in DEO's monitoring report. Audited financial numbers for CSNCFL are not yet available because of the ongoing negotiations with DEO to resolve the findings in the monitoring report.

CSNCFL primarily exists to assist the Dual County Workforce Development Council and the Local Workforce Development Board 9 in carrying out their respective functions under the Workforce Innovation and Opportunity Act (WIOA) and to operate and implement workforce and welfare programs. CSNCFL also operates job centers located in both Alachua and Bradford counties.

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

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. The Children's Trust of Alachua County (Ordinance No. 18-08) provides children's services throughout Alachua County. 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, 2020, 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 interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are interfund services provided and used between functions. *Governmental activities*, which

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

2. Fund Financial Statements

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

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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.

COVID-19 Relief Fund—This fund was established in FY2020 to account for and administer Federal stimulus revenues in connection with the COVID-19 public health emergency. Allowable payments from this fund cover expenses that are necessary expenditures incurred due to the COVID-19 public health emergency and were not accounted for in the most recently adopted budget.

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.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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.

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

2. Governmental Fund Financial Statements

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by 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.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

2. Investments

Investments for the County are reported at fair value.

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

<u>Assets</u>	<u>Years</u>
Buildings/Improvements	10-50
Equipment/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
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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, 2020

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.
- *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, 2020

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, 2020:

	<u>Appropriations</u>	<u>Total Expenses</u>	<u>Budget Positive/(Negative)</u>
Enterprise Funds			
Solid Waste System	\$ 25,174,456	\$ 18,945,217	\$ 6,229,239
Codes Enforcement	3,967,316	4,043,382	(76,066)
Internal Service Funds			
Computer Replacement	1,808,277	840,376	967,901
Self-Insurance	9,550,016	5,591,274	3,958,742
Fleet Management	6,711,110	5,676,979	1,034,131
Telephone Service	1,717,054	1,628,927	88,127
Vehicle Replacement	6,405,251	1,536,999	4,868,252
Health Insurance	37,218,388	24,936,013	12,282,375

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 3 - Fund Balance Classification and Restricted Net Position

A. Governmental Fund Balance Classification

	General	MSTU Law Enforcement	MSTU Fire Protection
Non-Spendable			
Inventory	\$ 534,625	\$ -	\$ -
Prepaid Items	37,470	-	-
Total Non-Spendable	<u>572,095</u>	<u>-</u>	<u>-</u>
Restricted For			
Bond Covenants - Cash Reserves	-	-	-
Debt Service	-	-	-
CHOICES Referendum	-	-	-
Wild Space Public Places Referendum	-	-	-
Tourist Development	-	-	-
Road Construction	-	-	-
Public Safety	-	2,540,957	-
Alachua County Forever	-	-	-
Impact Fee - Fire	-	-	-
Impact Fee - Parks	-	-	-
Impact Fee - Transportation	-	-	-
Multi-Modal Transportation Mitigation	-	-	-
State and Federal Grants and Other Purposes	28,774	-	-
Enabling Legislation*	-	-	-
Total Restricted	<u>28,774</u>	<u>2,540,957</u>	<u>-</u>
Committed For			
Public Safety Programs	-	-	-
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>
Assigned For			
Subsequent Year's Reserve for Contingency	6,537,030	-	-
FY21 Appropriated Fund Balance	7,373,159	-	-
Administration	-	-	-
Capital Maintenance and Preservation	-	-	-
Capital Projects	-	-	-
Culture and Recreation	1,406,360	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Physical Environment	-	-	-
Public Safety	-	-	5,775,144
Transportation	-	-	-
Total Assigned	<u>15,316,549</u>	<u>-</u>	<u>5,775,144</u>
Unassigned	<u>38,868,785</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>\$ 54,786,203</u>	<u>\$ 2,540,957</u>	<u>\$ 5,775,144</u>

*Enabling legislation - see detail on page 53

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

	Gas Tax Uses	COVID-19 Relief	Other Emergency Services
Non-Spendable			
Inventory	\$ 247,933	\$ -	\$ -
Prepaid Items	-	-	-
Total Non-Spendable	<u>247,933</u>	<u>-</u>	<u>-</u>
Restricted For			
Bond Covenants - Cash Reserves	-	-	-
Debt Service	-	-	-
CHOICES Referendum	-	-	-
Wild Space Public Places Referendum	-	-	-
Tourist Development	-	-	-
Road Construction	-	-	-
Public Safety	-	-	-
Alachua County Forever	-	-	-
Impact Fee - Fire	-	-	-
Impact Fee - Parks	-	-	-
Impact Fee - Transportation	-	-	-
Multi-Modal Transportation Mitigation	-	-	-
State and Federal Grants and Other Purposes	-	-	-
Enabling Legislation*	-	-	1,409,138
Total Restricted	<u>-</u>	<u>-</u>	<u>1,409,138</u>
Committed For			
Public Safety Programs	-	-	-
Total Restricted	<u>-</u>	<u>-</u>	<u>-</u>
Assigned For			
Subsequent Year's Reserve for Contingency	-	-	-
FY21 Appropriated Fund Balance	-	-	-
Administration	-	-	-
Capital Maintenance and Preservation	-	-	-
Capital Projects	-	-	-
Culture and Recreation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Physical Environment	-	-	-
Public Safety	-	-	5,331,888
Transportation	3,204,725	-	-
Total Assigned	<u>3,204,725</u>	<u>-</u>	<u>5,331,888</u>
Unassigned	<u>-</u>	<u>(318,450)</u>	<u>-</u>
Total Fund Balances	<u><u>\$ 3,452,658</u></u>	<u><u>\$ (318,450)</u></u>	<u><u>\$ 6,741,026</u></u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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	Other Special Revenues	Transportation Trust	Other Governmental Funds	Total Governmental Funds
Non-Spendable				
Inventory	\$ -	\$ -	\$ -	\$ 782,558
Prepaid Items	-	-	-	37,470
Total Non-Spendable	-	-	-	820,028
Restricted For				
Bond Covenants - Cash Reserves	-	-	8,592,940	8,592,940
Debt Service	-	-	2,234,347	2,234,347
CHOICES Referendum	-	-	6,083,199	6,083,199
Wild Space Public Places Referendum	26,856,051	-	-	26,856,051
Tourist Development	-	-	5,459,947	5,459,947
Road Construction	-	13,395,282	-	13,395,282
Public Safety	-	-	-	2,540,957
Alachua County Forever	2,168,907	-	-	2,168,907
Impact Fee - Fire	-	-	581,322	581,322
Impact Fee - Parks	-	-	807,385	807,385
Impact Fee - Transportation	-	6,398,322	-	6,398,322
Multi-Modal Transportation Mitigation	474,789	5,029,369	-	5,504,158
State and Federal Grants and Other Purposes	216,857	-	2,688,344	2,933,975
Enabling Legislation*	86,566	-	11,788,452	13,284,156
Total Restricted	29,803,170	24,822,973	42,925,387	101,530,399
Committed For				
Public Safety Programs	-	-	191,183	191,183
Total Restricted	-	-	191,183	191,183
Assigned For				
Subsequent Year's Reserve for Contingency	-	-	-	6,537,030
FY21 Appropriated Fund Balance	-	-	-	7,373,159
Administration	-	-	225,529	225,529
Capital Maintenance and Preservation	-	-	751,200	751,200
Capital Projects	-	-	913,181	913,181
Culture and Recreation	113,920	-	93,186	1,613,466
Economic Environment	-	-	3,625,208	3,625,208
Human Services	21,714	-	-	21,714
Physical Environment	-	-	43,933	43,933
Public Safety	-	-	-	11,107,032
Transportation	-	-	-	3,204,725
Total Assigned	135,634	-	5,652,237	35,416,177
Unassigned	-	-	-	38,550,335
Total Fund Balances	\$ 29,938,804	\$ 24,822,973	\$ 48,768,807	\$ 176,508,122

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

B. Net Position Restricted By Enabling Legislation

<u>Program</u>	<u>Amount</u>
Administration	\$ 2,299,473
Culture and Recreation	664,723
Corrections	695,646
Courts	3,451,710
Community Services	255,693
Environmental Services	128,080
Emergency Services	1,409,138
Law Enforcement	931,705
Solid Waste Collection	1,944,105
Stormwater Management	1,503,883
Total	<u><u>\$ 13,284,156</u></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, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary Government:	
Equity in Pooled Cash and Investments	\$ 196,517,445
Cash with Claims Administrator	588,500
Other Cash and Equivalents	13,326,956
Sinking Fund Cash and Equivalents	8,592,940
Other Investments	2,200,042
Restricted Cash and Investments:	
Equity in Pooled Cash and Investments	40,952
Investments	2,741,966
Component Units:	
Equity in Pooled Cash and Equivalents	444,788
Statement of Fiduciary Net Position:	
Equity in Pooled Cash and Investments	772,844
Other Cash and Investments	14,139,090
Investments	<u>2,656,069</u>
Total Cash and Investments	<u><u>\$ 242,021,592</u></u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Deposits and investments as of September 30, 2020, consist of the following:

Primary Government:		
Deposits with Financial Institutions	\$	26,996,017
Investments		197,012,784
Component Units:		
Investments		444,788
Fiduciary Assets:		
Deposits with Financial Institutions		14,911,934
Investments		<u>2,656,069</u>
Total Cash and Investments	\$	<u>242,021,592</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, 2020

- 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, 2020, the County had the following investments:

<u>Investments</u>	<u>WAM (Years)</u>	<u>Fair Value</u>
Holdings		
Primary Government:		
Fidelity Treasury MMF	52 days	\$ 660,304
FLGIT	1.93	2,210,181
Florida Trust Day to Day Fund	27.33	2,135,470
FLPALM	46 days	10,309,877
Florida Fixed Income Trust	100 days	5,235,846
Florida PRIME	48 days	68,787,641
Federal Agency MBS (PFM)	1.92	4,449,328
Federal Agency CMO (PFM)	1.70	7,043,614
Federal Agency Bond (PFM)	2.52	22,103,089
U.S. Treasury Bond/Note (PFM)	1.46	24,256,898
Municipal Bonds (PFM)	2.39	6,836,095
Supra-National Bond/Note (PFM)	2.72	1,879,232
Corporate Note (PFM)	1.81	24,629,449
Asset-Backed Security (PFM)	1.41	<u>16,475,760</u>
Total Primary Government		<u>197,012,784</u>
Component Unit:		
Florida PRIME		<u>444,788</u>
Fiduciary:		
FMPTF Broad Market HQ Bond Fund	6.60	299,538
FMPTF Core Plus Fixed Income Fund	5.82	312,284
FMPTF Diversified Large Cap Equity	n/a	758,403
FMPTF Diversified Small to Mid Cap Equity	n/a	214,562
FMPTF International Equity Portfolio	n/a	344,149
FMPTF Core Real Estate Portfolio	n/a	178,448
FLCLASS	51 days	<u>548,685</u>
Total Fiduciary		<u>2,656,069</u>
Total Holdings		<u><u>\$ 200,113,641</u></u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 AA+ 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 AA+ 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.

During times of normal operations there are no restrictions on redemptions, however, upon the occurrence of an event that has a material impact on liquidity or operations of the Florida Prime Fund, the Executive Director may limit contributions to or withdrawals from Florida Prime for 48 hours, to ensure that the SBA can invest moneys entrusted to it in exercising its fiduciary responsibility.

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 \$107,673,465 (fair value) as noted in the table on page 60.

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020 are \$53,228 and \$391,560 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, 2020 with a fair market value of \$2,107,384. 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, 2020 is \$548,685.

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, 2020, 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, 2020, 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
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Presented below is the rating as of year-end for each major investment type and classification:

Investments	Ratings	Fair Value
Holdings		
Primary Government:		
Regions MMF	AAAm	\$ 660,304
FLGIT	AAAf	2,210,181
Florida Trust Day to Day Fund	AAAm	2,135,470
Florida PRIME	AAAm	68,787,641
FLPALM	AAAm	10,309,877
Florida Fixed Income Trust	AAAf	5,235,846
Federal Agency MBS (PFM)	AA+	4,449,328
Federal Agency CMO (PFM)	AA+	7,043,614
Federal Agency Bond (PFM)	AA+	22,103,089
U.S. Treasury Bond/Note (PFM)	AA+	24,256,898
Municipal Bonds (PFM):		
Houston, TX TXBL GO Bonds (PFM)	AA	705,439
NY TXBL Revenue Bonds (PFM)	AA	845,313
CT ST TXBL GO Bonds (PFM)	A	56,877
AZ Tran Board TXBL Revenue Bonds (PFM)	AA+	443,435
Prince Georges Cnty, MD TXBL GO Bonds (PFM)	AAA	160,610
NYC Trans Fin Auth, NY TXBL Rev Bonds (PFM)	AAA	529,620
CA ST T/E GO Bonds (PFM)	AA-	195,492
NY ST Urban Dev Corp TXBL Rev Bonds (PFM)	NR	322,530
Avondale Sch Dist, MI TXBL GO Bonds (PFM)	NR	278,119
Port Auth of NY/NJ T/E Revenue Bonds (PFM)	A+	629,269
WA ST TXBL GO Bonds (PFM)	AA+	388,775
MD ST TXBL GO Bonds (PFM)	AAA	542,128
MN ST TXBL GO Bonds (PFM)	AAA	647,980
Tampa Wtr & Wstwr Sys, FL TXBL Rev Bonds (PFM)	AAA	70,323
TX ST Trans Comm TXBL GO Bonds (PFM)	NR	502,370
MS ST TXBL GO Bonds (PFM)	AA	248,795
FL ST Board of Admin TXBL Rev Bonds (PFM)	AA	269,020
Supra-Nationals Bond/Note (PFM):		
Supra-Nationals Bond/Note (PFM)	AAA	1,879,232
Corporate Note (PFM):		
Corporate Note (PFM)	AAA	524,212
Corporate Note (PFM)	AA+	1,471,595
Corporate Note (PFM)	AA	1,287,113
Corporate Note (PFM)	AA-	2,009,017
Corporate Note (PFM)	A+	4,674,974
Corporate Note (PFM)	A	5,333,681
Corporate Note (PFM)	A-	4,636,387
Corporate Note (PFM)	BBB+	4,276,353
Corporate Note (PFM)	BBB-	416,117
Asset-Backed Security (PFM):		
Asset-Backed Security (PFM)	AAA	12,595,350
Asset-Backed Security (PFM)	NR	3,880,410
Total Primary Government		197,012,784
Component Unit:		
Florida PRIME	AAAm	444,788
Fiduciary:		
FMPTF Broad Markey HQ Bond Fund	AAf	299,538
FMPTF Core Plus Fixed Income Fund	Unrated	312,284
FMPTF Diversified Large Cap Value	Unrated	758,403
FMPTF Diversified Small to Mid Cap Equity	Unrated	214,562
FMPTF International Equity Portfolio	Unrated	344,149
FMPTF Core Real Estate Portfolio	Unrated	178,448
FLCLASS	AAAm	548,685
Total Fiduciary		2,656,069
Total Holdings		\$ 200,113,641

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

<u>Investment</u>	<u>Fair Value</u>	<u>3 Months -</u>		
		<u>0-3 Months</u>	<u>1 Year</u>	<u>>1 Year</u>
Federal Agency MBS (PFM)	\$ 4,449,328	\$ -	\$ -	\$ 4,449,328
Federal Agency CMO (PFM)	7,043,614	1,940	383,644	6,658,030
Federal Agency Bond (PFM)	22,103,089	-	-	22,103,089
U.S. Treasury Bond/Note (PFM)	24,256,898	-	5,400,359	18,856,539
Municipal Bonds (PFM)	6,836,095	-	-	6,836,095
Supra-Nationals Bond/Note (PFM)	1,879,232	-	-	1,879,232
Corporate Note (PFM)	24,629,449	-	1,754,970	22,874,479
Asset-Backed Security (PFM)	16,475,760	-	568,308	15,907,452
Total	<u>\$ 107,673,465</u>	<u>\$ 1,940</u>	<u>\$ 8,107,281</u>	<u>\$ 99,564,244</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 held investments greater than 5% in the following investment categories:

<u>Category</u>	<u>Percentage of Total Cash and Investments</u>
Federal National Mortgage Assn.	6.32%
Federal Home Loan Mortgage Corp.	10.21%
Federal Home Loan Bank Notes	0.26%

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	\$ 1,044,335	\$ -
Capital Improvement Revenue Note, Series 2015A	366,062	-
Refunding Improvement Refunding Note, Series 2015B	1,293,944	-
2016 Public Improvement Refunding Note	3,413,204	-
2016 Gas Tax Refunding Note	359,719	-
2017 Public Improvement Revenue Note	123,238	-
2017 Capital Improvement Revenue Note	113,331	-
2018 5 Cent Local Option Gas Tax Bank Loan	1,879,107	-
Solid Waste System	-	2,782,918
Total Restricted Cash and Investments	<u>\$ 8,592,940</u>	<u>\$ 2,782,918</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. Level 2 inputs were based on a matrix pricing model 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, 2020, 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)	\$ 4,449,328	\$ -	\$ 4,449,328	\$ -
Federal Agency CMO (PFM)	7,043,614	-	7,043,614	-
Federal Agency Bond (PFM)	22,103,089	-	22,103,089	-
U.S. Treasury Bond/Note (PFM)	24,256,898	-	24,256,898	-
Municipal Bonds (PFM)	6,836,095	-	6,836,095	-
Supra-Nationals Bond/Note (PFM)	1,879,232	-	1,879,232	-
Corporate Note (PFM)	24,629,449	-	24,629,449	-
Asset-Backed Securities (PFM)	16,475,760	-	15,443,170	1,032,590
Fidelity Treasury Money Markey Fund	660,304	660,304	-	-
Fiduciary Investments by Fair Value Level:				
FMPTF Broad Market HQ Bond Fund	299,538	-	299,538	-
FMPTF Core Plus Fixed Income Fund	312,284	-	-	312,284
FMPTF Diversified Large Cap Equity	758,403	-	758,403	-
FMPTF Diversified Small Cap Equity	214,562	-	214,562	-
FMPTF International Equity Portfolio	344,149	-	344,149	-
FMPTF Core Real Estate Portfolio	<u>178,448</u>	<u>-</u>	<u>-</u>	<u>178,448</u>
Total Investments by Fair Value Level	<u>\$ 110,441,153</u>	<u>\$ 660,304</u>	<u>\$ 108,257,527</u>	<u>\$ 10,935,286</u>
Operating Investments Measured at the Net Asset Value (NAV)				
Florida PRIME	\$ 68,787,641			
Florida Government Investment Trust	2,210,181			
Florida Trust Day to Day Fund	2,135,470			
Florida Public Asset for Liquidity Management	10,309,877			
Florida Fixed Income Trust	5,235,846			
Florida Coop Liquid Asset Securities System	548,685			
Florida PRIME – Component Units	<u>444,788</u>			
Total Investments Measured at NAV	<u>89,672,488</u>			
Total Investments	<u>\$ 200,113,641</u>			

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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.
4. The tax certificate expires on any unsold property after 7 years.

ALACHUA COUNTY, FLORIDA
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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 2020 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, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary Government					
Capital Assets not Being Depreciated:					
Land	\$ 92,731,897	\$ 8,085,088	\$ (220,050)	\$ 455,676	\$ 101,052,611
Right of Way	166,011,298	-	-	1,316,243	167,327,541
Stormwater Basins	14,016,551	-	-	-	14,016,551
Artwork	91,390	-	(10,890)	-	80,500
Construction/Purchase in Progress	18,493,258	13,464,245	-	(4,727,174)	27,230,329
Total not Being Depreciated	291,344,394	21,549,333	(230,940)	(2,955,255)	309,707,532
Capital Assets Being Depreciated:					
Buildings	165,541,598	-	(59,040)	-	165,482,558
Equipment and Purchased Software	92,577,752	10,439,658	(13,784,650)	-	89,232,760
Software - Internally Developed	188,016	-	-	-	188,016
Improvements other than Building	17,500,326	-	-	-	17,500,326
Infrastructure	573,832,301	-	-	8,675,903	582,508,204
Total Being Depreciated	849,639,993	10,439,658	(13,843,690)	8,675,903	854,911,864
Less Accumulated Depreciation for:					
Buildings	(74,931,540)	(4,616,829)	59,040	-	(79,489,329)
Equipment and Purchased Software	(66,254,866)	(7,166,816)	12,882,568	-	(60,539,114)
Software - Internally Developed	(188,016)	-	-	-	(188,016)
Improvements other than Building	(11,907,657)	(808,948)	-	-	(12,716,605)
Infrastructure	(431,797,701)	(10,549,019)	-	-	(442,346,720)
Total Accumulated Depreciation	(585,079,780)	(23,141,612)	12,941,608	-	(595,279,784)
Total Being Depreciated, Net	264,560,213	(12,701,954)	(902,082)	8,675,903	259,632,080
Governmental Activities Capital Assets, Net	\$ 555,904,607	\$ 8,847,379	\$ (1,133,022)	\$ 5,720,648	\$ 569,339,612

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Business-Type Activities					
Capital Assets not Being Depreciated:					
Land	\$ 3,480,357	\$ -	\$ -	\$ -	\$ 3,480,357
Construction/Purchase in Progress	3,191,286	127,182	-	(2,725,852)	592,616
Total not Being Depreciated	6,671,643	127,182	-	(2,725,852)	4,072,973
Capital Assets Being Depreciated:					
Buildings	2,806,998	-	-	-	2,806,998
Equipment and Purchased Software	6,517,830	545,076	(941,729)	-	6,121,177
Improvements other than Building	13,298,269	-	-	2,725,852	16,024,121
Total Being Depreciated	22,623,097	545,076	(941,729)	2,725,852	24,952,296
Less Accumulated Depreciation for:					
Buildings	(1,873,825)	(73,647)	-	-	(1,947,472)
Equipment and Purchased Software	(4,131,310)	(499,081)	852,287	-	(3,778,104)
Improvements other than Building	(11,373,475)	(233,298)	-	-	(11,606,773)
Total Accumulated Depreciation	(17,378,610)	(806,026)	852,287	-	(17,332,349)
Total Being Depreciated, Net	5,244,487	(260,950)	(89,442)	2,725,852	7,619,947
Total Business-Type Capital Assets, Net	\$ 11,916,130	\$ (133,768)	\$ (89,442)	\$ -	\$ 11,692,920

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	\$ 1,859,640
Community Service	450,300
Corrections	2,404,498
Courts	1,181,430
Culture and Recreation	786,151
Emergency Services	1,230,850
Environmental Services	131,756
Growth Management	38,115
Law Enforcement	2,553,733
Solid Waste Disposal	18,266
Transportation (Includes County Infrastructure)	10,749,764
Capital Assets Held by the Governments' Internal Service Funds are Charged to the Various Functions Based on their Usage of the Assets	1,737,109
Total Depreciation Expense - Governmental Activities	\$ 23,141,612

Business-Type Activities:

Codes Enforcement	\$ 12,459
Solid Waste Disposal	793,567
Total Depreciation Expense - Business-Type Activities	\$ 806,026

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 7 - Interfund Receivables, Payables and Transfers

A. Interfund Balances

Interfund balances as of September 30, 2020, consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Interfund Balances		
Governmental Funds:		
General Fund	\$ 12,749,567	\$ 1,878,871
MSTU Law Enforcement	358,226	-
MSBU Fire Protection	56,970	10,213
Gas Tax Uses	-	115
COVID-19 Relief	-	7,698,781
Emergency Services	219,641	2,098,492
Other Special Revenue	13	-
Transportation Trust	175	1,509,000
Other Governmental Funds	<u>392,367</u>	<u>2,003,582</u>
Total Governmental Funds	<u>13,776,959</u>	<u>15,199,054</u>
Proprietary Funds:		
Solid Waste System	188,747	435
Codes Enforcement	-	-
Internal Service Funds	<u>1,233,783</u>	<u>-</u>
Total Interfund Balances	<u>\$ 15,199,489</u>	<u>\$ 15,199,489</u>

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

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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B. Interfund Transfers

Interfund transfers for the year ended September 30, 2020, consisted of the following:

	<u>Transfers from Other Funds</u>	<u>Transfers to Other Funds</u>
Interfund Transfers		
Governmental Funds:		
General Fund	\$ 51,179,236	\$ 10,580,599
MSTU Law Enforcement	354,188	23,914,602
MSTU Fire Protection	1,118,892	966,452
Gas Tax Uses	3,116,101	-
COVID-19 Relief	-	14,316,914
Emergency Services	7,080,810	12,480,597
Other Special Revenue	503,190	-
Transportation Trust	4,671,215	211,120
Other Governmental Funds	<u>7,400,480</u>	<u>13,141,471</u>
Total Governmental Funds	<u>75,424,112</u>	<u>75,611,755</u>
Proprietary Funds:		
Business-Type Activities:		
Solid Waste System	8,747	-
Codes Enforcement	-	317,953
Internal Service Funds	<u>496,849</u>	<u>-</u>
Total Interfund Transfers	<u>\$ 75,929,708</u>	<u>\$ 75,929,708</u>

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

Note 8 - Long-Term Obligations

A. Long-Term Obligations

Long-term obligations (excluding accrued compensated absences and estimated self-insured losses) at September 30, 2020 are composed of the following:

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Primary Government

Notes Payable:

\$9,900,000 2014 Public Improvement revenue bank loan, due in annual installments of \$999,000 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.	\$ 5,206,000
\$3,800,000 2015 A Capital Improvement Draw-down bank loan, due in annual installments of \$375,000 to \$419,000 through 2026, interest of 2.250%.	
<u>Revenue Source</u> – a pledge of the County’s State Court Facilities Surcharge.	2,380,000
\$12,637,000 2015B Public Improvement Revenue Refunding bank loan, due in annual installments of \$1,311,000 to \$1,502,000 through 2027, interest of 2.250%.	
<u>Revenue Source</u> – a pledge of the County’s portion of the Half Cent Sales Tax.	9,834,000
\$24,430,000 2016 Public Improvement Revenue Refunding bank loan, due in annual installments of \$735,000 to \$3,370,000 through 2030, interest of 1.890%.	
<u>Revenue Source</u> – a pledge of the County’s portion of the Half Cent Sales Tax.	12,920,000
\$10,385,000 2016 Gas Tax Refunding bank loan, due in annual installments of \$1,064,000 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.	2,129,000
\$2,120,000 2017 Public Improvement Drawdown bank loan, due in annual installments of \$106,000 to \$125,000 through 2027, interest of 2.740%.	
<u>Revenue Source</u> – a pledge to the County’s portion of the Half Cent Sales Tax.	1,510,000
\$3,791,000 2017 Capital Improvement Revenue Refunding bank loan, due in installments of \$639,000 to \$665,000 through 2023, interest of 2.050%.	
<u>Revenue Source</u> – a pledge of the County’s Non-Ad Valorem revenues.	1,956,000
\$13,200,000 2018 Local Option Gas Tax Drawdown bank loan, due in annual installments of \$1,530,000 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.	11,715,000
\$3,750,000 2020 A Capital Improvement Revenue bank loan, due in annual installments of \$330,000 to \$400,000 through 2030, interest of 1.380%.	
<u>Revenue Source</u> – a pledge of the County’s Non-Ad Valorem revenues.	3,750,000
\$4,400,000 2020 B Capital Improvement Revenue bank loan, due in annual installments of \$460,000 to \$515,000 through 2030, interest of 1.410%.	
<u>Revenue Source</u> – a pledge of the County’s Non-Ad Valorem revenues.	50,001
\$12,500,000 2020 C Capital Improvement Revenue bank loan, due in annual installments of \$1,310,000 to 1,470,000 through 2030, interest of 1.450%.	
<u>Revenue Source</u> – a pledge of the County’s Non-Ad Valorem revenues.	<u>1,000,000</u>

Total Notes Payable	<u>\$ 52,450,001</u>
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ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

B. Debt Service Requirements to Maturity

Debt service to maturity on the County's debt at September 30, 2020, is as follows:

Fiscal Year	Notes Payable and Capital Lease Payable		Total Principal and Interest
	Principal	Interest	
2021	\$ 10,833,000	\$ 1,291,745	\$ 12,124,745
2022	9,975,001	1,109,473	11,084,474
2023	6,422,000	910,385	7,332,385
2024	5,877,000	733,994	6,610,994
2025	6,025,000	567,882	6,592,882
2026-2030	13,318,000	950,439	14,268,439
Total	\$ 52,450,001	\$ 5,563,918	\$ 58,013,919

C. Changes in Long-Term Obligations

Changes in long-term obligations for the year ended September 30, 2020, are as summarized as follows:

	Balance October 1, 2019	Increases	Decreases	Balance September 30, 2020	Due Within One Year
Long-Term Obligations					
Governmental Activities:					
Notes Payables	\$ 53,983,000	\$ 8,760,001	\$ (10,293,000)	\$ 52,450,001	\$ 10,833,000
Capital Leases	-	1,237,300	(253,754)	983,546	242,621
Estimated Liability - Self Insured Losses	6,061,170	22,454,394	(21,583,205)	6,932,359	2,520,985
Net OPEB Liability	10,703,896	1,243	-	10,705,139	-
Net Pension Liability	185,662,779	36,809,326	-	222,472,105	384,601
Accrued Compensated Absences	16,712,410	11,862,155	(9,454,855)	19,119,710	6,363,167
Total Governmental Activities	273,123,255	81,124,419	(41,584,814)	312,662,860	20,344,374
Business-Type Activities:					
Accrued Compensated Absences	471,504	298,741	(282,224)	488,021	48,803
Net OPEB Liability	563,363	65	-	563,428	-
Net Pension Liability	3,859,830	6,667,530	-	10,527,360	18,199
Accrued Landfill Closure Cost	3,879,933	-	(258,941)	3,620,992	317,554
Total Business-Type Activities	8,774,630	6,966,336	(541,165)	15,199,801	384,556
Total Long-Term Obligations	\$ 281,897,885	\$ 88,090,755	\$ (42,125,979)	\$ 327,862,661	\$ 20,728,930

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, \$309,806 of internal service funds compensated absences, \$5,682,891 of net pension, and \$225,371 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.

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D. Summary of Revenue Notes Payable

The following is a summary of government resolutions pertaining to debt reflected in the September 30, 2020, 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 9/30/20	\$5,206,000	\$9,834,000	\$12,920,000	\$1,510,000
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	\$1,097,026	\$1,519,710	\$3,532,254	\$255,717
% of required Debt Svc to total pledged revenue source	52.77%			

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Name	\$10,385,000 Gas Tax Revenue Refunding Note, Series 2016	\$13,200,000 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, 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	August 22, 2018	April 23, 2015
Final maturity	August 1, 2021	August 1, 2027	November 1, 2025
Principal payment date	February 1st and August 1st	August 1st	November 1st
Interest payment dates	February 1st and August 1st	February 1st and August 1st	November 1st and May 1st
Interest rates	1.33%	2.98%	2.25%
Outstanding Principal at 9/30/20	\$2,129,000	\$11,715,000	\$2,380,000
Reserve requirement	\$0	\$0	\$0
Pledged revenue source	Constitutional Gas Tax, County Gas Tax, and Ninth Cent Gas Tax.	Five Cent Local Option Gas Tax	Court Facilities Fees per Section 318.18(13)(A), Florida Statutes
Total debt svc payment	\$2,153,296	\$1,809,522	\$424,679
% of required Debt Svc to total pledged revenue source	39.84%	68.44%	98.90%

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Name	\$3,750,000 Capital Improvement Revenue Note, Series 2020A	\$4,400,000 Capital Improvement Revenue Note, Series 2020B	\$12,500,000 Capital Improvement Revenue Note, Series 2020C
Purpose	To provide funds for the acquisition for lease to and housing the County medical examiner and costs of issuance.	To provide funds for the acquisition and construction of a branch office for the Alachua County Tax Collector and costs of issuance.	To provide funds for the acquisition and construction of an equestrian center and appurtenant improvements and costs of issuance.
Dated	August 27, 2020	August 27, 2020	August 27, 2020
Final maturity	August 1, 2030	August 1, 2030	August 1, 2030
Principal payment date	August 1st	August 1st	August 1st
Interest payment dates	February 1st and August 1st	February 1st and August 1st	February 1st and August 1st
Interest rates	1.38%	1.41%	1.45%
Outstanding Principal at 9/30/20	\$3,750,000	\$50,001	\$1,000,000
Reserve requirement	\$0	\$0	\$0
Pledged revenue source	Covenant to budget and appropriate.	Covenant to budget and appropriate.	Covenant to budget and appropriate.
Total debt svc payment	\$0	\$0	\$0
% of required Debt Svc to total pledged revenue source	N/A		

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

ALACHUA COUNTY, FLORIDA
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the financed property and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance.

There is no obligation on the part of the County, the State, or any political subdivision for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2020, there were seventeen series of Health Facility Revenue Bonds outstanding, with an aggregate principal amount payable of \$1,032,026,948, one series of Industrial Development Bonds outstanding, with an aggregate principal amount payable of \$2,848,100, and six series of Housing Finance Authority Multi-family Housing Bonds, with an aggregate principal amount payable of \$46,375,000.

G. Landfill Post-Closure Care Obligation

The County's Southwest Landfill's liability for fiscal year 2020 is \$2,874,251, a decrease of \$208,882 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 \$746,741, a decrease of \$50,059 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, 2020, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	8.34%	1.66%
Special Risk	22.79%	1.66%
Senior Management Service Class	25.63%	1.66%
Elected Officials	47.52%	1.66%
DROP from FRS	15.32%	1.66%

The County's contributions for the year ended September 30, 2020, were \$15,055,465 to the FRS and \$1,831,729 to the HIS.

Pension Liabilities and Pension Expense

At September 30, 2020, the County reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2020. The total pension liabilities for the FRS Pension Plan and HIS Program were determined by an actuarial valuation dated July 1, 2020. 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, 2020	\$ 194,366,422	\$ 38,633,043	\$ 232,999,465
Proportion at:			
September 30, 2020	0.4485%	0.3164%	0.7649%
September 30, 2019	0.4483%	0.3140%	0.7623%
Pension Expense (Benefit), Year Ended			
September 30, 2020	\$ 41,539,768	\$ 3,399,896	\$ 44,939,664

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Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, 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	\$ 7,438,798	\$ -	\$ 1,580,326	\$ (29,803)	\$ 9,019,124	\$ (29,803)
Changes of Assumptions	35,186,503	-	4,154,152	(2,246,363)	39,340,655	(2,246,363)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	11,572,764	-	30,845	-	11,603,609	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	4,176,916	(2,488,064)	1,400,763	(598,161)	5,577,679	(3,086,225)
Employer Contributions Subsequent to the Measurement Date	3,593,441	-	426,223	-	4,019,664	-
Total	\$ 61,968,422	\$ (2,488,064)	\$ 7,592,309	\$ (2,874,327)	\$ 69,560,731	\$ (5,362,391)

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>
2021	\$ 12,143,973	\$ 1,179,330
2022	17,594,032	883,742
2023	14,747,196	297,586
2024	9,042,853	591,059
2025	2,358,866	784,026
Thereafter	-	556,018
Total	\$ 55,886,920	\$ 4,291,761

Actuarial Assumptions

The pension liability for each of the defined benefit plans was measured as of June 30, 2020. The total pension liability for the FRS Pension Plan and HIS Program was determined by an actuarial valuation dated July 1, 2020. Both plans use the entry age normal actuarial cost method and the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary Increases	3.25%	3.25%
Discount Rate	6.80%	2.21%
Investment Rate of Return	6.80%	N/A

Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study that was completed for the period July 1, 2008, through June 30, 2013.

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The following changes in actuarial assumptions occurred in 2020:

- FRS—The long-term expected investment rate of return and the discount rate used to determine the total pension liability decreased from 6.90% to 6.80%.
- HIS—The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.50% to 2.21%.

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.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.00%	2.20%	2.20%
Fixed Income	19.00%	3.00%	2.90%
Global Equity	54.20%	8.00%	6.70%
Real Estate (Property)	10.30%	6.40%	5.80%
Private Equity	11.10%	10.80%	8.10%
Strategic Investments	4.40%	5.50%	5.30%
	<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 2.4%. The 6.8% 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 2.21% 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		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)	1% Increase (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Employer's Proportionate Share of the Net Pension Liability	\$ 310,370,511	\$ 194,366,422	\$ 97,479,302	\$ 44,658,074	\$ 38,633,043	\$ 33,701,573

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, 2020, totaled \$989,847.

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, 2020, was \$1,386,653. Actual contributions to the OPEB Plan from the County were \$1,157,000 for the year ended September 30, 2020. County retiree plan members receiving benefits contributed to pay-as-you-go financing through their required contributions of \$645.38 per month for retiree-only coverage, \$1,542.74 per month for retiree and spouse coverage and \$2,174.90 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, 2020, the County reported a liability of \$11,268,567 for its proportionate share of the net OPEB liability. The net OPEB liability was determined by a simplified actuarial valuation as of September 30, 2020. 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, 2020, the County's proportion of net OPEB liability was 91.69%.

For the year ended September 30, 2020, the County recognized OPEB expense of \$1,287,321. At September 30, 2020, 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	\$ -	\$ (244,603)
Changes of Assumptions or Other Inputs	869,094	(40,239)
Net Difference Between Projected and Actual Investments	-	(6,741)
Total	<u>\$ 869,094</u>	<u>\$ (291,583)</u>

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 54,222
2022	69,340
2023	70,494
2024	61,818
2025	65,654
Thereafter	255,983
Total	<u>\$ 577,511</u>

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Actuarial Methods and Assumptions – The total OPEB liability in the September 30, 2020, 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	2.0%
Projected Annual Salaries Increase	3.5%
Investment Rate of Return	8.09%, 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	14.50%	2.92%
Core Plus Fixed Income	14.40%	2.00%
Diversified Large Cap	34.6%	12.71%
Core Real Estate	9.1%	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 8.09%. 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 (7.09%) or 1 percent point higher (9.09%) than the current discount rate:

	<u>1% Decrease (7.09%)</u>	<u>Current Discount Rate (8.09%)</u>	<u>1% Increase (9.09%)</u>
Net OPEB Liability	\$ 12,426,000	\$ 11,268,567	\$ 10,267,000

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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	\$ 10,914,000	\$ 11,268,567	\$ 11,670,000

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 Hours	240 Hours	1,000 Hours
56 Hours/Week (Hired Before March 31, 2011)	336 Hours	336 Hours	1,400 Hours
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 \$19,119,710 on the Statement of Net Position for Governmental Activities and \$488,021 for Business-Type Activities. 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 \$19,500. There is an "age 50 catch-up" provision that allows an additional \$6,500 contribution from the year the employee reaches age 50 until the employee terminates employment.

E. Component Units Employment

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

Note 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, 2020 projecting to September 30, 2020, and the prior year as of July 31, 2019 projecting to September 30, 2019:

<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>
2019	\$ 4,920,639	\$ 1,124,468	\$ (1,308,939)	\$ 4,736,168
2020	4,736,168	1,484,185	(523,657)	5,696,696

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For fiscal year 2020, 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 \$15,035,033 at September 30, 2020.

The claims liability reported in the fund at September 30, 2020, for the employee group health insurance plan was \$1,235,663. 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 2020, changes recorded to the claims liability for the employee group health insurance plan were as follows:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2019	\$ 1,345,459	\$ 22,015,234	\$ (22,035,691)	\$ 1,325,002
2020	1,325,002	20,970,209	(21,059,548)	1,235,663

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020, the following was charged:

Indirect Cost Charged	Fund	Project Name
	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
32,485	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>1,147,604</u>	Governmental Funds	
	Enterprise Funds	
255,870	Solid Waste	Solid Waste System
63,128	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>526,255</u>	Enterprise Funds	
	Internal Service Funds	
68,000	Self Insurance	Self Insurance Fund
131,571	Fleet Management	Fleet Management Fund
48,023	Telephone Services	Telephone Services
<u>247,594</u>	Internal Service Funds	
<u>\$ 1,921,453</u>	Total Indirect Cost	

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

For fiscal year 2020, Codes Enforcement had an unexpected increase of \$1.7 million in their pro-rata share of net pension liability. After posting the year-end entries to record pension expense, the Codes Enforcement fund exceeded total appropriations by \$76,066. This has been corrected in FY2021 and beyond by increasing the estimated budget needed to account for future potential increases in pension expense.

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, 2020, under cancelable leases are summarized as follows:

<u>Fund Charged</u>	<u>Amount</u>
General Fund	\$ 623,866
Special Revenue Funds	271,695
Enterprise Fund	20,364
Internal Service Funds	<u>63,748</u>
Total	<u>\$ 979,673</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

- (c) The Tax Collector is leasing various equipment under renewable annual operating leases. During the year ended September 30, 2020, the lease payments on all operating leases were \$16,664. 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, 2020, the lease payments on all data transport service leases were \$31,025. The Tax Collector also has a ten-year renewable lease agreement for a Tag Office on Archer Road. During the year ended September 30, 2020, lease payments for office space totaled \$203,767.

Future minimum lease payments for non-cancellable operating leases for the Tax Collector as of September 30, 2020, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 258,095
2022	270,484
2023	256,997
2024	242,048
2025	242,048
2026-2030	<u>219,073</u>
Total	<u>\$ 1,488,745</u>

- (d) The Sheriff is leasing equipment and office space under leases, which are cancelable under certain circumstances. During the fiscal year ended September 30, 2020, the lease payments on all operating leases amounted to approximately \$164,309.
- (2) Operating Leases – The County leases the following property to private companies under renewable annual operating leases:

	<u>Lease Amount</u>
Operating Leases for Fiscal Year 2020	
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 2559 NE 18 th Terrace, paying rental payments in the amount of \$5,318.13.	61,683
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 \$1,959,864 accumulated depreciation resulting in a \$3,208,068 carrying value.	167,453
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 \$92,006 resulting in a \$186,565 carrying value. The cost of the land is \$10,210.	<u>120</u>
Total Operating Leases	<u>\$ 230,456</u>

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

- (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>
2021	\$ 224,700
2022	64,928
2023	64,808
2024	64,808
2025	64,808
Total	\$ 484,052

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

- (5) As of September 30, 2020, the County had significant encumbrances in the following funds:

<u>Fund</u>	<u>Amount</u>
Other Special Revenue	1,015,404
Transportation Trust	612,034
Other Governmental Funds	741,234
Internal Service Funds	587,016
Total	\$ 2,955,688

- (6) Other significant outstanding contracts at September 30, 2020, are as follows:

<u>Amount</u>	<u>Vendor Name</u>	<u>Description</u>
\$ 4,962,245	VE Whitehurst	SW 8 th Ave Connector
3,864,283	Ajax Building Corporation	AG Equestrian Construction Services
1,130,181	Watson Construction Company LLC	NW 32nd /TSTR
660,000	CITY OF GAINESVILLE	Wild Spaces & Public Places Grant
599,336	Akimeka LLC	Akimeka (E911)
512,740	KIMLEY-HORN AND ASSOC INC	NW 23rd Ave Reconst/TFLE
483,329	Bliss Products & Services	Squirrel Ridge WSPP Pla & Amenities
392,046	Joyner Construction Partners, LLC	Joyner - JTC Drainage Work & Resure
356,127	Meridian Behavioral Healthcare, Inc.	Meridian - CABHI
351,645	City of Newberry	Wild Spaces & Public Places Grant
332,000	Avison Young - Property Management	Avison Young-Professional Svc Agreement
331,366	De La Parte & Gilbert PA	Legal Rep Proposal HPIL Phosphate Mine
300,000	City of Waldo	Wild Spaces & Public Places Grant
224,532	Alan Jay Chevrolet Cadillac Inc.	2020 Chevy Silverado
173,285	Core & Main LP	AG Equestrian Construction Services
159,148	American Lighting and Signalization, LLC	SR26 NW 122nd St
156,577	CDW Government, Inc.	HP Workstation
155,419	Jones Edmunds and Assoc, Inc.	TS Repairs
143,966	Hartman Civil Construction Company	SW 24th Ave
141,855	Kail Partners	Arena/Equestrian Ctr at the Fair Grounds
140,818	VE WHITEHURST	NW 43RD Street Resurfacing
140,711	Alan Jay Chevrolet Cadillac, Inc.	2020 Ram 5500

ALACHUA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Amount	Vendor Name	Description
\$ 134,614	Gainesville Sports Organizing	GSC Admin
132,433	Jbrown Professional Group, Inc.	Vetsmem Impr A&E
128,000	Leesburg Concrete Co, Inc.	Poe Springs Dry Restroom
127,500	Gainesville Regional Utilities	SW 8th Ave Project
126,289	Town of Lacrosse	Wild Spaces & Public Places Grant
122,900	Environmental Consulting	Newnans Lake Improvement Initiative
103,280	Univ. of FI Board of Trustees	UF/WC + WA Research
103,075	Kessler Consulting, Inc.	Kessler Consulting - Professional Services

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, 2020, 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.

The Children's Trust of Alachua County is a related organization of Alachua County. The County Attorney provides legal services and the Clerk provides accounting and treasury services to the Children's Trust of Alachua County. One of the Alachua County Board of County Commissioners serves on the Children's Trust Board.



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, 2020

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 127,825,087	\$ 127,825,087	\$ 129,922,456	\$ 2,097,369
Permits and Fees	176,949	176,949	427,700	250,751
Intergovernmental	7,585,015	7,940,427	8,119,949	179,522
Charges for Services	23,563,661	24,875,220	20,993,231	(3,881,989)
Fines and Forfeitures	7,500	7,500	16,978	9,478
Investment Income	803,500	1,103,793	2,419,754	1,315,961
Miscellaneous	2,221,459	2,335,053	2,424,571	89,518
Total Revenue	162,183,171	164,264,029	164,324,639	60,610
Expenditures				
Current:				
General Government	39,932,279	41,736,019	37,504,615	4,231,404
Public Safety	109,554,589	116,871,511	107,923,336	8,948,175
Physical Environment	3,336,219	3,496,955	3,098,811	398,144
Transportation	2,482,875	2,508,982	2,190,841	318,141
Economic Environment	7,620,735	7,985,309	7,216,650	768,659
Human Services	15,187,520	16,352,984	14,353,575	1,999,409
Culture and Recreation	2,623,793	2,621,205	1,799,027	822,178
Court Cost	13,817,991	14,439,549	10,654,834	3,784,715
Reserve for Contingency	7,190,877	3,375,226	-	3,375,226
Debt Service:				
Principal	-	253,754	253,754	-
Interest	-	3,802	3,801	1
Capital Outlay	3,769,697	8,105,572	6,375,998	1,729,574
(Total Expenditures)	205,516,575	217,750,868	191,375,242	26,375,626
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,333,404)	(53,486,839)	(27,050,603)	26,436,236
Other Financing Sources (Uses)				
Transfers in	41,296,354	44,137,240	51,179,236	7,041,996
Transfers (out)	(12,284,485)	(13,284,047)	(10,580,599)	2,703,448
Capital Lease	-	1,237,300	1,237,300	-
Sale of Capital Assets	-	69,540	75,109	5,569
Total Other Financing Sources and (Uses)	29,011,869	32,160,033	41,911,046	9,751,013
Net Change in Fund Balances	(14,321,535)	(21,326,806)	14,860,443	36,187,249
Fund Balances - Beginning of Year	14,321,535	21,326,806	39,925,760	18,598,954
Fund Balances - End of Year	\$ -	\$ -	\$ 54,786,203	\$ 54,786,203



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, 2020

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 21,288,771	\$ 21,288,771	\$ 22,738,750	\$ 1,449,979
Intergovernmental	-	-	30,921	30,921
Charges for Services	1,539,702	1,539,702	1,756,899	217,197
Fines and Forfeitures	-	-	62	62
Investment Income	20,000	20,000	124,165	104,165
Miscellaneous	-	-	5,562	5,562
Total Revenues	22,848,473	22,848,473	24,656,359	1,807,886
Expenditures				
Current:				
General Government	442,146	442,146	456,637	(14,491)
Public Safety	139,203	139,203	173,168	(33,965)
Reserve for Contingency	1,459,131	1,100,056	-	1,100,056
(Total Expenditures)	2,040,480	1,681,405	629,805	1,051,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,807,993	21,167,068	24,026,554	2,859,486
Other Financing Sources (Uses)				
Transfers in	-	-	354,188	354,188
Transfers (out)	(21,266,120)	(21,899,902)	(23,914,602)	(2,014,700)
Total Other Financing Sources and (Uses)	(21,266,120)	(21,899,902)	(23,560,414)	(1,660,512)
Net Change in Fund Balances	(458,127)	(732,834)	466,140	1,198,974
Fund Balances - Beginning of Year	458,127	732,834	2,074,817	1,341,983
Fund Balances - End of Year	\$ -	\$ -	\$ 2,540,957	\$ 2,540,957



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, 2020

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 5,109,724	\$ 5,109,724	\$ 5,752,403	\$ 642,679
Permits and Fees	3,800	3,800	5,730	1,930
Intergovernmental	23,750	23,750	38,152	14,402
Charges for Services	77,000	77,000	116,187	39,187
Investment Income	24,496	24,496	237,895	213,399
Special Assessments and Impact Fees	13,140,756	13,140,756	13,562,843	422,087
Miscellaneous	-	9,275	5,352	(3,923)
Total Revenues	18,379,526	18,388,801	19,718,562	1,329,761
Expenditures				
Current:				
General Government	275,774	302,274	298,131	4,143
Public Safety	17,066,889	17,186,748	17,233,263	(46,515)
Reserve for Contingency	846,427	1,082,977	-	1,082,977
Capital Outlay	456,400	456,947	8,269	448,678
(Total Expenditures)	18,645,490	19,028,946	17,539,663	1,489,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,964)	(640,145)	2,178,899	2,819,044
Other Financing Sources (Uses)				
Transfers in	673,505	673,505	1,118,892	445,387
Transfers (out)	(1,002,557)	(783,114)	(966,452)	(183,338)
Total Other Financing Sources and (Uses)	(329,052)	(109,609)	152,440	262,049
Net Change in Fund Balances	(595,016)	(749,754)	2,331,339	3,081,093
Fund Balances - Beginning of Year	595,016	749,754	3,443,805	2,694,051
Fund Balances - End of Year	\$ -	\$ -	\$ 5,775,144	\$ 5,775,144



ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GAS TAX USES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 3,938,407	\$ 3,938,407	\$ 3,604,955	\$ (333,452)
Intergovernmental	89,134	89,134	90,156	1,022
Charges for Services	952,482	1,106,795	810,581	(296,214)
Miscellaneous	9,400	9,400	9,207	(193)
Total Revenues	4,989,423	5,143,736	4,514,899	(628,837)
Expenditures				
Current:				
Physical Environment	165,290	165,290	189,621	(24,331)
Transportation	9,280,652	9,682,148	9,002,363	679,785
Reserve for Contingency	755,704	1,807,750	-	1,807,750
Capital Outlay	42,000	212,000	18,257	193,743
(Total Expenditures)	10,243,646	11,867,188	9,210,241	2,656,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,254,223)	(6,723,452)	(4,695,342)	2,028,110
Other Financing Sources (Uses)				
Transfers in	3,624,372	4,421,922	3,116,101	(1,305,821)
Total Other Financing Sources and (Uses)	3,624,372	4,421,922	3,116,101	(1,305,821)
Net Change in Fund Balances	(1,629,851)	(2,301,530)	(1,579,241)	722,289
Fund Balances - Beginning of Year	1,629,851	2,301,530	5,031,899	2,730,369
Fund Balances - End of Year	\$ -	\$ -	\$ 3,452,658	\$ 3,452,658



ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COVID RELIEF FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ -	\$ 47,645,963	\$ 21,385,845	\$ (26,260,118)
Investment Income	-	-	2,028	2,028
Total Revenues	-	47,645,963	21,387,873	(26,258,090)
Expenditures				
Current:				
Public Safety	-	43,301,579	7,339,708	35,961,871
Reserve for Contingency	-	660,000	-	660,000
Capital Outlay	-	56,180	49,701	6,479
(Total Expenditures)	-	44,017,759	7,389,409	36,628,350
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	3,628,204	13,998,464	10,370,260
Other Financing Sources (Uses)				
Transfers (out)		(3,628,204)	(14,316,914)	(10,688,710)
Total Other Financing Sources and (Uses)	-	(3,628,204)	(14,316,914)	(10,688,710)
Net Change in Fund Balances	-	-	(318,450)	(318,450)
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	\$ -	\$ (318,450)	\$ (318,450)



ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
EMERGENCY SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 6,722,952	\$ 8,077,465	\$ 6,069,938	\$ (2,007,527)
Charges for Services	340,000	340,000	4,630,077	4,290,077
Fines and Forfeitures	255,000	255,000	224,677	(30,323)
Investment Income	8,500	8,500	40,008	31,508
Miscellaneous	-	-	22	22
Total Revenues	<u>7,326,452</u>	<u>8,680,965</u>	<u>10,964,722</u>	<u>2,283,757</u>
Expenditures				
Current:				
Public Safety	2,514,968	3,748,487	2,440,784	1,307,703
Reserve for Contingency	3,537,600	3,502,588	-	3,502,588
Capital Outlay	125,336	2,324,066	610,530	1,713,536
(Total Expenditures)	<u>6,177,904</u>	<u>9,575,141</u>	<u>3,051,314</u>	<u>6,523,827</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,148,548</u>	<u>(894,176)</u>	<u>7,913,408</u>	<u>8,807,584</u>
Other Financing Sources (Uses)				
Transfers in	4,760,245	5,629,165	7,080,810	1,451,645
Transfers (out)	(9,461,236)	(8,992,316)	(12,480,597)	(3,488,281)
Total Other Financing Sources and (Uses)	<u>(4,700,991)</u>	<u>(3,363,151)</u>	<u>(5,399,787)</u>	<u>(2,036,636)</u>
Net Change in Fund Balances	<u>(3,552,443)</u>	<u>(4,257,327)</u>	<u>2,513,621</u>	<u>6,770,948</u>
Fund Balances - Beginning of Year	<u>3,552,443</u>	<u>4,257,327</u>	<u>4,227,405</u>	<u>(29,922)</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,741,026</u>	<u>\$ 6,741,026</u>



ALACHUA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER SPECIAL REVENUE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 9,200,000	\$ 12,000,000	\$ 11,771,585	\$ (228,415)
Intergovernmental	12,500	12,500	1,259,637	1,247,137
Charges for Services	-	-	71,012	71,012
Investment Income	-	175,000	554,991	379,991
Special Assessments and Impact Fees	100,000	100,000	9,011	(90,989)
Private Donations	34,200	377,377	31,841	(345,536)
Miscellaneous	27,000	27,000	105,101	78,101
Total Revenues	9,373,700	12,691,877	13,803,178	1,111,301
Expenditures				
Current:				
General Government	13,100	15,379	10,441	4,938
Public Safety	20,500	58,062	3,921	54,141
Physical Environment	823,073	1,820,094	646,073	1,174,021
Transportation	170,000	522,228	132,634	389,594
Economic Environment	31,849	7,913	2,020	5,893
Human Services	144,179	260,120	41,953	218,167
Culture and Recreation	766,284	7,721,726	341,726	7,380,000
Court Cost	35,665	77,687	14,191	63,496
Reserve for Contingency	-	36,451	-	36,451
Capital Outlay	9,917,032	20,593,724	8,416,890	12,176,834
(Total Expenditures)	11,921,682	31,113,384	9,609,849	21,503,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,547,982)	(18,421,507)	4,193,329	22,614,836
Other Financing Sources (Uses)				
Transfers in	135,000	23,126	503,190	480,064
Sale of Capital Assets	-	-	165	165
Total Other Financing Sources and (Uses)	135,000	23,126	503,355	480,229
Net Change in Fund Balances	(2,412,982)	(18,398,381)	4,696,684	23,095,065
Fund Balances - Beginning of Year	2,412,982	18,398,381	25,242,120	6,843,739
Fund Balances - End of Year	\$ -	\$ -	\$ 29,938,804	\$ 29,938,804



ALACHUA COUNTY, FLORIDA
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 102.

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)	2020	2019
Employer's Proportion of the Net Pension Liability (Asset)	0.4485%	0.4483%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 194,366,422	\$ 154,392,629
Employer's Covered Payroll	\$ 109,838,373	\$ 105,026,446
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	176.96%	147.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85%	82.61%
Health Insurance Subsidy Program (HIS)	2020	2019
Employer's Proportion of the Net Pension Liability (Asset)	0.3164%	0.3140%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 38,663,043	\$ 35,129,980
Employer's Covered Payroll	\$ 109,838,373	\$ 105,026,446
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	35.20%	33.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.00%	2.63%

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.

2018	2017	2016	2015
0.4336%	0.4424%	0.4537%	0.4195%
\$ 130,597,638	\$ 130,867,792	\$ 114,570,141	\$ 54,186,620
\$ 100,634,157	\$ 98,696,032	\$ 95,821,390	\$ 93,030,476

129.77% 132.60% 119.57% 58.25%

84.26% 83.89% 84.88% 92.00%

2018	2017	2016	2015
0.3056%	0.3059%	0.3115%	0.3066%
\$ 32,345,317	\$ 32,705,219	\$ 36,308,569	\$ 31,272,836
\$ 100,634,157	\$ 98,696,032	\$ 95,821,390	\$ 93,030,476

32.14% 33.14% 37.89% 33.62%

2.15% 1.64% 0.97% 0.50%

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

Florida Retirement System	2020	2019
Contractually Required Contribution	\$ 15,055,465	\$ 14,169,842
Contributions in Relation to the Contractually Required Contribution	<u>(15,055,465)</u>	<u>(14,169,842)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 110,345,120	\$ 106,296,506
Contributions as a Percentage of Covered Payroll	13.64%	13.33%
Health Insurance Subsidy Program	2020	2019
Contractually Required Contribution	\$ 1,831,729	\$ 1,764,522
Contributions in Relation to the Contractually Required Contribution	<u>(1,831,729)</u>	<u>(1,764,522)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 110,345,120	\$ 106,296,506
Contributions as a Percentage of Covered Payroll	1.66%	1.66%

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.

2018	2017	2016	2015
\$ 12,666,345	\$ 11,362,020	\$ 11,165,807	\$ 10,454,040
(12,666,345)	(11,362,020)	(11,165,807)	(10,454,040)
\$ -	\$ -	\$ -	\$ -
\$ 101,137,327	\$ 100,065,414	\$ 97,150,888	\$ 94,321,250
12.52%	11.35%	11.49%	11.08%

2018	2017	2016	2015
\$ 1,670,527	\$ 1,608,047	\$ 1,571,486	\$ 1,282,771
(1,670,527)	(1,608,047)	(1,571,486)	(1,282,771)
\$ -	\$ -	\$ -	\$ -
\$ 101,137,327	\$ 100,065,414	\$ 97,150,888	\$ 94,321,250
1.65%	1.61%	1.62%	1.36%

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 *

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's Proportion of the Net OPEB Liability	91.69%	91.23%	89.04%	88.76%
County's Proportionate Share of the				
Net OPEB Liability	\$ 11,268,567	\$ 11,267,259	\$ 10,768,000	\$ 9,794,589
Plan Fiduciary Net Position as a Percentage				
of the Total OPEB Liability	14.38%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 1,386,653	\$ 1,047,899	\$ 1,118,497	\$ 1,149,010
Contributions in Relation to the				
Contractually Required Contribution	<u>1,157,000</u>	<u>1,021,000</u>	<u>995,000</u>	<u>1,039,000</u>
Contribution Deficiency (Excess)	<u>\$ 229,653</u>	<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, 2020

Federal/State Agency, Pass-Through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
Department of Housing and Urban Development					
Passed Through FL Department of Economic Opportunity: Community Development Block Grant	14.228	18DB-OM-03-11-01-H 03	\$ 26,019		
Department of Justice					
Direct Program: Coronavirus Emergency Supplemental Funding Program: First Responder PPE & Supplies COVID-19 Response	16.034	2020-VD-BX-0841	130,054		
Passed Through Florida Office of Attorney General: VOCA - Crime Victim Assistance	16.575	VOCA-2019-Alachua County Victim Ser-00032	223,809		
VOCA - Crime Victim Assistance	16.575	VOCA-2019-Alachua County Victim Ser-00001	195,389		
		16.575 Total	419,198		
Passed Through Florida Council Against Sexual Violence: STOP Violence Against Women Grant	16.588	18STO65	62,492		
STOP Violence Against Women Grant	16.588	20STO65	18,103		
		16.588 Total	80,595		
Passed Through City of Gainesville: Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program: A Coordinated Community Response to Preventing	16.590	2015-WE-AX-0033	61,561	<1>	\$ 61,561
Direct Program: State Criminal Alien Assistance Program	16.606	2020-AP-BX-0722	51,547		
Direct Program: Bulletproof Vest Grant	16.607	N/A	6,152		
Passed Through Florida Department of Law Enforcement: Edward Byrne Memorial Justice Assistance Grant Program: Law Enforcement Equipment Grant	16.738	2019-JAGC-ALAC-3-N2-058	22,165		
Law Enforcement Equipment Grant	16.738	2020-JAGC-ALAC-2-Y5-117	24,669		
Passed Through City of Gainesville: 2017 Local JAG Grant	16.738	2017-DJ-BX-0930	6,500	<1>	6,500
2019 Local JAG Grant	16.738	2019-DJ-BX-0845	14,117	<1>	14,117
Byrne Direct JAG-C Grant	16.738	2019-DJ-BX-0845	14,350	<2>	14,350
Byrne Direct JAG-B Grant	16.738	2018-DJ-BX-0799	1,815	<2>	1,815
		16.738 Total	83,616		36,782
Direct Program: Criminal and Juvenile Justice and Mental Health Collaboration Program: Alachua County JMH Collaboration Project	16.745	2017-MO-BX-0027	67,411		
Direct Program: Equitable Sharing	16.922	N/A	589,594		
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	3,834		
SW 170th St - Safe Routes Sidewalk	20.205	FPN: 433357-2-58-01; 4333757-2-68-02	70,889		
CR 235/NW 94th Ave - Intersection Improv	20.205	FPN: 439500-1-38-02	805		
CR 235/NW 94th Ave - Intersection Improv	20.205	FPN: 439500-1-58-01; 439500-1-68-02	582		
CR329/SE Williston Rd - Intersection Improv	20.205	FPN: 439498-1-58-01; 439498-1-68-02	1,402		
CR241 - Fr Levy C/L to S. of Archer - Widen/Resurface	20.205	FPN: 439499-1-58-01; 439499-1-68-01	662		
SW 20th Ave - Sidewalk	20.205	FPN: 441218-1-38-01, 441218-1-58-01, & 441218-1-68-02	1,437		
NE 53rd/Animal Services Dr - Intersection Improv	20.205	FPN: 441219-1-38-02, 441219-1-58-01, & 441219-1-68-02	1,259		
Newberry Lane/CR235 - Intersection Improv	20.205	FPN: 443252-1-38-02	526		
Poe Springs Road - Multi-Use Trail	20.205	FPN: 433990-2-38-02, 433990-2-58-01, 433990-2-68-02	1,109,409		
		20.205 Total	1,190,805		
Department of Treasury					
Direct Program: Equitable Sharing	21.016	N/A	74,356		
Passed Through Division of Emergency Management Coronavirus Relief Fund	21.019	Y2273	21,446,146		
Environmental Protection Agency					
Passed Through Department of Environmental Protection: Non-Point Source Implementation Grants: Fertilizer Social Marketing Campaign and Load Reduction	66.460	NF033	29,919		

ALACHUA COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
(Continued)

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. Election Assistance Commission</u>					
<i>Passed Through Florida Division of Elections:</i>					
Help America Vote Act Requirements Payments:					
Pollworker Assistance 05/06	90.401	N/A	\$ 24,023		
Pollworker Assistance 06/07	90.401	N/A	9,395		
FY14/15 Federal Election Activities	90.401	MOA # 2014-2015-0001-ALA	17,251		
FY16/17 Federal Election Activities	90.401	MOA # 2016-2017-0001-ALA	25,335		
FY17/18 Federal Election Activities	90.401	MOA # 2017-2018-0001-ALA	23,667		
FY18/19 Federal Election Activities	90.401	MOA # 2018-2019-0003-ALA	27,844		
HAVA Elections Security Grant	90.401	MOA # 2018-2019-0001	73		
		90.401 Total	127,588		
Help America Vote Act Election Security Grants:					
Coronavirus Aid, Relief & Economic Security Act	90.404	MOA # 2020-00-ALA	160,087		
Federal Election Cybersecurity Initiatives	90.404	MOA # 2019-2020-0001-ALA	13,569		
		90.404 Total	173,656		
<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	338,663		
<i>Passed Through Florida Department of Children and Families:</i>					
Temporary Assistance for Needy Families:					
Metamorphosis FY19-20	93.558	LS020	2,239	<3>	
<i>Passed Through Florida Department of Revenue:</i>					
Child Support Enforcement	93.563	COC01	237,556	<4>	
Child Support Enforcement	93.563	CSS72	27,984		
		93.563 Total	265,540		
<i>Passed Through Florida Department of Children and Families:</i>					
Block Grants for Prevention and Treatment of Substance Abuse:					
Metamorphosis FY19-20	93.959	LS020	100,205	<3>	
Metamorphosis FY20-21	93.959	ME020	26,755	<3>	
		93.959 Total	126,960		
<u>Corporation for National and Community Service</u>					
<i>Direct Program:</i>					
Foster Grandparent Program 4/19 - 3/22	94.011	19SFSFL002 , year 1 of grant agreement	213,035		
Foster Grandparent Program 4/19 - 3/22	94.011	19SFSFL002 , year 2 of grant agreement	139,176		
		94.011 Total	352,211		
<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	92,471	<5>	\$ 92,471
<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 Irma	97.036	Z0609 / DR4337	115,674	<6>	
<i>Passed Through Florida Division of State Fire Marshall:</i>					
Disaster Grants - Public Assistance					
(Presidentially Declared Disasters):					
Public Assistance Hurricane Dorian	97.036	DR-4468 EOC Mission 0894; 01-026-19	11,223		
		97.036 Total	126,897		
<i>Passed Through Florida Division of Emergency Management:</i>					
EMPG Fed Grant 7/19-6/20	97.042	G0010	77,035		
EMPG Fed Grant 7/20-6/21	97.042	G0089	34,271		
		97.042 Total	111,306		
<i>Passed Through Florida Division of Emergency Management:</i>					
Homeland Security Grant Program:					
FY18 SHSGP Issues 9 & 15	97.067	19-D5-01-03-11-01-185	49,618		
FY19 SHSGP Issues 8 & 11	97.067	R0010	31,608		
FY18 SHSGP Issues 17 - MARC	97.067	19-D5-01-03-11-01-306	144,584		
FY19 SHSGP Issues 18 & 19 - MARC	97.067	SHSGP FY19 R0027	84,336		
		97.067 Total	310,146		
<i>Direct Program:</i>					
SAFER Grant	97.083	EMW-2016-FH-00608	402,214		
TOTAL FEDERAL AWARDS			\$ 26,686,864	\$ -	\$ 190,814

ALACHUA COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
(Continued)

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 Assistance (EMPA) Grant 7/19-6/20	31.063	A0008	\$ 66,887		
Emergency Management Preparedness and Assistance Assistance (EMPA) Grant 7/20-6/21	31.063	A0122	27,115		
		31.063 Total	94,002		
Emergency Management Projects:					
Hazardous Materials Planning & Prevention Program	31.067	19-CP-11-03-11-01-232	57,328		
<u>Florida Department of Environmental Protection</u>					
<i>Direct Program:</i>					
Cooperative Waste Collection Center Grant	37.007	HW001 - Baker County	14,728		
	37.007	HW001 - Bradford County	16,974		
	37.007	HW001 - Gilchrist County	19,850		
	37.007	HW001 - Lafayette County	13,043		
	37.007	HW001 - Nassau County	20,678		
	37.007	HW001 - Union County	13,634		
		37.007 Total	98,907		
Statewide Surface Water Restoration and Wastewater Projects:					
Watershed Monitoring Program	37.039	MN002	8,010		
Newnans Lake Improvement Phase II	37.039	LP01121	33,800		
		37.039 Total	41,810		
Florida Springs Grant Program:					
Habitat Restoration through Aerations & Revegetation at Hornsby Spring	37.052	LP6103F	45,730		
Florida Communities Trust (FL Forever Funded Grant Program):					
Serenola Forest Acquisition	37.078	F1919/18-019-FF19	1,254,006		
<i>Passed Through St. Johns River Water Management District:</i>					
Alternative Water Supplies:					
Alachua County Turf Swap	37.100	19/20-190 (FDEP WS003)	47,868	<7>	\$ 47,868
<u>Florida Housing Finance Corporation</u>					
<i>Direct Program:</i>					
SHIP 17/18	40.901	N/A	272,184		
SHIP 18/19	40.901	N/A	111,811		
SHIP 19/20	40.901	N/A	200		
<i>Passed Through City of Gainesville:</i>					
SHIP 17/18	40.901	N/A	24,006	<1>	24,006
		40.901 Total	408,201		24,006
<u>Florida Department of Legal Affairs and Attorney General</u>					
<i>Passed Through Florida Council Against Sexual Violence:</i>					
Florida Council Against Sexual Violence 7/19-6/20	41.010	19OAG17	11,771		
Florida Council Against Sexual Violence 7/20-6/21	41.010	20OAG17	12,205		
		41.010 Total	23,976		
<u>Department of Agriculture and Consumer Services</u>					
<i>Direct Program:</i>					
Agriculture Education and Promotional Facility:					
UF/IFAS Extension Services Facility-Construction Award	42.047	26363	400,000		
<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-90210-0D001/TAPS 20A096	58,014		
<u>Florida Department of Transportation</u>					
<i>Direct Program:</i>					
County Incentive Grant Program:					
CIGP NW 23rd Ave Design/Right of Way	55.008	FPN: 444233-1-54-01	182,671		
SW 20th Ave/61st St Intersection Improvements	55.008	FPN: 433898-1-58-01	196,698		
		55.008 Total	379,369		
<i>Direct Program:</i>					
Florida Shared-Use Nonmotorized (SUN) Trail Network Program:					
SunTrail on Tower Road	55.038	FPN: 439933-2-54-01	687		
<u>Department of Children and Families</u>					
<i>Passed Through Meridian Behavioral Services:</i>					
Criminal Justice, Mental Health, and Substance Abuse	60.115	N/A	52,906	<8>	52,906

ALACHUA COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
(Concluded)

Federal/State Agency, Pass-Through Entity, Federal Program/State Project	CFDA CSFA No.	Contract/Grant Number	Expenditures	Transfer to Subrecipients	Received as Subrecipients
Florida Department of Health					
<i>Direct Program:</i>					
EMS County Grant Program - EMS Trust Fund	64.005	C7001	\$ 15,995		
EMS County Grant Program - EMS Trust Fund	64.005	C8001	52,948		
		64.005 Total	68,943		
<i>Passed Through Florida Council Against Sexual Violence:</i>					
Rape Crisis Program Trust Fund SFY19/20	64.061	16TFGR17	25,922		
Rape Crisis Program Trust Fund SFY20/21	64.061	16TFGR17	2,242		
		64.061 Total	28,164		
Rape Crisis Center - General Revenue - SFY19/20	64.069	16TFGR17	40,979		
Rape Crisis Center - General Revenue - SFY20/21	64.069	16TFGR17	20,107		
		64.069 Total	61,086		
Department of Management Services					
<i>Direct Program:</i>					
Prepaid Next Generation 911 State Grant Program: NG-911 Spring 2020 Grant	72.003	S15-20-06-01	31,544		
Department of Highway Safety and Motor Vehicles					
<i>Direct Program:</i>					
Florida Arts License Plates Project	76.041	N/A	370		
<i>Passed Through Fish & Wildlife Foundation of Florida:</i>					
Protect Florida Springs License Plates:					
Aquifer Awareness Education Campaign	76.103	PFS 20-07	10,000	<9>	\$ 10,000
Poe Springs Aquatic Habitat Enhancement & Outreach	76.103	PFS 1920-07	9,176	<9>	9,176
		76.103 Total	19,176		19,176
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 3,172,087</u>	<u>\$ -</u>	<u>\$ 143,956</u>

Notes

- < 1 > Alachua County is a sub-recipient from the City of Gainesville.
- < 2 > Alachua County Sheriff's Office is a sub-recipient from the City of Gainesville.
- < 3 > Grant is split between federal programs 93.558, 93.958, and 93.959, and state matching for federal award.
- < 4 > Amount reported includes \$16,338 for Title IV-D hearing rooms.
- < 5 > Alachua County Sheriff's office is a sub-recipient from St. Johns County Sheriff.
- < 6 > All FEMA expenditures reported for Hurricane Irma were incurred in a prior fiscal year.
- < 7 > Alachua County is a sub-recipient from St. Johns River Water Management District.
- < 8 > Alachua County Sheriff's Office is a sub-recipient from Meridian Behavioral Services.
- < 9 > Alachua County is a sub-recipient from Fish & Wildlife Foundation of Florida.
- < 10 > The County has not elected to use the 10-percent de minimum indirect cost rate allowed under the uniform guidance.
- < 11 > The County does not participate in any loan or loan guarantee programs.
- < 12 > 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the report of the Property Appraiser as 2020-01. 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.

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**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 financial statements. 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.



June 11, 2021
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, 2020. 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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**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, 2020.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



June 11, 2021
Gainesville, Florida

ALACHUA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Summary of Auditor's Results

Financial Statements

1. The independent auditor's report expresses an unmodified opinion on the financial statements of the governmental activities, business-type activities, each major fund, and the remaining fund information of Alachua County, Florida (the County). A disclaimer of opinion was issued on the County's aggregate discretely presented component units due to the financial information of a component unit being unavailable at the time of issuance of the County's financial statements.
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 disclosed no significant deficiencies and/or material weaknesses in internal control over major federal programs or state projects that are required to be report 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 no findings that are required to be reported in accordance with the Uniform Guidance and 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>
Coronavirus Relief Fund (CARES Act)	21.019
Highway Planning and Construction	20.205
 State Projects	 <u>CSFA No.</u>
Florida Communities Trust	37.078
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, 2020**

Findings and Questioned Costs for Major Federal Programs and State Projects

The audit disclosed no findings for major federal programs and state projects to be reported under the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Status of Prior Audit Findings

The 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* have been corrected.

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, 2020, 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, 2020.

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.



June 11, 2021
Gainesville, Florida

**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, 2020, 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, 2020.

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.



June 11, 2021
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, 2020, and have issued our report thereon dated June 11, 2021. As described in our independent auditor's report, we issued an unmodified opinion on the financial statements of the governmental activities, business-type activities, each major fund, and the remaining fund information of Alachua County, Florida (the County). We issued a disclaimer of opinion on the County's aggregate discretely presented component units due to the unavailability of a component unit's financial information.

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 June 11, 2021, 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.

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MANAGEMENT LETTER

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.

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 note a special district component unit (CareerSource of North Central Florida – CSNCF) that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. The financial statements of CSNCF have not been audited, and we were not engaged to audit the CSNCF financial statements as part of our audit of the County's basic financial statements. CSNCF's financial activities are not included in the County's basic financial statements as a discretely presented component unit as the financial information were not available as of the issuance date of the County's financial statements.

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.

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

MANAGEMENT LETTER

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.



June 11, 2021
Gainesville, Florida

ALACHUA COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FEDERAL PROGRAMS AND STATE PROJECTS
Fiscal Year Ended September 30, 2020

**PRIOR AUDIT FINDINGS and QUESTIONED COSTS –
MAJOR FEDERAL PROGRAMS**

Finding

Number

2019-002

Prior Audit Finding

(U.S. Department of Homeland Security)
(CFDA 97.036 Disaster Grants – Public Assistance – Hurricane Irma)
(Passed Through Florida Division of Emergency Management)

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.

Auditor's Recommendation: We recommend that management review their policies and procedures over grant reimbursement requests, and adjust if necessary.

Current Status: Corrective action has been taken.