# Financial Policy Financial Management

Resolution Number 2026-
Effective for the FY26 and FY27 Budget 06/02/26
This Financial Policy supersedes and replaces any previous versions.

## FINANCIAL MANAGEMENT

**Purpose: To** establish the framework for the County's overall financial planning and management.

**Policy:** To show the citizens, credit rating industry and prospective investors (bond buyers) the County's commitment to sound financial management and fiscal integrity. To improve the County's fiscal stability by helping County officials plan fiscal strategy in a consistent manner.

**Procedure:**

**1.** Financial Goals

**A.** To maintain the financial viability of the County to ensure adequate levels of County services.

**B.** To maintain financial flexibility to continually adapt to local and regional economic and demographic changes.

**C.** To maintain and enhance public infrastructure to provide for the health, safety, and welfare of the County's citizens.

**2.** Inter-fund Loan Policy –

Inter-fund Loan Policy is intended to provide parameters and guidance for the management of loans between funds. Inter-fund loans may be necessary to provide adequate cash flow for reimbursable grants, and pre debt issue expenditures, and contractual obligations with deferred revenues.

**A.** Repayment of any loan shall not exceed one year without approval of the Board of County Commissioners. Loans outstanding at fiscal year-end will be reported to the Board of County Commissioners.

**B.** Any fund may receive an interfund loan of up to and including $5,000,000 with approval from the Clerk of the Courts, Finance Director, and the Assistant County Manager for Budget and Fiscal Services or County Manager.

**C.** Any fund may receive an interfund loan in excess of $5,000,000 with the approval from the Board of County Commissioners.

**D.** Due to the receipts of ad-valorem taxes not being sufficiently received until the end of November, the County may not have sufficient cash to maintain an adequate cash flow in the beginning of the fiscal year. Therefore, upon the approval from the Clerk of the Courts-Finance Director, Assistant County Manager for Budget and Fiscal Services, and the County Manager or County Manager's designee, the

General Fund, MSTU for Law Enforcement and MSBU – Fire Service Funds may borrow, short-term, from other appropriate funds until the receipts of ad-valorem tax or special assessment revenue provide adequate cash flow. In no instance, without approval of the Board of County Commissioners, shall the loan remain unpaid past December 31 of the year the loan is made.

**3.** Replacement Funds

**A.** An E-911 Equipment Replacement Reserve shall be maintained in the Emergency Communications E-911 System Fund to ensure adequate resources are available for the replacement and/or upgrade of equipment at the primary and back-up PSAP's (Public Safety Answering Point) as allowed by Florida Statute 365.172. Annual contributions will be made in accordance with Florida Statute. 365.173 which restricts the amount of E-911 carryover revenues.

**B. County Housing Apartments Capital Replacement Reserve**

The County owns and operates 3 Housing Apartments, East Tumblin Creek, Forest Edge and Sunrise Apartments. A County Housing Apartment Reserve shall be maintained to provide funding for the replacement, renovation, rehabilitation, upgrade, and major repair of County-owned housing and related infrastructure.

Annual contributions for long-term capital replacement reserve may be funded from revenues generated from the apartment's operations or the Alachua County Housing Trust fund.

Eligible expenditures may include, but are not limited to:

- Roof replacement and structural repairs;
- HVAC, plumbing, electrical, and mechanical system replacements;
- Exterior and building envelope improvements;
- Accessibility, code compliance, and life-safety upgrades;
- Energy efficiency and resiliency improvements;
- Renovation or replacement of County-owned housing units and support facilities;
- Security systems, technology infrastructure, and emergency systems;
- Parking lots, sidewalks, fencing, and related site improvements; and
- Other capital improvements approved by the Board of County Commissioners.

Annual reserve contributions should consider:

- Asset condition assessments;
- Useful life and replacement schedules;
- Capital improvement planning projections;
- Estimated future replacement costs;
- Industry best practices for reserve funding; and
- County financial capacity and budget priorities.

### C. Sports and Event Center Capital Replacement Reserve

A Sports and Event Center Capital Replacement Reserve shall be maintained to provide funding for the replacement, renovation, upgrade, and major repair of County-owned Sports and Event center and related capital assets.

Eligible expenditures may include, but are not limited to:

- Playing surfaces, courts, turf, and field lighting;
- Seating, bleachers, scoreboards, and audio/visual systems;
- Roofing, HVAC, plumbing, electrical, and mechanical systems;
- Locker rooms, concession areas, restrooms, and public amenities;
- Parking areas, pedestrian access, landscaping, and related infrastructure;
- Technology, security, and communications systems;
- Americans with Disabilities Act (ADA) compliance improvements;
- Facility modernization projects; and
- Other capital improvements approved by the Board of County Commissioners.

Annual contributions for long-term capital replacement may be funded from revenues generated by the sports and event center, permissible tourism development revenues, grants, sponsorships, or other Board-approved funding sources directly related to the facility and its operations.

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### D. General Reserve Administration

All replacement reserve funds shall:

- Be separately accounted for within the County's financial system;
- Be used only for authorized capital replacement, rehabilitation, renovation, or upgrade purposes;
- Be incorporated into the County's long-range capital improvement planning process;
- Be reviewed periodically to ensure reserve levels remain adequate based on projected replacement needs, inflation, and asset conditions; and
- Include an annual contribution of no less than $100,000 for each apartment and the Sports Event Center to support long-term financial stability and future capital replacement needs;
- Require the development and monitoring of a corrective funding plan intended to replenish reserve balances within three to five fiscal years if reserve funds are depleted or otherwise fall below desired levels;
- Be subject to approval by the Board of County Commissioners through the annual budget or capital improvement process.

Reserve balances shall be accounted for and reported in accordance with applicable Governmental Accounting Standards Board (GASB) pronouncements and generally accepted accounting principles (GAAP).

Capital replacement reserves established by Board action shall be classified as assigned fund balance unless otherwise restricted by law or external legal requirements.

The County shall periodically evaluate reserve adequacy using asset lifecycle analyses, condition assessments, capital improvement forecasts, and long-term financial planning projections.

The Housing Apartment and Sports Event Center Capital Replacement Reserves will be incorporated into the County's Capital Budget and Financial Plan.

**4.** Fund Balance

**A.** The County will report Fund Balance in accordance with Governmental Accounting Standards Board Statement No. 54 Fund Balance Reporting and Government Fund Type Definitions. Each financial reporting fund's Fund Balance shall be composed of non-spendable, restricted, committed, assigned, and unassigned amounts.

**B.** The unassigned plus assigned fund balance for the MSTU Law Enforcement and MSBU Fire Funds, at each fiscal year end, shall not be less than 5% of the following year's projected operating revenue and the unassigned plus assigned fund balance of the General Fund shall be 10%. In any fiscal year where the County is unable to maintain the minimum fund balance as required in this section, the County will modify appropriations during the following year to reestablish the minimum amount by the end of the next fiscal year-end. The County shall not appropriate any amounts of such fund balance for the purpose of balancing the budget until the minimum is reached.

**5.** Reporting and Audits

**A.** Balanced revenue and expenditure forecasts will be prepared to examine the County's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements.

**B.** The County's accounting and financial reporting systems will be maintained in conformance with all state, federal and local laws, and generally accepted accounting principles as required in Florida Statute Chapters 129 and 200.

**C.** An annual audit will be performed by an independent public accounting firm, as required by Florida Statute. The results of the audit will be reported to the Board of County Commissioners and the audit opinion included in the County's Annual Comprehensive Financial Report.

**D.** The Clerk's Office will be asked to submit the Annual Comprehensive Financial Report to the Government Finance Officers Association (GFOA)'s Certificate of Achievement for Excellence in Financial Reporting Program.

**E.** The Office of Management and Budget will submit the County's Budget to the GFOA's Distinguished Budget Presentation Program.

**F.** Financial information including the Annual Comprehensive Financial Report and the Budget will be published on the Clerk's and County's websites, respectively.

**G.** Secondary market disclosures will be included in the Annual Comprehensive Financial Report.

**H.** The Office of Management and Budget will perform quarterly reviews to determine if the budgetary plan is being followed and if budgetary expectations are being achieved. Any problems discovered in this process will be corrected at the appropriate level of budgetary control.

**I.** Property control shall be applied to all assets valued at the level required by State Statute 274 and Florida Administrative Code 69I-73 and has been delegated to the Clerk to determine, the current minimum monetary threshold for capitalization and the item shall be tagged and identified by asset number when appropriate. Each item is physically identified and assessed as to its condition at least once per fiscal year.

**J.** Travel reimbursement will be in accordance with administrative procedures adopted in compliance with Florida Statute 112.061 (14).

**6.** Annexation

**A.** The Office of Management and Budget will be responsible for providing the County's Annexation Team with a fiscal analysis of the impact related to proposed annexations. The analysis will be performed, upon receiving a request from the Annexation Team, using the following criteria:

**I.** Unincorporated area population reduction between 1% and 3%- base analysis.

**II.** Unincorporated area taxable property value reduction between 1% and 3% - base analysis.

**III.** Unincorporated area population reduction greater than 3% - countywide analysis.

**IV.** Unincorporated area taxable property value reduction greater than 3% - countywide analysis.

**B.** A base analysis will include projections for all major revenues and expenditures that are impacted by unincorporated area population changes. A report on the base analysis will be sent to the Annexation Team within 5 business days of the request.

**C.** A countywide analysis will include a base analysis as well as a review by all departments of service delivery impacts in the area being annexed. A report on the countywide analysis will be sent to the Annexation Team within 30 days of the receipt of the request. A review checklist sent to all departments will be completed and returned within 14 days. OMB will also analyze the fiscal impact of annexations related to Constitutional Offices.

**D.** The Annexation Team has the discretion of requesting an analysis from OMB for annexations that do not meet the criteria listed above. Such requests may be used to address annexations that fall below the 1% thresholds or to address the cumulative impact of annexations over a certain time period.

**AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS**

History:
Resolution 22-06 Dated 10/01/2019
Resolution 23-08 Dated 02/28/2023
Resolution 24-15 Dated 03/12/2024
Resolution 25-11 Dated 04/01/2025
Resolution 25- Dated 08/14/2025
Resolution 26- Dated 06/02/2026